

<b>REPORT TO:</b>	<b>CABINET 20 FEBRUARY 2017</b>
<b>AGENDA ITEM:</b>	<b>6.3</b>
<b>SUBJECT:</b>	<b>QUARTER 3 FINANCIAL PERFORMANCE 2016/17</b>
<b>LEAD OFFICER:</b>	<b>RICHARD SIMPSON EXECUTIVE DIRECTOR RESOURCES (SECTION 151 OFFICER)</b>
<b>CABINET MEMBER:</b>	<b>CLLR TONY NEWMAN LEADER OF THE COUNCIL CLLR SIMON HALL, CABINET MEMBER FOR FINANCE AND TREASURY</b>
<b>WARDS:</b>	<b>ALL</b>
<p><b>CORPORATE PRIORITY/POLICY CONTEXT:</b></p> <p>The recommendations in the report will help to ensure effective management, governance and delivery of the Council's medium term financial strategy and ensure a sound financial delivery of the 2016/17 in-year budget. This will enable the ambitions for the borough for the remainder of this financial year to be developed, programmed and achieved for the residents of our borough.</p>	
<p><b>AMBITIOUS FOR CROYDON &amp; WHY ARE WE DOING THIS:</b></p> <p>Strong financial governance and stewardship ensures that the Council's resources are aligned to enable the priorities, as set out in the Corporate Plan 2015 -2018, to be achieved for the residents of our borough and further enables medium to long term strategic planning considerations based on this strong financial foundation and stewardship.</p>	
<p><b>FINANCIAL IMPACT</b></p> <p>The reduced financial settlement and ongoing demand pressures on a range of statutory services is resulting in pressures to the Council's budget, and resulting in a minor forecast over-spend at Quarter 3.</p>	
<p><b>FORWARD PLAN KEY DECISION REFERENCE NO.</b></p> <p>Not a key decision</p>	
<p>The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below</p> <p><b>1 RECOMMENDATIONS</b></p> <p>Cabinet is recommended :-</p> <p>i) Note the current revenue outturn forecast at the end of the third quarter of 2016/17 of <b>£0.732m</b> over budget, (0.26% of net expenditure) and the actions put in place to reduce the overspend;</p> <p>ii) Note the HRA position of a <b>£0.290m</b> forecast underspend against budget;</p>	

- iii) Note the capital outturn projection of **£90.23m** forecast under spend against budget;
- iv) Approve the virements set out in Section 5

## 2. EXECUTIVE SUMMARY

- 2.1 This report updates the Council's financial outlook at the end of the third quarter of 2016/17, which remains against a context of a series of adverse national funding and legislative changes affecting Local Government finance.
- 2.2 Financial pressures have been identified within the People department, largely as a result of a continued growth in demand for both Children and Adult social care placements and pressures relating to homelessness. It is worthy of note that the LGA and London Councils have both acknowledged the pressures on these areas, as has Central Government.
- 2.3 The Council's overall forecast revenue over spend of **£0.732m** is made up of Departmental over spends of **£10.314m**; offset by non-departmental underspends of **£9.582m** as shown in Table 1 below:

**Table 1 – Summary of forecast revenue outturn position at Quarter 2:**

Department	Forecast Variance Quarter 3 £'000s	Forecast Variance Quarter 2 £'000s
People	10,171	9,553
Place	(192)	(427)
Resources	335	194
<b>Departmental Overspend</b>	<b>10,314</b>	<b>9,320</b>
<b>Non-departmental items</b>		
Additional Grant Income	(5,008)	(3,708)
Interest Receivable	(1,506)	(1,506)
Interest Payable / MRP	(1,782)	(1,782)
Contingency	(1,000)	(1,000)
Other minor variances	(286)	(404)
<b>Total Non-Department Items</b>	<b>(9,582)</b>	<b>(8,400)</b>
<b>Total Projected Over-spend</b>	<b>732</b>	<b>920</b>

Details of major variances are provided in Table 2, Section 3 of this report, with further information about all projected outturn variances available in Appendix 1 to this report.

### 3. GENERAL FUND 2016/17 REVENUE SUMMARY

3.1 The projected outturn position at the third quarter of 2016/17 is showing the effect of anticipated saving and recovery plans that will be implemented during the year. Details of major variances are set out in Table 2 below:

**Table 2 – Major Variances over £500k**

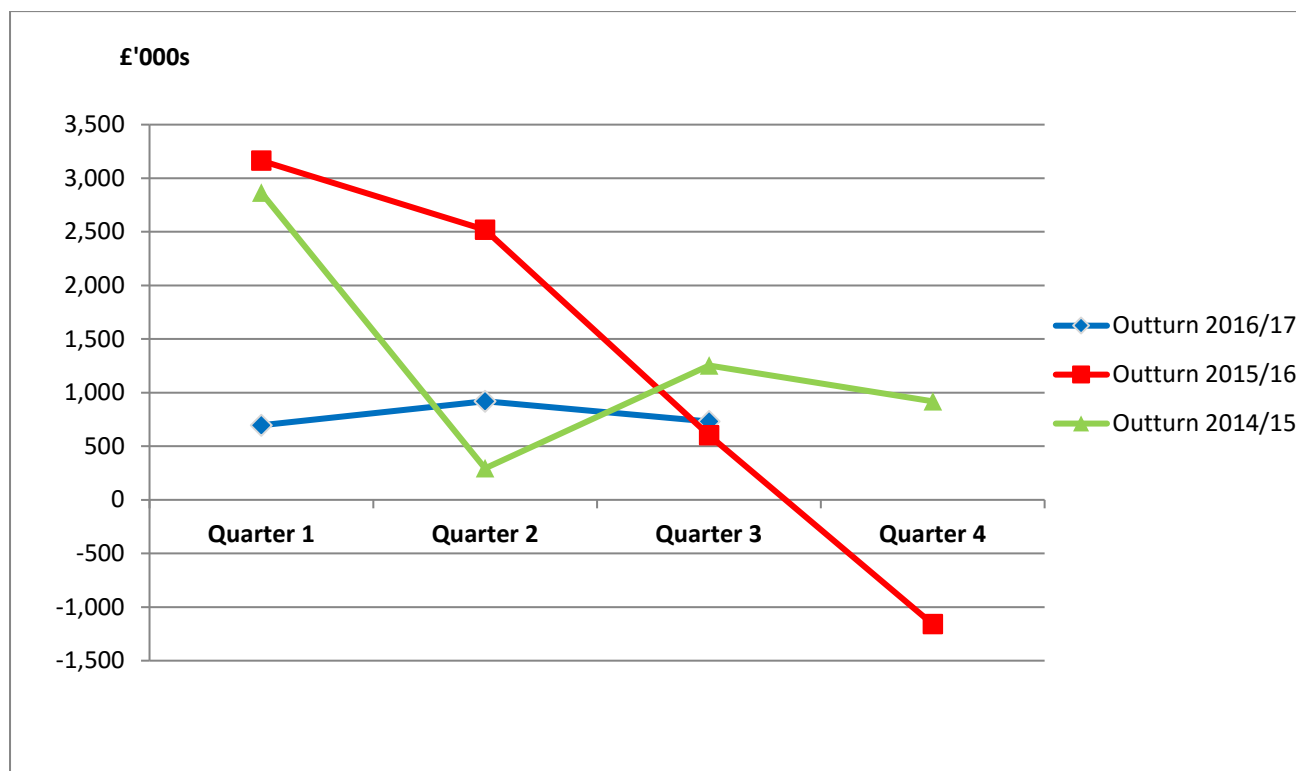
Department	Major Variances over £500k	Quarter 3 £'000	Quarter 2 £'000	2015-16 outturn £'000
<b>PEOPLE</b>				
<b>Children's Social Care</b>	Looked after Children and transitions placement costs, agency staffing and contract and assessment overspends within the Children In Need Service	4,309	4,800	3,974
<b>Gateway &amp; Welfare and Housing Need</b>	Emergency Accommodation costs	1,932	1,778	1,855
<b>Adult Social Care</b>	Care Package and staffing overspends within the disability service, including Ordinary Residence costs	3,452	2,891	3,552
	People Department Variances below £500k, the majority of which relates to legal fees	478	(84)	324
<b>PEOPLE Total</b>		<b>10,171</b>	<b>9,553</b>	<b>9,705</b>
<b>PLACE</b>				
<b>Planning</b>	Additional Planning Income	(906)	(783)	(744)
	Place Department Variances below £500k	714	356	529
<b>PLACE Total</b>		<b>(192)</b>	<b>(427)</b>	<b>(215)</b>
<b>RESOURCES</b>				
<b>Finance and Assets</b>	(Prior year) Underspends on Business Rates charges across the corporate estates following successful appeal challenges.	0	0	(777)
	Resources Department Variances below £500k	335	194	(186)
<b>RESOURCES Total</b>		<b>335</b>	<b>194</b>	<b>(963)</b>
<b>NON DEPARTMENTAL ITEMS</b>				
	Contingency	(1,000)	(1,000)	(1,000)
	Interest Payable / MRP	(1,782)	(1,782)	(6,159)
	Interest Receivable	(1,506)	(1,506)	
	Additional Grant Income	(5,008)	(3,708)	(2,529)
	Other variances below £500k	(286)	(404)	-
<b>NON-DEPARTMENTAL BUDGETS TOTAL</b>		<b>(9,582)</b>	<b>(8,400)</b>	<b>(9,688)</b>
<b>TOTAL VARIANCE</b>		<b>732</b>	<b>920</b>	<b>(1,161)</b>

- 3.2 The projected People department overspend in 2016/17 is **£10.171m** and continues to be made of up of pressures in Adult Social Care, Children's Social Care, Homelessness and Gateway & Welfare services.
- 3.3 The 2016/17 budget was set with the inclusion of growth to help manage pressures as well as significant savings targets. Despite this growth there continues to be increasing demand for the services provided by the department in the key areas of, adult and children's social care and temporary accommodation.
- 3.4 These pressures are mainly demand related, and are a continuation of pressures experienced in previous years, although the scale has been limited by a combination of improved demand management, and growth awarded in the 2016/17 budget.
- 3.5 The Council has a programme to manage demand and it is anticipated that the greatest impact of this will be within the People Department. This programme will deliver options in the medium and longer term. In the short term a range of immediate actions are in place, including:-
- A new framework around purchasing foster care has just come into place.
  - Improved commissioning, contract management and brokerage.
  - A further review of the use of and cost of agency staff.
  - The development of a recruitment and retention strategy for social workers has been commissioned.
  - The transformation of adult social care continues, which includes some detailed reviews of high cost care packages to ensure individual needs are being met in the most effective way.
  - The application of the successful Gateway approach to the 'front door' of adult social care which is likely to bring both cost savings and service improvement.
  - Introduction of Family Link workers to assist families.

#### **4. GENERAL FUND REVENUE SUMMARY POSITION 2016/17**

- 4.1 Graph 1 below shows the forecast variance for 2016/17 compared to previous years. The Council continues to manage its finances through the rigorous monitoring and control of spending within the framework of the Financial Strategy, which explains the improving positions in the later quarters of the year.

Graph 1 – Forecast Variances



4.2 The Council is continuing to monitor the expenditure within the People department and the monthly governance boards are key to this process as they focus on the areas of highest risk. Key actions being implemented in 2016/17 in the People department are detailed in para. 3.5 of this report and the other departments are continuing to look at short term options to bring the budget in line.

## 5 VIREMENTS OVER £500K REQUIRING CABINET APPROVAL

5.1 The following virements requested during Quarter 3 require the approval of cabinet, due to their size.

FR035 – A transfer of £1,104,000 from People and Place departments, in order to centralise the Community Fund budgets within the Resources department.

FR036 – A transfer of £9,403,300 to realign Facilities Management budgets into the Resources division, from with People and Place, following the new contractual arrangements for these services.

## 6. HOUSING REVENUE ACCOUNT (HRA)

6.1 The current forecast for the HRA is for an estimated underspend of £0.290m. The key variances being reported at Quarter 3 are summarised in Table 3 below:

**Table 3 – 2016/17 Main variances within the HRA**

Department	Major Variances	Quarter 3 £'000	Quarter 2 £'000
HRA – PEOPLE	Movement driven by addition of £500k for Discretionary Housing Payments to tenants in receipt of housing benefits. Income recovery estimates for major works have been revised downwards.	10	(1,100)
HRA - PLACE	Staff underspends reflected along with PMI procurement savings.	(300)	(7)
<b>TOTAL HRA PROJECTED VARIANCE</b>		<b>(290)</b>	<b>(1,107)</b>

- 6.2 Longer term budget planning for the HRA is currently taking place and includes reviewing the impact of the Housing and Planning Act to understand and model the impact of future rent reductions and the other new initiatives including High Value Voids and Pay to Stay.
- 6.3 The HRA business plan includes £15m investment this year in the new build programme which will now be delivered through Brick by Brick. Due to the change in delivery provider the programme has slipped to enable the development of a bigger programme with a more joined up approach to creating a sustainable mix of developments in the Borough, with a larger supply of affordable housing than would otherwise have been the case, as well as capital receipts and other financial benefits for the Council's General Fund.

## 7. FORECAST CAPITAL OUTTURN POSITION

- 7.1 The high level Capital programme for 2016/17 is shown in Table 4 below. Full details of all projects are shown in Appendix 2. Forecast expenditure of £153,470k is projected for 2016/17.

**Table 4 – 2016/17 Capital Programme**

Original 2016/17 Budget	Department	Slippage from 2015/16	Re-profiling / Increases in Schemes	Revised Budget 2016/17	Actuals April-Dec 2016	Forecast Outturn	Forecast Variance	forecast slippage into 2017/18
£'000s		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
108,741	PEOPLE	21,807	1,248	131,796	47,351	73,864	(57,932)	(58,912)
25,384	PLACE	7,450	16,534	49,368	12,830	34,525	(14,843)	(14,409)
8,439	RESOURCES	9,295	1,839	19,573	6,731	19,356	(217)	(217)
<b>142,564</b>	<b>GENERAL FUND TOTAL</b>	<b>38,552</b>	<b>19,621</b>	<b>200,737</b>	<b>66,912</b>	<b>127,745</b>	<b>(72,992)</b>	<b>(73,538)</b>
<b>33,621</b>	<b>HOUSING REVENUE ACCOUNT</b>	<b>9,339</b>	<b>0</b>	<b>42,960</b>	<b>11,967</b>	<b>25,724</b>	<b>(17,236)</b>	<b>(3,331)</b>
<b>176,185</b>	<b>CAPITAL PROGRAMME TOTAL</b>	<b>47,891</b>	<b>19,621</b>	<b>243,697</b>	<b>78,879</b>	<b>153,470</b>	<b>(90,228)</b>	<b>(76,869)</b>

- 7.2 The capital programme is funded from a number of different sources, including capital receipts, external grants and borrowing. Table 5 below details the funding for the original 2016/17 budget, the revised programme and for the forecast outturn.

**Table 5 – Sources of capital funding**

<b>Funding</b>	<b>Original Budget 2016/17 £000's</b>	<b>Revised Budget 2016/17 £000's</b>	<b>Forecast Outturn 2016/17 £000's</b>
Capital Receipts	13,500	13,500	0
Education Funding Agency	39,093	58,341	60,272
Transport for London	3,336	5,497	5,497
Better Care Fund (Disabled Facilities Grant)	900	1,739	2,427
Section 106	0	1,767	1,066
Other grants and contributions	3,058	10,570	9,309
Borrowing	82,676	109,323	49,174
<b>GENERAL FUND</b>	<b>142,564</b>	<b>200,737</b>	<b>127,745</b>
Major Repairs Allowance	17,301	17,301	17,301
HRA - Revenue Contribution	8,523	8,523	8,423
HRA - Use Of Reserves	1,606	10,945	0
HRA - Unsupported Borrowing	6,191	6,191	0
<b>HRA FUNDING</b>	<b>33,621</b>	<b>42,960</b>	<b>25,724</b>
<b>TOTAL FUNDING</b>	<b>176,184</b>	<b>243,697</b>	<b>153,470</b>

- 7.3 Section 106 funding is received from developers to mitigate the impact of developments. A breakdown of how this funding is being used is shown in Table 6 below.

**Table 6 – Breakdown of Section 106 expenditure**

<b>Section 106 expenditure</b>	<b>Forecast outturn £'000s</b>
Public Realm	946
<b>Parks and Open Spaces</b>	<b>120</b>
<b>Total Section 106</b>	<b>1,066</b>

- 7.5 Key variances within the Quarter 3 position include a £56.5m under-spend across the Education programme, following a re-profiling of projects to 2017/18 and 2018/19.

- 7.6 The HRA capital programme is also showing an under spend of £17.974m, as the new build programme is now being undertaken by Brick by Brick as detailed in section 6.3.

## **8. FINANCIAL MANAGEMENT**

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

**Table 7 - Council Tax and Business Rates collection**

	Target collection – year to date %	Actual collection – year to date %	Variance to target – year to date %	Variance at Q3 – prior year position %	Target Collection – 2016-17 %	Actual Collection – 2015-16 %
Council Tax	81.70	81.18	-0.52	-0.92	96.75	96.45
Business Rates	84.01	82.20	-1.81	-0.31	98.75	97.74

## **Council Tax**

- 8.2 Council tax collection has fallen behind in December compared to the November position: we are now 0.52% below target compared to 0.40% at the end of November. This is entirely owing to having one less working day in December this year, compared to both December last year and November. There are two more working days in January so we are confident that this drop is temporary and collection will increase again by the end of next month.
- 8.3 The debit continues to increase through adding additional properties and council tax support adjustments, £209k this month, bringing the YTD total to £2.536 million. However we are monitoring this closely and have ensured that we are as proactive as possible in getting these new accounts / debts into payment to mitigate the ongoing increase at this late stage in the year.
- 8.4 The instalment profile remains positive with the forecast position for the end of the year set to exceed last year's performance and achieve the year's target of 96.75%. The service is monitoring this closely to ensure performance remains on track.

## **Business Rates**

- 8.5 NNDR collection has reduced in December, extending the shortfall to target by 0.62%, to 1.81%. This is attributable to two main factors: firstly, having less working days in December compared to last year and last month, and secondly, due to the pattern of payments made by the larger payers.
- 8.6 Specifically, a number of the higher value businesses made their January payment early last year so that it was received within December, but this did not happen this year. However, these companies are all up to date by their January instalment date, and so there will have no impact on the full year collection position. This accounts for 0.43% of the 0.62% movement referred to above.
- 8.7 The in-year performance trajectory is on track to exceed achieve the year's collection target of 98.75%, although some volatility cannot be ruled out due to the impact some large payers have on the overall collection position.

## **9. CONSULTATION**

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

## **10. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

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



The report is submitted by the Executive Director of Resources (Section 151 Officer)

## **11. COMMENTS OF THE BOROUGH SOLICITOR AND MONITORING OFFICER**

- 11.1 The Acting Solicitor to the Council comments that the Council is under a duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

Approved for and on behalf of Jacqueline Harris-Baker, Acting Council Solicitor and Acting Monitoring Officer.

## **12. HUMAN RESOURCES IMPACT**

- 12.1 The items from the savings packages and action plans included in the original budget and this report or those that need to be developed in response to the report are likely to have a HR impact. These can vary from posts not being re-filled or deleted through restructures proposals leading to possible redundancies. Where that is the case, the Council's existing policies and procedures must be observed and HR advice must be sought.

Approved by: Jason Singh, Head of HR Employee Relations on behalf of the Director of HR

## **13 EQUALITIES IMPACT -**

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

13.4 If the equality analysis suggests that the cost reductions initiatives are likely to disproportionately impact on particular group of customers, appropriate mitigating actions will be considered. This will enable the Council to ensure that it delivers the following objectives that are set out in our Equality and Inclusion Policy:

- To increase the rate of employment for disabled people, young people, over 50s and lone parents who are furthest away from the job market
- To increase the support offered to people who find themselves in a position where they are accepted as homeless especially those from BME backgrounds and women
- To reduce the rate of child poverty especially in the six most deprived wards
- To improve attainment levels for white working class and Black Caribbean heritages, those in receipt of Free School Meals and Looked After Children, particularly at Key Stage 2 including those living in six most deprived wards
- To increase the percentage of domestic violence sanctions
- To increase the reporting and detection of the child sexual offences monitored
- To reduce the number of young people who enter the youth justice system
- To reduce social isolation among disabled people and older people
- To improve the proportion of people from different backgrounds who get on well together
- To reduce differences in life expectancy between communities

## **14. ENVIRONMENTAL IMPACT**

14.1 There are no direct implications contained in this report.

## **15. CRIME AND DISORDER REDUCTION IMPACT**

15.1 There are no direct implications contained in this report.

## **16. REASONS FOR RECOMMENDATION /PROPOSED DECISION**

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

## **17. OPTIONS CONSIDERED AND REJECTED**

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

### **CONTACT OFFICER:**

**Richard Simpson** Executive Director Resources (Section 151 Officer). Tel number 020 8726 6000 ext. 61848

**BACKGROUND PAPERS – none**

**REVENUE FORECAST OUTTURN – DETAILED VARIANCES**

**Appendix 1**

**PEOPLE DEPARTMENT**

<b>Division</b>	<b>Explanation of variance</b>	<b>Qtr 3 Amount (£000)</b>	<b>Qtr 2 Amount (£000)</b>
<b>Children's Social Care</b>	<b>Looked After Children</b> - overspends on external placement costs, principally due to new cases. This increase has stabilised in Q3 with minor change to the volumes of clients.	2,543	2,397
	<b>Children In Need</b> – the pressure in this area is driven by the sharp increase in contact and assessment cases (up c.80% year-on-year). This has driven the need for additional agency staff, with a further increase in Q3.	2,041	1,495
	<b>Directorate</b> – the increased demand driving the budget pressures identified above has a knock-on effect to the overall cost of legal fees for Children's social care	499	198
	<b>Safeguarding</b> – additional agency staffing, particularly minute takers within the CPU	362	416
	<b>EISS</b> – a number of staff vacancies have been held to offset pressures elsewhere in the department. Funds have also been released from the Troubled Families Reserve.	(1,119)	(551)
	Other Minor Variances < £100k	(17)	(11)
	<b>Sub-total Children's Social Care</b>	<b>4,309</b>	<b>4,800</b>
<b>Universal Services</b>	<b>School Improvement</b> – impact of historic pension costs (exercise underway to review status of all existing pensions).	9	42
	<b>Sub-total Universal Services</b>	<b>9</b>	<b>42</b>
<b>People Directorate</b>	Provision for further growth in People department legal fees.	423	9
	<b>Sub-total People Directorate</b>	<b>423</b>	<b>9</b>
<b>Gateway &amp; Welfare</b>	Demand for Emergency Accommodation is driving increased spend on Bed & Breakfast provision, although this has stabilised at 971 rooms per week in Q3. Adverse movement in the quarter reflects temporary staff required to bridge the service during a planned re-organisation.	1,932	<b>1,778</b>
	<b>Sub-total Gateway &amp; Welfare</b>	<b>1,932</b>	<b>1,778</b>
<b>Adult Social Care &amp; All Age Disability</b>	<b>25 – 65 Disability Service</b> -- increase in complexity of physical disability cases and number of learning disability cases. Improvement this month relates to a large, one-off Ordinary Residence settlement with LB Sutton.	1,732	2,600
	<b>0-25 Service</b> – the transitions service is carrying 16 extra clients (9 with backdated costs) which has remained flat in Q3. Additional costs have arisen due to a detailed review of Children with Disabilities clients (74 clients in total).	1,059	856
	<b>Older People Social Care</b> - staff overspends have been driven by the need for additional Occupational Therapy capacity and agency locums. Winter pressures controlled by maximising block contract residential places to 98% occupancy (see below).	540	785
	<b>Older People Commissioning and Brokerage</b> – containment of winter pressures has driven increases to Extra Care, as well as conversion of residential beds to nursing (which have higher unit costs).	1,363	48
	<b>Directorate</b> – agency costs associated with running the Centralised Duty Team (10 additional staff) as well as delayed delivery of joint QIPP efficiency savings (£210k) in Q3.	430	309

Division	Explanation of variance	Qtr 3 Amount (£000)	Qtr 2 Amount (£000)
	<b>Disability Commissioning &amp; Brokerage</b> – procurement savings on Supporting People contracts. A number of vacancies have been held throughout the year.	(977)	(565)
	<b>Adults Transformation</b> – there has been an underspend on the TRASC project delivering transformation across Adult Social Care	(849)	(880)
	<b>Day and Employment Services</b> – differences have been revealed between the budget estimates for the in-sourcing of Croydon Day Opportunities	268	374
	Other Minor Variances < £100k	(114)	220
	<b>Sub-total Adult Social Care &amp; All Age Disability</b>	<b>3,452</b>	<b>2,891</b>
<b>Housing Need</b>	Additional private-lease agreements and guaranteed rent schemes have been sought boost Temporary Accommodation supply. These costs have been largely offset by reduced ETA repair requirements, improved ETA rent collection, and funding for Housing Renewal OT services.	45	33
	<b>Sub-total Housing Need</b>	<b>45</b>	<b>33</b>
	<b>Total Forecast Variance – People Department</b>	<b>10,171</b>	<b>9,553</b>

## PLACE DEPARTMENT

Division	Explanation of variance	Qtr 3 Amount (£000)	Qtr 2 Amount (£000)
<b>Place</b>	Other Minor Variances < £100k	(42)	(115)
<b>Directorate</b>	<b>Sub-total Place Directorate</b>	<b>(42)</b>	<b>(115)</b>
<b>Streets</b>	Street cleaning expenditure identified in relation to the previous year	550	0
	Facilities Management security and cleaning budget pressures	146	146
	Savings delivered in bin lease expenditure upon completion of contract	(157)	0
	Other Minor Variances < £100k	(1)	105
	<b>Sub-total Streets</b>	<b>542</b>	<b>251</b>
<b>Safety</b>	A £140k pressure on Pay & Display income (due to the cost of the cashless app and cash collection charges), and a £159k pressure due to statutory increases in licensing not being implemented by Government and lower Street Trading income.	300	299
	Other Minor Variances < £100k	(199)	(92)
	<b>Sub-total Safety</b>	<b>101</b>	<b>207</b>
<b>Planning</b>	Planning fee income is forecast to achieve £2.8m.	(906)	(783)
	Other Minor Variances < £100k	0	0
	<b>Sub-total Planning</b>	<b>(906)</b>	<b>(783)</b>
<b>Development</b>	Other Minor Variances < £100k	(1)	(1)
	<b>Sub-total Development</b>	<b>(1)</b>	<b>(1)</b>
<b>Regeneration</b>	Other Minor Variances < £100k	114	14
	<b>Sub-total District Centres, Regeneration &amp; Development</b>	<b>114</b>	<b>14</b>
	<b>Total Forecast Variance – Place Department</b>	<b>(192)</b>	<b>(427)</b>

## RESOURCES DEPARTMENT

Division	Explanation of variance	Qtr 3 Amount (£000)	Qtr 2 Amount (£000)
Finance & Assets including Democratic & Legal Services and Coroners	Delayed rental of Bernard Weatherill House against forecast	260	412
	Agency staff within Finance – covering vacancies and maternity leave	143	141
	Additional Legal income	(860)	(331)
	Other Minor Variances < £100k	(7)	(178)
	<b>Sub-total Finance &amp; Assets</b>	<b>(464)</b>	<b>44</b>
Customer Transformation	Shortfall on advertising income	100	100
	Other Minor Variances < £100k	57	50
	<b>Sub-total Customer Transformation</b>	<b>157</b>	<b>150</b>
Strategies, Communities & Commissioning	Other Minor Variances < £100k	0	0
Human Resources	Other Minor Variances < £100k	47	0
	<b>Sub-total Human Resources</b>	<b>47</b>	<b>0</b>
All services	Shortfall in Business Support internal recharges of staffing	595	0
	<b>Total Forecast Variance – Resources</b>	<b>335</b>	<b>194</b>

## NON DEPARTMENTAL ITEMS

Division	Explanation of variance	Qtr 3 Amount (£000)	Qtr 2 Amount (£000)
Non-departmental	Use of contingency budget	(1,000)	(1,000)
	Minimum Revenue Position and Interest borrowing costs lower than projected, due to slippage within the capital programme	(1,782)	(1,782)
	Interest receivable higher than anticipated – due to Real Lettings and Box Park	(1,506)	(1,506)
	Additional government grant anticipated – New Homes Bonus, S31 Grants and NNDR safety net payment re: 2015-16	(5,008)	(3,708)
	Other under-spends under £100k	(286)	(404)
	<b>Total Forecast Variance – Non-departmental</b>	<b>(9,582)</b>	<b>(8,400)</b>
	<b>Total Overspend</b>	<b>732</b>	<b>920</b>

**Detailed 2016/17 Capital Programme**

**Appendix 2**

Original 2016/17 Budget	Project	Slippage from 2015/16	Re- profiling / Increases in Schemes	Revised Budget 2016/17	Actuals April- Dec 2016	Forecast Outturn	Forecast Variance
£'000s		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>PEOPLE DEPT</b>							
30	Bereavement Services	19	0	49	0	49	0
1,600	Disabled Facilities Grant	839	0	2,439	752	2,427	(12)
0	Adults Social Care ICT	128	1,248	1,376	225	1,314	(62)
317	Education - Academies Programme	159	0	476	1,439	1,458	982
0	Education – DDA	199	0	199	26	97	(102)
2,356	Education - Fixed Term Expansions	1,753	0	4,109	1,015	2,061	(2,048)
2,234	Education - Major Maintenance	437	0	2,671	1,962	2,598	(73)
1,300	Education - Miscellaneous	2,828	0	4,128	53	1,344	(2,784)
74,111	Education - Permanent Expansion	14,464	0	88,575	27,767	44,496	(44,079)
8,499	Education - Secondary Estate	0	0	8,499	6,902	7,094	(1,405)
16,294	Education - SEN	981	0	17,275	7,017	10,195	(7,080)
2,000	Onside Youth Zone	0	0	2,000	731	731	(1,269)
<b>108,741</b>	<b>People sub-total</b>	<b>21,807</b>	<b>1,248</b>	<b>131,796</b>	<b>47,351</b>	<b>73,864</b>	<b>(57,932)</b>

<b>PLACE DEPT</b>							
0	East Croydon Station Bridge	1,200	0	1,200	900	1,200	0
500	Empty Homes Grants	418	0	918	439	918	0
4,000	Fairfield Halls	0	2,346	6,346	833	2,500	(3,846)
0	Feasibility Fund	3	0	3	0	0	(3)
5,000	Highways	158	0	5,158	3,038	5,158	0
0	Measures to mitigate travellers in parks and open spaces	187	0	187	0	94	(93)
7,830	New Addington Leisure Centre	304	0	8,134	445	1,500	(6,634)
400	Old Ashburton Library	20	0	420	5	142	(278)
0	Parking	34	0	34	50	50	16
0	Public Realm	1,621	8,319	9,940	4,323	9,940	0
0	Purley MSCP	0	200	200	5	250	50
0	Salt Barn	728	0	728	116	200	(528)

Original 2016/17 Budget	Project	Slippage from 2015/16	Re- profiling / Increases in Schemes	Revised Budget 2016/17	Actuals April- Dec 2016	Forecast Outturn	Forecast Variance
£'000s		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
0	Section 106 Schemes	857	(36)	821	54	* 120	(701)
3,336	TFL - LIP	0	2,161	5,497	2,378	5,497	0
2,158	Thornton Heath Public Realm	203	0	2,361	174	1,500	(861)
2,160	Waste and Recycling Investment	1,717	0	3,877	0	2,371	(1,506)
0	Surrey Street Market	0	500	500	37	100	(400)
0	Pay & Display machine replacement programme	0	2,815	2,815	0	2,865	50
0	South Norwood Public Realm	0	229	229	32	120	(109)
<b>25,384</b>	<b>Place sub-total</b>	<b>7,450</b>	<b>16,534</b>	<b>49,368</b>	<b>12,830</b>	<b>34,525</b>	<b>(14,843)</b>

#### RESOURCES DEPT

2,100	Corporate Property Maintenance Programme	1,443	0	3,543	1,394	3,326	(217)
0	Corporate Property Maintenance Programme Re- fit	5,765	(5,164)	601	565	601	0
1,500	ICT	2,087	500	4,087	276	4,087	0
4,719	ICT Refresh - Transformation	0	4,153	8,872	3,885	8,872	0
0	EOW – IT & refurbishment / office moves	0	2,350	2,350	512	2,350	0
120	Ward Based Programmes	0	0	120	99	120	0
<b>8,439</b>	<b>Resources sub-total</b>	<b>9,295</b>	<b>1,839</b>	<b>19,573</b>	<b>6,731</b>	<b>19,356</b>	<b>(217)</b>

<b>142,564</b>	<b>General Fund total</b>	<b>38,552</b>	<b>19,621</b>	<b>200,737</b>	<b>66,912</b>	<b>127,745</b>	<b>(72,992)</b>
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#### HOUSING REVENUE ACCOUNT

500	Assisted Private Purchase Scheme	544	0	1,044	(60)	250	(794)
100	Larger Homes	294	0	394	0	0	(394)
6,000	New Build Programme	8,273	0	14,273	368	368	(13,905)
26,771	Repair and Improvement Programme	0	0	26,771	11,592	24,986	(1,785)
250	Special Transfer Payments	228	0	478	67	120	(358)
<b>33,621</b>	<b>Housing Revenue Account</b>	<b>9,339</b>	<b>0</b>	<b>42,960</b>	<b>11,967</b>	<b>25,724</b>	<b>(17,236)</b>

<b>176,185</b>	<b>Capital Programme Total</b>	<b>47,891</b>	<b>19,621</b>	<b>243,697</b>	<b>78,879</b>	<b>153,470</b>	<b>(90,228)</b>
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\*Note: the Section 106 expenditure total represents specific schemes funded from this source. The remainder of the Section 106 funding shown in Table 5 is managed within the Public Realm project heading

