Harrow COUNCIL LONDON

# REPORT FOR: CABINET

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| **Date of Meeting:** | 16 February 2017 |
| **Subject:** | 2016/17 Revenue and Capital Monitoring for Quarter 3 as at 31 December 2016 |
| **Key Decision:** | Yes |
| **Responsible Officer:** | Dawn Calvert, Director of Finance |
| **Portfolio Holder:** | Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation |
| **Exempt:** | No |
| **Decision subject to Call-in:** | Yes |
| **Wards affected:** | All |
| **Enclosures:** | Appendix 1- Revenue Budget Summary (Directorates) as at 31 December 2016<br>Appendix 2 – MTFS 2016/17 to 2019/20 Savings Tracker<br>Appendix 3- Capital Programme as at 31 December 2016 |

## Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital monitoring position as at Quarter 3 2016/17 (31 December 2016).

### Recommendations:

1. That Cabinet note the revenue and capital forecast positions detailed in this report as at Quarter 3 2016/17.

2. That Cabinet approves the bad debt write-offs within the Community Directorate and Housing Revenue Account as outlined in paragraphs 2.24 and 2.31.

3. That Cabinet note the proposed reduction to the 2016/17 Capital Programme as outlined in paragraphs 3.21 and 3.22

4. In respect of School Expansion Programme 1&2 Cabinet is requested to delegate authority to the Corporate Director People Services, following consultation with the Leader of the Council, Portfolio Holder for Finance & Commercial and the Finance Director (section 151 officer) to settle the final accounts with the contractor including to affect any virements required as a result of this decision as set out in paragraphs 3.38 and 3.39.

5. That Cabinet approves the capital additions as set out in paragraph 3.45

**Reason: (For recommendation )**
To report the 2016/17 forecast financial position as at 31 December 2016 and to seek approval for budget adjustments which require Cabinet approval in accordance with Financial Regulations.

# Section 2 – Report

## 1 INTRODUCTION

1.1 The net forecast position at Quarter 3 on revenue is an estimated pressure of £9.816m on directorate budgets, after mitigating actions of £2.595m have been allowed for. This reduces to £5.134m after the assumed use of the central contingency budget (£1.329m), the use of the Welfare reform and Homelessness reserves (£2m) and an under spend against Corporate budgets of (£1.353m). The £5.134m position represents an increase in the outturn forecast position of £1.285m since Quarter 2.

1.2 The capital programme is reporting a forecast spend of £108.857m against a budget of £169.901m. This represents a total forecast spend of 64%. In terms of general fund capital, there is a forecast of spend of £94.842m against a budget of £140.078m. Of the variance of (£45.237m), £45.078m is requested for slippage into 2017/18 and £0.159m represents capital budgets that are no longer required. For the HRA, variance of (£15.807m) has been forecast of which £15.307m budget is requested to be carried forward into 2017/18 and a budget of £0.500m is no longer required.

(Please note, all number in brackets relates to income/underspends)

## 2. REVENUE MONITORING

2.1 It is crucial to balance the 2016/17 budget whilst doing everything possible to protect frontline services. To achieve this, a plan is in place to be as lean and efficient as possible. Specifically, this includes the implementation of spending controls, reviews of non-essential spend, the improved use of assets, and a range of other efficiency and effectiveness initiatives.

2.2 A summary of the quarter 3 monitoring is shown in table 1 below:

**Table 1: Revenue Monitoring – Quarter 3 2016/17**

| Directorate | Revised Budget | Forecast Outturn Before Mitigations | Quarter 3 Variance | One off Income/ earmarked reserves | Quarter 3 Variance After Mitigations | Quarter 2 Variance | Movement between Quarter2 and Quarter 3 |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Resources and Commercial | 20,207 | 19,582 | (625) | (65) | (690) | (652) | (38) |
| Business Support | 1,373 | 2,264 | 891 | | 891 | 877 | 14 |
| Community | 40,967 | 44,464 | 3,497 | (418) | 3,079 | 3,276 | (197) |
| People | 98,264 | 106,345 | 8,081 | (1,890) | 6,191 | 4,693 | 1,498 |
| Regeneration | 2,193 | 2,760 | 567 | (222) | 345 | 345 | - |
| **Total Directorates** | **163,004** | **175,415** | **12,411** | **(2,595)** | **9,816** | **8,539** | **1,277** |
| Corporate Items | (1,346) | (2,699) | (1,353) | | (1,353) | (1,361) | 8 |
| Corporate Contingency | 3,329 | 2,000 | (1,329) | | (1,329) | (1,329) | - |
| Homelessness Reserve | | | | (1,000) | (1,000) | (1,000) | - |
| LEP Topslice Reserve | | | | (1,000) | (1,000) | (1,000) | - |
| **Total Budget Requirement** | **164,987** | **174,716** | **9,729** | **(4,595)** | **5,134** | **3,849** | **1,285** |

2.3 In November 2016, a report was taken to Cabinet detailing the Property Disposal Programme 2016/17. The report stated that the capital receipts generated from disposals would be applied under the new capital receipt flexibilities granted to Local Authorities by central government to support on-going revenue savings, transformation costs and long terms cost reductions. As the authority has a MTFS including such initiatives, appropriate costs incurred will be applied to the capital receipts.

**Resources & Commercial**

**Table 2 Resources & Commercial Variance**

| | Quarter 3 Variance | Quarter 2 variance | Movement between Quarter 3 and Quarter 2 |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Resources | (690) | (652) | (38) |
| Business Support | 891 | 877 | 14 |
| Total | 201 | 225 | (24) |

2.4 At quarter 3, Resources is forecasting to underspend by (£690k) compared to a forecast underspend of (£652k) at Quarter 2, which is a favourable movement of (£24k).

2.5 The underspend of (£690k) relates to the following key variations:

2.6 Customer Services is forecasting an under spend **(£674k)** due to the improved recovery of Housing Benefits overpayments, coupled with the one off anticipated receipt of Government subsidy. In addition, the Business Transformation Partnerships team has delivered spending reductions from previous identified savings opportunities relating to negotiated service credits and IT support costs.

2.7 Legal & Governance received (£208k) from Central Government for the costs of European Elections incurred in 2015/16, which has contributed to the under spend of **(£166k)** reported by the service.

2.8 Human Resources Directorate & Shared Services is forecasting to under spend by **(£223k)** following the phase 1 implementation of the shared services with Buckinghamshire County Council.

2.9 Strategic Commissioning is forecasting an over spend of **£174k** due to a partly achieved MTFS savings and the underachievement of income that service recognised but will now not be received in the current financial year.

2.10 Procurement is forecast to overspend by **£196k** due to underachievement of savings relating to the Pan Organisation MTFS target. Pan Organisation savings target will not be fully achieved by £100k and the service is experiencing a further over spend as a result of a pressure relating to West London Alliance fees £41k and additional staffing cost of £50k.

2.11 Finance & Assurance is forecasting an overspend of **£106k** due to staffing pressures within the Corporate Finance budget.

2.12 The directorate has also delivered in year savings of **(£65k)** through controlled expenditure since the last reporting cycle. This figure is reflected within the projections made in this report.

Business Support

2.13 Business Support is forecasting to overspend by £891k at Quarter 3 compared to £877k in Quarter 2. The MTFS savings target of £650k for 'Business Support Review' is resulting in a pressure, the rest of the overspend is due to the staffing pressure from Children Services.

2.14 A review of the Business Support budgets has been taking place in response to significant demand led pressures, with an analysis of the support required for the Children's front line service. This has included reviewing Business Support activity within Children's Services. The cost pressure associated with this review is reflected in the children's forecast for 2016/17 and will be transferred to Business support in the next financial year.

**Community Directorate**

2.15 At Quarter 3 the Community Directorate is forecasting an over spend of £3.079m an improvement from quarter 2 of (£197k).

**Table 3: Community Directorate's Variance**

| | Quarter 3 Variance | Quarter 2 Variance | Movement between Quarter 3 and Quarter 2 |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Commissioning & Commercialisation | (418) | (410) | (8) |
| Environment & Culture | 1,287 | 1,204 | 83 |
| Directorate Management | (96) | (96) | 0 |
| Housing General Fund | 2,724 | 2,996 | (272) |
| One off in-year mitigations | (418) | (418) | 0 |
| Total | 3,079 | 3,276 | (197) |

2.16 The favorable movements from Quarter 2 to Quarter 3 relate to an improvement in the homelessness pressures of (**£272k)**, which is partially offset by the net additional costs of arts & heritage services **£68k** and delay in transfer of North Harrow Library **£7k**.

2.17 Environment's overspend relates to an amber rated MTFS saving associated with the changes of garden and food waste collection system. There is a forecast pressure of **£1.3m** on this MTFS saving relating to an income shortfall of £0.5m against the original target for garden waste (which was set prior to the final agreed regime for garden waste service), additional operational costs of £0.8m due to more crews deployed than anticipated as a result of on-going IT issues, and additional Access Harrow staffing. Management actions are being undertaken to address this pressure and these include route optimisation, the review of administrative support and recycling campaigns.

2.18 A pressure of **£0.936m** is forecast for Arts and Heritage service following a decision to explore further options for the arts centre at Quarter 2. Of this, (**£170k)** costs are to be met by Transformation Priority Initiative Fund. An over spend on Libraries & Leisure of **£129k** is also reported mainly relating to £73k additional costs of libraries contract due to contract indexation uplift and £30k associated with the delay in the transfer of North Harrow Library.

2.19 The over spends have been partially offset by (£1.422m) as detailed below:

- A one-off saving of **(£0.77m)** identified on waste disposal costs.
- The forecast overachievement of income of **(£0.652m)**, consisting of one off (£0.5m) income from Parking as a result of a change in accounting policy, (£188k) additional income from HRA and (£126k) one off additional income from cemeteries. These have been partially offset by a £62k shortfall in car park income due to closure of Gayton Road Car Park and £22k shortfall on Civic Amenity site income and £78k shortfall on waste services income.

2.20 A significant amount of the forecast pressure - **£2.5m** relates to homelessness. 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 continue to place pressure on household incomes, which has driven extraordinary growth in the number of families becoming homeless across London. Homelessness prevention initiatives are, however, becoming increasingly successful, and as a result the forecast pressure has now started to reduce.

2.21 For 2017/18 the Council will need to consider any implications arising from the proposed Homelessness Prevention Bill which is expected to result in significant extra staffing costs in respect of prevention and administration activities. Although every effort will be made to contain the pressures within the growth added to the budget for 2017/18, its adequacy will have to be kept under review. This also applies to the on-going effects of the Government's Welfare Reforms. The subsidy payments for Temporary Accommodation costs are changing from 1/4/2017, but the government has yet to issue the guidance. We have been assured that we will receive as much subsidy in 2017/18 as we got in 2016/17. The government is currently undertaking calculations but any shortfall in subsidy funding will give rise to a further budget pressure.

2.22 Other pressures within Housing include the review of Watkins House to ensure compliance with applicable regulations.

2.23 Of the £4.974m 2016/17 MTFS targets, there is one red rated saving at Quarter 3 relating to Arts and Heritage service (£173k in 2016/17 and £282k in 2017/18).

*Bad Debt Write Off*

2.24 An invoice of £75,162.97 was raised a property company, the freeholder of the property, following works carried out by the Council to make a dangerous structure safe in 2015. However the property was leased out at that time and the tenants denied liability. Following legal advice, the outstanding debt is considered to be irrecoverable. It is therefore recommended that this is written off.

**Housing Revenue Account**

2.25 Quarter 3 forecasts a pressure of £635k, a deterioration against Quarter 2 of £5k.

2.26 The pressure is due mainly to unforeseen repairs expenditure required to meet legislative requirements and discharge mandatory health & safety obligations.

2.27 The costs of the compulsory upgrade of IT systems, and unbudgeted Depot bin hire and bulk waste disposal recharges, for which offsetting savings will have to be found.

2.28 Welfare reform and the extension of rent reduction to sheltered housing will impact on the HRA in 2017/18, though other initiatives such as Pay to Stay and Forced Sale of high value Council properties, which were anticipated to take effect next year, have either been shelved or postponed. The challenges facing the HRA are addressed in the HRA draft budget report elsewhere on this agenda.

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

**Table 4: HRA Variance**

| 2016-17 Revised Budget | Quarter 3 Forecast | Variance |
|---|---|---|
| £'000 | £'000 | £'000 |
| (144) | 491 | 635 |

2.30 Based on the forecast overspend of £0.635m, it is estimated that an HRA balance of(£6.245m) will be carried forward into 2017-18.

*Bad Debt Write Off*

2.31 Following a review of its debts, the Housing Service has identified amounts in the Housing Revenue Account totalling £72k which are no longer considered recoverable, £44k of which relates to deceased tenants, with the remainder due to tenants not traceable following exhaustion of all approved channels. 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's Directorate

2.32 The People's Directorate is forecasting an over spend of **£6.191m** at Quarter 3. This is after one off planned management actions and use of Children's Social Care Reserve of £1.890m.

**Table 5: People's Directorate's Variance**

| | Quarter 3 Variance | Quarter 2 Variance | Movement between Quarter 3 and Quarter 2 |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Adult | 2,802 | 2,400 | 402 |
| Children | 4,300 | 2,821 | 1,479 |
| Public Health | (911) | (528) | (383) |
| Total | 6,191 | 4,693 | 1,498 |

Adult Services

2.33 At Quarter 3, the Adults Division is forecast to overspend by **£2.8m**. This represents an increase in forecast of **£0.402m** on the position at quarter 2.

2.34 The movement of **£0.402m** between Quarter 2 and Quarter 3 is largely due to increased pressures on purchasing budgets (including an increased shortfall in the MTFS saving tracker (Appendix 2) associated with Sancroft) and a reduction in some of the staffing mitigations previously assumed.

2.35 In reporting this outturn it is assumed that increased spend finalising the Infinity contract of £0.095m will be funded from the Commercialisation Reserve.

2.36 The overspend **of £2.802m** represents the following key variations:

- A net pressure of **£3.042m** in relation to Adult Social Care (including on-going pressures in relation to DoLs and Mental Health). Purchasing pressures continue to rise, however these are reduced by a reduction in the cost of re-ablement. Winter pressures and the need for prompt discharges from hospital could add further pressures between now and the end of the year. Pressures in relation to placement costs for children with disability (within the all age disability pathway) of £75k are assumed to be fully mitigated by income received from Harrow CCG in relation to contributions towards health care.

- A pressure of **£0.744m** on in-house provided services. This is largely due to pressures of £949k in relation to delays in achieving MTFS proposals (including Kenmore of £489k). It has not been possible to deliver the MTFS savings for both Kenmore and Sancroft as originally anticipated. These savings continued to be included in the base budget for 2017/18 and the expectation now is that these will be delivered through commercialisation projects. The above is offset by underspends over a range of budgets, including reductions in staffing costs.

- Safeguarding quality assurance net underspends of **(£34k)** – this includes reductions in staffing costs.

- Strategic Management underspend of **(£0.950m)** – this relates to the impact of spending control reductions across the division now held centrally. As a consequence of the need to mitigate the wider pressures, any contingencies have now been exhausted.

<u>Children's Services</u>

2.37 As at Q3 the headline pressures totals £6.190m. This reduces to a net reported overspend for the division of £4.300m after the use of one off management and reserve actions totalling (£1.890m).

2.38 The net increase in pressure of £1.479m from the position reported at Q2 is as a result of the following:

2.39 **Children's Placements Increased Pressure £1.353m** - The increased pressure results mainly from 2 new residential placements, 3 residential placements being extended to the end of the year, 1 placement previously in independent fostering now back in a residential placement, 13 new in house fostering placements, 7 new semi-independent placements, 1 new leaving care placement and 1 new mother and baby placement. Also more young people have been made subject to remand or custody arrangements by the courts which incur placement costs for the authority**.**

2.40 **Children and Young People's Staffing Pressure £153k –** The increased pressure mainly results from additional vacancies in the Children's Access Service being covered by agency staff which are more expensive than permanent employees, continued agency sickness cover in Quality Assurance and increased supervised contact support in the Placements Service.

2.41 Various reductions across the directorate **(£27k).**

2.42 The overspend of **£4.3m** represents the following key variations:

2.43 **Special Needs Transport £1.178m** overspend – Special Needs Transport underwent a significant review in 2014/15 with a view to achieving a £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. In addition savings of £257k in 2016/17 have also not been achieved which were largely due to a review of eligibility and a number of other actions which have been undertaken. However, it is not yet apparent that any significant savings can be achieved to drive down the existing pressure. These contribute to part of the overspends. There has also been an increase in demand, particularly for transport from home to school 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.

2.44 **Children's Placements £2.854m overspend –** The overspend mainly results from an increase in the number of children in high cost residential placements. A number of these placements have been needed in response to significant risks relating to child sexual exploitation and gang involvement.

2.45 **Children and Young People's staffing £1.467m overspend –** The volume of referrals from the police to the Multi Agency Safeguarding Hub have gone up by 37%, many of these referrals are about domestic abuse and risk. In addition the volume of referrals linked to homelessness has gone up significantly and means that children are particularly vulnerable in temporary housing. The number of children on child protection plans has gone up by 20% and this includes all forms of abuse especially neglect. A growth bid for additional social work posts in 2017/18 has been submitted.

2.46 **Families with No Recourse to Public Funds £0.638m overspend –** These families are being supported by the council because they have no recourse to public funds. 1.5 FTE bespoke workers have been recruited to focus specifically on these families to help reduce costs and mitigate the financial pressures on this budget. These workers are currently supporting a total of 12 cases. 13 cases have been successfully closed which has mitigated what would have been an even greater pressure.

2.47 **Business Support Staffing in Children's Services £327k overspends –** The model of practice within Children's Services is to integrate business support throughout the children's pathway. These are specialist posts supporting social work pods, and the specialist panels e.g. Adoption Panel which supports the multiple statutory functions throughout Children's Services. The rise in demand in Children's Services which has resulted in additional social workers as set out above has also increased the requirement for additional business support staff. A growth bid for additional Business Support staff to support the growth bid for social work staff has also been submitted.

2.48 These pressures are partially offset by use of one off children's earmarked reserves and one off management actions totalling **(£1.890m**) together with on-going centrally held management actions totalling **(£274k).**

<u>Dedicated Schools Grant</u>

- The total notified DSG budget at Q3 is £130.757m. There is an anticipated pressure on the DSG in 2016/17 totalling **£0.484m**.
- **Early Years £168k overspend** – due to an increase in participating 2, 3 and 4 year olds where the funding has lagged. This will be offset by a centrally held early year's contingency.

- **High Needs £0.980m overspend** – due to an increase in demand and complexity and the change in age range to 0-25 year olds in relation to the SEND reforms.
- **Central Fund (£498k) underspends** – due to a reduction in the number of bulge classes required in 2016/17.
- In addition to this there is a deficit on the schools funding formula of £2.069m which is being funded from a brought forward schools contingency in 2016-17. There is no impact on the Council's General Fund position from the Dedicated School Grant pressure.

Public Health

2.49 Public Health's position at Quarter 3 is a **(£911k)** underspends, a favourable movement of **(£0.383m)** when compared to Quarter 2. The reason for the improve position is largely due to forecast underspends against contracted activity, especially around activity led sexual health budgets.

2.50 The 2016/17 budget process created capacity of (£184k) in the grant against which wider public health outcomes could be charged. Further capacity of (£727k) has been identified and represented the following;

2.51 Reduced spend on wider health improvement together with the funding allocated by members to fund specific projects in areas of cuts **(£375k).**

2.52 Underspends against contracted activity **(£290k).**

2.53 Forecast underspend against the sexual health budget **(£332k)**, based on actual activity to August 2016. The demand led nature of sexual health services reflects the greatest financial risk that activity may increase which has the potential to reduce the underspend accordingly.

2.54 The above underspends have been offset by various additional pressures of **£86k**.

## Regeneration, Enterprise and Planning Services

**Table 6: Regeneration, Enterprise and Planning Variance**

| | Quarter 3 Variance | Quarter 2 Variance | Movement between Quarter 3 and Quarter 2 |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Economic Development& Research | (6) | (6) | - |
| Planning | 68 | 68 | - |
| Regeneration | 505 | 505 | - |
| One-off in year mitigation | (222) | (222) | - |
| Total | 345 | 345 | - |

2.55 At Quarter 3, Regeneration, Enterprise & Planning are reporting an overspend of £0.345m [33.2%] over the total net controllable budget. This is broadly in line with what was reported in Quarter 2.

2.56 The overspend relates in the main to the revenue costs of regeneration activity. A review of estimated expenditure against the Council's Capitalisation Guidance indicates revenue expenditure not qualifying as capital to be **£505k** based on estimates at quarter 3. The pressure is made up of £385k staffing costs, £116k community engagement & communications, £43k planning policy implementation and £89k consultant and other costs. In addition, an estimated £128k New Homes Bonus will be drawn to offset this expenditure. The £0.505m pressure above is mitigated from the £1.36m underspends within the corporate budget.

2.57 Planning are reporting an overspend of **£68k** at quarter 3, The increase relates to £26k forecast public inquiry costs in relation to a John Lyon's s106 application coupled with a forecast under recovery of building control income of £43k mainly as a result of the delayed introduction of increased building control fees.

2.58 **(£222k**) one off in year savings has been identified as part of the spending protocol. The directorate is currently on track of delivering these cost reductions / additional income.

## CORPORATE BUDGETS

2.59 Corporate budgets are forecast to underspend by £1.353m in Quarter 3. This is broadly in line with what was reported in Quarter 2. Of the above underspends, **£595k** will be used to offset the Regeneration budget pressure in 2016/17 while the remaining **£758k** will be used to mitigate the Directorate pressures.

Contingencies and Reserves

**Central Contingency**

2.60 The Central Contingency for unforeseen items in 2016/17 is £1.329m. This will be used in full to mitigate directorate pressures.

**Contingencies and Reserves**

2.61 The contingencies are there to cover unavoidable spending pressures together with other unforeseen items, areas of risk and uncertainty and unmitigated equalities implications. There are also a number of specific reserves for a variety of purposes as identified in table 2 below.

2.62 The main changes to these reserves are the assumed drawdowns listed in the table below:

## Table 7: Contingencies and Earmarked Reserves

| | Unforeseen Contingency | Budget Planning | Rapid Response | Standing up for those in need | IT Impli./Trans. | Welfare Reform / Homelessness | Children Social Care Reserve | Public health | Commercialisation | TPIF | Carry Fwd | Business Risk | MTFS Implementation cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance at Start of Year | 1,329 | 2,000 | 75 | 800 | 1,454 | 0 | 218 | 898 | 520 | 3,189 | 1,794 | 2,109 | 875 |
| | | | | | | | | | | | | | |
| To be added at year end | | | | | 400 | 2,000 | | | | | | | 2,954 |
| Total Earmark Reserve Balance | 1,329 | 2,000 | 75 | 800 | 1,854 | 2,000 | 218 | 898 | 520 | 3,189 | 1,794 | 2,109 | 3,829 |
| | | | | | | | | | | | | | |
| **Total Applied/ To Be Applied** | (1,329) | (2,000) | 0 | 0 | (1,190) | (2,000) | (218) | 0 | (185) | (941) | (1,794) | (80) | (1,181) |
| | | | | | | | | | | | | | |
| **Available after commitment** | **0** | **0** | **75** | **800** | **664** | **0** | **0** | **898** | **335** | **2,248** | **0** | **2,029** | **2,648** |

## MTFS SAVINGS TRACKER

2.63 The 2016/17 budget includes approved MTFS savings of **£17.553m**. The progress on implementation of these savings is summarised below in table 8 below and shown in more detail in Appendix 2. As at the end of December 2016, Quarter 3, 36% of savings had already been banked (blue savings), 51% of savings (green and amber) are on track or partially achieved, with 13% of savings being declared as red.

### Table 8 MTFS Tracker

| | Resources | Community | People | Regeneration | Pan Organisation | Total at Quarter 3 | Total at Quarter 2. | Movement |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Red | 774 | 515 | 1,051 | 0 | 0 | 2,340 | 1,400 | 940 |
| Amber | 974 | 2,071 | 2,573 | 30 | 220 | 5,868 | 6,642 | -774 |
| Green | 258 | 1,612 | 1,158 | 50 | 0 | 3,078 | 3,244 | -166 |
| Blue | 2,558 | 776 | 2,923 | 10 | 0 | 6,267 | 6,267 | 0 |
| **Total** | **4,564** | **4,974** | **7,705** | **90** | **220** | **17,553** | **17,553** | **0** |

The movement between Q2 and Q3 is detailed below:

2.64 The Red Savings has increased by **£940k** as follows**:**

2.65 In Adult **£166k** is the Sancroft Contract Management saving that was previously categorised as Green, this savings will not now be achieved as detailed in the 2016/17 MTFS tracker (Appendix 2), an alternative management action has been taken to mitigate the impact of not achieving this saving this year.

2.66 In Resources, a savings relating to income from the Communications provider of **£125k** and the savings for Business Support Review **£649k** which were previously categorised as Amber have now moved to Red.

## 3. CAPITAL PROGRAMME

### Capital Programme Forecast at Quarter 3

3.1 The 2016/17 capital programme agreed by Council in February 2016 totalled £127.033m. After allowing for agreed slippage from 2015/16 outturn and other approved amendments, the programme now totals £169.901m at Quarter 3.

3.2 The forecast spend at Quarter 3 is £108.857m, 64% of the total capital programme.

3.3 The forecast variance on the General Fund at Qtr 3 is a variance of (£45.237) (33%) of which £45.078m is requested for slippage into 2017/18 and £0.159m represents the capital budgets no longer required.

3.4 The forecast variance on the HRA at Quarter 3 is £15.807m, of which £15.307m will be slipped into 2017/18 and £500k budget is no longer required.

3.5 Tables 9 and 10 below summarise the capital forecast position and Appendix 4 shows the capital programme in more detail:

**Table 9 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** | **17,920** | **19,287** | **0** | **1,650** | **33,823** | **5,033** | **38,857** | **20,372** | **-18,484** | **18,484** | **0** |
| *Adult* | *1,750* | *3,340* | *0* | *-2,278* | *619* | *2,192* | *2,811* | *981* | *-1,831* | *1,831* | *0* |
| *Schools and Children* | *16,170* | *15,948* | *0* | *3,928* | *33,204* | *2,841* | *36,046* | *19,392* | *-16,654* | *16,654* | *0* |
| | | | | | | | | | | | |
| **COMMUNITY** | **38,980** | **8,439** | **5,000** | **-2,585** | **8,289** | **41,544** | **49,834** | **43,122** | **-6,712** | **6,553** | **-159** |
| *Enviroment and Commision* | *15,520* | *401* | *5,000* | *-1,631* | *2,819* | *16,471* | *19,290* | *19,290* | *0* | *0* | *0* |
| *Housing* | *16,970* | *6,814* | *0* | *0* | *800* | *22,984* | *23,784* | *18,195* | *-5,589* | *5,430* | *-159* |
| *Culture* | *4,670* | *0* | *0* | *-954* | *4,670* | *2,090* | *6,760* | *5,638* | *-1,123* | *1,123* | *0* |
| | | | | | | | | | | | |
| **RESOURCES** | **20,525** | **10,343** | **0** | **-906** | **2,159** | **27,803** | **29,962** | **19,449** | **-10,513** | **10,513** | **0** |
| **REGENERATION** | **19,058** | **3,264** | **0** | **-896** | **1,547** | **19,879** | **21,426** | **11,899** | **-9,528** | **9,528** | **0** |
| **CROSS CUTTING** | **5,000** | **0** | **-5,000** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **TOTAL GENERAL FUND** | **101,483** | **41,333** | **0** | **-2,738** | **45,818** | **94,260** | **140,078** | **94,842** | **-45,237** | **45,078** | **-159** |
| | | | | | | | | | | | |
| **TOTAL HRA** | **25,550** | **16,684** | **0** | **-12,412** | **0** | **29,822** | **29,822** | **14,016** | **-15,807** | **15,307** | **-500** |
| | | | | | | | | | | | |
| **TOTAL GENERAL FUND & HRA** | **127,033** | **58,017** | **0** | **-15,149** | **45,818** | **124,083** | **169,901** | **108,857** | **-61,043** | **60,384** | **-659** |

## Table 10 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* | *-18,485* | *-15,691* | *-2,794* | *-18,484* | *-15,691* | *-2,794* | *0* | *0* | *0* |
| *Adult* | *-1,831* | *-589* | *-1,242* | *-1,831* | *-589* | *-1,242* | *0* | *0* | *0* |
| *Schools and children* | *-16,654* | *-15,102* | *-1,552* | *-16,654* | *-15,102* | *-1,552* | *0* | *0* | *0* |
| **COMMUNITY** | **-6,712** | **0** | **-6,712** | **-6,553** | **0** | **-6,553** | **-159** | **0** | **-159** |
| *Enviroment and commisioni* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* |
| *Culture* | *-1,123* | *0* | *-1,123* | *-1,123* | *0* | *-1,123* | *0* | *0* | *0* |
| *Housing* | *-5,589* | *0* | *-5,589* | *-5,430* | *0* | *-5,430* | *-159* | *0* | *-159* |
| *RESOURCES* | *-10,513* | *0* | *-10,513* | *-10,513* | *0* | *-10,513* | *0* | *0* | *0* |
| **REGENERATION** | **-9,528** | **0** | **-9,528** | **-9,528** | **0** | **-9,528** | **0** | **0** | **0** |
| **CROSS CUTTING** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **TOTAL GENERAL FUND** | **-45,236** | **-15,691** | **-29,545** | **-45,078** | **-15,691** | **-29,387** | **-159** | **0** | **-159** |
| | | | | | | | | | |
| TOTAL HRA | -15,807 | 0 | -15,807 | -15,307 | 0 | -15,307 | -500 | 0 | -500 |
| | | | | | | | | | |
| TOTAL | -61,043 | -15,691 | -45,352 | -60,384 | -15,691 | -44,693 | -659 | 0 | -659 |

## RESOURCES DIRECTORATE

3.6 As at Quarter 3 the forecast spend is £19.449m, 65% of the 2016/17 Resource's directorate capital budget. The forecast variance is (£10.513m) which will all be slipped into 2017/18.

3.7 The main items of slippage are detailed below:

3.8 Property Investment Portfolio – It is been estimated that £5.371m of the £15m budget will be spent this year and the remaining **£9.629m** will be slipped to 2017/18. The implication of this slippage is the potential for not achieving £0.350m MTFS savings in 2017/18. This will be monitored closely.

3.9 FM Minor work project – This is a £0.500m budget set aside to carry out any in-year minor work that might materialise. Of this budget it is estimated that only £200k will be spent this year and the remaining **£300k** will be slipped into 2017/18. The financial impact of slipping the £300k is the one off savings on revenue cost budgeted this year for this project.

3.10 LAA Performance Reward Grant - **£100k** of this budget will be slipped into 2017/18.

3.11 **£0.534m** will be carried forward on various IT Projects.

## COMMUNITY DIRECTORATE

3.12 As at Quarter 3 the forecast is £43.122m, 87% of the total budget.

3.13 The forecast variance is £6.712m of which £6.553m will be slipped to 2017/18 and the remaining £0.159m budget will no longer be required.

3.14 The main items of slippage and underspend are detailed below:

Environment & Commissioning

3.15 At Quarter 3 the whole capital programme of £19.290m is expected to be spent this year.

3.16 At the end of Quarter 3, Environment & Commissioning spent and/or committed £16m (84%) of total budget of £19m. This has exceeded the profiled budget at this time of the year, indicating that effective project delivery planning allows capital projects to be commenced and implemented at the front end of the financial year. The investment will improve the borough’s infrastructure and make significant contributions towards the delivery of the administration’s priorities in coming years.

Culture

3.17 At Quarter 3 the forecast is £5.638m against the budget of £6.760m.The forecast variance (£1.123m) will all be slipped into 2017/18.

3.18 A couple of projects are delayed. The refurbishment of Kenton Library requires planning permission due to listed building status and therefore works are now planned for April 17.

3.19 The capital grant of £1m to Cultura London as a contribution to the extension work of Elliot Hall was previously reported as an under spend. Following Cabinet approval of the ‘Future Delivery of Arts and Heritage Service update and approval of lease length’ report in December, the budget is now required. However the delay in transferring the arts & heritage services means that the capital grant will not be released until 2017/18 at the earliest.

3.20 Some budget adjustments are required to bring the programme up to date, and these are detailed below.

*BUDGET REDUCTION*

Headstone Manor

3.21 There is a total budget of £5.19m in the current capital programme for the Headstone Manor refurbishment project. This is largely funded by Heritage Lottery Fund and other external funders, with a contribution from the Council of £0.91m (£570k in the current capital programme and £340k capital funding in HLF reserves set aside in previous years). Apart from repair & restoration work and the construction of a new welcome centre, the project also delivers new staff employment and training, publicity, and other equipment & materials, the costs of which are of revenue nature. It is therefore requested that the budget in the capital programme is to reflect the costs of construction work and professional fees associated with this only, as per the table below.

3.22 The £1.490m reduction will remove the Revenue element that was previously included as capital in the programme.

| **Headstone Manor Refurbishment Project** | **Gross value** | **External Funding** | **Net value** |
|---|---|---|---|
| | **£** | **£** | **£** |
| As per capital programme | 5,190,000 | 4,620,000 | 570,000 |
| Proposed budget adjustments | -1,490,000 | -1,490,000 | 0 |
| **Revised capital budget** | **3,700,000** | **3,130,000** | **570,000** |

*BUDGET RE-PROFILING*

3.23 In addition, the Headstone Manor project is a multiple-year project with the completion of physical work anticipated in 2018/19. It is recommended that the revised capital budget is profiled to reflect the delivery timetable and will be included in the 2017/18 Capital Programme.

| | 2016/17 | | | 2017/18 | | | 2018/19 | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross value | External Funding | Net value | Gross value | External Funding | Net value | Gross value | External Funding | Net value | Gross value | External Funding | Net value |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Proposed budget re-profile: | 2.752 | 2.182 | 0.570 | 0.806 | 0.806 | 0.000 | 0.142 | 0.142 | 0.000 | **3.700** | **3.130** | **0.570** |

3.24 Due to the delay in transferring the arts & heritage services to Cultura London, the capital grant of £1m (approved by Cabinet in June) in relation to a contribution to the extension work to Elliot Hall will not be released until 2017/18 at the earliest. It is therefore requested that the budget of £1m is re-profiled to 2017/18.

Housing General Fund

3.25 As at Quarter 3 the forecast spend is £18.195m, 76% of the 2016/17 Housing General Fund capital budget. The forecast variance is

(£5.589m) of which (£5.430m) is requested to be slipped to 2017/18 and the remaining £0.159m can be removed from the Capital Programme.

3.26 The spent and committed expenditure at Quarter 3 is £1.208k (49%) of total budget of £2.477m. Disabled Facilities Grants of £1.531m are expected to be spent in full. Spend on Empty Property Grants are expected to be £0.320m below budget, of which £0.170m is expected to be carried over to financial year 2017/18 leaving an underspend of £0.150m and this is set out in the capital programme reported elsewhere in the agenda.

*Housing Property Purchase Initiative*

3.27 At Quarter 3, the Housing Property Purchase Initiative spends and committed expenditure is £9.136m (43%) of total the budget of £21.307m. The forecast spend is £16.138m with the remaining £5.169m carried over into the next financial year. The forecast assumes that 57 properties will be purchased by March 2017.

## PEOPLE

3.28 At Quarter 3 the forecast spend is £20.372m, 52% of the 2016/17 People's directorate capital budget.

3.29 The forecast underspend is £18.484m and will all be slipped into 2017/18. The main items of slippage are detailed below:

Adults

3.30 At Quarter 3 the forecast is £0.981m against the budget of £2.811m.The forecast variance (£1.831m) will all be slipped into 2017/18.

3.31 The main reasons for slippage are detailed as follows:

3.32 Mosaic Implementation - £0.406m will be slipped into 2017/18 for Mosaic system which is due to go live in April 2017, the slippage will be required for embedding the system in the new financial year. This slippage will result in a one-off savings on the budgeted revenue cost for this project in 2017/16

3.33 Project Infinity - £1.250m will be slipped into 2017/18. The revenue savings for this savings has been re-profiled in the budget draft report, therefore there is no impact.

3.34 Maintenance of Adult Properties and other projects within Adult Service of £0.075m will also be slipped into the next financial year.

3.35 The above slippages are required for- Programme of building works to modernise catering facilities of residential homes, some of this work will be slipped into the next financial year.

Schools

3.36 The budget for the school expansion programme through to 2019/20 is £14.577m. The forecast spend in 2016/17 is £19.392m 54% of the total budget.

3.37 This is an improvement on the Q2 position as the funding to the Education Funding Agency (EFA) for Weald Rise School has been paid earlier than anticipated.

SEP1 and SEP2

3.38 The Council employs cost consultants to provide valuations of the works carried out by the contractors. Cabinet in June 2016 approved merger of the uncommitted SEP4 programme budgets, anticipated to be delivered by the Free School Programme, and the SEP2 programme budgets and, based on the current work being undertaken to close the final accounts, there will be sufficient funding to meeting this pressure. However, the account valuations provided by the contractor vary significantly to those provided by the council's cost consultants and this could be a further pressure, and may require council borrowing to fund.

3.39 The forecasts continue to be monitored and updated as projects are completed and the accounts clarified and agreed with the contractors. Work is being undertaken with Legal Services to support the process of closing the programme with Keepmoat. For the purposes of the Q3 budget monitoring report, these are forecast to spend to budget.

SEP3

3.40 The forecasts provided by the council's cost consultants include four schemes which have been approved by planning, as well as Welldon Park Junior School which is still subject to planning approval.

3.41 Welldon Park Junior School is still going through the value engineering process and where possible costs will be driven down. However, as this scheme is still subject to planning approval there could be further works or redesigns required to meet any additional planning conditions which could put further financial pressure on this programme. Any pressure on this programme will result in an over spend which would have to be funded from Council borrowing.

3.42 Weald Rise Primary 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 £2.28m. This is included in the overall budget for the programme.

*Slippages and Implication*

3.43 The reported slippage as at Q3 is £16.654m. The majority of slippage of £6.924m relates to Stag Lane and Welldon Park Junior Schools which are parts of phase 3 of the expansion programme for which the majority of the work will be undertaken in 2017/18. There is minimal impact to the schools as a result of these delays since the expanded year group at Welldon Park is still working its way through the infants (which is on a separate site and whose building works were completed for September 2016). There will be sufficient capacity in the junior school until building works are completed for September 2017. In relation to Stag Lane the school expanded its pupil numbers from September 2016 and there will also be sufficient capacity within the school to accommodate the increased numbers until the building works are completed for September 2017.

3.44 The position with the school projections reported to Cabinet in July 2016, indicate that the demand for secondary school places is lower than previously expected and there will be a shortfall at a later stage than anticipated, from 2022. It is therefore proposed to slip £945k of Secondary provision funding into 2017/18. In addition £5.090m of SEN funding will also be slipped into 2017/18. The Council has submitted an Expression of Interest to the EFA for a special free school in Harrow. The outcome of this decision will inform the capital requirements for special school provision in the future. The majority of the remainder of the slippage relates to rolling programmes for amalgamations, bulge classes and capital maintenance.

*Addition*

3.45 An additional sum of £1.864m of external funding in relation to school conditions was received in 2016/17 that had not been previously anticipated and therefore it is proposed that this funding is used to offset council borrowing by £1.864m.

## REGENERATION

3.46 The Division forecast to spend £11.899m against budget of £21.426m on this year's budget allocation. The following budget will be slipped into 2017/18:

3.47 £8.746m variance which is due to unavoidable delays, relating to land assembly, planning outcomes and unpredictable approval delays to procurement processes which will all be slipped into 2017/18. This slippage on Regeneration Programme is expected to result in the deferral of financing costs from 2016/17 to 2017/18.

3.48 Trinity Square project is a 2 year project; therefore of the GLA capital grant of £0.850m, £0.782m will be slipped into 2017/18, there is no financial or social implication to slipping these budget because the project is still within its projected time of completion.

## HOUSING REVENUE ACCOUNT

3.49 As at Quarter 3 the forecast spend is £14.016m, 47% of the 2016/17 HRA's latest capital Budget

3.50 The forecast variance is £15.807m most of which will all be slipped to 2017/18. The main HRA programme and Homes-4-Harrow are expected to be £2.674m and £13.133m below budget respectively. The HRA main programme is expected to carry forward £2.173m with the remaining £0.500m recognised as an under spend. The whole of the £13.133m for Homes-4-Harrow will all be carried forward into 2017/18.

3.51 These adjustments to capital programme will not have any wider impact on delivery of the approved programme of works, which already has sufficient budget provision.

## 4. Legal Implications

4.1 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.

4.2 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.

4.3 Under the Council's Financial Regulations B66, a year-end balance is the amount by which actual income and expenditure varies from the final budget, normally identified down to budget manager level. Unspent balances will not be carried forward, except with the permission of the CFO. Unspent balances will only be considered for carry forward where: There is an unspent ring fenced grant and grant must be repaid if it is not spent on its intended purpose.

4.4 Under the Council's Financial Regulations D22, The CFO is responsible for writing off irrecoverable bad debts up to the limits specified in Section F where necessary. All requests for write-off must be accompanied by a brief report in a format specified by the CFO. Debts over £25,000 need cabinet approval to be written off.

## 5. Equalities

5.1 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:

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

5.7 A full equalities impact assessment was completed on the 2016/17 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 2017/18.

## 6. Financial Implications

Financial matters are integral to the report.

## 7. Performance Issues

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.

The overall net projected variance of £5.134m from the revenue budget of £164.9m is currently forecast to be an overspend of 3.1%.

For the 2016/17 savings built into the MTFS, the overall position is that 36% of the savings are RAG rated as blue (achieved and banked), 18% green (achievement of saving on track), 33% amber (saving only partially achieved or risks remaining) and 13% red (agreed saving not achievable).

## 8. Risk Management Implications

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

## 9. Council Priorities

The Council’s vision is:

**Working Together to Make a Difference for Harrow**

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.

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<br>Date: 17 January 2017 | x | Chief Financial Officer |
| Name: Jessica Farmer<br>Date: 7 February 2017 | x | on behalf of the Monitoring Officer |

| | |
|---|---|
| **Ward Councillors notified:** | **NO, as it impacts on all Wards**<br>. |
| **EqIA carried out:**<br>**EqIA cleared by:** | **NO**<br>Not applicable |

## Section 4 - Contact Details and Background Papers

**Contact:** Sharon Daniels (sharon.daniels@harrow.gov.uk), Deputy sec151 officer Tel: 020 8424 1332

**Background Papers: Cabinet February 18 2016:Capital Programme 2016/17 to 2019/20**
**Cabinet December 8 2016: Quarter 2 Revenue Monitoring Report.**

| | |
|---|---|
| **Call-In Waived by the Chairman of Overview and Scrutiny Committee** | **NOT APPLICABLE**<br><br>[Call-in applies] |

# Appendix 1

| | Revised Budget | Forecast Outturn | Quarter 3 Variance | Mitigation | Variance at Quarter 3 after Mitigation | Variance | Quarter 2 Variance | Movement between Quarter 2 and Quarter 3 |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | % | | |
| **Resources** | | | | | | | | |
| **Controllable Budget** | | | | | | | | |
| Customer Services | 24,250 | 23,576 | (674) | | (674) | (2.8%) | (655) | (19) |
| Director of Resources | 538 | 493 | (45) | | (45) | (8.4%) | (48) | 3 |
| HRD & Shared Services | 1,808 | 1,585 | (223) | | (223) | (12.3%) | (153) | (70) |
| Legal & Governance | 2,782 | 2,616 | (166) | | (166) | (6.0%) | (157) | (9) |
| Procurement & Commercial | 611 | 807 | 196 | | 196 | 32.1% | 141 | 55 |
| Strategic Commissioning | 2,167 | 2,341 | 174 | | 174 | 8.0% | 180 | (6) |
| Assurance | 562 | 569 | 7 | | 7 | 1.2% | (2) | 9 |
| Finance | 3,214 | 3,320 | 106 | | 106 | 3.3% | 107 | (1) |
| **Total Controllable Budget** | **35,932** | **35,307** | **(625)** | **0** | **(625)** | **0** | **(587)** | **(38)** |
| Uncontrollable Budget | (15,725) | (15,725) | 0 | | **0** | 0.0% | 0 | 0 |
| One off Mitigation | | | | (65) | **(65)** | | -65 | 0 |
| **Total Directorate Budget** | **20,207** | **19,582** | **(625)** | **(65)** | **(690)** | **0** | **(652)** | **(38)** |
| | | | | | **0** | | | |
| **Business Support** | | | | | **0** | | | |
| Business Support | 2,381 | 3,272 | 891 | | **891** | 37.4% | 877 | 14 |
| Uncontrollable Budget | (1,008) | (1,008) | 0 | | **0** | 0.0% | 0 | 0 |
| **Total Business Support** | **1,373** | **2,264** | **891** | **0** | **891** | **0** | **877** | **14** |
| | | | | | **0** | | | |
| **Community** | | | | | **0** | | | |
| **Controllable Budget** | | | | | **0** | | | |
| Commissioning & Corporate Es | (1,861) | (2,279) | (418) | 0 | **(418)** | 22.5% | -410 | (8) |
| Environment &Culture | 19,655 | 20,942 | 1,287 | 0 | **1,287** | 6.5% | 1204 | 83 |
| Directorate Management | 282 | 186 | (96) | 0 | **(96)** | (34.0%) | -96 | 0 |
| Housing General Fund | 3,637 | 6,361 | 2,724 | | **2,724** | 74.9% | 2996 | (272) |
| **Total Controllable Budget** | **21,713** | **25,210** | 3,497 | **0** | **3,497** | **1** | **3,694** | **(197)** |
| One off Mitigation | 418 | 0 | 0 | (418) | **(418)** | **0.0%** | -418 | 0 |
| Uncontrollable Budget | 18,836 | 18,836 | 0 | | **0** | 0.0% | 0 | 0 |
| **Total Directorate Budget** | **40,967** | **44,046** | **3,497** | **(418)** | **3,079** | **1** | **3,276** | **(197)** |
| | | | | | | | | |
| **People** | | | | | | | | |
| **Controllable Budget** | | | | | | | | |
| Adult Services | 55,290 | 58,092 | 2,802 | 0 | **2,802** | 5.1% | 2400 | 402 |
| Public Health | 790 | (121) | (911) | | **(911)** | (115.3%) | -528 | (383) |
| Children & Families | 26,529 | 32,392 | 5,863 | | **5,863** | 22.1% | 4344 | 1,519 |
| **Total Controllable Budget** | **82,609** | **90,363** | **7,754** | **0** | **7,754** | **(1)** | **6,216** | **1,538** |
| Additional Business Support in Children's Services | | **327** | 327 | | **327** | | 323 | 4 |
| One off Children's Social Care Reserve | 0 | 0 | 0 | (1,890) | **(1,890)** | **0.0%** | -1790 | (100) |
| Planned Management Action | | | | 0 | **0** | | -56 | 56 |
| Uncontrollable Budget | 15,655 | 15,655 | 0 | | **0** | 0.0% | 0 | 0 |
| **Total Directorate Budget** | **98,264** | **106,345** | **8,081** | **(1,890)** | **6,191** | **(1)** | **4,693** | **1,498** |
| **Regeneration** | | | | | | | | |
| Economic Development & Research | 668 | 662 | (6) | | **(6)** | (0.9%) | (6) | 0 |
| Planning | 148 | 216 | 68 | | **68** | 45.9% | 68 | 0 |
| Regeneration Programme | 0 | 505 | 505 | | **505** | 0.0% | **505** | 0 |
| One off Mitigation | 222 | 222 | 0 | (222) | **(222)** | **0.0%** | (222) | 0 |
| **Total Controllable Budget** | **1,038** | **1,605** | **567** | **(222)** | **345** | **0** | **345** | **0** |
| Uncontrollable Budget | 1,155 | 1,155 | 0 | | **0** | 0.0% | 0 | 0 |
| **Total Directorate Budget** | **2,193** | **2,760** | **567** | **(222)** | **345** | **0** | **345** | **0** |
| **Total Directorate Budgets** | **163,004** | **174,997** | **12,411** | **(2,595)** | **9,816** | **1** | **8,539** | **1,277** |
| Corporate Items | (1,346) | (2,699) | (1,353) | | **(1,353)** | 100.5% | -1361 | 8 |
| Corporate contingency | 3,329 | 2,000 | (1,329) | | **(1,329)** | (39.9%) | -1329 | 0 |
| Homelessnes Reserve | | | | **(1,000)** | **(1,000)** | | -1000 | **0** |
| LEP Top Sliced | | | | **(1,000)** | **(1,000)** | | -1000 | **0** |
| **Total Budget Requirement** | **164,987** | **174,298** | **9,729** | **(4,595)** | **5,134** | **1** | **3,849** | **1,285** |