

Meeting:	Cabinet
Date:	18 June 2009
Subject:	Revenue and Capital Outturn 2008-09
Key Decision:	No
Responsible Officer:	Myfanwy Barrett: Corporate Director of Finance
Portfolio Holder:	David Ashton (Leader and Portfolio Holder for Strategy, Partnership and Finance)
Exempt:	No
Enclosures:	Appendix 1 - Revenue commentary Appendix 2 - Revenue Directorate Outturn Appendix 3 - Capital Monitoring Appendix 4 - Housing Revenue Account

Section 1: Summary and Recommendations

This report sets out the Council's revenue and capital outturn position for 2008-09.

Recommendations:

- (a) Note the revenue and capital outturn position for 2008-09
- (b) Note the forecast position for general balances and approve the additional contribution of £1.250m
- (c) Approve the recommendation on the application of the revenue under spend remaining on the Directorates revenue outturn of £3.250m
- (d) Note the liabilities and approve the contributions to various provisions and earmarked reserves set out in paragraph 16
- (e) Note that the implications of the outturn for 2009-10 and beyond is to be brought to the 17 September Cabinet
- (f) Note the timetable for audit committee meetings and external audit review
- (g) Approve the carry forward on Capital Projects as set out in appendix 3.
- (h) Note the position on debt outstanding and delegate to the Leader decisions on the write offs as set out in paragraph 17
- (i) Delegate to the Leader any further decisions required in relation to the outturn for 2008-09, particularly carry forward requests and contributions to provisions and reserves.

Reason

To confirm the financial position as at 31 March 2009

Section 2: Report

Introduction

- 1 The final outturn for the total Council Directorates budget is £177.8m against a latest budget of £182.3, which results in an under spend of £4.5m. The variations are explained in the body of the report

The table below summarises the position:

Original Budget	Directorate	Latest Budget	Provisional Outturn 2008-09			Qtr 3 Variation
			Outturn	Variation		
£000		£000	£000	£000	%	£000
15,451	Chief Executive	4,050	3,562	-488	-12.05	-150
1,225	Legal & Governance	2,126	2,195	69	3.23	209
13,644	Corporate Finance	14,840	14,653	-187	-1.26	0
8,176	Corporate & Democratic	8,176	8,200	24	0.29	0
3,105	Corporate Items	3,105	3,179	74	2.38	814
41,601	Sub-Total	32,297	31,789	-508	-1.57	873
57,634	Adults & Housing	61,586	59,956	-1,630	-2.65	-586
29,462	Children's	35,716	36,331	615	1.7	450
41,398	Community and Environment	48,496	45,677	-2,819	-5.81	-433
2,414	Place Shaping	4,269	4,094	-175	-4.12	0
172,509	Directorates	182,364	177,847	-4,517	-2.48	304

Revenue Budget

- 2 The outturn position is a major achievement in controlling spends in year, and clearly demonstrates adherence to the corporate spending protocol issued in November. At the same time it identifies some additional capacity in the budget which enables the Council to address adequately issues raised by the external auditor to provide for the appropriate levels of reserves and provisions without impacting service provision and to further strengthen its financial position.
- 3 This is a major opportunity for Harrow to get its finances in order – it is the “springboard to normality”. This has come at a good time as we face the impact of a severe recession and significant funding gaps in the medium term. We are therefore in a much better position to weather the storm.
- 4 The Directors have been asked to assess the impact of their outturn position on their budgets and service delivery in 2009-10 to assess the extent of underlying capacity, so that the budget can be rebalanced where appropriate. This would

- help address underlying pressures which emerged during this year and also free up resources where there is identified ongoing capacity which will help towards eliminating the funding gap in future years. This work is due to be delivered in July and will be presented to the September Cabinet with 2009-10 quarter 1.
- 5 A short explanation of the outturn position for each directorate follows. This is supplemented by a fuller explanation for each Directorate included at Appendix 1.
 - 6 For Corporate areas, the Assistant Chief Executive is reporting a forecast under spend of £0.488m, the majority of this under spend relates to Human Resources and Partnership, Development & Performance; Legal and Governance has a variation of £0.069m. Corporate Finance is reporting an under spend of £0.187m.
 - 7 Corporate items: there is a net over spend of £0.74m. This mainly consists of: £0.200m shortfall on the Revenue Income Optimisation (RIO) project and a net under achievement on the Business Transformation Programme of £0.165m. This was partly offset by income from Local Authority Business Growth Incentives (LABGI) Scheme and 07-08 surplus pay inflation.
 - 8 Adults and Housing are forecasting an under spend of £1.630m. The underlying under spend of £0.690m has already been built in the 2009-10 Medium Term Financial Strategy. The main areas of under spend are: Community Care £0.535m, Commissioning and Partnerships (C&P) £0.707m and Modernisation and Integration £0.265m. The Frameworki project is addressing the issue around the client data interface to provide reliable forecast position going forward.
 - 9 The outturn for Children's is an over spend of £0.615m.. The pressures are mostly on the placement budgets for looked after children (£0.759m), and closely related to this, the placements budgets for Care Leavers (£0.338m); and Special Needs home to school transport (SNT) (net £0.354m). These pressures have been offset by efficiencies elsewhere, within School Development, Children's Services Management and Early Years Service. However, some of these offsets are one off in nature which indicates that the underlying pressures are greater – in particular in respect of SNT where a windfall of £0.545m from Hertfordshire County Council in respect of recoupment income for Special Needs Services reduced the pressure in year. The Directorate are examining closely the position on all these areas for 2009-10.
 - 10 Community and Environment are reporting an under spend of £2.819m. The majority of the under spend occurs in Environment (£2.360m). Of this £1.2m was achieved on parking enforcement income. This element of the under spend is ongoing and is already built into the 2009-10 budget. There was one off income of £0.797m from Transport for London (TFL) as a result of carrying out 18 months work in 12 months. Whilst this accounts for the majority of the under spend there were substantial other over and under spends elsewhere. Community and Culture reported an under spend of £0.318m some of which is one off.

Housing Revenue Account

- 11 The Housing Revenue Account is included at Appendix 4. There is an overall over spend of £0.517m which arises mainly from the reported over spend on repairs of £0.748m and increased capital charges of £0.381m partly offset by under spends on subsidy payable and underestimate of rents receivable.

Capital Financing and Investment Income

- 12 The capital financing budget has achieved a surplus of £ 3.5m. This results from an over achievement of investment income combined with lower borrowing costs. The Council achieved higher than budgeted investment returns due to longer term deposits placed prior to the severe reductions in Bank of England base rate. This gain will not be sustainable in 2009-10 as these deposits expire. This is taken account of in the 2009-10 budget assumptions. Borrowing costs have been reduced by utilising internal funds to finance the capital programme instead of taking external borrowing. There is also the benefit of debt restructuring undertaken in the previous year for which there is an ongoing benefit of around £1m.

Liabilities and Contributions to Provisions

- 13 The Council must hold adequate provisions, reserves and balances against known and anticipated events and in respect of its statutory duties as appropriate. A fundamental part of the Statement of Accounts external audit process is the examination of the adequacy of provisions, reserves and balances.
- 14 The areas identified as key risks by the Auditor included: Insurance Provision; Voluntary Severance Scheme and; General Bad Debt Provisions.
- 15 Following the balance sheet cleansing exercise, £1.9m was generated from the Goods Receipt and Invoice Receipt account. This was deployed to fund the shortfall on Insurance Provision (£1.7m) and General Bad Debt provision (£0.2m).
- 16 In addition to the above contribution, following contributions to the provisions are required, together with recommended allocations to earmarked reserves: It is proposed that the surplus of £3.5m on capital financing in 2008-09 is applied to the provisions and earmarked reserves as set out below.

Description	Provision	Reserve	Total
	£m	£m	£m
Bad Debt Provision (Including Housing Benefit overpayments)	1.086	0.250	1.336
Litigation and Employment Tribunals	0.772	0.150	0.922
Voluntary Severance Scheme	0.377	0.365	0.742
Insurance	0.000	0.500	0.500
Total	2.235	1.265	3.500

Bad Debt Provisions and write offs

- 17 The Council has undertaken a major exercise to write off old debt raised prior to March 2007. A thorough exercise is being conducted by Shared Services in conjunction with the Directorates to ascertain where old debt should still be pursued or written off. As a result of this exercise £0.960m of debt deemed as uncollectible will be considered for write offs. A full provision is made in the 2008-09 accounts for the potential write offs.
- 18 In June 2008 Cabinet approved the write off of debt amounting to £0.370m in respect of Harrow Primary Care Trust and £0.258m in respect of Consortium of North West London. These write offs have been actioned in the 2008-09 accounts.
- 19 The provision required at the 31 March 2009 for aged debt greater than 365 days but still deemed collectable is £0.640m. The contribution from the directorates in 2008-09 for debt less than 365 days is £0.275m and is included in the outturn table shown at paragraph 1. Ownership at directorate level will ensure that going forward all debt is appropriately pursued according to the nature of the debt but is also collected wherever possible – because if not recovered, the debt is charged back to the originating budget holder.
- 20 There is an expectation that the current economic conditions will impact adversely on debt collection rates and so an earmarked reserve of £0.250m to guard against the impact of this is recommended.
- 21 The Council Tax collection fund has performed well against its target rate. The actual surplus for 2008-09 is £0.355m against an estimated surplus of £0.381m.

Litigation and Employment Tribunals

- 22 The council has identified a number of potential areas relating to litigation and employment law, and therefore is recommending that £0.147m be earmarked for this.

Voluntary Severance Scheme

- 23 The terms and size of the Voluntary Severance Scheme were agreed as part of the 2009-10 budget strategy and MTFs. A provision has been made as required by the external auditor for those cases agreed in 2008-09 whereby a commitment was entered into. A number of cases are still being dealt with
- 24 and are not yet signed off and therefore an earmarked reserve of £0.361m is recommended for these cases. The total target has not yet been met but the exact shortfall is still not known until all cases are considered. Any shortfall ongoing in 2010-11 will be dealt with as part of the 2010-11 budget and MTFs.

Insurance Fund

24 The 2009-10 budget and MTFs includes £0.950m over 3 years to increase the insurance provision to the level recommended by the actuary. This is a key external audit requirement that the provision is adequate to meet its liabilities. £1.7m has been allocated to ensure that the provision is wholly adequate this year. It is recommended that an earmarked reserve of £0.500m is also set aside against the future anticipated gap. Future funding gaps are being revisited as part of the 2010-11 Budget and MTFs.

Application of the Directorate under spend

25 The Corporate Strategy Board (CSB) at their meeting of 21 May 2009 discussed the most appropriate use of the Directorate under spend. The emphasis of their discussion and conclusion was that there was a significant opportunity to restore reserves and balances to an appropriate level which formed a sound basis from which to grow steadily thereby increasing the reliability and robustness of the Council’s financial position. The following section of the report sets out the proposals for reinforcing general balances followed by proposals for how the remainder of the under spend could be allocated to meet priorities and identified funding gaps.

General Balances

26 The approved reserves policy is as follows:

“The Council intends to add £0.5m to reserves and provisions each year until such time as general balances exceed £5m.”

The Council has allocated £1m to balances in the 2008-09 budget. It is now in a position to increase balances by a further amount in order to reach its minimum target (£5m) earlier than planned and to add to the position –indicating its commitment to putting the Council on a sound footing by growing balances to a level commensurate with a robust financial position. It is therefore recommended that an additional allocation of £1.250m is made, further strengthening the position at a time when there could be considerable additional demands.

	£m
Opening balance as at 1 April 2008	3.00
Contribution to reserves 2008-09	1.00
Position at 31.03.2009	<u>4.00</u>
Recommended: Additional Allocation from 2008-09 outturn	1.25
Recommended restated balance at 31 March 2009	5.25

- 27 Having prioritised sufficient and robust allocations to general and earmarked reserves and provisions, there is the potential to allocate up to £3.250m remaining of the Directorate under spend of £4.5m. The following allocations are recommended:

	£m
Targeted Investments in Services	1.600
Special Projects Fund	0.650
Building Schools for the Future	0.400
The Transformation Programme	0.500
Contingency 2009-10	0.100
Total	3.250

- 28 A short explanation of the proposals follows:
- Investment proposals will be developed and reviewed by end of June 09. The recommended allocation will be reported at quarter 1.
 - The special projects fund is a replication of an initiative taken last year to fund a number of small projects in Harrow which would make a welcome local impact.
 - Building Schools of the Future (BSF) is a major secondary school capital investment scheme for which revenue set up costs need to be identified, if the Council is successful in its bid.
 - The Transformation Programme is a major piece of work to be carried out beginning in 2009-10 with an identified external partner(s) to review processes across all council departments and drive out substantial efficiencies. There will be a cost to do this estimated at around £0.5m.

Capital Programme

- 29 The Capital Programme is reported at Appendix 3. The outturn is £98.9m against an original capital programme of £83.585m. The approved changes in quarters 1 and 2 increased the programme by £29.351m to £112.9m at quarter 3. There are additions to the programme in quarter 4 of £7.8m which are mostly grant funded.
- 30 There are requests for carry forward amounting to £15.7m, £7m is in respect of grant funded projects, £6m is for ongoing BTP projects, £1.6m is in respect of HRA and £1.1m is in respect of Harrow funded projects. These requests comply with the carry forward policy as detailed below.
- 31 The Carry Forward Policy was revised in November 2008 and is detailed below.

In general a revenue or capital budget is available for the year in question and unspent balances will not be carried forward. However, in exceptional circumstances the Cabinet may agree to carry forward an unspent balance from one year to the next. Unspent balances will only be carried forward where:

- The Council's revenue/capital budget is not overspent in total AND

- The item is fully funded from grant and the grant will be lost if the item is not carried forward

All other commitments will have to be accommodated within the new year budget.

32 The financing of the programme is also set out at Appendix 3.

Budget Monitoring Arrangements 2009-10

33 The outturn position has highlighted that whilst there is a big increase in managers using SAP to forecast their budget, there remains a considerable shortfall in accuracy. All managers received refresher SAP budget and forecasting training in February and March 2009. The impact of this training came too late for 2008-09. However, increasing accuracy and reliability of forecasts will be the primary focus of the Financial Effectiveness Review work plan in 2009-10.

Timetable for audit committee meetings and external audit review

34 The draft accounts will be considered by Governance, Audit and Risk Management Committee (GARM) on 23 June. The audit will commence in early July. The final accounts will be considered by GARM on 01 September 2009 and must be signed off by the Council and the Auditor by the end of September.

35 A summary of the draft accounts will be included in the Council's annual report, as part of the July edition of Harrow People.

36 Cabinet members will be aware that the work to produce the accounts is critical to achieving a good outcome on the Use of Resources.

Financial Implications

37 These are integral to the report.

Performance Issues

38 Financial management and financial performance are scored as part of the Use of Resources (UoR). This plays a significant part in the overall CAA score.

It is essential that the Council is able to demonstrate good financial management by

- Improving on integration of financial planning with strategic and service planning
- Enhance the links between costs and performance
- Improve on timely and robust financial reporting

Risk Management Implications

39 The risks to the council are clearly set out in the report and how they are being managed.

Environmental Implications

40 There are none directly related to this report.

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 27 May 2009		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 12 June 2009		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director
Date: 26 May 2009		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 26 May 2009		

Section 6: Contact details and background papers

Contact: Jennifer Hydari (Divisional Director of Finance and Procurement tel: 020-8424-1393)

Background Papers:

(a) Report to February 2009 Cabinet: Quarter 3 monitoring report

CORPORATE

A substantial amount of work is being done to strengthen the financial control environment. The monthly monitoring process is improving with more use of SAP by budget holders to forecast. Effective budget management continues to be critical.

The efficiencies that have been built into the budget as part of MTFS 2008-09 are also being closely monitored and any variations are included in the forecast outturn position.

As reported previously there are significant pressures on fuel and energy costs due to market conditions and contract renewals due. These are included within the outturn position.

Service	Revised Budget	Outturn	Variance		Variance
			QTR 4		QTR 3
	£000	£000	£000	%	£000
Chief Ex Department	4,050	3,562	-488	12	-150
Legal & Governance	2,126	2,195	69	3.2	209
Corporate Finance	14,840	14,653	-187	-1.3	0
Corporate & Democratic	8,176	8,200	24	0.3	0
Corporate Items	3,105	3,179	74	2.4	814
Total	32,297	31,789	-508	-1.6	873

CHIEF EXECUTIVE DEPARTMENT

Human Resources

The under spend is due to the unbudgeted receipt of Capital Ambition grant for the Management Development Programme.

Strategy & Performance

£78k net under spend was achieved on Communications due to negotiation of performance targets. A £20k net under spend on Service Review was achieved due to projects being funded by Capital Ambition. The balance of net savings, £232k was achieved mainly due to staff savings. These staff savings were achieved due to a combination of staff on secondments, no backfilling of vacant posts and the specialist nature of certain roles also meant that it was difficult to get suitable temporary cover.

LEGAL AND GOVERNANCE

The main reasons for the over spend was due to under recovery of income on Land Charges (£216k) due to unprecedented market conditions as a result of the global recession and the impact on the UK housing market and £32k over spend due to merger of Cemeteries and Divisional Admin functions.

This was offset by under spends on employees cost (£22k) and over recovery income on Citizenship (£61k) due to high demand for Nationality Checking Service,

£88k over recovery due to increased demand of Legal Services by Harrow Schools arising from a number of Employment Tribunal cases

Corporate Finance

Directorate & Corporate Finance Teams

Corporate Finance has under spent on the Financial Effectiveness Review, by around £0.050m.

Audit & Risk, Insurance, Health & Safety & Procurement

Procurement has a net £44k net over spend due to under achievement of savings in relation to corporate contracts for water coolers (Eden Springs) and printing.

Audit, Risk, Health & Safety and Insurance has a net under spend of £153k. This represents £102k savings in salaries due to vacancy management and £51k additional Health & Safety income received.

CORPORATE ITEMS

Corporate items: there is a net over spend of £0.74m. This mainly consists of: £0.200m shortfall on the Revenue Income Optimisation (RIO) project and a net under achievement on the Business Transformation Programme of £0.165m against a budget of £4.8m. This was partly offset by income from Local Authority Business Growth Incentives (LABGI) Scheme and 07-08 surplus pay inflation.

ADULTS AND HOUSING

Service	Revised Budget	Outturn	Variance		Variance
			QTR 4		QTR 3
	£000	£000	£000	%	£000
Community Care	39,565	39,030	-535	-1.4	261
Commissioning & Partnerships	9,475	8,769	-706	-7.5	-475
Modernisation & Integration	7,938	7,671	-267	-3.3	-301
Adults Total	56,978	55,470	-1,508	-2.7	-515
Housing GF	4,608	4,486	-122	-2.6	-72
Total	61,586	59,956	-1,630	-2.7	-587

The outturn is an under spend of £1,630k.. Main reasons for the under spends are:

- The impact of the corporate policy in the autumn of incurring essential expenditure only to support the wider Council policy
- The most significant shift highlights the challenges experienced throughout 2008-09 with regard to Frameworki. The outturn for Community Care was an under spend of £535k, compared with an over spend of £261k anticipated in quarter 3. The position reported includes an over spend of nearly £400k in relation to transport.

- Within Commissioning & Partnerships, key movements represent the additional grant income on the special schools PFI and staff vacancies. During 2008-09 the division has struggled to recruit suitably qualified and experienced staff to strengthen and progress the transformation agenda, and these staffing gaps whilst assisting in contributing towards the financial position, critically restrict the ability to progress.
- Within the Housing General Fund, key movements represent the lower than anticipated expenditure in relation to the CLG travellers site bid and complaints. The number of families in Bed and Breakfast in April 2008 was 80 and this was managed down to zero by the autumn – a significant achievement given the potential impact on homeless that could have resulted from the external economic climate. This will continue to be closely monitored, and as the recession continues consideration should be given to the strengthening the corporate contingency should numbers in B&B increase during 2009-10.
- The 2009-10 budget is predicated on savings and efficiencies, with work underway to progress the position

CHILDREN'S SERVICES

The Children's Services outturn for 2008-09 is summarised below. The outturn is an over spend of £615k, compared to a forecast over spend of £450k at quarter 3.

Service	Revised Budget	Outturn	Variance		Variance
			QTR 4		QTR 3
			£000	£000	£000
				%	
School Development	1,233	1,001	-232	-18.8	-284
Children's Services Management	1,571	1,452	-119	-7.6	-74
Early Years Service	1,180	913	-267	-22.6	-376
Safeguarding, Family Placement and Support	13,206	13,726	520	3.9	220
Special Needs Service	7,549	7,903	354	4.7	551
Young People's Service	5,590	5,928	338	6.0	413
Schools	5,387	5,408	21	0	0
Dedicated Schools Grant (DSG) element of variance	-	-			
Total	35,716	36,331	615	1.7	450

Schools Development

These services are largely grant funded. The final under spend of £232k resulted from a range of savings, many of them one year only savings, related to: a review of expenditure financed by grant; revenue saving on salaries due to a vacancy, and increased earned income.

Management and Other Services

The under spend of £119k results from a £62k saving on the Director's contingency, which was deliberately held back to offset over spends elsewhere within Children's Services. In addition £50k allocated specifically for the Denver project was not spent by 31 March 2009. This was a consequence of the time needed to set up and coordinate the multi agency board that will deliver the project. The external agencies are now engaged and have developed plans to deliver the project. To enable the project to be delivered this funding will need to be carried forward into 2010/11 and a request to carry forward the budget has been submitted, although it's subject to approval.

Integrated Early Years and Community Services (IEYCS)

Like much of Children's Services the IEYCS is largely dependent on Government Grants, which total £7.7m, compared to £1.2m of Council funding. The continuing pressures elsewhere in Children's Services lead to additional IEYCS expenditure being financed from grant thus reducing the Council's contribution and generating a saving of £ £267k.

Safeguarding, Family Placement and Support

The over spend of £520k is an increase of £300k on the quarter 3 forecast. This substantial increase is a consequence of the pressure on the placement budgets for looked after children. At the end of the third quarter the placements budget was forecast to over spend by £446k, however the final figure was higher at £759k. This substantial increase not only reflects new placements but also the extension of existing placements beyond the anticipated end date. The movement between the outturn and the in year forecast also partly reflects the problems in getting robust financial data from the HOST system to accurately forecast and monitor expenditure.

In addition there was an over spend of £144k in respect of Honey Pot Lane due to additional management and staffing costs. The management arrangements of Honey Pot Lane have been brought back in house and it's anticipated this will contain the budgetary pressures in 2009-10 however this will need close monitoring. To offset the placements over spend spending from other budgets was deliberately held back wherever possible. This generated compensating savings of £383k thereby reducing the over spend to £520k.

Special Needs Service

£919k over spends resulted from Special Needs home to school transport. Savings of £880k were taken from the budget in 2008-09 in lieu of a review of the service. This review is in process and although it should lead to efficiencies in future years it did not reap savings in 2008-09. High fuel costs in the early part of the year coupled with rising demand lead to an additional over spend of £39k.

The net over spend of £354k is an improvement on the £551k over spend forecast at quarter 3. This improvement resulted from the resolution of a long standing disputed

payment from Hertfordshire County Council over Special Educational Needs recoupment that generated a windfall of £545k.

Young People's Service

The placements budget for Care Leavers overspent by £338k which is an improvement of £75k on quarter 3. This budget is closely linked to placements for looked after children (see Safeguarding, Family Placement and Support above), and costs are largely driven by the numbers of looked after children who turn sixteen. The movement between the outturn and the in year forecast reflects the problems in getting robust financial data from the HOST system to accurately forecast and monitor expenditure.

Schools

The schools budget is almost entirely funded by grant, except for capital charges and asset rentals. There is a small variance of £21k that results from increased expenditure on Criminal Records Bureau (CRB) checks in schools. These costs have been historically funded by the council as the employer of school staff although it is proposed to explore the funding of these costs in 2009-10 as in other authorities these costs are charged to schools.

Community and Environment Services

Our focus for 2008-9 has been on delivering services more efficiently; continuing to manage pressures within budgets; and on delivering the Medium Term Financial Strategy. This focus gained further momentum as the spending protocol introduced by the Director of Finance took effect in November 2008.

Summary

Service	Revised Budget	Outturn	Variance		Variance
			QTR 4		QTR 3
	£000	£000	£000	%	£000
Directorate Support & Performance	762	644	-118	15.4	0
Community & Culture	10,069	9,751	-318	3.1	0
Environment	37,333	34,973	-2,360	6.3	-433
Corporate & Democratic Services	332	309	-23	7.2	0
Total	48,496	45,677	-2,819	5.8	-433

Directorate Support and Performance – under spend of £118k

The under spend is due to savings made against salaries both in the support staff and with the vacancy of the Corporate Director, Community and Environment Services.

Community & Cultural Services Division – under spend of £318k

Key elements of this under spend include:

£47k over spend: Leisure Centre NNDR

The Leisure Trust covering our 3 leisure sites has now successfully been set up. The legal issues proved to be less expensive than anticipated and we have also entered into a cost sharing arrangement with the contractor. This cost sharing arrangement has reduced by £105k the forecasted over spend to £47K.

£105 under spend: Rent Holiday for Gayton Library

There is a one-off under spend of £105K on Gayton Road Library's budget caused by a rent holiday due to the closure of Gayton Library pending relocation.

£97k under spend: Community Lettings

The (unpredictable) reduction in demand for lettings has led to a one-off under spend in caretakers' salaries of £97k.

£163 under spend: Spending Protocol

After the introduction of the spending protocol, £163k consisting of minor variances has been under spent across the Culture and Community Division. Illustrations of this include vacancy management and short term reductions in overtime.

Environment Services Division – under spend of £2,360k

- £861k under spend is additional parking enforcement income as previously forecasted and reported at September 2008 Cabinet. This has already been built into the MTFs and the budget for 2009-10.
- £100k under spend is from both vacancies held across the service; coupled with better than expected one-off licensing income. This was due to acquisitions within the betting trade that required applications for new licences.
- £42k relates to an over spend that consists of minor under/over spends across Community Safety Services.
- £124k is due to a net over spend in Disposal costs.
- £428k under spend is due to vacancy management, reductions in staff training and implementation of the Spending Protocol across Public Realm Services.
- £797 of this under spend is additional one-off net grant income on Capital projects that has been approved from Transport for London as a result of carrying out 18 months work within 12 months.
- £200k under spend relates to Street Lighting PFI. As previously reported, a virement of £200k from Parking Income was agreed by Cabinet in September 2008.
- £72k of this under spend is unbudgeted one-off grant income of £50k to support the Asset Management Plan and a grant of £22k to support Travel Plan officers

- £124k of this under spend is one off income from the Harrow Staying Put budgets.
- £ 58k of this under spend is over achievement of income. This mainly relates unbudgeted one off additional income and additional income from the Supporting People grant.
- £ 300k of this is an over spend on Energy Costs due to an increase in the cost of utilities.
- £104k of this is an over spend on Street Lighting Energy Costs due to an increase in the cost of utilities
- £123k of this is an under spend due to savings on special projects and the vacancy of a Director of Environment.
- £ 167k of this is a net under spend across the Property and Infrastructure division due to the introduction of the spending protocol.

Place Shaping

The 2008-09 financial year continued to remain challenging with the economic climate having an impact on the amount of capital receipts generated and the resources to deliver some of the major projects. The trend is expected to continue in 2009-10 and become increasingly challenging.

The focus for 2008-09 was on delivering services more efficiently and to continue to manage budgets more effectively in order to build capacity and to deliver the efficiencies set out in the MTFS. This is further enhanced by the spending protocol introduced by the Corporate Director of Finance. Every effort has been made to respond positively in order to ensure Place Shaping finances are able to contribute towards building the Councils reserves, whilst still delivering fit for purpose, value for money services.

Considerable effort has been put into realigning the existing budgets to the new Place Shaping Directorate structure, in order to ensure Directorate priorities are effectively resourced.

Summary

Service	Revised Budget	Forecast Outturn	Variance		Variance
			QTR 4		QTR 3
	£000	£000	£000	%	£000
Business Management	1,061	906	-155	-14.6	0
Corporate Estate	-465	-344	121	26.0	0
Economic Development LDF, Research & Enterprise	1,409	1,208	-202	-14.3	
Major Projects	58	75	17	27.6	0
Planning Services	2,206	2,250	44	2.04	0
Total	4,269	4,094	-175	-4.1	0

Business Management- Under spend of -£ 155k

The under spend was mainly due to the implementation of rigorous expenditure controls within the Place Shaping Directorate, driven by the Corporate protocol. Due to the economic downturn and fears of a deepening recession, it was not possible to accurately forecast the effect of the volatility in the market and its impact on income generation from Planning and Building Control fees.

The focus was to eliminate any risk of over spend within the Directorate and to help achieve this, the number of agency staff were reduced by seven and vacancies were held. In absolute terms a £160k under spend for the Directorate equates to fee income from 3 large applications. In such an uncertain economic climate this is an excellent achievement, whilst maintaining overall levels of performance.

Corporate Estate- Under recovery of Income £121k

Due to the current economic climate, the disposal program has not progressed as planned, which in turn has had an impact on receipts generated. An historic budget error has also contributed to the under recovery, which has finally been rectified for 2009-10.

Economic Development, LDF Research & Enterprise Under spend £202k

The under spend is mainly due to vacancies within the LDF team, coupled with recruitment and retention issues within the division.

**Revenue Directorate Outturn
as at: 31 March 2009**

CONSOLIDATED

Directorate (1)	Budget 2008/09				Outturn Position		
	Original Budget £000 (2)	Brought Forward From 2007/08 £000 (3)	Virements to Date £000 (4)	Revised Budget £000 (5)	Outturn £000 (6)	Variation £000 (7)	Variation % (8)
Assistant Chief Executive							
Gross Expenditure	22,183	0	1,113	23,296	23,388	92	0.39
Gross Income	-6,732	0	-12,514	-19,246	-19,826	-580	-3.01
Net Expenditure	15,451	0	-11,401	4,050	3,562	-488	-12.05
Legal Services							
Gross Expenditure	5,506	0	998	6,504	6,478	-26	-0.40
Gross Income	-4,281	0	-97	-4,378	-4,283	95	2.17
Net Expenditure	1,225	0	901	2,126	2,195	69	3.25
Corporate Finance							
Gross Expenditure	42,308	100	6,690	49,098	50,102	1,004	2.04
Gross Income	-27,958	0	-6,300	-34,258	-35,449	-1,191	-3.48
Net Expenditure	14,350	100	390	14,840	14,653	-187	-1.26
Corporate and Democratic							
Gross Expenditure	7,952	0	392	8,344	8,418	74	0.89
Gross Income	-2,116	0	1,948	-168	-218	-50	-29.76
Net Expenditure	5,836	0	2,340	8,176	8,200	24	0.29
Corporate Items							
Gross Expenditure	5,365	0	0	5,365	5,064	-301	-5.61
Gross Income	-2,260	0	0	-2,260	-1,885	375	16.59
Net Expenditure	3,105	0	0	3,105	3,179	74	2.38
Adults & Housing							
Gross Expenditure	86,087	313	4,362	90,762	90,736	-26	-0.03
Gross Income	-28,453	0	-723	-29,176	-30,780	-1,604	-5.50
Net Expenditure	57,634	313	3,639	61,586	59,956	-1,630	-2.65
Childrens							
Gross Expenditure	202,025	160	6,195	208,380	372,107	163,727	78.57
Gross Income	-172,564	0	-100	-172,664	-335,776	-163,112	-94.47
Net Expenditure	29,462	160	6,094	35,716	36,331	615	1.72
Community & Environment							
Gross Expenditure	72,840	480	6,410	79,730	82,127	2,397	3.01
Gross Income	-31,442	-102	310	-31,234	-36,450	-5,216	-16.70
Net Expenditure	41,398	378	6,720	48,496	45,677	-2,819	-5.81
Place Shaping							
Gross Expenditure	4,927	0	3,571	8,498	8,693	195	2.29
Gross Income	-2,513	0	-1,716	-4,229	-4,599	-370	-8.75
Net Expenditure	2,414	0	1,855	4,269	4,094	-175	-4.10
Expenditure Total	449,193	1,053	29,731	479,977	647,113	167,136	34.82
Income Total	-278,319	-102	-19,192	-297,613	-469,266	-171,653	-57.68
Total Net	170,875	951	10,538	182,364	177,847	-4,517	-2.48
Housing Revenue Account							
Gross Expenditure	24,811	0	435	25,246	25,249	4	0.02
Gross Income	-24,020	0	-1,226	-25,246	-24,030	1,215	4.81
In year Deficit	791	0	-791	0	1,219	1,219	0.00

CORPORATE FINANCE

Directorate (1)	Budget 2008/09				Outturn Position		
	Original Budget £000 (2)	Brought Forward From 2007/08 £000 (3)	Virements to Date £000 (4)	Revised Budget £000 (5)	Outturn £000 (6)	Variation £000 (7)	Variation % (8)
Directorate and Corporate Finance Teams							
Gross Expenditure	2,834	100	1,017	3,951	4,000	49	1.24
Gross Income	-1,635	0	-1,900	-3,535	-3,736	-201	5.69
Net Expenditure	1,199	100	-883	416	264	-152	-36.54
Audit, Risk, Insurance, Health and Safety & Procurement							
Gross Expenditure	15,477	0	324	15,801	15,126	-675	-4.27
Gross Income	-15,407	0	-670	-16,077	-15,525	552	-3.43
Net Expenditure	70	0	-346	-276	-399	-123	44.57
HITS							
Gross Expenditure	5,427	0	1,375	6,802	7,120	318	4.68
Gross Income	-2,674	0	-3,090	-5,764	-6,032	-268	4.65
Net Expenditure	2,753	0	-1,715	1,038	1,088	50	4.82
Revenues & Parking							
Gross Expenditure	2,011	0	1,167	3,178	4,532	1,354	42.61
Gross Income	-925	0	-338	-1,263	-2,625	-1,362	107.84
Net Expenditure	1,086	0	829	1,915	1,907	-8	-0.42
Assessments & Exchequer							
Gross Expenditure	14,130	0	1,935	16,065	16,075	10	0.06
Gross Income	-5,044	0	218	-4,826	-4,826	0	0.00
Net Expenditure	9,086	0	2,153	11,239	11,249	10	0.09
Corporate & Democratic							
Gross Expenditure	7,952	0	392	8,344	8,416	72	0.86
Gross Income	-2,116	0	1,948	-168	-216	-48	28.57
Net Expenditure	5,836	0	2,340	8,176	8,200	24	0.29
Corporate Items							
Gross Expenditure	5,365	0	0	5,365	5,064	-301	-5.61
Gross Income	-2,260	0	0	-2,260	-1,885	375	-16.59
Net Expenditure	3,105	0	0	3,105	3,179	74	2.38
Shared Services							
Gross Expenditure	2,429	0	872	3,301	3,249	-52	-1.58
Gross Income	-2,273	0	-520	-2,793	-2,705	88	-3.15
Net Expenditure	156	0	352	508	544	36	7.09
Directorate Expenditure Total	55,625	100	7,082	62,807	63,582	775	1.23
Directorate Income Total	-32,334	0	-4,352	-36,686	-37,550	-864	2.36
Directorate Net Total	23,291	100	2,730	26,121	26,032	-89	-0.34

ASSISTANT CHIEF EXECUTIVE

Directorate (1)	Budget 2008/09				Outturn Position		
	Original Budget £000 (2)	Brought Forward From 2007/08 £000 (3)	Virements to Date £000 (4)	Revised Budget £000 (5)	Outturn £000 (6)	Variation £000 (7)	Variation % (8)
Chief Executive's Office							
Gross Expenditure	798		-139	659	744	85	12.90
Gross Income	0		-78	-78	-126	-48	61.54
Net Expenditure	798	0	-217	581	618	37	6.37
Assitant Chief Department							
Gross Expenditure	473		33	506	503	-3	-0.59
Gross Income	0		0	0	-2	-2	0.00
Net Expenditure	473	0	33	506	501	-5	-0.99
Strategy & Performance							
Gross Expenditure	5,207		374	5,581	5,475	-106	-1.90
Gross Income	-1,946		-833	-2,779	-3,003	-224	8.06
Net Expenditure	3,261	0	-459	2,802	2,472	-330	-11.78
Human Resources							
Gross Expenditure	2,866		80	2,946	3,168	222	7.54
Gross Income	-1,203		-1,305	-2,508	-2,897	-389	15.51
Net Expenditure	1,663	0	-1,225	438	271	-167	-38.13
Customer & BTP							
Gross Expenditure	12,839		765	13,604	13,498	-106	-0.78
Gross Income	-3,583		-10,298	-13,881	-13,798	83	-0.60
Net Expenditure	9,256	0	-9,533	-277	-300	-23	8.30
Directorate Expenditure Total	22,183	0	1,113	23,296	23,388	92	0.39
Directorate Income Total	-6,732	0	-12,514	-19,246	-19,826	-580	3.01
Directorate Net Total	15,451	0	-11,401	4,050	3,562	-488	-12.05

LEGAL SERVICES

Legal Services							
Gross Expenditure	5,506	0	998	6,504	6,478	-26	-0.40
Gross Income	-4,281	0	-97	-4,378	-4,283	95	-2.17
Net Expenditure	1,225	0	901	2,126	2,195	69	3.25

ADULTS & HOUSING

Directorate	Budget 2008/09				Outturn Position		
	Original Budget	Brought Forward From 2007/08	Virements to Date	Revised Budget	Outturn	Variation	Variation
	£000	£000	£000	£000	£000	£000	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ADULTS							
Community Care							
Gross Expenditure	50,002	200	-27	50,175	52,935	2,760	5.50
Gross Income	-10,261	0	-349	-10,610	-13,905	-3,295	-31.06
Net Expenditure	39,741	200	-376	39,565	39,030	-535	-1.35
Commisioning & Partnerships							
Gross Expenditure	19,745	113	2,180	22,038	19,463	-2,575	-11.68
Gross Income	-11,690	0	-873	-12,563	-10,694	1,869	14.88
Net Expenditure	8,055	113	1,307	9,475	8,769	-706	-7.45
Modernisation & Integration							
Gross Expenditure	11,948	0	1,336	13,284	13,030	-254	-1.91
Gross Income	-5,553	0	207	-5,346	-5,359	-13	-0.24
Net Expenditure	6,395	0	1,543	7,938	7,671	-267	-3.36
Strategic Management							
Gross Expenditure	0	0	0	0	0	0	
Gross Income	-299	0	299	0	0	0	
Net Expenditure	-299	0	299	0	0	0	
Adults Total	53,892	313	2,773	56,978	55,470	-1,508	-2.65
HOUSING							
Housing Partnerships							
Gross Expenditure	471	0	75	546	498	-48	-8.79
Gross Income	0	0	0	0	-10	-10	
Net Expenditure	471	0	75	546	488	-58	-10.62
Housing Needs							
Gross Expenditure	2,988	0	321	3,309	3,444	135	4.08
Gross Income	-556	0	4	-552	-661	-109	-19.75
Net Expenditure	2,432	0	325	2,757	2,783	26	0.94
Travellers Site							
Gross Expenditure	34	0	49	83	59	-24	-28.92
Gross Income	-3	0	1	-2	-11	-9	-450.00
Net Expenditure	31	0	50	81	48	-33	-40.74
Other							
Gross Expenditure	254	0	93	347	335	-12	-3.46
Gross Income	0	0	-12	-12	-14	-2	-16.67
Net Expenditure	254	0	81	335	321	-14	-4.18
Resident Services (Watkins House)							
Gross Expenditure	399	0	279	678	688	10	1.47
Gross Income	-91	0	0	-91	-110	-19	-20.88
Net Expenditure	308	0	279	587	578	-9	-1.53
Complaints							
Gross Expenditure	246	0	56	302	284	-18	-5.96
Gross Income	0	0	0	0	-16	-16	
Net Expenditure	246	0	56	302	268	-34	-11.26
Housing Total	3,742	0	866	4,608	4,486	-122	-2.65
Adults & Housing Total	57,634	313	3,639	61,586	59,956	-1,630	-2.65
Directorate Expenditure Total	86,087	313	4,362	90,762	90,736	-26	-0.03
Directorate Income Total	-28,453	0	-723	-29,176	-30,780	-1,604	5.50
Directorate Net Total	57,634	313	3,639	61,586	59,956	-1,630	-2.65
Housing Revenue Account							
Gross Expenditure	24,811	0	435	25,246	25,249	4	0.02
Gross Income	-24,020	0	-1,226	-25,246	-24,030	1,215	4.81
In year Deficit	791	0	-791	0	1,219	1,219	

CHILDRENS

Directorate	Budget 2008/09				Outturn Position		
	Original Budget	Brought Forward From 2007/08	Virements to Date	Revised Budget	Outturn	Variation	Variation
	£000	£000	£000	£000	£000	£000	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
School Development							
Gross Expenditure	8,256		400	8,656	12,821	4,165	48.12
Gross Income	-5,301		-2,122	-7,423	-11,820	-4,397	-59.23
Net Expenditure	2,955	0	-1,722	1,233	1,001	-232	-18.82
Children's Services Management							
Gross Expenditure	1,480	160	385	2,024	1,923	-101	-4.99
Gross Income	-257		-196	-453	-471	-18	-3.97
Net Expenditure	1,223	160	188	1,571	1,452	-119	-7.57
Early Years Service							
Gross Expenditure	11,018		-2,143	8,875	12,340	3,465	39.04
Gross Income	-7,650		-45	-7,695	-11,427	-3,732	-48.50
Net Expenditure	3,369	0	-2,189	1,180	913	-267	-22.63
Safeguarding, Family Placement and Support							
Gross Expenditure	13,214		1,136	14,349	15,338	989	6.89
Gross Income	-1,031		-112	-1,143	-1,612	-469	-41.03
Net Expenditure	12,182	0	1,024	13,206	13,726	520	3.94
Special Needs Service							
Gross Expenditure	22,380		-2,653	19,727	22,714	2,987	15.14
Gross Income	-8,708		-3,470	-12,178	-14,811	-2,633	-21.62
Net Expenditure	13,672	0	-6,123	7,549	7,903	354	4.69
Young People's Services							
Gross Expenditure	9,545		1,590	11,135	10,857	-278	-2.50
Gross Income	-5,368		-177	-5,545	-4,929	616	11.11
Net Expenditure	4,178	0	1,413	5,590	5,928	338	6.05
Schools							
Gross Expenditure	136,133		7,481	143,614	296,114	152,500	106.19
Gross Income	-144,249		6,022	-138,227	-290,706	-152,479	-110.31
Net Expenditure	-8,116	0	13,503	5,387	5,408	21	0.39
Directorate Expenditure Total	202,025	160	6,195	208,380	372,107	163,727	78.57
Directorate Income Total	-172,564	0	-100	-172,664	-335,776	-163,112	-94.47
Directorate Net Total	29,462	160	6,094	35,716	36,331	615	1.72

COMMUNITY & ENVIRONMENT

Directorate	Budget 2008/09				Outturn Position		
	Original Budget	Brought Forward From 2007/08	Virements to Date	Revised Budget	Outturn	Variation	Variation
	£000	£000	£000	£000	£000	£000	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Directorate & Support							
Gross Expenditure	951	0	-119	832	715	-117	-14.06
Gross Income	-234	0	164	-70	-71	-1	1.43
Net Expenditure	717	0	45	762	644	-118	-15.49
Community & Cultural Services							
Gross Expenditure	12,321	119	1,271	13,711	13,935	224	1.63
Gross Income	-3,603	0	-39	-3,642	-4,184	-542	14.88
Net Expenditure	8,718	119	1,232	10,069	9,751	-318	-3.16
Environment Services							
Gross Expenditure	59,023	361	5,471	64,855	66,517	1,662	2.56
Gross Income	-26,893	-102	-527	-27,522	-31,544	-4,022	14.61
Net Expenditure	32,130	259	4,944	37,333	34,973	-2,360	-6.32
Democratic Services							
Gross Expenditure	545		-213	332	960	628	189.16
Gross Income	-712		712	0	-651	-651	0.00
Net Expenditure	-167	0	499	332	309	-23	-6.93
Directorate Expenditure Total	72,840	480	6,410	79,730	82,127	2,397	3.01
Directorate Income Total	-31,442	-102	310	-31,234	-36,450	-5,216	16.70
Directorate Net Total	41,398	378	6,720	48,496	45,677	-2,819	-5.81

PLACE SHAPING

Directorate	Budget 2008/09				Outturn Position		
	Original Budget	Brought Forward From 2007/08	Virements to Date	Revised Budget	Outturn	Variation	Variation
(1)	£000	£000	£000	£000	£000	£000	%
(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Place Shaping							
Gross Expenditure	4,927		3,571	8,498	8,693	195	2.29
Gross Income	-2,513		-1,716	-4,229	-4,599	-370	-8.75
Net Expenditure	2,414	0	1,855	4,269	4,094	-175	-4.10
Directorate Expenditure Total	4,927	0	3,571	8,498	8,693	195	2.29
Directorate Income Total	-2,513	0	-1,716	-4,229	-4,599	-370	-8.75
Directorate Net Total	2,414	0	1,855	4,269	4,094	-175	-4.10

CAPITAL OUTTURN AS AT 31st MARCH 2009

	Original Capital Programme	Changes approved in qtr1, qtr 2 and qtr3	Cabinet Approved Capital Programme at Qtr 3	Additions and Transfers Qtr 4	Outturn	Carry Forward Request	Variance
	£000	£000	£000	£000	£000	£000	£000
Corporate Finance	10,209	6,828	17,037	910	10,383	-5,980	-1,584
Children's Services	26,458	19,683	46,141	5,688	44,740	-4,637	-2,452
Adults and Housing	16,268	5,798	22,066	1,098	18,965	-3,870	-329
Community and Env Place Shaping	27,435 3,215	-3,376 418	24,059 3,633	89 0	21,652 3,160	-1,040 -224	-1,456 -249
Total	83,585	29,351	112,936	7,785	98,900	-15,751	-6,070

ADDITIONS AND TRANSFERS

Corporate Finance & Corporate Strategy

Description	£000
Single Status – Capitalisation direction	910
Total	910

Children Services

Description	£000
Supporting Young People – additional grant allocation	25
Integrated Children's Mobile Technology – grant allocation	36
Integrated Schools - grant allocation	25
Devolved Formula Capital - grant allocation	3,094
New Opportunity for PE and Sports - grant allocation	53
Bentley Wood Fire – insurance claim	2,455
Total	5,688

Adults and Housing

Description	£000
Supported Housing HIV – additional grant allocation	965
Disabled Facility Grant – additional grant allocation	3
Empty Property Grant – additional grant allocation	130
Total	1,098

Community & Environment

Description	£000
TFL Schemes – additional allocation	89
Total	89

CARRY FORWARD REQUESTS

Corporate Finance & Corporate Strategy

Description	£000
Development of ERP/MI/CRM – Schemes ongoing	-83
BTP Strategic IT Partnership - Schemes ongoing (dependant on business case)	-2,409
BTP New Projects - Schemes ongoing (dependant on business case)	-3,488
Total	-5,980

Children Services

Description	£000
Skills Centre Extension – project is to continue in 2009-10	-61
Integrated Children’s Mobile Technology (Grant Funded)	-36
Autistic Spectrum Disorder – final payments still outstanding	-59
School Amalgamation - final payments still outstanding	-106
Catering in Schools – (Partly Grant Funded £888k)	-888
Rooks Heath High - final payments still outstanding	-130
Post 16 – Grant funded	-1,723
New Opportunity for PE and Sports (Grant Funded)	-53
High School No.1 – Grant carried forward to complete project in 2009-10	-1,581
Total	-4,637

Adults and Housing

Description	£000
Disabled Facility Grant allocation (Grant Funded)	-3
Supported Housing – HIV capital grant (Grant Funded)	-1,974
Host Programme (Grant Funded)	-65
Harrow Adult Learning – final payments still outstanding	-165
Empty Property Grant (Grant Funded)	-50
HRA Housing capital (including commitments c/f and unspent budget)	-1,613
Total	-3,870

Community & Environment

Description	£000
Hatch End & Sports sites – Various under spends to fund the Arts Centre 2009-10 project.	-410
Prosperity Action Team	-175
Big Lottery Fund (Grant Funded)	-6
Free Swimming (Grant Funded)	-16
Community Safety (Grant Funded)	-1
TFL schemes – Commitments and unspent grant to be carried forward	-432
Total	-1,040

Place Shaping

Description	£000
Planning Development Grant – unspent grant to be carried forward	-224
Total	-224

VARIATIONS

Corporate Finance & Corporate Strategy

Description	£000
BTP new projects – HRA Harp budget not required	-771
Capitalisation – Reduction in capitalisation	-469
IT projects - various minor under spends	-267
Small Schemes – Reduction in budget	-77
Total	-1,584

Children Services

Description	£000
Children Centre – over budgeted	-438
Education Modernisation – Delays in delivering the programme. The funding will be met from the 2009-10 programme.	-810
Children Centre - Delays in delivering the programme. The funding will be met from the 2009-10 programme.	-543
Education modernisation & Improvement – project is to continue in 2009-10	-298
Catering in Schools	-313
Children Services – various minor under spends	-50
Total	-2,452

Adults and Housing

Description	£000
Empty Property Grant – Initial funding no longer required	-100
Adults Service – various minor under spends	-19
Byron Park Residential Home – project to continue in 2009-10	-177
Housing General Fund – various minor under spends	-33
Total	-329

Community & Environment

Description	£000
Sports and Leisure sites (new development) – Design phase complete but the project has currently been put on hold	-562
Highways, Transportation, Street Lighting, Parks and Recycling – Under spend due to over accruals	-863
Environment Services – various minor under spends	-31
Total	-1,456

Place Shaping

Description	£000
Strategic Development – under spend due to current economic climate	-224
Place Shaping – various minor under spends	-25
Total	-249

Financing Capital Expenditure 2008-2009

The table below sets out how expenditure was financed in 2008-2009

	£000
Capital Expenditure	98,900
Funded by	
Borrowing	46,281
Other Receipts (Capital Receipts, Revenue Contribution, S106, etc.)	8,017
Grants	44,602
Total	98,900
Supported borrowing	8,322
Unsupported borrowing	37,959
Total Borrowing	46,281
Capital Receipts	166
HRA Major Repairs Allowance	3,557
Contribution from Housing Revenue	1,000
Section 20 Receipts (HRA)	104
Bentley Wood School – Receipt from Insurers	2,455
Section 106 (Prince Edwards Playing Fields)	735
Total Other Receipts	8,017
Conversion and Renovation Grant (HRA)	100
Disabilities Facilities Grant	507
Department of Childrens, Schools and Families	21,088
Sure Start Grant	1,562
HIV Capital Grant	148
Social Services Information Tech	136
Transport for London	8,658
Empty Properties Grant	267
Targeted Capital Fund (High School Build 1)	10,837
Misc. Capital Grants - Schools	948
Others	351
Total Grants	44,602

Housing Revenue Account

	Approved Budget 2008-09	Outturn 2008-09	Variance		Comments	
	£000	£000	£000	%	Q3	
Employee Costs	1,644	1,636	-8	- 0.5	-206	Additional expenditure of £52k incurred in relation to HR advice. This was compensated for by lower than anticipated levels of expenditure on salaries, training and the Harrow Housing conference.
Supplies & Services	463	263	-200	- 43.2	-79	Increased costs of printing of £29k, resulting from the need to send quarterly rent statements. This was offset by lower expenditure on legal cost of £23k, resident survey of £17k, IT cost of £70k, over accrual in prior years of £133k and lower membership fees and printing costs in relation to Locata of £16k.
Utility Cost	503	622	119	23.7	97	Increase in utility costs for sheltered blocks.
Estate & Sheltered Services	2,130	2,188	58	2.7	-7	Increase in property insurance cost of £152k, additional staffing costs of £65k resulting from the voluntary severance scheme, Council tax £18k as a result of longer void period for dwellings undergoing major works and Increase in costs for Caretaker vehicle hire of £16k. This was off set by lower levels of expenditure on estate based resident services staff of £152k and communal lighting of £80k.
Central Recharges	1,664	1,666	2	0.1	0	
Operating Expenditure	6,404	6,375	-29	- 0.5	-195	

Appendix 4

	Approved Budget 2008-09	Outturn 2008-09	Variance		Comments	
	£000	£000	£000	%	Q3	
Contingency - General	197	128	-69	- 35.0	-32	The provision for unforeseen expenditure was charged with redundancy costs of £30k, the 'deep clean' on estates costing £81k and the Housemark benchmarking exercise of the repairs service at £11k.
Charges for Capital	5,521	5,687	166	3.0	344	Capital expenditure financed totals £15.6m. The variation reflects a reduction in the MRA of £77k, a reduction in interest earned on balances of £111k [reflecting interest rate changes] and increased capital charges following the increase in borrowing costs from 4.5% to 4.76%. The variation also reflects a lower level of right to buy receipts.
Contribution to Repairs Account	4,752	5,066	314	6.6	505	The outturn position reports overspends on landlord repairs of £268k, cyclical maintenance of £121k, voids of £156k, salaries of £17k and a lower level of repairs recharged to leaseholders of £56k. The overall position is reduced given the lower level of expenditure on the decorations programme and minor estate improvements. Expenditure of £257k in relation to decorations programme will need to be carried forward to finance expenditure committed in 2009-10.
RCCO	1,000	1,000	0	-	0	Contribution to Decent Homes expenditure.
Bad or Doubtful Debts	100	173	73	73.0	100	Rent amounts written off during the year of £91k reduced the provision, and given the increase in arrears and age of debt resulted in an increase to the provision being required.
HRA Subsidy	6,837	6,820	-17	- 0.2	-332	Additional subsidy of £109k reflecting the increased costs of borrowing offset by an adjustment of £91k in respect of 2007-08 final claim.
Total Expenditure	24,811	25,249	438	1.8	390	

Appendix 4

	Approved Budget 2008-09	Outturn 2008-09	Variance		Comments	
	£000	£000	£000	%	Q3	
Income						
Rent Income - Dwellings	-21,160	-21,202	-42	0.2	181	Differences on the annual tenants rent account reconciliation.
Rent Income - Non Dwellings	-991	-837	154	15.5	130	Lower levels of commercial income and garage rent arising from increased voids.
Service Charges - Tenants	-1,079	-1,087	-8	0.7	-9	
Service Charges - Leaseholders	-210	-227	-17	8.1	-34	
Facility Charges	-470	-475	-5	1.1	0	
Interest	-19	-12	7	36.8	2	
Other Income	-8	-106	-98	1,225.0	85	Increased income due successful court action. In addition a prior year adjustment in relation to HRA mortgages results in further income of £62k.
Transfer from General Fund	-83	-83	0	-	-83	
Total Income	-24,020	-24,029	-9	-	272	
In Year Deficit/(Surplus)	791	1,218	427	0.5		