

LONDON BOROUGH OF HARROW

Meeting:	CABINET
Date:	17 February 2004
Subject:	Revenue Budget Monitoring 2003-2004 as at 31 December 2003
Key Decision:	No
Responsible Chief Officer:	Executive Director (Business Connections)
Relevant Portfolio Holder:	Finance and Human Resources and Performance Management
Status:	Part 1
Ward:	All
Enclosures:	
	1. General Fund Summary Monitoring Statement
	2. Chief Executives Office – detailed monitoring statement
	3. Business Connections - detailed monitoring statement
	4. Organisational Development - detailed monitoring statement
	5. People First - Education - detailed monitoring statement.
	6. People First - Social Services – detailed monitoring statement
	7. Urban Living – detailed monitoring statement
	8. Housing Revenue Account

1. **Summary / Reasons for Urgency (if applicable)**

- 1.1 The report sets out the estimated overall financial position for the Council as at 31 December 2003. The monitoring period covers the first nine months of the financial year.
- 1.2 Individual appendices provide monitoring details for those services reporting budget issues arising from 1 April to 31 December. The financial variations are summarised in Table 1. It shows the budget on target.

Table 1: Summary of Variations

	£000
Chief Exec. Office.	47
Business Connections	0
Organisational Development	0
People First - Education	-508
People First - Social Services	253

Urban Living	-156
Additional Interest on cashflow	-113
Net underspend before management action	-477
Bad Debt Provision	400
Net underspend	-77

Table one excludes the further savings on National Non Domestic Rates (-£0.186m) on the depot and car parks and the additional reduction in the provision for the cost of implementation of Single Status in the current year (-£0.300m), taken to balances.

2. Recommendations

The Cabinet is asked:

- 2.1 To note the current revenue budget position;
- 2.2 To approve the transfer of the additional NNDR rebate and reduction in Single Status to General Fund Reserves.
- 2.3 That the virements in Table 2 be approved;
- 2.4 To note the management action that is being proposed to bring the budget into line in the current year
- 2.5 Where an overspending remains to instruct Directors to identify savings as a first priority to bring the budget into line within 2003-2004, and that if at the year end an overspend remains, this be carried forward to the relevant directorate budget for 2004-2005.

REASON: To effectively monitor the Council's Revenue Budget.

3. Consultation with Ward Councillors

- 3.1 Not applicable

4. Policy Context (including Relevant Previous Decisions)

- 4.1 A Revenue Budget Monitoring statement for the first half year was reported to Cabinet in September 2003. This is the third quarterly revenue budget monitoring report for 2003-2004.

5. Relevance to Corporate Priorities

- 5.1 The budget represents the financial resources approved to implement the Council's corporate priorities.

6. Background Information

- 6.1 Quarterly revenue budget monitoring statements are reported to Cabinet with monthly reports to CMT.

Approval of Virement

- 6.2 The requests for executive approval to virements this period (i.e. virement greater than £20,000 for transfers between budget book headings) are set out in table 2 below:

Table 2: Virement requests

From		To	
Budget	£000	Budget	£000
<u>People First - Education</u>			
Standards Funds	-80	Libraries	25
		Community & Youth - Playschemes	35
		Arts & Leisure	20
Total	-80	Total	80
<u>Urban Living</u>			
Supporting People	-150	Parking Enforcement	170
Environmental Health Salaries	-75	Planning Legal Fees	50
Homelessness (underspend reported at period 6)	-100	Recycling Income	50
NNDR	-150	Civic Centre visitor car park	60
Parking income	-60	Parking equipment	30
Building Control fees	-60	Premier House Office Accommodation	70
Cemeteries income	-30	Security Service	100
CA Site additional income	-20	Non domestic waste disposal	30
		Building Control Salaries	60
		Building Works DSO	25
Total	-645	Total	645
Total	-725	Total	725

- 6.3 Minor virement will be exercised under delegated authority.

Predicted Outturn

- 6.4 Service monitoring (table one) indicates a predicted net underspending of £0.477m on the approved revenue budget, including additional interest of -£0.113m due to balances being higher than expected. At individual service level some budgets have

changed due to virements and expenditure changes and management action will be required to contain budgets within approved cash limits. The estimated position as at 31 December 2003 is summarised in Appendix 1 and service level changes are shown in Appendices 2 to 7. In addition it is proposed that a further provision of £0.400m be made for bad debts for the year end in respect of housing benefit and general debts.

Reserves

- 6.5 General Fund reserves at 1 April 2003 were £5.273m. The last revenue budget monitoring report Cabinet estimated end of year balances at £5.751m. It is proposed that the further savings (£0.186m) on National Non Domestic Rates on the depot and car parks, and additional reduction in the Provision for Single Status (£0.300m) be added to General Fund Reserves to move these towards the optimum level of £7m. Subject to these proposals being approved by Cabinet, this would leave unallocated General Fund Reserves of £6.237m. The projected unallocated General Fund reserves, subject to Cabinet approval, are set out in Table 3. If the reported underspend at Table one is confirmed at the end of this financial year then balances are estimated at £6.314m.

Table 3 - Reserves	£m
Balance b/fwd at 1 April 2003	5.273
Use of balances in year	
Planned use of balances per Original Budget	-0.105
Housing Benefit costs	-0.052
	5.116
Earmarked Reserves – management change	-0.500
NNDR refunds	1.021
Reduction in provision for Single Status	0.600
Balance c/fwd 31 March 2004	6.237

Budget Issues emerging during 2003-2004

- 6.7 The service appendices detail issues that have been identified which, at this time, require no corrective action but need to be carefully monitored and be reported on again if the issues develop.

Remaining Service Budget Variations

- 6.8 After management actions, virement, and policy actions, overspendings remain within Legal Services (£0.047m) and People First - Social Services (£0.253m).
- 6.9 The following management actions are being taken to bring the budgets into line.

People First -Social Services

The review continues to be undertaken in the examination of the detailed position in relation to spend against a number of specific grants. It is anticipated that this will identify some flexibility that will enable containment of the reported overspend within the base budget.

- 6.9 The Cabinet needs to instruct the Services to identify savings as a first priority to bring the budget into line in 2003-2004, and that if at the year end an overspend remains, this to be carried forward to the budget for 2004-2005.

7. Consultation

7.1 None specifically undertaken.

8. Finance Observations

8.1 This is a report of the Executive Director (Business Connections) and deals with the financial position of the Council.

9. Legal Observations

9.1 There are no legal comments.

10. Conclusion

10.1 Revenue budget monitoring at period 09 has resulted in an estimated net cumulative net underspend of £0.077m, after provision of additional bad debt provision. It is proposed that the additional £0.186m saving relating to the NNDR rebate and the £0.300m reduction in the Provision for Single Status, be transferred to General Fund Reserves and that those services where projected overspends remain be instructed to identify savings to bring their forecast outturn in line with their 2003-2004 approved budgets.

11. Background Papers

11.1 Revenue Budget 2003-2004

11.2 Budget Monitoring reports to Cabinet

12. Authors

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FOR DECISION

LONDON BOROUGH OF HARROW

GENERAL FUND BUDGET MONITORING STATEMENT 2003-2004: SUMMARY – PERIOD 06 AS AT 31 DECEMBER 2003

Service / Budget	App. Ref	Original Budget 2003-2004	Last approved budget as at Period 06	Corporate Actions: e.g. Inter-Service Virement / SSC / Capital financing	Latest Budget for Cabinet approval Col.4+5	Predicted Outturn	Over / Underspend (before Mgt Action) Col.7-6	Management Actions	
								Mgt changes / departmental virement Col.8-9	Compensatory Saving to be identified Col. 8 & 9
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		£000	£000	£000	£000	£000	£000	£000	£000
Services									
Chief Executive	2	1.091	0.986	0.000	0.986	1.033	0.047	0.000	0.047
Business Connections	3	15.799	15.550	0.000	15.550	15.550	0.000	0.000	0.000
Organisational Development	4	1.172	1.575	-0.014	1.561	1.561	0.000	0.000	0.000
People First - Education	5	129.263	129.263	0.014	129.277	128.769	-0.508	0.000	-0.508
People First - Social Services	6	60.411	60.391	0.000	60.391	60.644	0.253	0.000	0.253
Urban Living	7	43.799	43.822	0.000	43.822	43.666	-0.156	0.000	-0.156
Sub Total		251.535	251.587	0.000	251.587	251.223	-0.364	0.000	-0.364
Capitalisation		-1.338	-1.338	0.000	-1.338	-1.338	0.000	0.000	0.000
Capital Financing		-16.534	-16.534	0.000	-16.534	-16.534	0.000	0.000	0.000
Interest on Balances		-3.788	-3.788	0.000	-3.788	-3.901	-0.113	0.000	-0.113
Use of Funds		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Spending on Local Services		229.875	229.927	0.000	229.927	229.450	-0.477	0.000	-0.477
Contribution To/(From) GF Reserves		0.000			-0.052				
Changes in Year		0.000			0.000				
Net Cost of Local Services		229.875			229.875				
General Fund Reserves Balance at 01.04.03		5.273			5.273				
Contribution To/(From) GF Reserves		-0.105			-0.105				
Changes in Year		0.000			-0.052				
Management Change		0.000			-0.500				
NNDR refund		0.000			1.021				
Reduction in Single Status Provision		0.000			0.600				
Balance as at 31.03.04		5.168			6.237				

LONDON BOROUGH OF HARROW
Revenue Budget Monitoring Statement
Period 09: as at 31st December 2003
Service: Chief Executive's Office

Budget Issues

1. Table one below shows how spending compares to the latest approved budget. There are no significant budget issues to report in this period.

Predicted Spend

2. Table one sets out predicted spending compared to the latest approved budget.

Table 1				Management Actions	
Service Budget	Latest Budget for Cabinet approval	Predicted Outturn	Over / Under spend before M'gt Action	M'gt changes / dept virement	Comp. Savings to be identified
(1)	(2)	(3)	(4)	(5)	(6)
	£000	£000	£000	£000	£000
Services					
Chief Executive's Office	0.9	1.0	0.0	0.0	0.0
Total Services	0.9	1.0	0.0	0.0	0.0

Variations

3. The variations are as follows:

Table 2

Main Variations	£000
<u>Variation Reported Todate B/F</u>	47
<i>Projected Overspends (+)</i>	
None	0
Sub total: projected overspends	0
<i>Projected Underspends (-)</i>	
	0
Sub total: projected underspends	0
Net Total	47

Management Action

4. Management action/policy action is proposed at present, however the budgets are being closely monitored to identify savings that can be offset against the projected overspend.

Virements

5. No virements proposed

Emerging budget issues

6. None

Implications for future years' budgets

7. None

Consultation

8. None

Any other budget or service issues.

9. Nothing to report.

Author / Designation: Naresh Chauhan (CED Finance Manager)

19 January 2004

LONDON BOROUGH OF HARROW
Revenue Budget Monitoring Statement
Period 09: as at 31 December 2003
Service: BUSINESS CONNECTIONS

Budget Issues

1. Table one below shows how spending compares to the latest approved budget. There are no significant budget issues to report in this period.

Predicted Spend

2. Table one sets out predicted spending compared to the latest approved budget.

Table 1				Management Actions	
Service Budget	Latest Budget for Cabinet approval	Predicted Outturn	Over / Under spend before M'gt Action	M'gt changes / dept virement	Comp. Savings to be identified
(1)	(2)	(3)	(4)	(5)	(6)
	£000	£000	£000	£000	£000
Services					
Business Connections	15.550	15.550	0.000	0.000	0.000

Variations

3. No variations to report.

Management Action

4. No management action/policy action is proposed at present, however the budgets are being closely monitored to identify savings that can be offset against the projected overspend.

Virements

5. No virements proposed

Emerging budget issues

6. None

Implications for future years' budgets

7. None

Consultation

8. None

Any other budget or service issues.

9. Nothing to report.

Author / Designation: Naresh Chauhan (CED Finance Manager)

Date 19 January 2004

LONDON BOROUGH OF HARROW
Revenue Budget Monitoring Statement
Period 09 as at 31 December 2004
Service: Organisational Development

Budget Issues

1. Table one below shows how spending compares to the latest approved budget. There are no significant budget issues to report in this period.

Predicted Spend

2. Table one sets out predicted spending compared to the latest approved budget.

Table 1				Management Actions	
Service Budget	Latest Budget for Cabinet approval	Predicted Outturn	Over / Under spend before M'gt Action	M'gt changes / dept virement	Comp. Savings to be identified
(1)	(2)	(3)	(4)	(5)	(6)
	£000	£000	£000	£000	£000
Services					
Organisational Development	1.561	1.561	0.000	0.000	0.000
Total Services	1.561	1.561	0.000	0.000	0.000

Variations

3. No variations to report.

Management Action

4. No management action/policy action is proposed at present, however the budgets are being closely monitored to identify savings that can be offset against the projected overspend.

Virements

5. No virements proposed

Emerging budget issues

6. None

Implications for future years' budgets

7. None

Consultation

8. None

Any other budget or service issues.

9. Nothing to report.

Author / Designation: Naresh Chauhan (CED Finance Manager)

19 January 2004

LONDON BOROUGH OF HARROW
Revenue Budget Monitoring Statement:
Period 09: as at 31 December 2003
Service: PEOPLE FIRST - EDUCATION

Budget Issues

1. There is a net underspend of £0.508m within the cash limit budget. Net variations of £0.537m have been identified this period which offset the previous reported overspend of £0.029m. There are however a number of additional overspends which have emerged and virements have been proposed to cover these.

Predicted Spend

2. Table one sets out predicted spending compared to the latest approved budget.

Table 1

Service Budget	Latest Budget for Cabinet approval	Predicted Outturn	Over / Under spend before M'gt Action	Management Actions	
				M'gt change dept virement	Comp. Savings to be identified
(1)	(2)	(3)	(4)	(5)	(6)
	£000	£000	£000	£000	£000
Services					
Individual Schools Budget	87.518	87.518	0	0	
Schools & Community Services	19.048	18.755	-0.293	0.080	
Strategy & Resources	2.652	2.487	-0.165	-0.080	
School Development Service	3.912	3.862	-0.050	0	
Schools Capital Financing	16.147	16.147	0	0	
Total Services	129.277	128.769	-0.508	0	0

Variations

3. The main variations since the last period are set out in table two.

Table 2

Main Variations	£000
<u><i>Projected Overspends (+)</i></u>	
1. Sports & Leisure - There are a number of items where the budget will be exceeded. This includes the costs of additional water rates at Whitmore Playing Fields due to a water leak and costs of grounds maintenance and water rates associated with Leisure Connections.	37
2. Libraries – There is an underachievement of fine and sale income at the Library Service of £0.045m. Some of this can be contained by small underspends within the overall budget. It is anticipated at this stage that the growth to extend the opening hours in March will be sufficient to meet all of the additional salary costs.	25
3. Community & Youth – Playschemes – There is an overspend against the Playscheme leader's salary and the playscheme workers' wages which can not be contained from income for operating the schemes.	35
4. Arts & Leisure – The caretaking costs at the Arts Centre is over the budget provision. In addition there have been recruitment advertising costs over the budget provision available.	20
5. Community Lettings – Despite previous virements the Community Lettings budget continues to be under pressure as a consequence of the concessionary lettings policy.	10
Sub total: projected overspends	127
<u><i>Projected Underspends (-)</i></u>	
1. Assessment & Provision – The budgets within Assessment and Provision are forecast to overspend by £0.2m. This can be offset from the contingency provision of £0.5m which was made available as part of the 2003-2004 budget due to the volatile nature of these budgets.	-326
2. Access & Development – The arrangements for the provision of access and development services within schools is changing from next April with the devolution of funding to schools and the offer of services via a service level agreement. Consequently as staff vacancies have arisen they have not been filled to provide flexibility until the level of buy back from schools for next year is known.	-50
3. Early Years & Childcare – The current projections based upon the number of places funded in the Summer and Autumn Term	-28

Main Variations	£000
are not as high as those budgeted for. The actual number of places funded for the Spring Term will be known later in February.	
4. Standards Funds – Last year funding was provided to replace certain standards fund grants which ceased but supported LEA expenditure. It has been possible in the current financial year to continue to support the expenditure from other grants and funds.	-194
5. Education Social Workers – An underspend has arisen on the salaries for Social Workers as the growth available was linked with the restructuring proposals for the service which were implemented from 1 December 2003 with only a part year effect in 2003-2004.	-26
6. Educational Psychologists – There are currently a couple of vacancies which are likely to result in an underspend at the year end. This will be offset in part by consultants fees for developing provision for autism within Harrow.	-40
Sub total: projected underspends	-664
Net Total	-537

Management Action

5. There is no management action required to maintain the approved cash limit budget.

Virement

6. Table 3 sets out virements requiring Cabinet approval.

Table 3

From		To	
Budget	£000	Budget	£000
1. Standards Funds	-80	1. Libraries	25
		2. Community & Youth - Playschemes	35
		3. Arts & Leisure	20
Total	-80	Total	80

Emerging budget issues

7. There are no emerging budget issues. All of the known issues have been dealt with in the variations above.

Implications for future years' budgets

8. A growth item of £0.025m has been included in the proposed budget for 2004-2005 to address the on going issue of the Playschemes. It is anticipated that the issues relating to Sports & Leisure and Arts and Leisure are one off and will not reoccur. It is not yet known whether the issues within the Library Service will continue next year and this will need to be closely monitored. There are no implications for future years of the projected underspends as none are anticipated at this stage to continue beyond April 2004.

Consultation

9. The Education and Lifelong Learning Portfolio Holder has been consulted on the report.

Any other budget or service issues.

10. None

Author / Designation: Paula Foulds Education Financial Services Manager

15 January 2004

LONDON BOROUGH OF HARROW
Revenue Budget Monitoring Statement
Period 09 as at 31st December 2003
Service: People First - Social Services

Predicted Spend

1. Table one sets out predicted spending compared to the latest approved budget.

Table 1				Management Actions	
Service Budget	Latest Budget for Cabinet approval	Predicted Outturn	Over / Under spend before M'gt Action	M'gt changes / dept virement	Comp. savings to be identified
(1)	(2)	(3)	(4)	(5)	(6)
	£000	£000	£000	£000	£000
Services					
Children and Families	8.865	9.109	0.244	0	0.244
Community Care	37.193	37.102	-0.091	0	-0.091
Management and admin	8.014	8.014	0.000	0	0.000
Concessionary Fares	6.319	6.419	0.100	0	0.100
Total Services	60.391	60.644	0.253	0	0.253

Variations

2. There are no further variations to report since the last period.

Management Action

3. There continues to be tight control over all new placements in residential and nursing home placements and domiciliary care provision across all client groups with placement panels operating to challenge the robustness of placement requests. The criteria set within FACS is set at a high level with only those most in need receiving services.

Emerging budget issues

4. The following areas could lead to spending pressures but there is currently insufficient detailed information to predict the effect in the current year.

- The potential financial impact of the "Hillingdon Judgement" for 2003-2004, in relation to the provision of leaving care services for unaccompanied asylum seeking children (UASC) has been estimated at between £0.400m and £0.900m. This estimate will be revised in the light of an analysis of the actual expenditure incurred during February. The Government is expected to announce the level of additional funding it will provide to meet these costs in January 2004.

Implications for future years' budgets

5. No further implications have been identified beyond those reported in previous reports.

Consultation

6. The Social Services Portfolio Holder is being consulted on the report.

Any other budget or service issues.

7. Nothing to report.

Alistair Rush, Interim Head of Finance and Contracting

20 January 2004

LONDON BOROUGH OF HARROW
Revenue Budget Monitoring Statement:
Period 09: as at 31 December 2003
Service: Urban Living

1. Budget Issues

A number of spending variations have emerged in a range of budgets across Urban Living. The net position at period 6 was an overspend of £0.070m. The net reductions identified below are £0.226m leaving a projected net underspend for the year of £0.156m. In addition windfall savings of £1.021m arising from backdated NNDR refunds on Urban Living properties have been taken direct to the Council's reserves.

2. Predicted Spend

(a) Table one sets out predicted spending compared to the latest approved budget.

Table 1				Management Actions	
Service Budget	Latest Budget for Cabinet approval	Predicted Outturn	Over / Under spend before M'gt Action	M'gt changes / dept virement	Comp. Savings to be identified
(1)	(2)	(3)	(4)	(5)	(6)
	£000	£000	£000	£000	£000
Environmental Services					
Planning	1.694	1.744	0.050	-0.050	0.000
Environment & Transport	18.401	18.591	0.190	-0.190	0.000
Property & Development	4.035	4.015	-0.020	0.020	0.000
New Harrow Project	2.469	2.469	0.000	0.000	0.000
Harrow Contract Services	7.705	7.750	0.045	-0.105	-0.060
Environmental Health					
Environmental Health	2.642	2.521	-0.121	0.075	-0.046
Housing GF					
Housing Services	6.876	6.576	-0.300	0.250	-0.050
Total Urban Living	43.822	43.666	-0.156	0.000	-0.156

3. Variations

Main Variations	£000
<u><i>Projected Overspends (+)</i></u>	
1. Civic Centre visitor car park. The costs of the car park are £0.015m higher than originally estimated and the later implementation combined with the first hour being free will mean that the income raised will be minimal in the current year.	60
2. Parking Pay and Display equipment. Additional costs have been incurred repairing and replacing vandalised machines.	30
3. Penalty Charge Notices income shortfall. A shortfall of £0.100m has previously been identified. While the shortfall in income arising from below budgeted ticket issues has been arrested, performance to date indicates that a further shortfall of £0.070m has occurred. This is mainly caused by an increase in the number of vehicles where there is no registered keeper.	70
4. Premier House Office Accommodation. An area of the second floor was previously leased by the Council to HAD. Towards the end of the last financial year HAD gave up this lease and the Council has assumed responsibility for the costs of the office space. This area is currently being used to decant staff to facilitate the office moves taking place at the Civic Centre.	70
5. Security Service. The budget for 2003-2004 included a reduction of £0.120m for security and loading bay. The heightened security risk arising from the Gulf war has meant that it has only been possible to make a saving of £0.020m in the current year.	100
6. Non domestic waste disposal charge. The charge made to the authority by West Waste is projected to be overspent by £0.030m. This is a result of the additional street cleansing waste collected in the areas covered by the New Harrow project.	30
7. Building Control salaries. Additional costs arising from a higher than budgeted level of work that is offset by additional fee income.	60
8. Building Works DSO. Projected operating deficit.	25
Sub total: projected overspends	445
<u><i>Projected Underspends (-)</i></u>	
1. Car Parking Income. Income is projected to exceed the budget as a result of additional income from new CPZs	-60
2. The NNDR base budgets across the department are overstated as a result of reductions in rateable value in previous years	-150
3. Cemeteries Income. The original budget 2003-2004 assumed that there would be some fall in demand following the increases in fees and charges in January 2003. This has not occurred.	-30

Main Variations	£000
Supporting People – Provision of £0.278m was added to the Supporting People base budget for 2003-2004, to cover any shortfall in terms of administrative costs and payments to clients. To date this reserve has not been called upon, so it is proposed that £0.150m, be offered up as a saving this year	-150
Environmental Health Salaries. An underspend was previously reported to Cabinet of £0.030m as a result of vacancies and delays in filling new posts. A further £0.045m underspend is now projected to occur.	-45
Liquor Licensing. Delays in the implementation of the new liquor licensing regime is expected to result in an underspend of £0.028m, in addition to salaries savings included above.	-28
Trading Standards Consortium. There is an anticipated saving of £0.018m in the precept payable this year.	-18
Building Control Fees. Additional fee income arising from a larger volume of building control applications than budgeted.	-60
Housing salaries. Vacancies together with delays in filling new posts will result in a saving.	-50
Clinical Waste collection. Growth of £0.050m was included in the 2003-2004 budget, however implementation of new regulations was delayed.	-40
CA Site. Additional Income in excess of budget.	-40
Sub total: projected underspends	-671
Net Total	-226

4. Management Action

None required.

5. Virement

The following virements are recommended from projected underspends reported at period 6 and now to those areas where budget overspends are projected.

From		To	
Budget	£000	Budget	£000
Supporting People	-150	Parking Enforcement	170
Environmental Health Salaries	-75	Planning Legal Fees	50
Homelessness (underspend reported at period 6)	-100	Recycling Income	50
NNDR	-150	Civic Centre visitor car park	60
Parking income	-60	Parking equipment	30
Building Control fees	-60	Premier House Office Accommodation	70
Cemeteries income	-30	Security Service	100
CA Site additional income	-20	Non domestic waste disposal	30
		Building Control Salaries	6
		Building Works DSO	2
Total	-645	Total	645

6. Emerging budget issues

- a) Parking enforcement income is a volatile area and it is possible that the shortfall identified above could further worsen. The potential adverse variance is £0.080m.

7. Implications for future years' budgets

- a) The change to the originally envisaged visitor parking scheme will result in lower income than budgeted, although the extent of this will not be known until charging commences and the pattern of usage is established.
- b) The shortfall in parking enforcement income is anticipated to have an ongoing impact of £0.100m p.a.
- c) The additional parking income of £0.060m is anticipated to be ongoing.
- d) The costs at Premier house are anticipated to be ongoing at a cost of £0.070m.
- e) The additional cemeteries income of £0.030m is anticipated to be ongoing.

8. Consultation

None

9. Any other budget or service issues

None

Author / Designation: Tony Lear: Executive Director Urban Living

15 January 2004

LONDON BOROUGH OF HARROW
Revenue Budget Monitoring Statement:
Period 9: as at 31 December 2003
Service: Urban Living - Housing Revenue Account

1. Budget Issues

The detailed Revised HRA Budget for 2003-2004 was reported to the TLCF on 8 January 2004 and to Cabinet on 13 January 2004, together with the 2004-2005 Original Budget. The budgets were agreed and an average increase of 2.7% for council tenants rents and for other HRA fees and charges, to take effect from April 2004, was recommended to Council. .

Details of the main variances between the original and revised HRA budgets for 2003-2004 are set out below.

2. Predicted Spend

	Original 03/04	Revised 03/04	Variance
EXPENDITURE			
Supervision and Management	5,671,290	5,760,040	88,750
Charges for Capital	6,506,080	6,467,450	-38,630
Contingency	404,590	276,960	-127,630
Leasehold Management	223,220	218,550	-4,670
RCCO	3,136,480	2,052,440	-1,084,040
Rent Rebates	12,854,420	13,114,890	260,470
Rents/Agency Payments	40,510	17,970	-22,540
Repairs & Maintenance	5,465,010	5,609,490	144,480
Total Expenditure	34,301,600	33,517,790	-783,810
INCOME			
Rent Income - Dwellings	-20,170,170	-20,276,770	-106,600
Rent Income - Non-dwellings	-573,900	-580,220	-6,320
Other Income	-131,520	-140,600	-9,080
Facility Charges	-175,520	-153,230	22,290
Service Charges	-226,010	-223,010	3,000
HRA Subsidy	-9,604,640	-9,618,900	-14,260
Interest	-515,140	-531,040	-15,900
Total Income	-31,396,900	-31,523,770	-126,870
In year Deficit / (Surplus)	2,904,700	1,994,020	-910,680

3. Variances

(a) Supervision and Management

Transfers from Contingency – ALMO set up costs of £0.185m and Supporting People transitional costs of £0.127m, included within Contingency in the HRA Budget, have been re-allocated to Supervision and Management.

Slippage - £0.180m of slippage from 2002-2003, has been added back to the 2003-2004 Supervision and Management budget this year. The main items were as follows:

Minor works to offices	£0.032m
Strategy Conference	£0.015m
IT works	£0.031m
H&S Training	£0.013m
Housing Needs Survey	£0.035m
Customer Surveys	£0.010m
HQN and BV work	£0.030m
Wardens Services	£0.010m

Contribution to HRA Working Balance – The Original Budget included £0.380m to restore the HRA Balance to a prudent level. This has been removed from the Revised Budget as a balance in excess of this sum will be carried forward.

(b) Charges for Capital

The Major Repairs Allowance (MRA) on which the Depreciation charge is based, has reduced due to the change in stock profile, relating to the transfer of the Rayners Lane estate.

(c) Contingency

The ALMO and Supporting People provisions have been transferred from Contingency to Supervision and Management (above), but £0.200m has been added to cover the likely additional Wardens costs relating to the minimum wage and working time regulations claim.

(d) Revenue Contribution to Capital Outlay (RCCO)

The reduction of £1.08m is due slippage in the 2003-2004 HRA Capital Programme and a reallocation of the financing arrangements for this spend.

(e) Rent Rebates

The increased level of rent rebates paid to tenants is offset by a corresponding increase in Rent Rebates element of the HRA Subsidy.

(f) Housing Repairs

The projected overspend of £0.145m on the Repairs Budget, is mainly due to slippage of £0.158m in 2002-2003, which has been added to the 2003-2004 revised budget.

(g) Rent Income

Rent income is higher than anticipated due to reductions in the level of voids and right to buy sales.

(h) HRA Subsidy

The £0.014m increase in the HRA Subsidy is the net effect of an increase in the Rent Rebates element (above), offset by a reduction in the Housing Element

4. Implications for further years

The restoration of an HRA balance of £0.400m at 31 March 2005 is dependent upon additional HRA subsidy which is expected to be received in 2004-2005. The additional subsidy is anticipated to be about £1.5m in total. As it will be a one off receipt, it will not address the underlying £1m in-year deficit between expenditure and income, within the HRA.

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