

<b>Meeting:</b>	Cabinet
<b>Date:</b>	17 December 2009
<b>Subject:</b>	Revenue and Capital Monitoring 2009/10
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Myfanwy Barrett: Corporate Director Finance
<b>Portfolio Holder:</b>	David Ashton (Leader and Portfolio Holder for Strategy, Partnership and Finance)
<b>Exempt:</b>	No
<b>Enclosures:</b>	Appendix 1 - Revenue commentary Appendix 2 - Revenue Budget Directorate Forecasts Appendix 3 - Housing Revenue Account Appendix 4 - Capital Monitoring Appendix 5 – Debt Management

## Section 1: Summary and Recommendations

This report sets out the Council's revenue and capital forecast position as at quarter 2

### **Recommendations:**

- (a) Note the revenue and capital forecast outturn position for 2009/10;
- (b) Approve the amendments to the Capital Programme as set out in appendix 4; and
- (c) Note the debt written off in paragraph 17 during the first half of the year.

### **Reason**

To present the forecast financial position and actions required to be taken.

## Section 2: Report

### Introduction

1. This report summarises the monitoring position as at end of September 2009. The total Directorate outturn position is £185.858 m against a latest budget of £184.049m, which represents an over spend of £1.809m, a variance of 1% of the net budget. This is offset by a forecast surplus on the capital financing and investment

income budget of £1.280m and inflation budget of £1.000m. The total forecast net under spend is £0.471m.

The table below summarises the position:

Original Budget	Directorate	Latest Budget	Forecast Outturn	Variation				Par a No
				Period 06		Period 05	2008-09	
£000		£000	£000	£000	%	£000	£000	
14,146	Corporate Finance	14,115	14,115	0	0.0	2	-419	
942	Legal and Governance	890	878	-12	-1.3	1	69	
4,567	Chief Executive	5,939	5,939	0	0.0	1	-488	
8,337	Corporate and Democratic	8,232	8,232	0	0.0	0	24	
-2,059	Corporate Items	-1,194	-1,126	68	6.3	64	74	
<b>25,933</b>	<b>Sub total Corporate</b>	<b>27,982</b>	<b>28,038</b>	<b>56</b>	<b>0.2</b>	<b>68</b>	<b>-740</b>	<b>6</b>
65,191	Adults & Housing	65,333	65,631	298	0.5	247	-1,863	2
38,835	Children's	38,867	40,483	1,616	4.2	1,492	615	3
46,917	Community and Environment	47,075	46,982	-93	-0.2	-187	-2,820	4
4,368	Place Shaping	4,792	4,724	-68	-1.4	-45	-175	5
<b>181,244</b>	<b>Sub total Directorate</b>	<b>184,049</b>	<b>185,858</b>	<b>1,809</b>	<b>1.0</b>	<b>1,575</b>	<b>-4,983</b>	
-7,162	Capital Financing and Investment Income	-7,299	-8,579	-1,280	-17.5	-700	-3,391	7
2,620	Pay Inflation and Contingency	2,620	1,620	-1,000	38.2	-1,000	0	7
<b>176,702</b>	<b>Total</b>	<b>179,370</b>	<b>178,899</b>	<b>-471</b>	<b>-0.3</b>	<b>-125</b>	<b>-8,374</b>	

### Revenue Budget

- Adults and Housing are forecasting an over spend of £0.298m. This is mainly due to the full year effect of an increase in client numbers on physical disability and learning disability. These costs are partly offset by growth in 2009/10 and management action. The director is working to contain the over spend and other risks.
- Children's services are projecting an over spend of £1.616m. This is mainly due to areas of underlying pressure carried forward from 2008/09. The pressure arises in Special Needs Transport £0.760m, the number of placements, total pressure £0.728m; and challenges in recruiting social workers £0.162m. The UASC Exceptional Circumstances Grant has now been confirmed at £96k, a significant reduction on the £300k received in 2008/09. This has resulted in a pressure of £108k on Asylum. In order to immediately address the budget overspend an action plan has been implemented to restrict all non essential expenditure.
- Community and Environment are reporting a net under spend of £0.093m. Of this £0.267 is in respect of Property and Infrastructure, £0.153m on Public Realm Services and £0.104m on directorate support and performance budget. This is off

set by an over spend on Community Safety totalling £0.334m mainly attributable to a shortfall on parking income. This shortfall may increase as locally and nationally major changes in drivers' behaviours are being seen. For Cultural Services there is a shortfall of £0.302m mainly attributable to the Leisure Centre, Musical services, and Arts Centre.

5. Place Shaping are reporting a net under spend of £0.068m. This has resulted from under spends within Business Management and Planning Services on employee costs due to vacancies and an increase in income from Development Management and Building Control. These under spends are offset by an over spend on Corporate Estate resulting from lack of capital receipts due to the current economic climate.
6. Corporate items are forecast to over spend by £0.068m. This is the shortfall on the voluntary severance scheme against the target of £1m. There are a number of areas of potential pressure which are being managed in Corporate Finance. Other Corporate Directorates are predicting a net nil balance at year end, while Legal and Governance have a minor under spend of £0.012m.
7. There is a forecast net surplus on the capital financing and investment income budget of £1.280m and £1.000m on pay inflation after allowing for the pay settlement of 1%. This reduces the directorate over spends resulting in a net surplus of £0.471m.

### **Housing Revenue Account**

8. The overall forecast in year deficit has increased by £0.074m to £1.130m compared to the approved deficit of £1.056m. There are further potential pressures around repairs, the situation is being reviewed and corrective action is being taken to bring expenditure back in line with the budget.

### **Savings Targets**

9. The 2009/10 budgets include efficiency savings of £6.5m. Directorates are working towards implementing these and any shortfalls are reported within the directorate budgets. At this stage there are shortfalls in Children's and some pressures around achievement of savings are being managed in Adults and Community and Environment.

### **General Balances**

10. General balances stand at £5.716m as a result of being able to add an additional £1.350m in 2008/09. After allowing for £0.500m allocation in 2009/10 and the forecast revenue under spend of £0.471m, the latest consolidated general balances position is forecast as £6.687m at the end of September.

### **Capital Programme**

#### 11. General Fund

- The original budget for 2009/10 was £54.046m of which £22.5m is grant funded. This has increased by £30.229m slippage carried forward from 2008/09 and in-year changes (rephasings, additions and savings) amounting to £21.659m approved at the October Cabinet.

- There are further additions of £0.362m, which are all grant funded and savings of £0.144m bringing the total general fund proposed capital programme for approval to £106.152m of which £67.7m is grant funded.
- There is a current projected outturn of £102.306m. This equates to a variance, of £3.846m which mainly relates to strategic development projects which is still under review and LBH anywhere programme where budget is no longer required and this is now deferred to 2010/11 and appears in the new programme.

## 12. HRA

- The original budget for 2009/10 was £7.000m which has increased by £3.114m slippage carried forward from 2008/09 and an addition of £2.900m to meet decent homes standards. There are no further changes to the programme reported in period 06. This brings the total HRA programme to £13.014m.

## Debt Management

13. The latest position on Council Tax shows a potential surplus of £0.568m in respect of bad debt provision. Whilst there is no indication yet of a fall off in collection rates, it is anticipated that deterioration may start to emerge this year due to the current economic climate. The situation will be monitored closely
14. NNDR collection shows a potential shortfall of £0.119m. As with all categories of debt it is expected that the problems in collecting the debts will start to emerge this year. However, the business rates are a call on the national non-domestic rate pool of central government; therefore there is no direct financial impact on the Council.
15. The arrears on Housing Benefits shows a potential increase in the Bad Debt Provision of £0.202m which will be funded from the existing budgets earmarked for this purpose. The position is being closely monitored and will be reviewed in line with other bad debt provisions.
16. Following close monitoring of older debt and the cleansing exercise carried out in the early part of 2009 there is a potential surplus of £0.090m on the general bad debt provision. Under the current economic climate it is prudent to remain cautious and so this will be closely monitored throughout the year.
17. The table on the next page summarises the sundry debts which were written off during the first half of the financial year. The individual debts all fall below the threshold of £10,000 for which the Corporate Director of Finance has the delegated authority to write off.

Description	£000
Community and Environment	39
Place Shaping	1
Adults and Housing	12
<b>Total</b>	<b>52</b>

## SAP Forecasting

18. The council continues to improve and embed good financial management. One of the key aims is to improve the robustness of monitoring and forecasting. All budget holders are trained and required to use the SAP system to manage their budgets. There is an increase in all directorates in the number of managers using the SAP system to forecast their outturn position. The position as at period 06 is summarised in a table below and reflects the compliance rate within the deadline date.

Managers using SAP to forecast	As at period 06 %
Ast Chief Executive	81
Legal	100
Corporate Finance	100
Community and Environment	88
Place Shaping	100
Children's	65
Adult and Housing	63

19. The compliance rates for Children's and Adults and Housing are adversely impacted by the lack of interface from Framework1 and lack of compliance by budget managers. This is being addressed as part of the Framework1 project and monthly budget monitoring process.

20. The target for all directorates is 100% by 31 March 2010 and the quality of the forecasting is being challenged on a monthly basis.

## Financial Implications

21. These are integral to the report.

## Performance Issues

22. Financial management and financial performance are scored as part of the Use of Resources (UoR) element of the Comprehensive Area Assessment.

In order to evidence good financial management it is important that the Council demonstrates:

- Improvement of the integration of financial planning with strategic and service planning;
- Enhancement of the links between costs and performance and value for money;
- Improvement on timely and robust financial reporting

A stronger link between financial and performance decisions will enable council resources to be allocated to those areas which drive better resident outcome.

## Risk Management Implications

23. There is a risk that the Council will over spend its budget and therefore areas of over spend are highlighted with management action to be taken.

Risk included on Directorate risk register? Yes  
Separate risk register in place? No

## Environmental Implications

24. There are none directly related to this report.

### Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 20 November 2009		
Name: Hugh Peart	<input checked="" type="checkbox"/>	On Behalf of Monitoring Officer
Date: 25 November 2009		

### Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director
Date: 20 November 2009		

### Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director
Date: 11 November 2009		

### Section 6: Contact details and background papers

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

#### Background Papers:

Revenue and Capital Monitoring 2009/10 Report to October 2009 Cabinet.

## Appendix 1

### CORPORATE

The forecast outturn for the corporate departments is summarised below.

Service	Revised Budget	Forecast Outturn	Variance			
			Period 06		Period 05	2008-09
			£000	%	£000	£000
Corporate Finance	14,115	14,115	0	0	2	-419
Legal & Governance	890	878	-12	-1.3	1	69
Chief Executive	5,939	5,939	0	0	1	-488
Corporate Items	-1,194	-1,126	68	6.3	64	74
Corporate & Democratic	8,232	8,232	0	0	0	24
<b>Total</b>	<b>27,982</b>	<b>28,038</b>	<b>56</b>	<b>0.2</b>	<b>68</b>	<b>-740</b>

1. **Corporate Finance** - There are a number of spending pressures within the department, however it is anticipated that these will be managed to come in within the overall budget through Housing Benefit administration grant, Insurance recoveries, vacancies and other measures. These include HITS maintenance of legacy systems £150k, the cost of temporary insurance in respect of LAML £200k and salary pressures in the former Housing Benefits and Assessments division of £120k.
2. **Legal & Governance** - Whilst land charges income is currently on target for the year, this is a volatile area of income and will be monitored closely. The position also includes estimated costs of £107k for outsourcing Children's legal work to Camden Legal Services arising from difficulties experienced in recruiting to vacancies. However, these costs will be covered through projected salary under spends within Legal Practice.
3. **Chief Executive** - The department is currently forecasting to come in on budget.
4. **Corporate Items** - There is a shortfall on the voluntary severance scheme saving of £68k against the target of £1m.

### ADULTS AND HOUSING

5. The service is forecasting an over spend of £298m. This is an increase of £51k compared to previous period. The Directorate is continuing working towards confirming action to enable a balanced position to be achieved.

Service	Revised Budget	Forecast Outturn	Variance			
			Period 06		Period 05	2008-09
			£000	%	£000	£000
Community Care	42,713	43,078	365	0.9	294	-456
Commissioning & Partnerships	16,734	16,601	-133	-0.8	-103	-888
Housing GF	4,763	4,646	-117	-2.5	-84	-122
Strategic Management	1,123	1,306	183	16.3	140	-397
<b>Total</b>	<b>65,333</b>	<b>65,631</b>	<b>298</b>	<b>0.5</b>	<b>247</b>	<b>-1,863</b>

6. The position reported reflects known and quantifiable pressures. Detailed below are potential risks which cannot yet be clarified and have therefore been excluded from the financial position reported above:

- Potential costs in 09-10 of £150k plus legal costs in relation to the Brent Primary Care Trust legal challenge over 9 clients;
- There has been no evidence to date of increased costs as a result of an increase number of cases of swine flu. This is being closely monitored and will be reported if the position changes;
- North West London Primary Care Trust led campus reprovision – nomination rights – potential costs for Harrow of £250k being investigated;
- Primary Care Trust financial recovery plan – impact likely to result in client shifts from continuing care to social care. An increase in the number of clients (mainly learning and physically disabled clients) identified as no longer meeting continuing health care is being evidenced. Further work is underway to quantify financial pressures and will be reported next period;
- Transport Pressures – spot purchasing of routes with regard to the Neighbourhood Resource Centre's currently being investigated;
- Pressures in relation to achievement of performance targets, particularly in relation to the personalisation agenda; and
- Pressures in relation to community equipment, partly a result of an increase in prescribing by the Primary Care Trust not funded by their contribution into the pooled budget.

7. **Community Care** – The over spends on Physical Disabilities of £558k and £78k on Learning Disabilities are offset by an under spend of £312k on Older Peoples services. The over spend in the main relates to transport, salary pressures and an increased number of clients, particularly in relation to clients no longer entitled to continuing care which is increasing. Significant progress has been made in relation to the Framework1 data cleansing exercise, however, number of challenges continue to accurately project the outturn position for the purchasing budget.

8. **Commissioning & Partnerships** – The under spend of £133k is summarised below:-

- Community equipment is expected to overspend by £60k in relation to transition costs associated with the retail model, offset by an under spend on Helpline of £120k in relation to salaries costs;



- Savings of £61k in relation to realignment of FWI licence costs, offset in part by additional agency costs of £30k;
- Salary under spends across the division; and
- The under spend on the Supporting People grant is estimated at £1.75m (This includes under spend of £1.55m b/fwd from 2008/09). Subject to the approval by the Commissioning Body the Medium Term Financial Strategy 2010/11 will seek to utilise some of the grant under spends, however further work is required to identify whether any of these resources can be utilised in 2009/10.

**9. Housing GF** – The under spend of £117k is summarised below:-

- An under spend on Housing Needs of £68k, reflecting in the main lower number of families in bed & breakfast, offset by a shortfall in the Medium Term Financial Strategy savings in relation to the income anticipated to be generated by private sector leasing;
- Under spends as a result of the delay in filling to vacant posts of £36k; and
- Further work is required to review the Homelessness, Overcrowding and Mortgage Assistance grants to identify whether any base revenue funding can be released to assist in managing expenditure across the division within budget. These grants are currently under spending, however, grant conditions allow these to be carried forward into 2010/11.

**10. Strategic Management** – The over spend of £183k is summarised below:-

- Savings not yet identified to achieve the efficiency saving of £140k in relation to Business Transformation Project; and
- Pressures include costs (invest to save) of the West London Alliance joint procurement unit, which may be resourced by the leaders fund.

## CHILDREN'S SERVICES

The current forecast outturn is an over spend of £1,616k.

Service	Revised Budget	Forecast Outturn	Variance			
			Period 06		Period 05	2008-09
			£000	%	£000	£000
School Development	2,176	2,176	0	0	0	-232
Children's Services Management	2,149	2,134	-15	-0.7	0	-119
Early Years Service	1,732	1,723	-9	-2.2	-40	-267
Safeguarding, Family Placement and Support	13,116	13,488	372	2.8	372	520
Special Needs Service	8,140	8,900	760	9.5	760	354
Young People's Service	7,709	8,109	508	6.6	400	338
Schools	3,845	3,845	0	0	0	21
<b>Total</b>	<b>38,867</b>	<b>40,375</b>	<b>1,616</b>	<b>4.2</b>	<b>1,492</b>	<b>615</b>

**11. Safeguarding, Family Placement and Support** - The over spend of £372k is made up of the following elements:

- Children's placement costs pressures are expected to be at least £278k. This is still a significant reduction from 2008/09 mainly because of the full and part year effect of 16 year old young people moving to Leaving Care. A separate analysis of the ongoing pressures in placements is underway and a new placement and commissioning team has been charged with improving value for money by driving down costs of placements and improving the management of placements so they can be terminated in a timely way when not required;
- There is a £162k pressure in Children in Need due to an increasing number of staff vacancies which are being covered by agency social workers. Unfortunately this reflects London wide challenges in recruiting and retaining social workers within Children and Families. Although this is being actively addressed it still leaves an ongoing pressure in the short term. We must deploy the appropriate levels of staff to be compliant with safeguarding standards. The service is now subject to unannounced inspections and we anticipate that we will be visited within the next three months; and
- Savings of £68k are expected to be achieved from the implementation of the action plan to restrict all non essential expenditure.

12. **Special Needs Service** - The home to school transport service is expected to overspend by £760k which resulted from failure to achieve the budgeted savings.

13. **Young People's Service** – The over spend of £508k summarised below:

- The Leaving Care placements budget is currently expected to overspend by a total of £450k. This pressure has increased from 2008/09 as it takes account of the full year effect of the 16 year olds that moved into Leaving Care last year and the part year effect of the new 16 year olds that will move into Leaving Care later in the year. Work has been undertaken to review the provision for older care leavers with the aim to reduce costs;
- Savings of £50k are expected to be achieved from the implementation of the action plan to restrict all non essential expenditure; and
- The UK Border Agency has confirmed the exceptional circumstances grant for 2009/10 at £96k; this is a significant reduction on the £300k paid in 2008/09. No further exceptional circumstances payments are expected and as a consequence there is a pressure of £108k on Asylum.

## **COMMUNITY AND ENVIRONMENT SERVICES**

14. In the current economic climate the area with the greatest uncertainty and financial risk is parking enforcement income which is forecast to achieve £350k below budget. The Corporate Director has ordered the undertaking of a review to be reported in November of the business cases for both the remainder of this year and the next financial year.

15. The approved budget of £47m includes an allocation of £1m from the 2008/09 under spend fund which is to be spent on "one off" projects in Environment Services. There is a robust programme in place to monitor achievement against the planned outcomes for this spend and the projects will be completed fully in the financial year.

Service	Revised Budget £000	Forecast Outturn £000	Variance			
			Period 06		Period 05	2008-09
			£000	%	£000	£000
Community & Culture	9,880	9,977	97	1.0	-200	-318
Environment	36,011	35,925	-86	-0.2	-239	-2,360
Directorate Support & Performance	920	816	-104	-11.3	252	-118
Corporate & Democratic Services	264	264	0	0	0	-24
<b>Total</b>	<b>47,075</b>	<b>46,982</b>	<b>-93</b>	<b>-0.2</b>	<b>-187</b>	<b>-2,820</b>

**16. Community and Culture** – The total over spend of £97k is summarised below:

- Community & Development is forecasting to achieve an under spend of £113k which mainly results from Community lettings (salary cost savings of £87k), LSC projects (£42k from grant) and Management (£20k resulting from the Divisional Director secondment and controls on departmental projects). This is offset by over spend of £22k on staffing costs (programme pressures in Community Development and in Hate Crime);
- Cultural Services is forecasting to overspend by £302k. This is mainly attributable to higher than anticipated building maintenance costs on Leisure Centre, payments in respect of Leisure trust, over spend on equipment for Musical services and additional costs at the Art Centre; and
- Libraries & Museum is forecasting an under spend of £92k which is mainly from additional income from the Wealdstone Centre.

**17. Environment** – The forecast under spend of £86k is summarised below:-

- Community Safety is forecasting an over spend of £334k which mainly results from:
  - Car Parks and Parking - The latest indications suggest that there will be an adverse variance of £350k resulting from an income shortfall of £260k and salary severance costs of £90k. This performance should be taken in the light that an additional net £1.4m was budgeted to be achieved in 2009/10 and that the economic climate has resulted in less being spent on shopping and thus fewer people using their cars. The situation is being closely monitored and measures are continually being considered to either increase income or reduce costs where feasible; and
  - Environmental protection, Animal services and Liquor licensing are predicting variances in their budgets which are summarised as a £17k under spend.
- Property & Infrastructure is forecasting to achieve an under spend of £267k which mainly results from:
  - Civic Centre Visitors - favourable forecast of £20k due to increased use of the Civic Centre Car park;
  - Asset Management – under spend of £100k identified from reorganisation;

- Depot – under spend of £70k resulting from savings on electricity, gas, rates and additional income. Offset by higher water costs;
  - Civic centre – over spend of £61k resulting from cost pressures due to rates, contractors, cleaning and other offset by an under spend on water and additional rental income;
  - Transport Planning – Over spend of £44k mainly resulting from a downward revision in income forecast offset by lower staff costs;
  - Engineering is predicting under spends relating to the deferment of the PFI for Street Lighting and savings within mileage, computing and furniture totalling £128k; with increased income offset by staff costs within Street works of £60k;
  - Street lighting : energy – over spend of £80k forecast from higher electricity costs; and
  - Management - savings of £77k resulting from controls on salary costs and directorate projects
- Public Realm Services are forecasting to achieve an under spend of £153k which mainly results from lower contract, staff and fuel costs across the services.

18. **Directorate & Support** - The projected under spend of £104k results from the reduction of directorate projects.

## PLACE SHAPING

19. Considerable effort has been put into realigning the existing budgets to the new Place Shaping Directorate structure which will ensure Directorate priorities are effectively resourced in order to deliver the required outcomes. Management and Finance continue to work proactively to ensure robust forecasting.

20. The latest forecasts indicate that the service will achieve a £68k under spend compared to the budget. However, the economic climate still remains depressed, which may impact on the accuracy of projections for Development Management and Building Control income, together with the uncertainty of further capital receipts. Further details are provided in the table below:

Service	Revised Budget	Forecast Outturn	Variance			
			Period 06		Period 05	2008-09
			£000	%	£000	£000
Business Management	1,104	1,069	-35	-3.2	-10	-155
Planning Services	2,764	2,654	-110	-4.0	-210	45
Economic Development Research & Enterprise	819	847	28	3.4	29	-202
Major Development Projects	262	267	5	1.9	13	16
Corporate Estate	-157	-113	44	28.0	133	121
<b>Total</b>	<b>4,792</b>	<b>4,724</b>	<b>-68</b>	<b>-1.4</b>	<b>-45</b>	<b>-175</b>

21. **Business Management** - The projected under spend is attributed to salary cost savings and tight expenditure control on small budgets.
22. **Planning Services** under spend of £110k is summarised below:-
  - Design & Conservation is forecasting an under spend in salaries of circa £94k is projected due to the Urban Designer and Access Officer posts being held vacant, along with BAP officer only recently being filled. The Urban Designer role would provide a valued contribution to pre application meetings for major schemes, as well as advise on deposited planning applications. These posts are currently being held vacant to help mitigate against any potential reduction in income from Development Management and Building Control, explained below.
  - Development Management Income position at period 6 has stabilised with the year end forecast being £163k above the budget, a slight fall compared to the forecast being £178k above budget at period 5 reporting. The latest forecast is compiled using historic income trend data and judgment on the current uncertainty in economic climate. The increased income is offset by higher employee (£50k), legal and consultancy (£63k) and other consumable costs (£20k).
  - Building Control Income as at period 6 is expected to achieve the budgeted level. This is using historic trend data and judgment in the current uncertainty in economic climate. In the current climate there is a greater risk of not achieving the target Building Control income, as only 25% of fees are received at the time of application being deposited and the remainder after works commence. Due to the economic uncertainty, it may be that not all applications are commenced on site and there may also be a greater "time-lag" for works starting which have had applications approved.
23. **Economic Development Research & Enterprise**, over spend is essentially due to the pressures on the salaries and consumables budgets.
24. **Major Development Projects**, over spend is essentially due to salary pressures offset by additional income.
25. **Corporate Estate** over spend is £44k due to lack of capital receipts which resourced the cost of estate team.

## Appendix 2

### CONSOLIDATED

Directorate  (1)	Budget 2009/10				Outturn Position		Period 6 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Corporate Finance</b>									
Gross Expenditure	152,309	0	311	152,620	166,174	13,554	76,309	29,729	-46,580
Gross Income	-129,826	0	-447	-130,273	-143,827	-13,554	-65,088	-77,604	-12,516
<b>Net Expenditure</b>	22,483	0	-136	22,347	22,347	0	11,221	-47,875	-59,096
<b>Assistant Chief Executive</b>									
Gross Expenditure	23,297	0	3,516	26,813	26,519	-294	13,401	7,698	-5,703
Gross Income	-20,789	0	-1,279	-22,068	-21,706	362	-11,016	-10,444	572
<b>Net Expenditure</b>	2,508	0	2,237	4,745	4,813	68	2,385	-2,746	-5,131
<b>Legal Services</b>									
Gross Expenditure	6,480	0	-22	6,458	6,597	139	3,231	3,177	-54
Gross Income	-5,538	0	-30	-5,568	-5,719	-151	-2,786	-1,742	1,044
<b>Net Expenditure</b>	942	0	-52	890	878	-12	445	1,435	990
<b>Adults &amp; Housing</b>									
Gross Expenditure	91,537	0	1,338	92,875	94,864	1,989	46,438	36,354	-10,084
Gross Income	-26,346	0	-1,196	-27,542	-29,233	-1,691	-13,771	-14,953	-1,182
<b>Net Expenditure</b>	65,191	0	142	65,333	65,631	298	32,667	21,401	-11,266
<b>Childrens</b>									
Gross Expenditure	85,977	150	120,661	206,788	208,296	1,508	103,396	249,333	145,937
Gross Income	-47,142	0	-120,779	-167,921	-167,813	108	-83,963	-250,568	-166,605
<b>Net Expenditure</b>	38,835	150	-118	38,867	40,483	1,616	19,433	-1,235	-20,668
<b>Community &amp; Environment</b>									
Gross Expenditure	78,112	1,000	-842	78,270	78,177	-93	40,478	33,141	-7,337
Gross Income	-31,195	0	0	-31,195	-31,195	0	-16,936	-17,038	-102
<b>Net Expenditure</b>	46,917	1,000	-842	47,075	46,982	-93	23,542	16,103	-7,439
<b>Place Shaping</b>									
Gross Expenditure	8,662	140	284	9,086	9,018	-68	4,595	4,525	-70
Gross Income	-4,294	0	0	-4,294	-4,294	0	-2,125	-5,438	-3,313
<b>Net Expenditure</b>	4,368	140	284	4,792	4,724	-68	2,470	-913	-3,383
<b>Expenditure Total</b>	446,374	1,290	125,246	572,910	589,645	16,735	287,848	363,957	76,110
<b>Income Total</b>	-265,130	0	-123,731	-388,861	-403,787	-14,926	-195,685	-377,787	-182,102
<b>Total Net</b>	181,244	1,290	1,515	184,049	185,858	1,809	92,163	-13,830	-105,993
<b>Housing Revenue Account</b>									
Gross Expenditure	26,927	0	-876	26,051	25,936	-115	9,965	7,152	-2,813
Gross Income	-25,667	0	672	-24,995	-24,806	189	-12,498	-10,626	1,872
In year Deficit	1,260	0	-204	1,056	1,130	74	-2,533	-3,474	-942

## CORPORATE FINANCE

Directorate (1)	Budget 2009/10				Outturn Position		Period 6 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Directorate and Corporate Finance Teams</b>									
Gross Expenditure	3,065	-	41	3,106	3128	22	1553	1471	- 82
Gross Income	- 3,044	-	-101	- 3,145	-3211	- 66	-1572	-1736	- 164
Net Expenditure	21	-	-60	- 39	-83	- 44	-19	-265	- 246
<b>Procurement</b>									
Gross Expenditure	11,824	-	80	11,904	11967	63	5952	5713	- 239
Gross Income	- 12,135	-	45	- 12,090	-12154	- 64	-6045	-5933	112
Net Expenditure	- 311	-	125	- 186	-187	- 1	-93	-220	- 127
<b>Risk Audit &amp; Fraud</b>									
Gross Expenditure	4,211	-	452	4,663	4938	275	2332	2957	625
Gross Income	- 3,877	-	-9	- 3,886	-4184	- 298	-1898	-2626	- 728
Net Expenditure	334	-	443	777	754	- 23	434	331	- 103
<b>HITS</b>									
Gross Expenditure	8,054	-	97	8,151	8301	150	4075	3481	- 594
Gross Income	- 6,223	-	0	- 6,223	-6223	-	-3111	-2889	222
Net Expenditure	1,831	-	97	1,928	2078	150	964	592	- 372
<b>Collection &amp; Housing Benefits</b>									
Gross Expenditure	103,074	-	-289	102,785	116183	13,398	51392	3976	- 47,416
Gross Income	- 99,228	-	12	- 99,216	-112654	- 13,438	-49608	-62397	- 12,789
Net Expenditure	3,846	-	-277	3,569	3529	- 40	1784	-58421	- 60,205
<b>Corporate Items</b>									
Gross Expenditure	- 98	-	152	54	-49	- 103	27	0	- 27
Gross Income	361	-	-308	53	156	103	28	0	- 28
Net Expenditure	263	-	-156	107	107	-	55	0	- 55
<b>Shared Services</b>									
Gross Expenditure	12,294	-	-149	12,145	12260	115	6072	8909	2,837
Gross Income	- 4,132	-	-54	- 4,186	-4343	- 157	-2093	-1830	263
Net Expenditure	8,162	-	-203	7,959	7917	- 42	3979	7079	3,100
<b>Corporate Democratic Services</b>									
Gross Expenditure	9,885	-	-73	9,812	9446	- 366	4906	3222	- 1,684
Gross Income	- 1,548	-	-32	- 1,580	-1214	366	-789	-193	596
Net Expenditure	8,337	-	-105	8,232	8232	-	4117	3029	- 1,088
<b>Total</b>	<b>22,483</b>	<b>-</b>	<b>- 136</b>	<b>22,347</b>	<b>22,347</b>	<b>-</b>	<b>11,221</b>	<b>-47,875</b>	<b>- 59,096</b>
<b>Directorate Expenditure Total</b>	<b>152,309</b>	<b>-</b>	<b>311</b>	<b>152,620</b>	<b>166,174</b>	<b>13,554</b>	<b>76,309</b>	<b>29,729</b>	<b>- 46,580</b>
<b>Directorate Income Total</b>	<b>-129,826</b>	<b>-</b>	<b>- 447</b>	<b>-130,273</b>	<b>-143,827</b>	<b>- 13,554</b>	<b>-65,088</b>	<b>-77,604</b>	<b>- 12,516</b>
<b>Directorate Net Total</b>	<b>22,483</b>	<b>-</b>	<b>- 136</b>	<b>22,347</b>	<b>22,347</b>	<b>-</b>	<b>11,221</b>	<b>-47,875</b>	<b>- 59,096</b>

## ASSISTANT CHIEF EXECUTIVE

Directorate (1)	Budget 2009/10				Outturn Position		Period 6 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Chief Executive's Office</b>									
Gross Expenditure	506		3	509	511	2	255	261	6
Gross Income	-54		0	- 54	-54	-	-27	-27	-
Net Expenditure	452	-	3	455	457	2	228	234	6
<b>Assitant Chief Executive</b>									
Gross Expenditure	1719		110	1,829	1923	94	909	633	- 276
Gross Income	-1081		-101	- 1,182	-1192	- 10	-591	-545	46
Net Expenditure	638	-	9	647	731	84	318	88	- 230
<b>Strategy &amp; Performance</b>									
Gross Expenditure	3892		653	4,545	4325	- 220	2123	1858	- 265
Gross Income	-932		-55	- 987	-821	166	-490	-602	- 112
Net Expenditure	2960	-	598	3,558	3504	- 54	1633	1256	- 377
<b>Human Resources</b>									
Gross Expenditure	2818		152	2,970	3054	84	1485	1327	- 158
Gross Income	-2504		0	- 2,504	-2620	- 116	-1252	-1469	- 217
Net Expenditure	314	-	152	466	434	- 32	233	-142	- 375
<b>Corporate Items</b>									
Gross Expenditure	-1635		1494	- 141	-394	- 253	78	88	10
Gross Income	-424		-629	- 1,053	-732	321	-512	-315	197
Net Expenditure	-2059	-	865	- 1,194	-1126	68	-434	-227	207
<b>Customer &amp; BTP</b>									
Gross Expenditure	15997		1104	17,101	17100	- 1	8551	3531	- 5,020
Gross Income	-15794		-494	- 16,288	-16287	1	-8144	-7486	658
Net Expenditure	203	-	612	813	813	-	339	-3436	- 4,362
<b>Directorate Expenditure Total</b>	23,297	-	3,516	26,813	26,519	- 294	13,401	7,698	- 5,703
<b>Directorate Income Total</b>	- 20,789	-	- 1,279	- 22,068	- 21,706	362	-11,016	-10,444	572
<b>Directorate Net Total</b>	2,508	-	2,237	4,745	4,813	68	2,385	- 2,746	- 5,131

## LEGAL SERVICES

<b>Legal Services</b>									
Gross Expenditure	6,480	-	-22	6,458	6597	139	3231	3177	- 54
Gross Income	- 5,538	-	-30	- 5,568	-5719	- 151	-2786	-1742	1,044
Net Expenditure	942	-	-52	890	878	- 12	445	1,435	990



## Appendix 2

### ADULTS & HOUSING

Directorate (1)	Budget 2009/10				Outturn Position		Period 6 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>ADULTS</b>									
<b>Community Care</b>									
Gross Expenditure	53,942	-	1,207	55,149	56,451	1,302	27,575	21,098	- 6,477
Gross Income	- 12,227	-	209	- 12,436	- 13,373	937	- 6,218	- 8,816	- 2,598
Net Expenditure	41,715	-	998	42,713	43,078	365	21,357	12,282	- 9,075
<b>Commissioning &amp; Partnerships</b>									
Gross Expenditure	30,966	-	177	30,789	31,799	1,010	15,395	12,158	- 3,237
Gross Income	- 13,307	-	748	- 14,055	- 15,198	1,143	- 7,028	- 5,637	1,391
Net Expenditure	17,659	-	925	16,734	16,601	133	8,367	6,521	- 1,846
<b>Modernisation &amp; Integration</b>									
Gross Expenditure	-	-	-	-	-	-	-	-	-
Gross Income	-	-	-	-	-	-	-	-	-
Net Expenditure	-	-	-	-	-	-	-	-	-
<b>Strategic Management</b>									
Gross Expenditure	1,092	-	105	1,197	1,380	183	599	701	103
Gross Income	- 74	-	0	- 74	- 74	-	- 37	- 37	-
Net Expenditure	1,018	-	105	1,123	1,306	183	562	664	103
<b>Adults Total</b>	<b>60,393</b>	<b>-</b>	<b>177</b>	<b>60,570</b>	<b>60,985</b>	<b>415</b>	<b>30,285</b>	<b>19,467</b>	<b>- 10,818</b>
<b>HOUSING</b>									
<b>Housing Partnerships</b>									
Gross Expenditure	628	-	-	628	552	76	314	250	- 64
Gross Income	-	-	-	-	-	-	-	-	-
Net Expenditure	628	-	-	628	552	76	314	250	- 64
<b>Housing Needs</b>									
Gross Expenditure	3,536	-	203	3,739	3,273	466	1,870	1,458	- 412
Gross Income	- 638	-	238	- 876	- 478	398	- 438	- 448	- 10
Net Expenditure	2,898	-	35	2,863	2,795	68	1,432	1,010	- 422
<b>Travellers Site</b>									
Gross Expenditure	29	-	-	29	20	9	15	14	- 1
Gross Income	- 2	-	-	- 2	- 2	-	- 1	-	1
Net Expenditure	27	-	-	27	18	9	14	14	1
<b>Other</b>									
Gross Expenditure	502	-	-	502	541	39	251	253	2
Gross Income	- 8	-	-	- 8	- 7	1	- 4	- 4	-
Net Expenditure	494	-	-	494	534	40	247	249	2
<b>Resident Services (Watkins House)</b>									
Gross Expenditure	558	-	-	558	565	7	279	281	2
Gross Income	- 91	-	-	- 91	- 101	10	- 46	- 11	35
Net Expenditure	467	-	-	467	464	3	234	270	37
<b>Complaints</b>									
Gross Expenditure	284	-	-	284	283	1	142	141	- 1
Gross Income	-	-	-	-	-	-	-	-	-
Net Expenditure	284	-	-	284	283	1	142	141	- 1
<b>Housing Total</b>	<b>4,798</b>	<b>-</b>	<b>35</b>	<b>4,763</b>	<b>4,646</b>	<b>117</b>	<b>2,382</b>	<b>1,934</b>	<b>- 448</b>
<b>Adults &amp; Housing Total</b>	<b>65,191</b>	<b>-</b>	<b>142</b>	<b>65,333</b>	<b>65,631</b>	<b>298</b>	<b>32,667</b>	<b>21,401</b>	<b>- 11,266</b>
<b>Directorate Expenditure Total</b>	<b>91,537</b>	<b>-</b>	<b>1,338</b>	<b>92,875</b>	<b>94,864</b>	<b>1,989</b>	<b>46,438</b>	<b>36,354</b>	<b>- 10,084</b>
<b>Directorate Income Total</b>	<b>- 26,346</b>	<b>-</b>	<b>1,196</b>	<b>- 27,542</b>	<b>- 29,233</b>	<b>1,691</b>	<b>- 13,771</b>	<b>- 14,953</b>	<b>- 1,182</b>
<b>Directorate Net Total</b>	<b>65,191</b>	<b>-</b>	<b>142</b>	<b>65,333</b>	<b>65,631</b>	<b>298</b>	<b>32,667</b>	<b>21,401</b>	<b>- 11,266</b>
<b>Housing Revenue Account</b>									
Gross Expenditure	26,927	-	876	26,051	25,936	115	9,965	7,152	- 2,813
Gross Income	- 25,667	-	672	- 24,995	- 24,806	189	- 12,498	- 10,626	1,872
In year Deficit	1,260	-	204	1,056	1,130	74	- 2,533	- 3,474	- 942

## Appendix 2

### CHILDRENS

Directorate  (1)	Budget 2009/10				Outturn Position		Period 6 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>School Development</b>									
Gross Expenditure	8,321		- 210	8,111	8,111	-	4,056	5,610	1,554
Gross Income	- 6,091		156	- 5,935	- 5,935	-	- 2,968	- 281	2,687
Net Expenditure	2,230	-	- 54	2,176	2,176	-	1,088	5,329	4,241
<b>Children's Services Management</b>									
Gross Expenditure	2,367	150	- 45	2,472	2,457	- 15	1,236	1,433	197
Gross Income	- 324		-	- 324	- 324	-	- 162	- 340	- 178
Net Expenditure	2,043	150	- 45	2,148	2,133	- 15	1,074	1,093	19
<b>Early Years Service</b>									
Gross Expenditure	8,811		1,463	10,274	10,265	- 9	5,137	5,277	140
Gross Income	- 7,114		- 1,428	- 8,542	- 8,542	-	- 4,271	- 763	3,508
Net Expenditure	1,697	-	35	1,732	1,723	- 9	866	4,514	3,648
<b>Safeguarding, Family Placement and Support</b>									
Gross Expenditure	13,455		- 52	13,403	13,775	372	6,702	6,750	48
Gross Income	- 339		52	- 287	- 287	-	- 144	- 25	119
Net Expenditure	13,116	-	-	13,116	13,488	372	6,558	6,725	167
<b>Special Needs Service</b>									
Gross Expenditure	20,360		81	20,441	21,201	760	10,221	9,654	- 567
Gross Income	- 12,220		- 81	- 12,301	- 12,193	108	- 6,151	- 29	6,122
Net Expenditure	8,140	-	-	8,140	9,008	868	4,070	9,625	5,555
<b>Young People's Services</b>									
Gross Expenditure	9,953		- 220	9,733	10,133	400	4,867	5,718	851
Gross Income	- 2,154		131	- 2,023	- 2,023	-	- 1,012	- 485	527
Net Expenditure	7,799	-	- 89	7,710	8,110	400	3,855	5,233	1,378
<b>Schools</b>									
Gross Expenditure	22,710		119,644	142,354	142,354	-	71,177	214,891	143,714
Gross Income	- 18,900		- 119,609	- 138,509	- 138,509	-	- 69,255	- 248,645	- 179,390
Net Expenditure	3,810	-	35	3,845	3,845	-	1,922	- 33,754	- 35,676
<b>Directorate Expenditure Total</b>	85,977	150	120,661	206,788	208,296	1,508	103,396	249,333	145,937
<b>Directorate Income Total</b>	- 47,142	-	- 120,779	- 167,921	- 167,813	108	- 83,963	- 250,568	- 166,605
<b>Directorate Net Total</b>	38,835	150	- 118	38,867	40,483	1,616	19,433	- 1,235	- 20,668

## COMMUNITY &amp; ENVIRONMENT

Directorate (1)	Budget 2009/10				Outturn Position		Period 6 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Directorate &amp; Support</b>				-					
Gross Expenditure	983	-	- 1	982	878	- 104	522	320	- 202
Gross Income	- 62	-	-	- 62	- 62	-	- 62	- 31	31
Net Expenditure	921	-	- 1	920	816	- 104	460	289	- 171
<b>Community &amp; Cultural Services</b>									
Gross Expenditure	14,153	-	- 608	13,545	13,642	97	6,792	6,827	35
Gross Income	- 3,665	-	-	- 3,665	- 3,665	-	- 1,853	- 3,251	- 1,398
Net Expenditure	10,488	-	- 608	9,880	9,977	97	4,939	3,576	- 1,363
<b>Environment Services</b>									
Gross Expenditure	62,712	1,000	- 233	63,479	63,393	- 86	33,032	25,876	- 7,156
Gross Income	- 27,468	-	-	- 27,468	- 27,468	-	- 15,021	- 13,756	1,265
Net Expenditure	35,244	1,000	- 233	36,011	35,925	- 86	18,011	12,120	- 5,891
<b>Democratic Services</b>									
Gross Expenditure	264	-	-	264	264	-	132	118	- 14
Gross Income	-	-	-	-	-	-	-	-	-
Net Expenditure	264	-	-	264	264	-	132	118	- 14
<b>Directorate Expenditure Total</b>	78,112	1,000	- 842	78,270	78,177	- 93	40,478	33,141	- 7,337
<b>Directorate Income Total</b>	- 31,195	-	-	- 31,195	- 31,195	-	- 16,936	- 17,038	102
<b>Directorate Net Total</b>	46,917	1,000	- 842	47,075	46,982	- 93	23,542	16,103	- 7,439

## Place Shaping

Directorate (1)	Budget 2009/10				Outturn Position		Period 6 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Business Management</b>				-					
Gross Expenditure	1,663	-	79	1,584	1,549	35	792	818	26
Gross Income	- 480	-	-	- 480	- 480	-	- 240	- 3,127	- 2,887
Net Expenditure	1,183	-	79	1,104	1,069	35	552	- 2,309	- 2,861
<b>Corporate Estates</b>									
Gross Expenditure	1,260	-	123	1,383	1,427	44	630	729	99
Gross Income	- 1,540	-	-	- 1,540	- 1,540	-	- 770	- 829	- 59
Net Expenditure	- 280	-	123	- 157	- 113	44	- 140	- 100	40
<b>Economic Development</b>									
Gross Expenditure	1,011	50	68	993	1,021	28	609	623	14
Gross Income	- 174	-	-	- 174	- 174	-	- 64	- 87	- 23
Net Expenditure	837	50	68	819	847	28	545	536	9
<b>Major Development Projects</b>									
Gross Expenditure	267	65	7	339	344	5	170	169	1
Gross Income	- 77	-	-	- 77	- 77	-	- 39	- 14	25
Net Expenditure	190	65	7	262	267	5	131	155	24
<b>Planning Services</b>									
Gross Expenditure	4,461	25	301	4,787	4,677	110	2,394	2,186	208
Gross Income	- 2,023	-	-	- 2,023	- 2,023	-	- 1,012	- 1,381	369
Net Expenditure	2,438	25	301	2,764	2,654	110	1,382	805	577
<b>Directorate Expenditure Total</b>	8,662	140	284	9,086	9,018	68	4,595	4,525	70
<b>Directorate Income Total</b>	- 4,294	-	-	- 4,294	- 4,294	-	- 2,125	- 5,438	3,313
<b>Directorate Net Total</b>	4,368	140	284	4,792	4,724	68	2,470	913	3,383

**HOUSING REVENUE ACCOUNT (HRA) – FORECAST OUTTURN 2009/10 as at Period 06**

	Approved Budget £000	Forecast Outturn £000	Variance		Comments
			£000	%	
<b>Operating expenditure :</b>					
Employee Costs	1,926	1,887	-39	-2	Includes an under spend on salaries of £257k, largely offset by agency staff costs of £245k, staff travel, training and other costs of £27k.
Supplies & Services	448	430	-17	-4	This variation comprises forecast under & overspends in printing, legal fees and other costs which largely offset one another.
Utility cost (Water & Gas)	626	615	-11	-2	The forecast outturn for has been based on a review of first quarter billing together with market intelligence regarding possible tariff fluctuations.
Estate & Sheltered Services	1,957	2,040	83	4	This overspend relates mainly to salary enhancements for Community Alarm Officers not originally provided for in the budget.
Central Recharges	1,883	1,883	0	0	
<b>Sub Total</b>	<b>6,840</b>	<b>6,855</b>	<b>16</b>	<b>0</b>	
<b>Repairs Expenditure</b>					
Repairs - Voids	400	660	260	65	Assuming 354 void properties, forecast overspend against budget is unchanged from that reported at Period 05, at £260k. The variation assumes an average unit cost of £2,039 per void and capitalisation of £101k.
Repairs - Responsive	2,436	2,349	-87	-4	The overall repairs position is expected to be partially mitigated by an under spend on responsive repairs which assumes a volume of 17,476 jobs.
Repairs - Other	2,297	2,270	-27	-1	Other variations include a forecast overspend on Cyclical Maintenance offset by a forecast under spend on Salaries.
<b>Sub Total</b>	<b>5,133</b>	<b>5,279</b>	<b>146</b>	<b>2</b>	
<b>Other expenditure</b>					
Contingency - general	670	524	-146	-22	The Contingency budget includes £170k general contingency together with a further £500k earmarked for repairs. The general contingency is expected to be fully utilised.
<b>Charges for Capital</b>					
Charges for Capital	6,945	6,471	-474	-7	The variation arises from changes in the consolidated rate of interest from 5.45% assumed in the budget to the current estimate of 4.72%. This is also reflected in the Council's subsidy forecast (see below) which largely offsets this under spend.
RCCO	0	0	0	0	This budget has been transferred to accommodate an increase in Contingency earmarked for repairs and to reflect increased borrowing to support the Decent Homes programme.
Bad or Doubtful Debts	250	250	0	0	Arrears of both tenant rent and leaseholder service charges have increased since the beginning of the year, resulting in total debt outstanding of £1.9m.
HRA Subsidy	6,214	6,556	343	6	The variation reflects the lower level of subsidy payable as a result of the reduction in interest rates and partly offsets the borrowing costs detailed above
<b>Sub Total</b>	<b>14,078</b>	<b>13,802</b>	<b>-276</b>	<b>-2</b>	

## Appendix 3

	Approved Budget £000	Forecast Outturn £000	Variance		Comments
			£000	%	
<b>Total Expenditure</b>	<b>26,051</b>	<b>25,936</b>	<b>-115</b>	<b>0</b>	
<b>Income</b>					
Rent Income – Dwellings	-22,000	-21,863	137	1	The budget assumed a average void rate of 0.670%. The average voids rate is 1.671% as at period 06 (1.046% period 05).
Rent Income – Non Dwellings	-870	-835	35	4	The adverse variation is due to higher than anticipated voids which are partly attributable to the state of repair of some garages together with lower than expected demand.
Service Charges - Tenants	-1,150	-1,138	12	1	Service charges to tenants show a reduction against budget, reflecting the increased voids rate (see above).
Service Charges - Leaseholders	-380	-371	9	2	
Facility Charges (Water & Gas)	-487	-485	2	0	
Interest	-17	-17	0	0	
Other Income	-8	-14	-6	-72	
General Fund Transfer	-83	-83	0	0	
<b>Total Income</b>	<b>-24,996</b>	<b>-24,806</b>	<b>189</b>	<b>1</b>	
<b>In Year Deficit</b>	<b>1,056</b>	<b>1,130</b>	<b>74</b>	<b>7</b>	
<b>BALANCE b/fwd</b>	<b>-5,142</b>	<b>-5,142</b>	<b>0</b>		
<b>BALANCE c/fwd</b>	<b>-4,087</b>	<b>-4,013</b>	<b>74</b>		The HRA Business Plan assumed a balance of £4,764k to be carried forward into 2010/11. The latest position indicates a shortfall of £751k.

### Management Action Plan

The current forecast indicates expenditure will exceed that approved as part of the HRA Business Plan. Action is required to address this shortfall. Key points are as follows:

- Rent loss arising from voids needs to be minimised. The average voids rate, which is in excess of that assumed for the budget, is having a significant impact on the HRA balances, therefore initiatives for improved turnaround & allocation of voids need to be considered and implemented.
- Maximisation of income in respect of Leasehold and Tenants Service charges, and utility charges.
- Repairs expenditure projections must be formulated on realistic assumptions on future activity levels and managed to ensure minimum utilisation of the £500,000 contingency. This will allow replenishment of HRA balances and would significantly improve the overall position.
- Agreement of virements to ensure savings are allocated to the appropriate budget codes. This will allow Management to focus on the areas requiring action and ensure appropriate prioritisation of remedial actions.

Capital Monitoring as at Period 06											
2009-10											
	Original Capital Programme	Approved carry forwards from 2008-09	Approved changes for Periods 1 to 5	Revised Capital Programme as at Period 05	Current Quarter		Capital Programme proposed for Members approval	Forecast Outturn	Variance	Actuals + Commitments as at Pd 6	% Spend as at Qtr 2 of Revised Capital Programme
					Additions	Savings					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	%
<b>General Fund</b>											
Corporate Finance & Strategy	10,935	6,380	-3,375	13,940	0	0	13,940	11,780	-2,160	2,615	22
Children's Services	25,035	17,858	20,103	62,996	95	0	63,091	63,091	0	41,308	65
Adults and Housing GF	3,337	2,763	-450	5,650	0	0	5,650	5,142	-508	2,592	50
Community & Env.	11,874	2,004	5,381	19,259	267	-144	19,382	19,382	0	5,968	31
Place Shaping	2,115	1,224	0	3,339	0	0	3,339	2,265	-1,074	2	0
Capitalisation	750	0	0	750	0	0	750	646	-104	-	0
<b>Total Programme</b>	<b>54,046</b>	<b>30,229</b>	<b>21,659</b>	<b>105,934</b>	<b>362</b>	<b>-144</b>	<b>106,152</b>	<b>102,306</b>	<b>-3,846</b>	<b>52,481</b>	<b>51</b>
<b>Funding</b>											
Grant	22,531	20,508	24,284	67,323	362		67,685	67,415	-270	41,774	80
Capital Receipt	0	0		0			0	884	884	884	
Borrowings	31,515	9,721	-2,625	38,611		-144	38,467	34,007	-4,460	9,823	19
<b>Total Funding</b>	<b>54,046</b>	<b>30,229</b>	<b>21,659</b>	<b>105,934</b>	<b>362</b>	<b>-144</b>	<b>106,152</b>	<b>102,306</b>	<b>-3,846</b>	<b>52,481</b>	<b>99</b>
<b>HRA</b>											
<b>Total Programme</b>	<b>7,000</b>	<b>3,114</b>	<b>2,900</b>	<b>13,014</b>	<b>0</b>	<b>0</b>	<b>13,014</b>	<b>13,014</b>	<b>0</b>	<b>5,663</b>	<b>44</b>
<b>Funding</b>											
Major Repair Allowance	3,778	0	0	3,778	0	0	3,778	3,778	0	3,778	67
Capital Receipt	250	0	0	250	0	0	250	250	0	250	4
Borrowings	2,972	3,114	2,900	8,986	0	0	8,986	8,986	0	1,635	29
<b>Total Funding</b>	<b>7,000</b>	<b>3,114</b>	<b>2,900</b>	<b>13,014</b>	<b>0</b>	<b>0</b>	<b>13,014</b>	<b>13,014</b>	<b>0</b>	<b>5,663</b>	<b>100</b>

**ADDITIONS****Children's Services**

<b>Description</b>	<b>£000</b>
ICT Mobile Technology – DCSF grant allocation	95
<b>Total</b>	<b>95</b>

**Community and Environment**

<b>Description</b>	<b>£000</b>
School travel Plan – DCSF grant allocation	161
Transport for London additional funding	106
<b>Total</b>	<b>267</b>

**SAVINGS****Community and Environment**

<b>Description</b>	<b>£000</b>
Leisure Centre – budget not required as grant receivable from Sport England for works at Hatch End Pool	-144
<b>Total</b>	<b>-144</b>

**VARIATIONS****Corporate Finance & Corporate Strategy**

<b>Description</b>	<b>£000</b>
LBH Anywhere – Savings as budget not required in 2009-10	-2,160
<b>Total</b>	<b>-2,160</b>

**Adults and Housing**

<b>Description</b>	<b>£000</b>
Disabled facilities Grant – over estimation of grant allocation and Harrow's Contribution	-325
Stabilisation and development of Framework-I – awaiting for Business Case	-183
<b>Total</b>	<b>-508</b>

**Place Shaping**

<b>Description</b>	<b>£000</b>
Strategic Development	-1,000
Planning Development Grant – unlikely to spend in 2009-10	-74
<b>Total</b>	<b>-1,074</b>

**Capitalisation**

<b>Description</b>	<b>£000</b>
Over provision in 2009-10 Capital Programme	-104
<b>Total</b>	<b>-104</b>



## Debt Management

Tables, showing the aged debt analysis for various categories of debtors, together with the required amounts for BDP according to the rate cards adopted, are set out below.

### Council Tax

Currently, bad debt provisions (BDP) of £4.306m exist [£4,723- £417; w/off's done 01/04/09-30/09/09] for Council Tax against a potential BDP of £3.738m before the 2009/10 contribution, for debts accrued to 31 March 2009.

<b>COUNCIL TAX</b>	Net Arrears outstanding as at 01.04.09	Net Arrears outstanding as at 30.09.09	BDP as per approved rate card	<b>Bad Debt requirement As at 30.09.09</b>
	£000	£000	%	£000
1994-1995 to 2005-2006 system balance	1079	940	100	940
2006-2007 system balance	934	814	86	700
2007-2008 system balance	1,729	1,434	73	1,046
2008-09 system balance	2,924	1,949	54	1,052
<b>Total Council Tax Debt over 12 months old</b>	<b>6,666</b>	<b>5,137</b>		<b>3,738</b>

### National Non Domestic Rates (NNDR)

Currently, bad debt provisions of £2.014m [£2,226-£212; w/off's done 01/04/09 to 30/09/09] exist for business rates (NNDR) against a potential BDP of £2.133m. But as the business rates are a call on the national non-domestic rate pool of central government there is no financial affect to this Authority.

<b>NATIONAL NON DOMESTIC RATES (NNDR)</b>	Net Arrears outstanding as at 01.04.09	Net Arrears outstanding as at 30.09.09	Bad Debt requirement	
	£000	£000	%	£000
1993-2004 to 2007-2008 system balance	868	913	100	913
2008-09 system balance	1,616	1,220	100	1,220
<b>Total Business Rates Debt over 12 months old</b>	<b>2,484</b>	<b>2,133</b>		<b>2,133</b>

### Housing Benefits

Currently, bad debt provisions of £2.056m exist for Housing Benefit overpayment debt against a potential BDP of £2.258m. There is a potential short fall of £0.202m; the position is being closely monitored for any impact on the outturn.

	Outstanding Debt as at 01.04.09	Outstanding Debt as at 30.09.09	Bad Debt requirement	
	£000	£000	%	£000
<b><u>HOUSING BENEFIT OVERPAYMENTS</u></b>				
Housing Benefit arrears currently being collected from future payments	1,642	1,841	37.0	681
BDP 31.03.09	616	0	0.0	0.0
<b><u>Housing Benefit arrears in debtor system</u></b>				
Prior to 2006-07	1,087	1,218	100	1,218
2007-08 to 2008-09	1,754	581	40	232
2009/10 (to Date)	0	1,251	*30	127
<b>TOTAL</b>	<b>2,841</b>	<b>3,050</b>		<b>2,258</b>
BDP 31.03.09	1,440			

\* due to the fact that most of this debt is less than 12 months old, a sliding scale applies to the debt reaching a 30% maximum ceiling for oldest debt depending on how many months old debt is.

### Housing Revenue Account

- This provision is for Service Charges and Current and Former tenants rent arrears are adjusted to reflect write off of uncollectible debt. Within the HRA an annual contribution to provision of £250k is budgeted to support write offs and any changes in the required level of provision.
- Current provision of £874k exists, after allowing for the write off of debts no longer considered recoverable, against an estimated requirement of £1,128k, requiring an increase of £254k.

	Outstanding Debt as at 01.04.09	Outstanding Debt as at 30.09.09	Bad Debt requirement	
<b><u>HOUSING – LEASEHOLDERS</u></b>				
Less than 30 days	16	28	0.0%	0
30 to 60 days	0	0	7.5%	0
60 to 90 days	0	0	15.0%	0
90 to 180 days	0	188	50.0%	94
181 to 365 days	109	3	75.0%	2
> 365 days	161	216	100.0%	216
<b>TOTAL</b>	<b>286</b>	<b>435</b>		<b>312</b>
BDP 01.04.09	<b>243</b>			
Less: write offs	0			
BDP at 30.09.09	<b>243</b>			
<b><u>HOUSING – CURRENT TENANT ARREARS</u></b>				
Less than 30 days	143	122	0.0%	0
30 to 60 days	126	139	7.5%	10
60 to 90 days	136	113	15.0%	17
90 to 180 days	208	333	50.0%	167
181 to 365 days	134	198	75.0%	148
> 365 days	80	80	100.0%	81
<b>TOTAL</b>	<b>827</b>	<b>985</b>		<b>423</b>
BDP 01.04.09	<b>313</b>			
Less: write offs	0			
BDP at 30.09.09	<b>313</b>			
<b><u>HOUSING – FORMER TENANT ARREARS</u></b>				
Less than 30 days	20	19	0.0%	0
30 to 60 days	36	32	7.5%	2
60 to 90 days	59	33	15.0%	5
90 to 180 days	100	98	50.0%	49
181 to 365 days	168	176	75.0%	132
> 365 days	143	205	100.0%	205
<b>TOTAL</b>	<b>526</b>	<b>563</b>		<b>393</b>
BDP 01.04.09	<b>331</b>			
Less: write offs	13			
BDP at 30.09.09	<b>318</b>			