

Report for: Overview & Scrutiny Committee 16th October 2017

Item number: 12

Title: 2016/17 Outturn Report and 2017/18 Quarter 1 (to June 2017)
Budget Monitoring 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 Council's provisional budget outturn for the year ended 31 March 2017 and the Quarter 1 budget monitoring report to June 2017.
- 1.2. The outturn report It sets out the provisional revenue and capital outturn for the General Fund showing the variances against budget together with the movements on reserves and the provisional capital and Housing Revenue Account (HRA) revenue outturn. It also provides explanations of significant under/overspendings.
- 1.3. The Council's statutory accounts are still in the process of being finalised and there may be further adjustments to the provisional outturn arising from the completion of this work.

2016/17 Outturn Position

- 1.4. The approved General Fund revenue budget for the year was £255.6m and the provisional outturn is estimated at £271.7m, which represents a net overspend of £16.1m (6.3%).
- 1.5. Within this net figure there are a number of key overspends totalling £27.2m: £7.8m on Children, £12.4m on Adults and £7.0m for temporary accommodation. These overspends have been mitigated by a number of underspends: £3m in respect of recognition of housing benefit overpayments; £6.0m on non-service revenue budgets and £1.8m pension auto-enrolment provision that was not required in year.
- 1.6. The net General Fund overspend position is £16.1m, but there are a number of services that have underspends, where the service has submitted requests for unspent budgets to be carried forward. A total of £6.9m has been requested for carry forward as expenditure relating to these budgets will be incurred in 2017/18.
- 1.7. The overall General Fund Revenue outturn variance for the year ending 2016/17, has improved by £5.2m from the Quarter 3 report that went to Cabinet in February 2017, which advised a projected outturn deficit of £21.3m.
- 1.8. The provisional outturn report gives the opportunity to consider the overall financial performance of the Authority at the end of March 2017. It provides

some information on which the Council's Statement of Accounts will be based and will remain provisional until the conclusion of the statutory audit process.

- 1.9. The revised capital programme budget for the 2016/17 was £202.8m and expenditure was £112.5m. The majority of the underspend of £90.3m (45%) relates to slippage in programme delivery and therefore it is proposed that the budget will be rolled forward to future years of the capital programme.
- 1.10. The 2016/17 (HRA) revenue net budget was set at £14.9m surplus. The provisional revenue outturn for the HRA is an underspend of £10.7m giving a total surplus in the year of £24.6m to be transferred to HRA reserves to fund the HRA capital investment programme.
- 1.11. This report sets out the 2017/18 Quarter 1 (Q1) financial position; including Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG).

2. Cabinet Member Introduction

- 2.1. The final 2016/17 end of year outturn position in this report shows the Council had an overall deficit (overspend) of £16.1m. This represents a £5.2m improvement on the position previously reported to Cabinet but is still a significant concern.
- 2.2. The key areas of overspend were in relation to Adult and Children's social care and temporary accommodation. However, the financial impacts of the continued increase in demand were projected early in the year and so management actions were able to be implemented to mitigate those pressures without which the overspend is likely to have been significantly higher. These areas will remain a key focus for management actions in the next financial year.
- 2.3. There were also a number of one-off sources of income which have helped strengthen reserves in 16/17 particularly in relation to the transformation reserve. This is important to ensure that the Council has sufficient resources to invest in digital and other solutions to meet the challenging MTFs savings proposals.
- 2.4. This is the second consecutive financial year that the Council has reported a significant revenue outturn deficit to budget. The total drawn from reserves in these two years to mitigate overspend is around £22.8m.
- 2.5. Our financial prudence in previous financial years has meant that we were able to use reserves in 2016/17 to smooth the impact of government cuts and the resulting overspend due to delay in implementing planned efficiencies. However, reliance on reserves is not sustainable in the long run. Therefore, it is critical that strong financial controls are developed and put in place to ensure that the Council is in a position to spend in line with planned budget in 2017/18.
- 2.6. We must also substantially pick up the pace of transformation in the demand-led areas of Adult Services, Children Services and Temporary Accommodation if we are to avoid significant overspends in 2017/18 as

together these services account for nearly 70% of the Council's net expenditure.

- 2.7. I will be working closely with the CFO, Deputy CFO and broader Corporate Leadership Group to ensure that there are plans in place to accelerate the delivery of the Medium Term Financial Strategy.
- 2.8. This report also presents the Q1 budget monitoring report which covers the financial position to June 2017. 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.
- 2.9. 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.
- 2.10. 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.
- 2.11. 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.
- 2.12. 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.
- 2.13. 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 Overview & Scrutiny Committee:

2016/17 Outturn Report

- i. Note the provisional revenue and capital outturn for 2016/17 as detailed in the report;
- ii. Note revenue carry forward requests of £9.4m at Appendix 1;
- iii. Note capital carry forwards requests totalling £81.6m at Appendix 2;
- iv. Note the use of reserves as set out in Appendix 3;
- v. Note the Q4 (2016/17) capital budget virements at Appendix 4;
- vi. Note the Q4 (2016/17) revenue budget virements at Appendix 4;
- vii. Note the revised MTFs capital programme profile set out in section 18 of this report.

Q1 (2017/18) Budget Monitor

- viii. Note the Q1 (2017/18) forecast revenue outturn for the General Fund of £6.2m overspend, including corporate items. (Section 23, Table 6 and Appendix 5);
- ix. Note the net HRA forecast position of £0.4m overspend. (Section 24, Table 7 and Appendix 6);
- x. Note the latest capital position with forecast capital expenditure of £66.5m in 2017/18. (Section 26, Table 8);
- xi. 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 7 (a) (g);
- xii. Note the measures in place to reduce overspend in service areas; and
- xiii. Note budget virements set out in section 28 and Appendix 8 of this report.

4. Reason for Decision

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

5. Alternative Options Considered

- 5.1. The report of the council's outturn and management of the financial resources is a key part of the role of the Chief Operating Officer (Section 151 Officer) and no other options have therefore been considered

6. Provisional General Fund revenue outturn 16/17

- 6.1. The General Fund revenue expenditure at the end of March 2017 before reserves transfer was £271.7m against budget of £255.6m. This resulted in a deficit (overspend) position of £16.1m. Table 1 below sets out net expenditure against budget at assistant directorate level and also provides the variance to budget and also compares outturn to Q3 forecast.

Table 1 – General Fund Provisional Outturn 2016/17

	Revised Budget	Forecast Outturn	Forecast Variance	Forecast Variance	Movement from
	Period 12	Period 12	Period 12	Q3	Q3
	£'000	£'000	£'000	£'000	£'000
Leader and Chief Executive Officer	2,887	2,472	(415)	(189)	(226)
Deputy Chief Executive					
AH Director for Adult Social Services	74,100	86,518	12,418	12,441	(23)
CY Director Of Children Services	46,958	54,785	7,827	5,717	2,110
Public Health, Commissioning & Other	41,355	42,592	1,237	167	1,070
Deputy Chief Executive	162,412	183,895	21,482	18,325	3,157
Chief Operating Officer					
Commercial & Operations	38,010	39,811	1,801	926	875
Other (SSC, Customer Services)	20,112	14,813	(5,299)	(282)	(5,017)
Chief Operating Officer Total	58,122	54,624	(3,498)	644	(4,142)
Regeneration, Planning & Development					
Housing General Fund	14,543	21,562	7,019	7,325	(306)
Regeneration, Planning & Development	11,159	8,627	(2,532)	(435)	(2,097)
Regeneration, Planning & Development total	25,702	30,189	4,488	6,890	(2,402)
Total for service areas	249,123	271,180	22,057	25,670	(3,613)
Non service Revenue	6,504	525	(5,979)	(5,428)	(551)
Contract Procurement savings	-	-	-	1,060	(1,060)
TOTAL	255,627	271,705	16,079	21,302	(5,223)

- 6.2. As previously reported to Cabinet, three areas have accounted for the majority of the overspend; Adults Social Care (£12.4m), Childrens Social Care (£7.8m) and Temporary Accommodation (£7m). The demand led nature of these services made it difficult for cost to be contained within the approved budget. These underlying budget pressures have been addressed in the 2017/18 budget, so these services are expected to spend in line with approved budgets in 2017/18.
- 6.3. The Chief Operating Officer directorate budget had a net surplus of £3.5m due mainly to a one off benefit arising from the recognition of housing benefit overpayment.
- 6.4. Non Service Revenue budget also had underspend arising from not needing to draw on a budget that had been set aside for pensions auto-enrolment (£1.8m), underspends on capital financing (£1.9m) and general contingency budget (£2.5m).

Housing Revenue Account

- 6.5. The provisional outturn for the HRA is an underspend position of £10.7m against budgeted surplus of £14.9m. Total surplus at year end is therefore £25.6m taking into account the year end underspend. It should be noted that HRA surpluses are ringfenced and cannot be used for General Fund purposes. Section 14 of the report details the reason for underspend in the HRA.

Commercial and Operations

- 9.2. There was an overspend position within Commercial and Operations of £1.8m. Of the overspend, £1.4m relate to a number of legacy issues which were outside of the Service's control, but prevented achievement of planned efficiencies. The remaining £0.4m is made up of overspends in Traffic Management and Neighbourhood Action teams and a small underspend in Direct Services.
- 9.3. The Traffic Management service was unable to implement two savings initiatives relating to new way of parking enforcement (£0.6m) and the introduction of LED street lighting (£0.4m). Some of the overspend resulting from these were mitigated by an increase in income from CCTV traffic enforcement cameras and controlled parking zone enforcement (£0.7m), However, this was not enough to return the business unit to a balanced budget position.
- 9.4. All other services within Commercial and Operations ended the year in a break even position except for the Neighbourhood Action team which overspent by £0.2m due to the additional costs of temporary staff and Direct Services which underspent by £0.1m.

The overspend of £1.8m within Commercial and Operations has been offset by a £5.3m underspend in other COO areas.

Other – Shared Service Centre

- 9.5. Following the 2015/16 external audit and after the 2016/17 budget had been set, the Council, based on audit recommendation adopted an accounting policy that meant that the Council recognised housing benefit debtors that have arisen as a result of benefit overpayment. This created a one-off benefit in 2016/17 of £3.1m of additional income.

Other – Customer Services

- 9.6. Customer Services overspent by £0.1m. The budget overspend was due to delays in implementing the planned restructure of the service. Whereas the original implementation date was 1 April 2016, the restructure did not fully become operational until December 2016. Mitigating actions taken in year helped to manage the pressure, but these were not enough to fully compensate for the delay.

Other – Chief Operating Officer

- 9.7. Within the Chief Operating Officer's area, the pension's auto-enrolment budget of £1.8m, a provision which had been made to mitigate anticipated budget pressure arising from a refresh of auto-enrolment at the new staging date for staff that were not enrolled at the original staging date in 2014, was not required. This was as a result of a reduction in the Council's

establishment and lower than expected enrolment in the pension fund meant that this provision was not required in year.

10. Deputy Chief Executive £21.7m overspend

- 10.1. The Deputy Chief Executive (DCE) directorate accounts for approximately two thirds of the Councils net budget. Within the directorate are some of the major frontline services provided by the Council, but it also means that these services face the greatest demand pressures. Therefore, the majority of the reported overspend has occurred as a result of demand outstripping budgeted resources in the year.

Adult Social Services

- 10.2. The cost of care packages in Adults Services faced the most pressure throughout the year, but the expectation of overspend had been reported as early as period 2 of the financial year. At that point, cost of care packages was forecast to overspend by £17.3m. However, through management action the outturn position is 33% (£5.8m) lower than the original forecast overspend. The outturn position for cost of care packages is £11.5m overspend against a budget of £57.8m.
- 10.3. Other services within Adult Social Care that had noteworthy overspends are Osbourne Grove (£0.5m) due to a delay in the implementation of planned efficiencies; and Learning Disabilities (£0.8m) also because of a delay in implementing planned efficiency initiatives relating to the reconfiguration of the Day opportunities for learning disabilities clients. However, some of the overspend arising from the Learning Disability overspend was partially mitigated by staff salaries underspend in the Assessment and Social Work teams.
- 10.4. Total overspend for Adult Social Services at the end of the year was £12.4m against a budget of £74.1m.

Children and Young People

- 10.5. The Looked After Children (LAC) service has reported an overspend position throughout the year. The service was unable to find any mitigating actions to reduce the projected overspend, therefore ended the year with an overall overspend of £5.1m. Further breakdown of overspend in LAC include: £2.8m overspend in increased payments to providers and carers within Social Care Placements; £1.8m overspend in Social Care Workforce overspend due to delay in implementing planned service restructure; and £0.2m overspend on non-staffing budget within the “No Recourse to Public Funding (NRPF)”, due to a significant increase in the number of families being supported.
- 10.6. There are other overspends within Children and Young People totalling £2.5m including £800k relating to Home to Schools Transport service, which was due to higher than expected numbers of children requiring the service and consequently more buses and taxis needed to support the demand.

Disabled Carers Respite overspent by £400k mainly as a result of the complexity of the needs of the cohort of children being more severe than initially anticipated.

- 10.7. Special Education Needs and Disability (SEND) Top Ups budget overspent by £1.3m largely due to the higher than expected pupil numbers requiring additional level of support. Budget overspend in CYP was partially offset by underspend in Early Help and Targeted Response team (£0.4m) due to better than expected 'payment by results' income.
- 10.8. Total overspend in Children and Young People at the end of the year was £7.8m against a budget of £47.0m.

11. Regeneration, Planning & Development £4.6m overspend

Housing General Fund

- 11.1. Housing services which includes Community and Commissioned services overspent their budgets by a net amount of £7.0m against a budget of £14.5m.
- 11.2. Cost pressure arising from having to provide temporary accommodation for households in the borough is the reason for overspends in this area. As a result of management action, including the embedding of a Chief Immigration Officer, which has had an effect on the time taken to resolve cases, and also other mitigating actions led to the number of households requiring temporary accommodation in the Borough to stabilise.
- 11.3. The budget overspend in 2016/17 is £7.7m, but the underlying budget pressure in the temporary accommodation budget has been addressed for 2017/18, so the expectation is that budget performance will be in line with approved budget in future.
- 11.4. The underspend position of £0.7m in Housing Commissioned services partly offset overspend in Community Housing. The underspend position in this service is due to less reliance on agency staff as permanent staff have been employed following a service restructure.

Other Regeneration, Planning and Development

- 11.5. The remainder of services within Regeneration, Planning and Development reported net underspend of £2.5m due mainly to slippage in projects relating to Crossrail and Wood Green Area action plan and the European Social Fund projects in the borough. These funds will be transferred to reserves to be spent in future years by the service to deliver these projects. Therefore, cannot be used to reduce overspend in 2016/17.

12. Non Service Revenue £6.0m underspend

- 12.1. The underspend in Non Service Revenue (NSR) budget is as a result of the Council not requiring to use its contingency budget (£2.5m) and treasury management strategy that has facilitated underspend in debt financing (£3.5m) expenditure for the year.

Contract Procurement £1.1m overspend

13. Savings that are cross cutting are usually held in NSR and allocated to service budgets once delivered. Within the Medium-Term Financial Strategy there was an expected c£1.9m of savings in contract costs over 2015/16 and 2016/17. Whilst the service has enabled c£2.98m savings during this period only £0.84m has been enabled as budget savings, but remaining amount has helped to reduce overspends in key service areas. Therefore since period 6 the forecast has shown an under-achievement position at year-end of £1.1m. Nevertheless, it is expected that the savings will increase in 2017/18 as the benefits of the implementation of the Dynamic Purchasing System (DPS) are felt.

14. Council Tax £6.1m underspend

- 14.1. The Council has a statutory obligation to maintain a separate ring-fenced account for the collection council tax. The council tax scheme is designed to be self balancing. Therefore an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. In this way, most of the benefit or burden of any in-year variance is received or borne by taxpayers in the following year.
- 14.2. Monies received into the Collection Fund are distributed between the Council (81.4%) and its preceptor, the GLA, (18.6%) based on their respective shares. In year collection of Council tax stand at 96.15% which compares favourably with the Council's comparator group and shows a slight improvement on 2015/16 performance. This performance along with other factors such as reduction in single persons discount resulted in a surplus of £6.6m available for distribution in 2017/18.

15. Business Rates £0.4m overspend

- 15.1. In 2016/17, the business rates collection performance was 98.4% - a slight improvement from last year's performance. The Council retained 30% of business rates collected in 2016/17, 50% was transferred to central government and 20% to the GLA.
- 15.2. The business rates collection underperformed expectation in 2016/17 resulting in £0.4m which will be recognised in 2017/18 financial year.

- 16. HRA revenue outturn 16/17** **£10.7m underspend**
- 16.1.** The provisional HRA revenue outturn is a budget underspend of £10.7m achieved by overachieving on income (£1m) and underspending on expenditure by £9.7m. The HRA outturn summary is set out in Table 2.
- 16.2.** The main cause of underspends in the HRA relate to better than expected outcomes on a number of charges to the Account. The treasury management strategy that benefitted the General Fund had a similar impact on the HRAs debt financing charges in the year resulting in underspend of £3.6m. Depreciation charges in the year were also below budget producing underspend of £3.0m.
- 16.3.** Housing Management budget had underspend of £0.8m due to lower than expected water rates and council tax charges. Other Property Cost budget underspent by £1m due to savings on the Leaseholder Insurance charge to the Account. Similarly, General Fund recharges were below expectation due to a delay in the Estate Regeneration Programme, underspending by £1.7m.
- 16.4.** However, the favourable budget variances in these areas are offset by pressures arising from the managed budgets including in respect of garage income and the Homes for Haringey management fee (£0.6m).
- 16.5.** On the income side, the HRA overachieved income on Dwelling Rental (£0.5m), Hostel Rental (£0.5m) and Leaseholder Service Charges (£0.7m) income budgets. The resulting underspend was slightly offset by underachievement of income in Tenant Services (£0.4m), Non Dwelling Rents (£0.1m) and Miscellaneous income (£0.2m) budgets given net overall underspend against the income budget of £1m. The under recovery of income in these areas were largely due to a shortfall in garage rents against budget and income in respect of tenants' service charges.

Table 2 HRA Summary Revenue Outturn

HRA Budget 2016/17 I&E Account	2016/17 Original Budget	2016/17 Revised Budget	2016/17 Draft Outturn	YTD Variance
	£000's	£000's	£000's	£000's
Income				
Dwelling Rental Income	(82,850)	(82,850)	(83,359)	(509)
Non Dwelling Rents	(3,129)	(2,996)	(2,886)	110
Hostel Rental Income	(2,364)	(1,847)	(2,341)	(494)
Leasehold Service Charge Income	(7,101)	(7,101)	(7,819)	(718)
Tenant Service Charge Income	(11,376)	(11,276)	(10,893)	383
Miscellaneous Income	(7,155)	(7,155)	(6,936)	218
Supported Housing - SP Grant	(1,343)	0	0	0
Total Income	(115,319)	(113,225)	(114,234)	(1,009)
Expenditure				
Non-HfH Estates Costs	7,447	7,454	7,464	10
Housing Management Costs & NNDR	6,399	6,373	5,584	(789)
Repairs & Maintenance	4,540	4,540	4,540	(0)
Bad Debt Provision	1,022	1,022	1,004	(18)
Hostel Expenditure	579	579	348	(231)
Supported Housing	1,741	0	0	0
Community Alarm	1,626	1,433	1,521	87
Regeneration Team Recharge	805	805	871	66
Other Property Costs	1,233	2,486	1,456	(1,030)
General Fund Recharges	7,037	6,605	4,909	(1,696)
Capital Financing Costs	10,900	13,216	9,558	(3,658)
Depreciation Charge	18,000	18,000	14,972	(3,028)
Management Fee	35,609	35,855	36,453	599
Total Expenditure	96,937	98,366	88,680	(9,686)
(Surplus) for the year on HRA services	(18,382)	(14,859)	(25,554)	(10,695)

17. Dedicated Schools Grant £0.45m overspend

17.1. Table 3 below sets out the final position on the Dedicated Schools Grant for 2016/17. This show a deficit of £0.45m resulting from overspend of £1.3m in High Needs block which is offset by underspends in Schools (£0.48m) and Early Years (£0.37m) services.

2016/17 DSG	Budget	Outturn	Variance
	£'000	£'000	£'000
Schools Block	143,637	143,158	(479)
Early Years Block	15,450	15,083	(367)
High Needs Block	30,300	31,597	1,297
Total DSG	189,387	189,838	451

18. Capital Programme Outturn

- 18.1. At its meeting in June 2016 Cabinet agreed a 10 year capital strategy and programme with 2016/17 being year 1. The approved General Fund capital programme for 2016/17 was set at £115.2m and the Housing Revenue Account capital programme at £83.8m.
- 18.2. Table 4 set out the outturn position against the revised budget following proposed quarter 4 virements.

TABLE 4 – CAPITAL OUTTURN SUMMARY

	Revised Budget	Provisional Outturn	Variance
	£'000	£'000	£'000
Priority 1	15,132	7,838	-7,294
Priority 2	2,584	1,559	-1,025
Priority 3	19,825	13,554	-6,271
Priority 4	59,690	26,961	-32,729
Priority 5	5,875	909	-4,966
Priority X	15,272	4,499	-10,773
Contingency	666	0	-666
General Fund Total	119,044	55,320	-63,724
Housing Revenue Account	83,775	57,209	-26,566
Total	202,819	112,529	-90,290

- 18.3. The General Fund budget has been revised upward by £3.8m to account for additional grant funding from TfL (£3.0m) for the Wightman Road Bridge and additional GLA resources being allocated for the NDP schemes (£0.8m).
- 18.4. Detailed, individual project carry forward request are set out in Appendix 2. A summary of the outturn position is set out at priority level below.

Priority 1

- 18.5. The primary and secondary school modernisation and enhancement programme (£8.1m) has been delayed due to ongoing condition assessment of the assets and the establishment of a programme of work for the next five years following those assessments. This gives rise to underspend of £7.3m out of a total capital budget of £15.1m for Priority 1.

Priority 2

The disabled facilities grant capital budget underspent by £1m, which accounts for most of the underspend in this area. The inability to gain access to residents' homes to enable installations to be carried out is the principal reason for the delay in the programme. Overall, this area underspent by £1.03m against a capital budget of £2.58m.

Priority 3

- 18.6. There has been some delay in the implementation of the planned capital expenditure in this area. Amongst delayed programme is the relocation of the CCTV control room (£2.1m) from its current location to the new Marsh Lane Depot. The commissioning of additional condition survey on Council's assets has caused delay with the wider programme in this area resulting in underspend of £2.4m. Also, the budget for developer contributions has underspent by £0.8m.
- 18.7. Capital expenditure in the year attributable to Priority 3 was £13.6m (70%) out of a budget of £19.3m leaving underspend of £5.7m.

Priority 4

- 18.8. The Priority 4 capital budget is complex and contains work streams that are by their nature difficult to predict in terms of the incidence of the expenditures (e.g. property acquisitions).
- 18.9. The High Road West acquisition (HRW) budget underspent this year by £1.54m – a request has been made to carry forward this underspend in order to be able to deliver acquisitions in future years. Unlike the HRW acquisition budget, the Tottenham and Wood Green regeneration scheme overspent its acquisitions budget by £1m due to more opportunities being available than was originally programmed. This scheme's budget will be re-profiled to reduce expenditure in 2017/18.
- 18.10. The delay of the Marsh Lane project has resulted in £8.1m underspend against planned expenditure in the year. Again, due to delays to the Alexandra Palace East Wing restoration project, the Council's match funded contribution to this project was not wholly drawn down creating underspend of £2m.
- 18.11. The Wards Corner compulsory purchase order is now expected early in 2017/18 creating underspend of £9.2m. The Alexandra Palace maintenance budget underspent by £1.3m and will be taken to the approved capital programme contingency.
- 18.12. The Opportunity Investment Fund has underspent by £2.4m and the carry forward of this grant is the subject of discussion with the GLA. If the GLA agree that the grant is carried forward, the Council will be expected to provide match funding contribution of £0.5m.
- 18.13. Capital expenditure in the year attributable to Priority 4 was £28.8m (49%) out of a budget of £58.4m leaving underspend of £29.6m.

Priority 5

- 18.14. There were two major capital schemes within Priority 5 relating to the modular build programme and property acquisitions schemes. Whilst a significant amount of work was carried out during the year by Homes for Haringey and the Housing service on options for delivery, both schemes are now on hold pending the consideration of legal advice as to the best way to

commission delivery. Therefore only £0.9m (15%) of a total capital budget of £5.9m was spent leaving underspend of £5m to be carried forward into future years.

Priority X

- 18.15. The three major schemes within this priority relate to the ICT Business Improvement Programme (£4.7m budget), Corporate ICT development programme (£2.3m budget) and the Face2Face programme to support customer service library improvements (£3.5m budget). These schemes are linked to MTFS savings proposals, the future ways of working programme and the new Shared Service arrangement for ICT. The shared services budget underspent by £4.6m. The corporate IT board and the evergreening budgets underspent by £3.6m. Phase one of the F2F scheme has been largely completed and plans are being put into place to invest the balance of funding. Further plans are being scoped for the other projects through the Future Ways of Working and the Shared Digital Board.
- 18.16. Overall, capital expenditure for Priority X in the year amounted to £4.5m (29%) of planned budget of £15.7m resulting in underspend of £11.2m.

Housing Revenue Account

- 18.17. The HRA capital expenditure at year end stands at £57.2m (68%) out of planned budget of £83.8m resulting in underspend of £26.6m.
- 18.18. Some of the schemes contributing to the underspend include the leaseholder buyback programme, the underspend on this scheme mostly caused by the front loading of the budget (£9.6m). Other contributors were stock acquisition budget (£7m) underspending by £6.7m and the new build budget has underspend of £2m.
- 18.19. Attached at Appendix 2 is a list of proposed carry forward budgets. Haringey has a large and complex capital programme and is in the early stages of its current 10-year programme. It is anticipated that the pace of delivery of the 10-year programme will increase in 2017/18.

19. Revised Capital Programme

- 19.1. The revised capital programme for 2017/18-2021/22, taking into account the budgets carried forward and the latest re-profiled estimates for the Haringey Development Vehicle related projects, is set out below.

Table 5 – Revised Capital Programme (2017/18 – 2021/22)

	Original 2017/18 Budget	Carry Fwd and HDV	Revised 2017/18 Budget	Revised 2018/19 Budget	Revised 2019/20 Budget	Revised 2020/21 Budget	Revised 2021/22 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Priority 1	6,050	7,300	13,350	6,620	6,620	26,020	18,000
Priority 2	1,868	1,025	2,893	1,818	1,818	1,818	1,818
Priority 3	13,470	5,925	19,395	13,090	10,710	10,250	10,370
Priority 4	38,960	26,225	66,185	26,307	44,030	29,125	36,075
Priority 5	11,465	4,966	16,431	11,665	12,885	3,525	525
Priority X	5,274	11,413	16,687	6,450	6,950	9,350	10,950
General Fund Total	78,087	56,854	134,941	65,950	83,013	80,088	77,738
Housing Revenue Account	43,991	24,910	68,901				
Total	122,078	81,764	203,842	65,950	83,013	80,088	77,738

20. Reserves

- 20.1. Revenue reserves are amounts set aside by the Council to fund future growth and investment needs and to counter financial risk. These include general reserves/balances that must be maintained by the Councils. It should be noted that reserves can only be used for the purposes for which they were created unless Cabinet approval is obtained to change its use. The reserves movements in 2016/17 are set out in Appendix 3.
- 20.2. The original 2016/17 budget required the use of £1.9m of General Fund reserves to set a balance budget.
- 20.3. In February 2017, a revised Treasury Management Strategy was approved by Full Council which included a revision to the Council's Minimum Revenue Provision policy. This resulted in £7.9m revenue saving which was planned to be used to rebalance the Transformation Reserve in order to provide additional funding for the savings and future ways of working transformation agenda.
- 20.4. The MTFs report that went to Cabinet in February 2017 indicated a need to transfer £25m to GF reserve in order to maintain a general balance of £15m based on an estimated overspend of £21m.
- 20.5. As a result of the reduced overspend position and clarification of other reserve movements, it is now proposed to move a sum of £13m to General Fund balances after taking account of planned contributions from MRP savings (£7.9m) and additional 15/16 Council Tax surplus (£3.1m).

20.6. This will leave a General Fund working balance of £15.0m and Earmarked Reserves of £48.6m. It should be noted that £8.8m has been approved to be used to enable a balanced budget for 2017/18 to be set which will, if required, reduce reserves further.

21. Conclusion

21.1. Overall at the end of the 2016/17 financial year, the General Fund shows a £16.1m overspend position which will be met from the General Fund reserve as previously reported to Cabinet.

21.2. The majority of overspend in 2016/17 have arisen due to underachievement of planned efficiency savings and demand pressures in adult social care, children social care and temporary accommodation which were forecast earlier in the financial year and enabled mitigating actions to be taken to prevent the overspend increasing further.

21.3. There were also a number of one-off sources of income which have helped strengthen reserves particularly in relation to transformation resources which are going to be critical in delivering the significant transformation agenda required to deliver future years' savings.

22. Budget Monitoring Overview

- 22.1. 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).
- 22.2. The latest budget position of £6.6m is vastly different to the 2016/17 outturn position where three service areas Adults (£12.4m); Children's (£7.8m) and Temporary Accommodation (£7.0m) significantly overspent their approved budget due mostly to demand pressures.
- 22.3. The Council agreed for the 2017/18 budget to provide additional resources to mitigate the underlying budget shortfalls in Adults (£9m), Children's (£3.8m) and Temporary Accommodation (£7.1m). As a result of approved budget growth in these areas, they are reporting a significant drop in forecast overspend compared to the same time last year.
- 22.4. Table 6 below sets out financial performance at priority level for Quarter 1 of 2017/18. A detailed analysis at directorate level is attached at Appendix 5.

Table 6 – 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

23. Revenue Finance Overview

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

PRIORITY 1

Overspend £3.2m

- 23.2. Children's residential – forecasting an overspend of £1.3m. The variance to budget in this area 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.

- 23.3. 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.
- 23.4. 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.
- 23.5. 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.
- 23.6. The sums above are netted off against other minor variances totalling £0.17m.

PRIORITY 2

Overspend £1.2m

- 23.7. Adults Social Services are reporting budget pressures in the following areas:
- 23.8. £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.
- 23.9. £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.
- 23.10. 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.

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

PRIORITY 3

Overspend £1.1m

23.12. 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:

23.13. £0.66m contractual inflation and £0.30m energy inflation will be corporately funded.

Service Contained Variances:

23.14. 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:

23.15. 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:

23.16. 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

23.17. 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.

23.18. 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**

- 23.19. 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.
- 23.20. 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.
- 23.21. 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**

- 23.22. The HRA budget is projecting overspend of £0.4m for the year ending March 2018. The HRA outturn summary is set out in Table 7 below.

Table 7 – HRA Budget Forecast (Quarter 1)

	Revised 2017/8 Budget	Quarter 1 Outturn Forecast	Forecast to Budget Variance
	£'000	£'000	£'000
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

- 23.23. Appendix 7 provides a summary of the income and expenditure for the HRA budget.
- 23.24. 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.
- 23.25. 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.

- 23.26. 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

- 23.27. 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

- 23.28. 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.
- 23.29. 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)

- 23.30. 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.
- 23.31. 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.
- 23.32. 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.
- 23.33. All other forecast reported in SSC's over and underspends are minor and deemed manageable within approved budget.

Non Service Revenue

- 23.34. 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.
- 23.35. 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.
- 23.36. Final confirmation of actual agreed charges to HfH has resulted in a £1.0m one-off windfall for Haringey Council in 2017/18.

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

- 24.1. 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.

25. Capital Expenditure Forecast at Quarter 1

- 25.1. At Q1, the capital programme is forecasting an underspend of £66.0m shown in Table 8 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.
- 25.2. 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 8 – 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
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- 25.3. 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.
- 25.4. 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).
- 25.5. A high level commentary on the priority projected outturn is set out below;

Priority 1

- 25.6. 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

- 25.7. 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

- 25.8. 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

- 25.9. 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.
- 25.10. 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.
- 25.11. The budgets for the Alexandra Palace heritage project (£3.3m) and general maintenance (£0.47m) have already been spent.

- 25.12. 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

- 25.13. 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.

- 25.14. 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

- 25.15. 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.

26. MTFs Savings 2017/8

- 26.1. 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 9 below summarises the savings position at priority level and Appendix 7 has a detailed breakdown of savings and, where provided, comments to explain reason for non-delivery of savings.

Table 9 – 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%

26.2. Table 9 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.

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

Priority 1

26.4. 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 7a.

Priority 2

26.5. 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 7b.

Priority Three

26.6. 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 7c.

Priority Four

26.7. 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 7d.

Priority Five

26.8. Priority 5 is projecting that all its savings will be achieved. Further details on priority 5 savings are detailed at Appendix 7e.

Priority X

26.9. 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 7f.

Council Wide Savings

26.10. 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).
- 26.11. 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 7g.

27. Budget Virements

- 27.1. The budget virements requiring noting/approval are set out in Appendix 8. Virements that exceed £0.25m which have been included in the noting item section of appendix 8 relate to budget changes actioned in order to implement Cabinet decisions.
- 27.2. 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.

28. Contributions to strategic outcomes

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

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

Finance and Procurement

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

Legal

- 29.2. The Assistant Director of Corporate Governance has been consulted on this report.
- 29.3. 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.

Equalities

- 29.4. 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.
- 29.5. 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.
- 29.6. 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.

30. Use of Appendices

Appendix 1 – Revenue Carry Forwards

Appendix 2 – Capital Carry Forwards

Appendix 3 – Reserve Movements

Appendix 4 – Budget Virement List

Appendix 5 – Directorate Level Forecast (Quarter 1)

Appendix 6 – HRA Forecast (Quarter 1)

Appendix 7 – Detailed MTFS Savings Monitor (Quarter 1)

Appendix 8 – Budget Virements (Quarter 1)

31. Local Government (Access to Information) Act 1985

- 31.1. The following background papers were used in the preparation of this report:
- Budget management papers
 - Medium Term Financial Planning Reports
- 31.2. For access to the background papers or any further information please contact Oladapo Shonola – Lead Officer, Budget & MTFS Programme.

YEAR END TRANSFERS TO RESERVES	£000s	YEAR END TRANSFERS FROM RESERVES	£000s
LEADER AND CHIEF EXECUTIVE		LEADER AND CHIEF EXECUTIVE	
Grant - Independent Electoral Registration	20	Insurance	142
CHIEF OPERATING OFFICER		CHIEF OPERATING OFFICER	
Leisure borrowing	1,300	IT Infrastructure Reserve	158
Leisure contract	53	Debt Repayment Reserve	1,300
Customer Services Transformation Project	94		
PFI Grant	1,059		
HR Transformation Funding	425		
Grant - MBRI supporting universal credit	54		
Grant - Implementation of Benefits cap	147		
DEPUTY CHIEF OPERATING OFFICER		DEPUTY CHIEF OPERATING OFFICER	
Children & Young People Transformation	114	DSG	451
Mental Health Commissioning	41	DSG Reserve for school cash set off	1,185
Childrens Centres Early Years	160		
Early Years	387		
Virtual school Trust Education Agency	43		
Schools & Learning - Governor Services	25		
Funding for excluded pupils	85		
Grant - Pupil Premium	22		
High Needs Grant	111		
Public Health	238		
DIRECTOR REGENERATION AND PLANNING		DIRECTOR REGENERATION AND PLANNING	
Labour Market Resilience	688	Tottenham including HRW	95
Regeneration restructure	61	Carbon Solar	8
Carbon Solar PV	140		
CIL admin income	100		
Tottenham including HRW	230		
Opportunity Investment Fund	2		
Enterprise Row Insurance proceeds	220		
Fountainyne Business Centre	35		
HDV Transformation funding	219		
Wood Green Transformation Funding	375		
Housing older people service	300		
Grant - Homelessness	112		
Grant - Transport Challenge	76		
Total	6,936		3,339
HRA EMR requests			
Housing Strategy	1,462		
HRA smoothing reserve	331		
Homes for Haringey	629		
sub total	2,422		

CAPITAL CARRY FORWARDS

Scheme Number	Description	C/Fwd 2017/18 £000's
PRIORITY 1		
101	Repairs and Maintenance at Primary Schools expenditure less than anticipated across a range of small scheme	379
102	Primary Schools Modernisation and Enhancement expenditure has been less than budgeted due to scheme delays. However, a significant amount of the budget has now been committed.	3,726
103	Primary Schools New Places. The minor carry forward is to meet contractual commitments.	268
104	Early Years overspend due to a range of minor scheme overspends	-31
109	This budget contains the YOS and YAS relocation as well as the PDC relocation. The expenditure is required to complete these schemes	619
114	Secondary Schools R&M. The majority of the requested carry forward is to meet contractual commitments with the largest being Highgate Roofing Works at £583k.	1,379
199	This budget contains the programme contingency for the P1 capital programme (£849k) and a budget for adapting foster carers homes for children with disabilities	960
P1 – Total		7,300
PRIORITY 2		
201	Disabled Facilities Grant. It is proposed to carry forward this grant to utilise on suitable projects as and when they arise	828
206&207	The carry forward is requested to meet contractual obligations on the Ermine Road scheme and other minor expenditures	197
P2 – Total		1,025
PRIORITY 3		
301	Street Lighting. This budget slightly overspent and the overspend is being carried forward to 2017/18	-44
302	Borough Roads. Due to delays to schemes it is proposed to carry forward these resources to ensure their completion.	314
303	Highways Structures. Due to delays to schemes it is proposed to carry forward these resources to ensure their completion	178
305	Borough Parking Plan. This budget slightly overspent and the overspend is being carried forward to 2017/18	-23
307	CCTV Relocation. Due to delays on the Marsh Road Depot scheme this project did not incur any expenditure. The resources are still required	2,100
309	No carry forward required	0
310	Developer contributions. These resources need to be carried forward to ensure that the expenditure can occur	816
311, 313 & 314	These schemes are all related to the Parks Service. There are firm plans in place to utilise these resources in 2017/18	238
316	Asset Management of Council Buildings. There have been significant difficulties with the performance of the main contractor resulting in the underspend. It is requested that this resource is carried forward to 2019/20.	0
P3 – Total		3,579

Scheme Number	Description	C/Fwd 2017/18 £000's
PRIORITY 4		
401	Tottenham Hale Green Space. The ongoing regeneration of the area will require continued budget support through this carry forward	504
402	Tottenham Hale Streets. The ongoing regeneration of the area will require continued budget support through this carry forward	282
403	Tottenham Regeneration. The ongoing regeneration of the area will require continued budget support through this carry forward	197
406	Discussion are ongoing with the GLA over the level of grant that they will make available in 2017/18 but a carry forward of LBH resources is required.	500
407	Growth on the High Road. The underspend has been due to delays in delivering a range of projects.	135
411	Tottenham high Road & Bruce Grove Station. Projects within the scheme have been delayed with the most significant being the Bruce Grove Station Forecourt. The carry forward is required to complete the scheme	663
415	North Tottenham Heritage Initiative. The scheme has been delayed and the carry forward required to meet commitments.	253
421	HRW Business Acquisition. Discussions with a number of business are ongoing and the carry forward is required to ensure completion of the scheme. The expenditure will ultimately be reimbursed to the Council via the appointed development partner.	1,543
429	Strategic Acquisitions. The Council acquired five properties and over achieved the budget. This carry forward will be deducted from the 2017/18 budget.	-983
430	Wards Corner CPO. There was no expenditure this year but the project is still ongoing and the budget will be needed.	9,200
434 & 435	Wood Green Regeneration. Delays to projects mean that a carry forward of resources is required to continue with the scheme.	437
438	Vacant possession of the Civic Centre. This has been delayed but the project will shortly be out to tender and the carry forward is required to fund the project.	92

Scheme Number	Description	C/Fwd 2017/18 £000's
439	Ways of working. This is an ongoing project that has a number of commitments and the carry forward is required to complete the scheme	387
444	Marsh Lane Depot. After a steep increase in cost a review is being undertaken. The carry forward will be required to complete the scheme	8,124
445	Hornsey Town Hall	543
446	Alexandra Park Heritage. The procurement by the trust of the main contractor was delayed whilst value engineering was undertaken resulting timing difference for the Council's contribution	2,000
447	Alexandra Pallace Maintenance. The budget loaded was incorrect. The carry forward is proposed for the overall approved capital programme contingency	1,338
450	Winkfield Road. The development of options has taken longer than expected. The carry forward is required in order to deliver vacant possession to allow for disposal for affordable housing.	225
452	Low Carbon Zones	260
462	Western Road Recycling. Unbudgeted expenditure carried forward to be met from P4 overall resources	-23
464	Bruce Castle. Works delayed and carry forward needed to complete the project.	174
465	DEN. Minor overspends tht will need to be carried forward to 2017/18 budget	-4
499	Other. A range of minor over and under spends from old schemes. It is proposed that the carry forward is to the overall approved capital programme contingency.	378
P4 – Total		26,225
PRIORITY 5		
505, 506 & 599	Acquisition of temporary accommodation	4,966
P5 - Total		4.966
PRIORITY 6		
601-604	Business Improvement Programme/Corporate IT Board/Evergreening/Shared Services. This budget contains provision for the SSC tri-borough project that has been delayed. The carry forward is required to enable the project to complete.	8,227
605	Customer Services	1,120
606 & 621	F2F and Library ICT. There are firm plans for these areas and the resources are required in order to complete the projects	810
699	Approved Capital Programme contingency	1,056
P6 – Total		11,213
Total GF		54,308

Scheme Number	Description	C/Fwd 2017/18 £000's
HRA		
590	Homes for Haringey is requesting permission to carry forward £6.2m from the 2016/17 Capital Programme to fund the Decent Homes contractual commitment from the 2016/17 programme. This will enable the 2017 Major Works budget to fund the new projects starting this year which will enable more homes to be made decent in 2017/18.	6,223
591	The funding is required to acquire leaseholder properties on the Love Lane estate, with 79 leaseholders interested. The Council has an obligation to acquire these properties, as agreed by Cabinet in 2014.	6,967
592	The funding is required to acquire leaseholder properties on the Love Lane estate, with 79 leaseholders interested. The Council has an obligation to acquire these properties. This includes homeless disturbance payments.	2,121
593	New supply to meet housing needs, and use RTB receipts to avoid repayment with high interest charge.	6,420
594	The programme is a year behind and commitments to Borrás Construction is £3,300,000, which will be covered by the carry forward amount.	3,179
Total HRA		24,910
Grand Total (2017/18)		79,218
2019/20 C/Fwd		£'000
316	Asset Management of Council Buildings. There have been significant difficulties with the performance of the main contractor resulting in a significant underspend. It is requested that this resource is carried forward 2019/20	2,346
Total (2018/19)		81,564

TRANSFER TO/FROM RESERVES

	Balance 01/04/16	2016/17 movements				Balance 31/03/17
		To reserve	From reserve	Realign	16/17 Outturn	
Service Reserves	(5,552)	(5,064)	2,303	-	-	(8,313)
Insurance Reserve	(10,004)	(778)	919	5,000	-	(4,863)
PFI Lifecycle Reserve	(9,772)	(1,059)	1,815	-	-	(9,016)
IT infrastructure Reserve	(996)	-	158	-	-	(838)
Accommodation Strategy	(442)	-	-	-	-	(442)
Transformation	(7,766)	(7,900)	5,327	-	-	(10,339)
Financing Reserve	(5,810)	(3,070)	-	8,000	-	(880)
Debt Repayment Reserve	(5,259)	(1,394)	1,550	-	-	(5,103)
Community infrastructure reserve	(3,000)	-	-	-	-	(3,000)
Urban renewal reserve	(1,403)	-	1,119	-	-	(284)
Unspent Grants Reserve	(3,795)	(543)	825	-	-	(3,513)
Labour Market Growth Resilience Reserve	(1,789)	(688)	898	-	-	(1,579)
Risk Reserve	(400)	-	-	-	-	(400)
Total Earmarked Reserves	(55,988)	(20,496)	14,914	13,000	-	(48,570)
General Fund Balance	(20,004)	-	1,919	(13,000)	16,079	(15,006)

2016/17 QUARTER 4 VIREMENT LIST

Description	Amount
REVENUE VIREMENTS	£
BUSINESS OWNER VALUATION & LEGAL FEES	250,000
FINAL CARE ACT FUNDING ALLOC 2015& 2016	340,000
CARE ACT FUNDING 2016/17	556,300
STAFFING BUDGET RE-ALIGNMENT	282,800
MARSH LANE SALT STORE J 750K	750,000
2016/17 REVISED DEPRECIATION BUDGET	23,304,840
2016/17 DEPRECIATION BUDGET	21,118,285
1.8M AUTO ENROLMENT ONE OFF	1,800,000
ALLOCATION OF BIP CAPITAL PROGRAMME FUNDING	1,379,900
PRIORITY 2 TRANSFORMATION PROGRAMME	1,000,000
HFH-GF TRANSFORMATION RESERVE BID 16/17	533,074
MRP / RESERVE CORRECTION	1,927,600
MRP / RESERVE CORRECTION REVERSAL	1,700,000
REVERSAL HFH GF TRANSF RES BID 2016/17	533,074
MRP / RESERVE TRANSFER	7,946,000
COLLECTION FUND 15/16 SURPLUS TRANSFERRED TO RESERVES	3,070,000
ADDITIONAL GRANT RECEIVED IN YEAR TO NON SERVICE REVENUE	556,300
CAPITAL VIREMENTS	
FEASIBILITY STUDY FOR A DECENTRALISED ENERGY NETWORK IN TOTTENHAM HALE	150,000
FEASIBILITY STUDY FOR A DECENTRALISED ENERGY NETWORK IN WOOD GREEN	150,000
FEASIBILITY STUDY FOR WALLTHOF	20,000
BUDGET CORRECTION FOR ALEXANDRA PALACE MAINTENANCE BUDGET	70,000
BUDGET FOR HORNSEY TOWN HALL	580,000

Revenue Budget Forecast as at Quarter 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 Forecast as at Quarter 1

Appendix 2

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'

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	Amber/ Green	-	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

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

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

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

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

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		