
REPORT FOR: CABINET

Date of Meeting:	18 February 2016
Subject:	Revenue and Capital Monitoring for Quarter 3 as at 31 December 2015
Key Decision:	Yes
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 31 December 2015 Appendix 2 – MTFS 2015/16 to 2018/19 Savings Tracker Appendix 3 - Debt Management 2015/16 Appendix 4 – Capital Programme as at 31 December 2015

Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital monitoring position as at Quarter 3 2015/16 (31 December 2015).

Recommendations:

1. That Cabinet note the revenue and capital forecast positions detailed in this report as at Quarter 3 2015/16.
2. That cabinet approves the write off of debts totalling £32k in the HRA as detailed in paragraph 36.
3. That Cabinet approves the virement of £1.365m from the SEP2 contingency to the School Expansion Phase 2 Programme as set out in paragraph 131.
4. That Cabinet approves an addition to the capital programme of £7.5k funded from s106 in respect of Station Road Highway and Environmental Improvements as detailed in paragraph 142.

Reason: (For recommendation)

To report the 2015/16 forecast financial position as at 31 December 2015 and to seek approval for budget adjustments which require Cabinet approval under the Financial Regulations.

Section 2 – Report

INTRODUCTION

1. The net forecast position at Quarter 3 on Revenue is for an overspend of £1.928m on Directorate budgets, after mitigating actions of £2.625m have been allowed for. This reduces to nil after assumed use of contingency of £0.858m and £1.070m of savings on central budgets.
2. The net forecast position on General Fund capital at Quarter 3 is for it to be under budget by £28.992m, comprising of slippage of £27.268m and underspends of £1.724m. The forecast for HRA Capital is for spend to be under budget of £11.975m, which is all slippage.

REVENUE MONITORING

3. The Quarter 3 forecast indicates a directorate overspend of £1.928m. This is after having taken mitigating actions of £2.625m as identified in the Quarter 2 report to December Cabinet. Corporate savings of £1.070m have been identified and these taken together with an assumed use of the corporate contingency of £0.858m enable a balanced position to be achieved. The balanced position is achieved with £4.6m of one off mitigations, mainly the use of earmarked reserves and other income 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 3 revenue position and Appendix 1 provides more detail:

Table 1: Revenue Monitoring – Quarter 3 2015/16

	Revised Budget	Forecast Outturn before Mitigations	Quarter 3 Variance	One off income / earmarked reserves	Quarter 3 Variance after Mitigations	Variance	Quarter 2 Variance	Movement Q2 to Q3
	£000	£000	£000	£000	£000	%	£000	£000
Resources & Commercial	20,512	20,526	14	0	14	0.1%	(43)	57
Community	44,383	47,200	2,817	(1,759)	1,058	2.4%	852	206
People	104,627	106,042	1,415	(866)	549	0.5%	94	455
Regeneration	3,236	3,090	(146)		(146)	(4.5%)	(100)	(46)
Business Support	2,106	2,559	453		453	21.5%	500	(47)
Total Directorates	174,864	179,417	4,553	(2,625)	1,928	1.1%	1,303	625
Corporate Items	(8,731)	(9,801)	(1,070)		(1,070)	12.3%	(638)	(432)
Corporate Contingency	1,248	390	(858)		(858)		(665)	(193)
Total Budget Requirement	167,381	170,006	2,625	(2,625)	0	0.0%	0	0

RESOURCES & COMMERCIAL

Q2 (to 30.9.15) Variance £000	Q3 (to 31.12.15) Variance £000	Movement £000
(43)	14	57

5. At quarter 3, Resources is forecasting to overspend by £14k, this is an adverse movement of £58k compared to quarter 2. The main reasons are salary costs which cannot be capitalised in Business Transformation Project Client team (£83k), reduced availability of Sopra Steria transition reserve (£90k), payment for disaster recovery to Sopra Steria (£40k) and running costs of a new learning management system (£36k).
6. The above is mitigated by a reduction in bad debt provision for over payment for Housing benefit (£50k), backdated trade union check off admin fees (£58k), additional income by Sims team (£25k) additional contribution to overheads from Harrow and Barnet Public Law shared services (£26k) vacancy freeze in Human Resources whilst exploring shared service options (£17k) and printing true up income (£13k).
7. Following the ending of the IT contract with Capita, end of contract commercial exit negotiations are underway. The results of which are not factored into the forecast.

COMMUNITY DIRECTORATE

8. At Quarter 3 the Community Directorate is forecasting an overspend of £1.058m compared to £0.852m at Quarter 2, an increase in overspend of £206k.

	Q2 (to 30.9.15) Variance £000	Q3 (to 31.12.15) Variance £000	Movement £000	One-off income / earmarked reserves included £000
Env & Comm	(25)	(24)	1	(759)
Cultural	102	102	-	0
Housing GF	775	980	205	(1000)
Total	852	1058	206	(1759)

Environment & Commissioning

Q2 (to 30.9.15) Variance £000	Q3 (to 31.12.15) Variance £000	Movement £000	One-off income / earmarked reserves included £000
(25)	(24)	1	(759)

9. At Quarter 3, Commissioning & Environment are reporting an under spend of £24k [0.1%] over the total net controllable budget of £18.7m.
10. In the main, the net under spend is a result of an overachievement of income offset in part by unachieved MTFS savings.
11. There is a forecast overachievement of income of £0.928m, consisting of £0.768m from Breakspear Crematorium, of which £0.659m is one off; and £160k additional income from corporate estates, of which £100k is one off. There is also an underspend of £163k on directorate contingency and a forecast drawdown on the Business Risk Reserve in relation to WLWA costs of £118k.
12. The main over spend relates to an amber rated MTFS saving associated with the changes of garden and food waste collection system. A separate food waste collection service commenced 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 £0.8m this year.
13. The other significant over spend relates to route optimisation. The original saving anticipated in previous MTFS was £0.6m 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 ongoing unachieved saving of £353k.

14. Of the £4.632m 15/16 MTFS targets, there are two red rated savings totaling £385k. £375k relates 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. £10k relates to winter gritting saving which will be achieved in full in 16/17.
15. The total saving assumed in the MTFS for the separate food and garden waste collection regime is £2.68m. However the potential saving to be achieved is now estimated to be in a region of £1.6m per year, based on an assumed participation rate in the garden waste scheme of 35% and the latest operational data on food waste recycling which is being used to plan the number of rounds and vehicles required to continue the success of the separate food waste collection. This will lead to an on-going pressure of £1.08m. For 2016/17, a one-off saving of £670k has been identified as part of the WLWA levy arrangements which can be used to partially mitigate the pressure.

Cultural Services

Q2 (to 30.9.15) Variance £000	Q3 (to 31.12.15) Variance £000	Movement £000
102	102	0

16. Cultural Services are reporting a projected overspend of £102k against a controllable budget of £2.940m. The overspend largely relates to forecast partial/non achievement of MTFS savings for Arts and Heritage (£71k) and libraries (£31k).
17. Arts and Heritage's adverse variance relates largely to forecast non-achievement of room rental income at Harrow Arts Centre (HAC). Cabinet received a report in January which detailed the ongoing requirement for subsidy at the Arts Centre in 2016/17 under new governance arrangements and the draft budget assumes a subsidy of £431k in the next financial year.
18. Libraries' adverse variance relates to partial non achievement of MTFS savings due to delayed finalisation over closure of libraries. The pressure this year is partially offset by the one-off saving in relation to the provision for early exit on libraries contract. An on-going pressure of £77k exists in 16/17 but will be mitigated by a reduction in the libraries' book fund.

Housing General Fund

Q2 (to 30.9.15) Variance £000	Q3 (to 31.12.15) Variance £000	Movement £000	One-off income / earmarked reserves included £000
775	980	205	(1000)

19. The reported pressure at Quarter 3 is £980k after the proposed draw down of £1m from the Welfare Reforms/Homelessness reserve to offset the homelessness pressures, a deterioration of £205k against Quarter 2 due mainly to increased estimated repayments to be made to DWP in respect of B&B rates. Without the draw down from the reserve, the pressure would instead be £1.980m.
20. The £2m pressure relates mainly to homelessness and is expected to continue in 2016/17 due to the combined impact of a shortage of affordable accommodation in London, rapidly increasing rents in the private rented sector and the Government's welfare reforms placing increased pressures on household incomes. These factors continue to drive extraordinary growth in the number of families becoming homeless across London and are expected to mask the savings accruing from the Council's Property Purchase Initiative which was predicated on there being no further growth in homelessness.
21. In summary, the pressure mainly comprises:
22. Bed & Breakfast accommodation ("B&B") - £1.318m pressure
- The number of households in B&B stood at 256 (Quarter 2, 227) and the budget holder estimates this will increase to approximately 312 at the end of the financial year, more than double the number at the start of the year. This increase results in an estimated net expenditure of £2.350m against a budget of £1.032m yielding a pressure of £1.318m (Quarter 2, £1.172m). Deterioration against Quarter 2 of £146k is due mainly to an increased estimate of repayments to be made to DWP resulting from HB paid for B&B over subsidy rates. The actual amount to be repaid will not be known until the subsidy claim is finalised by the Revenues & Benefits Team at year end.
23. Private Sector Leasing ("PSL") - £154k pressure
- The number of PSLs is expected to stand at approximately 340 at the end of the financial year assuming four new leases every week and the majority of existing leases continuing. These assumptions indicate an estimated surplus of £558k against a an assumed income of £712k (set in the MTFS) yielding a pressure of £154k (Quarter 2, £136k) With the

current housing market, it is difficult to obtain the number of leases originally assumed, and the surplus rent to cover administration costs is also lower because of market rents rising considerably whilst rental income that can be claimed has been frozen since 2011.

24. Discretionary Housing Payments (“DHP”) - £400k pressure
The DHP allocation for 2015-16 has been reduced by some 40% from 2014-15 levels to £677k. This has created a pressure of £400k in the Housing Needs Budget.
25. Bad Debt provision – £146k pressure
The current budget for bad debts is £50k, but it is becoming an increasing challenge to collect monies owed to the Council. Existing corporate charging procedures for B&B are being reviewed to improve collection rates, but at this stage a provision for bad debt of £196k is required, giving rise to a pressure of £146k.
26. Resident Services - £79k pressure
Relates to additional management costs and contract payments to ensure compliance with applicable legislation and agency costs to cover vacant posts. The impacts of the current review of Watkins House, which may include increased costs to General Fund, will be included once known.
27. Harrow Stay Put - £35k pressure
Pressure relates to agency cover which may be neutralised by recharges to capital assuming adequate referrals from Adult Services.
28. Other variations - £11k capacity
Include income pressure on Regeneration as income target for toolkits will not be met, offset by capacity on Travellers Site
29. Underspends totalling £141k comprise £78k management fees charged to HRA in respect of the use HRA properties as Temporary Accommodation and £12k recharges to HRA for Corporate Director (Environment & Enterprise). A further £51k recharges to capital in respect of the housing regeneration team have been included on the assumption these meet Council’s criteria for capitalisation.
30. Finally, £1.0m will be drawn down, as a one off, from the Welfare Reforms / Homelessness reserve to partially offset the homelessness pressures.

Housing Revenue Account

Q2 (to 30.9.15) Variance £000	Q3 (to 31.12.15) Variance £000	Movement £000
(84)	(111)	(27)

31. Depreciation charges in HRA result in transfer of resources from revenue to capital reserves, resulting in no overall impact on HRA financial resources. The forecast outturn shows a capacity of £111k, an

improvement of £27k against Quarter 2 reported capacity £84k, due mainly to a reduction in estimated depreciation following a review of methodology, to be approved by external auditors. The forecast also reflects the revenue impact of the Homes-4-Harrow regeneration schemes which do not yet qualify for capitalisation.

32. Dwellings on Grange Farm estate are assumed to be substantially impaired as result of regeneration programme. Under current regulations this accounting treatment will have no impact on HRA financial resources. Alternative accounting treatment assumes dwellings on this estate will have a very short remaining useful economic life triggering accelerated depreciation, so transferring more resources to Major Repairs Reserve, significantly reducing flexibility. In addition to the revised depreciation methodology, the proposed accounting treatment for Grange Farm will be put forward to external auditors for approval.
33. Reforms of the HRA and Welfare continue to present new and significant challenges which are being addressed by the Housing Management Team
34. A summary of the HRA position is provided below which includes estimated balances.

HRA revenue balances £000	Original budget	Revised Budget	YTD Actual	Forecast outturn	Variation
Balance b/fwd	-4,395	-4,395		-4,585	-190
Net (surplus) deficit	-567	-601	-9,376	-712	-111
Balance c/fwd	-4,962	-4,996		-5,297	-301

35. Mitigations to alleviate pressures on HRA budgets have already been put in place and included in the forecasts in the form of capitalisation of Housing Regeneration costs associated with the Affordable Housing programme. The mitigations in place for the Housing General Fund place additional cost of £90k onto HRA, and these are included in the above forecasts.
36. Following a review of its debts, the Housing Service has identified amounts in the Housing Revenue Account totalling £32k which are no longer considered recoverable, £20k of which relates to deceased tenants, with the remainder due to tenants not traceable following exhaustion of all approved channels, or being in prison. These debts have already been provided for and represent no additional charge to HRA balances. In line with the Council's debt management policy, it is recommended Cabinet approves the write off of this amount.

PEOPLE DIRECTORATE

37. The People's Directorate is forecasting an over spend of £0.549m at Quarter 3. This is a deterioration of £455k since Quarter 2.

	Q2 (to 30.9.15)	Q3 (to 31.12.15)	Movement	One-off income /

	Variance £000	Variance £000	£000	earmarked reserves included £000
Adults	54	302	248	0
Adults Trans	40	40	0	0
Public Health	0	0	0	0
Children	866	1,073	207	0
Children's Social Care Reserve	(866)	(866)	0	(866)
Total	94	549	455	(866)

ADULT SERVICES

Q2 (to 30.9.15) Variance £'000	Q3 (to 31.12.15) Variance £'000	Movement £'000
54	302	248

38. At Quarter 3, Adults Directorate is forecast to overspend by £302k, an increase in the forecast overspend of £248k when compared with quarter 2. The increase of £248k arises from DoLs (£58k), Mental Health (£60k) and adult social care purchasing, including acute discharges (£130k).
39. Recovery action was taken at Quarter 2 to reduce the overspend then being reported (£0.649m) and this has been achieved. However these additional pressures arise from continued legislative responsibilities and increased pressure from health in relation to hospital discharges.
40. Whilst every effort is being made to reduce these new pressures, given the earlier recovery action and mitigation, and proximity to year end, it is likely to prove more challenging to reduce this pressure by the end of March. Risks around social care pressures arising from increased complexity and from health in relation to early discharge around Delayed Transfers of Care (DToC's), continues.
41. The key variations across the directorate are consistent with Quarter 2 and are detailed below:
42. **Overspends** – these represent on-going pressures;
43. £1.502m overspend relates to social care placements and represents purchasing pressures (£0.829m of which represents the acceptance of 21 Ordinary Residents cases, this figure may increase if the backdating

of cost to the original date of placement is pursued, leading to a further cost of £1.3m above the litigation provision assumed).

44. £174k 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 £430k 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).
45. £248k 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 £497k is currently being forecast and is an increase of £103k compared to Quarter 2.
46. **Underspends** – these are one-off underspends;
47. £80k underspend on Adult Social care staff vacancies.
48. £201k underspend on the Quality Assurance team (largely reflecting the delay in recruiting to vacant posts).
49. £110k underspend has been identified in relation to non-staffing budgets
50. £1.238m Care Act Funding used to offset purchasing pressures
51. The demand led nature of the Adult’s Services budget means that it is challenging to manage within budget. The pressures will continue to be closely monitored and whilst it is not easy to predict the level of future demand it may be possible to mitigate some of these pressures in due course. However, it will remain challenging to manage the demands of demography within the available funding envelope alongside the risk of inflationary increases (particularly those arising from the implementation of the National Minimum wage) together with the disappointing central government grant settlement which means that there is no capacity to allocate Care Act funding to the service to support on-going associated costs of the Care Act.

ADULTS TRANSFORMATION

Q2 (to 30.9.15)	Q3 (to 31.12.15)	Movement
Variance £'000	Variance £'000	£'000
40	40	0

52. 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 we are assuming an overspend, officers are continuing to explore whether the function can be ceased to reduce the pressure and avoid this continuing into 2016/17, however, if the function does not cease then this will be an on-going pressure.

CHILDREN'S SERVICES

Q2 (to 30.9.15)	Q3 (to 31.12.15)	Movement	One-off income / earmarked reserves included £000
Variance £'000	Variance £'000	£'000	
0	207	207	(866)

53. As at Quarter 3 the total forecast overspend for the Directorate is £1.386m, which reduces to £0.520m after the use of a one off Children's Social Care reserve of £0.866m.
54. It is also anticipated that a further £313k of pressures can be mitigated by additional one off recently identified actions therefore reducing the forecast overspend to £207k.
55. 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.
56. The main areas of pressure totalling £2.589m are as follows:
57. Special Needs Transport £0.698m 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.
58. Children with Disabilities Service staffing £41k pressures to manage caseloads and client costs £356k due to demand and a single young person with high and extraordinary needs. There are currently 217 children being supported through Direct Payments, 161 families being supported through Section 17 and 40 children receiving home care packages.

59. £379k Placements pressure mainly resulting from an increase in the number of children in high cost residential placements. During November 2015 and December 2015, Children's services have made 4 additional placements of young people in out of borough high cost residential placements. These placements have been needed in response to significant risks relating to child sexual exploitation (CSE) and gangs involvement. The duration of these placements will be tightly managed. In addition an extra-ordinary panel has been scheduled to review all the high cost residential placements to ensure that these placements are ended safely as soon as possible to reduce the costs, and ensure they are best value.
60. Children and Young People's Service staffing £0.542m pressure as a result of agency and interims covering vacancies and sickness and additional staff to manage caseloads.
61. There is a pressure on the Children's and Families budget of £0.573m 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.
62. These pressures are partially reduced by:
63. Use of one off children's social care reserve of £0.866m.
64. Non-frontline staff vacancies and a number of centrally held management actions of £1.516m including demographic growth £413k and flexible use of grants £0.813m.
65. The demand led nature of Children's Services budgets means that the budgets must continue to be closely monitored in future years. . Of the 2015/16 management actions, only approximately £0.600m of these will continue into 2016/17 as well as an additional further future allocation of £400k for demographic growth taking these management actions to approximately £1m. Therefore further management actions will be needed should the pressure continue in future years. The overspend of £207k is a net increase of £207k from the balanced position reported at Quarter 2. The main reason for this is an increase in forecast placement spend mainly resulting from a number of additional children being placed in high cost residential homes.

PUBLIC HEALTH

Q2 (to 30.9.15)	Q3 (to 31.12.15)	Movement
Variance £'000	Variance £'000	£'000
0	0	0

Note: There will be no variation on the grant as in year variations are adjusted to/from the specific public health reserve. The in-year position at Quarter 2 reflected an in year deficit of £115k which has reduced to £87k for Q3. This is largely due to forecast reduction in spend against Health Checks and Sexual Health Services which has been based on the latest available information.

66. The 2015/16 budget process created capacity of £0.627m in the grant against which wider public health outcomes could be charged, with a further increase agreed in year of £100k, taking the total to £0.727m.
67. A specific public reserve of £0.908m was held at the end of 2014/15. This included £0.508m approved as carry forwards against specific projects. In light of the in- year grant reduction, the commitments have been reviewed and projects ceased where possible, resulting in spend of £463k.
68. The in-year position indicates a deficit of £87k, arising from the in-year grant reduction of £0.665m and fully delivering the MTFS savings of £0.727m. This deficit will need to be drawn down from the reserve to balance the spend within the grant available.
69. As a result of the in-year position, it will be necessary to reduce the reserve to be held at the end of the financial year from £400k to £358k. This reserve is held for any contingent liabilities, redundancies arising from any restructures and as a GUM reserve. It is necessary to hold a GUM reserve as activity is demand led (latest forecasts are based on actual services provided to July 2015) and to support the collaborative commissioning process expected to be implemented in April 2017.

The movement on the Public Health reserve is set out below:

	£'000
2014/15 Public Health Reserve c/f	908
Less spend on carry forward projects	<u>(463)</u>
Reserve at Quarter 2	445
2015/16 In year position	<u>(87)</u>
2015/16 forecast Public Health reserve	358

BUSINESS SUPPORT

70. Business Support is forecasting an over spend of £453k, a decrease in forecast of £47k from Quarter 2, due to vacant posts remaining unfilled. The overspend is as a result of staff savings that cannot be achieved within the current structure.

CORPORATE BUDGETS

71. Corporate budgets are forecast to underspend by £1.070m in total, an increase of £432k since Quarter 2. The detail is listed below:

S31 Grant to compensate for Business Rate Reliefs

72. 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.

Contingencies and Reserves

Central Contingency

73. The Central Contingency for unforeseen items in 2015/16 is £1.248m. In view of the currently projected General Fund overspend before the use of contingency it is assumed that the £0.858m of the contingency will be applied to balance the General Fund position. This would leave a balance of £0.390m in the contingency.

Gas and Electricity Inflation

74. £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

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 a number of specific reserves for a variety of purposes as identified in table 4 below.
76. The main changes are additional drawdowns on the TPIF reserve of £409k and MTFS Implementation reserve of £684k.

Table 4 Contingencies and Earmarked Reserves

	Unforeseen Contingency	Energy Inflation	Rapid Response	IT Implementation	Standing up for those in need	Welfare Reform/ Homelessness	Public Health	Childrens Social Care	Commercialisation	TPIF	Carry Fwd	Business Risk Reserve	MTFS Implementation
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at start of Year	1248	350	0	0		0	908	866		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				468
Draw down at Q2*	(665)			(1,762)		(1,000)	(358)	(866)	(389)	(74)	(1,598)	(218)	(932)
Balance Q2	583	350	75	1,092	800	0	550	0	611	3,745	195	1,891	2,340
Movement Q3*	(193)								(16)	(409)		100	(684)
Balance at Q3	390	350	75	1,092	800	0	550	0	595	3,336	195	1,991	1,656

* contingency draw down assumed use

Other Corporate budgets

77. There is a net saving of £470k on other corporate budgets. £147k relates to an improved position on interest budgets, £104k new burdens funding in relation to search fees, £97k additional Education Services grant, £84k in relation to a write back on the Good Received Invoice Received suspense account and £38k from a number of minor variances on corporate budgets.

Reserves and Provisions

78. 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 3 the Council has adequate provisions in respect of Insurance, Litigation and Employment cases.

Debt Management

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

MTFS IMPLEMENTATION TRACKER

80. 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 3

81. 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 £157.933m at Quarter 3.
82. The forecast spend at Quarter 3 is £116.967m, 74% of the total capital programme, a reduction of 2% when compared with Quarter 2.
83. The forecast variance on General Fund at Quarter 3 is an underspend of £28.992m (23%). The forecast underspend comprises of slippage of £27.268 and underspends of £1.724m
84. The forecast variance on the HRA is £11.975m, which is all slippage.
85. 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 (Additional)	External	LBH	TOTAL BUDGET	Forecast Spend	Forecast Variance	Slippage	Underspend after slippage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PEOPLE	32,946	32,973	0	0	55,488	10,431	65,919	52,854	-13,065	12,852	-213
<i>Adult</i>	1,324	2,679	0	0	540	3,463	4,003	721	-3,282	3,069	-213
<i>Schools and Children</i>	31,622	30,294	0	0	54,948	6,968	61,916	52,134	-9,783	9,783	0
COMMUNITY	17,558	5,627	2,316	9,719	9,027	26,193	35,220	25,516	-9,704	8,355	-1,349
<i>Environment and Commision</i>	15,438	1,734	2,316	2,085	5,860	15,713	21,573	18,867	-2,706	2,706	0
<i>Housing</i>	1,820	1,640	0	7,634	2,163	8,931	11,094	5,200	-5,894	4,545	-1,349
<i>Culture</i>	1,004	1,549	0	0	1,004	1,549	2,553	1,449	-1,104	1,104	0
RESOURCES	14,503	9,796	-2,216	0	0	22,083	22,083	16,917	-5,166	5,003	-162
REGENERATION	2,248	0	-100	2,325	198	4,275	4,473	3,416	-1,057	1,057	0
TOTAL GENERAL FUND	67,255	48,395	0	12,044	64,713	62,982	127,694	98,703	-28,992	27,268	-1,724
TOTAL HRA	21,656	2,241	0	6,342	1,021	29,218	30,239	18,264	-11,975	11,975	0
TOTAL GENERAL FUND & HRA	88,911	50,636	0	18,386	65,734	92,200	157,933	116,967	-40,966	39,242	-1,724

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	LBH		Grant	LBH
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PEOPLE	-13,066	-9,759	-3,307	-12,853	-9,709	-3,144	-213	-50	-163
<i>Adult</i>	-3,283	-276	-3,007	-3,070	-226	-2,844	-213	-50	-163
<i>Schools and children</i>	-9,783	-9,483	-300	-9,783	-9,483	-300	0	0	0
COMMUNITY	-9,704	-4,541	-5,163	-8,355	-3,237	-5,118	-1,349	-1,349	0
<i>Environment and commissioning</i>	-2,706	-2,188	-518	-2,706	-2,188	-518	0	0	0
<i>Culture</i>	-1,104	-1,004	-100	-1,104	-1,004	-100	0	0	0
<i>Housing</i>	-5,894	-1,349	-4,545	-4,545	-45	-4,500	-1,349	-1,349	0
RESOURCES	-5165	0	-5165	-5003	0	-5003	-162	0	-162
REGENERATION	-1057	0	-1057	-1057	0	-1057	0	0	0
TOTAL GENERAL FUND	-28,992	-14,300	-14,692	-27,268	-12,946	-14,322	-1,724	-1,399	-325
TOTAL HRA	-11,974	0	-11,974	-11,974	0	-11,974	0	0	0
TOTAL	-40,966	-14,300	-26,666	-39,242	-12,946	-26,296	-1,724	-1,399	-325

RESOURCES DIRECTORATE

86. As at Quarter 3 the forecast spend is £16.917m, 77% of the 2015/16 Resource's directorate capital budget. The forecast under spend is £5.166m of which £5.004m is slippage to future years and £162k is no longer needed. The main items of slippage are detailed below:
87. 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.
88. 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 £810k 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 £176k one-off in 2015/16.
89. Transition and Transformation of IT service including On-going refresh and enhancement of ICT. £3.692m of the budget will be slipped to future years to reflect the current profile of implementation. There is no quantifiable revenue implication.
90. ICT Corporate system refresh. £204k will be slipped as a result of delay to the delivery of Civica W2 upgrade, Sopra Steria is hoping to deliver this project in 2016/17.
91. There is a net underspend across the directorate of £162k as detailed below:
92. Business Transformation Project. £150k - this include £100k 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 of is anticipated to underspend as a result of outsourcing the service and other minor underspend of £12k.

COMMUNITY DIRECTORATE

93. As at Quarter 2 the revised forecast is £25.516m, 72% of the total budget.
94. The forecast under spend is £9.704m of which £8.355m will be slipped to 2016-17 and £1.349k is no longer needed. The main items of slippage and underspend are detailed below:

Environment & Commissioning

95. At Quarter 3 the revised forecast is £18.847m
96. The forecast under spend is £2.188m, and will all be slipped to 2016/17.
97. The main item of slippage and reasons are detailed below:
98. 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.
99. 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.
100. Pinner Park Farm – £518k. Project on hold. £20k spends this year. No further spend is anticipated until further instructions to progress are obtained.

Culture

101. 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).
102. 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

103. Empty Property Grant - Grant payments to private property owners in return for nomination right to house homeless persons in these properties instead of in more expensive Bed & Breakfast accommodation. Demand-led so lower number of properties becoming available results in underspend.(£45k).
104. Housing Property Purchase – (£4.5m). A combination of a delay in establishing the Limited Liability Partnership which will hold the properties purchased under this initiative, and a shortage of appropriate properties has resulted in a slow start for this project.
105. 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 (£1.348m).

PEOPLE

106. At Quarter 3 the forecast spend is £52.854m, 80% of the 2015/16 People's directorate capital budget.
107. The forecast under spend is £12.852m of which £12.852m will be slipped to 2016-17 and £213k is no longer needed. The main items of slippage are detailed below:

Adults

108. At Quarter 3 the forecast spent is £721k, 18% of the approved capital programme.
109. The directorate variance is £3.282m of which £3.069m is slippage and £213k underspends.
110. The following schemes in the programme will be slipped for the following reasons:
111. 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 (£405k)
112. 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.
113. 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.

114. 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.
115. 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.
116. 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.
117. Quality Outcome for People with Dementia (£150k) slippage. This is a result of delays in developing detailed proposals for the project.
118. Reform Of Social Care Funding - Some software cost has been forecast, the remaining budget will be slipped into next financial year. (£755k).
119. 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.
120. 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).
121. In addition to the slippage above the following schemes are under spending;
122. Carer's Service charges (£200k) this is to be discontinued as work is no longer required against this project.
123. Mental Health Supported Housing Repair - This project will be closed by year end, with no requirement to slip the underspend. (£13k).

Schools

124. As at Quarter 3 the forecast spend is £52.134m 84% of the approved budget. The following paragraphs outline the progress on the schools programme. 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.

125. The budget for the school expansion programme through to 2018-19 is £124.944m. There have been significant pressures identified primarily in Phase 2 (SEP2) of the programme. 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.

Schools Expansion Programme Phase 1 & 2 (SEP1 and SEP2)

126. The latest forecast, as at the first week of January 2016, has been provided by the cost consultants for the construction costs only. In addition to this, an estimate has been made of the costs of the capital team recharges and all other costs including cost consultant fees, planning & building control fees, moving and storage costs and FF&E payments to the schools to furnish the new classrooms.
127. These costs indicate an overall SEP2 pressure of approximately £2.9m. There is a contingency of £1.365m and a further possible £524k of s106 funding identified but not yet drawn down. After these are applied, this would leave a SEP1&2 overspend of approximately £1m. It is anticipated that any overspend can be offset by the uncommitted SEP4 budgets of £4.615m but there still remains a risk to the overall programme.
128. The forecasts continue to be monitored and updated as all of the projects are live and the accounts need clarifying and agreeing with the contractors. Work is being undertaken with Legal Services regarding the stance that can be taken with the contractors regarding some contractual matters

Schools Expansion Programme Phase 3 (SEP3)

129. In September 2015 Cabinet agreed a virement from the currently uncommitted SEP4 programme to cover the anticipated costs of SEP3. It is anticipated that the majority of this budget will be slipped to 2016-17. However, the latest forecasts provided by Willmott Dixon suggest that the costs of the initial three school expansion projects could be in excess of the budget allocated to these three schemes by approximately £1.8m. There is an overall SEP3 contingency for 5 schemes totalling £1.48m which would partially mitigate this pressure. However, it should be noted that the designs on which these forecasts are based are subject to planning approval and any further works or redesigns required to meet any additional planning conditions could put further financial pressure on this programme. Weald Rise School, also part of SEP3, is being rebuilt as part of the Priority School Building Programme however the expansion of the school is in addition to the works being provided by the EFA. Therefore the council has committed

to a top up fee in order to deliver the expansion element of this programme, totalling £2.189m. Finally, the Stag Lane schools are not included in the current forecast as they are still at the design and school sign-off stage. There is a budget allocated to this scheme and if the above forecasts come to fruition and the Stag Lane schools are predicted to be over budget then this would be a further risk to this element of the programme.

Schools Expansion Programme Phase 4 (SEP4)

130. There is an uncommitted SEP4 budget of £4.615m. If all of the free schools come on line then it is not anticipated that this funding would be needed. Therefore this could be used to offset the predicted overspend of £1m on SEP2 and any potential pressures on SEP3 currently identified at £300k.

VIREMENT

131. A virement is requested to vire the remaining SEP contingency of £1.365m to the following Secondary Expansion lines within the programme for which this contingency was intended:

- SEP1 £0.533m
- SEN £0.589m
- Secondary £243k

In addition a virement is requested to vire £1m from the currently uncommitted SEP4 programme to the SEP2 line within the capital programme.

REGENERATION

132. The Division forecast to spend £3.416m (or 76%) on this year's budget allocation. The main reasons for slippage are as follows:

133. Additional budgets of £2.3m were added to Regeneration Programme this year following Cabinet approval in September 15, £1.1m of which was allocated to fund the procurements of design teams for various sites identified for redevelopment. These include Station Road Quarter, Wealdstone site, Vaughan Road and Waxwell Lane car parks. The contract for the Station Road Quarter has been awarded and therefore some spend is anticipated in the last quarter of 2015/16. The procurement process for both car park sites is underway, however the timescale will mean that the work will not commence until March 16. Additional land assembly work has also led to a slight delay in the design procurement for the Wealdstone site. It is now forecast that £0.85m of this budget will be slipped to 2016/17.

134. There are also a forecast underspend of £50k and £75k reported for Leisure Centre site and Greenhill Way site respectively. Some master planning work has been commissioned for Leisure Centre, with further

study likely to take place at a later time. There is also some delay on Greenhill Way feasibility study.

135. A £45k underspend is identified for the Haslam House project as a result of the lower tender prices for the demolition contract. However, due to uncertainty around affordable housing contribution, it is prudent to hold this sum until the position becomes clear and any revised costs are available.
136. The site acquisition in Wealdstone is currently assumed to be concluded in this financial year and the cost included in the forecast. There is a medium risk that the purchase may not proceed by March 16. This is subject to on-going review.

Housing Revenue Account

137. As at Quarter 2 the spend forecast is £18.766m, 63% of the 2015/16 HRA's latest capital Budget. At Quarter 3 the revised forecast is £18.264m 60% of the approved capital budget.
138. The forecast under spend is £11.975m which will all be slipped into 2016/17.
139. This project is in relation to investment in Council owned housing stock - financed entirely from HRA, 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)

140. 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.
141. 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

142. The Station Road Highway and Environmental Improvements scheme is funded by TfL via the LIP (£110k), GLA High Street fund (£194.2k), and Harrow capital (£100k). It is recommended that £7.5k is added to the project funded from available s106 funding.

Legal Implications

143. 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.

144. 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. The Financial Regulations set out delegations in respect of virements. All virements of over £500,000 must be approved by Cabinet.
145. Writing off debt of over £25,000 must be approved by Cabinet under the Financial Regulations.
146. 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:
 - a. the expenditure is wholly covered by additional external sources;
 - b. the expenditure is in accordance with at least one of the priorities listed in the capital programme; and
 - c. 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. The addition proposed in this report meets all these requirements.

Equalities

147. 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:
148. 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.
149. 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.
150. 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.
151. 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.
152. 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
153. 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.

Financial Implications

154. Financial matters are integral to the report.

Performance Issues

155. 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.
156. The overall projected percentage variance from the revenue budget for directorate budgets is currently forecast to be an overspend of 1.1%.
157. 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), 28% green (achievement of saving on track), 29% amber (saving only partially achieved or risks remaining) and 3% red (agreed saving not achievable).
158. 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 74% of budget.
159. Council Tax Collection: The collection rate for Quarter 3 is 83.30% against a profile target of 84.00%
160. Business Rates Collection: The collection rate for Quarter 3 is a collection rate of 82.38% against a profile target of 84.00%.

Environmental Impact

161. There are none directly related to this report

Risk Management Implications

162. The risks to the Council and how they are being managed are set out in the report.

Risks are included on the Directorate risk registers. **Council Priorities**

163. The Council's vision is:

Working Together to Make a Difference for Harrow

164. 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

165. 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: 8 February 2016		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 22 January 2016		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out:	NO
EqIA cleared by:	N/A

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](#)

Cabinet December 2015:[Revenue and Capital Monitoring for Quarter 2 as at 30 September 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 before Mitigations	Quarter 3 Variance	One off income/earmarked reserves	Quarter 3 Variance After Mitigations	Variance	Q2 Variance	Movement Q2 to Q3
	£000	£000	£000	£000	£000	%	£000	£000
Resources								
Controllable Budget								
Customer Services	24,402	24,990	588		588	2.4%	444	144
Director of Resources	860	485	(375)		(375)	(43.6%)	(376)	1
HRD & Shared Services	1,889	1,777	(112)		(112)	(5.9%)	(72)	(40)
Legal & Governance	2,990	2,954	(36)		(36)	(1.2%)	(4)	(32)
Procurement	986	1,058	72		72	7.3%	69	3
Strategic Commissioning	2,864	2,812	(52)		(52)	(1.8%)	(39)	(13)
Assurance	611	585	(26)		(26)	(4.3%)	(22)	(4)
Finance	3,813	3,768	(45)		(45)	(1.2%)	(43)	(2)
Total Controllable Budget	38,415	38,429	14	0	14	0.0%	(43)	57
Uncontrollable Budget	(17,903)	(17,903)	0		0	0.0%		0
Total Directorate Budget	20,512	20,526	14	0	14	0.1%	(43)	57
Community								
Controllable Budget								
Environment & Commissioning	18,690	19,425	735	(759)	(24)	(0.1%)	-25	1
Culture	2,998	3,100	102	0	102	3.4%	102	0
Housing General Fund	4,018	5,998	1,980	(1,000)	980	24.4%	775	205
Total Controllable Budget	25,706	28,523	2,817	(1,759)	1,058	4.1%	852	206
Uncontrollable Budget	18,677	18,677	0		0	0.0%		0
Total Directorate Budget	44,383	47,200	2,817	(1,759)	1,058	2.4%	852	206
People								
Controllable Budget								
Adult Services	54,055	54,357	302	0	302	0.6%	54	248
Adults Transformation	184	224	40		40	21.7%	40	0
Public Health	(727)	(727)	0		0	0.0%	0	0
Children & Families	31,532	32,605	1,073	0	1,073	3.4%	866	207
Total Controllable Budget	85,044	86,459	1,415	0	1,415	1.7%	960	455
One off Children's Social Care Reserve	866	866	0	(866)	(866)	(100.0%)	(866)	0
Uncontrollable Budget	18,717	18,717	0		0	0.0%		0
Total Directorate Budget	104,627	106,042	1,415	(866)	549	0.5%	94	455
Regeneration								
Economic Development & Research	1,707	1,595	(112)		(112)	(6.6%)	(79)	(33)
Planning	395	361	(34)		(34)	(8.6%)	(21)	(13)
Adult Learning	0	0	0		0		0	0
Total Controllable Budget	2,102	1,956	(146)	0	(146)	(6.9%)	(100)	(46)
Uncontrollable Budget	1,134	1,134	0		0	0.0%		0
Total Directorate Budget	3,236	3,090	(146)	0	(146)	(4.5%)	(100)	(46)
Business Support								
Business Support	2,944	3,397	453		453	15.4%	500	(47)
Uncontrollable Budget	(838)	(838)	0		0	0.0%		0
Total Business Support	2,106	2,559	453	0	453	21.5%	500	(47)
Total Directorate Budgets	175,702	180,255	4,553	(2,625)	1,928	1.1%	1,303	625
Corporate Items	(8,731)	(9,801)	(1,070)		(1,070)	12.3%	-638	(432)
Corporate Contingency	1,248	390	(858)		(858)		-665	(193)
Total Budget Requirement	167,381	170,006	2,625	(2,625)	0	0.0%	0	0