

REPORT TO:	Cabinet 18th September 2017
AGENDA ITEM:	5
SUBJECT:	QUARTER 1 FINANCIAL PERFORMANCE 2017/18
LEAD OFFICER:	RICHARD SIMPSON EXECUTIVE DIRECTOR RESOURCES (SECTION 151 OFFICER)
CABINET MEMBER:	CLLR TONY NEWMAN LEADER OF THE COUNCIL CLLR SIMON HALL, CABINET MEMBER FOR FINANCE AND TREASURY
WARDS:	ALL
<p>CORPORATE PRIORITY/POLICY CONTEXT:</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 2017/18 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>AMBITIONS FOR CROYDON & WHY WE ARE DOING THIS:</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>FINANCIAL IMPACT</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 forecast overspend at Quarter 1.</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO.</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>1 RECOMMENDATIONS</p> <p>Cabinet is recommended :-</p> <p>i) Note the current revenue outturn forecast at the end of the first quarter of 2017/18 of £1.049m over budget, and the actions put in place to reduce the overspend;</p> <p>ii) Note the position on the exceptional items of £2.7m and work to secure additional</p>	

funding from Government for these costs.

- iii) Endorse the proposed campaign for getting fair funding for Croydon residents
- iv) Note the HRA position of a **£0.619m** forecast underspend against budget;
- v) Note the capital outturn projection of **£17.268m** forecast under spend against budget.
- vi) Approve the virement detailed in Section 5.

2. EXECUTIVE SUMMARY

2.1 This report updates the Council's financial outlook at the end of the first quarter of 2017/18, which remains against a context of a series of adverse national funding changes affecting Local Government finance.

2.2 The budget set in February 2017 for 2017/18 assumed grant reductions of 11.2% (**£12.9m**) in the financial year. To manage this reduction there were a number of savings totalling **£19.5m** built in to the budget. Alongside these savings there was growth of **£13.8m** and assumptions around increased levels of income.

2.3 Croydon Council remains under huge financial pressures, deriving notably from:

- Historic underfunding of Croydon over the last 15-20 years,
- Cuts of more than 75% of government funding between 2010/11 and 2019/20,
- Failure to recognise the inflationary pressures the Council is subject to,
- Chronic underfunding of adult social care and children's social care – the Local Government Association has reported that three quarters of local authorities with responsibility for social care are showing overspends and estimates that, by 19/20, there will be a £2billion funding gap for each of adult social care and children's social care in England,
- Substantial population increase,
- Significant growth in demand for services, both from demographic pressures, such as an aging population and changes to the make-up of the Croydon population
- Impact of welfare reform, notably the benefits cap, freezing of in-work benefits, local housing allowance, universal credit,
- Underfunding of new duties, such as Health Visiting, Deprivation of Liberty assessments and the Homelessness Reduction Act,
- Failure to properly fund the direct and indirect costs of Croydon's status as the gateway authority for UASC,
- Impact of the underfunding of the health economy,
- Failure to fund the cost of building new schools,
- Failure to fund costs associated with Grenfell Tower,
- Restrictions on council housing, due to, inter alia, the Housing Revenue Account borrowing cap, rent restrictions, rules on right-to-buy receipts.

2.4 The financial monitoring process has identified pressures within the People and Resources department, as well as pressure on a number of corporate items. The People department pressures are largely as a result of a continued growth in demand for both Children and Adult social care placements, although to a lesser extent than in previous years. Within the Resources department as a result of an overspend on SEN transport costs.

- 2.5 The Council's overall forecast revenue over spend of **£1.049m** is made up of Departmental over spends of **£4.095m**; offset by non-departmental underspends of **£3.046m** as shown in Table 1 below:

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

Department	Forecast Variance £'000s
People	1,906
Place	(255)
Resources	1,994
Chief Executives	450
Departmental Overspend	4,095
Corporate Items	
Total Corporate Items	(3,046)
Total Projected Over-spend	1,049

- 2.6 In addition to the above, there are two exceptional items that are forecast to total **£2.7m**. These costs relate to additional costs associated with Unaccompanied Asylum Seeking Children (UASC) and the impact of the failure of Central Government to implement the provisions of the Immigration Act as far as they would impact on No Recourse to Public Funds costs for UASC. The Council has identified for a number of years the impact on Croydon of being a gateway authority for asylum seekers. The burden this places on Croydon taxpayers is unfair and a detailed letter has been sent to the Immigration Minister and a further letter is being sent to the Home Secretary to make the case for additional funding for Croydon to cover these costs. CLG have made announced £140m available for mitigating the local impacts of migration. Croydon have made a bid to this fund but has not received any confirmation of funding at this stage. Awards to date have focused on other aspects of the impact of immigration. If further funds are not received then reserves will need to fund this. This, of course has implications for future years.
- 2.7 The Council will make a concerted drive for fair funding for Croydon over the next few months. Some of this will be on specific areas, such as UASC, the funding of fire safety works and the level of Local Housing Allowance. Some of this will be on the adequacy of ring fenced budgets, such as Public Health and Dedicated Schools Grant. Some of this will be on overall funding, often in collaboration with other local authorities, e.g. LGA, London Councils or groups of Outer London local authorities. Some of this will be with partners, such as working with the CCG and CUH on the underfunding of health. Some of this will be on policy areas affecting us such as Housing Revenue Account restrictions
- 2.8 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 2017/18 REVENUE SUMMARY

- 3.1 The projected outturn position at the first quarter of 2017/18 is showing the effect of anticipated saving and recovery plans that will be implemented during the year.
- 3.2 The 2017/18 budget was set with the inclusion of growth to help manage previously identified pressures and ambitious savings targets. Despite this growth there continues to be increasing demand for the services in the People department in relation to adult and

children's social care. There are also a number of areas of budget pressures in the Resources department relating to utility costs and SEN transport. .

Table 2 – 2017/18 significant variances over £500k

Department	Major Variances over £500k	Quarter 1	2016/17 Outturn
		£'000	£'000
PEOPLE			
Early Help and Children's Social Care (CSC)	Early Help and CSC Directorate – Increased cost of legal services and delays to digital and enabling savings	975	769
	Care Planning Service - Increase in the cost of section 17 (B&B) places. These costs are court driven.	735	2,495
	Looked After Children - Increase in the number of external placements and specialist foster care placements. Increase in costs due to court driven assessments.	2,113	3,093
	Early Help and MASH - Reduction in expenditure for supplies and services, transport and third party payments.	(1,127)	(1,304)
Adult Social Care & All Age Disability	25 -65 Disability Service - Increase in cost of care packages and staff costs.	1,261	2,115
	Over 65s provider services (assessment, care management & hospital discharge) – Overspend primarily in care packages due to increase in domiciliary care provision	286	(480)
0-25 Send Service	Increase in transitions, care packages and staffing costs	1,322	1,331
People Directorate	Improved Better Care Fund (IBCF)	(4,268)	0
	People Department Variances below £500k	609	1,979
PEOPLE Total		1,906	9,998
PLACE			
Streets	Highways - Street Lighting PFI credits – transfer form earmarked reserves	(1,996)	0
	Waste - pressure on cost of disposal caused by 2.5% year-on-year growth on landfill tonnages plus shortfall on rebate for recycled material	1,368	1,527
	Place Department Variances below £500k	373	(993)

		PLACE Total	(255)	534
RESOURCES				
Customer and Corporate Services	Business Support and Customer Contact Delay in delivery of digital and enabling savings and under recovery of Business Support costs	241		31
Commissioning and Improvement	SEN transport - Non delivery of previously identified savings and increasing service demand and complexity of need	2,165		1,013
Legal Services	Legal – Increase use of in house legal team	(905)		(551)
	Resources Department Variances below £500k	493		(612)
RESOURCES Total		1,994		(119)
CHIEF EXECUTIVES				
	Chief Executives Variances below £500k	450		0
CHIEF EXECUTIVES Total		450		0
Total Departmental Overspend		4,095		10,413
CORPORATE ITEMS				
	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	(2,337)		(1,888)
	Additional government grant anticipated – Education Services and S31 Grant	(1,220)		(5,888)
	Minor corporate items under £500k	1,511		(1,687)
CORPORATE ITEMS TOTAL		(3,046)		(10,463)
TOTAL VARIANCE		1,049		(50)

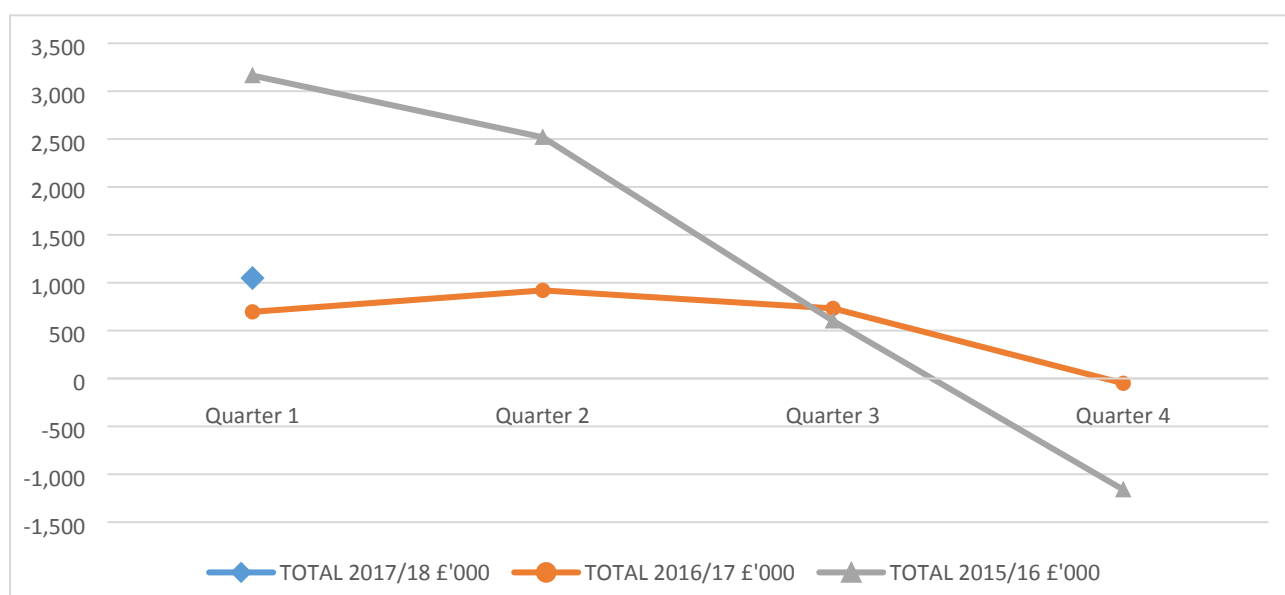
- 3.3 The People Department overspend in 2017/18 is £1.906m and continues to be made up of pressures in children’s social care and adult social care. These pressures are mainly demand related and are a continuation of pressures experienced in previous years although the scale has been limited by a combination of improved demand management, growth awarded in the 2017/18 budget and the Improved Better Care Fund.
- 3.5 The Improved Better Care Fund is for a three year period and was allocated in two tranches. Tranche 1 was allocated in spending review 2015 and formed part of adult social care core funding to mitigate the reduction in core grant funding. This allocation was built in to base budgets and enabled protection from cuts. Tranche 2 was allocated in the spring 2017 budget. Work is ongoing with the CCG to agree how this money will be spent across the health and social care sector to ensure the criteria of the funding of Meeting Adult Social Care Needs, Supporting Hospital Discharge and Stabilising the Social Care provider Market are met.

- 3.6 The national pressures faced in adult social care are well documented and short term funding through the council tax precept and IBCF show government has also acknowledged these pressures. The pressure on children's social care is now becoming apparent. Research conducted by the Local Government Association (LGA) has revealed children's services are at breaking point with 75% of councils overspending to keep vital protections in place. The review found that in 2015/16 councils surpassed their children's social care budgets by £605m in order to protect children at immediate risk of harm. There has been an increase of 140% in child protection enquiries over the last 10 years with enquiries up to more than 170,000 in 2015/16.
- 3.7 The chair of the LGA's Children and Young People Board, has recently said: "The fact that the majority of councils are recording high levels of children's services overspend in their local areas shows the sheer scale of the funding crisis we face in children's social care, both now and in the near future."
- 3.8 There are calls on the government to introduce a fairer funding system based on demand for services. Referrals to children's services have increased and the number of children subject to child protection plans has doubled in the last year. "Government needs to take note on this issue sooner rather than later, otherwise we are sleepwalking into another funding crisis for services that less fortunate young people rely on. LGA noted that a nationwide children's services funding gap of £2bn will exist by 2020.
- 3.9 In Croydon we are continuing to experiencing rising demand for children's social care services. Increase in demand for services last year resulted in an overspend of £5m. To mitigate these additional costs growth of £3.8m has been allocated to the budget along with measures to reduce demand.
- 3.10 This year to date, Children's Social Care assessments have increased by 16%, and the number of children with a Child Protection Plans has also increased by 10%, resulting in the reported overspend.
- 3.11 There is a report on the Ofsted inspection outcome elsewhere on the agenda. £1m has been allocated from earmarked reserves to support the targeted improvement work over the remainder of this year. The impact on future years budget of the improvement work will be considered as the 2018/19 budget is agreed.
- 3.12 The excellent work on reducing the level of homelessness in the borough should be showing a favourable variance in the forecast outturn, were it not for the concerns about the level of bad debt being experienced in this area as a direct result of benefit reform, most notably the rules around universal credit.
- 3.13 Further work is currently underway to identify additional savings of £1m to deliver a balanced budget in 2017/18. This includes looking at what savings projects can be implemented quicker / earlier, tighter contract management, a review of agency staffing.

4 GENERAL FUND REVENUE SUMMARY POSITION 2017/18

- 4.1 Graph 1 below shows the forecast variance for 2017/18 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.

Graph 1 – Forecast Variances



5 VIREMENTS OVER £500K REQUIRING CABINET APPROVAL

5.1 There was one virement processed during Quarter 1 that requires approval of cabinet, due to its size.

- This is the realignment of £0.971m of the National Insurance budget held corporately to the relevant departments.

6. HOUSING REVENUE ACCOUNT (HRA)

6.1 The current forecast for the HRA is for an estimated underspend of £0.619m. The key variances being reported at Quarter 1 are summarised in Table 3 below:

Table 3 – 2017/18 Main variances within the HRA

Department	Major Variances	Quarter 1 £'000	2016/17 Outturn £'000
HRA – PEOPLE	Staff Savings – Vacant Posts	(364)	(432)
HRA - PLACE	Staff Savings – Vacant Posts	(255)	(306)
TOTAL HRA PROJECTED VARIANCE		(619)	(738)

6.2 Longer term budget planning for the HRA is continuing to take 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 There will be £1.247m investment this year in the new build programme which will now be delivered by Brick by Brick.

6.4 Following the tragic events that took place at Grenfell Tower earlier this year. The Council has committed to fire prevention and safety measures across the borough. This includes a

commitment to fit sprinklers in 25 blocks of flats with 10 or more storeys, as well as an eight-storey block used as retirement housing. As previously reported to this Cabinet housing fire safety works costing £10m have been approved. This will be funded from slippage within the HRA Planned Maintenance and Improvement Programme.

7. FORECAST CAPITAL OUTTURN POSITION ADD COMMENTARY AS DISCUSSED

7.1 The high level Capital programme for 2017/18 is shown in Table 4 below, full details of all projects are shown in appendix 2. A forecast under spend of £17.2m is projected for 2017/18.

Table 4 – 2017/18 Capital Programme

Original 2017/18 Budget £'000s		Slippage from 2016/17 £'000s	Re-profiling / Increases in Schemes £'000s	Revised Budget 2017/18 £'000s	Actuals April-Jun 2017 £'000s	Forecast Outturn £'000s	Forecast Variance £'000s	Slippage to 2018/19 £'000s
68,748	PEOPLE DEPT	26,565	(22,463)	72,850	10,704	69,622	(3,228)	(3,228)
311,780	PLACE DEPT	21,357	(187,114)	146,023	1,645	131,867	(14,156)	(14,156)
6,246	RESOURCES DEPT	4,490	1,200	11,936	(427)	12,287	351	0
386,774	GENERAL FUND TOTAL	52,412	(208,377)	230,809	11,922	213,776	(17,033)	(17,384)
27,051	HOUSING REVENUE ACCOUNT	3,943	0	30,994	(586)	30,759	(235)	0
413,825	CAPITAL PROGRAMME TOTAL	56,355	(208,377)	261,803	11,336	244,535	(17,268)	(17,384)

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 2017/18 budget, the revised programme and the forecast outturn.

7.3 The majority of the general fund borrowing detailed excluding that specifically identified for the RIF is to fund the education programme due to the inadequate level of funding received from Government and the essential need to provide school places in the borough.

Table 5 – Sources of capital funding

	Original 2017/18 Budget £'000s	Revised Budget 2017/18 £'000s	Fore cast Outtum £'000s
Borrowing	61,810	84,793	68,463
Capital Receipts	20,644	20,644	20,644
External Grants - Education	2,104	9,631	9,631
Transport for London	4,154	5,654	5,322
External Grants - Coast to Capital LEP	14,000	14,000	14,000
Better Care Fund	1,600	2,201	2,201
Other Grants	-	3,305	3,305
Section 106	745	1,581	1,581
CIL	7,000	7,000	7,000
Borrowing (RIF)	274,717	82,000	81,628
General Fund - Funding Total	386,774	230,809	213,776
MRA	17,903	17,903	17,903
Revenue Contribution to Capital (RCCO)	2,697	6,640	6,405
HRA Receipts	6,451	6,451	6,451
HRA - Funding Total	27,051	30,994	30,759
Capital Programme Total	413,825	261,803	244,535

7.4 The main reported variances on projects within the Council's capital programme are as follows:

7.4.1 **New Addington Leisure Centre** (£12.81m slippage) – delays have led to a re profiling of this scheme, with the majority of the work now expected to be delivered in 2018/19.

7.4.2 **Onside Youth Zone** (£2.84m slippage) – only £731k is forecast to be spent in 2017/18 due to project delays.

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 6 below:

Table 6 - Council Tax and Business Rates collection

	Target collection– year to date %	Actual collection – year to date %	Variance to target – year to date %	Variance - last year - at Q1 %
Council Tax	28.74	28.68	(0.06)	(0.11)
Business Rates	31.24	30.72	(0.52)	0.19

Council Tax

8.2 At the end of June Council Tax collection was down by 0.06% on the end of month target. The net collectable debit increased during June by £571k (or 0.29%), which results in increased bills becoming payable from July, with no opportunity to collect in June. The increase in the collectable debit will however increase the spending power of the council in

future years. The team continue have a 5 point plan (detailed in para 8.3 below), not just to get collection ahead of profile, but to present our strongest end of year financial position.

8.3 5 Point Plan to improve income collection

- Sending a text messages or email to all customers to ask them to make payment, when their direct debit has been returned from the bank unpaid on either the 1st, 5th, 15th or 25th of each month
- Proactively sending a text message or email to all customers to ask them to make payment, when they have not paid their monthly instalment and prior to that customer receiving a reminder notice
- Changed the wording on all of our recovery documentation i.e. Reminders, Reminder 2, Final Notices & Summons letters to encourage payment before incurring additional costs
- Changed our telephone scripting for staff when speaking to customers to focus on collection of any amounts outstanding, whilst dealing with the customer enquiry
- Profiling customers who are not paying across the different wards, to better understand our customers who can pay, and those who cannot pay or who are struggling to pay, we are tailoring our approach to collection based on the customers' ability to pay.

Business Rates

- 8.4 Business Rates is down by -0.52% on the end of year target. This is because of the government's announcement in the budget to support business who have faced significant increases in their business rates bills due to revaluation.
- 8.5 There are 3 relief schemes to be awarded to businesses: support for small businesses; local discretionary relief; and Pub relief. At the moment all Local Authorities are waiting on software changes to administer the schemes and award the reliefs.
- 8.6 In order to support small businesses, the Council is asking all businesses to pay their reduced business rates instalments, even though systems are not in a position to formally award the relief. This has a detrimental effect on collection, because the income being paid is lower than the amount recorded as owing. However, this will be rectified during September as the Council is expecting the software to be released during August 2017 to award the reliefs.
- 8.7 There is also a large business that paid business rates of over £1M in full during April last year, but have opted to pay by instalments this year. Whilst this has no effect on the anticipated year-end collection position, it will affect the year to date position when compared to the previous year.

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 Richard Simpson – Executive Director Resources (Section 151 Officer)

11. COMMENTS OF THE BOROUGH SOLICITOR AND MONITORING OFFICER

- 11.1 The Director of Law and Monitoring Officer 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 by:- Jaqueline Harris-Baker, Director of Law and Monitoring Officer

12. HUMAN RESOURCES IMPACT

- 12.1 The items from the savings packages and action plans included in the report or those that need to be developed in response to the report are likely to have a significant 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:- Sue Moorman, Director of Human Resources

13 EQUALITIES IMPACT

- 13.1 The key service areas that currently have over spend in budgets are Children's Social Care and Adults Social Care.

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, 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, in particular the delay in the implementation of the Immigration Act. 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 to the Welfare and Housing Bill. 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 Bill 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:

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BACKGROUND PAPERS – none

REVENUE VARIATIONS OVER £100K WITH EXPLANATION

Appendix 1

PEOPLE DEPARTMENT

Division	Explanation of variance	Qtr 1 Amount (£000)
Early Help and Children's Social Care (CSC)	Early Help and CSC Directorate - Increase in legal costs and delays to digital and enabling savings	975
	Care Planning Service - Increase in the costs of Section 17 (B&B) places. These costs are court driven.	735
	Looked After Children (LAC) - Increase in the number of external placements and specialist foster care placements. Increase in costs in relations to court driven assessment	2,113
	Safeguarding and LAC Quality Assurance - Additional cost of locum posts within Safeguarding and Quality Assurance	403
	Early Help and MASH - Savings associated with supplies and services, transport and third party payments.	(1,127)
	Other Minor Variances < £100k	33
	Sub-total Early Help Children's Social Care	3,133
Gateway & Welfare	Other Minor Variances < £100k	85
	Sub-total Gateway & Welfare	85
Adult Social Care & All Age Disability	Adult Social Care and All Age Disability Service - Unachievable digital and enabling savings.	305
	25-65 Disability Service - Increase in cost of care packages and staff costs as a result of rising demand	1,261
	Disability Commissioning and Brokerage - Underspend relates to staffing vacancies.	(311)
	Mental Health - Increase in cost of care packages	233
	Over 65s provider services (assessment, care management & hospital discharge) – Overspend primarily in care packages due to increase in domiciliary care provision	286
	Over 65s Commissioning – a number of minor variances	125
	Day and Employment Services - Unachievable savings on externally provided day care and lower than budgeted levels of income	433
	Transformation and Clienting – staff vacancies	(121)
Other Minor Variances < £100k	(58)	
	Sub – Total Adult Social Care & All Age Disability	2,153
0-25 Send Service	Increase in Transitions, care packages and staffing costs.	1,322
	Sub total - 0-25 Send Service	1,322
Education and Youth Engagement	Other Minor Variances > £100k	(23)
	Sub total Education and Youth Engagement	(23)
Housing Need	Other Minor Variances > £100k	(33)
	Sub-total Housing Need	(33)
People Directorate	Additional funding to cover the increased costs associated with National Insurance in the People Department	(463)
	IBCF funding	(4,268)
	Sub-total People Directorate	(4,731)

	Total Forecast Variance – People Department	1,906
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Division	Explanation of variance	Qtr 1 Amount £'000
Place Directorate	Additional funding to cover the increased costs associated with National Insurance in the Place Department	(226)
	Sub-total Place Directorate	(226)
Streets	Waste - Increase costs of waste disposal	1,368
	Street Lighting - One off use of credits on the Street Lighting PFI contract	(1,996)
	Other Minor Variances < £100k	(79)
	Sub-total Streets	(707)
Safety	Parking - Increase in parking income	(150)
	Neighbourhood Operations – issued less FPN's than budgeted, staff overspends and un achievable external recharges.	194
	Public Protection - shortfall on HMO licensing fees and some one-off employee costs.	121
	Licensing - under recovery of licencing income (low take-up on the new Street Trading fee structure). Additional costs in relation to Surrey Street Market (inc. cleaning at North End).	227
	Other Minor Variances < £100k	99
	Sub-total Safety	491
Planning	Sub-total Planning	0
	Other Minor Variances < £100k	187
	Sub-total District Centres & Regeneration & Development	187
	Total Forecast Variance – Place Department	(255)

RESOURCES DEPT

Division	Explanation of variance	Qtr 1 Amount £'000
Customer and Corporate Services	Business Support and Customer Contact - Delay on delivery of digital and enabling savings and under recovery of business support income	1,118
	ICT - Saving on the ICT contract	(877)
	Facilities Management - Shortfall on the projected re procurement saving and delay in some of the STAR project savings	448
	HR and Finance Service Centre - Under achievement of early payment discounts due to fewer supplies joining the programme	102
	Sub-total Customer and Corporate Services	791
Commissioning and Improvement	SEN Transport - Overspend SEN transport costs	2,165
	Other Minor Variances < £100k	(20)

	Sub-total Commissioning and Improvement	2,145
Finance Investment and Risk	Assets - Underachievement of rental income	115
	Other Minor Variances < £100k	(5)
	Sub-total Finance Investment and Risk	110
Governance	Other Minor Variances < £100k	46
	Sub-total Finance Investment and Risk	46
Legal	Overachievement of legal income	(930)
	Other Minor Variances < £100k	26
	Sub-total Legal	(904)
Human Resources	Additional income and staff savings	(194)
	Sub-total Human Resources	(194)
	Total Forecast Variance - Resources	1,994

CHIEF EXECUTIVES
DEPT

Division	Explanation of variance	Qtr 1 Amount £'000
Communication and Engagement	Unachievable digital advertising income	450
	Total Forecast Variance - Chief Executives	450

CORPORATE
ITEMS

Division	Explanation of variance	Qtr 1 Amount £'000
CORPORATE ITEMS	Use of contingency budget	(1,000)
	Additional Utility costs	1,121
	Lower interest borrowing costs and Minimum Revenue Provision	(2,337)
	Additional grants – Education Services and S31 Grant	(1,220)
	Other	390
	Total Forecast Variance – Corporate	(3,046)
	Total Overspend	1,049

EXCEPTIONAL
ITEMS

Division	Explanation of variance	Qtr 1 Amount £'000
	No Recourse to Public Funds savings not achieved due to changes in the Immigration Act	1,000
	Unaccompanied Asylum Seekers Grant lower than associated costs	1,700
	Total Forecast Variance – Exceptional	2,700

2017/18 Q1 Capital Outturn Forecast – Appendix 2

Category	2017/18 Original Budget £000s	2016/17 Slippage £000s	Budget Adjusts. £000s	2017/18 Revised Budget £000s	2017/18 Q1 Actual £000s	2017/18 Outturn Forecast £000s	Forecast Variance £000s
Adults ICT	0	993	0	993	1	606	(387)
Disabled Facilities Grants	1,600	601	0	2,201	0	2,201	0
Bereavement Services	1,300	43	0	1,343	0	1,343	0
Unsuitable Housing Fund	0	0	250	250	0	250	0
Education - DDA	0	139	0	139	0	139	0
Education - Fixed term expansion	0	2,813	0	2,813	56	2,813	0
Education - Major Maintenance	2,000	78	1,423	3,501	62	3,501	(0)
Education - Miscellaneous	4,383	3,992	(4,181)	4,194	117	4,194	0
Education - Permanent Expansion	43,698	12,095	(8,743)	47,050	10,385	47,050	0
Education - Secondary Schools	150	224	0	374	4	374	(0)
Education - Special Educational Needs	13,500	4,133	(11,212)	6,421	68	6,421	0
Onside Youth Zone	2,117	1,454	0	3,571	11	731	(2,840)
People Sub-Total	68,748	26,565	(22,463)	72,850	10,704	69,622	(3,228)
East Croydon Station Bridge	0	1,200	0	1,200	0	1,200	0
Empty Homes Grants	500	0	0	500	0	500	0
Fairfield Halls (Council)	1,500	0	0	1,500	0	1,500	0
Fairfield Halls (RIF)	17,600	0	0	17,600	31	17,600	0
Growth Zone	2,000	0	0	2,000	0	1,628	(373)
Highways Programme	5,000	0	0	5,000	(663)	5,000	0
Measures to Mitigate Travellers	0	125	0	125	0	84	(41)
New Addington Leisure Centre	8,500	8,060	2,000	18,560	77	5,750	(12,810)
Old Ashburton Library	1,155	90	0	1,245	85	1,245	(0)
P&D Machine Replacement Programme	0	1,161	0	1,161	546	1,386	225
Parking	0	0	0	0	24	24	24
Public Realm	0	4,228	0	4,228	837	4,228	0
Purley MSCP	0	117	0	117	0	212	95
Revolving Investment Fund	0	0	0	0	4	4	4
Salt Barn	0	611	0	611	0	611	0
Section 106 Schemes	0	786	0	786	28	786	0
Surrey Street Market	0	418	0	418	325	418	0
TFL - Local Implementation	4,154	0	0	4,154	(588)	3,822	(332)

Programme								
Thornton Heath Public Realm	0	2,105	0	2,105	109	2,105	0	
New Waste Contract Vehicles	1,094	0	0	1,094	0	1,094	0	
Brick by Brick Programme (RIF)	269,117	0	(214,317)	54,800	0	54,800	0	
Affordable Housing LLP (RIF)	0	0	9,100	9,100	0	9,100	0	
Affordable Housing LLP - Reducing EA/TA (RIF)	0	0	12,500	12,500	0	12,500	0	
Crossfield	0	0	700	700	0	700	0	
CIL Local Meaningful Proportion	1,000	0	0	1,000	0	1,000	0	
Waste and Recycling Investment	160	2,456	0	2,616	830	1,666	(950)	
Blackhorse Road Bridge	0	0	2,903	2,903	0	2,903	0	
Place Sub-Total	311,780	21,357	(187,114)	146,023	1,645	131,867	(14,156)	
Coroners	0	0	0	0	(2)	0	0	
Corporate Property Maintenance Programme	2,000	727	0	2,727	(325)	2,727	0	
ICT and Transformation	3,000	3,763	0	6,763	(100)	6,763	0	
Emergency Generator (Data Centre)	0	0	1,200	1,200	0	1,200	0	
Finance and HR System	1,126	0	0	1,126	0	1,562	436	
Ward Programmes	120	0	0	120	0	35	(85)	
Resources Sub-Total	6,246	4,490	1,200	11,936	(427)	12,287	351	
GENERAL FUND TOTAL	386,774	52,412	(208,377)	230,809	11,922	213,776	(17,033)	
Major Repairs & Improvements Programme	26,771	3,228	0	29,999	(797)	29,999	0	
Larger Homes	100	324	0	424	(5)	424	0	
Special Transfer Payments	180	391	0	571	0	120	(451)	
Council New Build	0	0	0	0	216	216	216	
HOUSING REVENUE ACCOUNT TOTAL	27,051	3,943	0	30,994	(586)	30,759	(235)	
LBC CAPITAL PROGRAMME TOTAL	413,825	56,355	(208,377)	261,803	11,336	244,535	(17,268)	