
REPORT FOR: CABINET

Date of Meeting:	10 December 2015
Subject:	Revenue and Capital Monitoring for Quarter 2 as at 30 September 2015
Key Decision:	No
Responsible Officer:	Dawn Calvert, 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 Summary (Directorates) as at 30 September 2015 Appendix 2 – MTFS 2015/16 to 2018/19 Savings Tracker Appendix 3 - Debt Management 2015/16 Appendix 4 – Capital Programme as at 30 September 2015

Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital monitoring position as at Quarter 2 2015/16 (30 September 2015).

Recommendations:

1. That Cabinet note the revenue and capital forecast positions detailed in this report as at Quarter 2 2015/16.
2. That Cabinet approves additions to the capital programme of externally funded spend in paragraph 154 and 155, in respect of an addition to the TfL funded Local Implementation Plan and an increase in the budget for Grants to Move.

Reason: (For recommendation)

To report the 2015/16 forecast financial position as at 30 September 2015.

Section 2 – Report

INTRODUCTION

1. The net forecast position at Quarter 2 on Revenue is for an overspend of £1.303m on Directorate budgets, which is after allowing for mitigating actions of £2.837m. This £1.303m reduces to nil after assumed use of contingency of £0.665m and £0.638m of savings on central budgets.
2. The net forecast position on General Fund capital at Quarter 2 is for it to be under budget by £27.358m, comprising of slippage of £25.700m and underspends of £1.658m. The forecast for HRA Capital is for spend to be under budget of £11.233m, comprising of slippage of £10.635m and underspends of £0.598m.

REVENUE MONITORING

3. The Quarter 2 forecast indicates a directorate overspend of £4.140m. Mitigating actions have been identified of £2.837m which reduce the directorate overspend to £1.303m. Corporate savings of 0.638m have been identified and these taken together with an assumed use of the corporate contingency of £0.665m enable a balanced position to be achieved. The achievement of a balanced position includes one-off savings of £4m, mainly the use of reserves and directorates continue to seek further on-going mitigating actions.
4. Cabinet agreed in year savings of £2.468m in July for implementation with immediate effect. The savings were agreed to contribute £1m each to reserves for Welfare Reform/ Homelessness and for Commercialisation and £468k to the MTFs implementation reserve. The variances now reported allow for these savings being achieved in

full. Table 1 below summarises the Quarter 2 revenue position and Appendix 1 provides more detail:

Table 1: Revenue Monitoring – Quarter 2 2015/16

	Revised Budget	Forecast Outturn	Quarter 2 Variance	Mitigating Actions	Variance at Q2 After Mitigation	Variance	Quarter 1 Variance	Movement Q1 to Q2
	£000	£000	£000	£000	£000	%	£000	£000
Resources & Commercial	20,436	20,393	(43)	0	(43)	(0.2%)	(62)	19
Community	46,492	49,312	2,820	(1,968)	852	6.1%	3,203	(2,351)
People	101,350	102,313	963	(869)	94	1.0%	1,099	(1,005)
Regeneration	3,236	3,136	(100)	0	(100)	(3.1%)	(14)	(86)
Business Support	2,106	2,606	500	0	500	23.7%	573	(73)
Total Directorates	173,620	177,760	4,140	(2,837)	1,303	2.4%	4,799	(3,496)
Corporate Items	(7,487)	(8,125)	(638)		(638)	8.5%	0	(638)
Corporate Contingency	1,248	583	(665)		(665)		(1,248)	583
Total Budget Requirement	167,381	170,218	2,837	(2,837)	0	1.7%	3,551	(3,551)

RESOURCES & COMMERCIAL

5. At Quarter 2, Resources and Commercial is forecast to underspend by (£43k), a reduction in the forecast underspend of (19k) when compared to quarter 1.
6. There have been a number of reasons for the net movement of (£19k) between quarter 1 and 2 are listed below:

Underspends

7. Unapplied accrual in Community Lettings (£41k).
8. Vacancy freeze in HR and other non-staffing budgets that will not be utilised this year (£110K).
9. Reduction in expected spends of moving ICT equipment from Capita's site to Harrow (£76k).
10. Further underspend on printing budget that will not be needed this year (£94k).
11. Increase in income from service level of agreement with schools will result in further underspend of (£41k).
12. Within the Business transformation project team, because of the delay in the delivery of Wi-Fi and share point, secondment and capitalisation, there will be a staffing underspends of (£140k).
13. There is an underspend on holding vacancy that will not be recruited to this year within the Business Intelligence team (62k).
14. The above underspends are largely offset by:

Overspends

15. The new initiative at DWP, specifically Real Time Information Bulk Data exercise (RTI) has resulted in a higher than normal increase in the raising of Housing Benefit overpayment debts which unfortunately is increasing the overpayments figures and adds further pressure to the already reported bad debt provision. At quarter 1 this was reported as £250k but the latest forecast is for the overspend to be £450k.

16. Relocation of Telephony, Framework-i and other IT equipment from its current location to the civic centre will result in an additional £215k payment to Capita.
17. Extra staffing resource within the Revenue and Benefit team in order to reduce housing benefit case load and performance which will in turn reduce the call waiting time £80k.
18. A change to the way debit card transaction charges are calculated from 12p per transaction to 0.363% of transaction value will result in an overspend of £101k.
19. The Occupational Health MTFs saving of £100k will only be partly met due to the Government's fit for work scheme being delayed until October 2015, this will result in a budget pressure of £50k.

The overspends above are offset by underspends as follows:

20. Additional administrative grant for the Real Time Information Bulk Data exercise (RTI) (£30k)
21. Land Registry MTFs growth that is not required this year due to a delay in the implementation of the service transfer from local authorities (£225k).
22. Unapplied supplies and services inflation (£72k).
23. Other underspends in Director of Resources of (£35k)

COMMUNITY DIRECTORATE

24. At Quarter 2 the Community Directorate is forecasting an overspend of £0.852m compared to Quarter 1, a reduction in overspend of £2.351m.

Environment & Commissioning

25. At Quarter 2 Environment & Commissioning are reporting a projected underspend of £25k, compared to an overspend of £0.917m at Quarter 1. Although there is a net underspend at quarter 2, it includes overspends offset by additional one off income/funding.
26. The main overspend relates to an amber rated MTFs saving associated with the changes of garden and food waste collection system. A separate food waste collection service will commence in October 15. It is anticipated that this will result in an increase in recycling tonnage on food waste and will yield a part year saving on disposal costs. However the full 15/16 saving will not be achieved due to the decision to delay the implementation of garden waste charging until 1st April 2016 which leads to a pressure of around £850K this year.
27. The other significant over spend relates to route optimisation. The original saving anticipated in previous MTFs was £600k in total. A full review on waste collection routes has been undertaken, and revised

routings were implemented in January 15. The review, however, confirms that the actual efficiencies are less than those assumed in the original model as part of PRISM project. This has led to an unachieved saving of £353k.

The principal movements from Quarter 1 to Quarter 2 relate to:

- £0.788m Income in relation to Harrow's one third share of the surplus on Breakspear Crematorium, including a one-off £0.6m backdated receipt relating to prior years.
 - A one-off drawdown of the Business Risk reserve funding in relation to WLWA, £218k.
 - £100k One-off income in Corporate Estates.
28. Of the £4.632m 15/16 MTFS savings, there is a red rated saving of £375k relating to the review of car parking charges to deal with capacity issues. The pressure is being contained by a forecast over achievement of other parking income.

Culture

29. Community and Culture are reporting a projected overspend of £102k against a controllable budget of £2.422m. This is a £182k improvement since Quarter 1.

Overspends

30. There is a £200k projected net overspend on Harrow Arts Centre. This adverse variance is due to pressures in achieving additional income targets and savings against salaries. A number of staff have been on long term sickness leave and cover for this is increasing salaries costs and making savings more difficult to achieve. The pressure on income targets is due to a reduction of longer term room hire bookings due to uncertainty around the Arts Centre in 2014-15 and electronic booking system failures. This remains a risk and will continue to be closely monitored.
31. There is a forecast net overspend of £32k on Libraries and Leisure. The MTFS saving against libraries had been predicated on the basis of closing 4 libraries. However, timescales over the closing of the libraries were delayed, and finalising negotiations with the contractor regarding the level of the saving has led to delays in realising the saving. The pressure in a full year is being mitigated by a reduction in the book and repairs and maintenance funds. Additional mitigation is being provided by first month of libraries remaining open being funded centrally.

Underspends

32. £130k improving position in Arts and Heritage (Music Service) due to forecast additional grant income from Arts Council and additional income from the delivery of music lessons.
33. The overall improvement between Quarters 1 and 2 is due to is due to an improving position in Arts and Heritage, as described above in paragraph 32.

Housing General Fund

34. The reported pressure at Quarter 2 is £0.775m, an improvement against Quarter 1 of £1.227m. The main reasons for the improvement are:
- A one-off drawdown of £1m against the Welfare / Homelessness reserve.
 - Review of charges to the HRA giving a one-off saving of £90k.
 - Review of staff time capitalised against regeneration projects giving a one-off saving of £51k.
 - There has also been a reduction of households in Bed & Breakfast combined with clarity around set up costs of the Council's Private Lettings Agency and split of officer time against HRA, both resulting in reduced pressure for Housing General Fund.

In summary, the pressure mainly comprises:

35. Bed & Breakfast accommodation ("B&B") - £1.172m pressure
In 2014-15 the average number of households in B&B was 142 at an average cost of £219.88, net of Housing Benefit ("HB"). This number was 153 at the end of the financial year.
36. As at 4th October the number of households in B&B stood at 227 and the budget holder estimates an average of 218 households for 2015-16 at any one time, costing an average £199.92 per week net of HB. This equates to estimated net expenditure of £2.204m against a budget of £1.032m yielding a pressure of £1.172m.
37. Private Sector Leasing ("PSL") - £136k pressure
38. In 2014-15 the average number of households in PSL was 277 yielding a surplus of £58.65 per week per household, net of housing benefit.
39. As at 4th October the number of households in PSL stood at 305, although this number is expected to stand at 365 at the end of the financial year assuming four new agreements are acquired every week and the majority of agreements coming to an end are extended. This produces an average of 317 PSL agreements at any one time and although the current average surplus generated is £46.01 the forecast assumes this will reduce to £35.00 per week given the higher rent payments required to private landlords. These assumptions indicate an estimated surplus of £0.576m against a budget of £0.712m yielding a pressure of £136k, and as it becomes more difficult to procure new leases, rents offered to new owners are increasing, reducing the surplus to cover administration and management costs.
40. Discretionary Housing Payments ("DHP") - £400k pressure
In 2014-15 £1.138m was allocated to the service which was insufficient. The allocation for 2015-16 has been reduced by some 40% to £677k. A process of prioritising DHP payments benefitting the General Fund has been agreed with Revenues & Benefits section with payments to Council tenants funded from the HRA. A pressure is expected despite this.

41. **Bad Debt provision – £146k pressure**
Provision for bad debts at close 2014-15 was £358k. Write offs of £27k have since been approved, including charges for utilities from 2009 at Anmer Lodge as the contractor has gone into liquidation. Financial circumstances of majority of households in temporary accommodation requires a regular review of debtors. This now indicates a further contribution of £196k is required against a budget of £50k.
42. **Other, Housing Needs - £8k pressure, relating to staffing costs which indicates the early saving of £18k is partially achieved.**
43. **Other GF services - £4k pressure**
Agency costs which are expected to be substantially funded from Chief Executive Transformation Fund and Private Lettings Agency, assuming work ends on these projects December 2015.
44. **Resident Services – £22k pressure**
Relates to management costs to ensure compliance with applicable legislation.
45. **Harrow Stay Put - £30k pressure**
Pressure relates to agency cover for sickness. Costs of £68k incurred in respect of the Green Deal Energy Efficiency scheme are expected to be fully funded by grant from the Department of Energy & Climate Change.

Housing Revenue Account

46. The forecast outturn shows a capacity of £84k, a deterioration of £59k against Quarter 1 resulting from valuation losses on garages.
47. The forecast outturn includes increased expenditure on the Affordable Housing programme and cyclical repairs offset by reduced depreciation charges of £321k relating to dwellings which are subject to redevelopment together with lower than expected interest payments.
48. Under current regulations valuation losses for HRA non-dwellings in excess of balances on the revaluation reserve are charged to revenue thereby having a direct impact on financial resources. Council Valuers have provided provisional valuations for HRA non dwellings and, based on these, valuation losses of £177k are expected relating to garages, which are included in the above estimates.

A summary of the HRA position is provided below which includes estimated balances.

HRA revenue balances £'000	Original budget	Revised Budget	Forecast outturn	Variation
Balance b/fwd	-4,395	-4,395	-4,585	-190
Net (surplus) deficit	-567	-601	-595	6
Balance c/fwd	-4,962	-4,996	-5,180	-184

PEOPLE DIRECTORATE

49. The People Directorate is forecasting an overspend of £94k at Quarter 2 as detailed below. This is an improvement of £1.005m since Quarter 1 when the projected overspend was £1.099m.

ADULT SERVICES

50. Adults is forecasting an overspend of £0.649m at Quarter 2, compared to £0.634m at Quarter 1. However, to respond to the overall corporate pressures, a recovery plan has been developed, which identifies potential mitigating one-off actions of £0.595m. If these mitigations can be achieved, and without any corresponding increased care costs which generally arise during the winter months, the year-end position would reduce the overspend to £54K by March 2016.
51. The majority of Adults budgets are demand led and the Council has a statutory duty to meet vulnerable adults' needs. It is therefore challenging to strike a balance between safeguarding adults against harm and abuse and simultaneously balancing the budgets.
52. Consistent with last year the Adults directorate has an underlying pressure. This pressure is in the region of £1.660m, however it is currently assumed that this will be offset by available capacity in the Care Act implementation funding of £1.011m (latest information suggests that Councils will keep the funding associated with phase 2 of the Care Act, however the distribution methodology has yet to be confirmed and at this stage it is not clear if this funding is ongoing).
53. There are a number of pressures across the directorate and the key variations are detailed below:
- £179K overspend relates to social care placements– this represents £1.402m purchasing pressures (£829k of which represents the acceptance of 21 OR cases) and has been offset by Care Act Funding of £1.011m and underspends on the Quality Assurance team of £212k (largely reflecting unfilled vacant posts).
 - £116k overspend relating to the Deprivation of Liberty Safeguards (DoLS) resulting in statutory requirements to carry out DoLS assessments by specific timescales and increased threshold for assessments. The total forecast for DoLS is £372k however this is offset by the DoLS grant of £104k and transfer of £152k from the annual growth allocation (this in turn reduces the funding available for new packages of care and increases the overspend being reported on the purchasing budget).
 - £197k overspend in relation to Mental Health – this reflects the Council's 50% risk share relating to S75 agreement with Central North West London Hospitals Trust (CNWL) where an overspend of £394k is currently being forecast.

- £232k overspends across Provider Services - this overspend is relating to Meals on wheels services, challenges to the provision of transport within the available budget and in-house day and residential services.
54. The one-off management actions identified are detailed as follows:
- Training - limit training to mandatory provision only - £43k
 - Continue to review the agency spent within adults services - £61k
 - Purchasing - In year review and clawback of balances held by personal budget service users - £314k
 - Catering - Relocate service to Milmans - £39k
 - In House residential - reconfigured rotas for respite and review other staffing lines - £53k
 - Transport - Efficiencies from changes to existing routes - £84k one-off saving.
55. In addition to this forecast pressure there are a number of risks which may influence the forecast outturn position, which are detailed below and will be referenced in future.
- The situation at the hospitals is currently critical with Delayed Transfers of Care (DToC) at Central Middlesex Hospital and Northwick Park Hospital. There are extremely high expectations on social care to fully assist in reducing these DToCs and managing hospitals bed capacity. There have been daily teleconferences and NHS England is monitoring the situation. The Clinical Commissioning Group (CCG) continues to review the allocation for these interim beds and if these are reduced or the funding withdrawn on intermediate care beds, this will put a further pressure on the Adults purchasing budget. Adults services have been working closely with the health services as a whole system to ensure safe and timely discharges for our residents.
 - Continued increase in the number of frail older people (over 80) who need complex and substantial care packages and placements.
 - The NHS Better Care Fund for 2015/16 of £5.411m - the s75 agreement is signed and funding received for the period April to October. Invoices are being raised on a monthly basis for the balance of the funding.
 - Care Act – potential for reduction in the allocation of the grant arising from a change to the distribution formula, and no certainty at this stage that this funding will be granted in future years.
 - Ordinary Residency (OR) - The council has accepted responsibility for 21 cases following assessment of need (and these costs are included in the forecast). The remaining risk in the region of £1.5m (not included in the forecast) relates to a potential claim in relation to the backdating of cost to before the assessment date.

Adults Transformation

56. Transformation is reporting a projected overspend of £40k against a total net budget of £184k. This is due to the delayed delivery of

anticipated savings across Business Support service. To achieve the proposed savings the post room function was transferred into Business Support on 1/4/15. The pressure of £40k assumes that the function has not ceased by year end. Whilst an overspend is assumed, officers are continuing to explore whether the function can be ceased to reduce the pressure and avoid this continuing into 2016/17.

Children & Families

57. As at Q2 the total forecast overspend for the Department is £0.866m, which reduces to nil after the use of a one off Children's Social Care reserve of £0.866m. This is an improvement of £425k since quarter 1.
58. The majority of Children's budgets are demand led and the Council has a statutory duty to meet vulnerable children's needs. It is therefore challenging to balance the budget.
59. There are several areas of pressure:
 - Special Needs Transport £0.752m pressures. Special Needs Transport underwent a significant review in 2014/15 with a view to achieving a further £0.570m savings target. It was only possible to meet approximately half of this savings target due in main to contract prices being higher than anticipated. This contributes to part of the overspend. The remainder is due to demand, particularly for transport from home to colleges as the SEND reforms that extends special educational provision to age 25 years has led to an increased number of young adults with complex needs continuing in education.
 - Children with Disabilities Service staffing £57k pressures to manage caseloads and client costs £283k due to demand and a single young person with high and extraordinary needs. There are currently 180 children being supported through Direct Payments, 146 families being supported through Section 17 and 38 children receiving home care packages.
 - Children and Young People's Service staffing £443k pressure as a result of agency and interims covering vacancies and sickness and additional staff to manage caseloads.
 - There is a pressure on the Children's and Families budget of £0.556m due to families being supported by the Council because they have no recourse to public funds (NRPF). The welfare reforms, along with stricter enforcement of Asylum Legislation are the main causal factors for this demand, which is unpredictable in terms of volume and costs. The exit routes for ceasing funding are dependent on variable factors, many of which cannot be controlled by the Council. A bespoke worker has been recruited to focus specifically on these families to help reduce costs, and mitigate the financial pressures on this budget.
60. These pressures are partially mitigated by:
 - Use of one off children's social care reserve of £0.866m.

- Non-frontline staff vacancies and a number of centrally held management actions of £0.954m.
61. The Quarter 2 position after the use of the Children’s social care reserve is an improvement of £425k compared to Quarter 1. However there are a number of demand led increases since Quarter 1:-
- Special Needs Transport £228k.
 - Children with Disabilities Placements £91k.
 - Children’s Placements £96k.
 - Flexible use of grants £74k
 - Legal costs £100k
62. These increases have been offset by additional management actions totalling £638k including flexible usage of government grants available as a one off only.
63. It is anticipated that the following further management actions will reduce the overspend to achieve a balanced budget.

Area	Movement £000	Comment
Special Needs Transport	(100)	Over the half-term period the service is going to review the current routes and look to merge them where possible.
Legal	(100)	Current spending trends indicate a potential opportunity in this area. Careful management of this area is likely to yield a reduction in spend.
Management	(74)	Flexible use of government grants.
Total	(274)	

PUBLIC HEALTH

64. The budgets for 2015/16 reflect the commissioning intentions agreed by Cabinet in December.
65. The overall forecast position for Public Health is for a nil variance.

	£k
2014/15 Public Health Reserve c/f	908
In year underspend of PH Grant	500
Less in year reduction	(665)
Less spend on carry forward projects	<u>(463)</u>
2015/16 forecast Public Health reserve	280

66. There is a £0.500m in-year service under spend which takes into account wider public health outcomes being fully delivered (£0.727m). There is however an in-year reduction in grant (£0.655m) that was confirmed on 4 November 2015. The impact of this grant reduction

would mean an overspend of £165k (£0.500m less £0.655m) which will be met by a drawing from the Public Health Reserve of £0.628m to leave a balance at the year-end of £280k.

67. The 2015/16 budget process created capacity of £0.627m in the grant against which wider public health outcomes could be charged. In addition a further capacity of £100k reflecting cabinet agreed in-year savings of expenditure to be funded from the grant was identified, giving a total MTFs saving of £727k.

BUSINESS SUPPORT

68. Business Support is forecasting an overspend of £0.500m. This is a reduction of £73k on the forecast overspend at Quarter 1. Staff savings are not on track to be achieved within the current structure. The Central Scanning project is running late and is currently delayed pending our IT Supplier providing support, this will impact on savings.

CORPORATE BUDGETS

Interest and Finance Charges

69. It is forecast that there will be an underspend of £50k on interest earned on balances.

Business Rates Retention

70. There will be a shortfall on the amount credited to the General fund of £82k. The budget is set on data available in December, however the amount transferred from the Collection Fund is based on data available at the end of March when data is returned to the Department of communities and Local Government. There had been a deterioration in the taxbase in the intervening period.

S31 Grant to compensate for Business Rate Reliefs

71. It is anticipated that there will be an additional £400k of grant in excess of the budget of £0.600m, based on the reliefs given to date this year.

London Residuary Body Distribution

72. Each year there is a distribution to boroughs of the surplus on the operation of the London eye. The latest estimated notification is for a surplus of £33k against the budgeted income, including a late supplementary distribution for 2014/15 of £14k.

Levies

73. The actual levies for the London Pensions fund Authority and the London Boroughs Grant scheme are £8k less than the budget giving a budget saving.

Coroners Court

74. Harrow's estimated share of the costs of the Coroners Court is £29k less than the budget in the current year.

Contingencies and Reserves

75. The contingencies are there to cover unavoidable inflation pressures for the pay award and above a standard 1.3% increase on energy together with other unforeseen items and spending pressures and to cover areas of risk and uncertainty. There are also specific reserves

for the implementation costs of the MTFs, carry forwards, Business Risks and the Transformation and Priority Initiatives Fund (TPIF).

Central Contingency

76. The Central Contingency for unforeseen items in 2015/16 is £1.248m. There have been no formal drawdowns against the contingency, however in view of the currently projected General Fund overspend before the use of contingency it is assumed that the contingency will be drawn down by £0.665m to balance the General Fund position. This would leave a balance of £0.583m in the contingency.

Gas and Electricity Inflation

77. £350k has been provided against increases in price. There has been no allocation to date but any call against this provision will not be established later in the year. Given the current energy market it is however considered unlikely that the full amount of the provision would be required anyway and an underspend of £200k can be crystallised at this time.

Contingencies and Reserves

78. The contingencies are there to cover unavoidable inflation pressures for the pay award and above a standard 1.3% increase on energy together with other unforeseen items and spending pressures and to cover areas of risk and uncertainty. There are also specific reserves for the implementation costs of the MTFs, carry forwards, Business risks, the Transformation and Priority Initiatives Fund (TPIF).
79. In June Cabinet approved carry-forwards of £1.598m which are now included within individual directorate budgets. There is also £195k in respect of grants brought forward from earlier years that will be drawn down as utilised. The main grant is Planning Development Grant.
80. The balance on the Transformation and Priority Initiatives Fund (TPIF) brought forward from 2014/15 is £3.819m. There have been drawdowns of £14k in relation to North Harrow library and £60k in respect of grass verge maintenance. This leaves a balance of £3.745m in the fund at Quarter 2.
81. The balance on the Business Risk reserve brought forward from 2014/15 was £2.109m. This is intended to cover a number of commercial risks that were identified. There has been one drawdown this year of £218k in relation to Waste management costs in relation to West London Waste Authority. This leaves a balance of £1.891m.
82. The balance on the MTFs Implementation reserve brought forward from 2014/15 was £2.804m. A further £486k was added to the reserve from the in-year savings agreed at July Cabinet, to make £3.290m in total. There have been drawdowns of £0.932m to date leaving a balance of £2.358m.
83. The Standing up for those in need reserve was created at June cabinet with a balance of £0.800m. No drawdowns have taken place to date.
84. When Cabinet agreed in-year savings in July it agreed £1m of the savings would be used to create a Homelessness / Welfare Reform

reserve. It is proposed in the light of the ongoing pressures on B&B that this reserve is fully utilised to mitigate the overspend that is occurring.

85. The Rapid Response reserve was created in June as part of the outturn report with a balance of £75k. There have been no drawdowns so far.
86. The commercialisation reserve was created from the in-year savings approved at July cabinet with a balance of £1m. There have been drawdowns of £389k to date, leaving a balance of £0.611m. Anticipated savings of £5m on commercialisation projects within the council have been identified so far.

Table 4 Contingencies and Earmarked Reserves

	Unforeseen Contingency	Energy Inflation	Rapid Response	IT Implementation	Standing up for those in need	Welfare Reform/ Homelessness	Commercialisation	TPIF	Carry Fwd	Business Risk Reserve	MTFS Implementation
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at start of Year	1248	350	0	0		0		3,819	195	2,109	2,750
Addition June Cabinet Outturn			75	2,854	800				1,598		54
Addition July Cabinet						1,000	1,000				486
Draw down *	(665)			(1,762)			(389)	(74)	(1,598)	(218)	(932)
Balance	583	350	75	1,092	800	1,000	611	3,745	195	1,891	2,358
* contingency draw down assumed use											

Reserves and Provisions

87. The Council must hold adequate provisions and reserve balances to cover known and anticipated events and in respect of its statutory duties as appropriate. General non earmarked balances stand at £10m. All the provisions are reviewed on a quarterly basis. As at Quarter 2 the Council has adequate provisions in respect of Insurance, Litigation and Employment cases.

Debt Management

88. The latest position on Council Tax, Business Rates and Housing Benefits bad debts provisions is included within Appendix 3.

MTFS IMPLEMENTATION TRACKER

89. The 2015/16 budget includes approved MTFS savings of £18.720m. The progress on implementation is summarised below in table 5 below and shown in more detail in Appendix 2:

Table 5 RAG Rating of 2015/16 Savings

	Resources	Community	People	Regeneration	Business Support	Pan Organisation	Total
	£000	£000	£000	£000	£000	£000	£000
Red	50	485	0	0	0	0	535
Amber	166	2,243	2,291	0	820	0	5,520
Green	1,395	779	3,047	50	0	0	5,271
Blue	2,582	2,214	1,099	0	0	1,500	7,394
Total	4,193	5,721	6,437	50	820	1,500	18,720

CAPITAL PROGRAMME

Capital Programme Forecast at Quarter 2

90. The 2015/16 capital programme agreed by Council in February 2015 totalled £88.911m. Adjusted for slippage at the 2014/15 outturn and other approved addition to the programme now totals £157.587m at Quarter 2.
91. The forecast at Quarter 2 is £118.996m, 76% of the total capital programme, a reduction of 7% when compared with Quarter 1. This will continue to be monitored closely.
92. The forecast variance on General Fund at Quarter 2 is an underspend of £27.358m (21.4%). The forecast underspend comprises of slippage of £25.700 and underspends of £1.658m
93. The forecast variance on the HRA is £11.233m, comprising of slippage of £10.635m and underspends of £0.598m.
94. Tables 5 and 6 below summarise the capital forecast position and Appendix 4 shows the capital programme in more detail:

Table 5 Summary of forecast by directorate

Directorate	Original Programme	CFWD's	Virement	Other Adjustment	External	LBH	TOTAL BUDGET	Actuals	Forecast Spend	Forecast Variance	Slippage	Underspend after slippage
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
PEOPLE	32,946	32,973	0	0	55,488	10,431	65,919	28,475	52,993	-12,926	12,713	-213
COMMUNITY	17,558	6,878	2,200	9,613	8,921	27,328	36,249	6,397	26,613	-9,636	8,285	-1,351
RESOURCES	14,503	8,544	-2,100	0	0	20,947	20,947	5,169	16,473	-4,474	4,380	-94
REGENERATION	2,248	0	-100	2,325	198	4,275	4,473	120	4,151	-322	322	0
TOTAL GENERAL FUND	67,255	48,395	0	11,938	64,607	62,982	127,588	40,162	100,231	-27,358	25,700	-1,658
TOTAL HRA	21,656	2,241	0	6,102	923	29,076	29,999	2,578	18,766	-11,233	10,635	-598
TOTAL GENERAL FUND & HRA	88,911	50,636	0	18,040	65,530	92,058	157,587	42,740	118,996	-38,591	36,335	-2,256

Table 6 Analysis of Forecast Outturn variance

Directorate	Outturn variance	Split of outturn variance by funding		Slippage	Slippage by funding		Underspend after slippage	Split of Underspend after slippage	
		Grant/sec106	LBH		Grant /Sec 106/ HRA	LBH		Grant	LBH
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
PEOPLE	-12,926	-9,720	-3,206	-12,713	-9,670	-3,043	-213	50	163
COMMUNITY	-9,636	-8,973	-663	-8,285	-7,667	-618	-1,351	1,351	0
RESOURCES	-4474	0	-4474	-4380	0	-4380	-94	0	94
REGENERATION	-322	0	-322	-322	0	-322	0	0	0
TOTAL GENERAL FUND	-27,358	-18,693	-8,665	-25,700	-17,337	-8,363	-1,658	1,401	257
TOTAL HRA	-11,233	0	-11,233	-10,635	-10,635	0	-598	0	598
TOTAL	-38,591	-18,693	-19,898	-36,335	-27,972	-8,363	-2,256	1,401	855

RESOURCES DIRECTORATE

95. As at Quarter 1 the forecast spend was £16.473m, 81% of the 2015/16 Resource's directorate capital budget. At Quarter 2 the revised forecast remains £16.473m.
96. The forecast under spend is £4.474m of which £4.380m will be slipped to 2016-17 and £94k is no longer needed. The main items of slippage are detailed below:
97. West London Waste Authority (WLWA) loan. The expected payment to WLWA in respect of a loan for infrastructure is currently projected to slip by £297k, based on the latest payment profile supplied by WLWA. The revenue implication is a minor interest loss on the loan of around £2k.
98. Mobile & Flexible working. Accommodation, Power supplies working Peripherals budget will all be spent, other Council capital budgets for project teams, standing groups needed to deliver SharePoint will require further research, as a result of this £391k will be slipped. The direct revenue implication is a saving on the support payment that would have been paid from completion; it is currently projected as £132k one-off in 2015/16.
99. Transition and Transformation of IT service. £3.692m of the budget will be slipped to 2015/16 to reflect the current profile of implementation. There is no quantifiable revenue implication.
100. There is a net underspend across the directorate of £94k as detailed below:
101. Ongoing refresh and enhancement of ICT. £63k of the budget allocated to waste vehicle in-cab refresh and for Tablets is anticipated to

underspend. In addition £50k allocated to the refresh of scanners is anticipated to underspend as a result of outsourcing the service.

102. It is not possible at the moment to accurately assess the level of ICT programme that can be delivered by the new ICT contractor Sopra Steria until after the start of the new contract when discussions will begin to quantify the level of work that can be delivered in 15/16 which will have a direct impact on the capital outturn.

COMMUNITY DIRECTORATE

103. As at Quarter 2 the revised forecast is £26.613m, 73% of the total budget.

Environment & Commissioning

104. At Quarter 2 the revised forecast is £19.896m
105. The forecast under spend is £2.706m, and will all be slipped to 2016/17.
106. The main item of slippage and reasons are detailed below:
107. Harrow on the Hill Station project - £2m. This project is assumed to be largely funded by TfL with a contribution from the Council of £3.1m over the life of the project. Some preliminary works were completed in 14/15. The scheme is currently under discussion with the TfL, and therefore it is anticipated that the budget profiled for this year will be slipped.
108. The project is currently paused. Due to the uncertainties around the timescale for delivery, it is estimated at this stage that only minimal spend will be incurred in 15/16, with the majority of the budget being slipped to 16/17.
109. Green Grid Programme – The forecast slippage of £188k relates to Stanmore Marsh project which is partially funded by the GLA, S106 monies and Harrow capital. This is a two year project but there is a spend deadline for the GLA grant of 31st March 2015, and therefore the funding has been profiled to utilise the GLA grant in this financial year and S106 monies in 16/17. The S106 budget for this project has been agreed and set aside to meet the remaining expenditure on Stanmore Marsh project next year.

Culture

110. Banister Sports Centre Improvement – This development is linked to Kodak site, this has already been approved by the planning committee and s106 money secured. However a decision is still pending on the sale of land on Kodak site, no further plans can be made until this happened. There is no revenue impact. (£1.004m).
111. Headstone Manor – On-going project with Heritage Lottery Fund, forecast relates to phase one of the project, underspend will be slipped to 2016/17. There is no revenue implication. (£100k).

Housing General Fund

112. Empty Property Grant - Grant payments to private residents in return for nomination right to house homeless persons in these properties as opposed to more expensive Bed & Breakfast accommodation, traditionally underspent, results in lower number of properties becoming available thereby increasing pressure on General Fund (£45k).
113. Reform Of Social Housing – Planned programme of spend relating to IT upgrade of systems again partly dependant on work load of the new IT contractor and therefore estimated slippage of (£755k). No direct revenue implication.
114. Green Deal Communities- Grant payments to private residents for warmer homes and energy saving insulation, grant funded from the Department of Energy and Climate Change, the initiative is not now going to proceed and the grant monies are to be returned to the grant provider. No incremental staff resources were allocated therefore there is no revenue impact to curtailment of the scheme (£1.351m).

PEOPLE

115. At Quarter 2 the forecast spend is £52.993m, 81% of the 2015/16 People's directorate capital budget.
116. The forecast under spend is £12.926m of which £12.713m will be slipped to 2016-17 and £213k is no longer needed. The main items of slippage are detailed below:

Adults

117. At Quarter 2 the forecast spent is £821k, 21% of the approved capital programme.
118. The directorate variance is £3.182m of which £2.869m is slippage and £213k underspends.
119. The following schemes in the programme will be slipped for the following reasons:
120. MOSAIC Implementation - Once new IT provider has started, it will be possible to firm up spend projections, however as this is not due to take place until later in the financial year, only 50% is forecast to be spent by year end (£305k)
121. Remodelling and Refurbishment of Adult Residential and day Care properties – There is limited programme planned for Remodelling and Refurbishment this year, therefore slippage of (£422k) – The revenue implication of this is a risk of additional maintenance cost on ageing buildings.
122. Safeguarding Quality Assurance Quadrants (QAQ) - Planned programme of spend in year relates to server upgrade, this is dependent on work load of the new IT contractor and therefore it is

estimated that there will be slippage of (£168k). No direct revenue implication.

123. Integrated Health Model – Planned spend on N3 connections. Connections relate to integration between Adult Social care and the NHS, reviewing of service team needs. As the project is in its early stages, it is anticipated that the majority of the budget will be slipped into future financial years (£472k). No quantifiable revenue implication, although greater co-ordination between NHS and Adult Services may bring efficiencies.
124. Market Shaping & Development – Relates to Care Act duty and collation of business intelligence for providers through IT. Planned programme of work for the year is (£100k) together with the remaining (£150k) is to be slipped. There is no direct revenue implication.
125. Maintenance of Adults Properties – This budget is unlikely to be spent in year and the entire budget of (£149k) is currently forecast to be slipped. This is effectively a contingency budget. No further revenue implication is forecast, as underspend against budget has already been forecast against remodelling and refurbishment of residential and day care properties.
126. Quality Outcome for People with Dementia (£150k) slippage. This is a result of delays in developing detailed proposals for the project.
127. Reform Of Social Care Funding - Some software cost has been forecast, the remaining budget will be slipped into next financial year. (£755k).
128. Adult Social Care Integration of IT Systems – This project is expected to deliver a financial assessment module i.e. means testing. Change request is to go to capital forum to facilitate the conversion of Core logic software. Budget of (£66k) will be slipped.
129. Community Capacity Grant - Proposals to spend the grant are still being developed and it is anticipated that there will be no spend in the current year, giving slippage of (£232k).
130. In addition to the slippage above the following schemes are under spending;
131. Carer's Service charges (£200k) this is to be discontinued as work is no longer required against this project.
132. Mental Health Supported Housing Repair - This project will be close by year end (£13k).

Schools

133. As at Quarter 1 the forecast spend was £61.917m. At Quarter 2 forecast is £51.173m 83% of the approved budget and 17% reduction when compare to Quarter 1. The following paragraphs outline the progress on the schools programme.

134. The latest forecast provided by the cost consultants for School Expansion Programme SEP2 and some overhanging SEP1 projects has been received for August 2015. This is a fast moving operating across 18 school sites and there are a number of issues in the programme arising daily. They include items omitted/excluded from the Agreed Maximum Price (AMP) schedules, delays leading to additional costs including Plan B options for works not completed by September 2015 and a number of external unforeseen factors such as UK Power. Although the Council expects Keepmoat to meet the costs for delays and providing temporary mobile units, any additional costs that fall to the Council as a result of these delays will create pressure on the programme budget which is also exposed to other cost increases.
135. All the projects are live and the accounts need clarifying and agreeing with Keepmoat before the final position is confirmed. It is anticipated the worst case scenario forecast figures will not all come to fruition and that the programme will still be affordable within the budget. However, the programme is continually changing and therefore there is still a risk to this budget.

Primary Expansion Programme

136. Until the free schools are definitely established, the existing capital programme assumes none of the primary free schools are delivered. If the free schools are delivered, the need for Phase 4 expansions in the capital programme would be reviewed.

Phase 3

137. All SEP3 schools are on very confined sites within heavily residential areas. Consequently this brings additional challenges to the building programme with enhanced planning requirements mainly around traffic and the size and type of building planning will allow. Furthermore, due to works having to be carried out whilst schools are in occupation means the building process will be longer which impacts on project costs.
138. The current construction market in the UK and in particular in London is extremely buoyant with many construction firms working to capacity and will full order books. Because of this the cost of construction related materials, labour and professional services are at a premium. This means the current SEP3 budget has had to rise to keep pace with the rising costs of the London construction market. A virement from Phase 4 to Phase 3 was agreed by Cabinet in September 2015.

Phase 4

139. There are currently 4 primary expansion programme budgets approved in the capital programme. As stated above, if the free schools are delivered, there may not need to be a phase 4 of the primary expansion programme.

Quarter 2 forecast

140. As at Quarter 2 the directorate is predicting to spend approximately 83% of the total capital programme by 31st March 2016. SEP1, SEP2, secondary and SEN expansion programmes, which form over 75% of the total 2015-16 budget delivered places by September 2015. Whilst

there have been some delays to some of these schemes, it is anticipated that the final accounts will be settled by March 2016. Contracts for the SEP3 budget are anticipated to be awarded in early autumn and therefore the majority of this in year budget is anticipated to slip into next financial year.

Basic Need allocations 2017-18 and additional funding 2015-17

141. On 12 February 2015, the Department for Education announced the latest Basic Need allocations. In addition to the 2017-18 new allocation, the Government has allocated “top up” funding in 2015-16 and 2016-17 to distribute £300 million held back for those local authorities with unexpected increases in forecast pupils. Local authorities which have reported an increase in their forecast of total pupil numbers for academic year 2017-18 of at least 2% and 250 pupils receive a portion of this funding in 2015-16 and 2016-17, to reflect their unexpected increase in need. Harrow is one of only four London boroughs to successfully receive top up funding in these years and an increase in allocations over future years, totalling £19.6m, over and above the current capital programme. This funding is not yet included in the capital programme. This additional funding will be considered as part of the capital programme review to be presented to Cabinet in December 2015.

REGENERATION

142. At Quarter 2, Regeneration and Planning Division spent is forecasting £4.151m 93% of the approve capital programme.
143. The 2015/16 capital budget for Regeneration Programme was increased by £2.2m following Cabinet and Council approvals in September, as part of the wider report to progress on the re-development of two of the key strategic sites. Plans are put in place and work is underway to utilise this additional funding on the procurement of design teams for Station Road Quarter and Wealdstone new civic centre site, master planning for various other strategic sites, and additional procurement, project and programme support. Part of this funding will also be used as part of land.
144. The Division forecast to spend £4.15m (or 93%) on this year’s budget allocation. The main reasons for slippage are as follows:
145. The procurement route for the Wealdstone site design team is via OJEU notice which will take a number of weeks before a preferred supplier can be identified and contract awarded, and therefore a spend below budget is anticipated and a slippage of £200k is forecast to reflect a more realistic and achievable delivery timescale.
146. The site acquisition in Wealdstone is at a critical stage and subject to on-going review.
147. The full utilisation of the budget allocated for Leisure Centre and Greenhill Way will depend on whether work/further study is being progressed this year which is subject to advice and/or agreement by Regeneration Board. At Q2, £50k is forecast to slip to 2016/17.

148. Project, Programme and Procurement support required to take the schemes forward is being reviewed and internal and external recruitment to increase fixed term and temporary project management resource is progressing well with additional people to start in November and December. At this stage, £70k is forecast to slip to 2016/17.

Housing Revenue Account

149. As at Quarter 1 the spend forecast is £23.571m, 99% of the 2015/16 HRA's latest capital Budget. At Quarter 2 the revised forecast is £18.766m 63% of the approved capital budget and a significant reduction when compare to Quarter 1.
150. The forecast under spend is £11.233m of which £10.635m will be slipped into 16/17 while £598k will not be required this year.
151. This project is in relation to investment in Council owned housing stock - financed entirely from HRA, underspend/slippage will have no revenue impact on HRA as majority of financing is by way of a pre-determined charge to revenue which transfers resources to earmarked capital reserves.

HRA Affordable Housing (Homes 4Harrow)

152. It has always need anticipated that there will be need to review the completion time for this project once there is active engage in the market submission as a result of adverse feedback from initial residential consultation.
153. There was also a need for additional clarifications on tenders for the first build contract as a result of significantly higher tender prices being received; this in turn has lead delay in letting the contract and subsequent delay in planning permission.

Additions to the Capital Programme

154. A budget of £2.074m for the TfL funded Local Implementation Plan (LIP) was included in the original 15/16 capital programme based on our best knowledge of what the funding allocation would be for the year. From time to time during the course of the financial year, it is not uncommon that there are re-allocations of budgets between agreed schemes, and/or new schemes added to the Programme following agreements from TfL. The latest total estimated capital cost for the 15/16 LIP are £2.124m, which will be fully funded from TfL grant. Similarly the 15/16 actual costs in relation to 14/15 completed LIP were £0.720m for which the full amount has been claimed back from TfL. The budget for these 14/15 schemes should be aligned to match actual costs. Together, these represent an increase in capital budget of £106K on the current programme, and it is recommended that Cabinet approve this addition.
155. A budget of £256k for HRA Grants to Move was included in the 15/16 original capital programme which has subsequently been increased to £350k, by virement as a result of increased demand. The budget is used to assist secure Council tenants in purchasing their own properties thereby releasing Council stock for utilisation in accordance

with the Council's approved allocation policy. Additional grant funding has been identified which will permit an additional £240k of these grants to be awarded which will expedite this initiative, and it is recommended that Cabinet approve this addition.

Legal Implications

156. 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". 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.
157. Under Allocation of Responsibilities in the Constitution, Council is responsible for all decisions, which are expected to result in variations to agreed revenue or capital budgets. Cabinet must agree, or delegate agreement for all virements between budgets as set by the Financial Regulations.
158. Under the Council's Financial Regulations, additions of up to £500k to the capital programme can be made by Cabinet in respect of specific projects where:
- the expenditure is wholly covered by additional external sources;
 - the expenditure is in accordance with at least one of the priorities listed in the capital programme; and
 - there are no significant full year revenue budget effects

This provision is subject to an overall limit of £2.5m in any one financial year.

Equalities

159. Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:
160. A public authority must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
161. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
162. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
163. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- (a) Tackle prejudice, and
 - (b) Promote understanding.
164. Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:
- a) Age
 - b) Disability
 - c) Gender reassignment
 - d) Pregnancy and maternity
 - e) Race,
 - f) Religion or belief
 - g) Sex
 - h) Sexual orientation
 - i) Marriage and Civil partnership

Financial Implications

165. Financial matters are integral to the report.

Performance Issues

166. Good financial performance is essential to achieving a balanced budget. The financial performance is integrated with the strategic performance of the Council through quarterly Directorate Improvement Boards which consider the financial position alongside performance including 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.
167. The overall projected percentage variance from the revenue budget is currently forecast to be an overspend of 2.1%.
168. For the 2015/16 savings built into the MTFs, the overall position is that 40% of the savings are RAG rated as blue (achieved and banked), 25% green (achievement of saving on track), 32% amber (saving only partially achieved or risks remaining) and 3% red (agreed saving not achievable).
169. There is a performance target of 90% of the approved capital programme for 2015/16 being spent in year. The current projection is for spend to be 92% of budget.
170. Council Tax Collection: The collection rate for Quarter 1 is 30.05% against a profile target of 30.00%
171. Business Rates Collection: The collection rate for Quarter 1 is a collection rate of 33.41% against a profile target of 33.00%.

Environmental Impact

172. There are none directly related to this report

Risk Management Implications

173. The risks to the Council and how they are being managed are set out in the report.
174. Risks are included on the Directorate risk registers.

Equalities implications / Public Sector Equality Duty

175. A full equalities impact assessment was completed on the 2015/16 budget when the budget was set by Full Council. Equalities implications are taken into account by individual directorates whilst running services and making decisions to vire money. A full equality impact assessment will be completed on the budget for 2016/17.

Council Priorities

176. The Council's vision is:

Working Together to Make a Difference for Harrow

177. The Council's priorities are:

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

178. This report deals with Revenue and Capital monitoring which is key to delivering the infrastructure to deliver the Council's priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 30 November 2015		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 30 November 2015		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out:	NO
EqIA cleared by:	Information for noting only

Section 6 - Contact Details and Background Papers

Contact:

Steve Tingle (steve.tingle@harrow.gov.uk), Senior Financial Advisor Tel: 020 8420 9384

Background Papers:

Cabinet February 19 2015: [Final Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19](#)

Cabinet February 19 2015: [Capital Programme 2015/16 to 2018/19](#)

Cabinet June 2015: [Revenue and Capital Outturn 2014-15](#)

Cabinet September 2015: [Revenue and Capital Monitoring as at 30 June 2015](#)

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

NOT APPLICABLE

[Call-in applies]

Appendix 1

Revenue Summary							
	Revised Budget	Forecast Outturn	Quarter 2 Variance	Mitigating Actions	Variance at Q2 After Mitigation	Q1 Variance	Movement Q1 to Q2
	£000	£000	£000	£000	£000	£000	£000
Resources							
Controllable Budget							
Customer Services	24,381	24,825	444		444	218	226
Director of Resources	860	484	(376)		(376)	(334)	(42)
HRD & Shared Services	1,797	1,725	(72)		(72)	53	(125)
Legal & Governance	3,043	3,039	(4)		(4)	21	(25)
Procurement	907	976	69		69	37	32
Strategic Commissioning	2,198	2,200	2		2	(40)	42
Assurance	611	589	(22)		(22)	15	(37)
Finance	3,774	3,731	(43)		(43)	(32)	(11)
Grants & Community Lettings	825	784	(41)		(41)	0	(41)
Total Controllable Budget	38,396	38,353	(43)	0	(43)	(62)	19
Uncontrollable Budget	(17,960)	(17,960)	0		0		0
Total Directorate Budget	20,436	20,393	(43)	0	(43)	(62)	19
Community							
Controllable Budget							
Environment & Commissioning	21,358	22,063	705	(730)	(25)	917	(942)
Culture	2,422	2,621	199	(97)	102	284	(182)
Housing General Fund	4,035	5,951	1,916	(1,141)	775	2,002	(1,227)
Total Controllable Budget	27,815	30,635	2,820	(1,968)	852	3,203	(2,351)
Uncontrollable Budget	18,677	18,677	0		0		0
Total Directorate Budget	46,492	49,312	2,820	(1,968)	852	3,203	(2,351)
People							
Controllable Budget							
Adult Services	53,846	54,495	649	(595)	54	634	(580)
Public Health	(727)	(727)	0		0	0	0
Adults Transformation	184	224	40		40	40	0
Children & Families	28,464	29,604	1,140	(274)	866	1291	(425)
Total Controllable Budget	81,767	83,596	1,829	(869)	960	1,965	(1,005)
One off Children's Social Care Reserve	866	0	(866)		(866)	-866	0
Uncontrollable Budget	18,717	18,717	0		0		0
Total Directorate Budget	101,350	102,313	963	(869)	94	1,099	(1,005)
Regeneration							
Economic Development & Research	1,707	1,628	(79)		(79)	(14)	(65)
Planning	395	374	(21)		(21)	0	(21)
Total Controllable Budget	2,102	2,002	(100)	0	(100)	(14)	(86)
Uncontrollable Budget	1,134	1,134	0		0		0
Total Directorate Budget	3,236	3,136	(100)	0	(100)	(14)	(86)
Business Support							0
Business Support	2,944	3,444	500		500	573	(73)
Uncontrollable Budget	(838)	(838)	0		0		0
Total Business Support	2,106	2,606	500	0	500	573	(73)
Total Directorate Budgets	174,458	178,598	4,140	(2,837)	1,303	4,799	(3,496)
Corporate Items	(7,487)	(8,125)	(638)		(638)	0	(638)
Corporate Contingency	1,248	583	(665)		(665)	-1248	583
Total Budget Requirement	167,381	170,218	2,837	(2,837)	0	3,551	(3,551)