

**Report for:** Overview & Scrutiny 21<sup>st</sup> November

**Item number:**

**Title:** Quarter 2 (September) 2017/18 Budget Monitoring Report

**Report authorised by:** Clive Heaphy – Chief Finance Officer

**Lead Officer:** Oladapo Shonola – Lead Officer – Budget & MTFs Programme

## **1. Introduction**

- 1.1. This report sets out the 2017/18 Quarter 2 (Q2) financial position for the Council; including the Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) budgets.
- 1.2. Directors are accountable for delivering service outcomes within their approved budget and where budget pressures are identified, for developing mitigating actions and plans to bring expenditure within approved budgets. Directors for each priority area provide meaningful commentary, explaining the reasons for significant variances between forecast outturn and approved budget.
- 1.3. The Council's risk based approach to budget monitoring ensures that it focuses effort on monitoring those higher risk budgets due to their value, volatility and social impact and where variances are greater than £100k or 10% of the approved budget.
- 1.4. At the end of Q2 (September 2017), the Council is projecting an overspend by £6.4m in 2017/18. The General Fund is projecting overspend of £6.6m and the HRA £0.2m underspend. The majority of the overspend in the General Fund relate to demand pressures in the following key frontline services:
  - i. Priority 1 (Children's) - £2.2m;
  - ii. Priority 2 (Adults) - £3.4m;
  - iii. Priority 5 (Temporary Accommodation) - £0.8m.
- 1.5. Savings proposals are rated on a 'RAG' basis taking account of the 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.

## **2. Describe the issue under consideration**

- 2.1. This report presents the estimated forecast outturn position for 2017/18 as at 30th September 2017. Overall, the General Fund is forecasting a net overspend against the approved budget of £6.6m (£6.2m at Q1) and the Housing Revenue Account (HRA) is forecasting an underspend of £0.2m (overspend of £0.4m at Q1).

- 2.2. The overspend position on the General Fund has worsened by £0.4m compared to the Q1 position, but the HRA is showing improvement of £0.6m, giving an overall net favourable movement of £0.2m. The reasons for the variances are explained in detail in section 5 of this report.
- 2.3. It should be remembered that even without this overspend, the approved budget included a planned use of General Fund reserves of £8.8m which would already have the impact of reducing General Fund reserves to £6.2m. The minimum level of General Fund Reserves recommended by the S151 Officer at the time of setting the budget was £15m.
- 2.4. If the forecast deficit is not addressed, the Council would be significantly below the minimum recommended level of reserves by 31 March 2018. The Chief Finance Officer is currently working with Directors to develop a plan for recovering this deficit in order to maintain General Fund reserves at the minimum recommended level.

### **3. Recommendations**

- 3.1. That Overview & Scrutiny Committee to note:
  - i. Note the Q2 forecast revenue outturn for the General Fund of £6.6m overspend, including corporate items. (Section 5, Table 1 and Appendix 1);
  - ii. Note the net HRA forecast position of £0.2m underspend. (Section 5, Table 2 and Appendix 2);
  - iii. Note the latest capital position with forecast capital expenditure of £101.59m in 2017/18. (Section 7, Table 4);
  - iv. Note the risks and mitigating actions identified in the report in the context of the Council's on-going budget management responsibilities/savings, as detailed in Appendices 3 (a) (g);
  - v. Note the measures in place to reduce overspend in service areas; and
  - vi. Note budget virements set out in section 9 and Appendix 4 of this report.

#### 4. Budget Monitoring Overview

4.1. Table 1 below sets out financial performance at priority level. A detailed analysis at directorate level is attached at Appendix 1.

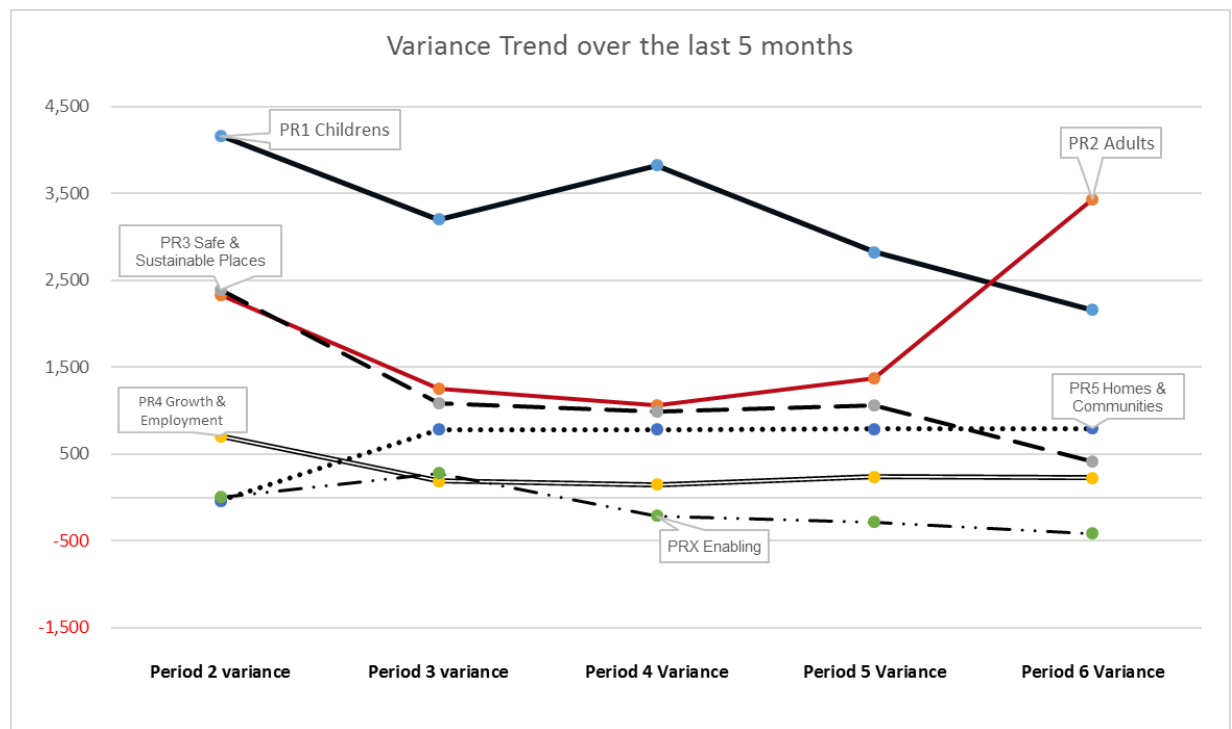
**Table 1 – Revenue Budget Monitoring Forecast for Q2 (2017/18)**

Priority	Revised 2017/8 Budget	Quarter 2 Outturn Forecast	Quarter 2 Forecast to Budget Variance	Quarter 1 Forecast to Budget Variance	Forecast Variance Movement between Q1 and Q2	
	£'000	£'000	£'000	£'000	£'000	
PR1 Childrens	65,680	67,837	2,157	3,200	-1,043	▼
PR2 Adults	95,233	98,662	3,429	1,256	2,173	▲
PR3 Safe & Sustainable Places	26,643	27,055	412	1,096	-685	▼
PR4 Growth & Employment	12,002	12,225	223	174	49	▲
PR5 Homes & Communities	20,699	21,495	796	785	11	▲
PRX Enabling	35,504	35,086	-419	-290	-129	▼
<b>General Revenue Total</b>	<b>255,762</b>	<b>262,359</b>	<b>6,598</b>	<b>6,221</b>	<b>377</b>	
PR5 Homes & Communities(HRA)	0	-169	-169	411	-580	▼
<b>Haringey Total</b>	<b>255,762</b>	<b>262,190</b>	<b>6,429</b>	<b>6,632</b>	<b>-203</b>	▼

▼ Denotes reducing overspend/increasing underspend

4.2. Diagram 1 below illustrates the trend and volatility of forecast outturn by priority area up to Q2 (30<sup>th</sup> September 2017). It shows that outturn forecast for all but one (Priority 2 - Adults) of the priority areas are trending downward in terms of overspend or upward where an underspend has been forecast.

**Diagram 1 – Revenue Budget Forecast Trend to Q2**



## 5. Revenue Finance Overview

- 5.1. A summary of outturn position including comments on each priority area budget are set out below:

### PRIORITY 1

Overspend £2.2m

- 5.2. Priority 1 is projecting overall spend of £67.84m against approved budget of £65.68m resulting in forecast overspend of £2.16m as at Q2. This is an improvement of £1.0m on the outturn position forecast at Q1.
- 5.3. The areas with material variances are detailed below.
- 5.4. **Placements** are forecast to overspend by £0.3m, a significant improvement of £1.0m against Q1. This is largely due to increased focus on the “top 20” high cost placements, with a view to stepping down care packages or negotiating lower fees. Whilst this action has caused a reduction in average cost of high cost placements, the service has also been able to reduce no of placement numbers by managing down demand.
- 5.5. **Social Care Agency Worker costs** are forecast to overspend by £0.7m which is consistent with previous forecasts reflecting the market difficulties in recruiting permanent staff into these areas of operation. Work is also continuing to ensure that workforce numbers are within the currently agreed and budgeted establishment level.
- 5.6. **Early Help and Prevention** is forecast to overspend by £1.3m which is a worsening of £1.2m against Q1. Aside from personalised budgets which are addressed separately below, other areas of overspend are £0.4m in Home to Schools Transport which is largely as a result of a reduction in funding of £0.3m from the DSG and Children Centres overspending by £0.3m due to low level occupancy rates (currently running at 65%).
- 5.7. **SEN Personalised Care Budgets** – the Early Help and Prevention overspend highlighted above also includes SEN personalised care budgets which are currently forecast to overspend by £0.7m. A management action plan is being developed. The plan will include recovery of contributions from CCGs for joint funded placements, and income relating to services provided to other London boroughs and the adoption of a targeted approach to reviewing high cost placements and ensuring the integrity of data used to forecast future costs.

### PRIORITY 2

Overspend £3.4m

- 5.8. As at Q2, Priority 2 is forecasting overspend of £3.43m. Total spend of £98.6m is forecast against budget of £95.2m. The overspend position of £3.42m represents a significantly adverse variance of £2.2m compared to Q1. The three main directorates within Priority 2 are Adult Social Care, Commissioning and Public Health.
- 5.9. Most of the overspend is in Adult Social Care Services which is forecasting outturn spend of £84.9m against a budget of £81.3m, resulting overspend position of £3.6m on this budget. Commissioning and Public Health, together, are forecasting underspend of £0.2m against budget in 2017/18.
- 5.10. Pressure areas in Adults Services are detailed below.

### Osborne Grove Nursing Home (OGHN)

- 5.11. Total budget pressure relating to (OGNH) is projected at £1.0m for the following reasons:
- The costs of having to utilise agency staff to cover staff members with various health and capability issues;
  - Due to concerns around the quality of care provision, an embargo is in place on placing new clients in the home which causes pressures on finding alternative provision, which in turn results in loss of clients and health contributions for purchased beds.

### Adult Social Care Packages

- 5.12. A budget pressure of £5m budget is now apparent on care packages due to:
- Demand for younger clients with learning disability support needs and older clients with physical support needs being currently forecast above initial budget projections causing a £1m pressure;
  - Savings related to re-provisioning costs being less than anticipated for those clients whose needs were previously met through in-house services causing a budget pressure of approximately £1m;
  - Significant reductions in the cost of care packages and savings related to prevention and diversion have not materialised. This approach was anticipated to play a large role in delivering £3m savings in the current MTFs. However, the service now believes that the initial assessment was overly optimistic and a review will be undertaken to seek alternative ways to mitigate this.
- 5.13. In-year pressures are being mitigated through the release of two provisions totalling £1.4m, the two provisions being:
- Haynes Centre (£0.7m) - relating to historic rental costs at the Haynes Centre, liability for which is being disputed with Haringey CCG. The current advice from Legal and Property Services is that the council is not liable for these costs;
  - Care packages (£0.7m) - the provision, established in 2016/17, relates to potential liabilities for committed homecare hours but is no longer required as the liability no longer exists.
- 5.14. The service has drafted a formal management action plan which include a series of initiatives to further curtail expenditure. These actions which are estimated to reduce current overspend by £1m will be monitored regularly to ensure they are having a positive impact on overall spend levels.

### **PRIORITY 3**

**Overspend £0.4m**

- 5.15. At Q2, Priority 3 is projecting total expenditure of £27.05m against approved budget of £26.64m for 2017/18. This forecast overspend of £0.4m represents an improvement of £0.68m when compared with Q1.

- 5.16. A number of budget pressures are being managed within this priority area and the service continues to put in place action plans to mitigate budget pressures. Below are some of the budget pressures being managed by the service:
- Loss of on-street parking income due to the absence of Spurs football matches this season is estimated at £0.4m and is being managed through introduction new CPZs;
  - £0.20m pressure relating to increased contractual costs associated with clamping removal and is being managed through spend reduction of £0.40m in the cost of concessionary travel;
  - £0.3m pressure relates to Dynamic Purchasing System software license fees which should have been recovered as part of savings allocation to non-Commercial & Operations services but has not been possible given issues around being able to capture savings arising from 'procurement savings'.
  - Delays in scoping the cashless project has put at risk the related MTFS saving and created budget pressure of £0.08m. Although, funding has now been secured to progress the project, the delay means that only £0.04m will be achieved in 2017/18.
- 5.17. The budget for this area needs to be adjusted for highways energy inflation thus fully compensating for the £0.4m forecast overspend.

#### **PRIORITY 4**

**Overspend £0.2m**

- 5.18. At the end of Q2, Priority 4 is projecting total expenditure of £12.22m against planned budget of £12m resulting in forecast overspend of £0.22m compared to £0.18m in Q1.
- 5.19. The main area of forecast overspend remains additional costs for staffing, consultancy fees and legal recharges all related to the delay in transfer of non-compliant properties to HDV.

#### **PRIORITY 5 (General Fund)**

**Overspend £0.8m**

- 5.20. The forecast for Priority 5 remains largely the same as Q1 with a forecast overspend of £0.8m. This is comparable to the forecast overspend at Q1 of £0.8m. Total projected spend is forecast at £21.5m against approved budget of £20.7m.
- 5.21. It is expected that the forecast outturn for temporary accommodation cost will reduce dependent on progress on implementing action plans. Examples of actions being taken to reduce the level of overspend include the implementation of a pilot Assured Short-hold Tenancy scheme with guaranteed rent and the development of 20 infill sites by Sanctuary Housing.

#### **PRIORITY 5 (HRA)**

**Underspend £0.2m**

- 5.22. The HRA is currently forecasting underspend of £0.17m against its approved (net nil) budget. Other than the change in the forecast overspend in the Homes for Haringey (HfH) management fee explained below, the movements from last period have been minimal.

**Management Fee Variance of £0.42m** – In Q1, HfH's company accounts were forecast to overspend by £0.41m. This period the forecast overspend is £27k. Whilst the pressures causing the overspend last period (such as disrepair) remain, the forecast has reduced following a detailed exercise to review budget forecasts which has resulted in the overall HfH overspend being reduced.

5.23. One ongoing cost pressure relates to **community alarms**. The budget for community alarms within the HRA is forecast to overspend by just over £130k due to income from community alarms being forecast to be £255k less than budget. This has been raised with the service responsible for community alarms and a meeting held to understand the reasons for these pressures. Work is now underway to look at how income collection can be improved and costs managed. This work will also look at how charges can be increased in future years to prevent this budget pressure carrying on beyond 2017/18.

5.24. The forecast HRA outturn summary is set out in Table 2 below.

**Table 2 – HRA Budget Forecast (Q2)**

HRA Budget (2017/18)	2017/18 Revised Budget	Q2 Forecast Outturn	Q2 Forecast to Budget Variance	Q1 Forecast to Budget Variance	Movement – Q1 to Q2 Forecast to Budget
	£'000	£'000	£'000	£'000	£'000
Managed Services Income	(107,736)	(107,967)	(231)	359	(590)
Managed Services Expenditure	12,492	12,650	158	187	(29)
Retained Services Expenditure	95,244	95,148	(96)	(135)	39
Surplus	0	(169)	(169)	411	(580)

## PRIORITY X

**Underspend £0.4m**

5.25. At Q2, Priority X is currently forecasting total expenditure of £35.1m against budget of £35.5m giving underspend forecast of £0.4m equating to a favourable movement of £0.1m when compared to underspend of £0.3m forecast at Q1. The make-up of the over/underspend is spread out across the services in Priority X as detailed below:

5.26. **Corporate Governance** – Legal services forecasting net underspend of £0.3m mostly due to overachievement on income being greater than the level of additional staffing resources employed to generate the additional income.

5.27. **Strategy and Communication** – is forecasting a budget overspend of £0.1m relating to legacy issues around under provision for staff salaries.

5.28. **Transformation and Resources** – This area is forecast to overspend by £0.6m at Q2, an adverse movement of £0.13m compared to Q1 forecast. The overspend is due to:

- unfunded post in Corporate Project Management Office (CPMO) not previously forecast; and
- approximately £0.02m movement in the Corporate Delivery Unit because of salary regrading.

5.29. **Shared Service Centre (SSC)** – The SSC is forecast to overspend by £0.14m at Q2 as detailed below. This is an adverse movement of £0.1m compared to Q1 forecast of £0.01m.

5.30. Main budget pressure for the Shared Service Centre remains Human Resources Schools Traded Services. The estimated full year "loss" in 2017/18 is currently estimated to be £0.22m at Q2. A paper on future options for service delivery pulled from CAB in July; now waiting a wider review of Schools Traded Services being undertaken by Children's Service and presented to SLT in October.

5.31. **Non Service Revenue (NSR)** – The forecast underspend within NSR is £0.7m representing an adverse movement due mostly to emerging pressures on treasury service charges. This is being investigated and it is expected that the cost will be brought under control and further increase in expenditure prevented.

**6. Dedicated Schools Grant (DSG) Overspend £2.5m**

6.1. The Dedicated Schools Grant is broken down into three funding blocks; Schools, Early Years and High Needs. Excluding school's balances, the carried forward surplus from 2016/17 is £2.8m. However, whilst Schools and Early Years carried forward surpluses, the High Needs block is carried forward a deficit of £1.3m.

**Table 3 – DSG budget**

<b>DSG as at Q2 (2017/18)</b>	<b>Opening DSG at 01/04/17</b>	<b>Loan</b>	<b>In year position at Q2 (2017/18)</b>	<b>Forecast Closing DSG 2017/18</b>
Schools block	(815,340)	0	(6,500)	(821,840)
Early years block	(3,325,069)	1,340,151	1,379,500	(605,418)
High needs block	1,340,151	(1,340,151)	756,550	756,550
<b>Total</b>	<b>(2,800,258)</b>	<b>0</b>	<b>2,129,550</b>	<b>(670,708)</b>

6.2. It is expected that a formal management action plan to address the High Needs deficit will be presented at the next Schools Forum.



## 7. Capital Budget

7.1. This section sets out progress on capital programme against the approved capital budget at priority level.

7.2. The table below show a forecast underspend position of £88.88m (63%) on the General Fund and £19.46m (28%) on the HRA with a combined underspend of £108.34m.

**Table 4 – Capital Outturn Forecast Q2 (2017/18)**

Priority	Revised Budget as at Q1	Budget Virement in Q2	Revised Budget as at Q2	Q2 Forecast Outturn	Forecast against Revised Budget
	£'000	£'000	£'000	£'000	£'000
Priority 1 - Children's	13,350	226	13,576	9,227	(4,349)
Priority 2 - Adults	2,893	185	3,078	2,485	(594)
Priority 3 - Safe & Sustainable Places	20,048	(2,554)	17,494	12,475	(5,019)
Priority 4 - Growth & Employment	63,311	10,368	73,679	18,890	(54,789)
Priority 5 - Homes & Communities	16,431	0	16,431	3,679	(12,752)
Priority 6 - Enabling	16,484	281	16,765	5,392	(11,373)
<b>Total General Fund</b>	<b>132,516</b>	<b>8,507</b>	<b>141,022</b>	<b>52,147</b>	<b>(88,875)</b>
Priority 5 – HRA	68,901	0	68,901	49,440	(19,461)
<b>Total</b>	<b>201,416</b>	<b>8,507</b>	<b>209,923</b>	<b>101,587</b>	<b>(108,336)</b>

7.3. The performance against approved capital budget is set out below at priority level.

### Priority 1

**Underspend £4.4m**

7.4. At the end of Q2, Priority 1 had recorded expenditure of £1.44m with further planned expenditure of £7.60m (which includes the distribution of devolved formula capital grant to schools), a forecast outturn of £9.23m and a year-end variance of £4.35m. The planned further expenditure (excluding the devolved formula capital which is passed directly on to schools) equates to an average spend of £1.21m per month for the remainder of the year compared to the average monthly spend of £0.24m for the first six months of the year. Officers anticipate a spike in expenditure for October and November as contractors submit their invoices for the work completed over the summer and report sufficient schemes in progress to meet the forecast outturn.

### Priority 2

**Underspend £0.6m**

7.5. At the end of Q2, Priority 2 had recorded expenditure of £0.57m with further planned expenditure of £1.92m and a forecast outturn of £2.49m resulting in a year-end underspend position of £0.59m.

- 7.6. DFG (spend on Aids, Adaptive & Assistive Technology) is funded by a ring fenced grant within the Better Care Fund. It is anticipated that there will be a payment of outstanding sums due to contractors for work previously invoiced of approximately £0.3m and that the recently procured framework contract for minor construction works goes live in November 2017. Should either one of these assumptions not be realised then this would adversely affect the projected outturn. The other minor schemes within P2 are expected to spend to budget.

**Priority 3**

**Underspend £5.0m**

- 7.7. Priority 3 is showing negative net expenditure of (£0.49m) due to accruals of £1.33m against unpaid invoices on the Ringway Jacobs contract (£0.37m), the Leisure externalisation contract (£0.29m) and S106 agreements (£0.37m). However, further planned expenditure of £12.96m, results in a forecast outturn position of £12.48m and a year-end adverse variance of £5.0m.
- 7.8. The relocation of the CCTV centre to Marsh Lane has been delayed due to the delay to the substantive project to relocate from the Ashley Road Depot to Marsh Lane Depot giving rise to a £2.1m year-end adverse variance.
- 7.9. Developer S106 / S278 contributions are currently forecast to underspend the budget by £0.89m for 2017/18. These resources are ring fenced to a particular project and as such any underspend will need to be considered for carry-forward.
- 7.10. Surveys undertaken to inform the Parkland Walk Bridges scheme have revealed that significantly more work is required than the current budget will support and the resultant delay is leading to a forecast underspend of £0.42m. Officers are preparing a revised capital bid for the required works as part of the budget setting process.
- 7.11. Asset Management of Council Buildings is forecasting to underspend by £1.14m. This is due to the need to align the budget with the emerging asset management plan and the appointment of the HDV.
- 7.12. Northumberland Park Development Phase two – LBH match funding is delayed as the scheme cannot be completed until the THFC development has finished.

**Priority 4**

**Underspend £54.8m**

- 7.13. At the end of Q2, Priority 4 had recorded spend of £4.93m with further planned expenditure of £13.96m, resulting in a forecast outturn position of £18.89m and a year-end negative variance of £54.79m.
- 7.14. Wards Corner CPO at £17.91m, all of which is refundable by the developer Grainger and thus has no financial effect on the Council, accounts for a large proportion of this underspend.

- 7.15. However, a significant sum relates to expenditure that is closely tied to regeneration schemes or will be reimbursed to the Council during the delivery of regeneration schemes such as
- i. the two Tottenham Hale schemes (£1.35m),
  - ii. Tottenham High Road & Bruce Grove (£0.45m),
  - iii. HRW business acquisition (£5.2m),
  - iv. Strategic Acquisitions (£9.01m),
  - v. Northumberland Park (£2.74m) and
  - vi. the DEN (£1.87m).

In light of the procurement of the HDV and the HRW development partners', officers are reviewing these profiles as part of the 2018/19 budget setting process.

- 7.16. The majority of the balance of the variance of £16.28m, relates to the stalled Marsh Lane relocation project (£14.34m) although this position will likely improve due to the works to relocate part of the current operations from Ashely Road Depot to Marsh Lane Depot being completed this financial year. The remainder of the variance relates to schemes that are contractually committed but behind schedule. Officers are reviewing the alternative procurement options for the delivery of the Marsh Lane relocation scheme.
- 7.17. Actual expenditure to date is largely made up of two payments on Alexandra Palace Heritage (£3.29m) and Alexandra Palace Maintenance (£0.47m) schemes and minor spend on a number of other schemes (£1.16m).
- 7.18. Two schemes, Heritage Building Improvements and North Tottenham Heritage Improvements are forecasting over achievement against this year's budget (but not against the overall scheme budget) of £1.0m and £0.12m respectively. The budget for 'Growth on the High Road' has been reviewed and it is proposed to transfer budget of £0.40m into the approved capital programme contingency.

**Priority 5 (General Fund)  
£12.75m**

**Underspend**

- 7.19. At the end of Q2, Priority 5 (General Fund) had recorded spend of £0.49m with further planned expenditure of £3.19m, a forecast outturn of £3.68m and a year-end variance of £12.75m. Temporary Accommodation Solutions has one scheme in progress, Birkbeck Lodge, which is being considered by the Secretary of State with a decision expected in spring 2018. There are no further schemes planned. Temporary Accommodation Acquisitions has plans for a significant acquisitions programme that will impact in the next financial year. CPO Empty Homes is awaiting a decision by the Secretary of State which, if received, will result in expenditure this year.

**Priority 5 (Housing Revenue Account)****Underspend £19.46m**

- 7.20. Priority 5 (HRA) shows recorded expenditure to date of £10.95m with further planned expenditure of £38.49m, and forecast outturn of £49.44m and a variance of £19.46m.
- 7.21. The three most significant variances are HRW Leaseholder Acquisition which is forecasting a variance of £8.45m. Given the nature of the transaction, forecasting exactly when they will complete is difficult as there is another counterparty involved who may not be on the same timescale as the Council. Home Loss Disturbance Payments has a variance for the same reason as HRW Leaseholder Acquisition. Stock Acquisition has been placed on hold and the budget earmarked for post Grenfell works. Together these variances total £17.09m.

**Priority X****Underspend 11.37m**

- 7.22. At the end of Q2, Priority X had recorded expenditure of £0.71m with further planned expenditure of £4.68m resulting in forecast outturn of £5.39m and a year-end variance of £11.37m. Plans are being developed to take forward further transformation projects and for a refresh of the IT estate.

**Capital Budget Virements**

- 7.23. At its meeting of the 20th June 2017, Cabinet approved the overall capital programme for 2017/18 and a revised profile for the MTFS period. The programme included agreed carry forward from 2016/17 and revised profiling of the HDV. The 12th September Cabinet meeting noted that the Q1 monitoring of the capital programme was forecast to underspend by £66m against General Fund budget of £132.52m.
- 7.24. Since the preparation of that report a number of changes are needed to the budget to accurately reflect previously agreed schemes in the General Fund approved capital programme and new resource allocations. These changes are set out in the appendix and increase the overall £6.238m. There are some additional minor additions that total £0.579m. The revised General Fund capital programme is set out in the below table.

**Table 5 – Revised Capital Budget Q2 2017/18**

Priority	Revised Budget as at Q1	Budget Adjustment (Virement) in Q2	Revised Budget as at Q2
	£'000	£'000	£'000
Priority 1 - Children's	13,350	0,226	13,576
Priority 2 - Adults	2,893	0,185	3,078
Priority 3 - Safe & Sustainable Places	20,048	(2,554)	17,494
Priority 4 - Growth & Employment	63,311	10,368	73,679
Priority 5 - Homes & Communities	16,431	0	16,431
Priority 6 - Enabling	16,484	0,281	16,765
<b>Total (General Fund)</b>	<b>132,516</b>	<b>8,507</b>	<b>141,022</b>
Priority 5 (HRA)	68,901	0	68,901

<b>Total (General Fund &amp; HRA)</b>	<b>201,416</b>	<b>8,507</b>	<b>209,923</b>
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7.25. These changes have been incorporated into individual priority budgets. Appendix 4 contains (Virements) the detail of the adjustments and virements totalling £6.23m. The net effect of the virements and adjustments is to increase the approved capital programme from £132.5m to £141.02m. The HRA capital budget is unchanged.

7.26. As part of the budget setting process for 2018/19 all budget holders will be required to submit detailed requests for carrying forward resources from this financial year to the next so, at this stage, no carry forward requests are being considered.

## 8. MTFS Savings 2017/8

8.1. The MTFS savings target for 2017/8 is £20.6m. As at Q2, services are projecting that that £10.17m (49%) of planned savings would be achieved compared to £13.8m (67%) at Q1. This is a significant deterioration in forecast savings with most of the adverse movement relating to Adults Social Care savings.

8.2. The Chief Finance Officer has engaged with service directors to encourage delivery of planned savings or where this is not possible, for services to come up with alternative savings to ensure that overall services are delivered within planned budgets.

8.3. Table 3 below summarises the savings position at priority level and Appendix 3 has a detailed breakdown of savings and, where provided, comments to explain reason for non-delivery of savings.

**Table 4 – Summary Savings at Priority Level**

	New MTFS	Old MTFS	Total	Savings Achieved 2017/8	Savings Shortfall	% Achieved	Movement in achieved savings since last	Quarter 1 Savings Achieved 2017/8
	£'000	£'000	£'000	£'000	£'000	%		£'000
Priority 1	1,437	2,694	4,131	1,288	2,843	31%	▼	1,430
Priority 2	2,411	5,399	7,810	4,264	139	55%	▼	7,672
Priority 3	1,685	930	2,615	2,540	75	97%	▶	2,540
Priority 4	503	325	828	578	250	70%	▶	578
Priority 5	-	765	765	765	-	100%	▶	765
Priority X	612	116	728	569	159	78%	▼	670
Corporate Savings	2,036	1,650	3,686	167	3,519	5%	▼	188
<b>Total</b>	<b>8,684</b>	<b>11,879</b>	<b>20,563</b>	<b>10,171</b>	<b>6,985</b>	<b>49%</b>		<b>13,843</b>

8.4. Table 3 show the total amount reported as achievable at Q2 as £10.17m – this represents only 49% of planned savings for the year and an adverse movement of £3.7m from Q1 projection of £13.8m (67%). The revision of savings downwards by Priority 2 (down from 7.7m – 98% in Q1 to £4.3m – 55% in Q2) accounts for the majority of the adverse movement. The factors that have contributed to the projected shortfall in the savings programme for each priority area are summarised below.

### **Priority 1**

- 8.5. Priority 1 is reporting that only 31% (£1.29m of £4.13m) of approved savings will be delivered this year compared to 35% (£1.43m) in Q1. The movement between Q2 and Q1 is due to savings relating to Service Redesign and Early Help Target Response not being achieved this financial year.
- 8.6. Other planned saving not being achieved this financial year includes £0.6m of savings relating to supported housing which the Service has requested to be deferred to the next financial year. Line by line comment on individual savings, where provided, are detailed at Appendix 3a.

### **Priority 2**

- 8.7. Priority 2 is now reporting that it will only deliver 55% (£4.3m of £7.8m) of planned savings in 2017/18 compared to £7.7m projected achievement at the end of Q1. Previous projection on savings achievement was overly optimistic and the revision downwards is deemed a more realistic position at year end. Line by line comment on individual priority 2 savings, where provided, are detailed at Appendix 3b.

### **Priority 3**

- 8.8. Priority 3 is reporting a projected shortfall in savings achievable in 2017/18 of £0.1m – same as Q1. This projected non-delivery relates to the delay in the scoping exercise for the move to cashless payment project. Further details on priority 3 savings are provided at Appendix 3c.

### **Priority 4**

- 8.9. The shortfall of £0.2m in priority 4 relates to the transfer of functions/assets to the HDV – the projection remains the same as Q1. Line by line comments on individual priority 4 savings, where provided, are detailed at Appendix 3d.

### **Priority 5**

- 8.10. Priority 5 is currently projecting that all its savings will be achieved which is similar to projection at the end of Q1. Further details on priority 5 savings are detailed at Appendix 3e.

### **Priority X**

- 8.11. Priority X is currently projecting that 78% (£0.57m out of £0.73m) of approved savings will be achieved. Q1 projection was 92% (£0.67m). The reduction relates to projected non-delivery of communications staff and shortfall in insurance savings attributable to the General Fund. Line by line comment on individual savings, where provided, are detailed at Appendix 3f.

## **Council Wide Savings**

- 8.12. A corporate savings target of £3.6m relates to council wide savings on redundancy (£1.5m), bad debt provision (£0.70m) and procurement (£0.95m) and senior management savings (£0.40m). A significant shortfall of 95% is currently projected for these savings – similar to Q1. The relevant services are working to develop action plans to deliver savings relating to bad debt provision and procurement. Line by line comment on individual savings, where provided, are detailed at Appendix 3g.

## **9. Budget Virements**

- 9.1. Budget virements requiring noting are set out in Appendix 4. One-off virements (£34.94m) are budget movements affecting this financial year, whilst permanent virements (£26.10m) are budget movements which will permanently affect the cash limit of the priority.
- 9.2. These virements relate to technical budget adjustments to incorporate recognise additional external funding secured in year for specific/defined objectives and also to implement decisions already taken by the Cabinet/Council.

## **10. Use of Appendices**

Appendix 1 – Directorate Level Forecast (Q2)

Appendix 2 – HRA Forecast (Q2)

Appendix 3 – Detailed MTFS Savings Monitor (Q2)

Appendix 4 – Revenue and Capital Virements (Q2)

## **11. Local Government (Access to Information) Act 1985**

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

# Revenue Budget Forecast as at Q2 (2017/18)

# APPENDIX 1

Priority for Report	Directorate	Revised 2017/8 Budget	Quarter 2 Forecast	Quarter 2 Variance	Quarter 1 Variance	Movement in Forecast Variance	
PR1 Childrens	CM Assistant Director for Commissioning	2,254,921	2,102,927	-151,994	74,705	-226,699	▼
	CY Director Of Children Services	51,438,888	53,675,483	2,236,595	3,170,877	-934,283	▼
	PH Director for Public Health	6,600,771	6,643,018	42,248	20,000	22,248	▲
	SCH Assistant Director for School	5,385,470	5,415,652	30,182	0	30,182	▲
<b>PR1 Childrens Total</b>		<b>65,680,050</b>	<b>67,837,080</b>	<b>2,157,030</b>	<b>3,265,582</b>	<b>-1,108,552</b>	▼
PR2 Adults	AS Director for Adult Social Services	81,259,225	84,828,211	3,568,986	1,014,494	2,554,492	▲
	CM Assistant Director for Commissioning	2,933,573	2,944,905	11,332	222,098	-210,767	▼
	PH Director for Public Health	11,040,551	10,889,154	-151,398	19,600	-170,998	▼
<b>PR2 Adults Total</b>		<b>95,233,349</b>	<b>98,662,269</b>	<b>3,428,920</b>	<b>1,256,192</b>	<b>2,172,728</b>	▲
PR3 Safe & Sustainable Places	OPS Director for Commercial & Operations	26,437,399	26,817,915	380,516	1,099,130	-718,614	▼
	PH Director for Public Health	204,456	236,828	32,372	-16,528	48,900	▲
<b>PR3 Safe &amp; Sustainable Places Total</b>		<b>26,641,855</b>	<b>27,054,743</b>	<b>412,888</b>	<b>1,082,602</b>	<b>-669,714</b>	▼
PR4 Growth & Employment	CM Assistant Director for Commissioning	1,044,133	1,031,299	-12,834	22,221	-35,056	▼
	Alexandra Palace	1,900,200	1,902,200	2,000	2,000	0	▶
	PLAN Assistant Director of Planning	1,706,155	1,622,787	-83,368	-50,481	-32,887	▼
	RGEN Director for Housing and Growth	2,865,296	3,312,454	447,158	147,900	299,258	▲
	RPD02 Director of Regeneration	3,953,953	3,948,753	-5,200	0	-5,200	▼
	V00001 Dir of Regeneration Planning,Development	533,152	407,152	-126,000	0	-126,000	▼
<b>PR4 Growth &amp; Employment Total</b>		<b>12,002,889</b>	<b>12,224,644</b>	<b>221,755</b>	<b>121,640</b>	<b>100,115</b>	▲
PR5 Homes & Communities	AH03 Community Housing Services	10,991,803	11,787,883	796,080	784,709	11,372	▲
	AH05 Housing Commissioned Services	9,707,566	9,707,066	-500	0	-500	▼
<b>PR5 Homes &amp; Communities Total</b>		<b>20,699,369</b>	<b>21,494,949</b>	<b>795,580</b>	<b>784,709</b>	<b>10,872</b>	▲
PRX Enabling	C00002 Deputy Chief Executive	440,357	438,257	-2,100	0	-2,100	▼
	CE01 Chief Executive Officer	2,600	0	-2,600	0	-2,600	▼
	COM Assistant Director for Strategy & Communication	800,626	847,539	46,913	57,877	-10,964	▼
	CO000 F00001 Chief Operating Officer	-112,951	-84,001	28,950	250	28,700	▲
	CUS Assistant Director for Customer Services	5,903,050	5,879,930	-23,120	23,023	-46,143	▼
	GOV Assistant Dir of Corporate Governance	2,595,003	2,264,303	-330,700	0	-330,700	▼
	Non Service Revenue	17,320,174	16,602,291	-717,883	-447,207	-270,676	▼
	Year End Adjustment Reserves	1,989,981	1,989,981	0	0	0	▶
	Other Non Service Revenue	1,700	1,700	0	0	0	▶
	RES Director for Transformation & Resources	551,389	1,152,180	600,791	477,174	123,617	▲
	SSC Assistant Director for Shared Service Centre	5,470,028	5,614,062	144,034	15,498	128,536	▲
	Shared Digital Services	542,203	379,390	-162,813	-416,558	253,745	▲
<b>PRX Enabling Total</b>		<b>35,504,160</b>	<b>35,085,632</b>	<b>-418,528</b>	<b>-289,944</b>	<b>-128,585</b>	▼
<b>General Revenue Total</b>		<b>255,761,672</b>	<b>262,359,317</b>	<b>6,597,645</b>	<b>6,220,782</b>	<b>376,863</b>	▲
	HSE Housing Revenue Account	0	-168,866	-168,866	411,048	-579,914	▼
<b>Haringey Total</b>		<b>255,761,672</b>	<b>262,190,452</b>	<b>6,428,780</b>	<b>6,631,830</b>	<b>-203,050</b>	▼



## HRA Budget Forecast as at Q2

## Appendix 2

HRA BUDGET 2017/18	2017/18 Revised Budget	Forecast Spend	Q2 Forecast Variance	Q1 Forecast Variance	Forecast Variance Movement
	£'000	£'000	£'000	£'000	£'000
<b>Managed Services Income</b>					
Rent - Dwellings	(81,838)	(81,996)	(158)	29	(187)
Rent - Garages	(858)	(736)	121	125	(4)
Rent - Commercial	(2,139)	(2,139)	0	0	0
Income - Heating	(336)	(338)	(2)	80	(82)
Income - Light and Power	(1,204)	(1,201)	3	2	1
ServChgInc Leasehold	(7,143)	(7,560)	(417)	0	(417)
ServChgInc SuppHousg	(1,488)	(1,497)	(10)	256	(266)
ServChgInc Concierge	(1,554)	(1,548)	6	0	6
Grounds Maintenance	(1,922)	(1,919)	3	0	3
Caretaking	(1,544)	(1,541)	3	0	3
Street Sweeping	(1,626)	(1,623)	4	0	4
Water Rates Receivable	(6,295)	(6,078)	217	401	(184)
Bad Debt Prov - Leas	210	210	0	0	0
	<b>(107,736)</b>	<b>(107,967)</b>	<b>(231)</b>	<b>893</b>	<b>(1,124)</b>
<b>Managed Services Expenditure</b>					
Housing Management WG	23	23	0	0	0
Housing Management NT	28	28	0	0	0
TA Hostels	237	237	0	0	0
Housing Management ST	9	9	0	0	0
Housing Management BWF	11	11	0	0	0
Under Occupation	123	123	0	0	0
Rent - Hostels	(1,996)	(1,948)	49	0	49
Service Charge Income - Hostels	(341)	(330)	11	0	11
Repairs - Central Recharges	2	2	0	0	0
Responsive Repairs - Hostels	342	342	0	0	0
Water Rates Payable	5,277	5,030	(247)	93	(340)
HousMgmtRechg Cent	107	105	(2)	(2)	0
Other RentCollection	162	162	0	0	0
HousMgmtRechg Energ	1,417	1,417	0	0	0
Special Services Cleaning	2,100	2,500	400	0	400
Special Services Ground Maint	1,680	1,680	0	0	0
HRA Pest Control	277	277	0	0	0
Supporting People Payments	1,851	1,799	(53)	0	(53)
Commercial Propert	221	221	0	0	0
Bad Debt Provision - Dwellings	664	664	0	0	0
BAd Debt Provision - Commercial	80	80	0	0	0
Bad Debt Provisions - Hostels	68	68	0	0	0
HRA- Council Tax	150	150	0	0	0
	<b>12,492</b>	<b>12,650</b>	<b>158</b>	<b>91</b>	<b>67</b>
<b>Retained Services Expenditure</b>					
Anti Social Behaviour Service	736	575	(161)	0	(161)
Interest Receivable	(115)	(1)	114	0	114
Corporate democratic Core	777	765	(13)	0	(13)
Leasehold Payments	(507)	(190)	317	0	317
Landlords Insurance - Tenanted	288	302	14	0	14
Landlords - NNDR	132	42	(90)	0	(90)
Landlords Insurance - Leasehold	2,017	1,355	(662)	(482)	(180)
Capital Financing Costs	12,400	12,400	0	0	0
Depreciation - Dwellings	18,000	18,000	0	0	0
ALMO HRA Management Fee	40,032	40,059	27	0	27
Housing Revenue Account	17,135	17,135	0	0	0
GF to HRA Recharges	2,990	2,795	(195)	(368)	173
Estate Renewal	414	414	0	0	0
HIERS/ Regeneration Team	810	859	49	49	0
Emergency Response Management	0	388	388	113	275
Supported Housing Central	135	250	115	115	0
	<b>95,244</b>	<b>95,148</b>	<b>(96)</b>	<b>(573)</b>	<b>476</b>
<b>(Surplus) for the Year on HRA Services</b>	<b>0</b>	<b>(169)</b>	<b>(169)</b>	<b>411</b>	<b>(580)</b>

MTFS Savings - P1 – Children’s

Appendix 3a

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG	Overall risk RAG	Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
<b>P1 - Childrens</b>								
1.1	Service Redesign & Workforce	300	3	5	15	Amber/Red	-	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	5	5	25	Red	-	The model / formula for the delivery of savings is yet to be finalised. Firm details will be available once agreed. CDU Review will understand the opportunities in relation to the model
1.3	Family Group Conferencing	200	2	1	2	Green	200	In place and being tracked
1.4	Family Based Placements	100	5	5	25	Red	-	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. Review of High Cost Placements underway, led by AD Social Care
1.5	Care Leavers - Semi Independent Living	25	5	5	25	Red	-	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	5	5	25	Red	-	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	5	5	25	Red	-	Project plan scheduled for full implementation by 2018/19
<b>Subtotal (New MTFS)</b>		<b>1,437</b>					<b>200</b>	
<b>OLD MTFS (GREEN SAVINGS)</b>								
1	Early Years - remodel Childrens Centres - review borough wide provision of childcare	150	5	5	25	Red	-	
3	Public Health - 5-19 - recommissioning of services with improved efficiency including school nursing and health visiting	376	1	1	1	Green	376	Achieved
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	5	5	25		-	
	New Model for Social Care Delivery	900	3	5		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 cluse 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	5	20	Amber/Red	384	Savings will not be fully achieved in full in current year, due to delays in restructuring. Some savings remain challenging.
<b>Subtotal (Old MTFS)</b>		<b>2,694</b>					<b>1,088</b>	
<b>Total</b>		<b>4,131</b>					<b>1,288</b>	

MTFS Savings - P2 - Adults

Appendix 3b

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
<b>P2 - Adults</b>								
2.1	Supported Housing Review	475	2	3	6	Amber/Green	34	Work well underway to maximise use of voids for higher level need and to ensure users in the most cost effective options. Total £134k made up of £34k cashable and £100k non-cashable.
2.2	Osborne Grove	-	5	5	25	Red		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	44	Implementation planned from 01 April 2017 but delayed until 01 December 2017 because of requirement for consultation and cabinet approval
2.4	Technology Improvement	750	2	5	10	Amber/Green	185	Work is well underway, although there has been slippage. Total made up of £160k cashable plus £160k non-cashable savings through use of Assitive Technology, plus £100k non-cashable through Online information and self-assessment.
2.5	Market efficiencies	987	3	5	15	Red	200	Made up of - - £200k on LD day opportunities - £200k trusted provider arrangements for homecare - £100k volume discounts on residential/nursing placements - £21.5k ending MOW's subsidy - £136k DPS
2.6	New Models of Care				0			
<b>Subtotal (New MTFS)</b>		<b>2,411</b>					<b>463</b>	
<b>OLD MTFS (GREEN SAVINGS)</b>								
11	Closure of Haven and Grange	440	1	1	1	Amber/Green	-	
12	LD Day Opportunities Redesign (LBH provision)	1,257	1	1	1	Amber/Green	-	
15	Extra Care Provision	703	5	5	25	Red		
13	Supported Living Provision	1,083	5	5	25	Amber/Green	52	£2.475m non-cashable savings through prevention/diversion of new packages
16	New Model for Care Management - increased integration with health and other agencies	970	-	-	0	Green	970	
14	Promoting Independence Reviews	63	3	5	15	Amber/Red	1,433	Transformation and PIR reviews
<b>TOTAL ADULTS</b>		<b>4,516</b>					<b>2,455</b>	
<b>PUBLIC HEALTH</b>								
19	Voluntary Sector - review support to Voluntary Sector - provide help to local organisations to be more self sufficient and find other funding	200	1	1	1	Red	200	Savings Achieved
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	Savings Achieved
<b>Total Public Health</b>		<b>883</b>					<b>883</b>	
<b>Subtotal (Old MTFS)</b>		<b>5,399</b>					<b>3,801</b>	
<b>Total</b>		<b>7,810</b>					<b>4,264</b>	

MTFS Savings - P3 - Cleaner and Safer Communities

Appendix 3c

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
<b>P3 - Cleaner and Safer</b>								
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	
3.12	Move to Cashless Parking	150	3	5	15	Amber /Red	75	capital spend, approved by Transformation board
3.15	Increase in CO2 Parking Permit Charge	100	1	1	1	Green	100	proposal to g to DVLA 13 band permit
<b>Subtotal (New MTFS)</b>		<b>1,685</b>					<b>1,610</b>	
<b>OLD MTFS (GREEN SAVINGS)</b>								
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	2	6	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	
<b>Subtotal (Old MTFS)</b>		<b>930</b>					<b>930</b>	
<b>Total</b>		<b>2,615</b>					<b>2,540</b>	

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
<b>P4 - Growth &amp; Employment</b>								
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	5	25	Red	-	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
<b>Subtotal (New MTFS)</b>		<b>503</b>					<b>253</b>	
<b>OLD MTFS (GREEN SAVINGS)</b>								
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	
<b>Subtotal (Old MTFS)</b>		<b>325</b>					<b>325</b>	
<b>Total</b>		<b>828</b>					<b>578</b>	

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
<b>P5 - Housing</b>								
<b>OLD MTFS (GREEN SAVINGS)</b>								
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	
<b>Total</b>		<b>765</b>					<b>765</b>	

MTFS Savings

Appendix 3f

Ref	Proposal	Savings Target 2017-18 £000's	Risk of delay	Risk of delivering full saving	Overall risk RAG		Firm Commitment for savings achievable for 2017/18 £'000	Details of impact of under achievement of savings and mitigating actions
	<b>PX - Enabling</b>							
6.2	<b>Audit and Risk Management</b> - reduction in cost on the external audit contract	11	1	1	1	Green	11	
6.3	<b>Democratic Services</b> - reduction in staffing	40	1	2	2	Green	40	
6.4	<b>Shared Service Centre Business Support</b> - reduction in staffing	300	1	1	1	Green	300	
6.10	Translation and Interpreting Service - new contract	41	1	1	1	Green	41	-
6.12	Communications - reduction in staffing	53	3	5	15	Amber /Red	-	
6.13	Income generation – Advertising and Sponsorship	15	1	1	1	Green	15	-
6.15	Insurance	152	1	1	1	Green	104	
	<b>Subtotal (New MTFS)</b>	<b>612</b>					<b>511</b>	
	<b>OLD MTFS (GREEN SAVINGS)</b>							
73d	Accounts Payable Restructure (Mark Rudd)	116	2	5	10	Amber /Green	58	
	<b>Subtotal (Old MTFS)</b>	<b>116</b>					<b>58</b>	
	<b>Total</b>	<b>728</b>					<b>569</b>	

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
<b>Corporate Savings</b>								
6.8	Senior Management Savings	400	3	5	15	Amber/Red	117	Partial savings, plans are in place to achieve the remainder of the savings in-year
6.9	Alexandra House - Decant		4	2	8	Amber/Red	-	
6.14	Professional Development Centre	136	5	5	25	Red	-	It is unlikely that this saving can be achieved in this financial year.
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.
<b>Subtotal (New MTFS)</b>		<b>2,036</b>					<b>167</b>	
<b>OLD MTFS (GREEN SAVINGS)</b>								
74	BIP Commercial/ Organisation Wide: Barry Phelps	950	2	5	10	Amber/Green	-	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	5	15	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
<b>Subtotal (Old MTFS)</b>		<b>1,650</b>					<b>-</b>	
<b>Total</b>		<b>3,686</b>					<b>167</b>	



## Appendix 4 - Virements

Proposed virements are set out in the following table.

Virements for Noting						
<i>Virements</i>						
Period	Service/AD Area	Rev/ Cap	One-off	Permanent	Reason for budget changes	Description
2	Shared Service Centre	Revenue	250,700	250,700	Staffing restructure	Transfer of Procurement Compliance Staff from OPS to SSC
2	Children's	Revenue	334,600		Grant Allocation	Ministry of Justice Secure Remand Grant Allocation for 2017/18 Department of Education Staying Put Grant Allocation for 2017/18
2	Shared Service Centre	Revenue	2,171,800	2,171,800	Consolidation of Business Support into SSC	Consolidation of Business Support into SSC
2	Shared Service Centre	Revenue	266,400	266,400	Budget realignment	Realignment of HR staff budget between SSC and Transformation and Resources
2	Communications	Revenue	281,000	281,000	Consolidation of Communications budget	Consolidation of Communications budget
3	Shared Service Centre	Revenue	268,700	268,700	Realignment of Business Support budget	Realignment of Business Support budget
3	Housing and Growth	Revenue	1,015,270	835,270	Corporate Overhead Recharge adjustments	Adjustment to ALMO Management Fee for Housing Demand corporate overhead recharge
3	Housing and Growth	Revenue	3,180,550	3,180,550	Budget realignment	Realignment of Housing Demand budget
4	Adult Social Services	Revenue	260,000		Setting up North London Adult Social Care transformation group budget	Hosting of North London Adult Social Care transformation group, jointly funded by representative local authorities
4	Commercial and Operations	Revenue	11,771,664	11,771,664	Budget realignment	Realignment of Commercial & Operations budgets to new structure
5	Commissioning	Revenue	836,200	836,200	Budget realignment	Realignment of Early Year's Commissioning budgets
5	Children's	Revenue	948,689		In year budget realignment	Realignment of Woodside Children's Centre in year budget to reflect 17/18 funding allocation
5	Schools and Learning	Revenue	756,888		In year budget realignment	Realignment of Stonecroft Children's Centre in year budget to reflect 17/18 funding allocation
5	Children's	Revenue	1,067,232		In year budget realignment	Realignment of Triangle Children's Centre in year budget to reflect 17/18 funding allocation
5	Commissioning	Revenue	448,560	448,560	Budget realignment	Realignment of Corporate Overhead between Payments and Brokerage Teams
6	Communications	Revenue	548,700	548,700	Budget realignment	Realignment of Communications budget
5	Shared Service Centre	Revenue	1,241,637		Corporate Overhead Recharge adjustments	Transfer of FOI team in year overheads into SSC
5	Housing and Growth	Revenue	722,922	722,922	Budget realignment	Adjustment to ALMO Management Fee for Pay award and NI changes
5	Commercial & Operations	Revenue	1,165,597	1,165,597	Budget realignment	Realignment of Commercial & Operations budgets to new structure
5	Customer Services	Revenue	3,243,818	2,772,200	Budget realignment	Realignment of Customer Services budgets to reflect operational structure
5	Children's	Revenue	873,212		In year budget realignment	Realignment of Park Lane Children's Centre in year budget to reflect 17/18 funding allocation
6	Transformation & Resources	Revenue	640,000	640,000	Budget realignment	Re-alignment of Corporate IT Budgets to agreed service structure
			<b>32,294,139</b>	<b>26,160,263</b>		
Transfers from Reserves						
<i>Reserves</i>						
Period	Service/AD Area	Rev/ Cap	One-off	Permanent	Reason for budget changes	Description
5	Children's	Revenue	388,205		Transfer from reserves	Transfer from reserves for Children's 16/17 carry forwards
5	Housing and Growth	Revenue	659,700		Transfer from reserves	Transfer from reserves for Haringey Development Vehicle
5	Regeneration	Revenue	552,500		Transfer from reserves	Transfer from reserves for Wood Green regeneration
5	Shared Service Centre	Revenue	261,310		Transfer from reserves	Transfer from reserve to fund Benefits project activities
6	Growth and Development	Revenue	787,900		Transfer from reserves	Transfer from reserves to fund economic growth related activities
			<b>2,649,615</b>	-		

## Capital Virements for Approval

Period	Service / AD Area	Capital	Priority Group	Capital Scheme	Proposed Virement/ Adjustment (£'000)	Reason for budget change	Description of budget change
9	Regeneration, Planning & Development	Capital	4	467 - Contribution to Community Events & Public Space (THFC)	5,000	Upload of previously agreed budget	For the council contribution to the THFC public realm works
9	Regeneration, Planning & Development	Capital	4	465 - District Energy Network (DEN)	1,900	Upload of previously agreed budget	The budget previously agreed for the DEN project procurement and SPV establishment
9		Capital	6	699 - P6 - Approved Capital Programme Contingency	(2,008)	Realignment of the capital contingency budget	To allocate the approved capital programme contingency to priority budgets
9	Regeneration, Planning & Development	Capital	4	468 - Keston Road (Maya Angelou Contact Centre)	687		
9		Capital	4	450 - Winkfield Road	542		
9		Capital	4	446 - Alexandra Palace - Heritage	294		
9		Capital	4	438 - Vacant possession Civic Centre	294		
9	Commercial & Operations	Capital	3	313 - Active Life in Parks:	146		
9	Childrens	Capital	1	104 - Early years	45		
					<b>6,900</b>		

## Capital Virement for Noting

6	Regeneration, Planning & Development	Capital	4	406 - Opportunity Investment Fund	1,269	Technical Budget Adjustment	Confirmation of GLA carry forward of OIF grant
6	Commercial & Operations	Capital	4	401 - Tottenham Hale Green Space	548	Technical Budget Adjustment	Budget adjustment to rectify an incorrect carry forward
6	Commercial & Operations	Capital	4	402 - Tottenham Hale Streets	210		
6	Commercial & Operations	Capital	4	411 - Tottenham High Rd & Bruce Grove Stn	11		
6	Regeneration, Planning & Development	Capital	3	309 - Local Implementation Plan(LIP)	(2,700)	Technical Budget Adjustment	Budget adjustment to rectify an incorrect SAP budget load
6	Transformation & Resources	Capital	6	699 - P6 - Approved Capital Programme Contingency	400	Technical Budget Adjustment	Budget adjustment to rectify an incorrect SAP budget load
6	Regeneration, Planning & Development	Capital	4	411 - Tott High Rd & Bruce Grove stn	(400)		
					<b>(662)</b>		
<b>Net Total</b>					<b>6,238</b>		