

REPORT TO:	CABINET 15 SEPTEMBER 2014
AGENDA ITEM:	14
SUBJECT:	2014/15 FINANCIAL PERFORMANCE – QUARTER 1
LEAD OFFICER:	RICHARD SIMPSON DIRECTOR OF FINANCE & ASSETS AND SECTION 151 OFFICER
CABINET MEMBER:	COUNCILLOR SIMON HALL, CABINET MEMBER FINANCE AND TREASURY
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT: The recommendations in the report will help to ensure the effective management, governance and delivery of the Council’s medium term financial strategy.	

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 Revenue Outturn for 2014/15 of an overspend of **£2.864m**.
- iii)* Note the HRA forecast of a surplus of **£1.290m** for the current financial year.
 - iv)* Note the projected Capital Outturn for 2014/15 of a forecast spend of **£229.242m** compared with the revised budget of **£265.174m**, a variance of **£35.932m**

FINANCIAL SUMMARY:

The projected Departmental Revenue Outturn for 2014/15, is an overspend of **£7.864m**. A contingency of **£1m** is available for allocation and in addition there is a **£2m** underspend on interest and **£2m** of unallocated grant income. This brings the corporate position down to a **£2.864m** overspend. Therefore at this stage there will need to be a contribution of **£2.864m** from General Fund balances if corrective action was not taken over the remainder of the year.

FORWARD PLAN KEY DECISION REFERENCE NO.

Not a key decision

2 EXECUTIVE SUMMARY

2.1 This report summarises the Council's financial performance and related operational performance indicators as at month ending June 2014. It details the projected outturn position.

2.2 The detailed information is set out in the Appendices:-

- Appendix 1 - Summary of outturn by division
- Appendix 2 - Departmental revenue variations
- Appendix 3 - Capital variations

3 GENERAL FUND REVENUE SUMMARY

3.1 Revenue Summary

3.1.1 The forecast at the end of Quarter 1 2014/15 is an overspend of **£2.864m**. The key elements of this position are shown in Table 2, with the divisional revenue summaries in Appendix 1, explanation of variances for departments in Appendix 2. Departmental forecasts contain a number of actions planned in order to reduce overspends and these are also set out in the detail in Appendix 2. The forecast departmental overspend for this year is **£7.864m**. The principal elements of this are concentrated in a very few areas of the Council's activities, as detailed below.

3.1.2 There was a departmental overspend of £5.063m in 2013/14 as reported to the General Purposes and Audit Committee on the 25th June this year. The key elements of that overspend from 2013/14 are reflected below for 2014/15. This shows that the actions proposed in the budget to address the overspend areas have not at this stage been delivered. A number of concerns were raised in the 2014/15 budget process from the then opposition that these inherent overspend areas were not been fully addressed.

3.1.3 There is a new approach to budgeting being taken by the current administration, which should help avoid these sorts of problem areas. It is clear that addressing these over the budget period 2015/18 is key to the success of the financial strategy and work is already underway to ensure that a range of short and long terms solutions are implemented. The new administration is committed to taking a bottom-up fresh approach to setting the Council's priorities and the way the Council operates and delivers services, in order to deliver its ambitions for Croydon. There will be financial benefits that will flow from this and some of this may impact in the current financial year but has not, at this stage, been included in the forecasts.

3.1.4 The CFL projected overspend of £4.599m is due to the following:-

- a) Placement costs for looked after children: £2.2m. The service is containing growing levels of demand and complexity and the number of indigenous looked after children are reducing (from 470 in Feb to 438 at August 2014). However, the service's budget reduced last year and again this year. Not only do there remain more children in the system than was predicted, but we continue to be using a greater proportion of more costly independent foster

placements than our aspiration. Work is being undertaken to review and negotiate external placement costs, and our mechanism for growing the numbers of in-house foster carers more quickly.

- b) Increased staff costs of £0.9m due to vacant posts being filled by more costly agency workers. A recruitment exercise is currently taking place and the outturn figure assumes a number of these posts will be filled by December of 2014. Work is also taking place to renegotiate agency rates with agencies.
- c) SEN transport costs are projected to be £1.5m over budget due to
 - i) increased contract costs following the collapse of a provider of £0.4m
 - ii) an increase in other provider costs of £0.450m and
 - iii) an increase in the demand for the services provided of £0.650m.

Work is taking place to see what can be done to reduce the demand for the service (notably supporting independent travel). In addition the contract will be re-procured later in the year and it is anticipated that contract costs will reduce but at this stage these are unknown so have not been factored in to the outturn figures.

3.1.5 The DASHH projected overspend of £2.520m is due to the following:-

- a) Temporary accommodation costs of £1.2m. Whilst there has been no increase in the average number of people being accepted as homeless, there is a pressure on finding suitable alternative accommodation so people are remaining in expensive temporary accommodation for longer. The number of units required has increased from 467 per night in April to 547 in June and is predicted that this number will continue to increase for the second quarter of the year. It is then assumed that numbers will remain constant for the remainder of the year as the new accommodation being procured becomes available.
- b) Care Package costs are £1.5m above budget due to an increase in demand for these services. Work is under way to negotiate with providers to reduce placement costs and where these negotiations have been concluded this saving has been factored in to the outturn. There are also on-going negotiations taking place so this overspend could reduce further.

3.1.6 The D&E projected overspend of £1.531m is due to the following:-

- a) Increase in the tonnages of waste going to landfill of £400k and a shortfall in Trade Waste income of £388k. A review of trade waste is planned which should reduce this pressure by £100k and investigations into the ongoing waste position is underway.
- b) There is a shortfall of £850k in the Pay and Display Income and action to increase other income should be able to reduce this figure by £200k.

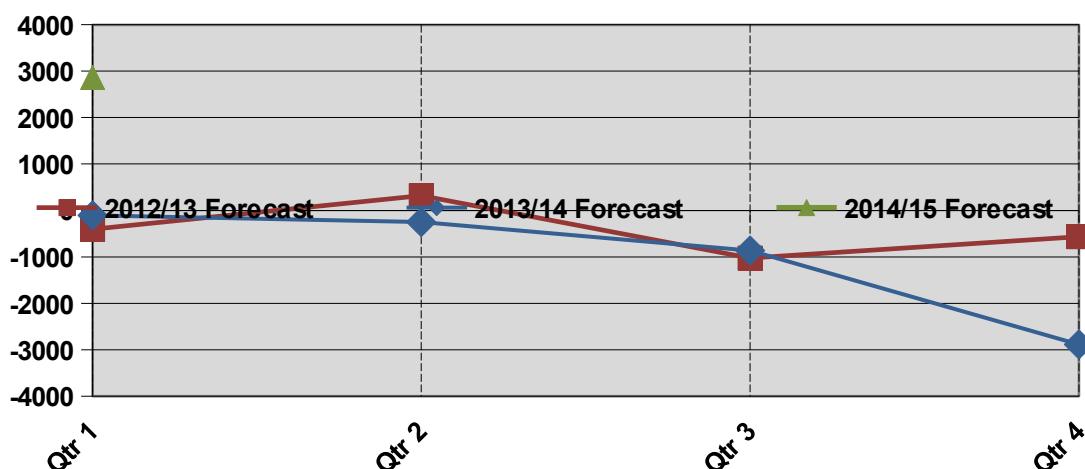
Action plans to tackle the residual pressures are being developed

3.1.7 The CED projected underspend is due to the following:-

- a) Increase in Land Charges income of £500k

- b) The deletion of the Executive Director of CRCS post following the appointment of a permanent Chief Executive

Comparison of Council Forecast Outturn 2012/13 to 2014/15



3.1.8 There is a **£2m** projected underspend on interest payable and MRP which reflect the lower than budgeted capital spend and therefore borrowing and also the profile and interest of our borrowing.

3.1.9 Since the setting of the 2014/15 budget the council has received notification of additional unringfenced Government grants totalling **£2m**. There is also a Contingency budget of **£1m**.

3.1.10 As reported in the July Financial review to Cabinet, the £2.886m surplus from 2013/14 has been put into an earmarked reserve to support the new administration's priorities. The table below sets out the current position in terms of allocations of funds against the reserve. The decisions to invest in these areas therefore have **no** impact on the in-year position. The administration will continue to shepherd this reserve carefully and will make more announcements in the coming months about these initiatives and other initiatives to further the 'Ambitious For Croydon' manifesto priorities.

Table 1 – Allocation of new administration priorities reserve

Description	£'000
Cleaner and Greener Croydon (June 30 Cabinet)	249
Fairness Commission (June 30 Cabinet)	200
Play Streets (June 30 Cabinet)	23
Upper Norwood Joint Library – increased contribution	48
Webcasting for Cabinet and Council	12
Free Swimming for children during the Summer	10
Reversal of Arnhem saving	10
Additional police in New Addington	100
Cleaner and Greener Croydon	250
Support for festivals	150
Cycling	50
Total allocated	1,102

Table 2 - Summary of Revenue Outturn Forecasts

DEPARTMENT/ Division	Major Variances > £500k	Departmental Forecast	
		Qtr 1	£'000
DEPARTMENT OF ADULT SERVICES, HOUSING AND HEALTH			
Housing Needs and Strategy	Housing Solutions - Bed & Breakfast - lack of suitable alternative accommodation	1,077	
Commissioning	Mental Health - Staffing and care packages	558	
Personal Support	Assessment and Case Management and Social Work and Safeguarding Care Packages	1,103	
DASHH Total			2,520
CHILDREN FAMILIES AND LEARNERS			
Social Care & Family Support	Fostering Placements - demand for placements above budgeted levels	2,253	
	Staffing - Agency Premium to be paid for 61 posts being covered by Agency staff	923	
	Legal costs	508	
Learning & Inclusion	SEN Transport	1,562	
CFL Total			4,599
DEVELOPMENT AND ENVIRONMENT			
Environment	Parking Services;– a) Shortfall in Pay & Display Income £850k b) Action plans to increase other income (£200k)	650	
D&E Total			1,531
CHIEF EXECUTIVE'S DEPT.			
Customer Services & Communications	Land Charges - additional income estimate	(500)	
CED Total			(786)
CORPORATE ITEMS			
Interest Payable		(2.000)	
Use of Contingency		(1.000)	
Additional grant income		(2.000)	
Corporate Items Total			(5.000)
TOTAL			2.864

3.2 VIREMENTS

- 3.2.1 Cabinet approval is requested for a virements totalling £831,600 in order to transfer the Clocktower budget from CFL to CED. The effect of this transfer of budgets within the General Fund is shown in table 3;-

Table 3 – (Reduction)/Increase in Departmental Budgets

Departmental Budget	£
Adult Services, Housing and Health	0
Children Families and Learning	(831,600)
Development and Environment	0
Chief Executive's Dept.	831,600
Corporate Items	0

4 HOUSING REVENUE ACCOUNT (HRA)

- 1 The forecast for the HRA is a surplus of **£1.290m**. This is mainly as a result of additional income (£1.2m) due to be received from leaseholders for the recovery of major works carried out on their blocks (mainly for fire prevention works). This will not be repeated on an annual basis.

- 2 The council's HRA rent collection performance was very good to the end of June with an actual collection rate of 100.6% against a target of 98.2%. It should be noted, however, that the rate is currently distorted due to the first two rent free weeks of the current year which has resulted in some accounts becoming in credit as direct debits and standing order payments were still made. The comparable collection rate for June 2013 was 97.4%. As per previous months, there are continued extenuating factors affecting the collection performance. The introduction of the welfare reforms limiting payments to tenants under occupying properties combined with the benefit cap has resulted in an increase in arrears although directly affected tenants are receiving household resilience support to enable them maintain their current tenancies. The table 4 below shows the cumulative position.

Table 4 – Rent Collection Rates as at 30th June 2014

	Target	Actual	Variance (%)
Rent Collection Rate	98.2%	100.6%	2.6%
Rent Collection Amount	£22.57m	£22.71m	£0.14m
Target	98.2%		
Performance 2013/14	99.0%		

5 Forecast Capital Outturn Summary for 2014/15

- 5.1 The Capital programme for 2014/15 remains categorised by the 3 themes identified in the capital strategy. The 3 themes are:

- i.* Transforming our Place
- ii.* Transforming our Services
- iii.* Managing our Assets

- 5.2 Table 5 shows the revisions to the capital programme since agreed by Cabinet in February.

Table 5– Revision to the Capital Programme Budget

Description	2014/15 £000
Original Budget	219,691
Slippage (approved as part of July Review)	40,081
Changes	
Tennison Road Bridge – for works to enable a wider carriageway and footway	700
Quest Academy – Change to the project resulting in reduction in funding	(1,640)
Education Estates Strategy – changes in funding in relation to the supply of schools places over the academic years 2014/15 to 2016/17	6,342
Revised Programme	265,174

5.3 Based on all funding sources available, projects are currently forecasting spend of £229.742m compared with the revised budget of £265.605m, a variance of £35.863m, this is made up of £35.569m of slippage and an underspend of £0.294m.

5.4 A summary of the forecast capital spend and variances are shown in table 6, with details of any variances over a £100k shown in Appendix 3. At Qtr 1 it is anticipated that 83% of the revised budget will be spent by the end of 2014/15.

Table 6 – Summary of forecast Capital spending in 2014/15

Original 2014/15 Budget £'000s	Capital Programme Themes	Slippage £'000s	Revised Budget - at m3 excl slippage £'000s	revised budget at m3 incl slippage £'000s	Spend to date £'000s	Forecast Outturn £'000s	Total variance £'000s	RAG	Forecast Slippage to 2015/16 £'000s	Forecast under / over spend £'000s
32,973	Transforming our Place	3,166	33,881	37,047	2,462	36,629	-418	G	-418	0
119,297	Improving our Assets	26,530	123,275	149,805	18,327	114,791	-35,514	G	-35,220	-294
26,918	Transforming our Services	6,917	27,433	34,350	8,684	33,850	0	G	0	0
179,187	Sub Total - General Fund	36,613	184,589	221,202	29,473	185,270	-35,932		-35,638	-294
40,504	HRA	3,468	40,504	43,972	2,818	43,972	0	G	0	0
219,691	Total	40,081	225,093	265,174	32,291	229,242	-35,932		-35,638	-294

6 FINANCIAL MANAGEMENT

6.1 Income and debt

6.1.1 Compared to last year cash collection levels remain generally higher, as table 7 below.

Table 7 - Collection rates for current debt

Age of Debt	Collection rate May 14	Target Collection rates	Debts issued	Debt outstanding @ Jun 14	Collection rate Jun 14	Interest cost @ 1.5% £(m)	RAG
1 month	83.59%	80%	5,248,704	1,034,256	80.30%	0.016	G
2 months	90.80%	85%	4,665,940	604,656	87.04%	0.009	G
3 months	94.70%	90%	11,208,296	954,938	91.48%	0.014	G
4 - 12 months	95.32%	97%	32,798,161	1,383,394	95.78%	0.021	A
Total						0.060	

6.1.2 The council's collection performance was strong last quarter, with targets achieved in three of the sections reported upon. It is to be noted that within the 4-12 months column, £307k is with the Corporate Debt Recovery Team (CDRT), to actively pursue through litigation.

6.1.3 There are also accounts which are deemed as uncollectable and should be written off from the debt portfolio, along with 2 accounts in dispute totalling £418k which are currently being reviewed by CDRT and a further £146k in Community Infrastructure Levy accounts awaiting payment.

6.1.4 Isolating these factors from the quarterly performance would have returned very different collection rates, specifically an increase of from 95.78% to 99.47%

6.2 Council Tax & NNDR

6.2.1 Council tax performance is slightly down on target but remains up on last year and during the first quarter the shortfall compared to target each month has reduced. This is reflective of the instalment profile and expected payments in line with this. Meanwhile, the debit has increased by over £900k since 1 April, up almost £125k on the same period last year, with almost two thirds of this occurring in the last month. This has also impacted on the end of quarter position as these bills are included in the debit but no payment has fallen due as yet. Recovery activity remains robust although it is down on last year: this is to be expected due to collection being up.

6.2.2 Business rates performance has dropped in the last month where it was doing better than last year. There are several reasons for this: the amount of money due to be collected over 12 months has substantially increased – usually customers pay over 10 months, ending in January but due to the economic climate, the option to stretch instalment plans has been taken up by a considerable amount of customers, so that over 40% of the rates due are now to be paid until March, compared to less than 10% at the same time last year. There has been an upturn in recovery action – reminders issued are up 25% compared to June last year – which reflects that customers are struggling to pay. Meanwhile, help is being given to

customers wherever possible and the top 100 accounts are all up to date – reflecting that the big payers are still able to maintain their instalment plans.

Table 8 - Council Tax and National Non Domestic Rates collection at 30th June 2014.

Collection	Year to Date			
	Month End Target	Actual	Last Year Actual	Variation on Last Year
CTAX	30.36%	30.13%	28.74%	1.39%
NNDR	31.66%	30.45%	31.46%	(1.01%)

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.

6.3 Payments

6.3.1 There has been a reduction from 94.2% in May 2014 to 93.7% in June 2014 although overall performance continues to show a slight improvement over 2013/14, as shown in table 9 below. Work is continuing with departments and suppliers to ensure invoices are receipted and paid on time.

Table 9 – Invoice Payment statistics

Month	Invoices paid Within 30 Days	Total Invoices	% paid within 30 days
April	6,756	7,167	94.3%
May	5,990	6,361	94.2%
June	6,389	6,819	93.7%
Total	19,135	20,347	94.0%

Target	100.00%
Performance 2013/14	93.7%
Performance 2012/13	93.1%
Performance 2011/12	91.9%
Performance 2010/11	90.7%

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 Director of Finance & Assets and Section 151 Officer.

9 COMMENTS OF THE SOLICITOR TO THE COUNCIL

- 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: Julie Belvir, Council Solicitor and 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: Heather Daley; Director of Human Resources

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

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

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Given the current in year-position CLT have been tasked to identify options to achieve a balanced year-end position.

13 EQUALITIES IMPACT

- 13.1 The areas listed below are currently overspending and provide services to people with protected characteristics and future funding decisions relating to these areas will need to ensure they are informed by relevant equality analysis. The areas identified are;-

- Placement costs for looked after children
- SEN transport costs
- Temporary accommodation
- Care packages

14 ENVIRONMENTAL AND DESIGN IMPACT

- 14.1 There are no direct implications contained in this report.

15 CRIME AND DISORDER REDUCTION IMPACT

- 15.1 There are no direct implications contained in this report.

REPORT AUTHOR AND CONTACT: Richard Simpson – Director of Finance & Assets and
Section 151 Officer

BACKGROUND DOCUMENTS: Reference: Departmental Financial Management Pack

Summary outturn by Division

Appendix 1

Department	Division	Outturn Forecast Qtr 1			Position to date			RAG
		Budget	Forecast	Forecast variance	Budget to date	Accrued spend to date	Variance to date	
		£m	£m	£m	£m	£m	£m	
Adult Services, Health and Housing	Housing Management	(0.045)	(0.052)	(0.007)	(0.011)	(0.013)	(0.002)	G
	Housing Needs & Strategy	8.827	9.967	1.140	2.207	2.542	0.335	R
	Directorate	-	-	-	(0.000)	0.022	0.022	G
	Commissioning	106.793	107.140	0.347	26.698	26.629	(0.069)	R
	Personal Support	(4.006)	(2.966)	1.040	(1.002)	0.200	1.202	R
	Public Health	-	-	-	(0.000)	(0.000)	-	G
	Total DASHH	111.569	114.089	2.520	27.891	29.379	1.488	
Children, Families & Learning	Social Care & Family Support	50.184	53.163	2.979	12.645	13.785	1.139	R
	Learning & Inclusion	83.964	85.526	1.562	20.891	21.305	0.415	R
	Community & Support Services	9.533	9.591	0.058	2.383	2.397	0.014	R
	Central Services	7.392	7.392	(0.000)	1.848	1.848	(0.000)	G
	Total CFL	151.073	155.672	4.599	37.767	39.335	1.569	
Development & Environment	Environment	62.752	64.295	1.543	14.362	14.823	0.461	R
	Planning	3.326	3.311	(0.015)	1.638	1.634	(0.004)	G
	Regeneration	3.282	3.285	0.003	1.562	1.563	0.001	A
	Total D & E	69.360	70.891	1.531	17.562	18.020	0.458	

Department	Division	Outturn Forecast position			Position to date			RAG
		Budget	Forecast	Forecast variance before recovery plans	Budget to date	Accrued spend to date	Variance to date	
		£m	£m	£m	£m	£m	£m	
Chief Executive's Dept.	Democratic & Legal	2.819	2.819	-	0.823	0.823	-	G
	HR	(0.995)	(1.085)	(0.090)	0.507	0.484	(0.023)	G
	Equalities & Community Relations	0.072	0.072	-	0.256	0.256	-	G
	Voluntary Sector Funding	1.236	1.236	-	0.295	0.295	-	G
	Chief Executive's Office	0.378	0.378	-	0.090	0.090	-	G
	Finance & Assets	(0.270)	(0.270)	-	2.158	2.158	-	G
	Customer Services & Comms	9.104	8.604	(0.500)	2.361	2.236	(0.125)	G
	Concessionary Fares	14.714	14.714	-	3.679	3.679	-	G
	Strategy, Commissioning, Procurement & Performance	(0.237)	(0.433)	(0.196)	1.099	1.050	(0.049)	G
	Corporate Services	9.302	9.302	-	9.208	9.208	-	G
	Total CED	36.123	35.336	(0.786)	20.476	20.280	(0.197)	
Total	Total All Departments	368.124	375.988	7.864	103.696	107.014	3.318	

HRA Summary

Department	Division	Outturn Forecast position			Position to date			RAG
		Budget	Forecast	Forecast variance before recovery plans	Budget to date	Spent to date	Variance to date	
		£m	£m	£m	£m	£m	£m	
Housing Revenue Account	Croydon Landlord Services	(14.012)	(15.527)	(1.515)	(14.043)	(14.560)	(0.518)	G
	Needs & Strategy	4.691	4.882	0.191	0.924	0.971	0.048	R
	Resources Section	9.321	9.355	0.034	0.146	0.178	0.031	R
	Total HRA	-	(1.290)	(1.290)	(12.972)	(13.411)	(0.439)	

DEPARTMENTAL REVENUE VARIATIONS

Appendix 2

DEPARTMENT OF ADULT SERVICES, HOUSING AND HEALTH

Division	Explanation of variance and movement from previous month	Qtr 1 Variance (£000)	Divisional Total (£000)
Housing Management		-	
	Other minor variances < £100k	(7)	(7)
Needs and Strategy	Housing Solutions - Bed & Breakfast. 1) £1,277k - Whilst there has been no increase in the average numbers of homeless presenting to the Council each week (resulting in an average of 20 acceptances a week), it has become apparent that one of the main pressures for the service is the finding of enough suitable and affordable accommodation to place families as an alternative to self-contained bed and breakfast. This is having the effect of creating a "balloon" of people needing to remain in the more expensive nightly let TA. The issue is also being exacerbated by the increasing numbers of larger families having to be accommodated. The number of units required has increased from 467 per night at the beginning of April 2014 to 547 at the end of June 2014 to accommodate the difficulties in finding additional suitable longer term accommodation. For the forecast outturn, it has been assumed that the current monthly growth over the first quarter will continue at the same rate for the second quarter i.e. increasing to 627 units per night by the end of September 2014, and will then remain constant for the rest of the financial year as new accommodation becomes available.	1,077	
	2) (£200k) - At a recent South East London B&B meeting, the board discussed the possibility of fixing the nightly prices for properties in the inner south east and outer south east region. If agreed, the fixed prices will come into effect from 1st October 2014 which could result in a saving of around £200k in the year on the Bed & Breakfast expenditure. The prices mark a significant reduction in what we are agreeing currently and we are already seeing a culture change across London whereby local authorities are becoming reluctant to outbid each other and engaging in consultation exercises with each other.	(102)	
	Housing Strategy, Commissioning & Standards - Housing Enforcement. The income from Housing Enforcement and HMO Licensing is exceeding the budgeted level resulting in an underspend to the division. It has been assumed that this income will continue throughout the rest of the year resulting in a favourable variance.		
	Other minor variances < £100k	165	1,140
Directorate		-	
	Other minor variances < £100k		-

Commissioning	Mental Health Services: The overspend pressures fall into two main areas: (a) Staffing: A successful recruitment campaign and careful oversight should lead to the staffing budget breaking even at the end of this financial year. (b) Care Packages: Despite rigorous scrutiny at director level of individual residential placement requests, we continue to have a significant projected overspend in this area. Innovation in other areas of mental health is offsetting some of this and there are a series of summits planned throughout the year to look at ways of maximising our efficiencies and focussing on preventing the need for the more expensive forms of care and support. It is hoped that this will enable us to not only cope with ever increasing demand from a population that is living longer with more complex needs, but also try to bring down the projected overspend from current levels.	558	
	Specialist Services: No Recourse to Public Funds - Current forecast reflecting an additional 2 families per month (currently 68) and 1 adult every other month (currently 40), which was the pattern in 13/14. Underspend mainly due to UKBA processing backlog towards end of 13/14 leading to lower initial number of clients, but also due to less costly provision being identified.	(106)	
	Professional Standards: Operational - A recent High Court judgement in addition to the rising demand for safeguarding interventions has resulted in increased demands for both Safeguarding Boards and doctor provided best interest assessments.	141	
	Other minor variances < £100k	(246)	347
Personal Support	Assessment and Case Management and Social Work and Safeguarding Care Packages - this is the prime area of the Department's expenditure. Expenditure remains similar to last year with high demand for services continuing. The department has an extensive efficiency programme which will yield further savings however at this point in year they are not fully quantifiable. This figure includes £340K from the Department of Health for winter pressures care packages and £500K draw down of reablement reserves to fund winter pressures.	1,103	
	Social Work & Safeguarding: Social Work Teams - the costs of locums have not yet been impacted by new council policy to recruit permanent staff.	222	
	Early Interventions & Reablement: Occupational Therapy Pooled Budget - underspend due to staff vacancies on the Pooled Budget and the forecast reflects latest position from our health partners.	(148)	
	Other minor variances < £100k	(137)	1,040
Public Health		-	
	Other minor variances < £100k	-	-
Total Forecast Variance			2,520

CHILDREN FAMILIES AND LEARNERS

Division	Explanation of variance and movement from previous month	Qtr 1 Variance (£000)	Divisional Total (£000)
Social Care & Family Support			
Children in Need Service			
Fostering	1) £2,319k - Direct Placement Costs 2) £234k - Indirect Placement costs 3) (£300k) - Shift from external to in-house placements	2,253	
Adoption	1) £288k - Increase in payment for Adoption, Residence and Special Guardianship orders 2) (£100k) - Generate income from adoption services to other boroughs	188	
Staffing	1) £1,384k - Staff/agency pressure 2) (£461k) - Expedite the recruitment of permanent staff in CIN to reduce the agency premium paid	923	
Children with Disabilities	Anticipated reduction in spend - demand led budget	(193)	
Children Centres	Commission 2 year places at Children Centres and replace DSG with core funding	(342)	
Legal costs	Increase spend	508	
Asylum Seekers	1) (£633k) - Increase the recharge to Asylum to reflect the actual notional spend 2) £257k - Reflect actual cost for "18 plus no recourse" clients	(376)	
	Other minor variances < £100k	18	2,979
Learning & Inclusion			
Inclusion, Learning Access & SEN			
SEN Transport	Managing demand using eligibility criteria and optimisation of routes	1,562	
	Other minor variances < £100k	-	1,562
Community Support Services			
	Other minor variances < £100k	58	58
Directorate			
	Other minor variances < £100k		-
Total Forecast Variance			4,599

DEVELOPMENT AND ENVIRONMENT

Division	Explanation of variance and movement from previous month	Qtr 1 Variance (£000)	Divisional Total (£000)
Environment	Parking Services;- 1) £850k Shortfall in Pay & Display Income 2) (£200k) Further work is about to commence to maximise the benefits associated with the implementation of the new ICT system. It is believed that this work could deliver increased income. However any delay in implementation will reduce this forecast.	650	1,543
	Parking Services - The pressure within the CCTV area of parking enforcement is due to a reduction in CCTV penalty charge notices resulting in an associated reduction in income.	250	
	Highways - Additional income re Insurance High Street Claim now paid	(130)	
	Waste Management;- £388k - Projected shortfall in trade waste income (£100k) - Investigations are under way to attempt to reduce the shortfall in Trade Waste income. A mixture of enforcement and ensuing reduction in landfill costs could potentially deliver savings of £100k.	288	
	Projected increase in tonnage sent to landfill.	400	
	Employee Costs - MEU - Pressure caused by staff post restructuring - awaiting re-deployment / redundancy	129	
	Other minor variances < £100k	(44)	
Regeneration			3
Other minor variances < £100k	3		
Planning			(15)
Other minor variances < £100k	(15)		
Total Forecast Variance			1,531

Division	Explanation of variance and movement from previous month	Qtr 1 Variance (£000)	Divisional Total (£000)
Democratic & Legal		-	
	Other minor variances < £100k	-	-
HR	School Traded Services - additional income	(90)	
	Other minor variances < £100k	-	(90)
Equalities & Community Relations		-	
	Other minor variances < £100k	-	-
Voluntary Sector Funding		-	
	Other minor variances < £100k	-	-
Chief Executive's Office		-	
	Other minor variances < £100k	-	-
Finance & Assets		-	
	Other minor variances < £100k	-	-
Customer Services & Communications	Land Charges - additional income estimate	(500)	
	Other minor variances < £100k	-	(500)
Concessionary Fares		-	
	Other minor variances < £100k	-	-
Strategy, Commissioning, Procurement & Performance	Post deleted - executive director of Corporate Resources and Customer Services (CRCS)	(194)	
	Other minor variances < £100k	(2)	(196)
Corporate Services		-	
	Other minor variances < £100k	-	-

Total Forecast Variance		(786)
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Departmental Total		7,864
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HRA

Division	Explanation of variance and movement from previous month	Qtr 1 Variance (£000)	Divisional Total (£000)
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Landlord Services	Overachievement of Leaseholder Major Works Income	(1,200)	
	Staff Vacancies	(345)	
	Other minor variances < £100k	30	(1,515)
Needs & Strategy	Staff Vacancies	(121)	
	Overspend on Legal and professional Services	490	
	Third party payments to Contractors	(110)	
	Other minor variances < £100k	(68)	191
Finance Section			
	Other minor variances < £100k	34	34
Total Forecast Variance			(1,290)

Department Capital Variances greater than £100K & slippage

Appendix 3

The tables below show the capital schemes for 2014/15 with variance greater than £0.1m. where schemes funded from our own resources

Summary of 2014/15 forecast capital overspend variances greater than £0.1m

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
-	-	-	-	-	
Total overspend where scheme's forecast overspend is over £0.1m				0.000	

Summary of 2014/15 forecast capital overspend variances greater than £0.1m where schemes funded from external resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Total overspend where scheme's forecast overspend is over £0.1m				0.000	

Summary of 2014/15 forecast capital underspend variances greater than £0.1m where schemes funded from own resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Total underspend where scheme's forecast underspend is over £0.1m				0.000	

Summary of 2014/15 forecast capital slippage greater than £0.1m where schemes funded from own resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £'000s	RAG

Improving Our Assets	Schools Major Maintenance - various heating schemes	Delays in programme	Delays in meeting procurement dates have meant that heating works originally scheduled for the summer of 2014 have now been delayed until summer 2015.	-1,125	G
Improving Our Assets	SEN - Beckmead SEN school at Tennison Rd	Delays in programme	Required changes to design have led to delays in the project	-5,814	G
Improving Our Assets	Howard Primary	Delays in programme	Project severely delayed, first by an unsuccessful judicial review and then by the discovery of structural issues	-1,067	G
Improving Our Assets	Refurbish Mortuary	Delays in programme	Project delayed due to the complexity of moving the Bereavement Service whilst the works are being carried out	-534	G
Total slippage into future years where scheme's forecast slippage is over £0.1m				-8,541	

Summary of 2014/15 forecast capital slippage variances greater than £0.1m where schemes funded from external resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £'000s	RA G
Improving Our Assets	Various primary and secondary schools funded from TFBN (targeted funding basic needs) grant	Delays in programme	Delays in acquisition of land and buildings as well as the need to redesign certain schemes have resulted in significant delays to these schemes.	-26,043	G
Improving Our Assets	Selsdon Academy	Delays in programme	Delays in programme due to complexities of letting a joint contract for the Academy and the Sports Centre	-137	G
Total slippage into future years where scheme's forecast slippage is over £0.1m				-26,179	G