London Borough of Hammersmith & Fulham CABINET 1 APRIL 2019	h&f hammersmith & fulham
CORPORATE REVENUE MONITOR 2018/19 MONTH 9 – 31st DECEMBER 2018	
Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid	
Open Report	
Classification - For decision and for information **Key Decision: Yes**	
Wards Affected: All	
Accountable Director: Hitesh Jolapara – Strategic Director, Finance & Governance	
Report Author: Emily Hill, Assistant Director, Corporate Finance	**Contact Details:** Tel: 020 8753 3145 Emily.Hill@lbhf.gov.uk

1. EXECUTIVE SUMMARY

1.1. Section 151 of the 1972 Local Government Act requires the Chief Financial Officer (as the responsible officer) to ensure proper administration of the Council's financial affairs. This report forms part of the Council's budgetary control cycle for 2018/19. Budgetary control, which includes the regular monitoring of, and reporting on, budgets and taking corrective action to address overspends, is an essential requirement placed on Cabinet Members, the Chief Executive, and Directors in discharging the statutory responsibility. It is essential that additional steps are taken to manage the serious ongoing budget pressures facing the Council.

1.2. To facilitate the closing of the Accounts in line with statutory deadlines a significant amount of activity is required in a short period of time. A number of actions will be required which normally require Cabinet approval, for example final budget carry-forwards, use of reserves, budget virements, level of bad debt provision etc. To meet the final accounts deadline, it is recommended that decision making in relation to these issues is delegated to the Strategic Director, Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services.

1.3. A key element of Ruthless Financial Efficiency is ensuring that the Council properly identifies, and collects, income owed to it. This will be reviewed as part of the Closure of Accounts process.

1.4. The General Fund forecast outturn variance is an unfavourable **£6.208m**. Action plans of **£0.914m** are proposed as partial mitigation. If delivered they will reduce the forecast overspend to **£5.294m**.

1.5. The High Needs Block and Early Years Block, funded through Dedicated Schools Grant (DSG), is forecast to be overspent by a cumulative £14.2m at the close of 2018/19. This is an increase of £0.7m since month 7. Mitigating actions of up to £0.1m have been identified which would bring the cumulative overspend down to £14.1m.

1.6. After allowing for known commitments and the King Street development the forecast available reserves, including general balances, are **£54.9m**. Should the £6.208m not be eliminated by year-end, any overspend will need to be funded from the Council's revenue reserves, or other eligible one-off resources.

1.7. The 2019/20 budget addresses some of the significant budget pressures faced in 2018/19 with growth of £3.3m for Children's Service and £2.6m to realign Public Service Reform (PSR) income targets. However, no growth has been provided for other areas of overspend, such as for Residents Services, other PSR budgets, Social Care, Finance and Governance and Corporate Services, robust action needs to be taken now to understand and manage the current pressures and to ensure spend will be kept within budget for 2019/20.

1.8. Several underlying insights can be drawn from the report. These include:

- The Council remains in a difficult financial situation. The current forecast gross overspend is £6.1m. At month 9 last year the gross forecast overspend was £6.4m.
- Mitigating action plans of £0.914m are identified of which £0.554m (60%) represent a potential draw down from reserves rather than action to control expenditure or realise additional income.
- The Departmental appendices identify underachievement against past savings targets. Business case development, delivery, monitoring and mitigating actions need improvement.

1.9. The HRA forecast is a favourable variance of **£4.490m.**

2. RECOMMENDATIONS

2.1. To approve that decision making in relation to production of final accounts to be delegated to the Strategic Director, Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services.

2.2. To note the forecast General Fund outturn.

2.3. To note the HRA forecast underspend.

2.4. To agree the virements detailed in appendix 10.

3. REASONS FOR DECISION

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

4. MONTH 9 GENERAL FUND

4.1. The forecast month 9 overspend is **£6.208m** with risks of £8.049m identified. This compares to a forecast overspend of £6.4m at month 9 last year.

Table 1: 2018/19 General Fund gross forecast outturn variance

Department[1]	Revised budget £m	Forecast outturn variance month 9 £m	Forecast outturn variance month 7 £m
Children's Services	40.359	3.200	2.916
Corporate Services	0.409	0.229	0.018
Finance & Governance	2.967	0.337	0.412
Growth & Place	10.173	(0.430)	(0.313)
Public Service Reform	2.707	4.646	4.658
Residents' Services	63.473	2.476	2.064
Controlled Parking Account	(23.331)	(1.837)	(1.699)
Social Care	52.112	0.502	1.028
Centrally Managed Budgets	20.440	(0.290)	(0.380)
Total	**169.309**	**8.833**	**8.704**
Adjustment for limiting use of the unallocated contingency to 50% and not distributing the contingency held for the 2018/19 pay award	0.000	(2.625)	(2.625)
TOTAL	**169.309**	**6.208**	**6.079**

[1] Figures in brackets represent underspends/ favourable movements

5. MONTH 9 - HOUSING REVENUE ACCOUNT

5.1. The Housing Revenue Account is currently forecasting a favourable outturn variance of £4.490m at Month 9 (Appendix 9).

Table 3: Housing Revenue Account forecast outturn

Housing Revenue Account	**£m**
Balance as at 31 March 2018	**(9.946)**
Less: Budgeted (contribution) / appropriation from balances	1.835
Add: Forecast favourable outturn variance	(4.490)
Projected balance as at 31st March 2019	**(12.601)**

6. DEDICATED SCHOOLS GRANT (DSG)

6.1. The cumulative total DSG deficit balance carried forward to 2018/19 was £7m with an additional £7.2m deficit now forecast in 2018/19, an increase of £0.7m since month 7. 2018/19 mitigating actions of up to £0.1m have been identified which would bring the forecast cumulative overspend down to £14.1m.

6.2. The £14.2m cumulative deficit represents spending more money than grant available and will impact on future school and council resources. Cabinet previously approved that reserves of £14.432m be set aside against the forecast deficit. It is recommended that this be reviewed at the financial year end.

6.3. A dedicated project team has identified potential options to reduce the underlying funding deficit.

Table 4: Dedicated Schools Grant

	£m
DSG deficit brought forward from prior years	**7.032**
In-year forecast deficit	7.187
Forecasted deficit at end of 2018/19 financial year	**14.219**

7. GENERAL FUND RESERVES UPDATE

7.1 Reserves can only be spent once. The latest forecast for earmarked reserves is summarised in Table 5. The forecast assumes that future year's budgets will be balanced without any further calls on reserves.

Table 5 – Earmarked Reserves forecast to 2021/22

General Fund summary	Opening balance	Budgeted contributions to 2021/22	Commitments to 2021/22	Total
	£m	£m	£m	£m
Earmarked reserves	(79.146)	(7.691)	77.567	(9.270)
Estimated profit: King Street Joint Venture				(11.100)
Forecast earmarked reserves				**(20.370)**
General balances				(19.004)
Earmarked restricted reserves				(15.583)
Total reserves				**(54.957)**

7.2 Within the table the known commitments (including the recently approved King Street decant costs) are where approval has been given to use a reserve for a specific purpose (for example implementing the IT strategy, incentive payments to landlords or managed services implementation).

8. VIREMENTS & WRITE OFF REQUESTS

8.1. Cabinet is required to approve all budget virements that exceed £0.1m. Within this report General Fund virements of £2.353m are requested. These are predominantly drawdowns from reserves requested to fund demand led pressures reported throughout the year.

9. CONSULTATION

9.1. All departments.

10. EQUALITY IMPLICATIONS

10.1. 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.

10.2. In the event that 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.

10.3. Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

11. LEGAL IMPLICATIONS

11.1. There are no legal implications for this report.

11.2. Implications verified by: Rhian Davies, Borough Monitoring Officer, tel. 07827 663794.

12. FINANCIAL IMPLICATIONS

12.1. This report is financial in nature and those implications are contained within.

12.2. Implications completed by: Gary Ironmonger, Finance Manager, tel. 0208 753 2109.

12.3. Implications verified by: Emily Hill. Assistant Director, Corporate Finance, tel. 020 8753 3145.

13. IMPLICATIONS FOR BUSINESS

13.1. There are no implications for local businesses.

13.2. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

14. COMMERCIAL IMPLICATIONS

14.1. The report seeks the approval of strategies developed to bring any staffing overspends in line with allocated budgets.

14.2. There are no procurement implications. Commercially, these strategies will have a positive impact on the Council's budgets and spending.

14.3. Implications completed by: Andra Ulianov, Procurement Consultant, tel. 0208 753 2284.

15. IT STRATEGY IMPLICATIONS

15.1. There are no IT implications for this report.

15.2. Implications verified/completed by Howell Huws, Head of Contracts and Operations, tel. 020 8753 5025.

16. RISK MANAGEMENT

16.1. 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.

16.2. 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, 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.

16.3. 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.

16.4. 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.

16.5. 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.
- Brexit and the state of the UK economy.
- Commissioning and procurement outcomes.
- Achievement of challenging savings targets.
- 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.

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

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES

Appendix	Title
Appendix 1	Children’s Services Revenue Monitor
Appendix 1a	Dedicated Schools Grant
Appendix 2	Corporate Services Revenue Monitor
Appendix 3	Finance & Governance Revenue Monitor
Appendix 4	Growth & Place Revenue Monitor
Appendix 5	Public Service Reform Revenue Monitor
Appendix 6	Residents’ Services Revenue Monitor
Appendix 6a	Controlled Parking Account Revenue Monitor
Appendix 7	Social Care Revenue Monitor
Appendix 8	Centrally Managed Budgets Revenue Monitor
Appendix 9	Housing Revenue Account Revenue Monitor
Appendix 10	Virement proposals

APPENDIX 1: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	**£000**	**£000**
Family Services	28,013	2,595	2,491
Special Educational Needs and Disabilities	7,306	778	623
Education	1,077	-154	-168
Assets, Operations & Planning	3,963	-19	-30
School Funding	0	0	0
TOTAL	**40,359**	**3,200**	**2,916**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Family Services		
Family Services Social Care Placements - continued increase in service demand, higher unit costs and more complex needs. Funding is not through a formula based on head count changes meaning that as demand is rising and the budget is reduced for savings, there is limited possibility to contain expenditure within budget. Looked after children numbers have increased to 246 in December 2018 compared with 185 in March 2015. An increase of 61 children at an average cost of £50,000 per child. As with other London Boroughs, we are seeing a rise in demand from adolescents at risk due to knife crime, child sexual exploitation and children being used for drug trafficking (County lines). Work continues both to ensure that the forecast is robust and that young people are placed in the most appropriate placement type for their need. The net increase from period 7 is predominantly caused by 3.4 FTE new placements totalling £0.130m. Forecast reductions including ended placements, step downs, reductions in contingency held and income forecast increases net off against other increases such as step ups and increases to end dates. The forecast currently assumes contingency of £0.270m or circa 1.9 FTE which is modelled on 2017/18 net new placements.	2,249	2,118

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
The special project to take additional children has been grant and centrally funded (where costs exceed the grant) as it sits outside the usual remit of children's services. Additional in year application of unallocated contingency of £0.169m has been factored into the forecast removing the net overspend on DUBs. Additional funding will need to continue and increase in 2019/20 as costs are expected to rise to £0.260m above base budget based on the full year cost of placements and changes to the grant income associated with them. Cost rise as young people become care leavers as the grant income falls significantly.	(2)	(2)
Family Support and Child Protection Staffing pressures caused by the level of have meant sustaining a fifth team and 7 social workers above the budgeted establishment. The requirement to use agency staff whilst permanent recruitment is taking place have caused additional pressures. These are being covered in year through the one-off use of reserve funding of £0.419m. A growth bid to fund this team in 2019/20 is being made through the MTFS process. The increase in the forecast (£0.041m) from period 7 is partly due to staffing cost forecasts being updated for 5 social care workers who have now qualified to become social workers.	178	137
Contact and Assessment Service underspend (against a staffing budget of £2.182m) is due to a number of part year vacancies.	(35)	(30)
LAC and Leaving Care Non- placement costs overspend relates to service user related travel expenses, interpreter's fees, and legal fees.	154	138
Contact Centre The service has been disaggregated from Tri-Borough during summer 2018 with a sovereign manager role being established. A favourable movement on agency staff costs is the cause of the decrease from period 7.	43	71
Other minor variances Minor adverse variances are spread across services including Assessment and MASH, Virtual School, the Emergency Duty Team and Families Forward. These are partly offset by favourable variances in fostering and adoption, safeguarding and the Youth Offending Service. The movement from period 7 is predominantly from ongoing review of fostering and adoption staffing forecasts.	9	59
Total of Family Services	**2,595**	**2,491**

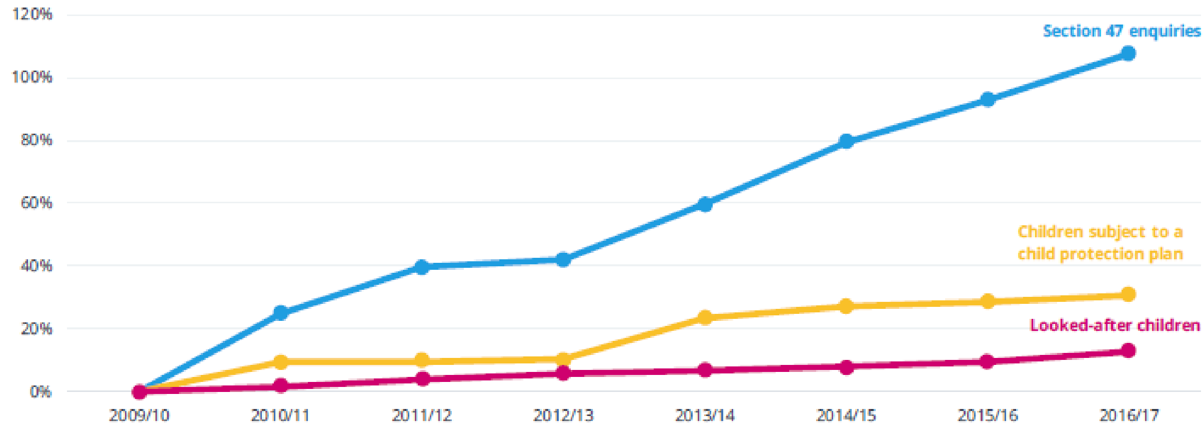
Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Special Educational Needs and Disabilities		
Children with Disability Placements - Ongoing placement pressure from prior years in relation to complex needs of the current cohort. The total budget for residential children's homes is £1.1m of which one placement accounts for £0.6m. This placement in due to age out of Children with Disability Care in 2019/20. The increase from period 7 is caused by 9 new care packages costing £0.067m for the remainder of the year. Revisions to 2 existing packages have added £0.023m.	465	373
DCT, Short Breaks and resources - one off in year pressure on contract expenditure following the delayed opening of the Stephen Wiltshire Centre.	40	40
Travel Care and Support - This year has seen higher growth than expected as well as a higher intake of students requiring single occupancy transport. 44% of the new starter costs are for single occupancy transport (13 students), of which only one student is single occupancy because of their needs. The other 12 students are single occupancy due to either schedule timetabling variances or because that they are the only student attending the destination. An independent travel program to reduce costs on travel and significantly improved planning by the now sovereign Education Health Care Planning team aims to prevent reoccurrence of such expenditure in future years.	233	228
Other minor variances. The adverse movement from period 7 is caused in part by additional agency staff required in the Stephen Wiltshire Centre (£0.028m) and the Haven (£0.008m) as well as increases in the Haven's vehicle hire and insurance costs (£0.009m)	40	(18)
Total of Special Educational Needs and Disabilities	**778**	**623**
Education Service		
The favourable variance is predominantly caused by part and full year vacancies as the service fills the new posts in the redesigned service.	(154)	(168)
Total of Education	**(154)**	**(168)**
Assets, Operations & Planning		
Minor underspends are reported in Assets, Operations & Planning on legal cost budgets which offset legal overspend elsewhere in the department.	(19)	(30)
Total of Assets, Operations & Planning	**(19)**	**(30)**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
TOTAL VARIANCE	**3,200**	**2,916**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
Tower Hamlets Judgement - the likely liability should all connected carers be paid carers fees for prior years back to 2011 is estimated to be in the region of £2.1m. Three families (6 children) have brought claims in previous financial years via the same solicitors totalling £141,000. In 2018/19 one family has brought a claim in April with costs expected to be c£20,000.	2,100	2,100
New Burdens funding - The introduction of the Children and Social Work Act 2017 provides all care leavers up to the age of 25 with access to a personal advisor. We now have a duty to provide a service to young people who are 21 or over and not in education. Previously our involvement would have ended. The main impact and cost will be the additional social work resource required to support this new cohort. The 2018/19 New Burdens grant has allocated £15,000 for this additional support. Initial calculation based on the DfE's assumptions of level of support required have costed the social work resource required as £65,000. As this is a new duty on local authorities, it is not yet clear what the likely impact will be.	45	45
Children with Disability Placements - the current forecast contains £0.060m contingency for demand led growth. Any net increase in demand above this will increase the overspend on the service. The risk estimate is based on one additional placement with significant complex needs. This risk will decrease each month as new placements are built into the forecast.	60	100
Children with Disability Placements - the current forecast includes £0.866m of income from the Clinical Commissioning Group (CCG) based on agreements to part fund a number of care packages. The income is not yet guaranteed for 5 placements so there is a risk around receiving the full amount projected.	180	300
Unaccompanied Asylum Seeking Children - Risk of cases moving into Care Leavers with ongoing costs.	TBC	TBC

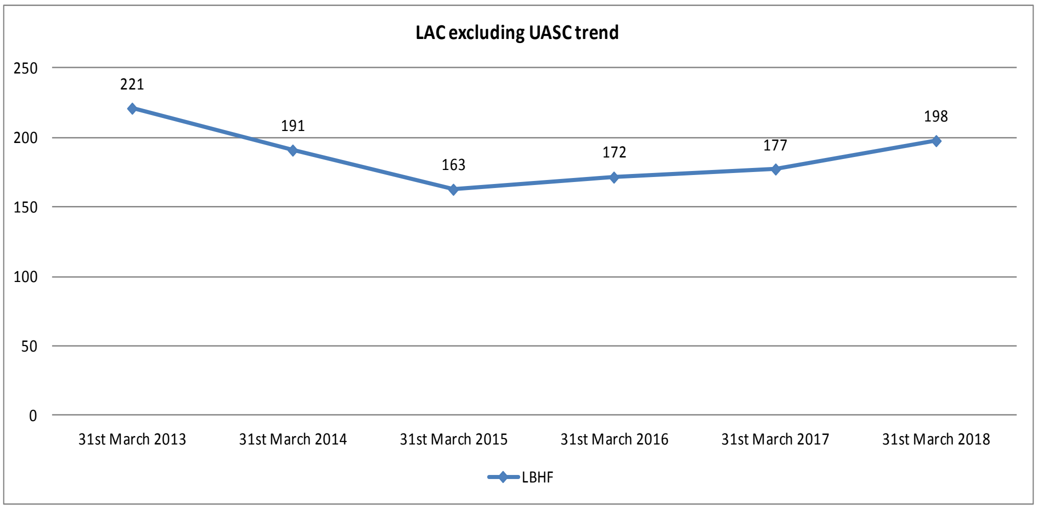
Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
Placements - Savings through LAC and Family Assist needs to continue to be monitored to ensure that delivery of savings is on track. The continuing high cost placements forecast puts pressure on this activity being delivered. The number of young people in residential care remains small, however, they are often complex highly expensive cases meaning that LAC Assist have to work with the young person for some time before they can even be considered for step-down or non-residential placement. In addition to the contingency for net placement increase in year of £0.28m, 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.	150	250
A recent review of the finance regulations that informs DSG budget allocations, has meant central spend previously funded by DSG, now has to be funded by either traded income, additional fees, or general fund. Charging an admin fee to other authorities 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 in 2018/19 and future years.	275	275
The Leader has agreed that Hammersmith & Fulham will place an additional 10 Dubs children. Work is being done to access their level of need and identify placements. We will then be able to work out the difference between the costs and the Home Office funding.	TBC	TBC
TOTAL RISKS	**2,810**	**3,070**

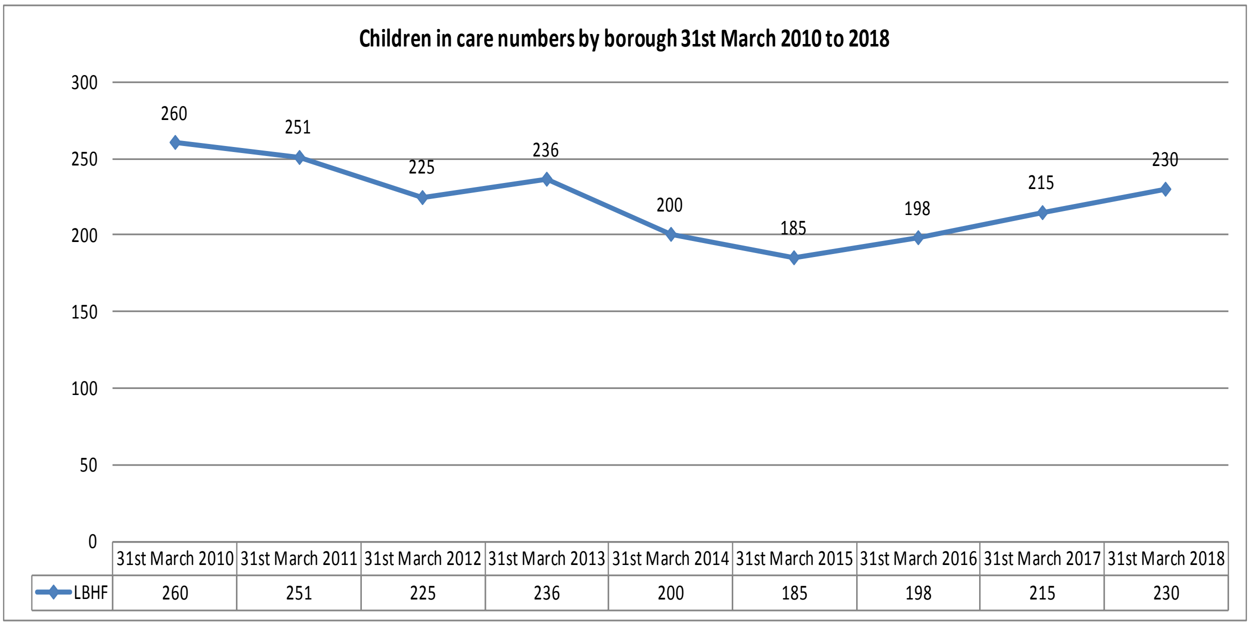
Supplementary Monitoring Information
Changes in the number of child protection enquiries, children subject to a child protection plan and looked-after children, since 2009/10 Extracted from CIPFA Performance Tracker 2018. This shows the national picture which reflects the growth in demand experienced by the LBHF Children's Services department.



Source: Department for Education, 'Children in Need Survey', Table A1; Department for Education, 'Children Looked After in England Including Adoption', Table H1

LBHF Trend data for Looked After Children (LAC) is presented in the graphs below.





	Children in Care numbers						Children in Care rates					
	2013	2014	2015	2016	2017		2013	2014	2015	2016	2017	Decrease/ increase
England	68,070	68,820	69,500	70,450	72,670		*60*	*60*	*60*	*60*	*62*	3%
London	10,080	10,110	9,980	9,860	9,910		*54*	*54*	*52*	*51*	*50*	-7%
LBHF	235	205	185	200	215		*72*	*61*	*55*	*58*	*61*	-15%

APPENDIX 1a: DEDICATED SCHOOLS GRANT
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Dedicated Schools Grant - Paid in support of the Local Authority's School Budget	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	**£000**	**£000**
High Needs Block Expenditure	18,406	6,982	6,388
Early Years Block Expenditure	15,774	150	150
Schools Block Expenditure	38,083	0	0
Central School Services Block Expenditure	4,430	55	(3)
DSG Income	(76,693)	0	0
TOTAL	**0**	**7,187**	**6,536**

DSG deficit brought forward from prior years	**7,032**
Forecasted deficit at end of 2018-19 financial year	**14,219**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
High Needs Block *(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)*		
A full system review has been undertaken to reconcile activity, funding and expenditure. A project team and governance was put in place to identify opportunities and work streams to recover the financial position on the High Needs Block for the Local Authority and to support Special Schools with their financial planning and efficiency. The forecast overspend presents an increase of £952,000 in expenditure, offset by an increase in the High Needs block funding allocation from the ESFA of -£358,000, announced in January 2019. The adverse movement on the forecast is as a result of an increase in the Home Tuition forecast of £316,000 from P7, additional place funding payments of £120,000 and additional £520,000 expenditure related to out of borough pupils in high cost independent or specialist residential placements, some of which relate to commitments for prior financial years (c£900,000).	6,982	6,388
Total of High Needs Block	**6,982**	**6,388**
Early Years Block *(Funding for Early Years including Two Year Old funding and Early Years Pupil Premium)*		

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
There is pressure on the Early Years Block of the DSG in 2018/19 as a result of the commitment to protect funding to school nurseries. Maintained Nursery schools and primary school and academy nurseries are paid a budget share based on the 2016/17 baseline rather than being paid on a participation basis. The local authority receives funding on a participation basis only, hence the shortfall in funding. All Early Years budgets are subject to detailed review and it is anticipated that further opportunities to reduce this overspend may be possible. The precise pressure on the budget will be understood following the January 2019 census which will determine final grant allocations. Opportunities to partially mitigate the likely pressure and risk are being modelled.	150	150
Total of Early Years Block	**150**	**150**
Schools Block *(This budget of the DSG forms the core funding for mainstream maintained schools)*		
Nil variance forecast. The budget has been set for 2018/19 on available activity data.	0	0
Total of Schools Block	**0**	**0**
Central School Services Block *(Funding for the Local Authorities ongoing responsibilities)*		
£0.003m variance forecast.	55	(3)
Total of Central School Services Block	**55**	**(3)**
TOTAL VARIANCE	**7,187**	**6,536**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
Early Years Dedicated Schools Grant Funded Expenditure 2018/19 Risk £0.15m of cost pressure is included in the period 7 forecast position and any further risk has now been eliminated. Detailed work undertaken as described above in the forecast has shown that expenditure is expected to be contained within the £0.15m reported.	0	0
The risk of an increase in Home tuition packages and placement costs has been included in the forecast in P9.	0	200
Through a process of reconciliation between various data sets,	800	0

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
has identified 55 SEND pupils, who have not been included in the finance forecast. The team is working with the service to identify a full year cost for these pupils, which in some instances could also include payment of prior year amounts in the current financial year. The pupils relate predominantly to pupils in other LA mainstream schools and as a result the possible risk at a unit cost of £14,500 per pupil per annum, is thought to be in the region of £800,000.		
The CCG has confirmed that the contract value for SALT in 2018/19 will remain the same as in 2017/18. There is however a risk of a significant increase in the LA contribution to the SALT contract from 2019/20 onwards.	0	330 - 500
2018/19 RISKS	**800**	**530 - 700**
Early Years Dedicated Schools Grant Funded Expenditure 2019/20 Risk There is an emerging risk for 2019/20 with respect to the Early Years National Funding Formula. A change in the NFF requires all LAs to passport funding via the Early Years Dedicated Schools Grant (EY DSG) to all providers based on a participation (activity model) with standard unit rates. This will have an adverse financial impact on the budgets of schools in LBHF who have benefitted from protected payments via lump sum payments until 2018/19. Private and voluntary nursery providers in the borough are likely to see a benefit from this change. Maintained Nursery School - Current risk of £750,000 is the FYE of the EY DSG funding regulations in 2019/20. Children in Need (CIN) provision for under 3s is currently situated at one of the maintained nurseries and has been funded from EY DSG to date. Information from DFE relating to CIN expenditure indicates that a disapplication request to fund this expenditure from EY DSG in 2019/20 is required. Work is being undertaken to establish the detailed costings of these activities which will need to be submitted as part of the request. Disapplication requests go to the Minister for consideration and there is a risk that it will be denied. The deadline for the disapplication request is expected to be Mid January 2019. An announcement on EY DSG funding will be made in December and then the risk will be reviewed in the light of information available	750 (2019/20)	750 (2019/20)
There is a risk of an increase in Speech and Language Therapy (SALT) contract contributions next year of between £0.8m to £1.2m at this stage and depending on whether or not	800 – 1,200	0

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
we will be able to recharge other LA's for SALT input provided to their pupils. PSR is working with CLCH to understand the current provision fully, and requests for additional usage related information have been made to understand what our possible liability might be in this area in 2019/20.		
2019/20 RISKS	**1,550 – 1,950**	**750**

APPENDIX 2: CORPORATE SERVICES
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000	**£000**	**£000**
Human Resources	(412)	513	225
Executive Services	333	(184)	(182)
Communications	(41)	148	223
Project Management Office	529	(248)	(248)
TOTAL	**409**	**229**	**18**

Table 2 - Variance Analysis

Departmental Division	Month 9 £000	Month 7 £000
COMMUNICATIONS		
Mainly underachievement of traded income within the print service. It is expected that activity will be in line with that incurred in 2017/18.	148	223
TOTAL COMMUNICATIONS	**148**	**223**
EXECUTIVE SERVICES		
Underspends are forecast on salaries across the division.	(184)	(182)
TOTAL EXECUTIVE SERVICES	**(184)**	**(182)**
HUMAN RESOURCES		
£200,000 agency savings not expected to be met £133,000 schools traded income shortfall £395,000 overspend on salaries across HR £(250,000) underspend on supplies and services budgets £35,000 small variances across the service	513	225
TOTAL HUMAN RESOURCES	**513**	**225**
PROJECT MANAGEMENT OFFICE		
Underspends on staffing costs	(248)	(248)
TOTAL PROJECT MANAGEMENT OFFICE	**(248)**	**(248)**
TOTAL VARIANCE	**229**	**18**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
None to report		

Supplementary Monitoring Information
None to report.

APPENDIX 3: FINANCE AND GOVERNANCE
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	**£000**	**£000**
Facilities Management and Building Control	403	83	83
Legal and Democratic Services	(83)	254	139
IT Services	539	0	190
Finance	2,140	0	0
Audit, Fraud, and Insurance	(33)	0	0
TOTAL	**2,967**	**337**	**412**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
FACILITIES MANAGEMENT AND BUILDING CONTROL		
Building Property Management (BPM) Business Support - underspend in staffing costs due to a vacant post in the second half of the year.	(36)	(36)
Depot Recovery: Unachieved rent income - unable to recharge Amey for the usage.	10	10
Facilities Management: projected underspend on Amey Contract costs of £934,000, however this underspend will be utilised to offset Health and Safety compliance works of £438,00, change control costs of £549,000 and variable repairs costs which are in dispute of £30,000. The net effect is an unfavourable variance of £83,000. It is proposed to fund the net overspend from reserves established for facilities management.	0	(15)
Civic Accommodation: Overall overspend due to unachieved savings of £75,000 on Ravenscourt Stores due to lack of vehicle access rights £30,000 overspend due to the proposed saving for 181 King Street which will be delayed for renting, plus other small variances (£4,000)	109	124
TOTAL FACILITIES MANAGEMENT AND BUILDING CONTROL	**83**	**83**
IT SERVICES		
The improvement in the forecast position is due to the ending of agency contracts and the renegotiation to the Virtual Desktop Infrastructure (VDI) contract as part of the desktop strategy. However, there remain additional external support costs for the Office 365 platform and shared service staffing required to support the current IT service.	0	190

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
TOTAL IT SERVICES	**0**	**190**
LEGAL AND DEMOCRATIC SERVICES		
Coroners – In spite of increased recharges to Partner Boroughs, LBHF is overspending by £53,000. The overspend is mostly due to increased activity which has resulted in additional costs for coroners' expenses and supplies and services. **Mortuary** – Underspend of £53,000 due to revaluation of the Mortuary which results in higher recharge to Hounslow for the opportunity cost.	0	0
Legal Services: Overall the service is forecasting an under recovery of £230,000 on income for the year and an additional £24,000 overspend mainly related to off site storage and IT costs. - External income received to date is below the targeted level, especially with work related to conveyancing charges where demand has fallen. The forecast overspend on income represents 7% of the total income target for the service (£3.23m forecast income compared to a £3.46m income target). - Income from external conveyancing work is now charged out to clients at the solicitor rate per hour rather than the previous fixed fee of £400 per case. Income received has been lower than originally forecast and as such, there is now a revised forecast for the remainder of the year at an average of £15,000 per month. This would mean a forecast outturn of £138,000 against a target of £229,000. - External planning income is charged out only on completion of work. In this financial year, £331,000 worth of chargeable time has been completed up to end of December but only £233,000 income has been received from clients whilst the service awaits final completion. - In the previous financial year, planning income was accrued with the expectation that would be recovered from clients. This income has not materialised in full and has now manifested itself as a one-off pressure in year of £75,000. The level of income is expected to be lower than targeted and the forecast external planning income for the year is now expected to be £236,000 against the £475,000 target.	254	139

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Election Services: The service has received a 58% reduction in government 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.	60	60
Governance and Scrutiny: Underspends across the service mainly due to vacancies held.	(60)	(60)
TOTAL LEGAL AND DEMOCRATIC SERVICES	**254**	**139**
TOTAL FINANCE	**0**	**0**
TOTAL AUDIT, FRAUD, AND INSURANCE	**0**	**0**
TOTAL VARIANCE	**337**	**326**

Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
TFM Contract: Unplanned costs arising from the termination of the LINK shared service.	400	400
Lila Huset building - If rent arrears dispute not resolved and a new tenant not found.	450	450
There is also a risk that additional resource may be required to fund the Coroner's service to clear a backlog of cases. This has not been factored into the forecasts at this stage.	TBC	TBC
TOTAL RISKS MANAGED	**850**	**850**

Supplementary Monitoring Information
Facilities Management and Building Control transferred over to Finance and Governance effective from the 9th July. A change in conveyancing billing has meant that cases which commenced before the change have been charged under the old billing rate rather than the newer rate. Legal Services are reviewing the conveyancing cases to ensure that billing is truly in line with time spent and enforcing a stricter billing process. New starters to the legal property team should also result in an increase in anticipated income. Finance and Governance is a support function. Trends used to inform expenditure forecasts include number of employees and their monthly cost, including those recruited via agencies, any other expenditure in prior periods and financial years and contract payments, including fixed and variable amounts. Trends used to inform income forecasts (mainly services recharged to other departments for legal, IT, property works etc) are demand related, examples include number of hours of case work, number of devices or log ins and property charges above the fixed contract level.

APPENDIX 4: GROWTH AND PLACE
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	**£000**	**£000**
Housing Solutions	8,338	(769)	(583)
Housing Strategy & Growth	308	0	0
Economic Development, Skills Service	877	0	0
Planning	1,087	319	243
Finance & Resources	57	0	0
Programme Management	19	0	0
Property Services	87	0	0
Development & Regeneration	5	0	0
Building and Property Management	(605)	20	27
TOTAL	**10,173**	**(430)**	**(313)**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Housing Solutions		
There is a forecast increase in average client numbers (from a budget of 921 units to a forecast of 1,054 compared to 1,055 at CRM7) in Private Sector Leased (PSL) temporary accommodation schemes. The forecast has been revised to take account of lower than expected inflationary pressures on PSL rents in recent months. This has reduced the forecast for rent payments to landlords by (£454,000) compared to CRM7. The forecast bad debt provision has reduced by (£63,000) (from budget of 8.5% to a forecast of 8% compared to 8.5% at CRM7) to reflect an improvement in the collection rate over the last few months.	**(1)**	**516**
There is a forecast reduction in average client numbers (from a budget of 190 clients to a forecast of 126 compared to 128 at CRM7) in Bed and Breakfast (B&B) temporary accommodation. It is also expected that there will be an increase in the bad debt provision of £55,000 compared to £87,000 at CRM7 due to an increase in the proportion of former tenants as client numbers fall.	**(322)**	**(289)**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Flexible Homelessness Support Grant provided by central government to cushion the impact of the removal of the management fee for Temporary Accommodation (after allocating £207,600 to B&B, £2,253,400 to PSL and deducting an assumed £110,000 which we expect Registered Providers to claim to cover lost management fees). 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 so far this is only promised for 2018/19 (£3.38m) and 2019/20 (£2.81m) so there is a risk of significant budget pressure thereafter.	**(810)**	**(810)**
It is expected that repair/dilapidation and furniture costs on PSL properties will exceed the budget by £160,000, and legal costs relating to procurement/management and complex cases will overspend by £107,000. Supporting People terminated £45,000 contribution to Single Team and Rough Sleeping EIOS Project 2017/18 cost of £52,000.	**364**	**0**
TOTAL of Housing Solutions	**(769)**	**(583)**
Housing Strategy & Growth		
TOTAL of Housing Strategy & Growth	**0**	**0**
Economic Development & Skills Service		
	0	0
TOTAL of Economic Development & Skills Service	**0**	**0**
Planning		
Development Management - The division is predicting an income shortfall of £701,000. This is partly due to a decision to transfer £270,000 of planning application fees to Planning Regeneration division (see below). Also, a review of the forecast for pre-application fees has shown that the projected income this year is expected to be up to £340,000 below the budgeted income target. The additional overspend of £200,000 relates to exceptional costs for Counsel, legal and other specialist advice on a number of specific applications. Other variances of (£64k) relate to staffing costs.	837	765

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Planning Regeneration -There are a number of minor staffing and running cost variances of £78,000, which are offset by a favourable income variance of (£542,000). The additional income is in part due to a transfer of (£270,000) of planning application fees from Development Management. Also, a review of the forecast for planning application fees and planning performance advice fees indicates an increase in income over budget of (£272,000).	(464)	(462)
Policy - this relates to staffing vacancies mainly arising from interim arrangements pending senior management recruitment.	(54)	(60)
TOTAL of Planning	**319**	**243**
TOTAL of Finance & Resources	**0**	**0**
TOTAL of Programme Management	**0**	**0**
TOTAL of Property Services	**0**	**0**
TOTAL of Development & Regeneration	**0**	**0**
Building and Property Management (BPM)		
Rent and Other Properties: There is a forecast unachievable rental income of £42,000, repairs and maintenance for Lyric Theatre of £20,000 and unachieved savings on rental income at Pennard Road of £75,000.	**137**	**123**
Valuation Services: there are a number of forecast underspends on legal costs (£95,000), staffing recharges of (£15,000) and carbon reduction energy rebates (£10,000) offset by other minor overspends of £3,000.	**(117)**	**(96)**
Total of BPM	**20**	**27**
TOTAL VARIANCE	**(430)**	**(313)**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
Overall Benefit Cap	36	60
Direct Payments (Universal Credit)	12	20

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
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	163	271
Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	68	113
There is a risk of large families in need of homelessness provision	65	108
Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast	127	211
Several Economic Development schemes are awaiting formal approval to use Section 106 funds	871	871
Adult Learning & Skills Service - If the Adult Community Learning Centre (ACLC) is decanted from present site and no alternative site is confirmed, then total fees income shortfall could be £62,500 (£250,000 full academic year /12*3 months January to March)	62	62
Earmarked reserves have been utilised in recent years to accommodate the accumulated effect of annual reductions in grant funding for the Adult Learning & Skills service. A review of the risks for this year indicates that the earmarked reserve holds sufficient funds to contain costs.	0	0
Affordable housing and regeneration projects - feasibility studies on GF land	0	0
There is a risk that the costs of current and future work in producing Supplementary Planning Documents will exceed the budgets and funding available	50	50
In recent years, the cost of judicial reviews and major planning appeals has been met from earmarked reserves but these funds are now exhausted and therefore, there is an ongoing risk of an overspend against the budget	300	300
Expenditure incurred on disposed assets cannot be met by disposal receipts and on properties not being sold	0	20
Lyric Theatre - Unfunded repairs and maintenance costs above the agreed cap of £50,000	100	100
TOTAL RISKS MANAGED	**1,853**	**2,186**

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 is increasing annually (1,214 at April 16; 1,324 at April 17; 1,444 at April 18). The current number of households in Temporary Accommodation is 1,419 and this represents a rise of over 17% since April 2016 at a time when the London average has increased by only 5%. TA numbers are projected to increase to 1,449 at April 19; 1,250 at April 20 and 1,300 at April 21. Since the Homelessness Reduction Act came into effect in April 2018, there has been a significant increase in homelessness approaches and caseloads. 694 new Part 7 homeless applications were made between April 18 and November 18, an average of 87 per month, which is a slight increase on the 77 being reported up to October. This compares to 253 for April 17 to November 17, an average per month of 32 and an average of only 27 per month in the last quarter of 2017/18. This is an increase of 174% when compared to the same period last year. The number of housing enquiries has also more than doubled (128% increase) when April to November 18 are compared with the same period in 2017, with the average now being 237 approaches per month, compared with 104 per month for the same period last year. This covers unique visits to Assessment and Prevention for housing related advice and assistance, either in person, by phone or by email. It includes instances where a homeless application being made, as well as those where just advice was provided. This pattern has been repeated across all West London Authorities since the HRA began, with all seven reporting October as being their busiest ever month. This coincides with the Duty to Refer being introduced in October, which accounted for 66 new cases*. [*November stats for Duty to Refer hadn't been compiled at the time of writing]
Another significant pressure on the service, is the new requirement within the Homelessness Reduction Act, to carry out individual Personal Housing Plans with each eligible person who is either homeless or threatened with homelessness. This is a completely new duty, so direct comparisons cannot be made with previous years. However, these more tailored plans, created around the unique requirements of each person are taking an average of 2 hours each. (This length of time is being commonly reported across London). Even with a third of cases failing to engage (which again is comparable with other London authorities), this represents an increase of 4.3 hours of work per day. The service is focussing on tightly managing its acceptance duty. Cost are being managed and the risk of further cost pressures is being monitored and managed closely as part of a package of measures within the Temporary Accommodation strategy.

Supplementary Monitoring Information
The Flexible Homelessness Support Grant provided by central government is cushioning the Council from the impact of the removal of the management fee for Temporary Accommodation. This and other related government grants will diminish next year and potentially disappear from 2020/21 as Government has not confirmed any further allocations beyond next year. This could result in the loss of at least £4.2m and potentially up to £9.3m of grant between this year and 2021/22 and a worst-case scenario of £4m per year thereafter if no new Government grant allocations are confirmed. Cabinet in October have been asked to approve an investment in private rented sector accommodation to reduce numbers in temporary accommodation, however assuming this mitigating procurement strategy is successful, there remains a risk of a net loss of income on the General Fund of at least £2.1m and potentially up to £7.2m over the same period.
Planning income in recent years has fluctuated between £3.5m (2016/17), £3.1m (2017/18) and is currently forecast to reach £3.7m in 2018/19. The forecast is being closely monitored and any variance from the income target will be reported here. 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 confidence in the service through reduced staffing - may be less likely to fund 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 5: PUBLIC SERVICES REFORM
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	**£000**	**£000**
Public Services Reform	**2,707**	4,646	4,646
TOTAL	**2,707**	**4,646**	**4,646**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Public Services Reform		
Underachievement on external sales of commercial products. Discussions continue to take place on potential sales of products however these are now not expected to be delivered before the end of the financial year and therefore sales income has been excluded from forecasts	2,482	2,482
Family Support. £1m of this overspend relates to unachieved savings. The forecast is calculated assuming no contracts novate to the Family Support in 2018/19 and working capital payments of £310,00 each month. While there is the potential for the delivery of these savings to be passed over to Family Support it is highly unlikely that they will be able to deliver savings this financial year. An open book arrangement has been introduced	1,369	1,369
Advertising Hoardings: The adverse variance is mainly due to shortfall in income from profit sharing sites, (L'Oreal, Bentworth Road and Woodstock Grove) and new sites that did not proceed (Fulham Palace Road and Lyric Square).	646	646
Supporting People - £209,000 of 2018/19 savings target of £359,000 relating to Mental Health Contracts have been identified.	150	150
TOTAL VARIANCE	**4,646**	**4,646**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
Family Support - three contracts expire at the end of September, renewal of these budgets are not factored into the forecast. If the decision is taken to renew them at the current rate there is a risk the forecast will increase by £64,000.	64	64
Contract management savings – reported as high risk against delivery in April. Therefore 50% of savings (£1,000,000 budget change 2018/19) to be delivered reported as a risk. A plan has been received which details how this is to be achieved however no income or budget changes have been progressed at October.	500	500
Potential costs of legal challenge (Hammersmith Flyover Advertising Hoarding/Two Towers). Although the council won the recent case there are 21 days for the judgement to be challenged. Therefore, the risk remains until this time has lapsed.	2,145	2,145
Advertising Hoardings – potential challenge to rental charges. The risk reflects the full cost of non-recovery of income from the tenants.	1,285	1,285
TOTAL RISKS MANAGED	**3,994**	**3,994**

Supplementary Monitoring Information
Much of the expenditure in PSR 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. For income streams a pipeline of opportunities is used to forecast for commercial activity. The advertising hoarding forecast is calculated on a site by site basis.

APPENDIX 6: RESIDENTS' SERVICES
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	£000	£000
Cleaner, Greener & Cultural Services	8,951	(61)	42
Transport and Highways	12,912	86	69
Leisure & Parks	4,395	36	30
Environmental Health, Community Safety & Emergency Planning	6,302	622	429
Other LBHF Commercial Services	(238)	240	240
Executive, Finance, and Contingency	774	(77)	(81)
Building Control and Technical Support Services	1,207	274	280
Street Cleansing and Street Enforcement	11,969	311	87
Customer Services	14,548	799	703
Libraries	2,628	246	265
Prevent	25	0	0
TOTAL	**63,473**	**2,476**	**2,064**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Cleaner, Greener & Cultural Services		**0**
Salary budget pressure as 2% pay award now being absorbed.	18	18
Underspend mainly due to continuation of the reduced recyclate processing rate for waste disposal. Forecast assumes tonnages in line with 2017/18.	(485)	(378)
£100,000 income for Parks and Markets Events not expected to be delivered (rolled forward from 2017/18).	100	100
Filming +£121,000 adverse shortfall in Filming as outturn is forecast in line with last year. **Events +£190,000** adverse income shortfall: Hammersmith Town Hall Lettings £72,000 and +£86,000 shortfall on funfairs (due to restrictions on using Shepherds Bush Green at certain times); -£6,000 on concessions in parks and +£37,000 on miscellaneous income. £7,000 Security (Amey) underspend and an underspend on the Head of Culture post due to the reduced costs of the temporary backfill arrangements (**-£5,000**).	306	302
Total of Cleaner, Greener & Cultural Services	**(61)**	**42**
Transport & Highways		
Salary budget pressure as 2% pay award is to be funded by	64	64

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
departmental budgets.		
Metro Wireless WIFI income has not achieved the amounts originally estimated. Additional £60,000 received in 2017/18, is no longer forecast for 2018/19	133	73
Network Management FPN income. Rule changes following developments in case law mean that the FPN target cannot be achieved in full.	(11)	(9)
Network Management licence income.	43	43
Forecast shortfall in recharges to projects. Additional projects may arise in year that will reduce this overspend.	159	150
Unachieved MTFS targets.	179	0
Electric vehicle charging point income for 2016/17 and 2017/18 received. Not previously forecast.	(152)	0
Street Naming and Numbering income, large receipts recently received.	(105)	0
General Maintenance: cheaper materials to be used in road repairs.	(100)	(100)
Land Survey underspend due to IT charges to TFL.	(40)	(40)
Streetlighting Energy: Ongoing reduction in energy use from LED replacement project.	(66)	(66)
Temporary Traffic Order surplus.	(32)	(25)
Other overspends.	14	(21)
Total of Transport & Highways	**86**	**69**
Leisure and Parks		
Salary budget pressure as 2% pay award is to be funded by departmental budgets.	8	8
Increase in recharge to Wormwood Scrubs.	(29)	(29)
Forecast legal and consultancy fees on new contract for Leisure Contracts.	46	46
Ground Maintenance recharges to Housing improvement to forecast.	(16)	(16)
Cemeteries inspection programme implementation delayed until 2019/20.	(20)	(20)
Overspend on Grounds Maintenance and repairs.	12	6
Overspend on historic maintenance charges from Amey.	42	42
Salaries net underspend (secondment and vacant posts not filled).	(71)	(71)
Additional water charges due to installation of meters.	22	22
Energy costs £10,000 for Linford Christie and £55,000 for Parks & Open Spaces (£20,000 historic costs)	65	65
Additional cemeteries income.	(13)	(13)
Additional parks income.	(6)	(6)
Other underspends.	(4)	(4)
Total of Leisure and Parks	**36**	**30**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Environmental Health, Community Safety & Emergency Planning		
Private Housing & Health: underachievement of income in Additional & Selective HMO Licensing due to a lower than anticipated uptake of new licensing schemes introduced in June 2017. A recent change in legislation has reduced the forecast income shortfall as the definition of what constitutes an HMO subject to mandatory licensing changed from 1st October to include properties under three storeys, meaning more properties will now require a mandatory licence. As this will result in a spike in income in 2017/18 followed by a fall in the following years it is proposed that the accounting treatment of the Mandatory Licensing income is changed to accrue the income and spread it over the 5-year life of the licence period. This has resulted in an adverse movement of £132,000 in P9. There an emerging risk that income levels will be further impacted by recent case law: LB Richmond vs Gaskin stipulated that LA's must only charge for the cost of processing the licence whereas the current fee includes the cost of setting up and maintaining the scheme as well as processing the application. LA’s are seeking but there is a significant risk that a revision of the fee structure and hence income will be necessary.	267	155
Community Safety: +£120,000 income shortfall due to non-delivery of commercial income savings rolled forward from 2017/18 (£100,000 deployable CCTV and £20,000 Professional Witness). Additional CCTV income for CCTV footage shortfall (+£24,000) and loss of internal SLA income +£11,000.	155	144
Overspend mainly due to salary budget pressures.	159	146
Additional income in Noise & Nuisance and Environmental Quality largely due to recharges for officer time to Thames Tideway and Trading Standards for FPN's and management fees for work undertaken on behalf of London Trading Standards, anticipated overachievement of income in Registrars, offset by income shortfall from Licensing fees.	(138)	(131)
Legal fees overspend including the HS2 appeal and advocacy work related to bonfires in Environmental Quality resulting in a £32,000 overspend, and overspends in trading standards (£14,000) and Licensing (£20,000) related to bringing cases to court.	66	56
Supplies and services overspend.	103	49
Other minor net (under)/overspends.	5	10
Mayoral expenses budget moved to Resident's Services.	5	0
Total of Environmental Health, Community Safety &	**622**	**429**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Emergency Planning		
Other LBHF Commercial Services		
Forecast shortfall on CCTV ducting contract (£50,000 income v £290,000 income budget). New contract being negotiated likely to be in the region of £50,000 pa. Shortfall can be funded from one off departmental reserves this year.	240	240
Total of Other LBHF Commercial Services	**240**	**240**
Executive, Finance, and Contingency		
Underspend having transferred heads of service to home Cost Centres, vacant posts, and unspent contingency funds. However, consideration needs to be given to the ongoing funding of the new Director of Resident's Services post for which only a partial budget has been identified.	(77)	(81)
Total of Executive, Finance, and Contingency	**(77)**	**(81)**
Building Control and Technical Support Services		
Building Control: income shortfall mainly due to reduction in demand. Due to the general downturn in the economy and Brexit, the number of building projects and house transactions have gone down this year; resulting in lower level of construction activity which has had a direct impact on Building Control income. Remedial plans include improved marketing to potential customers.	288	294
Technical Support: underspend in supplies and services.	(14)	(15)
Total of Building Control and Technical Support Services	**274**	**280**
Street Cleansing and Street Enforcement		
Underspend mainly on supplies and services, transportation costs and third-party payments.	(50)	(14)
Shortfall in income for fixed penalty notices as the Night Enforcement team has ceased to operate impacting on income and bulky waste income as a result of reduced activity on this scheme.	(16)	(69)
Overspend on salaries mainly as a result of the recruitment of a new position of Director of Contracts and Procurement not in the establishment at the beginning of the. The new position will help in the delivery of savings on contracts especially the Serco (waste management contract) and other contracts in Residents Services.	113	23
Additional spend on smartbanks, bulky waste, dayworks and bags due to increase in new developments and events.	105	63
Forecast assumes no savings (previously £75,000 was	159	84

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
meant to be delivered in Dec. 2018) will be achieved for now on the £159,000 saving regarding the review of the Serco contract. This has been flagged as high risk during 2018/19. This saving is now being reviewed.		
Total of Street Cleansing and Street Enforcement	**311**	**87**
Customer Services		
£597,000 overspend on staffing due to unfunded pay award and a delay in delivery of savings. An overspend of **£32,000** due to an additional manager in H&F In touch. **£20,000** in year pressure due to new Out of Hours contract (unit cost increased from £2.56 to £6.08 per telephone call). **£150,000** overspend due to the delay in delivering Channel Shift savings.	799	703
Total of Customer Services	**799**	**703**
Libraries and Archives		
Overspend of £135,000 from historic decisions not to pursue a trust model due to concerns about quality (£115,000) and the decision not to charge a market rate to the Law Centre (£20,000). £100,000 income shortfall, primarily due to expected income gains from advertising not being realised. £100,000 delay in the delivery of savings from the Smart Open programme and the need to reshape the programme over the medium term. Offset by mitigating actions by the service through reducing expenditure on library resources (£89,000).	246	265
Total of Libraries and Archives	**246**	**265**
Prevent		
Expenditure is funded via Home Office as part of the counter terrorism strategy (CONTEST). Budget is for SLAs no variance to report.	0	0
Total of Prevent	**0**	**0**
TOTAL VARIANCE	**2,476**	**2,064**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
Serco saving assumed by Ernst & Young may not be achieved.	159	84
TOTAL RISKS MANAGED	**159**	**84**

Supplementary Monitoring Information
The biggest financial pressure in this report is the £799,000 adverse position in Customer Services. The transfer of this service into Residents Services this year and a full review of the finances of this service has been completed. £481,000 of budget savings will not be delivered this year. The service is working on the delivery, but it will take longer than this year. Residents Services must fund pay awards of over £568,000 and it is managing to do that in most areas except Customer Services. These costs will be budgeted for as part of the budget process for 2019/20. The service is absorbing non-delivery of savings, except for Customer Services where they have proved to be too big. One of the mitigations is that the £639,000 total adverse variance can be brought down to £399,000 adverse with the use of the reserve for the duct asset concession. Residents Services continue to restrict all but service critical recruitment to help balance the budget in 2018/19.

APPENDIX 6a: CONTROLLED PARKING ACCOUNT

BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	**£000**	**£000**
Controlled parking income	(37,144)	(1,720)	(1,566)
Controlled Parking Account expenditure	13,813	(117)	(119)
TOTAL	**(23,331)**	**(1,837)**	**(1,685)**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Parking Control		
Controlled parking income		
Pay and display income overachievement	(1,613)	(1,685)
Permits income overachievement	(101)	(137)
Parking PCN Income overachievement	(785)	(607)
Towaways Income achievement	(28)	(17)
Suspensions Income underachievement	807	880
Controlled Parking Account expenditure		
An underspend on supplies and services primarily due to reduction in cost as result of completion rollout of cashless parking: reduction in cash collection and maintenance cost.	(44)	(119)
Salary underspend	(73)	(14)
TOTAL VARIANCE	**(1,837)**	**(1,699)**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 7 £000**	**Risk At Month 6 £000**
None to report		
TOTAL RISKS MANAGED	**0**	**0**

Supplementary Monitoring Information
Parking is managing to absorb the £112,000 cost of the 18/19 pay award. The adverse variance on parking suspensions suggests that general economic conditions in the borough are not as good as they were two or three years ago.

APPENDIX 7: SOCIAL CARE
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 9**	**Variance Month 7**
	£000	**£000**	**£000**
Care and Assessment	22,330	(728)	(490)
Learning Disability	11,950	366	461
Mental Health	6,642	342	306
In-House Services	2,869	222	222
Community Independence & Hospital Service	1,695	0	0
Resources	5,953	0	0
Directorate & Support Service	572	0	0
2% pay-award increased Impact on service budgets and other staffing cost pressures.	0	140	389
Commissioning	100	160	140
	52,112	**502**	**1,028**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Care and Assessment		
Similar to the previous year, there are continued overall service pressures in social care resulting from the need to discharge a high volume of people from hospital at a much earlier stage. Within the Care and Assessment section are pressures in home care and supported living of £218,000 & Physical support placements of £24,000. This is offset by the net recharging in the PFI contracts for beds occupied by Bi-Borough to maximise the capacity within contract of (£970,000). The main reasons for the increase in the underspend since Month 7 is due to the tighter managerial controls and the focus of supporting residents at home rather in residential care.	(728)	(490)
Total of Care and Assessment	**(728)**	**(490)**
Learning Disability		
The overspend is mainly due to full year effect of Placements and Direct Payments which started at the end of last year. Since last month the forecast has improved by (£95,000) due to decreased costs following service reviews. The service aims to continue to reduce this overspend through planned managerial actions.	366	461
Total of Learning Disability	**366**	**461**
Mental Health		

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Mental Health is projecting overspend due to an increase of 5 placements since April 2018. Since last month the reassessment of care needs has resulted in the increased costs. There is a tight operational and strategic plan in place to address the overspend.	342	306
Total of Mental Health	**342**	**306**
In-House Services		
Careline provides but is not funded to provide a 24-hour service. This continued overspend will be met by reductions elsewhere in the service and further review of the options will be presented to the Cabinet Member. There is a tight operational plan in place to address it.	222	222
Total of In-House Services	**222**	**222**
Commissioning		
There is an overspend of £140,000 in the safeguarding services due to increase in the demand for Independent Mental Capacity Assessments and an increase in the contract in addition to increased safeguarding assessments. The additional £20,000 overspend relates to the meals service because of greater number of service users	160	140
Total of Commissioning	**160**	**140**
2% Pay-Award Impact and other Staffing Cost		
This projected overspend is due to 2% pay award increase in costs and following an in-year post level costing exercise other staffing pressures. This was initially advised during the moving on costing work and the service was requested to review in year. Cabinet have approved a virement of £277,000 from ASC reserves to partly manage this pressure in 2018/19 and this is reflected in the forecast for month 9.	140	389
Total 2% Pay-Award Impact and other Staffing Cost	**140**	**389**
Directorate & Support Services		
Total of Directorate & Support Services	**0**	**0**
TOTAL VARIANCE	**502**	**1,028**

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

Risk Description	Risk At Month 9 £000	Risk At Month 7 £000
Estimated costs relating to Learning Disability service users transitioning from Children Services to Adult Social Care.	243	316
Year on year savings from Transformation Commissioning Programme are difficult to deliver and the department is concerned given the overall budgetary position.	650	650
TOTAL RISKS MANAGED	**893**	**966**

Supplementary Monitoring Information

The Government recently announced additional Winter pressure funding for 2018/19 intended to prevent unnecessary emergency admissions and enable patients to leave hospitals when medically fit and for LA's to be able to invest in social care packages, reablement & adaptations to people's homes. The departments allocation is £918,381 with the winter plan in place and the forecasts are included in the report.
At this stage of the year, the department is highlighting a maximum risk of £893,000 due potential additional transitional service users and difficulty of some in year savings at risk of non-delivery which has been reviewed since month 7 and reduced by (£73,000).

Trend Data

Placements						
	Number of Clients	**Unit Costs**				
April 2017	472	£862.51				
March 2018	500	£895.57				
December 2018	508	£929.64				

There were 28 new placements in 2017/18 which creates a net increase in forecast of over £600,000 if we assume all clients are in placement for half the year.
The weekly cost of placements has increased by £34.07 per week and there has been 8 placements net increase in clients over a 9-month period in 2018/19.

Home Care						
	0-7hrs p/w	**7-14hrs p/w**	**14-28hrs p/w**	**28+hrs p/w**	**Total**	
April 2017	515	372	330	125	1342	
March 2018	489	347	317	155	1308	

Supplementary Monitoring Information						
December 2018	512	372	365	159	1408	
Home Care activity breakdown by Service users age range						
April 2017		**18-64**	**65-74**	**75-84**	**85+**	**Total**
0-7hrs p/w		145	94	156	120	**515**
7-14hrs p/w		86	59	128	99	**372**
14-28 hrs p/w		62	44	104	120	**330**
28+ hrs p/w		15	13	41	56	**125**
Total		**308**	**210**	**429**	**395**	**1342**
March 2018		**18-94**	**65-74**	**75-84**	**85+**	**Total**
0-7hrs p/w		130	82	150	127	**489**
7-14hrs p/w		74	58	108	107	**347**
14-28 hrs p/w		68	50	87	112	**317**
28+ hrs p/w		23	21	52	59	**155**
Total		**295**	**211**	**397**	**405**	**1308**
December 2018		**18-64**	**65-74**	**75-84**	**85+**	**Total**
0-7hrs p/w		159	82	144	127	**512**
7-14hrs p/w		80	69	117	107	**373**
14-28 hrs p/w		69	60	105	130	**364**
28+ hrs p/w		22	22	50	65	**159**
Total		**330**	**233**	**416**	**429**	**1408**

From the above tables you can see increasing / more complex needs in Home care customers, demonstrated by the increase in 34 cases of 28hrs+ per week. This might be explained by some Home Care customers who are discharged from Hospital straight back into the community and increasing number of 85+ living at home.

Direct Payments activity breakdown by Service users' age range.

	18-64	65-74	Age 75-84	Age 85+	Number of Clients	Average Weekly Cost
April 2017	268	67	70	79	484	£315.00
March 2018	256	63	75	77	471	£322.

Supplementary Monitoring Information						
						00
December 2018	258	65	74	76	473	£322.00

There has been a drop in client numbers since the beginning of 2017/18 however the increasing weekly cost implies that clients' needs have been increasing leading to higher care packages.

Assumptions

1. Projections based on client numbers on Mosaic as at the end of December 2018 (assumes Mosaic data is up to date and correct).

2. Assumes no further increase in clients in 2018/19 therefore we only forecast based on clients on Mosaic. This is a more risker approach than in previous years when clients not in Mosaic were factored into the forecast.

3. LD Transitions for 2018/19 have been calculated but are not included in the forecast until Care Package is reflected in Mosaic.

APPENDIX 8: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Forecast Variance Month 9**	**Forecast Variance Month 7**
	£000	**£000**	**£000**
Corporate & Democratic Core	3,708	120	120
Housing Benefits	(328)	0	0
Levies	1,570	(40)	(40)
Net Cost of Borrowing	282	0	0
Other Corp Items	6,160	(210)	(300)
Pensions & redundancy	9,048	(160)	(160)
TOTAL	**20,440**	**(290)**	**(380)**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Corporate & Democratic Core		
There is a forecast overspend of £120,000 on net Shared Accommodation costs after factoring in the changed accommodation profile post Moving On.	120	120
Corporate & Democratic Core Total	**120**	**120**
Housing Benefits Total	**0**	**0**
Levies		
Corporately funded Levies are forecast to be £40,000 under budget.	(40)	(40)
Levies Total	**(40)**	**(40)**
Net Cost of Borrowing Total	**0**	**0**
Other Corporate Items		
Quarter three analysis of Land Charge income indicate a potential under achievement of income.	290	200
A contingency budget was held for the impact of Pensions auto enrolment. Analysis of employers' pension contributions indicate there has been no change in the cost of employee contributions in relation to total salaries post implementation so the impact appears to me minimal.	(250)	(250)
The NNDR charging schedule has been received and an underspend is forecast for this area.	(250)	(250)
Other Corporate Items Total	**(210)**	**(300)**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Pensions & redundancy		
Corporately funded pension costs from historic redundancy decisions are forecast to under budget.	(160)	(160)
Pensions & redundancy Total	**(160)**	**(160)**
TOTAL VARIANCE	**(290)**	**(380)**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 7 £000**
As a result of 'moving on' the shared accommodation budget pressure has reduced. However, the costs for 2018/19 have still to be calculated and negotiated with RBKC so there is a risk that these costs may be higher than forecast.	300	300
TOTAL RISKS MANAGED	**300**	**300**

Supplementary Monitoring Information
After reviewing some older commitments, £1.1m of the Unallocated Contingency remains uncommitted after allowing for remaining commitments and applying £0.85m of the budget to cover the council wide forecast overspend.

APPENDIX 9: HOUSING REVENUE ACCOUNT

BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Forecast Variance Month 9**	**Forecast Variance Month 7**
	£000	**£000**	**£000**
Housing Income	(74,523)	(84)	(192)
Finance and Resources	7,844	(17)	8
Housing Services	10,997	201	0
Property Services	2,932	0	0
Housing Repairs	14,820	243	477
Housing Solutions	217	0	0
Housing Strategy	297	70	70
Adult Social Care	48	0	0
Regeneration	362	0	0
Safer Neighbourhoods	622	0	0
Capital Charges	25,356	(297)	(297)
Operations	1,915	(104)	7
SLA recharges	6,385	61	0
Revenue Contribution to Capital	4,563	(4,563)	(4,563)
(Contribution to) / Appropriation From HRA General Reserve	**1,835**	**(4,490)**	**(4,490)**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Property Services		
Fire Safety Expenditure - additional revenue expenditure on fire safety is now being funded from the earmarked Fire Safety Plus reserve.	0	0
Total: Property Services	**0**	**0**
Housing Repairs		
The out of scope element of the repairs contract with MITIE is predicted to overspend by £348,000 due mainly to an increase in the identification by MITIE of the number of chargeable jobs, increases in void costs and increases in the number of disrepair cases. Of this, it is estimated that £105,000 will be recoverable from insurance and this will be confirmed by the loss adjustors in the coming months.	243	477
Total: Housing Repairs	**243**	**477**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Housing Income		
This relates to mainly favourable variances on income from commercial property of £166,000 mainly due to backdated invoicing and income from property at Pennard Road previously expected in the General Fund asset. Also, income from Estates Pay & Park is predicted to exceed the budget by £70,000. This is offset by a forecast shortfall in rental income from garages of £117,000 due to slippage in appointing a garages refurbishment contractor. At the time the budget was produced, the contractor was expected to be in place by mid-February 2018, however no competitive tenders were received on time. The work was re-tendered and the new contractor is on site and is expected to refurbish up to ten garages per month. The forecast has improved by £20,000 since the previously reported period as new lettings have been agreed. In addition, there is an anticipated shortfall on income from advertising hoardings of £35,000.	(84)	(192)
Total: Housing Income	**(84)**	**(192)**
Housing Services		
The overspend is mainly due to ongoing decanting and compensation to tenants £89,000, Trade Waste and Refuse Collection £18,000, staffing overspend due to interim arrangements £37,000, Service charges payable to freeholders £25,000, and other overspend categories including internal recharges for Pest Control £32,000.	201	0
Total: Housing Services	**201**	**0**
Finance & Resources		
There is a forecast underspend on staffing costs within the Finance team of £100,000 primarily due to delays in recruitment to vacant permanent positions which are now filled. This underspend is off-set by the loss of cross departmental recharge income of £83,000 following the decanting of Fulham North Housing Office.	(17)	8
Total: Finance and Resources	**(17)**	**8**
Total: Safer Neighbourhood	**0**	**0**
Total: Adult Social Care	**0**	**0**
Total: Housing Solutions	**0**	**0**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
Housing Strategy		
This relates to an increase in valuation costs following the expiry of the previous Home Buy (RTB) valuation contract.	70	70
Total: Housing Strategy	**70**	**70**
Total: Regeneration	**0**	**0**
Capital Charges		
The charge for depreciation this year is expected to be lower than budgeted. This follows the annual revaluation of the Council's homes which has recently been updated based on the value as at 31st March 2018 and this has resulted in a minor change from the budgeted figure approved by Cabinet in February 2018.	(297)	(297)
Total: Capital Charges	**(297)**	**(297)**
Revenue Contribution to Capital		
A revenue contribution to capital is not expected to be necessary this year due to a low level of spend within the HRA capital programme. This is mainly due to many schemes being in the planning phase and with officers gaining the necessary sign off for approvals to scope as per Council's Standing Orders. There is also a degree of uncertainty and compliance checks needed to inform the planned programme especially around the long-term Fire Safety Plus programme.	(4,563)	(4,563)
Total: Revenue Contribution to Capital	**(4,563)**	**(4,563)**
SLA Recharges		
This relates to an additional charge from Human Resources in supporting the department with changes to the divisional structures and the new repairs delivery model.	61	0
Total: SLA Recharges	**61**	**0**
Operations		
A forecast overspend on staffing costs of £102,000 due to unbudgeted recruitment required for operational delivery purposes is currently offset by other staffing underspends of £102,000, resulting from existing vacancies within the systems and performance improvement teams. In addition, delays in Residents' Involvement activities have resulted in an underspend of £104,000.	(104)	7
Total: Business and Programme Management	**(104)**	**7**

Table 2 - Variance Analysis		
Departmental Division	**Month 9 £000**	**Month 7 £000**
TOTAL VARIANCE	**(4,490)**	**(4,490)**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 9 £000**	**Risk At Month 8 £000**
Additional Fire Safety Costs - 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. There remains a risk that more work may be needed following the outcome of the Grenfell Public Enquiry.	unknown	unknown
The implementation of the Hampshire Integrated Business Centre systems and its impact on service delivery - most notably in terms of risks to income collection, arrears management and the associated bad debt risk, financial and management reporting, systems assurance and reconciliation reporting, the time taken to resolve payment issues, the opportunity cost of officer time in managing issues arising and other factors.	unknown	unknown
MITIE Out of Scope - a review of revenue repair costs and volumes on the out of scope element of the MITIE repairs and maintenance contract indicate that there remains a risk of a further overspend this year. Officers are reviewing the position monthly in detail.	TBC	TBC
The impact of the Growth & Place restructure: most notably additional resource requirement in the Property Services, Operations, and Direct Delivery team and the further roll out of the concierge service. Finance are working closely with the project team costing the emerging proposals. The reason for the restructure and the additional resource requirement is to ensure the service is fit for purpose with regards to the Council's obligation around Health and Safety and the emerging priorities around Fire Safety.	unknown	unknown
TOTAL RISKS MANAGED	**Not Quantified**	**Not Quantified**

Supplementary Monitoring Information
Repairs and Maintenance: Expenditure on the Out of Scope (OOS) element of the contract with MITIE is forecast at £3.49m for 18/19 which would result in a £0.24m overspend. General repair works account for roughly 50% of all OOS expenditure. The projected number of general repair work orders is expected to remain fairly static at around 6,800 orders per year. Earlier in the year, we saw a steady increase in the average job cost for general repairs over the past year rising from an average cost of £269.19 in 17/18 to £320.55 by May 18. Officers closely scrutinised these costs in order to mitigate against these increases and bring costs back within budget for this year and for future years. Actions already implemented include additional resourcing to check jobs and costs for MITIE OOS works. Since July average job costs for general repairs have steadily reduced to £234.05 in November. **Debt servicing (interest)** costs have steadily been managed downwards in recent years as maturing debt is repaid to the Public Works Loan Board and refinanced by internal borrowing. Interest payments made have fallen from £10.5m (15/16), £9.7m (16/17) and £8.9m (17/18) to £8.7m this year. The interest rate applicable to the remaining debt has also fallen from an average of 5.34% (15/16) to 4.74% (18/19) as the Council has repaid the highest interest-bearing loans as they mature. Debt servicing costs are currently expected to be £8.4m for 19/20 and £7.8m in 20/21 (assuming continued access to the Earls Court funds for internal borrowing). No significant reductions in the loan servicing costs for existing debt are expected after 20/21 as the bulk of high interest rate loans will be repaid (historically the Council has borrowed on fixed rate terms with the loans becoming repayable upon maturity). The Housing Revenue Account business plan currently assumes debt repayments of £3.8m (8.875% interest rate) in 18/19, £8.0m (average rate 6.9%) in 19/20 and £9.5m (4.04% interest rate) in 20/21 and that these loans are replaced by internal borrowing from housing funds, therefore not attracting any interest charge in the accounts. If Council successfully negotiates an exit from the Earls Court agreement then this internal borrowing from housing funds would need to be replaced by interest bearing borrowing from existing GF cash and / or additional PWLB borrowing, the impact of which would be substantially offset as a result of no longer having to take out additional borrowing to deliver vacant possession of the estates. It will be important to fully understand the Council's overall long term cashflow forecasts to enable the treasury management decisions required especially in the context of other large projects such as King Street. **Council Homes voids**: the number of void dwellings not available for rent has increased from 110 (April 2017), to 140 (April 2018) and has increased to 189 as at December. The void rate has historically been low (0.84% in 16/17 and 0.98% in 17/18) but has increased to 1.5% largely due to a deterioration in the works turnaround time which is controlled by MITIE and an increase in the number of decants. The contracted works turnaround time is 10 days but although current performance had improved by 5 days between May and June 18, it has now deteriorated as the figures for the year to October show that works are taking on average 36 days to complete. Officers continue to implement the service improvement plan with MITIE, with MITIE having brought in a

Supplementary Monitoring Information
new voids manager, and this is expected to bring the works turnaround time down to 20 days in the coming months. The current budget for voids allows for a 1.3% void rate, so if a reduction in void days is not delivered, this will result in an overspend. **Commercial income**: the income generated has increased since 16/17 from £1.15m to £1.46m in 17/18 and is expected to increase to £1.640m this year. In part, this is due to windfall income from Pennard Road which has been identified as an HRA property (£37,500 in 2018/19) and also some windfall income due to delayed invoicing (£35,000). The improvement is also as a result of better management by the Council and GVA Grimley in achieving tenancies and minimising voids. GVA Grimley have been managing the Council's commercial properties since May 2015. **Garages income**: the income generated has been increasing steadily in the last few years as a result of improvements in the management of the garages portfolio (£0.95m in 16/17; £1.02m in 17/18). The void rate has improved also, falling from 35% in 16/17, to 27% in 17/18, to 21% for the year to date. Garages income is forecast to reach £1.05m this year though that will be a shortfall against budget of £136k. As the garages refurbishment programme is progressed, this variance is expected to be eliminated in future years and the expected garages void rate by 2021/22 is 2.4%.

APPENDIX 10 - VIREMENT REQUEST FORM
BUDGET REVENUE MONITORING REPORT – MONTH 9

Details of Virement	Amount (£000)	Department
GENERAL FUND:		
Corporate funding for additional cost of Dubs cases.	169 (169)	Children's Services – Unallocated Contingency
Drawdown from corporate demands and pressures reserve for SEN Enhancements (an existing commitment within the current reserves forecast)	290 (290)	Children's Services - Reserves
Drawdown from efficiency projects reserve (Transforming Services for Children and Young People with Special Educational Needs (SEN) & Disabilities) (an existing commitment within the current reserves forecast)	417 (417)	Children's Services - Reserves
Drawdown from unringfenced contingency reserve - SEN Reform Grant (funded through grant receipt).	33 (33)	Children's Services - Reserves
Drawdown from efficiency projects reserve (Maximising Social Care Effectiveness) (an existing commitment within the current reserves forecast)	642 (642)	Children's Services - Reserves
Family Support & Child Protection Services demand led caseload pressure to be met from application of children's services demands and pressures reserve.	419 (419)	Children's Services - Reserves
Drawdown from Supporting People Reserve to support the savings target (not an existing commitment within the current reserves forecast)	300 (300)	Social Care Social Care Reserves
Transfer from TFM reserves to Revenue to fund the net Facilities Management overspend	83 (83)	Finance & Governance (FG) FG Reserves
Total of Requested Virements (Debits)	**2,353**	
HRA:	**0**	
Total of Requested Virements (Debits)		
	0	