
REPORT FOR: CABINET

Date of Meeting:	13 July 2017
Subject:	2017/18 Revenue Monitoring as at 31 May 2017
Key Decision:	No
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 (Divisional) as at 31 May 2017 Appendix 2 MTFS 2017/18 to 2019/20 Savings Tracker Appendix 3 Draw Down from /Contribution to Reserves

Section 1 – Summary and Recommendations

This report sets out the Council's revenue monitoring position as at Period 2 2017/18 (31 May 2017) and progress on achieving the 2017/18 savings included in the Medium Term Financial Strategy (MTFS) approved by Council in February 2017.

Recommendations:

1. Cabinet note the revenue forecast position detailed in this report as at Period 2 2017/18.
2. Cabinet note the progress on achieving the 2017/18 savings as at Period 2 (May 2017).
3. Cabinet approves the proposed addition to the capital programme as outlined in paragraphs 4.1 to 4.2
4. Cabinet note the re-alignment of the Town Centre Library project as outlined in paragraph 4.3
5. Cabinet to agree debt write off in the Children Services division of £48k as set out in paragraph 5.1

Reason: (For recommendation)

To report the 2017/18 forecast financial position as at 31 May 2017, update Cabinet members on the progress in achieving the 2017/18 MTFS savings, agree bad debt write off and seek the approval for Capital Programme adjustments which require Cabinet approval in accordance with Financial Regulations.

Section 2 – Report

1.0 INTRODUCTION

- 1.1 This is the first monitoring report of the year and covers the revenue position as at 31st May 2017. The next monitoring report will be presented to cabinet in September 2017 and will cover both Revenue and Capital monitoring as at 30th June 2017 (Quarter 1).
- 1.2 The net forecast position as at Period 2 (31st May 2017) on the revenue budget is a balanced position after the planned use of reserves which are largely applied to fund redundancy costs. Resources and Commercial, Community, Adults, Public Health and Regeneration are all forecasting a balanced budget position. The Children's division is forecasting demand pressures estimated at

£4.1m. These are fully mitigated through the receipt of additional income notified after budget setting, Corporate items, the implementation of spending controls and a spending freeze across the organisation.

- 1.3 There are substantial savings of £10.242m (gross) included in the 2017/18 budget. This report outlines progress on the MTFs savings as at Period 2. In summary, 65% of the savings are rated as already banked, 22% are rated Amber (savings partially achieved or risk remaining), while 13% of the savings are rated red (savings not achievable).

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

2.0 REVENUE MONITORING

- 2.1 The revenue forecast position at Period 2 (31st May 2017) is showing a balanced position after allowing for a draw down from reserves of £2.460m, as detailed in appendix 3, the use of Corporate budgets of £2.566m and £1.499m of spending controls. The forecast by division is detailed in appendix 1.
- 2.2 A summary of the Period 2 monitoring is shown in table 1 below:

Table 1: Revenue Monitoring – as at 31st May 2017 (Period 2)

Directorate	Revised Budget	Outturn	Period 2 Variance	Contribution to and draw down from Reserve	Period 2 Variance After Mitigations
	£000	£000	£000	£000	£000
Resources and Commercial	22,965	22,998	33	(77)	(44)
Resources Total	22,965	22,998	33	(77)	(44)
Community and Culture	28,248	28,906	658	(658)	-
Housing	7,735	7,735	-	-	-
Community Total	35,983	36,641	658	(658)	-
Adult	64,624	65,004	380	(380)	-
Children	37,578	41,935	4,357	(248)	4,109
Public Health	(466)	(466)	-	-	-
People Total	101,736	106,473	4,737	(628)	4,109
Planning and Enterprise	1,936	2,016	80	(80)	-
Regeneration	(350)	667	1,017	(1,017)	-
Regeneration Total	1,586	2,683	1,097	(1,097)	-
Total Directorates	162,270	168,795	6,525	(2,460)	4,065
Corporate Items	5,610	5,610	-	-	-
Corporate contingency	1,248	1,248	-	-	-
Technical and Corporate adjustment Budget	(1,285)	(2,988)	(1,703)	-	(1,703)
Use of Capital Receipt	(3,039)	(3,039)	-	-	-
Other Income		(863)	(863)	-	(863)
Spending Controls	0	(1,499)	(1,499)	-	(1,499)
Total Budget Requirement	164,804	167,264	2,460	(2,460)	-

Resources & Commercial**Table 2 Resources & Commercial Variance**

Period 2
Variance
£000
(44)

- 2.3 At Period 2, the Resources and Commercial Directorate is forecasting an underspend outturn of (£44k) for 2017/18 financial year. This is after an assumed draw down from reserves of (£77k) as detailed in appendix 3.
- 2.4 Overall the directorate is managing their budget with a small underspend of £44k due to additional insurance income and staff vacancies.

COMMUNITY DIRECTORATE

- 2.5 At Period 2, the Community Directorate is forecasting a balanced budget overall. This is after allowing for a total of (£628k) draw down from reserves as detailed in appendix 3.
- 2.6 There is a cost pressure of £102k in relation to the annual cost of the libraries contract primarily due to indexation uplift; this is being funded from a draw down from the Libraries reserve.
- 2.7 Housing General Fund forecast a balanced position. The Council has been awarded £1.675m Flexible Homelessness Support Grant (FHSG) to offset the reduction in Housing Benefit income and enable the Council to start the process of moving from Private Sector Leased (PSL) temporary accommodation, to using Assured Short hold Tenancies (AST) in the Private Rented Sector in line with Government requirements. This sum will be ring-fenced to offset the income loss within Housing Needs.
- 2.8 Currently the Flexible Homeless Support Grant (FHSG) has only been allocated for two years; the 2018/19 allocation is £1.985m.

PEOPLE'S DIRECTORATE

- 2.9 The People's Directorate is forecasting an over spend of £4.109m at Period 2, the forecast includes assumed draw down from reserves of (£628k) as set out in appendix 3.

Table 3: People's Directorate Variance

	Period 2 £000
Adults	-
Public Health	-
Children	4,109
Total	4,109

ADULT SERVICES

- 2.10 Adults Services are reporting a balanced position. This balanced position is achieved after assuming a drawdown from reserves of £380k.
- 2.11 Whilst the service received MTFs growth, together with the announcement of the improved Better Care Fund funding, this front line demand led service continues to face cost pressures in relation to the provision of services, arising largely from increasing complexities and also the interface with health.
- 2.12 The service is working towards containing these pressures within the approved budget; however this continues to be challenging. The

Adult Social Care grant of £3.6m will be committed in line with the grant conditions and is expected to enable a balanced by 31st March 2018.

- 2.13 A number of new trends, since the budget was set in February, are emerging that increase the financial challenge of reporting a balanced position. In particular,
- the complexities existing between residential and nursing care have shifted resulting in increased placements in nursing care and increased weekly costs of residential placements
 - an increasing trend towards dementia in younger adults, resulting in a longer financial commitment than previously anticipated
 - A 21% increase in the discharges from hospital into adult social care
 - Continuing pressure against increasing demands on the Deprivation of Liberties (DoLs) service.
- 2.14 Pressures in relation to placement costs for children with disabilities (within the all age disability pathway) of £136k have been transferred from children’s services, and will need to be mitigated across the People’s directorate.
- 2.15 Delays (including those associated with planning and building related issues) associated with the achievement of MTFs savings in relation to in-house provided services in the region of £0.878m, including £0.6m in relation to the Sancroft Phoenix project increase the pressure to be mitigated. These pressures are expected to be mitigated.
- 2.16 The CCG have indicated an intention to reduce the funding in relation to the protection of social care (a Better Care Fund condition). Any reduction to the assumed funding of £6.558m within the 2017/18 budgets will require mitigation.

Children’s Services

- 2.17 As at Period 2 the headline pressure for the directorate is £4.357m which reduces to a net forecast overspend for the directorate of £4.109m after the assumed draw down from reserves totalling (£248k).

Table 4: Children’s variance

Period 2 Variance £000
4,109

- 2.18 In 2017/18 £2.9m of growth was included in the budget to support increased demand in children’s services. Of this, £1m was for SEN Transport which is anticipated to be within budget this financial year. The remaining £1.9m was for social care staffing and children’s

placements & accommodation. However, since the budget was set in February, there has been a further increase in demand, in particular, for more costly children's placements and accommodation. The main pressures are:

- 2.19 **Children's Placements and Accommodation £3.322m overspend**
The breakdown of the forecast overspend is shown in Table 5 below. The table shows a comparison of the numbers in each placement type between the March 2017 and May 2017. Although there are reduced numbers of placements in External Fostering and Residential there is a sharp increase in the numbers in Semi Independent which is reflective of the changing age profile of the current cohort.
- 2.20 It is anticipated that the pressure on the budgets for placements and accommodation will be driven down by the establishment of an edge of care service. This service is funded by the Together with Families payment by results [PBR] and will work with young people aged 11-17 who have a history of offending, risk of offending or at risk of coming into care and those at risk of disaffection.
- 2.21 By undertaking this work some young people who are already in care may be able to return home, reducing the number of weeks in care, or may be able to step down into less intensive and less costly placements. Other young people may be prevented from entering the care system all together and by working with families may reduce the number of siblings also coming into care when they reach adolescence. The current forecasts do not yet assume any of these actions but as the service becomes embedded, towards the latter end of the year [2017] then it is anticipated that these pressures will begin to reduce.
- 2.22 In order to mitigate and monitor the spend on children's placements a schedule of panels has been drawn up to scrutinize and reduce costs taking into account the best interests of the children concerned. These panels, chaired by the Divisional Director, include:
- Weekly Access to Resources Panel – no new spends are permitted without exploring alternatives.
 - A monthly themed panel focussing on high cost areas such as semi-independent and leaving care costs.
 - A monthly tracking panel to ensure that placements are ended in a timely manner.
 - Revised Tri-Partite Panel to ensure that health contributions are maximised.

- 2.23 **Children and Young People’s Service Frontline Teams £0.582m overspend** - The majority of the overspend relates to staffing and a breakdown of variances is shown in Table 6 below. The main pressure is as a result of agency staff covering vacant posts, sickness and maternity as well as a super numerate team manager and ‘as and when’ required staff carrying out supervised contact. In addition to this there is a one off cost for overseas social worker recruitment estimated at £50k and anticipated pressures of £150k relating to IT & mobile phone equipment and other non-staffing costs particularly driven by the recent growth in social care staff numbers.
- 2.24 Agency costs will be reduced during the course of the year with the arrival of social workers from India, and the permanent recruitment of social workers who complete the front-line and step-up programmes. The forecast for agency staff is based on known agency staff covering vacancies and anticipated maternity leave in 2017/18. Permanent staff anticipated to replace agency staff are not included in the forecast until they have confirmed start dates therefore it is anticipated that this pressure could reduce. In addition, hand over periods will be cost neutral where possible.

Table 6 – CYP staffing variances to budget

Description	Front Door	Quality Assurance	CYP Mgt	Children in Need	Corp Parent	YOT	Total
	£'000	£'000	£'000	£'000	£'000		£'000
Permanent Staff	(123)			(127)	(104)	(23)	(377)
Agency vacancies	165			117	40		322
Agency sick/maternity	40			81	21		142
Supernumerary	92				20	93	205
As & When	(8)				98		90
Total	166	0	0	71	75	70	382
Budget FTE	42.5	14.1	11.0	58.0	49.0	12.5	187.1
Forecast FTE	43.0	14.1	11.0	58.2	47.9	14.2	188.4

- 2.25 **Families with No Recourse to Public Funds £74k overspend** - These are 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. 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 17 cases, 6 cases have been successfully closed within the last 3 months.

2.26 A panel is scheduled for June 2017 specifically to review the spend associated with no recourse to public funds.

2.27 A funding bid is being constructed to purchase the premium service from the Home Office. This will mean the co-location of an Immigration & Enforcement Officer who will fast-track all asylum related processes and background checks. This will reduce the amount of time that families are being funded through no recourse to public funds.

2.28 Internal Audit, at the request of the service, has carried out a review of NRPf processes and procedures and made a number of recommendations which are already being addressed. The Children's Access head of service is carrying out an audit of all active cases; and findings thus far do not indicate that any families are being supported who are not eligible.

2.30 **Departmental Legal Costs £103k overspend** - There is an estimated overspend on disbursements related to barristers, court fees and experts and other expenses in relation to an increase in care proceedings which have increased by 46% between 2015/16 and 2016/17

2.31 **Signers and Interpreters Fees £90k overspend** - The provision of an Interpretation and Translation service is a demonstrable component of the Council's commitment to equality of opportunity, enabling access to information and services for those who.

- do not speak English;
- are Blind or have a visual impairment; and
- are Deaf or have a hearing impairment.

2.32 Children's Services undertake very sensitive and confidential work where professional and good standard interpreting and translation services are essential. These include.

- Social work safeguarding assessments
- Family Court proceedings
- No Recourse to Public Funds assessments

2.33 Assessments of Unaccompanied Asylum Seekers. There has been an increase in demand from services from children and families where English is not their first language. This reflects the changing demographics in Harrow.

2.34 **Capital Team £170k overspend** - There are anticipated costs for external legal services and external commercial and technical advice

services in relation to continued efforts to close the accounts for School Expansion Programme phase 2 (SEP2).

- 2.35 **Commissioning Team £150k overspend** - This pressure results from redundancy and residual staffing costs of 3 members of staff who are expected to leave in September as part of the MTFs saving in this area which has been delayed in its implementation.
- 2.36 **Other small overspends £6k.**
- 2.37 **The above is partially mitigated by a one-off management action of (£140k).**
- 2.38 The Children's forecast excludes the costs associated with Pinner Wood School. In June, Cabinet were updated on the cost estimates for Pinner Wood School and the proposed funding. The estimated revenue cost of £1.840m will be funded by £1.248m from the revenue contingency for unforeseen items and £592k from the corporate budget. In addition £2.860m was estimated as the capital cost, this will be funded from the 2016/17 Capital Programme underspend.

PUBLIC HEALTH

- 2.39 Overall the 2017/18 forecast outturn position for Public Health is a balanced budget.

REGENERATION

- 2.40 At Period 2, Regeneration, Enterprise & Planning are reporting a balanced budget over the total budget of £1.586m.
- 2.41 Regeneration activity, estimated at £1.017m, will be funded from the capacity within the Minimum Revenue Provision (MRP).
- 2.42 £2.9m [net] of CIL/S106 monies has been received at Period 2. The net unspent income will be transferred to reserves at year end.

HOUSING REVENUE ACCOUNT

- 2.43 As at period 2 there is a forecast pressure of £634k in the HRA due mainly to on-going repairs expenditure required to meet legislative requirements and discharge mandatory health & safety obligations. Other pressures include £200k interest payments to DCLG on retained Right to Buy receipts expected to be repaid to Government under terms of the retention agreement.
- 2.44 The forecast pressure will be met from HRA balances of £6.893m.
- 2.45 The costs of compulsory upgrade of IT systems have been reflected although additional pressures in this area are possible, an impact assessment is in progress. Reforms of HRA and Welfare, including rent reduction, borrowing cap and high value voids levy from 2018-19 continue to present significant challenges which are being addressed by the Housing Management Team.

- 2.46 A summary of the HRA position is provided below which includes estimated balances;

Table 7: HRA Variance

2017-18 Revised Budget	Period 2 Forecast	Variance
£'000	£'000	£'000
1,488	2,122	634

CORPORATE BUDGETS

- 2.47 Corporate budgets are forecast to underspend by (£2.454m). This underspend includes unallocated inflation budgets, other contingencies and grants.

CONTINGENCIES AND RESERVES

- 2.48 The contingencies exist to cover unavoidable pressures together with other unforeseen items and spending pressures and to cover areas of risk and uncertainty.
- 2.49 The contingency for unforeseen items of £1.248m is assumed to be used in full for Pinner Wood School.
- 2.50 There are also a number of specific reserves for a variety of purposes as identified in table 8 below.

Table 8 Contingencies and Earmarked Reserves

	Budget Planning	Rapid Response	Standing up for those in need	IT Impl./Trans.	Commercialisation	TPIF	Carry Fwd	Business Risk	MTFS Implementation cost	CIL Harrow and Mayor
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Balance at Start of Year	2,000	75	800	678	405	2,534	2,336	2,109	2,857	6,289
Total Earmark Reserve Balance	2,000	75	800	678	405	2,534	2,336	2,109	2,857	6,289
Potential draw Down										
Total Applied/ To Be Applied	(1,000)	0	0	0	0	(914)	(2,336)	0	0	(5,600)
Available after commitment in 2017/18	1,000	75	800	678	405	1,620	0	2,109	2,857	689

3. SAVINGS TRACKER

- 3.1 Appendix 2 shows a list of the individual red, amber, green and blue rated savings in the MTFS. The definitions used in this report are:

Red	Agreed savings not achievable	
Amber	Saving only partially achieved or risk remaining	
Green	Achievement of Savings on track	
Blue	Achieved and banked	

The table below shows the summarised position for each directorate;

Table 9: Savings Tracker 2017/18 – Directorate Summary

	Resources	People	Community	Regeneration	Pan Organisation	Total at Period 2	Percentage Split
	£000	£000	£000	£000	£000	£000	
Red	57	871	100	0	350	1,378	13%
Amber	195	845	1,167	100		2,307	22%
Green	1,282	1,197	2,749	47	0	5,275	52%
Blue	307	925	50	0	0	1,282	13%
Total	1,841	3,838	4,066	147	350	10,242	100%

- 3.2 The total savings for 2017/18 is £10.242m. As at Period 2 , 65% of the 2017/18 savings are rated as already banked or on track to be achieved, this is a significant improvement when compared to this time last year's percentage of 51%. 22% are rated as amber (saving only partially achieved or risks remaining), whilst 13% are rated as red (saving not achievable). The 13% of savings rated as red relates to 8 savings totalling £1.378m, as follows:
- 3.3 Savings reference RES16 for £57k in Resources for retendering of the communications service. The saving has not been delivered and will be reviewed in the light of the service being brought back in-house. However, for the current year the Division will deliver the required saving within its overall budget.
- 3.4 £871k savings are categorised as red in People's services and are expected to be mitigated within the directorate (including the budget realignment exercise) and are detailed below:
- 3.5 The commissioning saving of £187k is red as a result of a delay in consulting with the implementation of a new structure not expected until the beginning of September.
- 3.6 Sancroft contract management and service renegotiation contract savings (ref PA_9) has now been superseded with a local authority traded service to be operating from Sancroft under project Phoenix. It is expected to deliver £640k savings in a full year (after capital financing costs) and will increase with any dividend (after company expenses). A shortfall in 2017/18 (representing part year commencement) of £600k is forecast.
- 3.7 The review of transport provision savings ref PA_10A will not be achieved in 2017/18 as efficiencies expected against routes are unlikely to be achieved. .

- 3.8 Shared lives savings reference PA_14 Saving will not be achieved in 2017/18 as target commercial income is unlikely to be achieved.
- 3.9 In Community, there is one saving of £100k that relates to redevelopment of Harrow Leisure Centre site which is deemed to be red as at period 2. This is because the redevelopment of Harrow Leisure Centre will not now be completed until 2020/21 at the earliest.
- 3.10 Finally the Pan Organisation savings of £350k that relates to income realisation from regeneration strategy (reference number PO 03). The planned use of the MRP will mitigate this.
- 3.11 To the extent that any of the savings are not fully achievable, directorates will contain any shortfall within current resources within their own directorate.

4. AMENDMENT TO THE CAPITAL PROGRAMME

ADDITION TO CAPITAL PROGRAMME

- 4.1 Developer contributions in excess of £2m were agreed for transportation related projects as part the S106 agreement for the redevelopment of the Kodak site. This funding is being released at various stages of the development. Around £250k has been received to date, £30k of which will be used to improve access to Headstone Manor as stipulated within the S106 agreement. It is therefore proposed that the Highways budget is increased by £30k in the capital programme this year.
- 4.2 The Environment Agency has awarded funding of £339k for the river restoration and flood mitigation work at Newton Park. The work will be undertaken during 2017/18 alongside other green infrastructure improvement work under the Green Grid programme. It is therefore proposed that the Flood Defence budget is increased by £339k in the capital programme this year.

CAPITAL BUDGET REALIGNMENT

- 4.3 The new Town Centre library project is included in the approved capital programme with a budget allocation of £0.8m in 18/19 and £1m in 2019/20. The budget will be utilised for the design of the library and fit-out works. According to the latest project programme, the finalisation of the brief for the new library and the procurement of design team are scheduled to take place during 2017/18. The costs for these are estimated at £60k. It is proposed that the budget in the approved capital programme is re-profiled as follows.

2017/18	£60k
2018/19	£150k
2019/20	£1,590k

- 4.4 In February, Cabinet was informed that the council has received £1.452m over the last three years for Community Capacity, which has not been utilised at present; it is being held in case the cost of Sancroft Care Home exceeded the £5.1m. If the cost exceeds £5.1m the capital budget can be increased by this sum. It has now been deemed necessary to add the £1.452m Community Capacity grant following the finalisation of Sancroft Care Home cost. There will be no net increase in the Capital Programme as the increased budget will be fully offset by the addition of this external grant funding.

5. CHILDREN'S DEBT WRITE OFF

- 5.1 Commencing May 2014 the then Head of Harrow School Improvement Partnership was seconded to Brent Schools Partnership (BSP) for 3 days a week. During this time the secondment arrangement set out Harrow's liability to continue pay the salary of the seconded staff and reclaims the proportion of salary related to the agreement, plus VAT, over the secondment period. Payment was successfully received for the period 01/05/14 to 31/03/15. A further invoice was raised for the period 01/04/15 to 30/11/15 for £47,609 plus VAT which BSP contested. Despite some evidence indicating a service had been delivered to BSP over this period, no definitive audit trail appeared to exist. Taking into account advice from Legal Services it is proposed not to pursue this debt and that this debt is written off. Since the dispute was raised in 2015/16, the service has set aside funds in a bad debt provision in the event that this debt was not recoverable, therefore there will be no negative impact to the service's current budget position as a result of this write off.

6. Reporting for the 2017/18 Financial Year

- 6.1 Cabinet will receive quarterly monitoring reports during the year as follows;
- Quarter 1 - September 2017
 - Quarter 2 - December 2017
 - Quarter 3 - February 2018
 - Outturn report - June 2018

7. Legal Implication

- 7.1 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.

- 7.2 Under the Council’s Financial Regulation B48 Additions in year to the Capital Programme up to £500,000 additional capital spending can be approved by Cabinet on specific projects where the expenditure is wholly covered by additional external sources; and the expenditure is in accordance with at least one of the priorities listed in the capital programme; and there are no significant full year revenue budget effects. The additional capital spending agreed by Cabinet in one financial year cannot exceed £2.5million.
- 7.3 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.

8. Equalities

- 8.1 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:
- 8.2 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.
- 8.3 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.
- 8.4 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.
- 8.5 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.
- 8.6 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
- 8.7 A full equalities impact assessment was completed on the 2017/18 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 2018/19.

9. Financial Implications

Financial matters are integral to the report.

10. 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 forecast position at period 2 is showing a balanced position.

For the 2017/18 savings built into the MTFs, the overall position is that 13% of the savings are RAG rated as blue (achieved and banked), 52% green (achievement of saving on track), 22% amber (saving only partially achieved or risks remaining) and 13% red (agreed saving not achievable).

11. 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

12. 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 Chief Financial Officer

Date: 23 June 2017

Name: Jessica Farmer on behalf of the
Monitoring Officer

Date: 3 July 2017

Ward Councillors notified: NO, as it impacts on
all Wards

EqIA carried out: NO

EqIA cleared by: 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: [..\..\..\BUDGET\Budget 2017-18\February Cabinet\Final report\Final Report Appendices for Daksha\V4 Final Budget Report 070217.doc](#)
[G:\1 Public\Capital programme\2017-18 to 2019-20\February Cabinet\Final February Cabinet\Final version Capital Programme Feb 2017 Cabinet.docx](#)
[G:\1 Public\Capital programme\2017-18 to 2019-20\February Cabinet\Final February Cabinet\Appendix 1 - 16.17 Capital Programme restated V4 18.01.17.xlsx](#)

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

NOT APPLICABLE

[Call-in applies]

Revenue Forecast Summary By Division						Appendix 1
	Revised Budget	Outturn	Period 2 Variance	Drawdown From Reserve	Contribution to Reserve	Variance at Period 2 after Mitigation
	£000	£000	£000	£000		£000
Resources						
Controllable Budget						
Customer Services	23,901	23,833	● (68)			(68)
Business Support	3,597	3,589	● (8)			(8)
Director of Resources	795	795	● 0			0
Assurance	558	562	● 4			4
HRD & Shared Services	1,103	1,124	● 21			21
Procurement & Commercial	322	447	● 125			125
Legal & Governance	2,405	2,411	● 6			6
Strategic Commissioning	2,192	2,224	● 32	● (77)		(45)
Finance	3,207	3,128	● (79)	● 0		(79)
Total Controllable Budget	38,080	38,113	33	(77)	0	(44)
Uncontrollable Budget	(15,115)	(15,115)	● 0			0
Total Directorate Budget	22,965	22,998	33	(77)	0	(44)
Community						
Controllable Budget						
Commissioning & Corporate Estate	(3,120)	(2,737)	● 383	(383)		0
Environment & Culture	20,004	20,279	● 275	(275)		0
Directorate Management	227	227	● 0			0
Housing General Fund	4,381	6,056	● 1,675			1,675
Flexible Homelessness support grant		(1,675)	● (1,675)			(1,675)
Total Controllable Budget	21,492	22,150	658	(658)	0	0
Uncontrollable Budget	14,491	14,491	● 0			0
Total Directorate Budget	35,983	36,641	0	(658)	0	0
People						
Controllable Budget						
Adult Services	58,167	58,547	● 380	(380)		0
Public Health	(1,285)	(1,285)	● 0			0
Children & Families	29,044	33,401	● 4,357	(248)		4,109
Total Controllable Budget	85,926	90,663	4,737	(628)	0	4,109
Uncontrollable Budget	15,810	15,810	● 0			0
Total Directorate Budget	101,736	106,473	4,737	(628)	0	4,109
Regeneration						
Economic Development & Research	611	691	● 80	(80)		0
Planning	242	242	● 0			0
Regeneration Programme	(350)	667	● 1,017	(1,017)		0
Sec 106		0	● 0			0
Adult Learning	0	0	● 0			0
Total Controllable Budget	503	1,600	1,097	(1,097)	0	0
Uncontrollable Budget	1,083	1,083	● 0			0
Total Directorate Budget	1,586	2,683	1,097	(1,097)	0	0
Total Directorate Budgets	162,270	168,795	5,867	(2,460)	0	4,065
Corporate Items Including Levies	5,610	5,610	● 0			0
Corporate Contingency	1,248	1,248	● 0			0
Reserves and Provisions Including Other Grants	(1,285)	(2,988)	● (1,703)			(1,703)
Use of Capital Receipts	(3,039)	(3,039)	● 0			0
Other Income		(863)	● (863)			(863)
Spending Controls		(1,499)	● (1,499)			(1,499)
Total Budget Requirement	164,804	167,264	1,802	(2,460)	0	0