

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 6 January 2020

**Subject:** **CORPORATE REVENUE MONITOR 2019/20 MONTH 6 - 30  
SEPTEMBER 2019**

**Report of:** Cabinet Member for Finance and Commercial Services – Councillor  
Max Schmid

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### Summary

This revenue budget monitoring report is produced as part of the Council's 2019/20 budgetary control cycle.

An overspend of **£12.063m** is forecast for the General Fund. Action plans of **£2.614m** are proposed as partial mitigation against the forecast overspend. If delivered the net forecast overspend will reduce to **£9.449m**. The net forecast overspend compares to £9.186m last month and £4.9m at this point last year.

Financial pressures remain regarding the high needs block of services funded through Dedicated Schools Grant. The in-year overspend forecast is **£5.7m** and cumulative forecast deficit at the end of the year is £19.3m.

The Housing Revenue Account (HRA) forecast is an overspend of **£3.537m**. Cabinet are asked to approve an amendment to the rental income budget of £0.4m following the approval in April 2019 of plans to demolish the blocks at Hartopp and Lannoy Point. In addition, Cabinet are requested to approve that the £1.9m forecast costs of stationing fire wardens at a number of the Council's high-risk tower blocks are funded from the Fire Safety Plus reserve. These two adjustments will reduce the HRA variance by £2.314m to an overspend of £1.223m next month.

### Recommendations

- 1.1. That Directors and Cabinet members urgently identify and deliver actions that offset the forecast General Fund overspend of £9.4m.
  - 1.2. To note the HRA forecast overspend.
  - 1.3. To approve the virement requests set out in Appendix 9.
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**Wards Affected:** All

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## H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none"><li>Being ruthlessly financially efficient</li></ul>	We need to always confirm that spend fits our Council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business and every penny counts.

## Financial Impact

1.4. This report is financial in nature and those implications are contained within the detailed analysis.

## Legal Implications

1.5. There are no legal implications for this report.

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### Background Papers Used in Preparing This Report

None

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## DETAILED ANALYSIS

### 2. GENERAL FUND

2.1. The forecast month 6 overspend is **£12.063m** with risks of £9.5m identified.

**Table 1: 2019/20 General Fund gross forecast outturn variance**

Department	Revised budget £m	Forecast outturn variance month 6 £m	Forecast outturn variance month 5 £m	Direction of travel
Children's Services	47.550	7.947	7.141	↓
The Economy Department	8.438	1.193	0.352	↓
The Environment Department	66.295	1.931	2.162	↑
Controlled Parking Account	(27.928)	(1.048)	(1.069)	↓
Finance & Governance	1.347	1.748	1.740	↓
Public Service Reform	3.022	0.880	0.974	↑
Social Care	56.098	2.499	2.941	↑
Centrally Managed Budgets	17.519	(0.535)	(0.535)	↔
<b>Total</b>	<b>172.341</b>	<b>14.615</b>	<b>13.682</b>	↓
Balance of unapplied unallocated contingency	0.000	(2.552)	(2.552)	↔
<b>TOTAL</b>	<b>172.341</b>	<b>12.063</b>	<b>11.130</b>	↓

**Note 1** – Finance & Governance budgets include commercial budgets transferred from Public Service Reform (PSR) which have an adverse variance of £1.3m.

**Note 2** – Children's Services & Social Care variances have increased and PSR variances have reduced since CRM5 was produced as a result of the budgets being realigned to match the 1 April Restructure. Period 5 figures have been restated to reflect this.

### 3. HOUSING REVENUE ACCOUNT

3.1. The Housing Revenue Account is currently forecasting an overspend of **£3.537m** at month 6 (Appendix 8).

**Table 3: Housing Revenue Account forecast outturn**

Housing Revenue Account	£m
<b>Balance as at 31 March 2019</b>	<b>(11.890)</b>
Less: Budgeted contribution / (appropriation) from balances	4.369
Less: Forecast overspend	3.537
<b>Projected balance as at 31st March 2020</b>	<b>(3.984)</b>

### 4. DEDICATED SCHOOLS GRANT (DSG)

4.1. Dedicated schools grant (DSG) is paid in support of local authority schools' budgets, being the main source of income for the schools. In common with other London Boroughs, the High Needs Block element has come under

increased pressure in supporting children with special educational needs and spend is significantly higher than the funding provided by central government. The cumulative total DSG deficit balance carried forward to 2019/20 was £13.6m with an additional £5.7m deficit now forecast in 2019/20.

- 4.2. The £19.3 million forecast cumulative deficit represents spending more money than grant available and will impact on future school and Council resources.
- 4.3. The Education and Schools Funding Agency expect local authorities to prepare deficit recovery plans however given the scale of the challenge, the Council has set aside an earmarked reserve equivalent in value to the DSG deficit in 2018/19. The DSG deficit reserve is used to cover the potential overspend and based on the current in-year forecast may need to be increased during the year by £5.7m, this will be reviewed during the year.
- 4.4. A programme of work is underway to reduce the underlying overspend in this area, but it will be several years before the deficit stops increasing. The latest forecast is that the cumulative deficit will be approaching £30m by the end of 2022/23.

**Table 4: Dedicated Schools Grant**

	£m
<b>DSG deficit brought forward from prior years</b>	<b>13.616</b>
In-year forecast deficit	5.744
<b>Forecast deficit at end of 2019/20 financial year</b>	<b>19.360</b>

## 5. GENERAL FUND RESERVES

- 5.1. The issues identified in this CRM report would result in a call on reserves of £15.193m. This level of drawdown from reserves is not sustainable over the medium term and needs to be addressed within the Council's future financial plans.

**Table 5 – Potential impact of Corporate Revenue Monitor 6 on reserves**

	£m
Increase in DSG deficit	5.744
Forecast net 2019/20 General Fund overspend	9.449
<b>Reduction in reserves</b>	<b>15.193</b>

## 6. VIREMENTS & WRITE OFF REQUESTS

- 6.1. Virements of £2.3m are requested relating to the Housing Revenue Account. These virements are to cover the costs of additional fire safety work (£1.9m) and the loss of rental income due to the demolition of Lannoy & Hartopp point (£0.04m).

## **7. REASONS FOR DECISION**

- 7.1. To report the revenue expenditure position and comply with Financial Regulations.

## **8. EQUALITIES IMPLICATIONS**

- 8.1. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the adjustments to the budgets required because of this Corporate Revenue Monitor.
- 8.2. If any such adjustments might lead to a service change that could have a negative impact on groups with protected characteristics, then an Equality Impact Assessment will need to be carried out.
- 8.3. Implications completed by Fawad Bhatti, Social Inclusion Policy Manager, tel. 07500 103617.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.
- 9.2. Revenue expenditure against budget is monitored by regular reports to the Strategic Leadership Team and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council and provide details of any projected additional budget pressures and risks, or any significant under or overspends. As the Section 151 Officer, the Strategic Director of Finance and Governance is required to keep under review the financial position of the Authority. The monthly revenue monitoring is a key part of this review process. If required, measures will be put in place to address any risks identified through the monitoring process and to contain expenditure within approved budgets.
- 9.3. Effective monitoring assists in the provision of accurate and timely information to Members and officers and allows services to better manage their resources. Corporate Revenue Monitoring contributes to the delivery of all Council Priorities but chiefly Being Ruthlessly Financially Efficient and sound risk management.

- 9.4. The effective use of financial resources underpins the Council's activities in support of its strategic priorities. Plans to take remedial action to manage a number of the significant issues highlighted in this report where they approach and exceed our financial risk appetite and risk tolerance have been identified.
- 9.5. There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the medium term:
- Austerity imposed by national government and its impact on Local Government.
  - Achievement of resulting challenging savings targets.
  - Brexit and the state of the UK economy.
  - Commissioning and Procurement outcomes.
  - Impact of the fall in the pound on inflation and pay.
  - Demand-led Service Pressures E.g. Adult Social Care, Child Protection etc.
  - Potential adjustments which may arise from the various Grant Claims.
  - Movement in interest rates.

Risks associated with specific services are mentioned elsewhere in this report.

- 9.6. Implications verified/completed by: Michael Sloniowski, Risk Manager, tel 020 8753 2587, mobile 07768 252703

## **10. OTHER IMPLICATIONS**

- 10.1. None.

## **11. CONSULTATION**

- 11.1. None

**List of Appendices:**

<b>Appendix</b>	<b>Title</b>
Appendix 1	Children's' Services
Appendix 1a	Dedicated Schools Grant
Appendix 2	The Economy Department
Appendix 3	The Environment Department
Appendix 3a	Controlled Parking Account
Appendix 4	Finance & Governance
Appendix 5	Public Service Reform (PSR)
Appendix 5a	PSR – Corporate Services
Appendix 6	Social Care
Appendix 7	Centrally Managed Budgets
Appendix 8	Housing Revenue Account
Appendix 9	Virement Requests

**APPENDIX 1: CHILDREN'S SERVICES**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Family Services	30,461	3,398	3,163
Special Educational Needs and Disabilities	8,421	2,715	2,310
Education	1,211	(58)	(54)
Assets, Operations & Planning	3,648		(39)
School Funding	0	0	0
Children's Commissioning	3,809	1,931	1,761
<b>TOTAL</b>	<b>47,550</b>	<b>7,947</b>	<b>7,141</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Family Services</b>		
<p><b>Family Services Social Care Placements</b></p> <p>The Family Services placement budgets received growth of £2.050m for 2019/20 and the service identified savings of £1m that were removed from the budget.</p> <p>Since the growth bid was prepared there has been significant growth in numbers above that modelled on previous trends for the growth bid. LAC numbers have increased by 15 to 257, up from 242 in November 2018 when the growth bid was prepared. This has led to an overspend of £2.689m, £2.247m of which relates to the placements themselves and £0.442m relates to other associated costs such as travel and subsistence. Forecasted spend on placements is £1.3m higher than last year's outturn.</p> <p>Compared to the 2018/19 outturn, under 18 Semi Independent costs have increased by £0.589 to £2.3m with FTEs up by 11.9. The costs of under 18s in private or voluntary residential care are forecast to total £3.5m which is £0.534m higher than the last financial year despite the FTE increase being just 3.7FTE.</p> <p>The total 2019/20 placements forecast is £13.4m of which 28% (£3.8m) is attributable to just 20 of the c.567 cases that the service are working with in this financial year. These are highly complex cases with 10 of the 20 expected to cost over £0.200m this financial year with weekly costs up to £6,400 per</p>	2,247	2,209



<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<p>week.</p> <p>There has been an increase from last month of £0.125m which is primarily due to 13 new (6.3 FTE) placements adding £0.267m to the forecast. This is partly offset by 3 step-downs (£0.124m reduction).</p> <p>2019/20 secure remand spend is expected to be over £0.540m compared to £0.102m incurred in 2018/19. We have incurred costs for 14 individuals already this year compared to 9 in the whole of 2018-19. £75k of the forecast relates to contingency for secure remand. Total contingency including secure remand in the forecast position is £338k. There is considerable risk around the sufficiency of this contingency given the current rate of increase in LAC placements.</p>		
<p><b>Client related non-placement costs</b></p> <p>Alongside the costs of a placement there additional costs including travel and subsistence and various statutory allowances. The forecasted client transport overspend is £292,000. There are 28 regular clients forecasted for the full financial year 2019/20. Regular review meetings between the transport team and services are held to monitor spend and usage. Section 17 child in need payments are overspent by £195,000.</p>	442	355
<p>The special project to take additional children is funded from Home Office grant and corporately funded (where costs exceed the grant) as it sits outside the usual remit of children's services. Growth was provided in the 2019/20 to fund the full net expenditure on Dubs. Since the growth bid a further 11 Dubs children have been placed in the borough. However, due to large reductions in the placement costs for two of the highest cost placements, the 2019/20 budget is expected to cover all costs including the 11 additional placements and the associated staffing costs.</p> <p>There are a total of 28 Dubs children now placed in the borough.</p>	0	0
<p><b>Contact and Assessment</b></p> <p>There is a projected staffing overspend of £109,000 which primarily relates to the usage of 7 agency staff. Since period 5, agency numbers have reduced by 3 leading to the reduction in the forecast. Agency staff are providing cover for 3 social workers on maternity leave with the rest covering budgeted vacant posts whilst recruitment is taking place. Based on last year's maternity budget allocation we are only able to assume that 52% of the maternity costs will be funded. 2 further agency workers are expected to become permanent by</p>	125	172

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
December.		
<p><b>Family Support and Child Protection</b></p> <p>Cabinet have approved a contract variation of £82,000, per annum, on the Multidisciplinary Family Assessment Service contract with the Tavistock and Portman NHS Foundation Trust. There are 2018/19 FSCP contract costs c.£70,000 which will be incurred in 2019/20 due to an error. This overspend is included in the forecast. The service is carefully monitoring usage of the Tavistock and Portman contract and costs to ensure that the assessments are covered under the block contract rather than spot purchasing.</p> <p>There is a projected staffing overspend of £153,000 primarily due to the usage of agency staff. There are 3 postholders on maternity leave with agency staff covering. It is assumed that only 52% of the maternity costs will be funded corporately. The service is currently going through a recruitment process and successfully recruited 3 Social Care Workers who may not hold full caseloads. Agency cover has been forecast to the year end as despite continuing efforts, no further recruitment is forecast due to lack of applicants.</p> <p>The projected outturn variance has increased by £324,000 since period 5. This is due to increases to the legal costs projection of £261,000, which was previously forecast at budget, and staff forecast increases of £54,000.</p>	724	400
<p><b>Contact Centre</b></p> <p>The service is experiencing an increase in the number of family supervision referrals both from within the directorate and directly from court orders. Based on the likely number of additional hours required, the service is employing 6 additional sessional workers. It is assumed that 2 of these workers will be required on a full-time basis with 4 workers being required for 20 hours a month. It has been assumed in the forecast that these 6 additional sessional workers will be fully utilised from around September to the end of the financial year.</p> <p>The forecast has been revised down from on the assumption that no further agency workers are hired this year. Staffing is monitored and revised monthly due to fluctuations in sessional workers' hours.</p>	36	70
<p><b>Other minor variances</b></p> <p>Minor variances are spread across services including staffing underspends in fostering and adoption (£226,000) and Safeguarding &amp; Quality Assurance (£48,000). An £82,000 pressure caused by unbudgeted contracts relating to the</p>	(176)	(43)

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
Council's commitments as part of the West London Alliance. These are WLA Commercial and Procurement (NWOW) £15,000, Children's Commissioning Service £44,000 and Careplace £23,000.		
<b>Total of Family Services</b>	<b>3,398</b>	<b>3,163</b>
<b>Special Educational Needs and Disabilities</b>		
<p><b>Travel Care and Support</b></p> <p>In 2019/20 there has been a 12% increase in student numbers using SEN transport, compared to the same period last year. In addition, there has been a 20% increase in the destinations' students are transported to. Journey times have increased, increasing average cost per trip in taxi transport. The forecast includes part delivery of £170,000 of the 2019/20 savings initiatives totalling £260,000 but does not include additional demand growth over and above the current cohort of pupils using the service. Further opportunities to deliver savings are being explored to help mitigate the risk of under delivery of savings.</p>	1,010	816
<p><b>Education and Healthcare Planning (EHCP) casework</b></p> <p>There is a pressure of £549,000 due to the additional cost of 8 supernumerary agency staff anticipated to be required until mid-February 2020. The funding used to pay for the costs transferring children with existing statements to EHC plans was exhausted in 2018/19 causing the overspend against the established staffing budget.</p> <p>There is a £192,000 increase from CRM 5 caused in part by delays to recruitment resulting in the extension of the supernumerary agency staff assignments from the previous expected end date in August to February 2020 (£204,000). In addition, the completion of a full post level budgeting exercise and review of DSG funding regulations means this team is now fully general funded with the DSG no longer covering any of the overspend. A corresponding favourable movement on the DSG has been realised.</p> <p>A staffing reorganisation paper has been considered by the Resource Management Board. It is anticipated that the new structure will be implemented in February 2020. The reorganisation of the staffing structure has been funded with the current service area budget. This should ensure that the overspend is not continued in 2020/21.</p>	549	357
<b>Children with Disability Placements (Short breaks and care packages)</b>	565	644

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<p>There are currently 17 residential placements which the local authority pays in full or part funds with health. The LA contribution is £832,000.</p> <p>There are 106 care packages that the local authority part or fully pays for which total £870,000 and 116 direct payments recipients totalling £518,000.</p> <p>Overall short breaks and placements budget totals £1.883m against a projected net expenditure of £2.447m making a total overspend of £0.565m.</p> <p>The £79,000 favourable movement from CRM 5 is primarily due to 1 care package ending and other care packages being amended. The forecast for spot purchased care packages has decreased by £20,000 due to care package changes and there is a £17,000 reduction in direct payments. Contingency for future growth is £183,500. This has been reduced by £25,000 which has partly contributed to the favourable movement.</p>		
<p><b>The Haven Centre and Stephen Wiltshire Centre</b> The income generated by The Haven Centre has reduced, due to one RBKC child moving out. A further reduction in income is estimated based on updated user profiles. An additional LBHF service user is now placed at The Haven. There are additional staffing costs due to the Team Manager post being covered by agency for a period of 3 months. The overall impact is a forecast overspend of £415,000 against budget.</p> <p>There are also 89 spot purchased care packages referred to above that are fully or part funded by the local authority</p> <p>This is partly offset by an underspend of £27,000 on the Stephen Wiltshire Centre. A full post level budgeting exercise has concluded with budget set for the ongoing staffing structure which is underspent in this financial year due to part year vacancies.</p>	388	190
<p><b>SEND Staffing Pressures</b> Staffing pressures within the service due to 'vacancy factor' budget to match the funding available. However, holding vacancies at the level required to mitigate the budget shortfall is not currently possible given the demand and pressures within the service. A post level budgeting exercise has been completed and a longer-term strategy to address the shortfall is being developed alongside the requirement to reduce the structure by 2021/22 due to time limited growth coming to an</p>	236	236

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
end.		
Other minor variances.	(32)	67
<b>Total of Special Educational Needs and Disabilities</b>	<b>2,715</b>	<b>2,310</b>
<b>Education Service</b>		
A small underspend partly due the Head of School Effectiveness post being covered by a part time consultant.	(58)	(54)
<b>Total of Education</b>	<b>(58)</b>	<b>(54)</b>
<b>Assets, Operations &amp; Planning</b>		
Minor variances.	(39)	(39)
<b>Total of Assets, Operations &amp; Planning</b>	<b>(39)</b>	<b>(39)</b>
<b>Children's Commissioning</b>		
<b>Family Support Local Authority Trading Company and Family Support Framework</b> There is a pressure of circa £1.5m as a result of the undelivered saving on the Family Support Services proposals agreed for the 2017/18 and 2018/19 medium term financial strategy. There is a further risk reported and detailed below. Work is continuing on the service specification and to put in place contract arrangements to cover the activities. This work may partially mitigate in year overspend forecast and risk reported.	1,600	1,400
<b>Commissioning Staffing</b> The cost of the establishment currently exceeds available budget. Pipeline options have been developed to mitigate some of this budget pressure and await review by the new DCS in relation to the staffing structures across the department.	368	389
There is a small in year underspend on the CAMHS contract due to a lower than anticipated invoice paid for 2018/19 financial year. The favourable variance will not be ongoing.	(37)	(28)
<b>Total of Children's Commissioning</b>	<b>1,931</b>	<b>1,761</b>
<b>TOTAL VARIANCE</b>	<b>7,947</b>	<b>7,141</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
Tower Hamlets Judgement - the likely liability should all connected carers be paid carers fees for prior years possibly	2,100	2,100

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
back to 2011 is estimated to be in the region of £2.1m. Three families (6 children) have brought claims prior to 2018/19 via the same solicitors totalling £141,000. In addition, in 2018/19, two families (3 children) brought claims with costs of approximately £60,000. We continue to hold the risk.		
<p>Placements - savings through LAC and Family Assist must continue to be monitored to ensure that delivery of savings is on track. The continuing high cost placements puts pressure on this activity being delivered. The number of young people in residential care remains small, however they are often complex and highly expensive cases meaning that LAC Assist have to work with the young person for some time before they can be considered for step-down or non-residential placement. In addition to the contingency for net placement increase in year, there is a risk of further exceptional demand growth, particularly from high cost residential placements This risk will decrease each month as new placements are built into the forecast.</p> <p>There is £338,000 contingency for net placement growth built into the forecast. Risk is with respect to growth exceeding contingency allowance. Growth from period 5 to period 6 is £125,000. Contingency only allows for net £56,000 growth per month.</p>	400	450
Children with Disability Placements - the forecast contains £184,000 of contingency for demand led growth. Any net increase in demand above this level will increase the overspend on the service. 1 residential placement could cost up to £150,000 per year (after a possible 50% CCG contribution).	100	100
Children with Disability Placements - the current forecast includes £731,000 of income from the Clinical Commissioning Group (CCG) based on agreements to part fund a number of care packages. £150,000 is not yet guaranteed so there is a risk around receiving the full amount projected.	150	150
Travel Care and Support - It is expected that there will be further significant movement during the Summer 2019 mobilisation as students leave education, transfer to new destinations and new students join transport. It is expected that this impact will be clear at P6/P7, but it is estimated to be around £175,000. There is a clear upward trend of growth across the service which continues to pose a significant risk to the budget during 2019/20.	0	175

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
This risk is now built into the forecast with a total increase of £194,000 added. The increase from CRM 5 included a realisation of the risk and an inflationary increase to the minibus contract from September 2019 based on CPI.		
A recent review of the finance regulations that informs DSG budget allocations has meant central spend previously funded by DSG has to be funded by either traded income, additional fees or general fund. Charging an admin fee to other LAs who place pupils in LBHF maintained schools, was previously put forward as mitigation towards the forecast overspend on the HNB. However, this has since been applied against the general fund SEND budget to ensure central services are fully funded as part of the regularisation of the use of DSG. There is a risk to the general fund if this income is not achieved.	198	198
Family Support LATC - The following risks are held pending firm contract arrangements being established: <ul style="list-style-type: none"> <li>- £0.35m 2018/19 salary costs incurred by LBHF during the transition period. Agreement is need with Family Support around agreed responsibility for these costs.</li> <li>- £0.25m 2018/19 Children's Centre premises costs accrued as a creditor but pending contract agreement on responsibility for payment.</li> <li>- £0.25m 2019/20 Children's Centre premises costs as above.</li> <li>- £0.15m other Family Support expenditure pending clarification of contractual responsibility.</li> </ul>	1,000	0
<b>TOTAL RISKS</b>	<b>3,948</b>	<b>3,373</b>

<b>Supplementary Monitoring Information</b>
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## Supplementary Monitoring Information

### **Travel Care and Support**

Education and Healthcare Plans (EHCPs) have increased by 40% since 2017/18. The increase in children with a plan has meant more children qualifying for a travel care plan.

Year	2014	2015	2016	2017	2018	2019
Numbers of Statements / EHCs	647	725	783	776	906	1,113
Percentage change		12%	8%	-1%	17%	23%

The budget for transport has increased at a much lower rate and even reduced due to savings for 2019/20.

Hammersmith and Fulham - SEN Transport	2017/18	2018/19	% increase	2019/20	% increase
<b>EHCP's</b>	776	906	17%	1113	23%
<b>Number of students receiving transport</b>	211	247	17%	293	19%
<b>Budget</b>	£2.490m	£2.761m	11%	£2.823m	-6%
<b>Outturn</b>	£2.591m	£3.176m	23%	£3.834m	21%
<b>Difference from budget to outturn</b>	£0.101m	£0.415m		£1.010m	

Also driving up the costs are the number of single occupancy destinations which have increased by 52% since May last year.

	May-18	May-19	Var	Sep-19	Increase from May 18
<b>Destinations</b>	56	67	20%	74	32%
<b>Single Occupancy destinations</b>	31	37	19%	47	52%



## Supplementary Monitoring Information

### Family Services Placements

Table showing movement from 2018/19 outturn to the 2019/20 forecast.

Service Category	2018-19 outturn	2019-20 Forecast	Change between years	FTE for 2018-19	FTE for 2019-20	Change in FTE between years
Semi Independent U18's	£1,740,577	£2,329,779	589,201	30.25	42.19	11.94
P&V Residential U18	£2,971,906	£3,506,013	534,107	14.40	16.09	1.69
Secure Remand	£102,454	£540,114	437,660	1.27	4.21	2.94
P&V Fostering (Agency) U18's	£2,267,050	£2,669,663	402,613	44.72	54.00	9.28
Staying Put Grant	£-117,722		117,722			
Private Let		£106,576	106,576		4.90	4.90
Semi Independent Non Funded Asylum Seekers		£100,000	100,000			
Semi Independent (Block Contract)	£1,011,115	£1,077,142	66,027	73.00	82.00	9.00
Special Guardianship	£1,285,774	£1,316,833	31,059	124.74	136.50	11.76
Mother & Baby Residential	£215,859	£234,396	18,537	1.46	1.49	0.04
Secure Welfare	£0	£0	0			
SIL (Block) - Centrepont	£0		0	0.00		0.00
Health	£-180,618	£-181,163	-545			
Residence Orders	£67,210	£63,026	-4,185	6.70	6.30	-0.40
SEN	£-243,544	£-256,343	-12,799			
Youth Justice Board	£-112,372	£-127,000	-14,628			
In-House Fostering (0-18)	£1,938,084	£1,912,166	-25,918	74.16	76.38	2.22
Kinship	£329,742	£296,932	-32,810	27.30	27.94	0.64
Adoption	£381,190	£335,642	-45,547	30.42	30.57	0.15
Staying Put Grant & New Burdens		£-117,722	-117,722			
Semi Independent 18+	£1,450,702	£1,303,297	-147,405	32.05	32.16	0.11
Staying Put	£347,317	£181,226	-166,091	16.78	8.76	-8.02
Leaving Care Legacy & National Rate	£-160,029	£-356,229	-196,200			
UASC Legacy & National Rate	£-1,031,506	£-1,370,836	-339,330			
<b>Total</b>	<b>£12,263,191</b>	<b>£13,563,513</b>	<b>1,300,322</b>	<b>477.24</b>	<b>523.51</b>	<b>46.27</b>

**APPENDIX 1a: DEDICATED SCHOOLS GRANT  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Dedicated Schools Grant - Paid in support of the Local Authority's School Budget</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
High Needs Block Expenditure	21,269	5,828	5,851
Early Years Block Expenditure	15,716	(1)	0
Schools Block Expenditure	37,927	(0)	(0)
Central School Services Block Expenditure	4,065	(83)	(61)
DSG Income	(78,977)	0	0
<b>TOTAL</b>	<b>0</b>	<b>5,744</b>	<b>5,790</b>

<b>DSG deficit brought forward from prior years</b>	<b>13,616</b>
<b>Forecasted deficit at end of 2019-20 financial year</b>	<b>19,360</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>High Needs Block</b> ( <i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision</i> )		
The current HNB forecast overspend forecast at £5.828m for 2019/20. This represents an improvement of £1.032m on the 2018/19 outturn position of £6.860m.		
The ESFA adjusted the 2019/20 DSG HNB down by £0.799m in July 2019 primarily due to changes to the HNB import/export adjustment figures. This adjustment is currently being queried with the ESFA and other local authorities.	5,828	5,851
£1.740m of the current forecast accounts for SEN service teams and services provided centrally by the LA.		
	<b>5,828</b>	<b>5,851</b>
<b>Early Years Block</b> ( <i>Funding for Early Years including Two-Year-Old funding and Early Years Pupil Premium</i> )		
An insignificant variance is reported at this stage	(1)	0
<b>Total of Early Years Block</b>	<b>(1)</b>	<b>0</b>
<b>Schools Block</b> ( <i>This budget of the DSG forms the core funding for mainstream maintained schools</i> )		
Nil variance forecast. The budget has been set for 2019/20 on available activity data.	0	0

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Total of Schools Block</b>	<b>(0)</b>	<b>0</b>
<b>Central School Services Block</b> ( <i>Funding for the Local Authorities ongoing responsibilities</i> )		
A favourable variance is expected at this stage	(83)	(61)
<b>Total of Central School Services Block</b>	<b>(83)</b>	<b>(61)</b>
<b>TOTAL VARIANCE</b>	<b>5,744</b>	<b>5,790</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
A comparison of census data at Jan 2018 and Jan 2019 suggests that the cohort of LBHF pupils placed in LBHF schools has increased by 7.5%. The total spend in 2018/19 was £8.5m, which would suggest that the growth risk in year is in the region of £0.64m, before any mitigating action. Spend in 2018/19 on LBHF pupils placed out of borough was £6.5m, however it is not clear whether this cohort will be increasing in 2019/20 because the relevant datasets are not available. If, however, a similar assumption is made, the growth risk is approximately £0.485m, taking the overall risk of increased placement costs in 2019/20 to £1.120m. Work is underway to review the SEN cohort, including the impact of phased transfers in year.	771	771
The current H&F Learning Support Assistant (LSA) hourly rate to meet the needs of children with Education Health Care Plans (EHCP) were last reviewed over 5 years ago. A review and consequent increase in the LSA hourly rate is likely to increase the spend on EHCP provision. Pending review, it is difficult to quantify the financial impact. If, for example, rates were to increase by 5%, this would increase spend on EHCPs by £0.35m based on actual TA hours used in 2018/19.	350	350
<b>2018/19 RISKS</b>	<b>771</b>	<b>771</b>

**APPENDIX 2: THE ECONOMY DEPARTMENT  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Housing Solutions	6,827	350	350
Growth	52	20	14
Economic Development, Skills Service	576	0	0
Planning	794	820	(12)
Operations	94	3	0
Property Services & Compliance	90	0	0
Direct Delivery	5	0	0
<b>TOTAL</b>	<b>8,438</b>	<b>1,193</b>	<b>352</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Housing Solutions</b>		
There is a forecast increase in average client numbers (from a budget of 968 units to a forecast of 974) in Private Sector Leased (PSL) temporary accommodation schemes. This has increased the forecast for rent payments to landlords by £113,000 compared to CRM 4. The forecast bad debt provision has reduced by (£114,000) (from a budget of 8.5% to a forecast of 7.5%) to reflect an improvement in the collection rate over the last few months.	30	30
There is a forecast reduction in average client numbers (from a budget of 133 clients to a forecast of 71) in Bed and Breakfast (B&B) temporary accommodation. The forecast bad debt provision (from a budget of 14.5% to a forecast of 10%) reflects an improvement in the collection rate over the last few months.	(257)	(257)
Cost avoidance payments of at least £600,000 to Private Sector Leasing and Direct Letting landlords are expected to be made this year in order to enable the Council to secure temporary accommodation properties. Further spend will be incurred this year under a Cabinet approved plan to invest up to £900,000 from the Temporary Accommodation reserve to secure 300 additional private rented sector properties to prevent homelessness or enabling households to exit temporary accommodation.	600	600
Flexible Homelessness Support Grant provided by Government of <b>£2.805m</b> to cushion the impact of the removal of the management fee for Temporary Accommodation (after allocating £2.589m to PSL and deducting an assumed £100,000 which we expect Registered Providers to claim).	(116)	(116)

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
Government have stated the aim is to 'empower LAs with the freedom to support the full range of homelessness services they deliver' and plan their provisions with more certainty. It should be noted that this has only been confirmed for next year there is a risk of significant budget pressure thereafter.		
Other minor variances mainly on repairs and legal costs.	93	93
<b>TOTAL of Housing Solutions</b>	<b>350</b>	<b>350</b>
<b>Growth</b>		
Rent and Other Properties: shortfall on rental income.	112	113
Valuation Services: underspends in the Asset Management section on contractors and legal charges (£38,000) and recharges income of (£77,000) offset by other minor variances relate of £23,000.	(92)	(99)
<b>TOTAL of Growth</b>	<b>20</b>	<b>14</b>
<b>Economic Development &amp; Skills Service</b>		
	0	0
<b>TOTAL of Economic Development &amp; Skills Service</b>	<b>0</b>	<b>0</b>
<b>Planning</b>		
<b>Development Management</b> - Planning Applications income shortfall of £1.026m is predicted mainly due to economic factors including the impact on planning activity of Brexit. An overspend of £194,000 relates to exceptional costs for Counsel, legal and other specialist advice on a number of specific applications. This is offset by a favourable staffing variance of (£191,000) resulting from an ongoing recruitment process following a restructure. In addition, Planning will incur £60,000 of costs relating to Council's Arts Commission and delivery of Arts Strategy.	1,089	133
<b>Spatial Planning</b> - staffing vacancies as a result of an ongoing recruitment process following the restructure of the service.	(238)	(163)
<b>Planning Management</b> - part funding of senior management posts from S106 income.	(31)	18
<b>TOTAL of Planning</b>	<b>820</b>	<b>(12)</b>
<b>Operations</b>		
Minor variances	3	0
<b>TOTAL of Operations</b>	<b>3</b>	<b>0</b>
<b>Property Services &amp; Compliance</b>		
	0	0
<b>TOTAL of Property Services &amp; Compliance</b>	<b>0</b>	<b>0</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Development &amp; Regeneration</b>		
	0	0
<b>TOTAL of Development &amp; Regeneration</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>1,193</b>	<b>352</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
Overall Benefit Cap	60	58
Direct Payments (Universal Credit)	18	20
There is a risk of a further increase in the number of households in Temporary Accommodation - based on an additional 100 households this year above the current forecast	301	351
Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	130	152
There is a risk of large families being accommodated in B&B	91	106
Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast	236	275
Economic Development is undergoing a full review and there is a risk of overspend during transition as the service is restructured to better align function and outcomes with the Council's industrial strategy.	55	60
In recent years, the cost of judicial reviews and major planning appeals including additional work to support the Hammersmith Town Centre supplementary planning document has been met from earmarked reserves, but these funds are exhausted and there is an ongoing risk of an overspend against the budget.	300	300
Building & Property Management: The lease renewal for 277 Goldhawk Road (Ladybird Nursery) is due to be completed in August. The new rent is due to commence after completion. Backdated rent of £42,000 is currently being held in the Holding account.	0	38
Planning Fees – the forecast above is based on the actual income to date but there is a risk that the forecast may worsen in the coming months due to the economic situation brought about mainly by uncertainty surrounding Brexit.	250	750
<b>TOTAL RISKS MANAGED</b>	<b>1,439</b>	<b>2,109</b>

## Supplementary Monitoring Information

### Long Term Trends:

The Temporary Accommodation service faces a long-term trend of:

- rising rents,
- constraints on income collection because of Welfare Reform
- increases in demand from homeless families.

The number of households in Temporary Accommodation has been increasing annually (1,214 at April 2016; 1,324 at April 2017; 1,444 at April 2018; with a slight reduction to 1,292 at April 2019). The current number of households in Temporary Accommodation is 1,246 (at 29 September 2019) and this represents a rise of over 2.6% since April 2016 at a time when the London average has increased by 5%. TA numbers are projected to increase to 1,275 at April 2020 and 1,325 at April 2021 and 1,375 at April 2022.

The number of enquiries and subsequent homeless applications remains consistent with the same period in 2019/20, not only indicating that the changes brought about with the Homelessness Reduction Act are now settled and embedded. The total number of enquiries for the year to date to September 2019 was 1,384, compared with 1,346 for 2018/19; a monthly average of 230 and 224 respectively. In September 2019 alone there were 219 enquiries, compared with 229 in September 2018.

The number of homeless applications in September 2019 was 70, and for the year to date was 541 (an average of 90pcm). In September 2018, the number was 93, with a year to date figure of 499 (at an average of 83pcm). Enquiries and applications have been quite consistent over the course of the year.

**Planning income** in recent years has fluctuated between £3.1m (2017/18), £3.6m (2018/19) and is currently forecast to fall short of the £3.7m income target this year, reaching only £2.7m in 2019/20. The forecast is being closely monitored and any further variance from the income target will be reported.

The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including:

- Changes to the statutory charging schedule
- Economic factors such as the impact on planning activity of Brexit
- Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation
- Changes to pre-application charging fees and Planning Performance Agreement templates
- Local and wider market conditions
- Availability of development sites in the borough
- Developers by-passing the pre-application process as it is not compulsory
- Reduced developer funding of Planning Performance Agreements
- Government schemes to encourage house building, including grant schemes
- Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market)
- Adverse weather conditions

**APPENDIX 3: THE ENVIRONMENT DEPARTMENT  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
Public Realm	32,448	337	474
Community Safety and Regulatory Services	4,154	401	499
Leisure, Sport and Culture	6,004	492	488
Resident Services	23,095	701	701
Executive and Support	595	0	0
<b>TOTAL</b>	<b>66,295</b>	<b>1,931</b>	<b>2,162</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Public Realm</b>		
Electric Vehicle Charging income not budgeted and no income accrual in 2018/19	(335)	(335)
Network Management income shortfall due to reduced utility work on the highways and increased compliance (reduced fine income)	44	44
Metro Wireless WIFI income shortfall as only receiving minimum guaranteed rent	126	126
Temporary Traffic Orders net income	(56)	(58)
Delayed savings target for sponsorship of information boards on public highways	50	50
General Maintenance planned underspend	(100)	(100)
Streetlighting energy underspend due to LED lighting	(52)	(52)
Waste disposal underspend assuming tonnages broadly in line with last year	(79)	(94)
Waste contract inflation	425	425
Existing saving on waste contract not expected to be achieved	159	159
Savings target for removal of clear all service not expected to be met	83	83
Waste Management posts now funded	0	177
Net underachievement of income in Commercial Waste	56	47
Other smaller net variances	16	2
<b>Total Public Realm</b>	<b>337</b>	<b>474</b>
<b>Community Safety and Regulatory Services</b>		
Building Control income shortfall assuming income in line with 2018/19. Service to be reviewed b to assess potential for growing income.	242	302
CCTV overspend, due mostly to additional costs of backfilling vacant shifts on the 24/7 rota (vacancies and sickness absence cover) and shortfall against internal income recharges.	75	55



<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
Commercial income target for deployable CCTV cameras not met.	100	100
Emergency Planning - Enhanced Emergency Planning service (recruitment to unbudgeted posts); decision to maintain existing emergency response rota cover, meaning prior year saving not fully achieved (£34,000) and additional annual contribution to the London Resilience Fund (£15,000)	112	89
Community Safety Reserve funding for Silver Rota/London Resilience costs/Enhanced Emergency Planning service	(112)	(49)
Other smaller net variances	(16)	2
<b>Total Community Safety and Regulatory Services</b>	<b>401</b>	<b>499</b>
<b>Leisure, Sport and Culture</b>		
Loss of Lettings income as a result of decanting from Hammersmith Town Hall	182	160
Transfer from the Civic Campus Reserve for Lettings income losses, resulting from the decant from Hammersmith Town Hall	(182)	(160)
Decline in Hammersmith Town Hall lettings income over the past four years due mostly to a deterioration in the attractiveness of the building	47	47
Events in parks income shortfall, due mostly to Member preference to restrict the number of large events in parks (mostly funfairs and circuses)	43	43
Filming income shortfall - mostly unachieved prior year saving (£50,000) and lost income opportunity when Fulham Town Hall closed (£45,000)	108	97
Commercial income target for a Market on Shepherds Bush Green. Not progressed due to proximity to the existing permanent market.	100	100
Savings target for Libraries Trust model, not taken forward by Members.	150	150
Libraries staff savings, assuming no additional recruitment in sovereign service (duties expected to be taken on by existing staff).	(75)	(75)
Libraries savings shortfall - delayed implementation of Smart Open (£100,000) and shortfall against new income generating opportunities (£105,000).	205	205
Increased income from Leisure Contract, assuming the Council funds the capital investment required to deliver this increased income (decision on funding source not yet confirmed)	(187)	(187)
Savings target for better procurement in parks	50	50
Other smaller net variances	51	58
<b>Total Leisure, Sport and Culture</b>	<b>492</b>	<b>488</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Resident Services</b>		
Existing restructure saving not expected to be achieved (new proposals being developed through the new Resident Access Programme)	481	481
Collection fund income	99	99
Local support payment less than budget	(150)	(150)
Savings target for delayed Channel Shift project (new proposals being developed through the new Resident Access Programme)	150	150
Additional unbudgeted costs relating to complaints function	110	110
Other smaller net variances	11	11
<b>Total Resident Services</b>	<b>701</b>	<b>701</b>
<b>Executive Directorate and Support</b>		
No expected issues	0	0
<b>Total Executive Directorate and Support</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>1,931</b>	<b>2,162</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
Potential increased staffing costs from interim sovereign structures, following Bi-Borough disaggregation of services	400	400
Registrars income - clearance of old suspense accounts may adversely affect income (being investigated)	75	0
Risk that s.106 funding not confirmed for CCTV	120	120
Risk that s.106 funding not confirmed for Air Quality	60	0
Funding for new Climate Change programme not yet identified	200	200
<b>TOTAL RISKS MANAGED</b>	<b>855</b>	<b>720</b>

**APPENDIX 3A: CONTROLLED PARKING ACCOUNT  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Controlled parking income	<b>(38,994)</b>	<b>(918)</b>	<b>(834)</b>
Controlled Parking expenditure	<b>11,066</b>	<b>(130)</b>	<b>(235)</b>
<b>TOTAL</b>	<b>(27,928)</b>	<b>(1,048)</b>	<b>(1,069)</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Parking Control</b>		
<b>Controlled Parking Income</b>		
Parking PCN Income	298	322
Suspensions Income	424	440
Pay & Display	(1,591)	(1,551)
Residents Parking	(29)	(38)
Removals & Storage	(20)	(7)
<b>Controlled Parking Expenditure</b>		
Under spend on supplies services due primarily to the completion of rollout of the cashless parking resulting in reduction of cashless and maintenance contract costs	(86)	(113)
Salary underspend	(44)	(122)
<b>TOTAL VARIANCE</b>	<b>(1,048)</b>	<b>(1,069)</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
There is a risk that the new CCTV room in Beavor Lane will not be ready for the team to move into as part of the decant from the town hall. Options are being explored to reduce this risk with the projects team. The risk is based on the possibility that here could be a six-week disruption to the service going forward.	750	750
<b>TOTAL RISKS MANAGED</b>	<b>750</b>	<b>750</b>

**APPENDIX 4: FINANCE & GOVERNANCE**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Properties and Facilities Management	7,607	62	55
Legal and Democratic Services	1,230	53	59
IT Services	13,134	0	0
Finance	5,346	0	0
Audit, Fraud and Insurance	1,026	0	0
<b>SUB-TOTAL</b>	<b>28,343</b>	<b>115</b>	<b>114</b>
Contracts and Commercial Services (transferred to FG as at 01/04/19)	<b>(3,607)</b>	<b>1,363</b>	<b>1,627</b>
<i>Departmental non-controllable budgets</i>	<i>(23,389)</i>	<i>0</i>	<i>0</i>
<b>TOTAL</b>	<b>1,347</b>	<b>1,478</b>	<b>1,740</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6</b>	<b>Month 5</b>
	<b>£000</b>	<b>£000</b>
<b>Properties and Facilities Management</b>		
Civic Accommodation: Overall unfavourable variance in income from renting space.	62	55
<b>TOTAL PROPERTIES AND FACILITIES MANAGEMENT</b>	<b>62</b>	<b>55</b>
<b>IT SERVICES</b>		
The service is expecting to underspend on staffing costs and contract costs although this is offset by difficult to achieve income from the expected resale of licenses to external customers.	0	0
<b>TOTAL IT SERVICES</b>	<b>0</b>	<b>0</b>
<b>LEGAL AND DEMOCRATIC SERVICES</b>		
<b>Elections:</b> The service has received a 58% reduction in Central Govt grant for Individual Electoral Registrations since 2015/16, whilst the costs of statutory services relating to contacting residents have been increased due to the growth in the borough profile. This remains an ongoing budget pressure for the service.	53	53
<b>Coroners and Mortuary:</b> The overall overspend is due to increased activity which has resulted in additional costs for staffing to support the service, coroners' expenses and supplies and services. This budget pressure will remain for the foreseeable future. This is after agreed increased recharges to partner boroughs. The coroner's services is forecast to overspend by £62,000 against a net budget of £126,000. Mortuaries are forecast to underspend by £66,000 as a result of a revised recharging method agreed and	0	6

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
increased income forecast for second post mortems.		
<b>TOTAL LEGAL AND DEMOCRATIC SERVICES</b>	<b>53</b>	<b>59</b>
<b>TOTAL FINANCE</b>	<b>0</b>	<b>0</b>
<b>TOTAL AUDIT, FRAUD AND INSURANCE</b>	<b>0</b>	<b>0</b>
<b>Contract Management Savings:</b> potential of not realising the budgeted savings target for this area. There have been difficulties in recruiting a head of service to support delivery however non care contracts are now being looked at as part of the Zero-Based Budgeting programme. The service transferred to Finance & Governance in 2019.	1,250	1,250
<b>Advertising Hoardings:</b> Variance to budget from existing and new sites. The movement from month 5 is due to one off income from previous years now realised. Improved forecast income from profit sharing sites.	113	377
<b>TOTAL COMMERCIAL &amp; PROCUREMENT</b>	<b>1,363</b>	<b>1,627</b>
<b>TOTAL VARIANCE</b>	<b>1,478</b>	<b>1,740</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
Potential challenges of additional TUPE and Facilities Management Service set up costs of £500,000.	500	500
Contract management savings – risk that resources is not put in place and activity plan does not meet the savings target. Transferred to Finance and Governance in 2019.	1,500	1,500
<b>TOTAL RISKS MANAGED</b>	<b>2,000</b>	<b>2,000</b>

<b>Supplementary Monitoring Information</b>
<p>The majority of budgets within the department relate to staffing costs, with the notable exceptions of IT Services and Property &amp; Properties and Facilities Management where there a number of key contract budgets with suppliers.</p> <p>The Tech-tonic programme is on track to deliver in year savings of £1.2m as a result of new contract arrangements with suppliers, with high deployment rates of mobile devices across the council enabling the programme to remain on target.</p> <p>The facilities management service has now TUPE'd back to the Council, and officers continue to work through the implications of this including any risks and pressures that may arise throughout the year.</p>

**APPENDIX 5: PUBLIC SERVICES REFORM  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Zero Based Budgeting	514	0	0
Research and Innovation	457	476	489
Communications	274	168	168
People and Talent	2,180	393	391
Assurance and Programmes	1,029	(287)	(248)
Strategy and Community Engagement	397	210	254
Executive Services	276	(80)	(80)
<b>Sub-Total</b>	<b>5,126</b>	<b>880</b>	<b>974</b>
<i>Departmental non-controllable budgets</i>	(2,105)	0	0
<b>TOTAL</b>	<b>3,022</b>	<b>880</b>	<b>974</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Public Services Reform</b>		
<b>People and Talent</b> - overspend position on budgeted savings. Additional HR resource needed to support an income generation plan would negate the benefit of additional income from data maximisation or an enhanced trading model.	393	391
<b>Communications</b> - underachievement of traded income within the print service and difficult to achieve savings. It is forecast that activity will be in line with that incurred in 2018/19.	168	168
<b>Research and Innovation</b> - forecast pressure on staffing costs mainly due to unfunded posts and additional resource brought in to address critical roles required to meet organisational demand, which includes the delivery of several key statutory reports. The BI team continues to deliver financial benefits across the council in excess of total service cost.	476	489
<b>Assurance and Programmes</b> - forecast underspends on staffing budgets.	(287)	(248)
<b>Executive Services</b> - forecast underspends on staffing budgets.	(80)	(80)
<b>Strategy and Community Engagement</b> - Overspends on staffing budgets to support co-production.	210	254
<b>TOTAL VARIANCE</b>	<b>880</b>	<b>974</b>

**Table 3 - Key Risks - Detail Items Over £250,000**

Risk Description	Risk At Month 6 £000	Risk At Month 5 £000
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>0</b>

<b>Supplementary Monitoring Information</b>
<p>Although work is ongoing to reduce agency expenditure across the Council, budgets for agency expenditure sit within departmental staffing budgets and not centrally, therefore any reduction in spend will not result in any savings for People and Talent.</p> <p>Much of the commissioning expenditure relates to contract payments or regular payments to third sector providers. Information used to forecast includes a schedule of commitments, contract documentation and any changes in demands for services.</p>

**APPENDIX 6: SOCIAL CARE  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Operation	25,081	438	661
Learning Disability, Mental Health and In-House Services	21,200	1,442	1,444
Commissioning (Transferred from PSR)	3,008	619	836
Public Health Service (Transferred from PSR)	0	0	0
Resources	6,283	0	0
Social Care Directorate	526	0	0
<b>Total</b>	<b>56,098</b>	<b>2,499</b>	<b>2,941</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Operations</b>		
<p>The department has balanced its budget for the last two years. As social care's required savings for 2019/20 have been taken out of the budget at the beginning of the financial year, we are projecting an overspend of £438,000. The financial pressures result from the policy of discharging people as early as possible from hospital and preventing people from unnecessary admission into hospital. This leads to an increase in home care costs for the Council.</p> <p>This is a demand pressure which continues until a decision/policy is reached nationally about how to fund adult social care. The recent spending review announcement has confirmed social care grant funding for a further financial year until March 2021. The main reasons for reduction in the overspend in month 6 of (£223,000) are due to care reviews shortly after discharge from hospital and result from managerial controls. Overall pressures still remain in this service due to the full year effect of 40 re-started care packages and Direct Payments which started at the end of last year and the further increase in the London Living wage.</p> <p>The full year effect of home care packages are projected to overspend of £714,000, this is partly offset by a projected underspend of (£337,000) in care placements. There is also a staffing cost overspend of £61,000. Robust mitigation plans are in place to address this overspend.</p>	438	661
<b>Total of Operations</b>	<b>438</b>	<b>661</b>



<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Learning Disability, Mental Health and In-House Services</b>		
<p>Learning Disabilities (LD) - the projected overspend comprises of home care support packages - £463,000, Direct Payments- £322,000 and residential and nursing care - £20,000. This also includes (£121,000) underspend in Individual Services Fund due to improved contracting arrangements. There is a projected staffing overspend in LD services of £124,000 due to the additional capacity required to improve our transitions work with children's services.</p> <p>Mental Health - a projected overspend of £238,000 in home care and Direct Payments and £139,000 in residential and nursing care placements. There is a projected overspend of £257,000 on staffing and rental costs - as staff are based in the Claybrook hospital. Robust mitigation plans are in place to address this overspend.</p> <p>Residential care costs are on average increasing by 3.7% and the budgetary provision agreed is 2.58% which accounts for part for the overspend. Robust mitigation plans and very tight budgetary controls are in place to address this overspend.</p>	1,442	1,444
<b>Total of Learning Disability, Mental Health and In-House Services</b>	<b>1,442</b>	<b>1,444</b>
<b>Social Care Commissioning</b>		
<p>The Commissioning service and budget have been transferred from the Public Service Reform. The projected overspend is in three main services: 1) the third sector grant overspend is mainly due to unachieved saving from the previous year and accrued expenditure from 2018/19 with a total revised overspend of £283,000. The forecast has already improved in month 6 due to the implementation of the migration action plan.</p> <p>2) Supporting People contracts has a projected overspend of £100,000 due to contract inflationary pressures. Work is ongoing to reduce this overspend through 2019/20.</p> <p>3) Commissioning Staffing is projected an overspend of £236,000. Plans are in place to manage within the existing budget from April 2020/21. The third sector budget overspend will significantly reduce and hopefully balanced by April 2020. We have also set up a third sector board to review the strategy and synergies across the Council's third sector with proposals to be reported back to the Lead Cabinet Member.</p>	619	836
<b>Total of Social Care Commissioning</b>	<b>619</b>	<b>836</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Public Health Service</b>		
The Public Health (PH) service and budget have been transferred from Public Service Reform. The latest forecast is projecting pressures on the PH Commissioning contracts spend of £159,000 which is offset by the employee underspend (£159,000) due to a number of unfilled vacancies. The PH grant is £21.189m in 2019/20 and the forecast total spend is £22.758m which means the use of reserves is £1.569m to be drawdown to balance the budget. The remaining reserves balance is anticipated to be £0.455m by year end. A review of all contracts will be required before 2020/21 to ensure that spend is reduced to a level that doesn't depend on reserve use to ensure there are no overspends in this area.	0	0
<b>Total Public Health Service</b>	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>2,499</b>	<b>2,941</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
Estimated costs relating to Disabled Children (15) transitioning from Children Services to Adult Social Care.	250	250
Home Care contract providers were awarded an inflationary increase of 1 to 2.1% depending upon their CQC (Care Quality Commission) rating. One of the block homecare providers who received a 2.1% increase are requesting a higher inflation increase.	300	300
<b>Total Risks Managed</b>	<b>550</b>	<b>550</b>

**Supplementary Monitoring Information**

### **Supplementary Monitoring Information**

The Department continues to experience significant budget pressures. The Department is projecting an overspend of £2,499,000 which is an improvement of (£442,000) since the month 5 report. In social care this is mainly as a result of the full year implications of new and resultant price increases due to market pressures. In commissioning services which have been transferred back to Social Care from Public Services Reform the pressures remain on contracts and staffing.

In setting the 2019/20 budget, £1.5 million was identified as a risk to the budget forecasts for these main factors. The projection assumes the delivery of the 2019/20 adults savings of £2,855,000 of which currently 55% have been delivered and the balance are rated as medium in terms of delivery risk and as assumed will be delivered by year end.

Historically, the Department's budget has had underlying budget pressures, which have been mitigated in the last two years by using a combination of robust management actions to control the budget, one off reserves and the Improved Better Care Funding.

**APPENDIX 7: CENTRALLY MANAGED BUDGETS  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 6</b>	<b>Forecast Variance Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate & Democratic Core	1,721	114	114
Housing Benefits	(328)	0	0
Levies	1,545	(22)	(22)
Net Cost of Borrowing	485	0	0
Other Corp Items	4,855	(440)	(440)
Pensions & redundancy	9,241	(187)	(187)
<b>TOTAL</b>	<b>17,519</b>	<b>(535)</b>	<b>(535)</b>
Balance of unapplied unallocated contingency		(2,252)	(2,252)
<b>Revised Variance</b>	<b>17,519</b>	<b>(2,787)</b>	<b>(2,787)</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Corporate &amp; Democratic Core</b>		
Overspend on Shared Accommodation costs due to delayed decant form RBKC properties. It is possible that these costs may be funded through the Civic campus project.	135	135
Underspend on Audit Fees	(21)	(21)
<b>Corporate &amp; Democratic Core Total</b>	<b>114</b>	<b>114</b>
<b>Housing Benefits</b>		
	0	0
<b>Housing Benefits Total</b>	<b>0</b>	<b>0</b>
<b>Levies</b>		
Underspend on levies	(22)	(22)
<b>Levies Total</b>	<b>(22)</b>	<b>(22)</b>
<b>Net Cost of Borrowing</b>		
	0	0
<b>Net Cost of Borrowing Total</b>	<b>0</b>	<b>0</b>
<b>Other Corporate Items</b>		
Forecast underspend on Business Rates on Civic Properties	(400)	(400)
Apprenticeship levy under budget due to identification of HRA share of costs.	(40)	(40)
<b>Other Corporate Items Total</b>	<b>(440)</b>	<b>(440)</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Pensions &amp; redundancy</b>		
Forecast underspend on the unfunded pension costs arising from historical redundancy decisions.	(187)	(187)
<b>Pensions &amp; redundancy Total</b>	<b>(187)</b>	<b>(187)</b>
<b>TOTAL VARIANCE</b>	<b>(535)</b>	<b>(535)</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
None to report	0	0
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>0</b>

<b>Supplementary Monitoring Information</b>
None to report

**APPENDIX 8: HOUSING REVENUE ACCOUNT  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 6</b>	<b>Variance Previous Month 5</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Housing Income	(77,001)	543	789
Finance & Resources	8,088	15	42
Housing Management	6,077	56	56
Property & Compliance	9,700	3,571	3,567
Void & Repairs	11,450	(1,424)	(1,367)
Adult Social Care	48	0	0
Safer Neighbourhoods	664	0	0
Place	9,649	920	920
Growth	325	0	0
Operations	3,395	0	(47)
Direct Delivery	606	0	0
Capital Charges	24,902	(144)	(144)
SLA	6,466	0	0
<b>(Contribution to) / Appropriation from HRA General Reserve</b>	<b>4,369</b>	<b>3,537</b>	<b>3,816</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
<b>Housing Income</b>		
There will be an under recovery of rent and service charges on the Council's homes of £616,000 due mainly to the ongoing decanting of Hartopp and Lannoy (£376,000 relates to the decanting, and a further £240,000 relates to general voids), resulting in an increase in the forecast number of void properties (287 voids vs. a budgeted level of 162 voids). In addition, a £57,000 adverse variance is due to under recovery of tenants' service charge income.		
A further adverse variance on garage rents of £58,000 is expected and this is due to ongoing refurbishment work and also to the decanting of Hartopp Point and Lannoy Point. There are a number of other minor adverse variances of £62,000 in total relating to HRA commercial properties, Pay & Park income and commission on water charges.	543	789
Offsetting this, the cumulative rental income collection rate for Council homes currently stands at 98.3% for the year to date and this has resulted in a forecast underspend against		

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
the bad debt provision budget of (£250,000). A virement is requested to correct the rental income budget following the approval in April 2019 of plans to demolish Hartopp and Lannoy; as a result, the variance will improve by (£400,000) next month.		
<b>Total: Housing Income</b>	<b>543</b>	<b>789</b>
<b>Finance &amp; Resources</b>		
This is primarily due to the costs of agency staff covering vacant posts earlier in the year and this variance has been reduced through vacancy management.	15	42
<b>Total: Finance &amp; Resources</b>	<b>15</b>	<b>42</b>
<b>Housing Management</b>		
This is due to lower than expected tenant numbers in Temporary on Licence properties resulting in a shortfall of income.	56	56
<b>Total: Housing Management</b>	<b>56</b>	<b>56</b>
<b>Property &amp; Compliance</b>		
To ensure the safety of our residents, it is necessary to station fire wardens at a number of the Council's high-risk tower blocks. The initial estimated full year cost for providing fire wardens at our high risk blocks was £3m, however, after further review and acting on advice from industry experts recommendations, the revised estimated full year cost is expected to reduce to £1.9m. A virement is requested so that these costs are funded from the Fire Safety Plus reserve, and this will reduce the variance to nil next month.	1,914	1,914
In light of the Council's decision to terminate their partnership arrangement with MITIE repairs and maintenance and the implementation of an interim repairs and maintenance service, additional resourcing needs have become apparent. As a result, the full year cost of meeting the resourcing needs is expected to be £1.6m.	1,657	1,653
<b>Total: Property &amp; Compliance</b>	<b>3,571</b>	<b>3,567</b>
<b>Void &amp; Repairs</b>		
As part of the implementation of the interim repairs and maintenance service following the termination of the Council's contract with MITIE, a Direct Labour Organisation (H&F Maintenance) has been established to deliver repairs and maintenance services to the communal areas of HRA owned land and properties. A recruitment plan is currently in place to fill all positions but as the team is not yet fully	(1,201)	(1,144)

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
established, an underspend is expected for 2019/20.		
An underspend is expected on general repairs contractors due to the timing of the contracts' commencement date (17th April 2019).	(223)	(223)
<b>Total: Void &amp; Repairs</b>	<b>(1,424)</b>	<b>(1,367)</b>
<b>Adult Social Care</b>		
	0	0
<b>Total: Adult Social Care</b>	<b>0</b>	<b>0</b>
<b>Safer Neighbourhoods</b>		
	0	0
<b>Total: Safer Neighbourhoods</b>	<b>0</b>	<b>0</b>
<b>Place</b>		
An extended pilot of the concierge service at Edward Woods Estate due to a delayed consultation is forecast to cost £255,000. This is expected to be offset by staffing underspend and other minor underspends within the division of (£135,000).	120	120
As part of the implementation of the interim repairs and maintenance service following the termination of the Council's contract with MITIE, a customer service centre has been established to handle residents' calls relating to the reporting of repairs and maintenance issues. Since then, the remit of the team has expanded to include complaints and resolution handling. As a result of the additional resourcing required to deliver the complaints and resolution function, an overspend is expected.	800	800
<b>Total: Place</b>	<b>920</b>	<b>920</b>
<b>Growth</b>		
No forecast variance is reported	0	0
<b>Total: Growth</b>	<b>0</b>	<b>0</b>
<b>Operations</b>		
No forecast variance is reported this month as additional resource is required to ensure key projects are delivered.	0	(47)
<b>Total: Operations</b>	<b>0</b>	<b>(47)</b>
<b>Direct Delivery</b>		
No variance is currently reported	0	0
<b>Total: Direct Delivery</b>	<b>0</b>	<b>0</b>
<b>Capital Charges</b>	<b>0</b>	<b>0</b>
As the actual depreciation charge following the completion of	(144)	(144)



<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 5 £000</b>
the stock valuation as at 31st March 2019 is (£518,000) lower than the budgeted depreciation, this means that the planned funding of the Decent Neighbourhoods programme from the Major Repairs reserve is reduced by the same amount. It is now planned to make a revenue contribution to the capital programme for this same amount of £518,000 in order to meet capital financing requirements. Any slippage on the capital programme will be offset by reduced internal borrowing. The interest earned on HRA balances is forecast to be (£144,000) better than budgeted mainly due to an increase in the expected interest rate achievable on short term investments (from a budgeted figure of 0.45% to a forecast of 0.85%).		
<b>Total: Capital Charges</b>	<b>(144)</b>	<b>(144)</b>
<b>SLA Recharges</b>		
	0	0
<b>Total: SLA Recharge</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>3,537</b>	<b>3,816</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
<b>Additional Fire Safety Costs</b> - following the fire at the Grenfell housing tower block in Kensington and Chelsea, the Council has put in place the Fire Safety Plus programme to make fire safety improvements to the housing stock above and beyond the current legal minimum standards. Although the vast majority of improvement works will be capital in nature, there is a significant risk of an unbudgeted impact on the HRA due to unanticipated revenue related expenditure relating to fire wardens.	unknown	unknown
<b>MITIE repairs &amp; maintenance</b> - The Council submitted its final accounts statement on 17 June as per the Term Partnering Contract obligations. Currently, the Council is in discussions with MITIE over the final accounts statements to understand their view. As negotiations progress, more detail will be made available.	TBC	TBC
<b>Capitalisation of staffing costs</b> - staff working on major capital projects complete weekly timesheets and these are used to identify the proportion of their time that can be charged to capital. It is likely that there will be slippage in the capital programme this year, and this means there is a	TBC	TBC

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 5 £000</b>
risk that staff capitalisation will be lower than budgeted, resulting in unbudgeted charges to revenue. Officers are monitoring this, and should the risk crystallise, it will be shown as a variance in the coming months.		
<b>Interim Repairs Delivery Model:</b> On 4 March 2019, Cabinet approved a one-off annual revenue budget of £22.2m for the interim repairs model, which required an increase in the existing budgets within the Housing Revenue Account for 2019/20 of £4.1m. This is being funded as a one-off appropriation from the Housing Revenue Account General Reserve. Given the added complexities arising from this project, associated client-side costs and the need to deliver a high functioning call centre, there remains a risk that further costs could potentially need to be incurred which may result in a further call on the Housing Revenue Account General Reserve.	unknown	unknown
A number of <b>divisional reorganisations</b> will be implemented this year in order to ensure the Economy Department better delivers for residents. There is a risk that this may result in unbudgeted growth to the HRA.	unknown	unknown
The <b>SLAs</b> charged to departments for corporate support services are being reviewed following a number of changes with cost implications, including the decanting of staff as part of the Civic Campus project and the Tectonic programme. An initial analysis of the revised cost apportioned to the HRA suggests a possible increase in costs of £2.3m for this year. These costs are currently being reviewed and once a confirmed figure is known, the variance will be reported in a subsequent CRM.	2,300	-
<b>TOTAL RISKS MANAGED</b>	<b>Not Quantified</b>	<b>Not Quantified</b>

<b>Supplementary Monitoring Information</b>
In order to support the funding of the Fire Safety Plus Programme approved by Full Council in October 2017, the Council set aside an earmarked reserve of £12.8m in July 2018. The current balance on the reserve is £11.973m and this is currently forecast to reduce to £2.594m after accounting for fire safety capital improvement works spend to secure the safety of our residents this year. Cabinet are now requested to approve a drawdown of £1.914m from this reserve to fund the additional revenue expenditure on fire safety which is forecast to be incurred this year (set out in Table 2). If approved this will reduce the overall HRA overspend to £1.623m and reduce the Fire Safety Plus reserve to £0.680m.

**Appendix 9**  
**Virement Requests**

Details of Virement	Amount (£000)	Department
<b>GENERAL FUND:</b>		
<b>Total of General Fund Virements (Debits)</b>	<b>0</b>	
<b>HRA:</b>		
	1,900	HRA
Use of HRA Fire Safety Reserve to fund fire wardens	(1,900)	HRA reserves
	400	HRA
Housing Income - reduction in rental income due to demolition of Hartopp Point & Lannoy Point appropriation from HRA General Reserve.	(400)	HRA Reserves
<b>Total of HRA Virements (Debits)</b>	<b>2,300</b>	