

**For General Release**

<b>REPORT TO:</b>	<b>CABINET 16 DECEMBER 2013</b>
<b>AGENDA ITEM:</b>	<b>8</b>
<b>SUBJECT:</b>	<b>Financial Performance 2013/14 – Quarter 2</b>
<b>LEAD OFFICER:</b>	<b>RICHARD SIMPSON DIRECTOR OF FINANCE AND ASSETS AND S151 OFFICER</b>
<b>CABINET MEMBER:</b>	<b>COUNCILLOR STEVE O’CONNELL, CABINET MEMBER FOR FINANCE &amp; PERFORMANCE MANAGEMENT  COUNCILLOR DUDLEY MEAD, DEPUTY LEADER (CAPITAL BUDGET AND ASSET MANAGEMENT) AND CABINET MEMBER FOR HOUSING</b>
<b>WARDS:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT: The recommendations in the report will help to ensure the effective management and governance of the Council’s financial strategy.</b>	

**FINANCIAL IMPACT:**

The projected revenue outturn for 2013/14, is an overspend of **£1.842m**. A contingency of **£2.093m** is available for allocation. At this stage this is being held to cover the projected overspend. Work is on-going to reduce the projected overspend and the report sets out details of departmental recovery plans that would reduce the overspend to **£0.454m** if delivered successfully.

The projected capital outturn is **£214.789m**.

**KEY DECISION REFERENCE NO.:** Not a key decision

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

**1. RECOMMENDATIONS**

1.1 Cabinet is asked to;-

- i) Approve Virement detailed in paragraph 3.2
- ii) Note the projected outturn for 2013/14 of an overspend of **£1.842m**
- iii) Note the changes to the capital programme for 2013/14 incorporating rephasing of the programme to take account of the slippage and underspends identified shown in table 4.

iv) Note the HRA forecast of a surplus of **£0.245m** for the current financial year.

## 2. EXECUTIVE SUMMARY

2.1 This report summarises the Council's financial performance and related operational performance indicators as at the month ending September 2013. It details the projected outturn position and highlights the action taken to manage under performance.

2.2 The detailed information is set out in the Appendices:

- Appendix 1 – Revenue outturn summary.
- Appendix 2 – Departmental revenue spending forecasts and recovery plans
- Appendix 3 - Capital (greater than £0.1m) variances

## 3. GENERAL FUND REVENUE SUMMARY

### 3.1 Revenue Summary

3.1.1 The forecast at the end of September 2013 is an overspend of **£1.842m before** and **£0.454m after** recovery plans. The departmental revenue summary is shown in Table 1 below with the divisional revenue summaries in Appendix 1 and a detailed explanation of departmental variances in Appendix 2.

3.1.2 The Qtr 2 forecast of an overspend of **£1.842m** is a reduction on the Qtr 1 forecast overspend of **£2.271m** as reported at September's Cabinet meeting (Min.A93/13). The main variations are the confirmation of £0.800m of Winter Monies funding from the Department of Health that had not been included in previous DASHH forecasts. The main additional pressure since the Qtr 1 forecast is within CFL and is due to an increase in the number of children in need cases and looked after children. This has resulted in the need to employ additional social workers to manage the increased case loads and an increase in placement costs for children looked after.

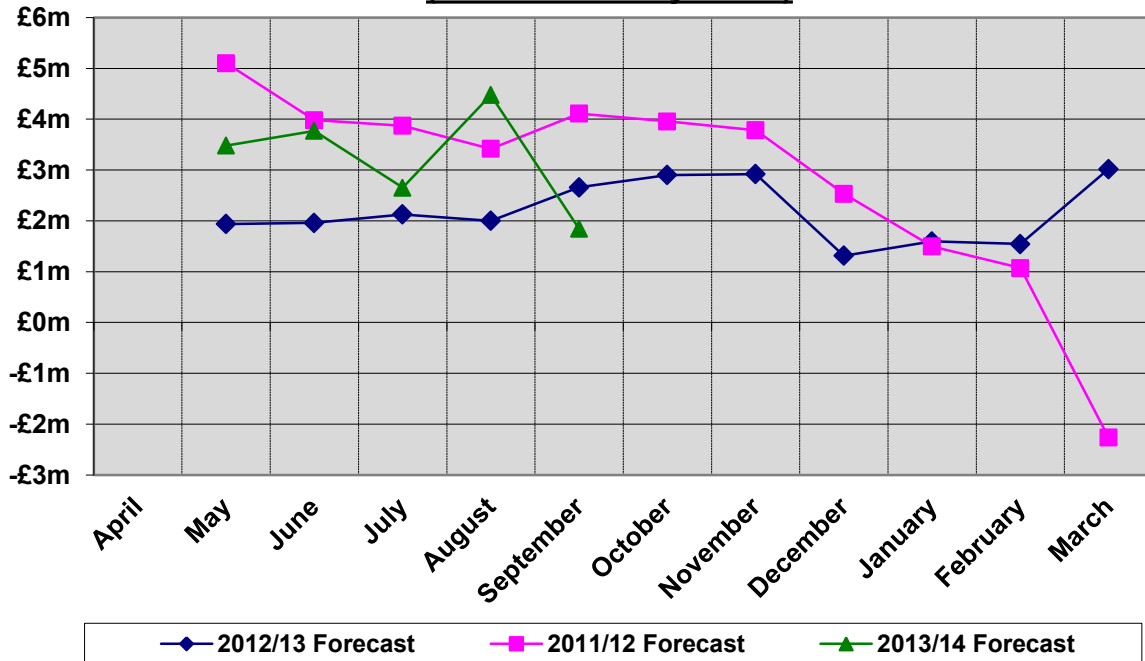
3.1.3 The main area of overspend relates to Assessment and Care Planning staff in CFL of £1.652m. The Major underspend relates the renegotiation of the Waste Disposal contract in D&E. The other significant variances are:-

- In-house Fostering Services of £1.010m due mainly to increased demand
- Care Packages in DASHH Personal Support of £0.519m due in part to increased demand and is net of a contribution of DoH Winter monies.
- £0.725m on Mental Health placements within the Adult Social Care budget

3.1.4 Within Corporate items a **£0.500m** over-achievement of income on the agency staff contract is included in the forecast. Also given the significant additional funding now expected in relation to our schools capital programme we now expect to underspend our interest payable budget by **£1.000m**.

3.1.5 Since the setting of the 2013/14 budget the council has received notification of additional, unringfenced, Government grants totalling **£1.093m**. There is also a Contingency budget of £1m; in effect we carry **£2.093m** with the unallocated grants and the formal contingency.

**Comparison of Council Forecast Outturn 2011/12 to 2013/14**  
**(before Recovery Plans)**



3.1.6 Contingency of £1.000m has not yet been allocated and as set out earlier in the report there is an additional £1.093m of unallocated grants that is being treated as contingency at this stage of the year, so these can be used to offset the overspend of £1.842m. If recovery plans can be identified and delivered then a balanced budget can be delivered with a reduced use of contingency and the contingency can be allocated for other purposes.

3.1.7 The key elements of the current revenue position are set out over the page in table 1. The departmental revenue summary is shown in appendix 1 and explanations of departmental variances in appendix 2.

**Table 1 Summary of Revenue Outturn Forecasts (before Recovery Plans)**

DEPARTMENT/ Division	Major Variances	Departmental Forecast	
	Description	Qtr. 2 £000	
<b>DEPARTMENT OF ADULT SERVICES, HOUSING AND HEALTH</b>			
Needs and Strategy	Bed & Breakfast - B&B numbers are dropping as more people are being moved into private rented accommodation	(918)	
	Temporary Accommodation - more Homeless persons are moved out of Bed and Breakfast and into Temporary Accommodation	927	
Commissioning	Mental Health - demographic pressures and pressure from efficiency measures	725	
	Lone Families - due to changes in legislation	356	
Personal Support	Care Packages - overspend relating to challenging efficiency targets	519	
<b>DASHH Total</b>			<b>1,505</b>
<b>CHILDREN FAMILIES AND LEARNING</b>			
Social Care & Family Support	Children in Need Service - Assessment and Care Planning staff	1,652	
	Looked After Children - In-house Fostering Service	1,010	
	Permanence Service 2 - Fostering placements	1,016	
Learning & Inclusion	SEN Transport	488	
<b>CFL Total</b>			<b>2,150</b>
<b>DEVELOPMENT AND ENVIRONMENT</b>			
Environment	Additional investment in fly-tipping service.	200	
	Shortfall in trade waste income	390	
	Waste Disposal contract - renegotiation	(1,500)	
<b>D&amp;E Total</b>			<b>(474)</b>
<b>CHIEF EXECUTIVE'S DEPT.</b>			
Customer Services & Communications	Delayed Access savings	505	
<b>CED Total</b>			<b>161</b>
<b>CORPORATE ITEMS</b>			
Comensura Rebate		(500)	
Interest payable		(1,000)	
<b>Corporate Items Total</b>			<b>(1,500)</b>
<b>TOTAL</b>			<b>1,842</b>

## 3.2 VIREMENTS

3.2.1 Cabinet approval is requested for four budget virements totalling £8,316,362 in order to centralise the pension deficit budgets held in departments into Corporate Items. Details of the transfers are;-

	£
Department Of Adult Services, Housing And Health	1,456,919
Children Families And Learning	2,465,197
Development And Environment	1,664,830
Chief Executive's Dept.	2,729,416
<b>Total</b>	<b>8,316,362</b>

## 4 HOUSING REVENUE ACCOUNT (HRA)

4.1 The forecast for the HRA is a surplus of **£0.245m**, the final position will depend on the capital programme outturn. A detailed summary of the position is set out in Appendix 2.

## 5 CAPITAL SUMMARY

### 5.1 Forecast Capital Outturn Summary for 2013/14

5.1.1 The Capital programme for 2013/14 remains categorised by the 3 themes identified in the capital strategy.

The 3 themes are:

- Transforming our Place
- Transforming our Services
- Managing our Assets

5.1.2 Table 2, below, shows the revisions to the capital programme since it was agreed by Council in February (Min. A36/13).

**Table 2– Revision to the Capital Programme Budget**

Description	2013/14 £'000
Quarter 1 (As reported to Cabinet in September 2013)	267,448
<b>Additions</b>	
ICT – mobile and flexible working project	196
TFL – additional funding allocated	353
S106 – additional allocations	19
DASHH Operational and ICT developments – additional funding from DoH	753
Davis House - acquisition	4,000
<b>Revised Programme</b>	<b>272,769</b>

5.1.3 The main changes are in relation to the purchase of Davis House, additional allocations of funding for TFL projects that have been agreed and grant funding

received for development of operations and ICT projects within DASHH.

5.1.4 Davis House was acquired by the Council at the end of October. The financing costs for the loan are covered off by the external income received from the rent received. Therefore there is no impact on the revenue position from this acquisition. Also given the asset is owned by the council the opportunity to gain from future appreciation of the asset exists.

5.1.5 Based on all funding sources available, departments are currently forecasting spend of £214.789m compared with the revised budget of £272.769m, a variance of £57.980m.

5.1.6 A summary of the forecast capital spend and variances is shown in table 3. At month 6, spend is 22% of the revised budget and by the end of the financial year, it is anticipated that 78% of the revised budget will be spent.

**Table 3 – Summary of forecast Capital spending in 2013/14**

Original 2013/14 Budget £'000s	Capital Programme Themes	Slippage	Revised Budget - at m6 exc slippage £'000s	revised budget at m6 inc slippage	Spend to date £'000s	Forecast Outturn £'000s	Total variance £'000s	RAG	Forecast Slippage to 2014/15 £'000s	Forecast under / over spend £'000s
20,120	Transforming our Place	20,135	24,694	44,829	6,275	35,208	-9,621	G	-9,148	-473
99,310	Improving our Assets	23,790	117,126	140,916	29,437	96,918	-43,998	G	-43,895	-103
39,128	Transforming our Services	3,719	43,954	47,673	16,735	43,312	-4,361	G	-1,246	-3,115
<b>158,558</b>	<b>Sub Total - General Fund</b>	<b>47,644</b>	<b>185,774</b>	<b>233,418</b>	<b>52,447</b>	<b>175,438</b>	<b>-57,980</b>		<b>-54,289</b>	<b>-3,691</b>
34,471	HRA	4,730	34,621	39,351	8,867	39,351	0	G	0	0
<b>193,029</b>	<b>Total</b>	<b>52,374</b>	<b>220,395</b>	<b>272,769</b>	<b>61,314</b>	<b>214,789</b>	<b>-57,980</b>		<b>-54,289</b>	<b>-3,691</b>

## 5.2 Funding for the 2013/14 Capital Programme

5.2.1 Table 4 shows the funding for the original budgeted capital programme for 2013/14, adjusted for the slippage in funding from 2012/13 and additional grants received by funding source.

5.2.2 Additional funding has been confirmed by the Department of Education. This was announced after the capital budget was agreed. This reduces the need for the Council to take out debt to support capital expenditure. This is reflected in Table 4. The expected slippage reduces further the expected borrowing in this year and will be reflected within the expected cash flow of the capital programme. Slippage and underspends to the programme have resulted in a reduction in borrowing for

2013/14 of £45.765m made up of £41.363m of slippage into next year and £3.691m of underspends.

5.2.3 Taking this into account it is recommended that the budget for 2013/14 is adjusted to reflect the current forecast of £214,789m which takes into account all the underspends declared and the slippage which is being moved into the 2014/15 budget.

**Table 4 – Summary of capital programme funding 2013/14**

	Original Budgeted Funding £'000's	Total slippage/New Approvals in funding £'000's	Revised Budget at September 2013 £'000's	Revised Budget after Rephasing of the Programme £'000's
<b>General Fund</b>				
<b>Service Specific Funding</b>				
- Department for Education	16,919	62,603	79,522	78,561
- Partnership for Schools	7,959	512	8,471	7,154
- TFL	5,662	5,509	11,171	8,884
- GLA	5,000	7,079	12,079	5,218
- Communities and Local Govt	900	600	1,500	0
- Dept of Health	0		0	0
-Other		3991	3,991	3,991
- S106		442	442	442
<b>Corporate Funding</b>				0
- Unsupported Borrowing	118,968	-7,371	111,597	66,543
Capital Receipts	3,000	1,645	4,645	4,645
<b>General Fund Sub Total</b>	<b>158,408</b>	<b>75,010</b>	<b>233,418</b>	<b>175,438</b>
<b>Housing Revenue Account</b>				
<b>External Funding</b>				
- HRA receipts	900		900	900
- HRA disposals			0	0
- Major Repairs Allowance	16,457		16,457	16,457
RCCO	8,186		8,186	8,186
HRA Supported Borrowing			0	0
HRA Unsupported Borrowing	9,078	4,730	13,808	13,808
HRA Reserves			0	0
<b>HRA Sub Total</b>	<b>34,621</b>	<b>4,730</b>	<b>39,351</b>	<b>39,351</b>
<b>Grand Total</b>	<b>193,029</b>	<b>79,740</b>	<b>272,769</b>	<b>214,789</b>

## 6 FINANCIAL MANAGEMENT

### 6.1 Income and debt

6.1.1 The 30 day debt portfolio was primarily affected by a single invoice outstanding at month end for £566k which was paid shortly after month end. This would have had a large positive impact on the figure reported had it been paid a few days earlier.

- 6.1.2 There are three contributory factors to the 4-12 month debt figure. £402K is with our Corporate Debt Recovery Team for litigation action to recover the debt; £290k is disputed and we continue to await the instructing department's guidance and advice on whether the debt is legitimate and collectible or whether it should be credited; £39K is identified as uncollectible and requires writing off. Once again, isolating these from the reported figures would return very different and more positive collections rates.
- 6.1.3 The Accounts Receivable team are maintaining management of the above issues, as well as continuing collection efforts against the other outstanding debt.

**Table 7 - Collection rates for current debt**

Age of Debt	Collection rate Aug. 2013	Target Collection rates	Debts issued	Debt outstanding @ Sept. 2013	Collection rate Sept. 2013	Interest cost @ 1.5% £m	RAG
1 month	65.35%	80.00%	3,375,566	1,318,671	60.93%	0.020	R
2 months	72.75%	85.00%	2,536,148	706,205	72.15%	0.011	R
3 months	97.26%	90.00%	3,477,722	827,839	76.20%	0.012	R
4 - 12 months	95.66%	97.00%	37,601,654	1,527,379	95.94%	0.023	A
<b>Total</b>						<b>0.066</b>	

## 6.2 Council Tax & NNDR

- 6.2.1 Council tax performance has improved compared to last month although it remains below target and is still behind last year - however the shortfall has reduced. The main reasons for this are the impact of the instalment profile, as well as the effect of the changes to council tax support and empty properties discounts. Meanwhile, due to these changes, new properties and discount and exemption reviews conducted through the year so far, the debit is now up almost £9.5 million on the same time last year.
- 6.2.2 Business rates performance remains behind target. The improvement from last month has continued into this month, with the shortfall on the same time last year now just 0.21% (£250k), compared to 0.63% (£749k) last month. Recovery activity continues to be robust while businesses that are struggling are given as much help as possible through relief and arrangements / instalment plans wherever appropriate.

**Table 8 - Council Tax and National Non Domestic Rates collection at 30<sup>th</sup> September 2013.**

Collection	Year to Date			
	Month End Target	Actual	Last Year Actual	Variation on Last Year
CTAX	56.31%	55.30%	55.87%	(0.57%)
NNDR	58.88%	58.32%	58.53%	(0.21%)

RAG Status – Variance > 2% = R, Variance >0% = A, Variance < 0% = G

- 6.2.3 From 2013/14 Retained Business Rates finances a significant part of Croydon's Budget Requirement. The collection performance of NNDR will have



a major impact on the Council's ability to balance its budget. Table 9 below shows the forecast collection variance for this month.

**Table 9– Local Tax Collection as at 30<sup>th</sup> September 2013**

Local Tax Stream	2013/14 Financing Budget £m	2013/14 Financing Forecast £m	2013/14 Financing Variance £m
Business Rates Income	33.172	33.155	0.017

### 6.3 Payments

- 6.3.1 There has been an increase from 92.8% in August 2013 to 93.6% in September 2013 and an overall performance continues to show a slight improvement over 2012/13. Work is continuing with departments and suppliers to ensure invoices are receipted and paid on time.

**Table 10 – Invoice Payment statistics**

Month	Invoices paid Within 30 Days	Total Invoices	% paid within 30 days
April	5,926	6,465	91.7%
May	6,403	6,839	93.6%
June	5,943	6,376	93.2%
July	6,250	6,511	96.0%
August	5,652	6,090	92.8%
September	5,172	5,527	93.6%
<b>Total</b>	<b>35,346</b>	<b>37,808</b>	<b>93.5%</b>

<b>Target</b>	<b>100.00%</b>
<b>Performance 2012/13</b>	<b>93.10%</b>
<b>Performance 2011/12</b>	<b>91.90%</b>
<b>Performance 2010/11</b>	<b>90.70%</b>

## 7. CONSULTATION

- 7.1 All Departments have been consulted during the preparation of this report.

## 8 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 8.1 The report is submitted by the Deputy Chief Executive and Executive Director of Corporate Resources & Customer Services.

## 9 COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 9.1 The Solicitor to the Council comments that the Council is under a duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer).

**10 HUMAN RESOURCES IMPACT**

10.1 There are no direct Human Resources considerations arising from this report as such, but items from savings packages and action plans included in the report or those that need to be developed in response to the report are likely to have significant HR impact. These can vary from posts not being filled or deleted, through to possible redundancies. Where that is the case, the Council’s existing policies and procedures must be observed and HR advice must be sought.

(Approved by: Gloria Lau, Interim HR Business Partner, on behalf of the Acting Director of Workforce and Community Relations)

**11 EQUALITIES IMPACT**

11.1 There are no direct implications contained in this report.

**12 ENVIRONMENTAL IMPACT**

12.1 There are no direct implications contained in this report.

**13 CRIME AND DISORDER REDUCTION IMPACT**

13.1 There are no direct implications contained in this report.

**14 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

14.1 The recommendations are to note the in-year budget position of the council. There is no direct action requested at this point.

**15 OPTIONS CONSIDERED AND REJECTED**

15.1 Given the current in year position there is no requirement for additional action at this time.

**REPORT AUTHOR AND CONTACT: RICHARD SIMPSON, DIRECTOR OF FINANCE AND ASSETS AND S151 OFFICER**

**BACKGROUND DOCUMENTS:** Reference: Departmental Financial Management Packs

**Summary outturn by Division**

**Appendix 1**

Department	Division	Outturn Forecast position				Position to date			R A G
		Budget	Forecast	Forecast variance before recovery plans	Variance after recovery plans	Budget to date	Accrued spend to date	Variance to date	
		£m	£m	£m	£m	£m	£m	£m	
Adult Services, Health and Housing	Housing Management	0.068	(0.039)	(0.107)	(0.107)	-	-	-	G
	Housing Needs & Strategy	10.183	9.626	(0.557)	(0.557)	0.034	(0.020)	(0.053)	G
	Directorate	(0.058)	(0.058)	-	-	2.730	2.452	(0.278)	G
	Commissioning	103.461	105.176	1.716	1.716	(0.029)	(0.029)	-	R
	Personal Support	0.685	1.137	0.453	(0.235)	51.730	52.593	0.863	R
	Public Health	-	(0.000)	(0.000)	(0.000)	0.341	1.010	0.669	G
	<b>Total Adult Services, Health &amp; Housing</b>	<b>114.338</b>	<b>115.842</b>	<b>1.505</b>	<b>0.817</b>	<b>54.806</b>	<b>56.006</b>	<b>1.200</b>	
Children, Families & Learning	Social Care & Family Support	57.121	59.140	2.019	1.319	28.560	29.570	1.010	R
	Learning & Inclusion	13.124	13.353	0.229	0.229	6.562	6.677	0.115	R
	Community & Support Services	33.781	33.701	(0.080)	(0.080)	16.891	16.851	(0.040)	G
	Directorate	-	(0.018)	(0.018)	(0.018)	-	(0.009)	(0.009)	G
	Individual Schools Budget	-	-	-	-	-	-	-	G
	<b>Total Children, Families &amp; Learners</b>	<b>104.026</b>	<b>106.176</b>	<b>2.150</b>	<b>1.450</b>	<b>52.013</b>	<b>53.088</b>	<b>1.075</b>	
Development & Environment	Environment	62.396	61.919	(0.477)	(0.477)	26.657	26.418	(0.239)	G
	Planning	3.779	3.779	-	-	2.421	2.421	-	G
	Regeneration	2.976	2.979	0.003	0.003	2.353	2.354	0.002	A
	<b>Total Development &amp; Environment</b>	<b>69.150</b>	<b>68.676</b>	<b>(0.474)</b>	<b>(0.474)</b>	<b>31.431</b>	<b>31.194</b>	<b>(0.237)</b>	

Department	Division	Outturn Forecast position				Position to date			R A G
		Budget	Forecast	Forecast variance before recovery plans	Variance after recovery plans	Budget to date	Accrued spend to date	Variance to date	
		£m	£m	£m	£m	£m	£m	£m	
Chief Executive's Dept.	Democratic & Legal	3.085	3.055	(0.030)	(0.030)	1.781	1.611	(0.169)	G
	Workforce & Community Relations	(1.101)	(1.101)	-	-	(3.843)	(3.813)	0.030	G
	Voluntary Sector Funding	1.236	1.236	-	-	0.648	0.648	-	G
	Chief Executive's Office	0.405	0.211	(0.194)	(0.194)	0.237	0.234	(0.003)	G
	Finance & Assets	2.596	2.566	(0.030)	(0.030)	1.513	1.513	-	G
	Customer Services & Comms	6.028	6.518	0.490	0.490	1.443	1.584	0.141	R
	Concessionary Fares	13.733	13.733	-	-	6.867	6.867	-	G
	Strategy, Commissioning, Procurement & Performance	0.059	0.059	-	-	(2.285)	(2.182)	0.103	G
	Corporate Services	17.582	17.507	(0.075)	(0.075)	8.751	8.763	0.012	G
	<b>Total Chief Exec's Dept.</b>	<b>42.381</b>	<b>42.543</b>	<b>0.161</b>	<b>0.161</b>	<b>14.491</b>	<b>14.604</b>	<b>0.113</b>	
<b>Total</b>	<b>Total All Departments</b>	<b>329.895</b>	<b>333.237</b>	<b>3.342</b>	<b>1.954</b>	<b>152.741</b>	<b>154.892</b>	<b>2.151</b>	

#### HRA Summary

Department	Division	Outturn Forecast position				Position to date			R A G
		Budget	Forecast	Forecast variance before recovery plans	Variance after recovery plans	Budget to date	Spent to date	Variance to date	
		£m	£m	£m	£m	£m	£m	£m	
Housing Revenue Account	Croydon Landlord Services	(12.168)	(12.476)	(0.307)	(0.307)	(24.349)	(24.503)	(0.154)	G
	Needs & Strategy	4.803	4.858	0.056	0.056	1.965	1.993	0.028	R
	Resources Section	7.366	7.372	0.007	0.007	0.261	0.264	0.003	A
	<b>Total HRA</b>	<b>-</b>	<b>(0.245)</b>	<b>(0.245)</b>	<b>(0.245)</b>	<b>(22.123)</b>	<b>(22.246)</b>	<b>(0.123)</b>	

## DEPARTMENTAL REVENUE VARIATIONS

## Appendix 2

### DEPARTMENT OF ADULT SERVICES, HOUSING AND HEALTH

Division	Explanation of variance and movement from previous month	Qtr. 2 Variance (£000)	Divisional Total (£000)
Housing Management	<b>Neighbourhood Wardens</b> - The wardens employee recharge from the HRA to GF will no longer take place and will be picked up 100% by the HRA	(107)	
	<b>Other minor variances under £100k</b>	-	(107)
Needs and Strategy	<b>Bed &amp; Breakfast:</b> The department is currently forecasting an underspend as B&B numbers are dropping as more people are being moved into private rented accommodation. It is anticipated that these numbers will continue to reduce during the year as more properties are acquired and leased in the Private Sector. The current forecast is based from the information obtained from the Open House Management System (OHMS) which is showing B&B numbers at 458 as at October 2013. The department is working towards the purchase of further Extended Temporary Accommodation properties which will reduce the more expensive hotel placements.	(918)	
	<b>Temporary Accommodation</b> - A knock on effect of Bed and Breakfast numbers dropping is an increase in Temporary Accommodation expenditure. As more Homeless persons are moved out of Bed and Breakfast and into Temporary Accommodation, the expenditure to landlords for Deposits and Incentive payments has increased significantly. With this being the case, it is still expected that the drop in B&B numbers will eventually result in an overall reduction in expenditure to the B&B and TA areas combined. During September 2013 there has been a further increase in expenditure as more people are moving from TA into private rented accommodation.	927	
	<b>Housing Enforcement</b> – Underspend following additional funding	(393)	
	<b>Housing Strategy</b> - All costs for this team have been transferred to the HRA resulting in a saving of £120k to the General Fund.	(120)	
	<b>Other minor variances under £100k</b>	(53)	(557)
Directorate	None to report		
	<b>Other minor variances under £100k</b>	-	-
Commissioning	<b>Mental Health</b> - the over spend reflects the consequences of historic and new emerging demographic pressures. This level of demand increase is reducing the impact of efficiencies that have been. The efficiency validation target has been further revised as our expectations of client moves in the near future appear unlikely.	725	

	<b>Adults With No Recourse to Public Funds (NRTPF)</b> - there has been a marked increase in activity of patients being discharged from hospital as they cannot pay for their treatment and have no recourse to public funds. These clients have high care needs and require either residential or nursing care. 5 clients have been placed in accommodation already this year and another 3 clients are awaiting residential or nursing care plus identified 2 clients with funded nursing care which reduced the costs slightly. The assumption in this forecast is that there will be 1 additional client requiring a residential package bi-monthly at a cost of £900 per week, however in July there were 2 additional clients at this cost.	297	
	<b>Lone Families</b> - due to changes in legislation, since this area was transferred from CFL in 2011/12, this service has continued to increase by 1 family every 2 weeks. This assumption has fluctuated month on month, initially with presentations of 6 families per month earlier in the year. However for September with only 2 additional families for the past 2 months the forecast has been reduced commensurately.	356	
	<b>LD Commissioning and Care Management</b> - Under spend due to vacancies being held to cover over spends elsewhere in the division.	(294)	
	<b>ACC Directorate</b> - This over spend relates principally from the income to be generated and used by the third sector, thus offsetting costs of some directly funded services on the Director of Commissioning 's budget. There has been some success but too early to confirm where the benefits will be applied in the Council.	199	
	<b>Equipment Budgets</b> - Planned underspend within Assistive technology to offset pressures elsewhere in Adult Services Commissioning.	(142)	
	<b>SLAs and Projects</b> (including Carers) - over spend due to additional nursing costs relating to the CCHT Night sitting service.	108	
	<b>Care UK Contract</b> - This relates partly to the shortfall from the income budget within the historically set budget for PFI Care Homes and which does not reflect the current level of income achievable due to voids in block contracted beds. This matter is under review due to performance issues. The pressure here also comprises of an element of costs relating to personal care services provided in Special Sheltered in respect of increased numbers of hours purchased.	560	
	<b>Other minor variances under £100k</b>	(93)	1,716
<b>Personal Support</b>	<b>Provider Relations and Brokerage</b> - the under spend is due to staff vacancies and the decision to hold on recruitment.	(196)	
	<b>Occupational Therapy Pooled Budget</b> - under spend due to staff vacancies on the Pooled Budget and the forecast reflects latest position from the CCG.	(236)	

	<b>Care Packages</b> - this is the prime area of the Department's expenditure, the over spend has reduced significantly this month because of the inclusion of Dept. of Health Winter Monies funding of £800k.	519	
	<b>Social Work Teams</b> - additional locums currently employed, matter subject to a business case for permanent recruitment.	283	
	<b>Assessment and Case Management Team</b> - additional locums currently employed, matter subject to a business case for permanent recruitment.	150	
	<b>Mental Health Older Adults Day Services</b> - the forecast assumes the same level of income as 2012/13.	(114)	
	<b>Other minor variances under £100k</b>	47	453
	Other minor variances under £100k	-	-

<b>Total Forecast Variance - DASHH</b>		<b>1,505</b>
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## **CHILDREN FAMILIES AND LEARNING**

<b>Division</b>	<b>Explanation of variance and movement from previous month</b>	<b>Qtr. 2 Variance (£000)</b>	<b>Divisional Total (£000)</b>
<b>Social Care &amp; Family Support</b>			
	Unused budget for recruitment ,retention allowance and severance payments	(149)	
<b>Children in Need Service</b>			
Assessment and Care Planning	The variance is due to; 1) £787k The increased assessment caseload and Ofsted recommendations require the assessment team to be operating above establishment until year end. 2) £418k Due to the inability to recruit permanent staff, 24 agency staff will remain in post until the end of year. 3) £330k Agency premiums, 78% of the Assessment and Care Planning team are sourced from agency. 4) £88k Agency premium paid for an interim Emergency Duty Team Social Worker 5) £100k Increases in agency pay rates paid through Comensura to enable appointment of competent social workers 6) £10k Investment in a Portal to improve child safety and process effectiveness. 7) £19k Staff overtime for the Emergency Duty Team.	1,652	
<b>Early Intervention &amp; Family Support</b>			
Team Around the Family	The variance is due to; 1) (£150k). Reductions in the formula funding for Children Centres. 2) (£200k) Public Health Funding for the Family Justice Centre	(350)	
Partnerships & Resources	This variance is due to; 1) £108k. Delay in the implementation of the EIFSS/YS restructuring & redundancy costs. 2) (£281k) Central support and early years' strategy to be funded from the (Dedicated Schools Grant) DSG. 3) (£45k) 2013/14 London Councils commitment no longer payable and a refund of £25k for 2012/13 cost.	(218)	
<b>Looked After Children</b>			
In-house Fostering Service	The variance is due to: 1) £743k Increased allowances due to the number of in-house placements being 60 over the budgeted 287. 2) £267k Holiday, birthday, travel and other indirect placement costs have increased due to a growth in demand.	1,010	



Adoption and Special Guardianship Service	<p>The variance is due to:</p> <ol style="list-style-type: none"> <li>1) £66k Increased adoption allowance paid for 7 additional children at an weekly rate of £180.</li> <li>2) £77k Increase in Special Guardianship allowance due to the increase of 8 children at an average weekly rate of £183.</li> <li>3) £54k Agency premium paid to cover vacancies &amp; maternity leave.</li> <li>4) £17k Supernumery post created to support adoption reforms and improvement</li> <li>5) (£232k) Adoption grant 2013-14</li> <li>6) (£129k) Fees charged to other local authorities for adoption services</li> <li>7) £7k Unbudgeted printing, premises and car allowances</li> </ol>	(140)	
Leaving Care Service	<p>The variance is due to:</p> <ol style="list-style-type: none"> <li>1) £1k Agency premium paid to cover Unit Manager post until permanent appointment is made</li> <li>2) (£584k) Leaving Care Asylum Seekers Grant in excess of planned expenditure.</li> <li>3) (£150k) Reduction in semi-independent placement costs. Young people over the age of 18 are being supported to have a swift transition to independent and adult living where they are able to claim benefits for accommodation and subsistence.</li> <li>4) £105k Additional spend on accommodation for young people with no recourse to public funds due to delays in deportation and the increasing number of young people being granted discretionary leave to remain with no recourse to public funds</li> <li>5) £29k Fees and expenses for 2 student to be paid as a result of the Newcastle judgement.</li> </ol>	(599)	

Permanence Service 2 (Previously Indigenous)	<p>The variance is due to:</p> <ol style="list-style-type: none"> <li>1) £29k Unfunded travel costs for Secure placements.</li> <li>2) (£88k) Forecasted spend on semi-independent placements is currently for 32 young people compared to budget at 36.</li> <li>3) £648k The Independent Fostering agency (IFA) placement budget was for 70 children at a weekly rate of £811. We are currently forecasting for 108 children to be in placement by the end of the year and the average weekly rate has increased by £38.</li> <li>4) (£186k) Savings set aside to support the strategy/campaign of increasing the number of in-house carers and adopters while reducing the number of external placements.</li> <li>5) £165k Increased spend on contact facilitation. There is an increase in the number and associated costs of looked after children requiring contact with their parents.</li> <li>6) £58k Subsistence and therapeutic support associated with external placements.</li> <li>7) £53k Agency premium paid to cover vacancies</li> <li>8) £303k Over spend on Secure placements. The initial budget was set for a smaller number of people and weeks in placement. In September 2013, there has been an extension to the placement end dates which has resulted in increased costs.</li> <li>9) £34k Additional resources to support the increased caseload in Permanence 2 Service</li> </ol>	1,016	
<b>Safeguarding &amp; Look After Children Quality Assurance</b>			
Safeguarding Board	<p>The variance is due to;</p> <ol style="list-style-type: none"> <li>1) (£46k) Underspend on employee cost</li> <li>2) (£28k) Lower anticipated spend than budget on serious case reviews</li> <li>3) £48k additional spend on printing, supervision and external training</li> <li>4) (£90k) transfer from Earmarked Reserves</li> <li>5) (£12k) Additional income from Clinical Commissioning Group</li> </ol>	(128)	
<b>Children's Quality Assurance</b>	<p>The variance is due to;</p> <ol style="list-style-type: none"> <li>1) £165k Agency premium paid for 9 staff covering vacancies in Quality Assurance service</li> <li>2) £44k Printing, VPN charges and stationery costs not budgeted for.</li> <li>3) £20k Advertising for vacant posts.</li> <li>4) £30k Correction of miscoded salary expenditure.</li> <li>5) £42k Additional commitment for Independent Visitor's post which has no budget provision</li> </ol>	302	
Social Work Academy	<p>The movement from period 5 is due to;</p> <ol style="list-style-type: none"> <li>1) (£38k) Underspend on staffing budget as a result of vacant Manager's post</li> <li>2) £48k overspend on training budget</li> <li>3) (£24k) fees charges for graduate placements</li> <li>4) (£116k) Children's Welfare Development Council funding received in advance in 2012/13 to support of staff training and certification</li> </ol>	(130)	

<b>Youth Services</b>			
ISSP - Youth Offending Service	The variance is due to; 1) £10k Modifications to the Youth Offending IT System. 2) £23k Supernumery cost of Locum Practise Manager 3) (£36k) Reduction in spend on other agency payments, private contractors and travel & subsistence. 4) (£132k) Running costs of the Youth Offending Team	(135)	
	Other Minor Variances between 0 and £-100k	(197)	
	Other Minor Variances between 0 and £100k	85	<b>2,019</b>
<b>Learning &amp; Inclusion</b>			
<b>Inclusion, Learning Access &amp; SEN</b>			
SEN Transport	This variance is due to; 1) £319k Growth in the demand for SEN transport due to an increase of 35 in the number statemented SEN pupils 2) (£9k) Travel Advisor Project costs lower than budgeted. 3) £50k Independent Travel Training Programme to help generate the planned savings. 4) (£7k) Underspend on staff budget due to the imminent departure of a member of staff 5) £75k Overspend on personal transport budgets due to continuation of existing agreement in preference to moving pupils to unoccupied seats on the existing routes to prevent disruption to the pupils. 6) £60k Identified unaccrued 2012/13 SEN transport charges from other local authorities	488	
<b>School Improvement</b>			
Strategic Vulnerable Children and Young People	This variance is due to; 1) (£11k) Staff appointment at a lower grade than budgeted. 2) £1k Improvement Adviser Safeguarding post graded higher than budget. 3) (£147k) Public Health is now funding the Council's commitment to Teenage pregnancy.	(157)	
	Other Minor Variances between 0 and £-100k	(215)	
	Other Minor Variances between 0 and £100k	113	<b>229</b>

<b>Community Support Services</b>			
<b>Adult Learning</b>			
Business and Resources	This variance is due to: 1) £407k 8% Reduction in the Skills Funding Agency Grant for 2013/14 due to the changes in the Formal First Steps 2) (£206k) Staff vacancies resulting from; Senior Leadership Team restructures, 0.5 FTE reduction to marketing manager post and maternity leave 3) (£2k) Reduction in the central training budget due to changes in programme 4) (£8k) Reduction in the curriculum for the computer refresh programme 5) (£64k) Business support Staff vacancies	127	
<b>Libraries and Culture</b>			
Libraries Division	This variance is due to: 1) £25k Ashburton PFI service charges in excess of budget. 2) (£209k) Savings on the Libraries contract 3) (£31k) NNDR rebate for Ashburton Library 4) (£60k) Staff vacancy in the client team 5) £14k NNDR for Selsdon Library not budgeted for. 6) £20k Legal costs for the JLIS contract	(241)	
	Other Minor Variances between 0 and £-100k	(105)	
	Other Minor Variances between 0 and £100k	139	<b>(80)</b>
<b>Directorate</b>			
	Other Minor Variances between 0 and £-100k	(18)	
	Other Minor Variances between 0 and £100k	-	<b>(18)</b>
<b>Total Forecast Variance - CFL</b>			<b>2,150</b>

## **DEVELOPMENT AND ENVIRONMENT**

<b>Division</b>	<b>Explanation of variance and movement from previous month</b>	<b>Qtr. 2 Variance (£000)</b>	<b>Divisional Total (£000)</b>
<b>Environment</b>	Parking Services staff vacancies	(413)	
	Parking Services shortfall in Pay and Display income	625	
	Parking Services loss of Pay and Display income due to theft and vandalism	100	
	Additional investment in fly-tipping service.	200	
	Shortfall in trade waste income	390	
	Purchase of LATS savings.	(186)	
	Additional PCN Income - Rebanding	(270)	
	Saving from extension to Waste Disposal contract	(1,500)	
	Sports Development Team funding	(161)	
	Other Minor Variances between 0 and £-100k	(1,634)	
Other Minor Variances between 0 and £100k	2,372	(477)	
<b>Regeneration</b>			3
	Other Minor Variances between 0 and £-100k	(147)	
	Other Minor Variances between 0 and £100k	150	
<b>Planning</b>			-
	Other Minor Variances between 0 and £-100k	-	
	Other Minor Variances between 0 and £100k	-	
<b>Total Forecast Variance – D&amp;E</b>			<b>(474)</b>

**CHIEF EXECUTIVE'S DEPT.**

Division	Explanation of variance and movement from previous month	Qtr. 2 Variance (£000)	Divisional Total (£000)
Democratic & Legal	None to report	-	(30)
	Other Minor Variances between 0 and £-100k	(30)	
	Other Minor Variances between 0 and £100k	-	
Workforce & Community Relations	None to report	-	-
	Other Minor Variances between 0 and £-100k	-	
	Other Minor Variances between 0 and £100k	-	
Voluntary Sector Funding	None to report		-
	Other Minor Variances between 0 and £-100k	-	
	Other Minor Variances between 0 and £100k	-	
Chief Executive's Office	Savings in Executive Director post	(194)	(194)
	Other Minor Variances between 0 and £-100k	-	
	Other Minor Variances between 0 and £100k	-	
Finance & Assets	None to report	-	(30)
	Other Minor Variances between 0 and £-100k	(30)	
	Other Minor Variances between 0 and £100k	-	
Customer Services & Communications	Delayed Access savings	505	490
	Land Charges - additional income estimate	(132)	
	Other Minor Variances between 0 and £-100k	(10)	
	Other Minor Variances between 0 and £100k	127	
Concessionary Fares	None to report	-	-
	Other Minor Variances between 0 and £-100k	-	
	Other Minor Variances between 0 and £100k	-	
Strategy, Commissioning, Procurement & Performance	None to report	-	-
	Other Minor Variances between 0 and £-100k	-	
	Other Minor Variances between 0 and £100k	-	
Corporate Services	ICT delivery estimated savings based on known trends	(200)	(75)
	Underachievement of ICT system's rationalisation	100	
	Other Minor Variances between 0 and £-100k	25	
	Other Minor Variances between 0 and £100k	-	

<b>Total Forecast Variance - CED</b>		<b>161</b>
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<b>Departmental Variance - Total</b>		<b>3,342</b>
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**HRA**

<b>Division</b>	<b>Explanation of variance and movement from previous month</b>	<b>Qtr. 2 Variance (£000)</b>	<b>Divisional Total (£000)</b>
<b>Landlord Services</b>	Staff vacancies	(421)	
	Overspend on Gas Expenditure Budgets	159	
	Overachievement of Leaseholder Annual Service Charge Income	(181)	
	Overspend on Water Expenditure	188	
	Overachievement of Water Income charged to tenants	(153)	
	Other Minor Variances between 0 and £-100k	(349)	
	Other Minor Variances between 0 and £100k	450	(307)
<b>Needs &amp; Strategy</b>	Staff vacancies	(172)	
	Shortfall in recharges to capital	79	
	Overspend on Legal and professional Services	235	
	Other Minor Variances between 0 and £-100k	(87)	
	Other Minor Variances between 0 and £100k	-	55
<b>Finance Section</b>			
		Other Minor Variances between 0 and £-100k	
	Other Minor Variances between 0 and £100k	15	7
<b>Total Forecast Variance - HRA</b>			<b>(245)</b>

## APPENDIX 2

### Department Capital Variances greater or less than £100K & slippage

The tables below show the capital schemes for 2013/14 with variances.

#### Summary of 2013/14 forecast capital underspend variances where schemes funded from own resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Transforming Our Services	Emergency Temporary Accommodation	Underspend	Priorities brought under target level.	1.000	G
Improving Our Assets	Corporate Property Maintenance	Underspend	Annual programme where projected spend less than budget	0.076	G
Transforming Our Place	District Energy	Underspend	Scheme was deemed not feasible and will now be part of a wider boroughwide project.	0.500	G
Transforming Our Services	Transforming Our Space	Underspend	Project has been completed under budget	2.115	G
<b>Total underspend where scheme's forecast underspend</b>				<b>3.311</b>	

#### Summary of 2013/14 forecast capital slippage where schemes funded from own resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Improving Our Assets	Various Education primary schemes	Slippage	Relates to various projects which will start in 13/14 and will continue into 14/15	22.356	G
Improving Our Assets	Education secondary projects	Slippage	Relates to various projects which will start in 13/14 and will continue into 14/15	7.213	G
Improving Our Assets	CFL - Schools Major Maintenance	Slippage	Relates to various projects which will start in 13/14 and will continue into 14/15	0.421	G
Improving Our Assets	CFL - SEN	Slippage	Relates to various projects which will start in 13/14 and will continue into 14/15	4.494	G
Improving Our Assets	Council New Build	Slippage	Relates to various projects which will start in 13/14 and will continue into 14/15	3.783	G
Improving Our Assets	Corporate Property Maintenance	Slippage	Relates to projects which will start in 13/14 and will continue into 14/15	0.850	G
Transforming Our Services	Transforming Our Space	Slippage	Work started in 13/14 and will continue into 14/15	0.246	G
Transforming Our Services	Bereavement services	Slippage	Phase 1 planning documentation submitted, decision in 13 weeks	1.000	G
Improving Our Assets	Regeneration (Acquisitions Fund)	Slippage	Projects are still being scoped hence the delay	1.000	G
<b>Total slippage into future years schemes forecast slippage</b>				<b>41.363</b>	



**Summary of 2013/14 forecast capital slippage variances where schemes funded from external resources**

<b>Capital Theme</b>	<b>Scheme</b>	<b>Reason for Variance</b>	<b>Comments</b>	<b>Amount £m</b>	<b>RAG</b>
Improving Our Assets	Academies	Slippage	Relates to projects which will start in 13/14 and will continue into 14/15	1.317	<b>G</b>
Improving Our Assets	2 year old entitlement funding	Slippage	Relates to projects which will start in 13/14 and will continue into 14/15	0.961	<b>G</b>
Improving Our Assets	Disabled Facilities Grant	Slippage	Projects are still being scoped hence the delay	1.500	<b>G</b>
Transforming Our Place	Public Realm - Connected Croydon	Slippage	Projects undergoing rescoping. All schemes likely to commence next year	9.148	<b>G</b>
<b>Total slippage into future years schemes forecast slippage</b>				<b>12.926</b>	<b>G</b>