

REPORT TO:	CABINET 22 FEBRUARY 2016
AGENDA ITEM:	8.3
SUBJECT:	QUARTER 3 FINANCIAL PERFORMANCE 2015/16
LEAD OFFICER:	RICHARD SIMPSON ASSISTANT CHIEF EXECUTIVE (CORPORATE RESOURCES AND SECTION 151 OFFICER)
CABINET MEMBER:	CLLR TONY NEWMAN LEADER OF THE COUNCIL CLLR SIMON HALL, CABINET MEMBER FOR FINANCE AND TREASURY
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT:

The recommendations in the report will help to ensure effective management, governance and delivery of the Council's medium term financial strategy and ensure a sound financial delivery of the 2015/16 in-year budget. This will enable the ambitions for the borough for the remainder of this financial year to be developed, programmed and achieved for the residents of our borough.

AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS:

Strong financial governance and stewardship ensures that the Council's resources are aligned to enable the priorities, as set out in the Corporate Plan 2015 -2018, to be achieved for the residents of our borough and further enables medium to long term strategic planning considerations based on this strong financial foundation and stewardship.

FINANCIAL IMPACT

Since the Council set the 2015/16 budget there have been a number of policy changes made by Government that will impact on the 2015/16 budget and are expected to increase the pressure on the budget of the Council.

These continuing cuts to funding for Croydon detailed above alongside the increasing demand on a range of statutory services that the Council provides has led to a pressure on the 2015/16 budget.

The Council has also put in place a number of in-year actions to help manage the financial position, the effects of have been included within the forecast position. The current financial position and options are set out clearly in this report.

The projected revenue outturn for 2015/16 is **£0.6m** greater than budget. The projected outturn position has improved by **£1.617m** from the Quarter 2 position reported to Cabinet in December.

If the projected outturn became the final outturn there would need to be a contribution of **£0.6m** from useable reserves. This would be if no further corrective action were taken over the remainder of the year.

The Housing Revenue Account is projected to underspend by £2.7m in 2015/16.

FORWARD PLAN 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

Cabinet is recommended :-

- i) Note the current outturn forecast at the end of the third quarter of 2015/16 of **£0.602m** over budget, and the actions put in place to reduce the overspend;
- ii) Note the HRA position of a **£2.700m** forecast underspend against budget.

2. EXECUTIVE SUMMARY

- 2.1 This report updates the Council's financial outlook at the end of the third quarter of 2015-16, which remains against a context of a series of adverse national funding changes affecting Local Government finance.
- 2.2 Since the start of the financial year, financial monitoring had identified pressures within the People department, largely as a result of a continued growth in demand for both Children and Adult social care placements. Actions were put in place across the organisation, which had a particular focus on staffing savings which include a council wide recruitment pause, further action on agency staff and a council wide voluntary severance scheme. In addition specific actions have been put in place in the People department. This early action has pulled the position back to a very small overspend forecast of £0.602m at quarter 3. If progress continues at the current pace it is expected that by the end of the year this may have been removed altogether.
- 2.3 In addition to demand pressures, there have also been a number of policy changes and grant cuts made by Government that are requiring the Council to make some difficult choices, that has made balancing the budget even more challenging. These have been identified in detail in previous reports to Cabinet on our Financial Performance. By way of an update we remain in dialogue with the Home Office and now expect to have move to a position where this is not a pressure in 2015/16. All other issues are now picked up in the forecast position.

2.4 Projected Outturn

The Council's overall forecast over spend of £0.602m is made up of Departmental over spends of £10.390m; offset by non-departmental underspends of £9.788m as shown in Table 1 below:

Table 1 – Summary of forecast revenue outturn position at Quarter 3:

Department	Forecast Variance £'000s
People	11,881
Place	(261)
Resources	(1,230)
Departmental Position	10.390
Non-departmental budgets	(9,788)
Total Projected Over-spend	602

Details of major variances are provided in Table 3, Section 4 of this report, with further information about all projected outturn variances available in Appendix 1 to this report.

3. GENERAL FUND 2015/16 REVENUE SUMMARY

- 3.1 The projected outturn position at the third quarter of 2015/16 is showing the effect of saving and recovery plans that have been implemented throughout the year.
- 3.2 The People Department, which contains the majority of overspending areas of the Council, has improved by **£0.960m**. The projected People department overspend in 2015/16 is **£11.881m** and is mainly due to the following four areas set out in Table 2 below: -

Table 2 – 2015/16 Significant Demand Pressures within the People Department

Service	Forecast Quarter 3 Variance 2015/16 £'000s	Forecast Quarter 2 Variance 2015/16 £'000s	Movement Between Q2 and Q3 £'000s	Outturn variance 2014/15 £'000s	Demand Pressure / Reason for movement
Looked After Children	3,134	1,875	1,259	3,648	Additional demand pressure has been caused by new high cost placements during the year, and additional pressure arising from no resource to public funds cases
Transport Services	1,479	1,504	-25	1,568	There has been year-on-year growth on demand and pressures due to previous supplier issues. Impact of new contract framework from Sept 2015 is now taking effect.
Adult Placements	5,527	6,618	-1,091	4,779	Population increase in the borough, alongside increase in number of complex cases. The impact of the recruitment freeze is now taking effect in the projected outturn position.
Temporary Accommodation	2,653	3,782	-1,129	1,479	Increasing demand notably as a result of changes to the welfare system, though additional funding identified
Total	12,793	13,779	-986	11,474	

- 3.3 With the exception of the Looked After Children service, the demand pressures identified within Table 3 above are beginning to show the results of actions implemented during the year to control over-spends.
- 3.4 The Looked After Children Service continues to face financial pressures from supporting individuals with no resource to public funds. This pressure is increasing as the Home Office has increased the speed of determinations of no resource, but the number of deportations lags behind, resulting in increased numbers being supported by the Council.
- 3.5 Medium term strategies reported in the Quarter 2 performance report continue to be pursued, and updates to these are provided below:

Think Family / top 50 families

- A holistic review of the highest costing families has now taken place, and developed a series of recommendations for officers to carry out;
- Themes include review of commissioning arrangements, and increasing flexibility of current processes to enable a better outcome for those families'.

Looked After Children

- We continue to reduce the numbers of indigenous looked after children, reduce the use of Independent Foster Agencies by increasing in-house capacity, continue contract renegotiations and improve the proportion of substantive social work staff.

Transport Services.

- Transport services provided across the Council have been integrated into a single service. Savings in transport for children with SEN are being achieved through applying the strategies in the September 2015 Cabinet report.

Gateway Prevention

- The Gateway concept is now moving to Phase 2, which will: review and validate financial savings; design and pilot process flow operational changes, and begin scoping work around Adult Social Care.

Housing

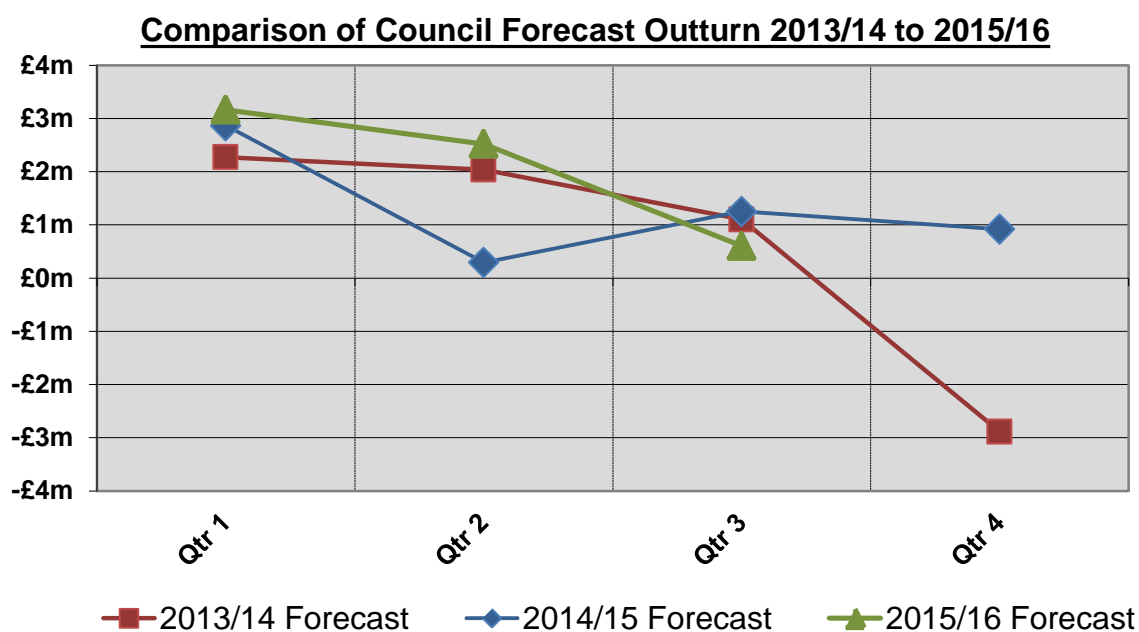
- Additional temporary accommodation has now become available following the re-development of Windsor House. We have put in place a range of other strategies, including more effective triaging in housing assessment (now part of Gateway), improving housing benefit income on split rooms, have increased negotiation with private landlords to increase supply and repackaged leasing products.

Adult Social Care

- We are securing efficiencies through a range of measures including ending of 6 weeks free home care for non-eligible cases, reviewing Ordinary Residence cases and reviewing the top 20 most costly LD placements.
- In addition to the above, a range of medium-term demand management strategies are being put in place across all the above services.

4. GENERAL FUND REVENUE SUMMARY POSITION 2015/16

4.1 Graph 1 below shows the movement of forecast variances for 2015/16 compared to previous years. The Council continues to manage its finances through the rigorous monitoring and control of spending within the framework of the Financial Strategy. This is why the forecast position improves by the 3rd and 4th quarter as shown below.



4.2 Major Variances 2015/16

The key variances being reported at Quarter 3 are summarised in Table 3 below:

Table 3 – Major Variances over £500k

Department	Major Variances over £500k	Quarter 3 £'000	Quarter 2 £'000
PEOPLE			
Integrated Commissioning Unit	Increased demand for equipment, shortfall in income from service users, as well as a shortfall in the anticipated saving from the Local Authority Trading Company	550	481
Adult Social Care	Continued rise in demand for services, and vacancies being filled by agency workers resulting in additional staffing costs. Reductions in overspends due to: transfer of Adult transport costs to the Directorate (£521k), additional Deprivation of Liberty Safeguarding grant income (£127k) and Independent Living Fund grant (£118k) as well as the impact of the recruitment freeze.	5,527	6,618

Department	Major Variances over £500k	Quarter 3 £'000	Quarter 2 £'000
Children's Social Care	Continued pressure arising from increased Special Guardianship Order numbers, adoption allowance payments to carers, and the increase in high cost placement numbers. Staffing costs increased due to the use of agency staff to fill vacancies. Increases from Quarter 2 due to: additional agency staffing agreed prior to recruitment freeze (£260k); additional numbers of people with no resource to public funds who have not yet been deported being supported by the Council (£441k) as well as a number of smaller pressures within the Safeguarding service.	3,134	1,874
Croydon Transport Services	This service now incorporates all strands of transport provision by the Council: SEN, Adult and the Priory transport service, pending a council wide review of the transport service. Demand for transport services remain high, though the position continues to improve from the previous quarter following the commencement of the contract framework on 1st September 2015.	1,479	1,504
Early Intervention & Support Services	Projected underspends in relation to "best start" commissioning delays, as well as the delay in filling vacant posts.	-1,581	-1,026
Temporary Accommodation	Increasing demand arising as a result of the housing benefit cap, resulting in the need for additional placements and staff to manage demand. The position has reduced as a result of a realignment of projected case numbers (£400k), public health funding to provide targeted health interventions for those most at risk of homelessness (£429k) and additional homelessness grant (£200k)	2,653	3,782
	People Department Variances below £500k	119	-392
PEOPLE Total		11,881	12,841
PLACE			
	Additional Planning Income	-673	-
	Place Department Variances below £500k	412	-200
PLACE Total		-261	-200
RESOURCES			
	Finance and Assets – underspends on Business Rates charges across the corporate estates following successful appeal challenges.	-777	-
	Legal Services – over-achievement of legal income	-624	-505
	Resources Department Variances below £500k	171	-497
RESOURCES Total		-1,230	-1,002

Department	Major Variances over £500k	Quarter 3 £'000	Quarter 2 £'000
NON DEPARTMENTAL BUDGETS			
	Use of contingency	-1,000	-1,000
	Interest Payable savings	-2,668	-1,500
	Minimum Revenue Provision (MRP)	-3,000	-3,000
	Additional Grant Income	-1,500	-1,500
	Collection Fund surplus	-2,500	-2,500
	Non controllable overspends within CALAT and Looked After Children	880	880
	Anticipated prudent impact of in-year recovery actions	-	-500
NON-DEPARTMENTAL BUDGETS TOTAL		-9,788	-9,120
TOTAL VARIANCE		602	2,519

- 4.3 Previous financial performance reports have set out the in-year actions put in place to address the projected over-spend. These actions have had an impact on reducing the over spend, and have been included within the forecast outturn position contained in this report.
- 4.4 The final impact of the voluntary severance programme is not yet known, though it is anticipated to improve the final quarter's outturn position through reduced staffing costs in March.

5 VIREMENTS OVER £500K REQUIRING CABINET APPROVAL

- 5.1 There have been no virements during Quarter 3 that require the approval of cabinet.

6. HOUSING REVENUE ACCOUNT (HRA)

- 6.1 The current forecast for the HRA is for an estimated underspend of £2.7m. The favourable in-year position remains set against the uncertainty around the impact of proposed funding changes announced by the Government, that were set out in the Autumn Statement. Further details of these policy changes and their impact can be found in the budget report, agenda item 8.1
- 6.2 The key variances being reported at Quarter 3 are summarised in Table 4 below:

Table 4 – 2015/16 Main variances within the HRA

Department	Major Variances	Quarter 3 £'000
HRA – PEOPLE		
	Increased income from estate based services	-472
	Improved recovery of rent and service charge income	-260
	Minor Variances under £100k	180
HRA - PEOPLE Total		-547
HRA - PLACE		
	Efficiencies on Responsive repairs contract	-500
	Minor Variances under £100k	-260
HRA - PLACE Total		-760
HRA - NON DEPARTMENTAL ITEMS		
	Contingency underspend	-1,424
HRA - NON-DEPARTMENTAL BUDGETS TOTAL		-1,424
TOTAL HRA PROJECTED VARIANCE		-2,731

6.3 The council's HRA rent collection performance is shown in Table 5 below. There has been an improvement in collection over the last quarter with the rent collection rate now exceeding target, and in line with the 2014/15 collection.

Table 5 – Rent Collection Rates as at 30th December 2015

	Target	Actual	Variance (%)
Rent Collection Rate	98.2%	98.7%	(+0.5%)
Rent Collection Amount	£65.13m	£64.32m	(£0.81m)
Target	98.2%		
Performance 2014/15	98.7%		

7. FORECAST CAPITAL OUTTURN POSITION

7.1 The Capital programme for 2015/16 shown in Table 6 below. An under spend of £27.0m is projected for 2015-16.

Table 6 – 2015/16 Capital Programme

Original 2015/16 Budget	Category	Slippage from 2014/15	Re-profiling / Increases in Schemes	Revised Budget 2015/16	Actuals April-Dec 2015	Forecast Outturn	Forecast Variance
£'000s		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
PEOPLE DEPT							
1,600	Adult Social Care - ICT / South West London Partnership / Disabled Facilities Grants	700	769	3,069	1,048	2,860	-209
0	Education - Academies Programme	3,859	- 3,290	569	196	569	0
0	Education – DDA	251	3	254	38	92	-162
3,250	Education - Fixed term expansion	2,359	- 1,858	3,751	1,431	3,263	-488
3,125	Education - Major Maintenance	1,508	- 1,149	3,484	2,733	3,670	186
2,300	Education - Miscellaneous	2,938	- 2,339	2,899	0	2,202	-697
45,207	Education - Permanent Expansion	20,856	- 37,090	28,973	11,404	20,176	-8,797
15,152	Education - Secondary Schools	4,977	- 7,964	12,165	9,450	12,165	0
15,874	Education - Special Educational Needs	12,940	- 22,316	6,498	2,401	6,386	-112
86,508	People sub-total	50,388	-75,234	61,662	28,701	51,383	-10,279
PLACE DEPT							
0	Bereavement Services	19	0	19	0	0	-19
0	East Croydon Station Bridge	1,200	0	1,200	0	1,200	0
3,000	Fairfield Halls	1,649	0	4,649	1,239	4,649	0
0	Feasibility Fund	118	0	118	59	122	4
6,000	Highways Programme	0	0	6,000	4,086	6,000	0
0	Highways - Bridges Prog	642	0	642	111	642	0
0	Parking	107	0	107	10	111	4
7,429	Public Realm	6229	2,000	15,658	9,661	14,383	-1,275
3,336	TFL - Local Implementation Programme	0	- 229	3,107	-411	2,908	-199
0	Transforming Our Space	189	0	189	447	447	258
0	Revolving Investment Fund	0	11,195	11,195	7,550	9,621	-1,574
0	Wandle Park	24	- 24	0	57	138	138
500	Empty Homes Grant	0	0	500	1,448	1,448	948
750	Salt Barn	0	0	750	0	750	0
670	New Addington Leisure Centre	0	330	1,000	0	757	-243
2,160	Waste and Recycling Investment	0	0	2,160	0	810	-1,350
233	Measures to mitigate travellers in parks and open spaces	0	0	233	0	75	-158
264	Thornton Heath Public Realm	0	0	264	7	100	-164
500	Ashburton Library	0	- 410	90	9	65	-25

Original 2015/16 Budget £'000s	Category	Slippage from 2014/15 £'000s	Re-profiling / Increases in Schemes £'000s	Revised Budget 2015/16 £'000s	Actuals April-Dec 2015 £'000s	Forecast Outturn £'000s	Forecast Variance £'000s
0	Section 106 Schemes	1,011	- 21	990	146	468	-522
120	Ward Based Programme	0	0	120	0	120	0
24,962	Place sub-total	11,188	12,841	48,991	24,419	44,814	-4,177
RESOURCES DEPT							
2,530	Corporate Property Maintenance Programme	7,686	0	10,216	1,315	3,027	-7,189
1,500	ICT	1,193	0	2,693	200	2,693	0
0	Miscellaneous Other	110	0	110	38	110	0
4,030	Resources sub-total	8,989	0	13,019	1,553	5,830	-7,189
115,500	General Fund total	70,565	-62,393	123,672	54,673	102,027	-21,645
HOUSING REVENUE ACCOUNT							
40,621	Housing Revenue Account	2,336	0	42,957	17,603	37,552	-5,405
156,121	Capital Programme Total	72,901	-62,393	166,629	72,276	139,579	-27,050

7.2 The main variances are the Education Permanent Expansion programme (£8.798m underspend), the Corporate Property Maintenance Programme (under-spend of £7.189m) and the HRA new build programme (under-spend of £5.405m)

7.3 The key projects making up the Education Permanent Expansion underspends are set out below:

- Canterbury Road, West Thornton (£2.657m) – delays incurred through the pre-construction stage due to planning and highways issues. This project is now likely to be completed by Summer 2017
- St Josephs High School and other Central Croydon sites (£2.124m) – these projects are not now proceeding, and un-used budget has been transferred to Fiveways, a project which has been introduced into the programme in order to ensure that sufficient pupil places are available appropriately

7.4 The underspend on Corporate Property Maintenance Programme is a result of delayed implementation of Phase 2 of the RE:FIT programme. Once demand in the second phase is fully understood, the Capital budget will be re-profiled across the coming years to reflect the project plan.

7.5 The Council is considering the best use capital resources in relation to the Waste and Recycling investment programme, pending the outcome of Phase C procurement project being carried out by the South London Waste Partnership. This includes a number of services including waste collection, street cleaning and commercial waste.

8. FINANCIAL MANAGEMENT

- 8.1 The Council Tax and Business Rates are two key income streams for the Council. Collection rates for the current year are show in Table 7 below:

Table 7 - Council Tax and National Non Domestic Rates collection

	Target collection– year to date %	Actual collection – year to date %	Variance to target – year to date %	Variance to Q3 - last year %
Council Tax	82.35	81.43	-0.92	-0.84
Business Rates	82.79	83.10	0.31	0.52

Council Tax

- 8.2 Council tax collection is down against target by -0.92% at the end of December 2015. Collection figures have been lower than budget and last year's throughout 2015-16, because collection figures were boosted in 2014-15 by the award of a pre-payment to all council tax payers.
- 8.3 However, receipts between January and March are anticipated to be 1.54% higher than for the same period in 2014-15, and overall collection of this year's council tax within this financial year is projected achieve the target of 96.7%.

National Non-Domestic Rates

- 8.4 Business rates collection at the end of December is above target by 0.31%. Collection for this year remains consistent and the forecast outturn is positive; recovery action continues to be robust whilst the service looks to support smaller businesses that are struggling, awarding relief and agreeing payment arrangements where appropriate.

9. CONSULTATION

- 9.1 All departments have been consulted during the preparation of this report.

10. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 10.1 This report sets out the current financial position of the Council, and actions being taken to address the projected overspend.

The report is submitted by the Assistant Chief Executive Corporate Resources and Section 151 Officer

11. COMMENTS OF THE BOROUGH SOLICITOR AND MONITORING OFFICER

- 11.1 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 Borough Solicitor and Monitoring Officer.

12. HUMAN RESOURCES IMPACT

- 12.1 The items from the 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 a significant HR impact. These can vary from posts not being filled as a result of the current recruitment pause in place across the organisation or deleted through restructures proposals leading to possible redundancies. Where that is the case, the Council's existing policies and procedures must be observed and HR advice must be sought. In addition, there is currently a voluntary severance scheme in place which will lead to further redundancies.

Approved by Adrian Prescod, HR Business Partner, for and on behalf of Director of HR, Resources department.

13 EQUALITIES IMPACT

- 13.1 The key service areas that currently have over spend in budgets are Looked after children, SEN transport, Adult Care Placements and Temporary Accommodation. All of these are areas that provide services to customers from equality groups that share protected characteristics; such as younger people (Looked after Children), people with a disability (Children with special educational needs), older people and BME groups. There are a number of known equality and inclusion issues in the above mentioned service areas such as an over-representation of BME young people in looked after children, over-representation of BME groups and other vulnerable groups such victims of domestic abuse, homeless young people, pregnant women and young children in temporary accommodation, young children with a disability who have a special educational needs and their carers, vulnerable older people with complex needs etc. The mitigating actions, on these specific services are unlikely to affect these groups more than the population as a whole. In fact, a number of those will affect these groups less.
- 13.2 In addition, there are policy changes made by Government that will impact on the in-year budget . The Council will work to ensure key services to Croydon residents are protected wherever possible. However, it is likely that some of the areas affected will be a reduction in Home Office funding for Unaccompanied Asylum Seeking Children, a cut to the Public Health Grant and the Youth Justice Board grant and changes to the Welfare and Housing Bill . There is a likelihood that these cuts will have a more significant adverse impact on some groups that share a protected characteristic such as age, race and disability. Changes to the Welfare and Housing Bill are also likely to have an adverse negative impact on the more vulnerable customers.
- 13.3 In order to ensure that our vulnerable customers that share a "protected characteristic" are not disproportionately affected by the actions proposed to reduce in year budget over spend we will ensure that the delivery of the cost reduction initiatives are informed by a robust equality analysis of the likely detrimental impact it could have on all services users and in particular those that share a "protected characteristic".
- 13.4 If the equality analysis suggests that the cost reductions initiatives are likely to disproportionately impact on particular group of customers, appropriate mitigating actions will be considered. This will enable the Council to ensure that it delivers the following objectives that are set out in our Equality and Inclusion Policy:
- Make Croydon a place of opportunity and fairness by tackling inequality, disadvantage and exclusion.
 - Encourage local people to be independent and resilience by providing responsive and accessible services offering excellent customer care

- Foster good community relations and cohesion by getting to know our diverse communities and understand their needs.

14. ENVIRONMENTAL 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.

16. REASONS FOR RECOMMENDATION /PROPOSED DECISION

16.1 Given the current in year-position Executive Leadership Team have been tasked to identify options to achieve a balanced year-end position.

17. OPTIONS CONSIDERED AND REJECTED

17.1 Given the current in year-position Executive Leadership Team have been tasked to identify options to achieve a balanced year-end position. The alternative would be to over-spend and draw down on balances, which would not be prudent.

CONTACT OFFICER:

Richard Simpson Assistant Chief Executive (Corporate Resources and Section 151 Officer). Tel number 020 8726 6000 ext 61848

BACKGROUND PAPERS - none

REVENUE VARIATIONS OVER £100K WITH EXPLANATION

Appendix 1

PEOPLE DEPARTMENT

Division	Explanation of variance	Qtr 3 Amount (£000)
Integrated Commissioning Unit	Reduction in income from service users. Overspend on the Equipment budget as a result in increased demand. Shortfall in saving from LATC	550
Personal Support	Increased demand for services regarding Learning Disability 2015/16 savings not being delivered Costs associated with outstanding Ordinary Residence cases	1,991
	Additional cost of agency staff in Older People, Increases in Section 117 after care packages, and cost of supporting people packages continues to exceed budgetary provision. Overspend has reduced by £314k due to independent living fund grant income	2,840
	Physical disability service is under greater pressure substance misuse clients, as well as increases in staffing costs	696
	Sub-total Adult Social Care	5,527
Children In Need	Staff Changes in October, agreed prior to the recruitment freeze Movement is staffing costs - agency premium	1,101
Looked After Children	Change in placement strategy resulting in more children placed with in house foster carer, along with an increase in Adoption and Special Guardianship Orders. Additional staff costs as a result of using agency staff to fill vacancies and cover increase in service demand	1,622
Safeguarding	Agency staffing / unfunded posts / additional consultancy	411
	Sub-total Children's Social Care	3,134
Early Intervention and Support Service	Use of previously received external funding associated with the Troubled Families programme	-1,581
Croydon Transport Services	Combination of Special Educational Needs transport and adults transport over spends due to additional demand.	1,479
Gateway and Welfare	This service now incorporates the overspends in relation to Bed & Breakfast, as part of the strategy to manage this function holistically as part of the wider Gateway & Welfare service	2,084
Housing Need	Increase in number of homeless clients.	569
	Other variances below £100k	119
	Total Forecast Variance – People Department	11,881

PLACE DEPARTMENT

Division	Explanation of variance	Qtr 3 Amount (£000)
Streets	Household Reuse and Recycling Centres income not deliverable in this year due to contractual delays	230
	Shortfall in New Street Works Act Fees, this is due to reduction in permit applications from utility companies.	100
	Additional Traffic Management Order income from backlog of TMO notice invoicing	(200)
	One off rebate in Traffic Signals Costs from TFL	(120)
	Other Minor Variances < £100k	188
	Sub-total Streets	198
Safety	Reduction in PCN income due to CCTV legislation changes offset by increase in Pay & Display income mainly due to cashless parking	456
	Other Minor Variances < £100k	289
	Sub-total Safety	745
Planning	Additional Planning Income	(578)
	Other Minor Variances < £100k	(95)
	Sub-total Planning	(673)
District Centres & Regeneration & Development	Additional Capital Delivery Hub recharges to capital	(120)
	Other Minor Variances < £100k	(123)
	Sub-total District Centres, Regeneration & Development	(243)
Housing Central Costs & Directorate	Other Minor Variances < £100k	(288)
	Total Forecast Variance – Place Department	(261)

RESOURCES DEPARTMENT

Division	Explanation of variance	Qtr 3 Amount (£000)
Finance & Assets	Refunds on Business Rates across the corporate estate	(777)
	Other Minor Variances < £100k	309
	Sub-total Finance & Assets	(468)
Customer Transformation	Other Minor Variances < £100k	100
Strategies, Communities & Commissioning	Other Minor Variances < £100k	0
Democratic & Legal	Over-achievement of legal income	(624)
	Other Minor Variances < £100k	119
	Sub-total Democratic & Legal	(505)
Human Resources	Other Minor Variances < £100k	(107)
Public Health	Other Minor Variances < £100k	(250)
	Total Forecast Variance - Resources	(1,230)

NON DEPARTMENTAL ITEMS

Division	Explanation of variance	Qtr 3 Amount (£000)
Non-departmental	Use of contingency budget	(1,000)
	Interest borrowing costs lower than projected, due to slippage within the capital programme	(2,668)
	Minimum Revenue Provision (MRP) costs lower than projected, due to slippage within the capital programme	(3,000)
	Additional government grant anticipated	(1,500)
	Anticipated surplus on the Collection Fund	(2,500)
	Non controllable overspends within CALAT and Looked After Children	880
	Total Forecast Variance – Non-departmental	(9,788)
	Total Overspend	602