

**Report for:** OSC – 2 October 2018

**Title:** Quarter 1 (Period 3) Budget Monitoring for 2018/19

**Report authorised by:** Jon Warlow – Interim Chief Finance Officer & Section 151 Officer

**Lead Officer:** Frances Palopoli – Head of Finance Operations extn 3896

**Ward(s) affected:** N/A

**Report for key/  
Non Key Decision** Key

### 1. Introduction

1.1 This budget monitoring report covers the position at Quarter one (period 3) of the 2018/19 financial year including Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) budgets. The report focuses on significant budget variances including those arising as a result of the forecast non-achievement of Cabinet approved MTFS savings.

### 2. Cabinet Member Introduction

2.1 Haringey, like others, continues to face significant challenges in delivering agreed outcomes within restricted budget parameters. We have an agreed medium term financial strategy (MTFS) that we are currently working on refreshing and I am very much alive to the impact on this of the forecasts in our regular in year monitoring.

2.2 The year-end revenue forecasts at Qtr1, outlined in this report, are indicating an overspend close to £6m a significant amount of which is related to forecast non-delivery of agreed savings. This is the position after applying mitigation which was built into the budget as part of the current MTFS in recognition of the challenges in delivering savings at the level and pace required. Clearly this figure must be a matter of concern at this time and I will be looking to ensure that we are actively addressing this position.

2.3 In response to the Qtr1 forecast, I have instigated a budget delivery board, chaired by myself, which will help to highlight and challenge the current approach to the key financial issues as well as collectively focussing on real solutions. A review is also underway of the current framework in place to monitor and track delivery of savings. Both of these I believe will ensure we are best placed to deliver our priorities as well as our statutory duties. I look forward to providing a more detailed update on progress with savings in the Qtr2 report.

### 3. Recommendations

OSC is recommended to:

3.1. Note the forecast revenue outturn for the General Fund (GF), including corporate items, of **£5.9m overspend** post mitigations of £7.5m and consider what remedial actions

need to be implemented to bring closer to the approved budget (Section 6, Table 1, and Appendix 1).

- 3.2. Note that the final 2017/18 general fund outturn, post completion of the external audit, was an increased overspend of £0.404m compared to the £0.019m reported in the outturn which has been offset against the GF reserve. The 2018/19 brought forward GF reserve balance is now £15.5m still in line with the level proposed in the budget paper approved by Full Council in February 2018.
- 3.3. Note the net HRA forecast of £0.2m overspend. (Section 6, Table 2, and Appendix 2).
- 3.4. Note the net DSG forecast of £2.59m **overspend**, the actions being taken to seek to address this and the potential implications for the GF. (Section 7 and Table 3).
- 3.5. Note the latest MTFS savings position in 2018/19 which indicates that only 33% (£5.2m) will be achieved. To consider what remedial action is required to improve this position. (Section 8, Table 4).
- 3.6. Note the latest capital forecast expenditure of £192.8m in 2018/19 which equates to 84% of the approved budget. To also consider & approve the proposed changes to the approved budget (Section 9, and Table 5).
- 3.7. Note the measures in place to reduce overspend in service areas; and
- 3.8. Note the budget virements as set out in Appendix 3.

#### 4. **Reason for Decision**

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

#### 5. **Alternative Options Considered**

- 5.1 The report of the management of the Council's financial resources is a duty of the Interim Director of Finance (Section 151 Officer), helping members to exercise their role and no other options have therefore been considered.

#### 6. **Revenue Outturn**

- 6.1. As at 30th June 2018, the Council's quarter 1 finance position (including HRA) is a projected overspend of £8.8m for the year ending 2018/19, the General Fund element being £5.9m. This is after applying mitigations of £7.5m mainly from the application of the budget resilience reserve built into the budget to smooth delays in delivering agreed savings.
- 6.2. Regarding the proposed use of the Budget Resilience Reserve (BRR). The 2018/19 Budget and Medium Term Financial Strategy (2018/19-2022/23) report approved by Council recognised that there were risks around the delivery of 100% of planned savings in the MTFS particularly as a number of proposals had been identified in the original 2015-18 MTFS. It was agreed that the BRR be established which could be used to offset non-delivery of these savings. As well as the budgeted movements of £8m to this reserve in 2018/19, the closedown of accounts for 2017/18 allowed a further £5m to

be put into this fund. Having further reviewed the expected delivery of budget savings and established a first picture on the in-year budget pressures, a part utilisation of the BRR is proposed here, rather than later in the year or at year end. The resultant net General Fund pressure of £5.9m still represents a substantial challenge to the Council's in-year financial management and considerable attention must be applied to identify mitigations to tackle this.

- 6.3. It should be noted that the future years' budgetary implications of ongoing non-deliverability of some existing planned savings is being addressed in the preparatory work underway for the 2019/24 Medium Term Financial Strategy.
- 6.4. Table 1 below sets out financial performance at priority level. A detailed analysis at directorate level is attached in Appendix 1. The forecasts in the appendix are shown before the application of mitigation.

**Table 1 – Revenue Budget Monitoring Forecast for Quarter 1 2018/19**

Priority	Revised 2018/19 Budget	Non-Delivery of Savings	Base Budget Pressure	In Year Mitigation	P3 Outturn Forecast	P3 Forecast to Budget Variance
	£'000	£'000	£'000	£'000	£'000	£'000
PR1 Childrens	62,301	4,524	354	(2,000)	65,179	2,878
PR2 Adults	102,189	3,490	877	(2,000)	104,556	2,367
PR3 Safe & Sustainable Places	29,696	90	906	0	30,692	996
PR4 Growth & Employment	7,733	0	(20)		7,713	(20)
PR5 Homes & Communities	15,823	0	316	(316)	15,823	0
PRX Enabling	32,369	2,688	200	(3,180)	32,077	(293)
<b>General Revenue Total</b>	<b>250,111</b>	<b>10,792</b>	<b>2,633</b>	<b>(7,496)</b>	<b>256,040</b>	<b>5,929</b>
DSG	0	0	2,592		2,592	2,592
PR5 Homes & Communities(HRA)	0		231		231	231
<b>Haringey Total</b>	<b>250,111</b>	<b>10,792</b>	<b>5,456</b>	<b>-7,496</b>	<b>258,863</b>	<b>8,752</b>

A summary of the forecast outturn position for Priorities showing significant variances is outlined below. These variances include the impact of the non-delivery of MTFS savings which are further discussed in section 8.

**PRIORITY 1**

**Overspend £2.9m**

- 6.5. Priority 1 is forecasting to spend £65.2m against an approved budget of £62.3m resulting in a projected overspend of £2.9m at P3. It should be noted that this figure assumes the release of £2m from the budget resilience reserve to offset the impact of slower than planned delivery of savings. The Director is focussing on producing a coherent programme which will deliver the planned savings albeit over a revised timeframe. Officers will continue to look for alternative in year mitigations. The areas with material variances are detailed below.

- 6.6. **Children's Placements ( £2.6m overspend)**

• **Young Adults Placements (£771k overspend):** this is due to non-delivery of 17/18 & 18/19 savings. Possible mitigation is a more detailed review of step-down against current pathways to be conducted for P4 monitoring although this will need to be assessed against the change in legislation resulting in increasing new cases for 21-25 year olds.

• **LAC External Placements (£2,261k overspend):** The underlying driver is the volume of placements. Whilst similar in number to last year, there has been an increase in high cost placements, now standing at 40, coupled with an increase in the weekly cost for these placements. In mitigation the service are developing a new market contract with West London Alliance as well as a continual review of the top 20 high cost placements. Work is still on going to develop a viable plan to deliver the new 2018/19 savings.

• **Internal Fostering Placements (£361k underspend):** this is due to the lack of availability of in house foster carers.

6.7. **Other Children's Social Care (£1.01m overspend)**

The overspend is all within the **First Response Service**. £644k is staffing related; £376k the impact of reliance on agency staff and £268k from an unfunded, additional assessment team brought in previously to deal with higher demand / backlog of cases. To mitigate this pressure, the service will continue to review recruitment policy to improve the position whilst looking to disband the additional team later in the year.

The remaining £353k arises from our statutory requirement to continue to support clients with No Recourse to Public Funds (NRPF). This is in line with the final 17/18 figure.

6.8. **Children & Young People with Additional Needs (£1.04m overspend)**

£592k is within SEND and is due to the statutory duty to provide transport for over 19 years old as part of the SEND Reform coupled with an underlying deficit against the income target. The remainder is £283k in Family Support & a shortfall in income of £165k in the Inclusion Service.

**PRIORITY 2**

**Overspend £2.4m**

6.9. Priority 2 is forecasting to spend £104.5m against an approved budget of £102.2m resulting in a projected overspend of £2.4m at P3. This figure currently assumes the release of £2m from the budget resilience reserve to offset the proposed re-profiling of the brought forward 2017/18 savings. It is presently assumed that one fifth of this will be delivered this year and further detail of future years' delivery will be provided in the next update of the MTFS report. Officers will continue to look for further in year mitigation to reduce the need to draw down against the contingency.

The areas with material variances are detailed below.

6.10. Osborne Grove Nursing Home (**£0.7m overspend**). Whilst no new clients have been placed in the home, the management & staffing costs to run the service for those who remain, plus loss of client contributions & loss of health funding for purchased beds, contributes to this cost pressure.

6.11. Care packages (**£3.5m overspend**). This remains at the same level as the carried forward pressure from 2017/18. The pressure is spread across all the key client groups

of older clients with physical support needs, clients with learning disabilities, and clients with mental health needs.

**PRIORITY 3**

**Overspend £0.99m**

6.12. The service is forecasting a £0.99m overspend at Quarter 1. The main variances are detailed below including the mitigating strategies that management already have in place to address these.

- **Waste Services** - £553k overspend. £213k arises from contract inflation pressure within the Veolia contract which management are currently investigating. £340k from a dispute with HfH over charges for waste provision services; management are in negotiation with HfH to resolve.
- **Operations** - £241k arising from salary pressure and vehicle cost overspends in Parks and £150k arising from unachievable income and inflation shortfall against the Ringway contract both within Highways.
- **Commissioning** – disputes of £200k with Amey. Management are looking to resolve this via arbitration or adjudication.

**PRIORITY 4**

**Break Even**

6.13. There are no issues to report in this priority.

**PRIORITY 5 (General Fund)**

**Break Even**

6.14. The temporary accommodation (TA) budget is currently under pressure primarily due to the volume of clients but also the forecast level of compensation payment costs. Currently it is assumed that this can be offset by unbudgeted income from TA lodges hostels and reduced expenditure in some other areas along with the use of the flexible homelessness grant.

6.15. As acknowledged in the June 2018 Cabinet report on the Broadwater Farm estate, the impact of temporarily re-housing tenants is forecast to create a pressure of c. £202k on the TA budgets in 2018/19. These costs have yet to materialise but will need to be covered. Further clarity will be available for the quarter two report.

**PRIORITY 5 (HRA)**

**Overspend £0.23m**

6.16. The HRA budget is projecting overspend of £0.2m for the year ending March 2019. The HRA outturn summary is set out in Table 2 below.

**Table 2 – HRA Budget Forecast (Quarter 1)**

HRA Budget (2017/18)	2018/19 Revised Budget	Q3 Forecast Outturn	Q3 Forecast to Budget Variance
	£'000	£'000	£'000
Managed Services Income	(107,554)	(107,178)	375
Managed Services Expenditure	14,025	13,854	(170)
Retained Services Expenditure	93,529	93,555	26

(Surplus)/ Deficit	0	231	231
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6.17. The main drivers of the variance are the under recovery of dwelling income as properties are being held back from letting due to the need to rehouse residents from the Tangmere block on Broadwater Farm, and a higher than anticipated number of garage voids which is impacting on income streams. HfH have undertaken a review of garages so work is underway to resolve the latter pressure. The income shortfall is being offset by a number of small underspends on the managed services expenditure.

### **PRIORITY X**

**Underspend £0.293m**

Priority X consists of Corporate budgets (NSR) and service budgets.

#### **6.18. Non Service Revenue (NSR).**

These are corporate budgets and the corporate council-wide savings have been allocated here (Voluntary severance £1.2m; Procurement £0.7m; Bad debt provision £0.5m; Alexander House decant £0.25). Since the budget was set in February, the level of budget pressures and other savings challenges in service budgets has become more apparent and it is now felt that an apportionment of these corporate savings could not reasonably be expected to be delivered by the services without further exacerbating their already reported budgetary difficulties. It is therefore proposed to offset £2m of this pressure against the budget resilience reserve with the remainder being mitigated by underspends on debt financing costs.

#### **6.19. Priority X Service Budgets**

The services are forecasting delivery of 91% of agreed savings and are broadly in line with agreed budget. The main area of concern is the Schools Traded Service, within the Shared Service Centre which continues to forecast a shortfall in income (£200k). A paper is currently being prepared to outline options for this service moving forward.

#### **6.20. Ward Budgets**

In July 2015 a decision was taken to create a budget of £10k per ward (total £190k). As this was a new approach to community engagement, it was agreed that it be subsequently reviewed. Consequently, it is confirmed that the 2018/19+ Council budget contain on-going provision for £10k per ward.

The 2018/19 scheme will be commenced in September 2018 but for this year it will be top sliced by £9.5k (£500/ward). This budget will part fund the activities for Black History month (£4,750) and the Gender Equality month (£4,750). The balance (£9.5k) of this one-off funding for these 2 corporate events will come from corporate budgets.

### **7. Dedicated Schools Grant (DSG)**

**Overspend £1.17m**

7.1. The DSG estimated overspend is primarily due to a £1.5m reduction in the high needs block funding announced in the revised July allocations plus additional pressure in top up funding due to an increased growth in high needs population. In the schools block the forecast underspend on the growth fund is mainly driven by the changes in planned admissions numbers (PAN) numbers during the year.

#### **Table 3 – DSG Position Quarter 1**

Blocks	Opening DSG at 01/04/18	In year position at P03 (18/19)	Forecast Closing DSG 18/19 - P03
Schools block	(1,267)	(270)	(1,537)
Central block	0	2	0
Early years block	(1,653)	6	(1,647)
High needs block	1,500	2,854	4,355
<b>Total</b>	<b>(1,419)</b>	<b>2,592</b>	<b>1,171</b>

*N.B. Officers are planning a meeting with the DfE to challenge the revised funding allocations for the High Needs block.*

## 8. MTFS Savings 2018/19

- 8.1. The MTFS savings target for 2018/19 (including brought forward unachieved savings from 2017/18) is £16.031m. As at Quarter 1 of the financial year, it is projected that only £5.239m (33%) of the target will be achieved. Table 4 below summarises the current savings position at priority level.
- 8.2. Further work is underway to challenge the forecasts and more detailed information will be provided for the Quarter 2 report. However, based on the position currently received it is likely that a substantial level of savings will not be deliverable as originally planned. This will clearly have implications for future years' forecasts and this will be taken into account as part of the MTFS refresh which is currently underway.

**Table 4 – Summary – 2018/19 MTFS Savings by Priority**

MTFS Savings 2018/19							
	2017/18 B/Fwd MTFS	Pre-Agreed MTFS 2018/19	New MTFS 2018/19	Total	Savings Projected to be Achieved 2018/19	Savings Shortfall	% Achieved
	£'000	£'000	£'000	£'000	£'000	£'000	%
Priority 1	3,173	1,748	-	4,921	397	4,524	8%
Priority 2	2,900	-	2,390	5,290	1,800	3,490	34%
Priority 3	75	1,660	-	1,735	1,645	90	95%
Priority 4	250	-	50	300	300	-	100%
Priority 5	-	-	50	50	50	-	100%
Priority X	218	301	-	519	471	48	91%
Corporate Savings	2,966	250	-	3,216	576	2,640	18%
<b>Total</b>	<b>9,582</b>	<b>3,959</b>	<b>2,490</b>	<b>16,031</b>	<b>5,239</b>	<b>10,792</b>	<b>33%</b>

## 9. Capital Expenditure Forecast at Quarter 1

- 9.1. The agreed (February 2018) General Fund capital programme for 2018/19 of £136.687m included an assumed carry forward of £80.088m budget from 2017/18. At

closedown, the carry forward figure was updated to £96.545m. The 2018/19 budgets included in this report therefore include this additional carry forward of £16.457m.

9.2. In addition to this, the table below reflects the 18/19 adjustments proposed in paragraphs 9.3 – 9.14 below.

**Table 5 – Capital Expenditure (Quarter 1)**

Priority	2018/19 Revised Budget	2018/19 P3 Forecast Outturn	2018/19 P3 Forecast Variance	Movement in Forecast Variance
	£'000	£'000	£'000	£'000
Priority 1 - Children's	11,410	5,853	(5,556)	0
Priority 2 - Adults	4,387	3,887	(500)	0
Priority 3 - Safe & Sustainable Places	20,100	19,403	(697)	0
Priority 4 - Growth & Employment	69,080	58,096	(10,984)	0
Priority 5 - Homes & Communities	34,225	34,224	(1)	0
Priority X - Enabling	20,689	6,810	(13,879)	0
<b>General Fund Total</b>	<b>159,890</b>	<b>128,273</b>	<b>(31,618)</b>	<b>0</b>
HRA Priority 5 - Homes & Communities	68,254	64,557	(3,697)	0
<b>Total</b>	<b>228,144</b>	<b>192,830</b>	<b>(35,314)</b>	<b>0</b>

9.3. At quarter 1, the capital programme is forecasting an under spend of £35.3m. The current actual spend is low, due in part to the existence of accruals that have yet to be matched. Services are projecting an outturn position as follows:

9.4. **Priority 1** is undertaking extensive surveys of the condition and suitability of the school estate. The early surveys have indicated that there are some early, urgent works, which need to be completed. It is possible that the projected outturn will be improved upon. There are no proposed budget changes this period.

9.5. **Priority 2** is projecting a minor underspend on the supported living budget and there are no proposed budget changes this period. In addition, a review of revenue expenditure within the Community Alarm Service has highlighted £177k of expenditure that is capital expenditure. It is proposed to include this scheme within capital programme and fund this through an allocation from the approved contingency.

9.6. **Priority 3** is projecting an underspend of £0.7m, which is in line with the current capital spend allocation so far within the Corporate Landlord budget line. It is possible that this outturn projection may change, if additional projects are undertaken.

9.7. In Priority 3, five adjustments are proposed. As part of the closing of accounts process, a review of revenue expenditure was undertaken. This found that the revenue budget was incurring street lighting and borough roads costs that were capital costs. The

expenditure was capitalised and as this is a permanent adjustment, there is a need to increase the capital budget for Street Lighting by £0.225m and Borough Roads by £0.385m. There has been a corresponding reduction in revenue budgets.

- 9.8. The historic developer s106/s278 budget is being reviewed and, whilst the review is ongoing, its early conclusion is that the current level of estimated resources (and hence spend), both this year and in future years, is too high. The change is primarily driven by the assumptions used in setting the budget some years ago being overly optimistic and not taking into account the increasing application of the community infrastructure levy to fund developer related infrastructure. It is proposed to reduce the 2018/19 budget to £0.75m and the budget for future years will be reset as part of the 2019/20 budget process.
- 9.9. A new scheme to fund the development of dynamic purchasing systems is recommended for inclusion with a budget of £0.917m. These schemes are part of the invest to save strategy.
- 9.10. The Council has been awarded a Crime and Disorder grant from MOPAC spread over two years. The 18/19 capital allocation is £121k. It is proposed to add this scheme to the capital programme.
- 9.11. **Priority 4** is projecting an underspend of £11m. The Priority 4 budget contains a large number of schemes that are closely tied to the activities of partners and/or the granting of planning permissions. As such, there is the possibility of a lower outturn figure than currently projected. A much clearer picture should emerge as the year progresses.
- In Priority 4, the Hornsey Town Hall scheme (£0.413m) has completed with the disposal to the developer. As the Council does not own the asset, it cannot capitalise any of the residual costs (mainly outstanding consultant's fees). It is proposed to delete this scheme, with any further costs being met from the proceeds of disposal, no transfer to contingency is proposed.
  - The decision of Cabinet on the 17<sup>th</sup> July to withdraw from the competitive dialogue procedure and therefore not award a contract in relation to the Haringey Development Vehicle means that these schemes can be removed from the agreed capital programme:  
  
Northumberland Park (2018/19 budget £0.369m);  
Re-provision of schools in the North Tottenham area (2018/19 budget £0.5m);  
Wood Green HQ, Library & Customer Service Centre (2018/19 budget £0.25m); and  
HDV Acquisitions & Receipts (2018/19 budget £1.639m).
- The removal of the HDV Acquisitions & Receipts budget does not generate any additional spending capacity, as the budget is there to fund acquisitions that were then to be reimbursed by the HDV to the council. It is proposed to transfer the budgeted resources from the other HDV schemes to the approved capital programme contingency for 2018/19. The planned expenditure on these schemes for future years will be reviewed as part of the capital programme refresh.
  - The Council has been awarded Good Growth Funding from the GLA. A budget of £0.65m needs to be established.

9.12. **Priority 5 (GF)** is projecting to be fully spent. The establishment of the community benefit society (CBS) at the July Cabinet will enable expenditure to speed up. The council has entered into a funding agreement with Newlon Housing Association for the provision of 54 units of social housing to be funded through retained RTB receipts. This scheme needs to be incorporated into the capital programme at a value of £6.5m.

9.13. **Priority 5 (HRA)** is projecting an underspend of £3.7m with the majority of the underspend being attributable to the costs of leaseholder acquisitions on the Love Lane Estate being met from the general fund. In addition a virement of £1.098m is requested to establish a budget for aids and adaptations to people's homes to make them more accessible.

9.14. **Priority 6** is projecting an underspend of £13.9m. The changes to the shared digital service means that this budget will need to be reviewed and the spend levels are likely to be below budget. The forecast outturn assumes that there is no spend on the responsiveness fund, which is approximately a quarter of the forecast underspend. In relation to the Hornsey Library, the scheme is going to tender in September and the delay is due to the significant additional works that are now required to complete the project.

## 10. **Contributions to strategic outcomes**

10.1 Adherence to strong and effective financial management will enable the Council deliver it's stated objectives and priorities.

## 11. **Statutory Officers Comments**

### Finance

11.1 This is a report of the Int. Director of Finance and therefore all finance implications have been highlighted in the body of the report.

### Procurement

11.2 Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions.

### Legal

11.3 The Assistant Director of Corporate Governance has been consulted on this report.

11.4 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.

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

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

## Equalities

11.7 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; and
- Foster good relations between people who share those characteristics and people who do not.

11.8 The 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 equality impact assessments as report to Full Council on 27 February 2017.

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

## **12. Use of Appendices**

Appendix 1 – Directorate Level Forecast (Quarter 1)

Appendix 2 – HRA Forecast (Quarter 1)

Appendix 3 - Virements

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

13.1. For access to the background papers or any further information, please contact Frances Palopoli – Head of Finance Operations.

## Directorate Level Forecast (Q1)

## Appendix 1

	2018/19 Revised Budget	Quarter 1 Forecast	Variance
<b>PRIORITY_1.PR Priority 1</b>	<b>62,300,816</b>	<b>67,179,143</b>	<b>4,878,327</b>
PR1_CY.PR Childrens	49,906,627	54,728,255	4,821,628
PR1_COMSIN.PR Commissioning	3,391,800	3,390,400	-1,400
PR1_PH.PR Public Health	5,911,070	5,911,070	0
PR1_SL.PR Schools & Learning	3,091,319	3,149,418	58,099
<b>PRIORITY_2.PR Priority 2</b>	<b>102,189,494</b>	<b>106,555,554</b>	<b>4,366,060</b>
PR2_AS.PR Adults	80,757,946	84,978,410	4,220,464
PR2_COMSIN.PR Commissioning	9,545,468	9,691,064	145,596
PR2_PH.PR Public Health	11,886,080	11,886,080	0
<b>PRIORITY_3.PR Priority 3</b>	<b>29,695,602</b>	<b>30,692,239</b>	<b>996,637</b>
PR3_COM.PR Commercial & Operations	27,085,492	28,080,129	994,637
PR3_PH.PR Public Health	0	0	0
PR3_COMSIN.PR Commissioning (Culture Museum & Archives)	709,910	709,910	0
PR3_CFO.PR Chief Finance Officer (Alexandra Palace)	1,900,200	1,902,200	2,000
<b>PRIORITY_4.PR Priority 4</b>	<b>7,732,810</b>	<b>7,713,394</b>	<b>-19,416</b>
PR4_PRD.PR Regeneration, Planning & Development	284,225	284,225	0
PR4_HSEGWT.PR Housing & Growth	1,773,050	1,753,634	-19,416
PR4_PLAN.PR Planning	2,147,785	2,147,785	0
PR4_PCP.PR Property & Capital Projects	202,150	202,150	0
PR4_REGEN.PR Regeneration	3,325,600	3,325,600	0
<b>PRIORITY_5.PR Priority 5</b>	<b>15,823,185</b>	<b>16,139,588</b>	<b>316,403</b>
AH03.PR Housing Demand	10,906,303	11,222,706	316,403
AH05.PR Housing Commissioned Services	4,916,882	4,916,882	0
<b>PRIORITY_X.PR Priority X</b>	<b>32,368,865</b>	<b>35,257,089</b>	<b>2,888,224</b>
PRX_CFO.PR Chief Finance Officer	17,168,325	19,301,229	2,132,904
PRX_CG.PR Corporate Governance	2,630,300	2,735,600	105,300
PRX_CSL.PR Customer Service and Libraries	4,746,000	4,914,822	168,822
PRX_DCE.PR Deputy Chief Executive	225,900	225,900	0
PRX_LCEO.PR Leader and Chief Executive Office	552,448	282,625	-269,823
PRX_SSC.PR Shared Service Centre	6,821,234	7,275,460	454,226
PRX_TR.PR Transformation & Resources	224,658	521,453	296,795
<b>TOTAL</b>	<b>250,110,772</b>	<b>263,537,007</b>	<b>13,426,235</b>

## HRA Revenue Forecast (Q1)

## Appendix 2

	2018/19 Revised Budget	Quarter 1 Actual Spend	Quarter 1 Forecast	Variance
	£000's	£000's	£000's	£000's
<b>UE0721 Managed Services Income</b>				
H39001 Rent - Dwellings	(81,071)	(18,832)	(80,884)	187
H39101 Rent - Garages	(858)	(177)	(746)	112
H39102 Rent - Commercial	(138)	(1,065)	(138)	
H39201 Income - Heating	(288)	(71)	(291)	(3)
H39202 Income - Light and Power	(1,095)	(255)	(1,092)	3
H39301 Service Charge Income - Leasehold	(8,124)	(6,592)	(8,124)	
H39401 ServChgInc SuppHousg	(1,495)	(354)	(1,522)	(27)
H39402 Service Charge Income - Concierge	(1,562)	(359)	(1,539)	24
H39405 Grounds Maintenance	(2,307)	(523)	(2,250)	58
H39406 Caretaking	(1,845)	(418)	(1,797)	48
H39407 Street Sweeping	(1,891)	(438)	(1,879)	11
H40102 Water Rates Receivable	(7,090)	(1,444)	(7,128)	(38)
H40404 Bad Debt Provision - Leaseholders	210		210	
<b>UE0721 Managed Services Income TOTAL</b>	<b>(107,554)</b>	<b>(30,528)</b>	<b>(107,178)</b>	<b>375</b>
<b>UE0722 Managed Services Expenditure</b>				
H31300 Housing Management WG	23	3	23	
H32300 Housing Management NT	28	7	28	
H33400 TA Hostels	252	15	252	
H34300 Housing Management ST	9	3	9	
H35300 Housing Management BWF	11		11	
H37210 Under Occupation	128	43	128	
H39002 Rent - Hostels	(1,920)	(464)	(1,991)	(71)
H39404 Service Charge Income - Hostels	(330)	(80)	(344)	(15)
H40001 Repairs - Central Recharges	2	(7)	(20)	(22)
H40004 Responsive Repairs - Hostels	342	()	342	
H40101 Water Rates Payable	6,024	(20)	6,059	35
H40104 HousMgmtRechg Central	107			(107)
H40111 Other RentCollection	162	22	162	
H40206 HousMgmtRechg Energ	1,609	26	1,609	
H40208 Special Services Cleaning	2,734	(602)	2,734	
H40209 Special Services Ground Maint	1,802	38	1,802	
H40212 HRA Pest Control	284	38	284	
H40213 Estate Controlled Parking	20	1	20	
H40303 Supporting People Payments	1,856	423	1,865	10
H40309 Commercial Property - Expenditure		2		
H40401 Bad Debt Provision - Dwellings	664		664	
H40405 BAd Debt Provision - Commercial				
H40406 Bad Debt Provisions - Hostels	68		68	
H40801 HRA- Council Tax	150	14	150	
S14520 Supported Housing		3		
<b>UE0722 Managed Services Expenditure TOTAL</b>	<b>14,025</b>	<b>(628)</b>	<b>13,854</b>	<b>(170)</b>
<b>UE0731 Retained Services Expenditure</b>				
H38002 Anti Social Behaviour Service	581	143	581	
H39601 Interest Receivable	(76)		(76)	
H40112 Corporate democratic Core	765		572	(193)
H40301 Leasehold Payments	(139)		(139)	
H40305 Landlords Insurance - Tenanted	312	1,395	318	6
H40306 Landlords - NNDR	132		50	(82)
H40308 Landlords Insurance - Leasehold	1,500		1,395	(105)
H40501 Capital Financing Costs	10,000	672	10,000	
H40601 Depreciation - Dwellings	20,068		20,068	
H40805 ALMO HRA Management Fee	40,139		40,539	400
H49000 Housing Revenue Account	16,152		16,152	()
H60002 GF to HRA Recharges	2,952	46	2,952	
H60003 Estate Renewal		339		
H60004 HIERS/ Regeneration Team	867	18	867	
S11100 Emergency Response Management				
S14400 Supported Housing Central	278		278	
<b>UE0731 Retained Services Expenditure TOTAL</b>	<b>93,529</b>	<b>2,614</b>	<b>93,555</b>	<b>26</b>
<b>(Surplus) for the year on HRA Services</b>		<b>(28,543)</b>	<b>232</b>	<b>231</b>

Virements for Cabinet Approval

Appendix 3

Transfers from Reserves (2018/19) - for noting

Period	Priority	Service/AD Area	Rev/ Cap	In year	Next year	Reason for budget changes	Description
4	1	Children's	Revenue	488,000		Transfer from Reserves	Transfer from DSG Reserve to High Needs Block per Schools Forum agreement to address spend pressures

		<b>Total 2017/18</b>		<b>488,000</b>	-		
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Virements for Approval (2018/19)

Period	Priority	Service/AD Area	Rev/ Cap	In year	Next year	Reason for budget changes	Description
3	1	Children's	Revenue	739,000		Grant Allocation	Allocation of 2018/19 Troubled Families Grant income and expenditure budgets
3	3	Environment & Neighbourhood	Revenue	1,652,900	1,652,900	Budget Realignment	Reprofiling of Parking income to better reflect parking activity and trends
4	3	Environment & Neighbourhood	Revenue	449,000		Grant Allocation	Allocation of 2018/19 MOPAC Grant income and expenditure budgets
4	1	Children's	Revenue	608,920	608,920	Budget Realignment	Realignment of Traded transport team recharge income and expenditure budgets to better reflect current activity levels
4	1	Children's	Revenue	390,000	390,000	Staffing Restructure	Merging of Language and Autism Support team budgets following a staffing restructure
4	4/5	Growth & Development & Housing	Revenue	1,664,000	1,664,000	Budget Transfer	Transfer of Commercial properties income and expenditure budgets from HRA to General Fund.
4	X	Policy & Strategy	Revenue	692,690		Grant Allocation	Allocation of 2018/19 Controlling Migration Grant income and expenditure budgets
4	1	Children's	Revenue	1,086,495	1,086,495	Grant Funding Adjustment	Reduction in High Needs Block income and expenditure budgets to reflect a DSG funding reduction per EFA schedule July 18
4	1	Children's	Revenue	306,000	306,000	Grant Allocation	Allocation of DSG funding to Schools Growth Fund
5	3	Environment & Neighbourhood	Revenue	1,224,261	1,224,261	Budget Realignment	Reprofile of Operation budgets in line with operational activity and trends
5	3	Environment & Neighbourhood	Revenue	1,732,749	1,732,749	Budget Realignment	Realignment of Parks budget to match operational structure
5	3	Environment & Neighbourhood	Revenue	623,846	623,846	Budget Realignment	Realignment of Public Realm budget to match operational structure
5	3	Environment & Neighbourhood	Revenue	491,947	491,947	Budget Realignment	Realignment of Client & Commissioning budget to match operational structure
5	3	Environment & Neighbourhood	Revenue	532,100		Budget Allocation	Allocation of 2018/19 TFL LIP Grant (revenue) income and expenditure budgets
5	3	Environment & Neighbourhood	Capital	432,000		Budget Allocation	Budget allocation in relation to additional 2018/19 TFL LIP funding.
5	5	Housing, Regeneration & Planning	Capital	6,500,000		Budget Allocation	Budget allocation in relation to Newlon (HA) Monument Way (Scheme No: 511).
5	4	Housing, Regeneration & Planning	Capital	650,000		Budget Allocation	Budget allocation in relation to GLA funding re: Wood Green - Good Growth Fund.
5	3	Environment & Neighbourhood	Capital	917,500		Budget Allocation	Budget allocation in relation to LBH Dynamic Purchasing System.
5	3	Environment & Neighbourhood	Capital	610,000		Budget Allocation	Budget allocation in relation to increased Highways budget.
5	4	Housing, Regeneration & Planning	Capital	- 412,856		Budget deletion	Deletion of the budget provision for Hornsey Town Hall, following disposal of the asset.
5	4	Housing, Regeneration & Planning	Capital	- 1,639,090		Budget deletion	Deletion of the budget provision for HDV acquisitions & Receipts.

		<b>Total 2018/19</b>		<b>19,251,462</b>	<b>9,781,118</b>		
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