

Report for: Cabinet 12th September 2017

Item number: 9

Title: 2017/18 Quarter 1 (to June 2017) Finance Report

Report authorised by: Clive Heaphy, Chief Finance Officer and Section 151 Officer

Lead Officer: Oladapo Shonola – Lead Officer – Budget & MTFS Programme

1. Describe the issue under consideration

- 1.1. This report sets out the 2017/18 Quarter 1 (Q1) financial position; including Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG).
- 1.2. To consider the proposed management actions set out in this report and approve the budget adjustments (virements) in Appendix 4 as required by Financial Regulations.

2. Cabinet Member Introduction

- 2.1. Haringey Council, like others, faces significant challenges in delivering high quality but financially sustainable services. By focussing on our key priority areas and driving improved outcomes at lower cost, we aim to achieve that balance in spite of increased demand across all of our services. We have a well-developed savings plan across all Council services which is managed and monitored to ensure that it is delivered effectively.
- 2.2. This budget monitoring report covers the financial year position for Q1 of 2017/18. The report focuses on significant budget variances including those arising as a result of non-achievement of Cabinet approved Medium Term Financial Strategy (MTFS) savings.
- 2.3. The report provides a snapshot of the revenue position at Priority level and for the Council as a whole. It highlights budget pressures, budget risks and significant over/under spends. Where there are budget pressures, the directors and assistant directors are expected to identify mitigating actions and develop action plans to bring overspend positions back in line with approved budgets.
- 2.4. At the end of Quarter 1 (Period 3), the Council is projected to overspend by £6.6m in 2017/18. The General Fund is projecting overspend of £6.2m and the HRA £0.4m. The majority of the overspend in the General Fund relate to demand pressures in key frontline services such as:
 - Priority 1 (Children's) - £3.2m;
 - Priority 2 (Adults) - £1.2m;
 - Priority 5 (Temporary Accommodation) - £0.8m.
- 2.5. The Council has implemented a risk based approach to budget monitoring across its services this financial year. The approach ensures the Council

focuses effort on monitoring those higher risk budgets due to their value, volatility and social impact along with the monitoring of Cabinet approved savings.

2.6. Each Priority area has provided commentary that explains the reason for significant variances where the difference between forecast outturn and approved full year budget is more than £100k or higher than 10% of approved budget.

2.7. Given the level of savings proposals identified to be delivered in 2017/18, there is a RAG rating specifically related to the delivery of the savings. The RAG status takes account of risk of delivering the full savings in the year and risk of delay to give an overall risk rating. The rating is as follows:

Green: The risk is tolerable and requires no action unless status increases.

Amber/Green: The risk requires active monitoring but does not currently require mitigating action.

Amber/Red: Mitigating action is required and active monitoring should take place with immediate escalation if the position does not improve or deteriorates.

3. Recommendations

3.1. That Cabinet:

- i. Note the Q1 forecast revenue outturn for the General Fund of £6.2m overspend, including corporate items. (Section 6, Table 1 and Appendix 1);
- ii. Note the net HRA forecast position of £0.4m overspend. (Section 7, Table 2 and Appendix 2);
- iii. Note the latest capital position with forecast capital expenditure of £66.5m in 2017/18. (Section 9, Table 3);
- iv. Note the risks and mitigating actions identified in the report in the context of the Council's on-going budget management responsibilities/savings, as detailed in Appendices 3 (a) (g);
- v. Endorse the measures in place to reduce overspend in service areas; and
- vi. Approve budget virements set out in section 11 and Appendix 4 of this report.

4. Reason for Decision

- 4.1. A strong financial management framework, including oversight by Members and senior management, is an essential part of delivering the Council's priorities and statutory duties.

5. Alternative Options Considered

- 5.1. This is the 2017/18 Quarter 1 budget monitoring financial report. As such, there are no alternative options.

6. Background Information

Budget Monitoring Overview

- 6.1. As at 30st June 2017 (Quarter 1) of the financial year ending 2017/18, the Council's projected overspend on its revenue budget of £6.6m (including £0.4m for HRA).
- 6.2. Table 1 below sets out financial performance at priority level. A detailed analysis at directorate level is attached at Appendix 1.

Table 1 – Revenue Budget Monitoring Forecast for Quarter 1 2017/18

Priority	Revised 2017/8 Budget	Quarter 1 Outturn Forecast	Quarter 1 Forecast to Budget Variance
	£'000	£'000	£'000
PR1 Children's	64,247	67,447	3,200
PR2 Adults	93,970	95,226	1,256
PR3 Safe & Sustainable Places	26,303	27,399	1,096
PR4 Growth & Employment	9,251	9,425	174
PR5 Homes & Communities	20,415	21,200	785
PRX Enabling	41,576	41,286	-290
General Revenue Total	255,762	261,983	6,221
PR5 Homes & Communities (HRA)	-48	363	411
Haringey Total	255,714	262,346	6,632

7. Revenue Finance Overview

- 7.1. A summary of outturn position for each priority area is as follows:

PRIORITY 1

Overspend £3.2m

- 7.2. Children's residential – forecasting an overspend of £1.3m. The variance to budget in this areas is due to the average unit cost of placements being more than what was budgeted. Although the budgeted number of Looked After Children (LAC) is increasing, the average unit cost for residential placements is approximately £400 more than the budgeted unit cost. The

cost drivers for this budget are volume and price, and variations in price can significantly affect the outturn, particularly for residential placements which often relate to complex needs. Finance is working with the service to regularly review the high cost placements and the service continues to explore opportunities for alternative provision at reduced cost (whilst still meeting the primary needs of the service user), and without compromising the required outcomes.

- 7.3.** Young Adults – forecasting an overspend of £1.3m. MTFS savings for Supported Housing Review, which was profiled into 2017/18 will now be re-profiled into 2018/19. This accounts for £0.6m of the reported overspend. The residual overspend is due to current commitments for housing related services and additional support for young adults, which exceeds the budget. The service is reviewing all the end dates for service users to ensure that commitments are accurately reflected in the projected outturn, and it is anticipated that the reported overspend will move favourably in the next period once this exercise is completed.
- 7.4.** First Response – forecasting an overspend of £1.0m. There are currently a high number of agency staff within the service covering vacancies and suspensions. However, there are a number of permanent recruitments scheduled and there is a planned review of the agency forecasting model to ensure that this is as accurate as possible. This will be factored into the next budget monitoring report.
- 7.5.** Early Help and Prevention is forecast to overspend by £0.13m due to the delay in the delivery of savings within Family Support and Special Educational Needs. This is partly offset by underspends within Targeted Response and Early Help budgets.
- 7.6.** The sums above are netted off against other minor variances totalling £0.17m.

PRIORITY 2

Overspend £1.2m

- 7.7.** Adults Social Services are reporting budget pressures in the following areas:
- 7.8.** £0.7m Osborne Grove Nursing Home - due to concerns around quality of care provision, a restriction is in place on placing new clients in the home which in turn causes several pressures including the cost of finding alternative provision, the loss of client contributions and a loss of health funding for purchased beds.
- 7.9.** £2.0m demand pressures on care packages arising from – demand which is above the planned MTFS trajectory particularly for younger clients with Learning Disability Support needs and older clients with Physical Support needs; re-provisioning costs of finding alternative service provision for those clients whose needs were previously met through in-house services are higher than anticipated; delays in the closure of in-house services have meant that staffing and premises costs are being incurred for a longer period than was planned and expected reductions achievable through re-provisioning have been delayed.

7.10. In-year pressures are being mitigated through the release of 2 provisions totalling £1.30m –

- Haynes Centre £0.66m - the provision relates to a long standing dispute with Haringey CCG over the liability for rental costs at the Haynes Centre. Based upon current advice from Legal and Property Services that the council is not liable for these costs, this provision can be released.
- Care packages £0.64m – the provision was established in 2016/17 and relates to potential liabilities for committed homecare hours. Based on a reassessment of potential exposure, this provision can be released.

7.11. A range of other minor variances net off to an underspend of £0.2m.

PRIORITY 3

Overspend £1.1m

7.12. The service is forecasting a £1.1m overspend having put in place an action plan to mitigate some of the other budget pressures that are being managed.

Corporate Related Variances:

7.13. £0.66m contractual inflation and £0.30m energy inflation will be corporately funded.

Service Contained Variances:

7.14. The final decision to move the Spurs football matches to Wembley this season was not confirmed until April 2017, which was subsequent to the budget preparation process, therefore the projected income levels from PCN On Street parking are less than budgeted. The service is looking to mitigate this risk through savings from essential permits. There is however a delay to this because the proposal for savings on essential permits is going through statutory consultation and will result in a shortfall in income within the range of £0.20m to £0.40m.

MTFS Savings at Risk:

7.15. Delays in scoping the cashless project has put at risk the related MTFS saving of £0.08m. Funding has now been secured to progress the project, however due to the delay, 50% of savings is projected to be at risk.

Procurement Variances:

7.16. The overspend in procurement relates to Dynamic Purchasing System software license fees of £0.30m which should have been recovered as part of savings allocation to non-Priority 3 services. Corporate finance is working with Procurement and the services to confirm the savings.

PRIORITY 4

Overspend £0.17m

7.17. An overspend of £0.25m is largely due to the extended employment of a team of commercial property valuers from March 2017 to March 2018. The majority of these posts will no longer be required once the HDV is established and some of the commercial properties have been transferred.

7.18. The overspend in this area is offset by £0.08m from an overachievement of planning income and additional contribution from NWLA to staff costs.

PRIORITY 5 (General Fund)

Overspend £0.80m

7.19. Housing and Growth’s full year forecast is showing an overspend of £0.80m at the end of Q1.

- There is a projected £0.60m overspend in in-borough private sector leases,
- £0.70m overspend in bed and breakfast accommodation and
- £0.40m underspend in Supplier managed Private sector leases.

7.20. A key factor is the ability of the service area to meet the target/assumptions behind the MTFS especially the targets for out of London moves and new acquisitions.

7.21. The service has identified a number of actions to attempt to reduce the projected overspend by year end. Officers are currently in dialogue with providers to deliver further shared facility hostels in 2017/18. Officers are also in discussion with various landlords to ensure retaining existing and sourcing future leased accommodation. Also, there are initiatives in the pipeline to increase supply and acquisitions.

PRIORITY 5 (HRA)

Overspend £0.4m

7.22. The HRA budget is projecting overspend of £0.4m for the year ending March 2018. The HRA outturn summary is set out in Table 2 below.

Table 2 – HRA Budget Forecast (Quarter 1)

	Revised 2017/8 Budget	Quarter 1 Outturn Forecast	Forecast to Budget Variance
	£'000	£'000	£'000
Total for HRA			
Managed Services Income	-107,736	-107,377	359
Managed Services Expenditure	12,492	12,678	187
Retained Services Expenditure	95,196	95,061	-135
Total for HRA	-48	363	411

7.23. Appendix 2 provides a summary of the income and expenditure for the HRA budget.

7.24. The HRA income shortfall relates primarily to income receivable from garage lets and Officers are drawing up an action plan to bring this budget back in line.

- 7.25. Waste management costs have increased due to contract inflation but are offset by a lower than anticipated charge in landlord insurance costs. These changes will be reflected in next year's Tenant and Leaseholders' service charges and hence therefore reimburse the HRA as necessary.
- 7.26. There remains outstanding debt relating to the water rates. The contract as it stands with Thames Water continues to create financial pressure for the HRA, as the HRA has to bear the costs of non-payment of bills which cannot be passed back to Thames Water.

PRIORITY X

Underspend £0.29m

- 7.27. Priority X is currently forecasting net underspend of £0.29m. The make-up of the over/underspend is spread out across the services in Priority X as detailed below:

Transformation and Resources

- 7.28. This area is currently forecast to overspend by £0.55m due largely to continuing reliance on temporary staff in Finance to fill vacancies in key areas and unfunded posts in the Corporate Project Management Office (CPMO) carried over from previously committed project work. The planned restructure of Transformation and Resources will address CPMO overspend and finance agency costs will be addressed through ongoing recruitment activity, although it is expected that this will remain a risk for this financial year.
- 7.29. Approximately £0.1m overspend relates to Homes for Haringey (HfH) Human Resources (HR) structure and negotiations are taking place with HfH to agree to a refund of the overspend.

Shared Service Centre(SSC)

- 7.30. The SSC is forecast to underspend by £0.15m at Q1. The main budget pressure for the service is Human Resources (HR) Schools Traded Services. Since April, three schools have given notice to withdraw from the service. A paper on future options for service delivery will be presented to a future CAB meeting.
- 7.31. The estimated income shortfall from HR traded services in 2017/18 is £0.27m, however this overspend will partially be offset by HR Operations underspends.
- 7.32. There remains a pressure within the SSC finance team, as a result of continued reliance on temporary staff to fill vacancies in key areas. This is causing a budget pressure of £49k for the year.
- 7.33. All other forecast reported in SSC's over and underspends are minor and deemed manageable within approved budget.

Non Service Revenue

- 7.34.** An overspend of £0.79m on Pension related costs within the Non Service Revenue (NSR) budget relates to the minimum cash payable into the Pension Fund by the Council being more than the on-cost provided for services' salaries budgets.
- 7.35.** This overspend is partially offset by underspend of £0.42m on debt financing costs which are expected to be lower than budget due to the Council utilising internal/short term borrowing.
- 7.36.** Final confirmation of actual agreed charges to HfH has resulted in a £1.0m one-off windfall for Haringey Council in 2017/18.

8. Dedicated Schools Grant (DSG) Overspend £0.55m

- 8.1.** The DSG allocation to Haringey Council for 2017/8 is £192.1m excluding schools block recoupment to Academies and High Needs direct funded places by the Education Funding Agency. This area is reporting an overspend of £0.55m resulting from continuing pressures on the high needs block element of the Special Education Needs (SEN) grant - High Needs Block and a fall in grant allocation of £3.0m due to drop in pupil numbers in Early Years. The service in conjunction with Schools Forum are working on mitigating actions.

9. Capital Expenditure Forecast at Quarter 1

- 9.1.** At Q1, the capital programme is forecasting an underspend of £66.0m shown in Table 3 below. It is essential to the delivery of the Council's longer term objectives that capital expenditure takes place in a timely fashion to ensure the Council has the ability to deliver service improvements and longer term revenue savings.
- 9.2.** Further scrutiny will take place to ensure that any capital proposals are capable of being delivered and that resources are allocated to their delivery.

Table 3 – Capital Expenditure (Quarter 1)

	Revised Budget 2017/18	Quarter 1 Forecast	Quarter 1 Budget to Forecast Variance
	£'000	£'000	£'000
Priority 1 – Children's	13,350	7,000	6,350
Priority 2 – Adults	2,893	920	1,973
Priority 3 - Safe & Sustainable Places	20,048	17,500	2,548
Priority 4 - Growth & Employment	63,310	30,000	33,310
Priority 5 - Homes & Communities	16,431	1,100	15,331
Priority X - Enabling	16,484	10,000	6,484
Grand Total	132,516	66,520	65,996

- 9.3.** At Q1, the revised budget is equal to the agreed MTFS budget plus the carry forwards agreed by Cabinet at its meeting in June 2017 plus the adjustments set out below.
- 9.4.** Since Cabinet's meeting of June 2017 there have been a number of adjustments to the capital budget that have increased it by £7.4m. The most significant of these was the addition of the public realm works at Tottenham Hotspurs Football Club (£5m), confirmation of the GLA's continuing support for the Council's Opportunity Investment Fund (£1.3m), support for the procurement of the North Tottenham DEN (£0.8) and a higher allocation of Disabled Facilities Grant (£0.185m).
- 9.5.** A high level commentary on the priority projected outturn is set out below;

Priority 1

- 9.6.** The Schools Capital Programme is currently projecting an underspend of £6.0m against resources of £13.3m. Detailed plans are being developed to ensure that the in-year slippage position for 2017/18 is addressed so that the same position does not reoccur in the next financial year.

Priority 2

- 9.7.** The majority of this priority's budget relates to the Disabled Facilities Grants. The current rate of spend (£230k per quarter) implies an outturn of £920k. This would represent an under spend of £1,973k. This expenditure is supported by external grant which can be carried forward to future years.

Priority 3

- 9.8.** It is anticipated that, with the exception of the CCTV relocation budget (£2.1m) this priority will have minimal slippage into the next financial year.

Priority 4

- 9.9.** Within the overall budget are significant allocation subject to external dependencies including: the HRW business acquisitions budget (£5.5m) Strategic Site Acquisitions budget (£9.0m) and the Wards Corner CPO budget (£17.9m) which total £32.4m or over 50% of the budget. The timing of a significant amount of this expenditure has slipped to 2018/19.
- 9.10.** Of the residual budget, £30.9m, almost half of this relates to the Marsh Lane relocation project (£14.5m). It is unlikely that there will be significant spend on this project this financial year.
- 9.11.** The budgets for the Alexandra Palace heritage project (£3.3m) and general maintenance (£0.47m) have already been spent.
- 9.12.** Taking the above into account, and accepting that forecasting these budgets is problematic, it is estimated that the priority will spend c£30m this financial year.

Priority 5

- 9.13. This budget on temporary accommodation solutions (the development of temporary accommodation hostels) is currently forecasting to spend £1.1m against a budget of £4.3m.
- 9.14. A strategy paper for the £11.1 capital budget for temporary accommodation acquisitions scheme (the purchasing of units to use as temporary accommodation placements) is being considered by priority 5 board. If adopted the strategy will accelerate expenditure. At this stage (assuming that the strategy is not implemented) it is anticipated that there will be slippage of approximately £15m total for this priority.

Priority X

- 9.15. At this stage the budget is forecast to spend £10m. Within this priority the F2F programme has appointed a programme manager and plans are being developed to accelerate spend to c£3.15m. In addition, expenditure of c£2m on the Marcus Garvey Library project will be incurred this financial year. It has been confirmed that the BIP programme will spend its allocation of £0.8m and that the IT rolling replacement (evergreening) budget is estimated to spend £0.75m.

10. MTFs Savings 2017/8

- 10.1. The MTFs savings target for 2017/8 is £21.0m. As at the Q1 of the financial year, it is projected that £13.84m (67%) of the target will be achieved. Table 4 below summarises the savings position at priority level and Appendix 3 has a detailed breakdown of savings and, where provided, comments to explain reason for non-delivery of savings.

Table 4 – Summary – 2017/18 MTFs Savings by Priority

	New MTFs	Old MTFs	Total	Savings Achieved 2017/8	Savings Shortfall	% Achieved
	£'000	£'000	£'000	£'000	£'000	%
Priority 1	1,437	2,694	4,131	1,430	2,701	35%
Priority 2	2,411	5,399	7,810	7,672	138	98%
Priority 3	1,685	930	2,615	2,540	75	97%
Priority 4	503	325	828	578	250	70%
Priority 5	-	765	765	765	-	100%
Priority X	612	116	728	670	58	92%
Council Wide Savings	2,036	1,650	3,686	188	3,498	5%
Total	8,684	11,879	20,563	13,843	6,720	67%

- 10.2. Table 4 show the total amount reported as achievable at Quarter 1 as £13.84m – this represents 67% of the savings agreed in the MTFs for 2017/18.

- 10.3.** The factors that have resulted in shortfall in the savings programme for each priority area are summarised below.

Priority 1

- 10.4.** Priority 1 is currently reporting that only 35% of approved savings will be delivered this year although work is ongoing to identify options to improve this position. Delays in achieving savings include £600k relating to supported housing which the Service has requested be deferred to the next financial year. Line by line comment on individual priority 1 savings, where provided, are detailed at Appendix 3a.

Priority 2

- 10.5.** Priority 2 is reporting that it will deliver 98% of total approved savings in 2017/18. To deliver this level of overall savings, the Service has committed to reconfigure and overachieve on some approved savings to offset shortfall in others. Line by line comment on individual priority 2 savings, where provided, are detailed at Appendix 3b.

Priority Three

- 10.6.** Of the reported shortfall in savings achievable in 2017/18, Priority 3 have reported that the delay of the scoping exercise for the move to cashless payment project is causing the £0.1m shortfall in their Target. The Service is projecting to achieve 97% of approved savings. Further details on priority 3 savings are detailed at Appendix 3c.

Priority Four

- 10.7.** The shortfall of £0.25m relates to transitional costs linked to the HDV including the extended employment of a team of commercial property valuers from March 2017 to March 2018. The Service is expected to deliver 70% of approved savings. Line by line comments on individual priority 4 savings, where provided, are detailed at Appendix 3d.

Priority Five

- 10.8.** Priority 5 is projecting that all its savings will be achieved. Further details on priority 5 savings are detailed at Appendix 3e.

Priority X

- 10.9.** Priority X is projecting that 92% of MTFs savings will be achieved this financial year. Line by line comment on individual savings, where provided, are detailed at Appendix 3f.

Council Wide Savings

- 10.10.** Within the 2017/18 budget, there are cross cutting savings that affect more than one priority/service area, totalling £3.6m. The planned savings are:
- redundancy (£1.5m);
 - bad debt provision (£0.7m);
 - procurement (£0.95m); and
 - senior management savings (£0.4m).
- 10.11.** Of the total agreed council wide savings, a significant shortfall of £3.5m (95%) is currently projected. Corporate Finance is working with relevant service areas to develop action plans to maximise the delivery of these planned savings. Line by line comment on individual savings, where provided, are detailed at Appendix 3g.

11. Budget Virements

- 11.1.** The budget virements requiring noting/approval are set out in Appendix 4. Virements that exceed £0.25m which have been included in the noting item section of appendix 4 relate to budget changes actioned in order to implement Cabinet decisions.
- 11.2.** One-off virements (£10.9m) are budget movements affecting this financial year only, whilst permanent virements (£1.98m) are budget movements which will permanently affect the cash limit of the priority.

12. Contributions to strategic outcomes

- 12.1.** Adherence to strong and effective financial management will enable the Council to deliver all of its stated objectives and priorities.

13. Statutory Officers Comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities) Finance and Procurement

- 13.1.** This is a report of the Chief Finance Officer and concerns the Council's financial position.

Legal

- 13.2.** The Assistant Director of Corporate Governance has been consulted on this report.
- 13.3.** Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This could include, as set out in the report, action to reduce spending in the rest of the year.

13.4. The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the over spend.

13.5. The Cabinet is responsible for approving virements in excess of certain limits as laid down in the Financial Regulations at Part 4 Section I, and within the Executive's functions at Part 3 Section C, of the Constitution.

Equalities

13.6. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

13.7. This report provides an update on the Council's financial position in relation to planned MTFS savings and mitigating actions to address current budget overspends. Given the impact on services of savings targets, all MTFS savings were subject to equalities impact assessment as reported to Full Council on 27th February 2017.

13.8. Any planned mitigating actions that may have an impact beyond that identified within the MTFS impact assessment process should be subject to new equalities impact assessment.

14. Use of Appendices

Appendix 1 – Directorate Level Forecast (Quarter 1)

Appendix 2 – HRA Forecast (Quarter 1)

Appendix 3 – Detailed MTFS Savings Monitor (Quarter 1)

Appendix 4 – Budget Virements (Quarter 1)

15. Local Government (Access to Information) Act 1985

15.1. For access to the background papers or any further information please contact Oladapo Shonola – Lead Officer, Budget & MTFS Programme.

Revenue Budget Forecast as at Quarter 1

APPENDIX 1

Priority for Report	Directorate	Revised	Quarter 1	
		2017/8 Budget	Forecast	Variance
PR1 Childrens	CM Assistant Director for Commissioning	3,710,016	3,719,109	9,093
	CY Director Of Children Services	51,205,447	54,376,324	3,170,877
	PH Director for Public Health	6,594,672	6,614,672	20,000
	SCH Assistant Director for School	2,736,970	2,736,970	0
PR1 Childrens Total		64,247,105	67,447,075	3,199,970
PR2 Adults	AS Director for Adult Social Services	80,069,425	81,083,919	1,014,494
	CM Assistant Director for Commissioning	2,869,382	3,091,481	222,098
	PH Director for Public Health	11,030,950	11,050,550	19,600
PR2 Adults Total		93,969,757	95,225,949	1,256,192
PR3 Safe & Sustainable Places	CM Assistant Director for Commissioning	240,908	306,520	65,612
	OPS Director for Commercial & Operations	25,705,449	26,804,579	1,099,130
	PH Director for Public Health	203,056	186,528	-16,528
	PLAN Assistant Director of Planning	153,725	101,825	-51,900
PR3 Safe & Sustainable Places Total		26,303,138	27,399,452	1,096,314
PR4 Growth & Employment	CM Assistant Director for Commissioning	794,330	816,552	22,221
	M1 Non Service Revenue	1,900,200	1,902,200	2,000
	PLAN Assistant Director of Planning	1,522,830	1,524,249	1,419
	RGEN Director for Housing and Growth	1,246,646	1,394,546	147,900
	RPD02 Director of Regeneration	3,320,128	3,320,128	0
	V00001 Dir of Regeneration Planning,Development	467,152	467,152	0
PR4 Growth & Employment Total		9,251,286	9,424,827	173,540
PR5 Homes & Communities	AH03 Community Housing Services	10,719,938	11,504,647	784,709
	AH05 Housing Commissioned Services	9,695,066	9,695,066	0
PR5 Homes & Communities Total		20,415,004	21,199,713	784,709
PRX Enabling	C00002 Deputy Chief Executive	438,257	438,257	0
	COM Assistant Director for Strategy & Communication	634,526	692,403	57,877
	COOOO F00001 Chief Operating Officer	-115,251	-115,001	250
	CUS Assistant Director for Customer Services	5,838,750	5,861,773	23,023
	GOV Assistant Dir of Corporate Governance	2,592,903	2,592,903	0
	M1 Non Service Revenue	24,241,769	23,794,562	-447,207
	M113 YE Adjustment NSR	2,050,481	2,050,481	0
	Other Non Service Revenue	1,700	1,700	0
	RES Director for Transformation & Resources	401,398	878,572	477,174
	SSC Assistant Director for Shared Service Centre	5,121,345	5,136,843	15,498
	Shared Digital Services	370,204	-46,354	-416,558
PRX Enabling Total		41,576,082	41,286,138	-289,944
General Revenue Total		255,762,372	261,983,154	6,220,782
	HSE Housing Revenue Account	-48,300	362,748	411,048
Haringey Total		255,714,072	262,345,902	6,631,830

HRA Budget 2017/18	2017/18 Revised Budget £000's	Forecast Spend £000's	Quarter 1 Forecast Variance £000's
Income			
Dwelling Rental Income	(81,838)	(81,809)	29
Non Dwelling Rents	(2,997)	(2,872)	125
Hostel Rental Income	(1,996)	(1,914)	82
Leasehold Service Charge Income	(7,143)	(7,143)	0
Tenant Service Charge Income	(10,972)	(10,716)	256
Miscellaneous Income	(7,418)	(7,018)	401
Total Income	(112,364)	(111,471)	893
Expenditure			
Non-HfH Estates Costs	7,485	7,823	338
Housing Management Costs & NNDR	6,113	5,866	(247)
Repairs & Maintenance	0	0	0
Bad Debt Provision	1,022	1,022	0
Hostel Expenditure	579	579	0
Supported Housing	135	250	115
Community Alarm	1,298	1,411	113
Regeneration Team Recharge	810	859	49
Other Property Costs	2,438	1,956	(481)
General Fund Recharges	4,917	4,549	(368)
Capital Financing Costs	12,400	12,400	0
Depreciation Charge	18,000	18,000	0
Management Fee	40,135	40,135	0
Total Expenditure	95,332	94,850	(482)
(Surplus) for the year on HRA services	(17,032)	(16,621)	411

MTFS Savings - P1 – Children'

Appendix 3a

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG	Overall risk RAG	Firm Commitment for savings achievable 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
P1 - Childrens								
1.1	Service Redesign & Workforce	300	1	2	2	Green	80	There is a plan to deliver this saving in year by providing an enhanced service offer at a reduced cost. The service has explored all savings opportunities and there is no saving possible due to the level of caseload and the need to ensure the service is not at risk. The agency/establishment analysis has confirmed there is no saving to yield from conversions. However, there will be a piece of work to look at vacancies, with a view to identifying posts that have not been filled for some time and could be deleted. Although there are no plans yet in place, it is thought that this will not be too challenging given it would equate to a reduction of 3 staff by April 2018. Work underway to identify workforce design opportunities
1.2	Early Help & Targeted Response	62	1	1	1	Green	62	The model / formula for the delivery of savings is yet to be finalised. Firm details will be available once agreed.
1.3	Family Group Conferencing	200	2	2	4	Green	200	
1.4	Family Based Placements	100	-	-	0		-	There will be no savings in 2017/18, as the NRS contract failed. Attempts to recommission to another provider was not successful. In-house team to take this forward. Recruitment will effectively start in Sept 2017, as there is no recruitment activity over the Summer holidays.
1.5	Care Leavers - Semi Independent Living	25	3	3	9	Amber/ Green	-	The work of the Design Council and YAS will develop a more effective Care Leaver offer. The offer will take into account the reduced budget envelope, therefore enabling the saving to be achieved. However, until the offer is developed and agreed, it is difficult to confirm the possibility of the saving in terms of proportion of saving and period achieved. In addition, there are volume pressures in the service, further compounding the saving challenge.
1.6	Adoption and Special Guardianship Order payments	150	3	3	9	Amber/ Green	-	Proposals for a new policy for Special Guardians is currently being drafted for Cabinet / Member decision. The risk that a fundamental change in the payment policy may lead to legal action and deter prospective Special Guardians means that a less ambitious approach may have to be adopted, with a corresponding impact on the level of savings. A more effective review system should deliver savings but unable to estimate at this stage. This is likely to be in future years.
1.7	Supported Housing	600	4	2	8		-	Project plan scheduled for full implementation by 2018/19
1.8	New Models of Care	-	1	1	1	Green		
1.9	Schools & Learning (Manage loss of Education Services Grant)	-	-	-	0			
Subtotal (New MTFS)		1,437					342	
OLD MTFS (GREEN SAVINGS)								
1	Early Years - remodel Childrens Centres - review borough wide provision of childcare	150	-	-	0		-	
3	Public Health - 5-19 - recommissioning of services with improved efficiency including school nursing and health visiting	376	1	1	1		376	
9	Services to Schools - Increasing trading activity and providing high quality services. - Review service offer	148	3	5		Amber/Red	180	There has been commitment from members to keep Pendarren open for at least one more (2017/19) academic year while a steering group of members makes a final decision on its future having regard to all material considerations. This decision is expected in late summer 2017.
Pendarren		220	-	-	0		-	
New Model for Social Care Delivery		900	3	3	9	Amber/ Green	148	There are a number of services where the viability going forward is unknown, ie Schools HR and CPD offer due to the closure of the PDC and uncertainty over the long term future of Pendarren
7	Special Educational Needs & Disabilities - Withdraw from direct management of Haslemere and provide respite in different ways - increased personalisation giving parents more choice and control - address high cost of out of borough school placements	900	4	3		Amber/ Red	384	Savings will not be fully achieved in full in current year, due to delays in restructuring. Some savings remain challenging.
Subtotal (Old MTFS)		2,694					1,088	
Total		4,131					1,430	

MTFS Savings - P2 - Adults

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
	P2 - Adults				0			
2.1	Supported Housing Review	475	2	3	6	Amber/Green	98	Work well underway to maximise use of voids for higher level need and to ensure users in the most cost effective options. £98k relates to cashable in-year savings only.
2.2	Osborne Grove	-			0			There will be no savings from Osborne Grove in this financial year. Subject to the outcome of a Cabinet decision on closure in the Autumn and subsequent decision to re-commission there may be some savings possible.
2.3	Fees and charges review	199	5	5	25	Red	100	
2.4	Technology Improvement	750	3	3	9	Amber/Green	160	Work is well underway, although there has been slippage. £160k relates to in-year cashable savings to ASC only - there may be additional savings to the HRA rather than the General Fund.
2.5	Market efficiencies	987	5	5	25	Red	500	Work is underway with the market to ensure we have the best model of care. Implementation will depend on market response.
2.6	New Models of Care				0			
	Subtotal (New MTFS)	2,411					858	
	OLD MTFS (GREEN SAVINGS)				0			
11	Closure of Haven and Grange	440	3	3	9	Amber/Green	440	
12	LD Day Opportunities Redesign (LBH provision)	1,257	3	3	9	Amber/Green	1,257	
15	Extra Care Provision	703	5	5	25	Red	703	
13	Supported Living Provision	1,083	2	4	8	Amber/Green	500	
16	New Model for Care Management - increased integration with health and other agencies	970	1	1	1	Green	970	
14	Promoting Independence Reviews	63	3	5	15	Amber/Red	1,203	
	TOTAL ADULTS	4,516					5,073	
	PUBLIC HEALTH							
19	Voluntary Sector - review support to Voluntary Sector - provide help to local organisations to be more self sufficient and find other funding	200	5	5	25	Red	200	Director raise questions on this saving please can you confirm?
20	Healthy Life Expectancy - Bringing separate services (stop smoking, exercise etc) together to improve value for money	47	1	1	1	Green	47	Savings Achieved
21	Substance Misuse - Public Health/Other - Maintain core clinical services with efficiency savings - focus on recovery with more reliance on peer support and mainstream services - reduce support to hospitals to manage alcohol related admissions and detoxification	386	1	1	1	Green	386	Savings Achieved
24	Public Health - restructure the Public Health team to improve efficiency	250	1	1	1	Green	250	Director raise questions on this saving please can you confirm?
	Total Public Health	883					883	
	Subtotal (Old MTFS)	5,399					6,814	
	Total	7,810					7,672	

MTFS Savings - P3 - Cleaner and Safer Communities

Appendix 3c

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
	P3 - Cleaner and Safer				0			
3.1	Charge Green Waste - income generation	375	1	3	3	Green	375	Delay in issuing new charges to residents. Cabinet to review on 30th June '17.
3.2	Charging for Bulky Household Waste	300	1	2	2	Green	300	
3.3	Charging for Replacement Wheelie Bins	100	1	1	1	Green	100	Going Live, chancellors have asked for concession for those on income support and pensioners
3.4	Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...	50	1	1	1	Green	50	
3.5	Flats Above Shops -Provision of bags - Service reduction	120	1	1	1	Green	120	
3.6	Reduce Outreach/ Education team - Service reduction	50	1	2	2	Green	50	
3.7	Closure of Park View Road R&R - Service reduction	115	2	2	4	Green	115	NLWA have recently indicated acceptance of closure end of October 2017 (One month of savings at risk).
3.8	Veolia Operational Efficiencies	200	2	2	4	Green	200	Awaiting worked up proposals from Veolia.
3.9	Rationalisation of Parking Visitor Permits	125	1	1	1	Green	125	
3.10	Parking Enforcement -new operating model	-			0		-	Rejected by Cabinet
3.11	Relocation of Parking/CCTV processes and appeals				0		-	£75k savings at risk because of delay of scoping exercise for the project.
3.12	Move to Cashless Parking	150	3	4	12	Amber/Red	75	capital spend, approved by Transformation board
3.13	Move to Online Parking Permit Applications & Visitor Permits	-			0		-	
3.14	Parking New IT Platform	-			0		-	
3.15	Increase in CO2 Parking Permit Charge	100	1	1	1	Green	100	proposal to g to DVLA 13 band permit
	Subtotal (New MTFS)	1,685					1,610	
	OLD MTFS (GREEN SAVINGS)				0			
25	Increasing parking debt recovery	150	1	1	1	Green	150	
28	Efficiency savings and delivery review of the Parks	200	1	1	1	Green	200	
43	Increase in Parking Charges	50	1	1	1	Green	50	
37	Restructure of the Emergency Planning Team	50	1	1	1	Green	50	
35	Reorganisation of Community Safety and Antisocial Behaviour Team (ASBAT)	150	1	1	1	Green	150	
60	Unification - Streamline and integrate housing and related functions.	55	1	1	1	Green	55	
	Increased income from licensing and enforcement action	25	3	3	9	Amber/ Green	25	Most of this savings applies to pest control and there was a lack of demand. Most Pest control commences in summer. Delays in getting required datas. DCLG not interested in ward areas but street levels.
34	Reductions in back office technical and administrative support	250	1	1	1	Green	250	
	Subtotal (Old MTFS)	930					930	
	Total	2,615					2,540	

MTFS Savings P4 Growth and Employment

Appendix 3d

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
	P4 - Growth & Employment				0			
4.1	Tottenham Regeneration programme	213	1	1	1	Green	213	Achieved: Savings already taken from the budget
4.2	Planning service - Increase in planning income	40	2	1	2	Green	40	savings achieved
4.3	Corporate projects - Transfer of functions to HDV	250	5	3	15		-	Mitigating action: because the overspend relates to the transition to the HDV costs will be rolled into the Director Regen and Growth's HDV Transformation Fund bid and funds vired across to balance the budget once secured
	Subtotal (New MTFS)	503					253	
	OLD MTFS (GREEN SAVINGS)							
48	Planning - Wider restructure reducing to core service	75	1	1	1	Green	75	savings achieved
49	Restructure Economic Development Team to deliver new Strategy	250	1	1	1	Green	250	
	Subtotal (Old MTFS)	325					325	
	Total	828					578	

MTFS Savings - P5 - Housing

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
	P5 - Housing							
	OLD MTFS (GREEN SAVINGS)							
59	Housing Related Support commissioning efficiencies	470	2	3	6	Amber/Green	470	
60	Unification - Streamline and integrate housing and related functions.	95	2	3	6	Amber/Green	95	
61	Achieve year on year efficiencies	200	2	3	6	Amber/Green	200	
	Total	765					765	

MTFS Savings

Appendix 3f

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
	PX - Enabling							
6.1	Legal Services - Reduction in staffing and other related expenditure	-	-	-	0		-	
6.2	Audit and Risk Management - reduction in cost on the external audit contract	11	1	1	1	Green	11	
6.3	Democratic Services - reduction in staffing	40	1	2	2	Green	40	
6.4	Shared Service Centre Business Support - reduction in staffing	300	1	1	1	Green	300	
6.5	Shared Service Centre - new delivery model for shared services		2	2	4	Green	-	Not relevant for 2017/8
6.6	Reduce Opening Hours in our six branch libraries to 36 hours per week	-	-	-	0		-	this has been rejected at cabinet
6.7	Shared Service Offer for Customer Services	-	3	3	9	Amber/ Green	-	Feasibility study for 2018/9 savings, there is a lot work about to start but its significant.
6.10	Translation and Interpreting Service - new contract	41	1	1	1	Green	41	-
6.11	Closure of internal Print Room	-	-	-	0		-	
6.12	Communications - reduction in staffing	53	1	1	1	Green	53	
6.13	Income generation – Advertising and Sponsorship	15	1	1	1	Green	15	
6.15	Insurance	152	1	1	1	Green	152	
	Subtotal (New MTFS)	612					612	
	OLD MTFS (GREEN SAVINGS)							
73c	SSC Restructure (Mark Rudd)	-						
73d	Accounts Payable Restructure (Mark Rudd)	116	-	-			-	
	Subtotal (Old MTFS)	116					-	
	Total	728					612	

MTFS Savings

Appendix 3g

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
Corporate Savings								
6.8	Senior Management Savings	400	3	3	9	Amber/Green	138	Partial savings, plans are in place to achieve the remainder of the savings in-year
6.9	Alexandra House - Decant		4	2	8	Amber/Green	-	
6.14	Professional Development Centre	136	-	-	0		-	
6.16	Voluntary Severance Savings	1,500	2	5	10	Amber/Green	50	Redundancy savings scheme was submitted to Cabinet as a corporate initiative to deliver savings. However, it appears that Services have also counted the same savings in their savings submission to Council resulting in double counting. As at 31 May 2017, only £50k of the total has been confirmed as deliverable. Corporate Finance continues to do the work required to analyse available information to identify further savings that may be recoverable under this savings initiative.
Subtotal (New MTFS)		2,036					188	
OLD MTFS (GREEN SAVINGS)								
74	BIP Commercial/ Organisation Wide: Barry Phelps	950	-	-	0		-	Procurement savings was initiated by the Procurement team, but savings to be recovered from service budgets. The process for determining recoverable savings from service budgets is ongoing. There has also been a delay to the implementation of the recruitment advertising savings
	Bad Debt Provision	700	3	4	12	Amber/Red	-	Actions in place. The full £700k cannot be achieved in 17/18 and some will either need to be re-profiled to 18/19+ or identified as unachievable. Greater clarity on this should be available mid Sept. Brexit & on-going austerity could lead to increased customers falling into arrears. Services are failing to comply with new processes
Subtotal (Old MTFS)		1,650					-	
Total		3,686					188	
Grand Total		20,563					13,597	

Virements for Cabinet Noting and Approval

Appendix 4

Virements for Cabinet Approval						Virements	
Period	Priority	Service/AD Area	Rev/ Cap	One-off Virement (£'000)	Permanent Virement (£'000)	Reason for budget changes	Description
5	3	Commercial and Operations	Revenue	433,050	433,050	Budget Re-alignment of Asset Management	Re-alignment of Asset Management budgets between Commercial and Operations (Asset Management) & Corporate Property (Management & OAS) in line with Accomodation Strategy
5	1	Children's	Revenue	496,300		2017/18 Youth Justice Board - Youth Justice Grant	2017/18 Youth Justice Board - Youth Justice Grant
5	1	Commissioning	Revenue	173,000		Transfer of Direct Payment team to brokerage and Quality Assurance Service	Transfer of Direct Payment team to brokerage and Quality Assurance Service
				1,102,350	433,050		
Virements for Noting						Virements	
Period	Priority	Service/AD Area	Rev/ Cap	One-off Virement (£'000)	Permanent Virement (£'000)	Reason for budget changes	Description
4	1	Children's	Revenue	4,076,520	192,354	Re-Link of Passenger Transport to Children's Service	Transfer (Re-link) of Passenger Transport Budget from Commercial & Operations to Early Help & Prevention
4	1	Commissioning	Revenue	910,000	910,000	Re-Profiling of Commissioning Team	Re-Profiling for the new establishment of the Commissioning team
4	1	Children's	Revenue	918,000		2017/18 Troubled Families Grant	2017/18 Troubled Families Grant allocation of budget
4	1	School's	Revenue	661,200		2017/18 Looked After children Pupil Premium Grant(LACPPG)	2017/18 Looked After children Pupil Premium Grant(LACPPG) allocation of budget
5	4	Haringey General Fund	Revenue	531,950	444,850	Re-align Budget to restructure	Re-align Budget to Housing restructure
				7,097,670	1,547,204		
Transfers from Reserves						Reserves	
Period	Priority	Service/AD Area	Rev/ Cap	One-off Virement (£'000)	Permanent Virement (£'000)	Reason for budget changes	Description
4	4	Tottenham	Revenue	65,000		Transfer From reserve - Transformation reserve	Transfer From Reserve for Walthams Wetland, in Tottenham
4	4	Tottenham	Revenue	64,800		Transfer From reserve - Transformation reserve	Transfer From Reserve for BRUCE GROVE STATION
4	4	Tottenham	Revenue	100,000		Transfer From reserve - Services Reserve	Transfer From Reserve for High Road West ADVISORS
4	1	Children's	Revenue	794,000		Transfer From reserve - Transformation reserve	2017/18 Transformation Funding Children's service
4	2	Adult's	Revenue	1,200,000		Transfer From reserve - Transformation reserve	Transformation reserve transfer - Priority 2 Transformation Programme
4	1	Children's	Revenue	294,000		Transfer From reserve - Transformation reserve	Transformation Funding correction - back to reserves
3	1	Children's	Revenue	161,100		Transfer From reserve - Transformation reserve	Transfer From Reserve for Tottenham
				2,678,900	-		
Total virement for Cabinet Noting or Approval				10,878,920	1,980,254		