

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 19/04/2021

Subject: Corporate Revenue Monitor 2020/21 Month 9 – 31st December 2020

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

Responsible Director: Emily Hill, Director of Finance

Summary

This report provides an update on the revenue expenditure forecast for month 9 (December) 2020/21.

Recommendations

1. To approve the General Fund virements of £0.405m as detailed in appendix 9.
 2. To note the General Fund forecast overspend of £0.525m, of which £0.741m arises from the net impact of Covid-19. Excluding the impact of Covid-19 there is an underlying underspend of £0.216m.
 3. To note the Housing Revenue Account forecast underspend of £0.867m.
 4. To note the in-year Dedicated Schools Grant overspend of £3.076m.
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Wards Affected: All

H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	We need to always confirm that spend fits our council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business and every penny counts.

Financial Impact

A £0.525m overspend is forecast for the General Fund of which £0.741m arises from the net impact of Covid-19. Excluding the impact of Covid-19 there is an underlying underspend of £0.216m.

Mitigating action plans of £2.856m have been proposed by departments. If delivered, the forecast outturn position would be a favourable variance of a £2.331m underspend. However there remain significant risks to the need to incur additional expenditure as part of the Council's Covid-19 response and income losses in the remaining quarter of the financial year. In addition, there are risks that there may be pent up demand which is released as lockdown measures ease.

	Forecast overspend £m	Forecast overspend after mitigating actions £m
Current year – month 9 2020/21	0.525	(2.331)
Current year – month 6 2020/21	5.722	1.501
2019/20 outturn	6.885	6.885
Prior year – month 9 2019/20	10.691	7.771

Funding for the High Needs Block element of the Dedicated Schools Grant (DSG) continues to be under pressure with a cumulative overspend against the DSG allocation of £19.1m at 31 March 2020. For 2020/21, an increased grant allocation has reduced the expected in-year overspend however the forecast spend still exceeds the grant funding and an overspend of £3.1m is forecast in 2020/21. This will increase the cumulative deficit to £22.2m by March 2021 and require the council to set aside resources in a matching reserve.

For the Housing Revenue Account, a net underspend, after allowance for the impact of Covid-19, of £0.867m is forecast.

Legal Implications

There are no legal implications for this report.

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Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

GENERAL FUND

- An overspend of £0.525m is forecast at month 9 (December 2020). The forecast takes account of the balance of the unallocated contingency and confirmed Covid-19 grants, including an estimate of the income compensation scheme reported at departmental level. Additional risks of £2.450m are identified. Action is required to avoid these risks crystallising.

Table 1 – Month 9 (December 2020) - General Fund forecast (underspends are shown in brackets)

Department	Gross variance M9	Covid-19 variance M9	Non- Covid-19 net variance M9
	£m	£m	£m
Children's Services	1.880	1.122	0.758
The Economy Department	2.552	1.304	1.248
The Environment Department	3.244	3.712	(0.468)
Controlled Parking Account	5.045	5.422	(0.377)
Finance	(0.027)	0.000	(0.027)
Resources	0.388	1.264	(0.876)
Social Care	2.762	2.536	0.226
Centrally Managed Budgets	0.639	0.283	0.356
Corporate Covid-19 response costs inc PPE	3.250	3.250	
Total	19.733	18.893	0.840
Balance of unallocated contingency	(1.056)	0.000	(1.056)
Un-ringfenced Covid-19 Grant*	(18.152)	(18.152)	0.000
TOTAL	0.525	0.741	(0.216)

*Total allocation £18.152m, £0.189m applied to COVID-19 costs incurred in 2019/20

2. The main elements of the Covid-19 expenditure are personal protective equipment, additional social care demand and financial support to the market, rough sleeping, mortuary provision and supporting social distancing. The Covid-19 variance set out in Table 1 is the net forecast after allowance has been made for specific grant funding allocations, partner contributions and off-setting expenditure reductions. This net variance will, in part, be met by un-ringfenced grant, currently £18.152m, provided by government.
3. As the country remains in lockdown and threats of new virus strains may require an increase the Council's test and trace efforts and to further unknown Covid-19 costs and revenue losses in the final quarter of the financial year.
4. The council's revenue income streams are also affected by Covid-19. For 2020/21, a Covid-19 income compensation scheme will operate for lost sales, fees and charges. Authorities must fund the first 5% of income loss but the government will fund 75% of the remaining loss (after allowance for any cost savings). Not all income qualifies, for example commercial rents are excluded as are incomes losses from council tax and business rates. The Council has submitted a claim for £8.947m to the end of December. The departmental forecasts allow for receipt of this grant.
5. The underlying position, net of the Covid-19 impact, is an underspend of £0.216m. As set out in Table 2 this is better than the month 6 forecast.

Table 2 – Forecast variance excluding the impact of COVID-19

Department	Revised budget £m	Forecast net variance Month 9 £m	Forecast net variance Month 6 £m	Direction of Travel
Children's Services	50.983	0.758	1.728	↑
The Economy Department	5.284	1.248	1.380	↑
The Environment Department	67.567	(0.468)	0.581	↑
Controlled Parking Account	(26.113)	(0.377)	(0.227)	↑
Finance	3.572	(0.027)	0.056	↑
Resources	4.622	(0.876)	(0.177)	↑
Social Care	55.412	0.226	0.675	↑
Centrally Managed Budgets	12.681	0.356	0.470	↑
Total	174.008	0.840	4.486	↑
Balance of unapplied unallocated contingency		(1.056)	(1.256)	↓
TOTAL		(0.216)	3.230	↑

6. Mitigating action plans of £2.856m have been identified which, if delivered, will reduce the forecast to an underspend to £2.131m. However, there are

significant risks to the delivery of these mitigations given the capacity of the council to manage these in current circumstances.

Table 3: Summary of net forecast outturn variances after action plans

Department	Net forecast outturn variance £m	Potential value of action plan mitigations £m	Forecast outturn variance after mitigations £m
Children's Services	0.758	0.000	0.758
The Economy Department	1.248	0.300	0.948
The Environment Department	(0.468)	0.496	(0.964)
Controlled Parking Account	(0.377)	1.850	(2.227)
Finance	(0.027)	0.000	(0.027)
Resources	(0.876)	0.000	(0.876)
Social Care	0.226	0.210	0.016
Centrally Managed Budgets	0.356	0.000	0.356
Total	0.840	2.856	(2.016)
Balance of unapplied unallocated contingency	(1.056)	0.000	(1.056)
Net Impact of Covid-19	0.741	0.000	0.741
	0.525	2.856	(2.331)

7. In addition to the direct impact of the costs of the Covid-19 response and lost income there are also risks of pent up demand which is released as lockdown measures ease which may lead to increased demand led expenditure.
8. Covid-19 will also result in lower council tax and business rates income. In accordance with local authority accounting regulations, and the requirement that Covid-19 losses should be spread over 3 years, this loss will not impact on the current year revenue budget. This has been factored in to the 2021/22 council tax and budget setting report.
9. Explanations for the main departmental variances are set out in Appendices 1 to 7.

HOUSING REVENUE ACCOUNT

10. The Housing Revenue Account (HRA) forecast underspend is **£0.867m**. The main variances are detailed in Appendix 8. The HRA required a budgeted contribution from reserves and the general balance is forecast to reduce to £17.523m by the close of 2020/21 with a further budgeted reduction of £7.1m, to £10.4m, in 2021/22.

11. The HRA has also experienced additional Covid-19 costs and income losses as a result of Covid-19. No Covid-19 financial support has been provided by the government for the HRA.

Table 4: Housing Revenue Account forecast outturn

Housing Revenue Account (General Reserve)	£m
Balance as at 31 March 2020	(24.580)
Less: Budgeted appropriation from balances	7.924
Add: forecast underspend	(0.867)
Balance as at 31st March 2021	(17.523)

DEDICATED SCHOOLS GRANT (DSG)

12. Dedicated schools grant (DSG) is paid in support of local authority schools and is the main source of income for the schools' budget. It is split between central expenditure and the individual schools' budget (ISB) in conjunction with the local schools' forum.
13. Funding for the High Needs Block (HNB) continues to be under pressure and the council had a cumulative overspend on the DSG of £19.1m at 31 March 2020. Whilst an increase in the HNB funding allocations has reduced the forecast annual deficit for 2020/21, a further HNB DSG overspend of £3.076m is forecast that will increase the cumulative deficit to £22.195m. Negotiations have completed with the Department for Education which have agreed an action plan and grant funding agreement to eliminate the cumulative deficit on the HNB of the DSG by 2024/25. Progress against the action plan and grant funding conditions will be monitored by the Council's High Needs Block Board.

Table 5: Dedicated Schools Grant – High Needs Block deficit

	£m
DSG deficit brought forward from prior years	19.119
In-year outturn deficit	3.076
Deficit at the end of 2020/21	22.195

GENERAL FUND RESERVES

- 10 The latest forecast, in line with the agreed reserves strategy and action plan, is that the council will have uncommitted reserves and balances of £52.9m by the close of 2024/25. This includes allowance for the current year forecast overspend of £0.525m being funded from reserves.

VIREMENT AND WRITE OFF REQUESTS

- 11 General Fund virements of £0.405m are proposed (appendix 9).

REASONS FOR DECISION

- 12 To report the revenue expenditure forecast and comply with Financial Regulations.

EQUALITIES IMPLICATIONS

- 13 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 report.
- 14 If any such adjustments might lead to a service change and/ or changes in staffing structures that could have a negative impact on groups with protected characteristics, then a full Equality Impact Assessment will need to be carried out, detailing any mitigating actions against negative impact.

RISK MANAGEMENT IMPLICATIONS

- 15 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 Covid-19 funding has been made available to the Council in tranches and compensation for loss of income grant. To date the settlement from HM Government has however fallen short to meet the financial impact to the Council including loss of income. A Covid-19 Board has been put into place providing assurance to the Strategic Leadership Team that a managed recovery takes place following the new year response maximising some of the benefits gained from increased productivity, efficiency, digital working and lower than anticipated sickness levels during Covid-19.
- 17 The characteristics of the pandemic mean that there remains considerable uncertainty in regard to the level of response required by councils in Greater London. Before the announcement of a latest national lockdown, Greater London was in Tier 4 (Very High) of the HM Government's Covid-19 alert levels. These measures are likely to result in an increase in support required for residents from Council services and its associated financial impact.

Implications verified/completed by Michael Sloniowski, Risk Manager, tell 020 8753 2587, mobile 07768 252703

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

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 9 £000	Variance month 6 £000
Employees	22,816	1,365	1,043
Premises-related expenditure	573	22	10
Transport-related expenditure	169	(86)	(11)
Supplies & services	8,524	760	627
Third party payments	50,653	181	37
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	66,769	3,046	4,340
Support services (Internal Trading Services)	411	797	653
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(104,330)	(4,205)	(4,501)
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	5,429	0	0
Total	51,014	1,880	2,199

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to Covid M9	Forecast variance (non - Covid) M9
	£000	£000	£000	£000	£000
Children and Young People's Services	31,853	(291)	422	490	(781)
Education	10,867	1,190	1,013	487	703
Children's Commissioning	5,021	266	(25)		266
Children's Performance & Improvement	2,230	(35)	(1)	0	(35)
Director of Children's Services	1,043	751	791	145	606
School Funding	0	0	0		0
TOTAL	51,014	1,880	2,199	1,122	758

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Children and Young People's Services		
<p><u>Placements</u> Underspend due to additional government grant income for Staying Put (£105,000) and Unaccompanied Asylum Seeker Children (£650,000). The number of new entrants is lower than that modelled within the 2020/21 budget. The service has focused on supporting more young people to remain safely at home through effective and improved support to prevent entry to care. Tracking and monitoring arrangements are also improved to achieve early permanence for children, resulting in children spending less time in care. Costs are also reduced through an increase in our semi-independent block contract provision, reducing the need for more costly spot purchased placements.</p> <p>Case numbers may increase in the final months of the year, but they will have a small impact on the 2020/21 forecast as the placements model contains a forecast of £300,000 for new placements. Any increased placement need would have a significant impact on 2021/22 financial year expenditure.</p>	(1,736)	(1,028)
<p><u>Client Related Expenditure</u> The forecast client transport overspend is £174,000. This is lower than previously forecast due to reduced travel during lockdown restrictions.</p> <p>Section 17 (child in need payments) are overspent by £141,000 and Section 23 (Looked After Children miscellaneous client non placement) payments are £148,000 overspent. Other minor overspends on further allowances make up the balance of client related expenditure of £51,000.</p>	514	619
<p><u>Legal Costs</u> The 2019/20 overspend on legal services was £580,000 and there is a greater pressure in 2020/21. Demand has increased over recent years and the budget has not kept pace. A working group has been set up and an expenditure reduction plan for legal is part of the department's 'recovery and budget planning' work. This is targeting a reduction of 3 care proceedings cases per year and a corresponding fall in spend of £75,000 per year to help reduce this budget pressure.</p>	850	700
<p><u>Assessments</u> Family Assessments were £331,000 overspent in 2019/20. Demand for spot purchase assessments on top of the Multidisciplinary Family Assessment Service contract with the Tavistock and Portman NHS Foundation Trust are causing a 2020/21 overspend of £177,000. The forecast overspend has reduced following a decision to end the assessments contract and pursue a new delivery model. Proposals will be put forward for 2021/22.</p>	177	177

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
<p><u>Staffing</u> The department's agency review is ongoing and has led to monthly decreases in agency numbers since January 2020. Further reductions are built into the forecasts for the rest of the financial year.</p> <p>A full departmental review of staffing is taking place. Once complete this will ensure some of the staffing overspend shown under the Director of Children's Services heading does not continue into 2021/22.</p>	(22)	(18)
Other minor variance	(74)	(28)
Children and Young People's Services Total	(291)	422
Education		
<p><u>Travel Care and Support</u> The overspend is primarily due to significant demand, student number growth and longer journeys needed for pupils with complex medical needs and physical disabilities.</p> <p>A review of funding sources has been undertaken. The service incurs direct payments to families to cover SEN transport costs. Under the Schools and Early Years Finance Regulations Schedule 2, this can be funded from the Dedicated Schools Grant (DSG), therefore £105,000 has been applied to the DSG which has contributed to the General Fund reduction. The service continues to re-negotiate rates due to the reduction of service due to the Covid-19 pandemic.</p> <p>This is a demand led statutory service which saw an expenditure increase of 13% in 2019/20 and was predicting a further 14% increase in 2020/21 under normal circumstances. Approximately 25% of children with an Education and Health care plan (EHCP) require travel assistance. The service continues to experience increased demand for travel assistance due to the 6% increase in pupils with an EHCP from 2020 to 2021. There is an increase in demand on travel across and outside of the borough for pupils with more complex medical needs and physical disabilities resulting in an increase in unit costs. The overspend mitigated as a result of the Covid-19 pandemic is a one off in-year effect.</p> <p>The service has delivered budget savings of £120,000 by identifying alternative pathways and step-down transition.</p>	201	447
<p><u>The Haven Centre</u> The overspend is primarily due to staffing issues resulting in overtime being paid as a result of historic practices, long term sickness and performance issues.</p>	699	489

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
<p>The Covid-19 pandemic has also increased staff and operational costs to ensure cover for lockdown requirements particularly as the service users are based at the centre full time. The January 2021 lockdown has increased Covid-19 related costs across the Haven and Stephen Wiltshire Centre to around £500,000.</p> <p>The service experiences volatility in income generated due to the uncertainty of out of Borough pupils remaining in the provision and getting firm agreement on health contributions. The income target was initially set at three beds for out of borough pupils. At period 9, there was one full time out of borough placement and one short-breaks placement. In total, there are five full time and two short-breaks placements. A new service delivery model is being put into place, the full effect of this restructure will not be seen until 2021/22.</p>		
<p><u>Children with disability placements - Short breaks and care packages</u></p> <p>The forecast overspend is primarily due to minor movements across the placement types.</p> <p>Since period 6, a review and agreement to formalise funding arrangements has been in train for children that may or may not be looked after by the local authority but have health, social care and or education related needs which can only be met through the provision of a placement in a specialist residential children's home or residential school.</p> <p>The review has clarified the use of the Dedicated Schools Grant (DSG) High Needs Block (HNB) under the School and Early Years Finance Regulations 2020 schedule 2 and ratified the apportionment of costs to the correct funding source.</p>	52	184
Other minor variances	238	(107)
Education Total	1,190	1,013
Children's Commissioning		
<p><u>Commissioned Children's and Youth Services</u></p> <p>A plan to deliver savings on commissioned Early Help, Children's Centres and Youth services over the medium term has been agreed. Cabinet approved an additional funding request of £750,000 and in year savings of £950,000. The current forecast is an overspend of £300,000 but further work is taking place to bring this back closer to budget by year end.</p>	300	112
<u>Commissioning Staffing.</u> A restructure has been approved and vacancies are being held while recruitment is underway.	(34)	(137)
Children's Commissioning Total	266	(25)

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Children's Performance & Improvement		
A staffing underspend is forecast due to part year vacancies.	(35)	(1)
Children's Performance & Improvement Total	(35)	(1)
Director of Children's Services		
Budget savings are loaded here and are to be redistributed across the service in 2021/22 as delivery plans are progressed. £145,000 of the overspend is attributed to Covid-19 as delivery plans have been delayed.	751	791
Director of Children's Services Total	751	791
School Funding		
Nil Variance	0	0
School Funding Total	0	0
TOTAL VARIANCE	1,881	2,199

Table 4 - Savings Delivery				
Dept	MTFS target	On track	Partially deliverable	Undeliverable
Children's Services	£000s	£000s	£000s	£000s
Total MTFS Savings	836	257	579	0
Schemes not on track	£000s	Reason		
Employee Savings	250	The employee savings have been brought into a wider staffing review which is underway and aiming to deliver the 2020/21 savings, resolve existing pressures on the department staffing budget and the 2021/22 savings required.		
Semi Independent Living Housing Strategy	200	Accommodation moves have been delayed due to Covid-19 restrictions. Partial delivery with moves taking place where safe and restrictions allow.		
Travel Care	129	Partial delivery is forecast in year with mitigation plans being drawn up.		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
Tower Hamlets Judgement risks are now considered low so have been removed.	0	2,100
TOTAL RISKS MANAGED	0	2,100

**APPENDIX 1a: DEDICATED SCHOOLS GRANT (DSG)
BUDGET REVENUE MONITORING REPORT MONTH 9**

Table 1 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to Covid M9	Forecast variance (non-Covid) M9
	£000	£000	£000	£000	£000
High Needs Block Expenditure	23,756	3,074	3,457		3,074
Early Years Block Expenditure	16,882	15	15		15
Schools Block Expenditure	38,674	0	0		0
Central School Services Block Expenditure	3,878	(13)	86	95	(108)
DSG Income	(83,189)	0	0		0
TOTAL	0	3,076	3,558	95	2,981

Table 2 - DSG Balances			
Departmental Division	Balance brought forward	Forecast variance month 9	Forecast year end balances month 9
	£000	£000	£000
High Needs Block	19,790	3,074	22,864
Schools Block	(605)	0	(605)
Early Years	(66)	15	(50)
Central School Services Block	(0)	(13)	(13)
TOTAL	19,119	3,076	22,195

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
High Needs Block (HNB) (<i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision</i>)		
The forecast on Education, Health and Care Plan (EHCP) top-up costs forms the majority of the overspend. Since period 6 detailed work has improved the accuracy of the static placement model created to capture data for pupils with an EHCP being placed out of borough primarily in independent non maintained settings and for post 16 settings. This work has given more confidence in the forecast, but risks of incomplete data will	3,074	3,457

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
<p>remain until the introduction, in April 2021, of the SEND Case Management System with integrated finance workflow. There is a significant risk in the forecast with respect to prior year costs. Reconciliation of data to the ledger is complex but efforts are being made to ensure that purchase order and invoice payments are cross referenced to the static placement model.</p> <p>The forecast includes a favourable movement of £210,000 on Home Tuition costs and minor favourable movements on staffing budgets.</p> <p>A review of eligible HNB expenditure has identified that £90,000 of SENDIASS contract expenditure should be charged to general fund budgets. There has been substitute expenditure identified in the general fund relating to SEN transport direct payments which are eligible to be applied to the DSG under the School and Early Year Finance regulations 2020 Schedule 2. This has resulted in a forecast of £105,000 being included in the DSG HNB.</p> <p>An adverse movement of £312,000 is forecast regarding the non-recovery of Speech and Language Therapy income from other local authorities. This is due to data quality issues at the NHS trust which provides the service. If the income can be agreed there will be a benefit in the final 2020/21 outturn.</p> <p>The forecast for the Occupational Therapy service has increased by £115,000 due to the use of agency staff and the transition to the new service staffing structure recently approved from January 2021. The restructure assumes no recovery of income.</p> <p>The period 9 forecast also includes a liability of £592,000 for funding that could be owed to two Further Education (FE) colleges. £224,000 of this forecast relates to the final resolution of the FE impact/ export error for the Summer term 2020 and would be the maximum amount owing to the college for pupils above the commissioned local authority places. Final figures are expected from the college. The remaining liability of £368,000 relates to a historic issue on funding owed for void places as part of a Service Level Agreement</p>		
High Needs Block Total Total	3,074	3,457
Early Years Block (<i>Funding for Early Years including Two Year Old funding and Early Years Pupil Premium</i>)		
The Early Years DSG has a brought forward surplus balance of £66,000 from 2019/20 after the recovery of 2018/19 financial year deficit of £206,000. The DfE has recently updated the final	15	15

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
allocations for 2019/20 and a further £520,000 has been received due to increased entitlements in Spring term 2020. This surplus balance must be used to support Early Years settings in line with grant conditions.		
Early Years Block Total	15	15
Schools Block <i>(This budget of the DSG forms the core funding for mainstream maintained schools)</i>		
No variance forecast on Schools delegated or de-delegated budgets or those for maintained education functions.	0	0
Schools Block Total	0	0
Central School Services Block <i>(Funding for the Local Authorities ongoing responsibilities)</i>		
A forecast loss of income from Lilla Huset due to Covid-19 closures. The CSSB is budgeted to contribute to High Needs Block related expenditure of £461,000 in 2020/21.	(13)	86
Central School Services Block Total	(13)	86
TOTAL VARIANCE	3,076	3,558

Table 4 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
None		
TOTAL RISKS MANAGED	0	0

APPENDIX 2: THE ECONOMY DEPARTMENT
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 9 £000	Variance month 6 £000
Employees	14,895	86	(216)
Premises-related expenditure	4,377	1,109	615
Transport-related expenditure	11	68	0
Supplies & services	3,627	(415)	113
Third party payments	18,936	1,230	567
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	98	0	0
Support services (Internal Trading Services)	181	298	108
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(28,442)	761	1,693
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	(9,382)	5	(199)
Total	4,301	3,142	2,681

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to COVID M9	Forecast variance (non - COVID) M9
	£000	£000	£000	£000	£000
Housing Solutions	7,862	765	866	814	(49)
Place	85	0	0	0	0
Economic Development, Learning & Skills	439	209	178	209	0
Planning	1,291	1,542	1,714	285	1,257
Operations	(5,527)	672	(71)	586	86
Regeneration & Development	98	(46)	(6)	0	(46)
TOTAL	4,248	3,142	2,681	1,894	1,248
Covid-19 Income loss compensation		(590)		(590)	
Revised Total	4,248	2,552	2,681	1,304	1,248

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Housing Solutions		
Although the forecast for average client numbers (959 units) is lower than budgeted (969 units) in Private Sector Leased (PSL) temporary accommodation schemes, the unit rent payments to landlords have increased, reflecting inflation on the Local Housing Allowance (LHA). This has resulted in a net overspend of £142,000. The forecast bad debt provision has reduced by (£298,000) (from a budget of 5.5% to a forecast of 3%, compared to 5% in CRM6) to reflect a sustained improvement in the collection rate.	(156)	50
Although there is a forecast reduction in average client numbers (from a budget of 90 clients to a forecast of 73) in short-term accommodation, higher out of hours (OOH) placements and pre-booking (from a budget of 4 per day on average to an actual of 14 per day on average to the end of December) has resulted in a net forecast overspend of £97,000. The forecast bad debt provision has reduced by (£79,000) (from budget of 10% to a forecast of 3%) to reflect an improvement in the collection rate.	18	15
An overspend on cost avoidance payments of £410,000 to Private Sector Leasing and Direct Letting landlords is expected this year (reduced from £600,000 in CRM4) in order to enable the Council to secure temporary accommodation properties. In addition, further spend of £450,000 is forecast for this year under a Cabinet approved plan to invest up to £900,000 from the Temporary Accommodation reserve to secure 300 additional private rented sector properties to prevent homelessness or enabling households to exit temporary accommodation.	410	350
Balance of Flexible Homelessness Support grant after allocating £2,589,000 to PSL and deducting an assumed £50,000 for Registered Providers.	(166)	(166)
Balance of Homelessness Reduction grant after allocating £394,000 to Housing Solutions and Preventions.	(174)	(174)
The provision of accommodation and supported housing to rough sleepers and clients needing to self-isolate as part of the Council's response to the Covid-19 pandemic is forecast to cost £1,615,000 which is partially offset by (£525,000) Housing Benefits received and (£324,000) grant from MHCLG plus £17,000 for the additional costs in managing increased activity within the out of hours service.	783	745
Other minor variances	50	46
Housing Solutions Total	765	866
Economic Development, Learning & Skills		
An income shortfall from market traders of £270,100 is forecast due to the impact of Covid-19 on trading activity. Costs of £21,000 are projected on the hire of security wardens to enforce social distancing at the North End Road market. There is also	209	178

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
<p>an increase in Adult Learning Skills Service staffing costs of £19,000 associated with running the Community Aid Network.</p> <p>There is an additional £11,800 adverse variance for the Markets Street Trading service, relating to the Serco contract, plus a net £11,900 adverse variance relating to Markets staffing and running costs.</p> <p>The forecast overspends are partially offset by: (£14,200) additional income on the Townmead and Sullivan business estates, (£76,300) underspend on Economic Development staffing costs due to Section 106 funding, (£7,500) carried forward donations funding and (£5,800) underspend on the Mayor's Tea Dance (as this activity will not take place this financial year due to Covid-19) .</p>		
Economic Development, Learning & Skills Total	209	178
Planning		
<p>Development Management - A planning applications income shortfall of £1,141,000 is forecast due to the impact of Covid-19 and the wider economic slowdown. An overspend of £179,000 relates to exceptional costs for counsel, legal and other specialist advice on a number of specific applications and £57,000 relates to professional consultancy cost overspend. In addition, a review of existing debtors has resulted in a forecast increase in the bad debt provision of £260,000. This is partly offset by a favourable staffing variance of (£116,000) as a result of an ongoing recruitment process.</p>	1,806	1,996
Planning Management	7	4
<p>Spatial Planning - (£41,000) relates to staffing vacancies due to an ongoing recruitment process following a restructure. In addition, (£230,000) relates to unbudgeted GLA Housing Capacity grant funding received.</p>	(271)	(286)
Planning Total	1,542	1,714
Operations		
Valuation Services: minor variance	(5)	(56)
Rent and Other Properties: Income in excess of budget (includes the acquisition of Farm Lane and Gibbs Green School).	(109)	(26)
Property Transformation Team: Posts are currently unfunded as no income was identified. Recruitment has now occurred so noted as a variance, 75% to GF (£30,000) and 25% to HRA.	30	0
Minor overspend on salaries	2	11
Facilities Management (FM) overspend made up of DLO Hard Services £240,000, under recovered income on Lilla Huset £45,000, £51,000 overspend on agency and £5,000 various	168	168

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
minor costs. Offset by underspend of -£173,000 from vacancies in DLO Soft Services.		
Increased Covid-19 spend on distancing measures to offices, additional cleaning staff and deep cleaning of corporate buildings.	586	586
Operations Total	672	683
Regeneration & Development		
There is an expected (£31,000) underspend on GF Development team staff costs due to more time being spent on revenue activities in HRA than budgeted for.	(46)	(6)
Regeneration & Development Total	(46)	(6)
TOTAL VARIANCE	3,142	3,435

Table 4 - Savings Delivery				
Dept	MTFS target	On track	Partially deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	758	758	0	0
Schemes not on track	£000s	Reason		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
Increase in bad debt provision on Temporary Accommodation (rent arrears because of reductions in personal income due to Covid-19).	100	200
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.	138	275
Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast.	100	200
Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast.	100	200
Townmead and Sullivan Workshops commercial rents: a potential shortfall in rent income of £66,000 received from tenants as a result of business uncertainty and possible liquidation of businesses as a result of the Covid-19 pandemic is now expected	0	145

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
to be fully covered by the Bad Debt provision held on the balance sheet.		
Adult Learning Skills Service course fees: the latest expected reduction in income due to a fall in student volumes as a result of Covid-19 is £508,000 offset by reductions in expenditure of £314,300. This net under-recovery of income of £194,000 will be funded from ALSS reserves this year. This will reduce the reserve to £313,000 by the end of this financial year and any further overspend on ALSS next year above this remaining level of reserves would result in a charge to the General Fund.	0	157
Planning - There is an ongoing risk of an overspend against the budget due to potential costs associated with judicial reviews and major planning appeals including additional work to support the Hammersmith Town Centre supplementary planning document.	200	200
Regeneration & Development - There is a S106 request to fund development feasibility costs (including costs relating to the setting up of a housing company) which is awaiting confirmation. If there is no available funding, this will become an additional revenue pressure.	30	0
TOTAL RISKS MANAGED	668	1,377

Supplementary monitoring information
The forecast outturn for Housing Solutions of a £765,000 overspend includes pressures due to Covid19 of £800,000.
In November, the service received 189 homelessness enquiries, an increase of 15 in comparison with the same period last year. However, only 69 homelessness applications were made - a significant reduction on the same period last year. In December 152 homeless enquiries were received, with 42 homelessness applications. There has been no significant difference in enquiries in comparison with the same period last year though enquiries have been more complex due to increased support required for singles. The impact of the Government's suspension on eviction has resulted in a reduction in homelessness applications, particularly from households composed of families.
Planning income in recent years has fluctuated between £3.6m (2018/19), £2.3m (2019/20) and is currently forecast to reach £2.2m in 2020/21, some £1.5m short of the budget. The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including: <ul style="list-style-type: none"> • COVID-19 impact on wider economy and on delays in construction projects • Changes to the statutory charging schedule • Economic factors such as the impact of Brexit, concerns about economic recession on developer/ investor confidence and planning activity. • Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation • Changes to pre-application charging fees and Planning Performance Agreement

Supplementary monitoring information

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
- Developers 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, and delays in supply chains, delaying construction pipeline

The forecast outturn included in Table 2 includes the receipt of service-specific government grants to provide the Council with financial support due to Covid-19. Allowance is also made, based on the December return for Covid-19 grant receivable of £0.590m regarding lost income. The income loss for adult learning course fees is currently shown as a call against reserves so any monies received from Government for income losses will reduce the call on this reserve and will not change the forecast variance.

The Council has secured £105,000 of one-off funding through the Greater London Authority (GLA) Adult Education Budget (AEB) fund. This funding will be used by the **Adult Learning & Skills service** to contribute to the borough's Covid-19 recovery through providing skills interventions, high value courses for 19-year olds and sector-based work academies. The funding will cover spend in this academic year (1st August 2020 to 31st July 2021) and will be received upon validation of spend in line with the grant terms. £40.7k of the total grant has been received to date, covering August to November 2020. A virement request is included in Appendix 10 to reflect the new funding and proposed expenditure.

The Council has identified communal facility works that are required for tenants at the **Sullivan business estate**. The spend for the required works sums to £19,600 and it is proposed to fund this from a drawdown from the relevant earmarked reserve (which has a current balance of £26,045).

APPENDIX 3: THE ENVIRONMENT DEPARTMENT
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 9 £000	Variance month 6 £000
Employees	21,762	985	1,499
Premises-related expenditure	5,250	402	161
Transport-related expenditure	858	(31)	(37)
Supplies & services	16,442	(131)	297
Third party payments	23,848	2,371	1,720
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	260	0	0
Support services (Internal Trading Services)	0	307	156
Items excluded from the cost of services (Debt management and Capital Charges)	14,529	(2)	(1)
Income	(26,933)	778	399
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	11,623	0	0
Total	67,640	4,679	4,195

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to Covid M9	Forecast variance (non - Covid) M9
	£000	£000	£000	£000	£000
Public Realm	35,929	2,341	2,152	2,659	(318)
Safer Neighbourhoods & Regulatory Services	8,760	578	702	525	53
Leisure, Sport and Culture	7,449	936	898	1,263	(327)
Resident Services	15,541	825	444	700	125
Executive and Support	(39)	0	0	0	0
Total	67,640	4,679	4,195	5,147	(468)
Covid-19 Income recovery grant	0	(1,435)	0	(1,435)	0
Revised Total	67,640	3,244	4,195	3,712	(468)

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Public Realm		
Highways - unbudgeted enforcement of social distancing in parks and open spaces (Covid-19 response), provided by the highways contractor.	692	392
Highways - unbudgeted cycle lane works to aid social distancing (Covid-19 response). Funding request submitted to	939	939

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Transport for London but not yet confirmed.		
Highways / Street Enforcement - other unbudgeted Covid-19 related costs, mostly relating to social distancing measures	92	53
Highways - underspend on general maintenance.	(100)	(100)
Commercial waste - includes £528,000 net income shortfall relating to Covid-19 business closures and £36,000 loss of income following decant from Hammersmith Town Hall.	869	608
Waste disposal - includes £165,000 estimated increase in domestic waste tonnages resulting from Covid-19, as more people at home are producing more waste.	221	186
Delayed implementation of waste contract savings due to Covid-19.	243	291
Unconfirmed s.106 contribution for Environmental Quality.	85	60
Temporary Traffic Orders overachievement.	(92)	(24)
Savings budget underspend.	(147)	(147)
Other net variances (including income from utilities for works to the road network)	(461)	(106)
Public Realm Total	2,341	2,152
Safer Neighbourhoods and Regulatory Services		
Building control - net income shortfall due to a reduction in demand for chargeable works. Assumes outturn in line with last year. Service being reviewed to assess potential for income growth and closer alignment of income and expenditure.	224	133
Community Safety - enforcement of social distancing in parks and open spaces (Covid-19 response), provided by Parks security and enforcement contractor. Reimbursement of £120,000 now received.	69	189
S.106 for CCTV confirmed.	0	120
Emergency Planning - budget pressure due to partial budget growth for enhanced team and decision to maintain existing emergency response rota cover (prior year saving not fully achieved).	50	49
Regulatory Services - expected loss of income and expenditure incurred due to Covid-19 (business disruption mostly due to inability to access properties and business premises to carry out inspections and treatments and social distancing)	365	288
Noise and Nuisance - net ongoing loss of gas safety checking income following service in-sourcing by housing, overspend on staffing costs due to 24/7 enhancement service and overspend on equipment/out of hours telephony system.	199	95
Technical Services - staffing underspend due to posts held vacant.	(113)	(115)
Other smaller net variances.	(216)	(58)
Community Safety and Regulatory Services Total	578	701

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Leisure, Sport and Culture		
Cancelled events due to Covid-19 lockdown requirements.	242	242
Cancelled filming due to Covid-19 lockdown requirements.	28	13
Events in parks income shortfall, due mostly to Member preference to restrict the number of large events in parks (mostly funfairs and circuses).	43	43
Filming income shortfall - no longer able to be offset by underspends elsewhere in the department.	95	95
Events - Alternative income generating proposals being progressed but not likely to be delivered in 2020/21 due to the impact of Covid-19 on the events sector.	100	100
Cancelled Boat Race due to Covid-19.	45	45
Civic Services - net staffing and administration underspends	(127)	(87)
Libraries - libraries income target and net loss of income during period of library closure relating to Covid-19	139	114
Libraries - planned contractual /restructure change (dependent on recruitment)	(328)	(208)
Parks - delayed saving for better procurement in parks	50	50
Leisure contract - income shortfall due to deferment of contractual income during period of leisure centre closure, related to Covid-19	399	198
Sports bookings contract - income shortfall due to deferment of contractual income during period of no bookings in parks, related to Covid-19	356	236
Other smaller net variances, including pay award shortfall and PPE	(106)	57
Leisure, Sport and Culture Total	936	898
Resident Services		
Additional staff costs in Revenues, Benefits and Customer Contacts related to Covid-19 increased service demand (£254,000), partially offset by expected Covid-19 related New Burdens funding (-£170,000).	88	88
Delayed staffing savings from the Resident Experience and Access Programme business case following Covid-19 related service changes and impact on service demand. New directorate service staffing structure implemented in November.	379	466
Council Tax collections halted due to Covid-19	547	0
Reduced Out of Hours Call Centre cost	(72)	(72)
Staffing underspend due to reduced hours / vacancies	(37)	(37)
Other smaller net variances	(79)	(1)
Resident Services Total	826	444
Executive and Support		
	0	0
Executive and Support Total	0	0

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
TOTAL VARIANCE	4,680	4,194

Table 4 - Savings Delivery				
Dept	MTFS target	On track	Partially deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total Savings	224	50	174	0
Schemes not on track	£000s	Reason		
New Leisure Contract	174	Fixed contractual income deferred due to Covid-19 related Leisure Centre closure (£75,000 deliverable and £99,000 at risk)		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
Delivery plan for new in-year staff saving not yet confirmed	0	310
Officer time charge income may not be achievable as TfL have withdrawn funding for LIP programme, Safer Cycle Pathway and reduced resources going into Hammersmith Bridge.	1,000	1,000
Pay award gap	0	190
Climate Change Team funding from reserves	522	202
Grant to Leisure Contractor (Greenwich Leisure) - Repayable grant (from reserves) - £156,000 already paid. Grant bid made to mitigate loss from the National Leisure Recovery Fund.	0	250
TOTAL RISKS BEING MANAGED	1,522	1,952

APPENDIX 3A: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000's	Variance Month 9 £000's	Variance Month 6 £000's
Employees	6,592	(93)	(115)
Premises-related expenditure	74	0	0
Transport-related expenditure	4	0	0
Supplies & services	636	0	0
Third party payments	2,898	(284)	(112)
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (Internal Trading Services)	315	0	0
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(39,695)	5,422	11,151
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	3,562	0	0
Total	(25,614)	5,045	10,924

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 9	Forecast Variance Month 6	Forecast Variance due to Covid M9	Forecast Variance (non - Covid) M9
	£000	£000	£000	£000	£000
Controlled parking income	(39,695)	5,422	11,151	5,422	0
Controlled Parking Account expenditure	14,081	(377)	(227)	0	(377)
TOTAL	(25,614)	5,045	10,924	5,422	(377)

Table 3 - Variance Analysis		
Departmental Division	Month 9 £000	Month 6 £000
Controlled Parking Income		
Permits – income shortfall	176	171
Suspensions - lower forecast compared to previous period due to second national lockdown.	1,009	765
Pay & Display - the forecast has been lowered due to the second national lockdown.	5,633	3,090
Penalty Charge Notice (PCN) Income - the forecast has been decreased due to the second national lockdown. This is offset slightly by the implementation of automated CCTV cameras which is expected to increase the effectiveness of monitoring	8,912	7,125

Table 3 - Variance Analysis		
Departmental Division	Month 9 £000	Month 6 £000
offences.		
Government grant for loss of income - the government has agreed to cover 75% of income lost after deducting 5% of budgeted income. The Parking budget at the beginning of the financial year was £39.745m. 5% of this total is £1.987m. £15.730m of lost income minus £1.987m equals £13.743m. The grant therefore is £10.308m. Currently up to July £4.02m has been claimed and £6.288m is to be claimed from August through to March 2021.	(10,308)	0
Controlled Parking Income Total	5,422	11,151
Controlled Parking Expenditure		
Employees - this change is due to the payment in November of the pay raise due in April which has been offset by the postponement of recruitment to vacant posts.	(93)	(115)
Third party payments - underspend for the Ringo contract of £229,000 due to the reduction of pay and display usage. The remaining £55,000 is due to the pause on debt registrations at TEC for the duration of the national lockdown which is expected to last until March.	(284)	(112)
Controlled Parking Expenditure Total	(377)	(227)
TOTAL VARIANCE	5,045	10,924

Table 4 - Savings Delivery				
Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	750	750		
Schemes not On Track	£000s	Reason		

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 9 £000	Risk At Month 6 £000
Potential reduction in collection of previous years debt.	111	0
TOTAL RISKS MANAGED	111	0

APPENDIX 4: FINANCE
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 9 £000	Variance month 6 £000
Employees	6,706	(109)	56
Premises-related expenditure	0	0	0
Transport-related expenditure	2	(2)	0
Supplies & services	2,460	22	0
Third party payments	10	(8)	0
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (Internal Trading Services)	(46)	46	0
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(546)	24	0
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	(4,877)	0	0
Total	3,709	(27)	56

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to COVID M9	Forecast variance (non - COVID) M9
	£000	£000	£000	£000	£000
Assurance, Programmes & Analytics	991	180	201	0	180
Audit, Fraud, Risk and Insurance	1,036	(7)	17	0	(7)
Chief Executives Office	547	(91)	(61)	0	(91)
Finance	3,976	(109)	(101)	0	(109)
Managed Services	2,036	0	0	0	0
SUB -TOTAL	8,586	(27)	56	0	(27)
Departmental non-controllable budgets	(4,834)				
TOTAL	3,752	(27)	56	0	(27)

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Assurance, Programmes & Analytics		
Assurance, Programmes & Analytics - The Business Intelligence (BI) service is forecasting a pressure on staffing costs mainly due to unfunded posts and additional resource brought in to address critical roles required to meet organisational demand, which includes the delivery of several key statutory reports. The BI team continues to deliver financial benefits across the council in excess of total service cost. The overspend is partially offset by forecast underspends on held vacancies within the Programme Management Office.	180	201
Assurance, Programmes & Analytics Total	180	201
Audit, Fraud, Risk and Insurance		
Small staffing underspends	(7)	17
Audit, Fraud, Risk and Insurance Total	(7)	17
Chief Executives Office		
Staffing budget underspends	(91)	(61)
Chief Executives Office Total	(91)	(61)
Finance		
Underspend on staffing budgets across the service due to staff vacancies	(109)	(101)
Finance Total	(109)	(101)
Managed Services		
	0	0
Managed Services Total	0	0
TOTAL VARIANCE	(27)	56

Table 4 - Savings Delivery				
	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	544	544		
Schemes not on track	£000s	Reason		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
None		
TOTAL RISKS MANAGED	0	0

APPENDIX 5: RESOURCES
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 9 £000	Variance month 6 £000
Employees	13,012	(555)	(704)
Premises-related expenditure	196	(1)	7
Transport-related expenditure	16	(12)	(12)
Supplies & services	12,516	(540)	133
Third party payments	435	3	4
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (Internal Trading Services)	29	1,712	1,472
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(7,872)	(218)	0
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	(13,279)	0	0
Total	5,053	389	900

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to COVID M9	Forecast variance (non - COVID) M9
	£000	£000	£000	£000	£000
Communications and Communities	567	601	569	300	301
Democratic services, Coroners & Mortuaries	2,260	649	544	818	(169)
Digital Services	12,965	(780)	(311)	120	(900)
Legal Services	(460)	(150)	0	0	(150)
Members Support	264	66	58	17	49
Transformation, Talent & Inclusion	2,391	9	41	9	0
Procurement	343	(7)	(1)	0	(7)
TOTAL	18,330	388	900	1,264	(876)
Departmental non-controllable budgets	(13,277)				
Revised Variance	5,053	388	900	1,264	(876)

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Communications and Communities		
Communications - The forecast overspend is due to additional expenditure on Covid-19 signposting, an underachievement of traded income within the print service and unachieved savings. It should be noted that a restructure of the service to resolve the historical savings position was completed in December 2020, and budgets have been realigned to reflect current traded position.	601	569
Communications and Communities Total	601	569
Democratic services, Coroners & Mortuaries		
Democratic services, Coroners & Mortuaries - Overspend in response to the Covid-19 outbreak. This is partially mitigated by underspends in governance and coronial services. In line with current Public Health and medical information, the Public Mortuary has seen a rise in caseload, and in response has increased capacity and resource to provide additional resilience to the service, resulting in an increase in cost from month 6.	649	544
Democratic services, Coroners & Mortuaries Total	649	544
Digital Services		
Digital Services - The planned network disaggregation programme has now been placed on hold pending further review, resulting in a reduction of the forecast position from month 6. There have been renegotiations with suppliers on several key business application contracts and a new programme approach to future contract awards which has resulted in a forecast reduction of contract costs within the service. There have also been further cost reductions from decommissioning of network servers and a decrease in print volumes as council offices have been largely vacant due to the Covid-19 outbreak.	(780)	(311)
Digital Services Total	(780)	(311)
Legal Services		
Legal Services - Completion of external projects has resulted in larger than expected one off income receipts in this financial year.	(150)	0
Legal Services Total	(150)	0
Members Support		
Small overspends on staffing budgets.	66	58
Members Support Total	66	58

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Transformation, Talent & Inclusion		
Small overspend on staffing related expenses.	9	41
Transformation, Talent & Inclusion Total	9	41
Procurement		
Procurement - Small underspends on staffing budgets	(7)	(1)
Procurement Total	(7)	(1)
TOTAL VARIANCE	388	900

Table 4 - Savings Delivery					
		MTFS target	On track	Partially deliverable	Undeliverable
		£000s	£000s	£000s	£000s
Total MTFS Savings		300	300		
Schemes not on track	£000s	Reason			

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
None		
TOTAL RISKS MANAGED	0	0

**APPENDIX 6: SOCIAL CARE
BUDGET REVENUE MONITORING REPORT MONTH 9**

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 9 £000	Variance month 6 £000
Employees	13,658	(219)	40
Premises-Related Expenditure	552		
Transport-Related Expenditure	49		
Supplies & Services	1,061	(17)	
Third Party Payments	73,457	(207)	635
Transfer Payments	12,336		
Support Services	4		
Items Excluded from the Cost of Services	0		
Income	(54,098)	669	
Corporate Charges (SLAs and Capital Charges)	8,449		
Total	55,468	226	675
Net COVID-19 cost		2,536	5,205
Revised Total	55,468	2,762	5,880

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to COVID M9	Forecast variance (non - COVID) M9
	£000	£000	£000	£000	£000
Quality, Safety & Performance	20,805	(1,223)	(936)		(1,223)
Learning Disability, Mental Health and In-House Services	22,414	1,492	1,587		1,492
Commissioning	6,200	(26)	25		(26)
Resources	5,529	0	0		
Social Care Directorate	535	(17)	0		(17)
Public Health	(14)	0	0		
TOTAL	55,469	226	676	0	226
Social Care Covid-19 costs	0	6,384	5,205	6,384	
Specific Covid-a9 Grants and Partner Contributions		(3,848)		(3,848)	
Revised Total	55,469	2,762	5,881	2,536	226

Table 3 - Variance analysis

Departmental division	Month 9 £000	Month 6 £000
Quality, Safety & Performance		
<p>The forecast is caveated due to the many uncertainties arising from the ongoing impact of Covid-19. These include the financial pressures resulting from the policy of discharging residents as early as possible from hospital and preventing residents from unnecessary admission into hospital. This leads to an increase in home care costs for the Council. This is a demand pressure which continues until a national policy decision is reached about how to fund adult social care. Overall, this Division is projecting a (£1,223,000) underspend with the main reasons due to the full year effect of 54 net reductions in placements costs due to Covid-19 deaths in care homes which amounts of (£1,291,000) and a further improved social care management system. This is partly offset by a net income shortfall of £669,000 in placements for the same reasons. The other main variances are in Direct Payments with 9 fewer residents (£400,000) and PFI homes (£389,000). There continues to be a projected overspend of £817,000 due to the full year effect of home care packages and further increases in price, which is partly offset by costs of (£629,000) for Home First recharge to the Hospital discharge Covid-19 claim. The main reason for the change in the forecast in this Division is the continued support, robust monitoring and telephone support for people who use social care services which has seen a reduction in costs.</p>	(1,223)	(936)
Quality, Safety & Performance Total	(1,223)	(936)
Learning Disability, Mental Health and In-House Services		
<p>The projected overspend of £1,492,000 is similar to the 2019/20 outturn position. The main pressures are in Learning Disabilities services due to a full year cost effect of new or returning people and higher market costs, with a projected overspend comprising Placements £787,000, Home Care £1,076,000 and Direct Payment £67,000. There are also staffing cost pressures of £122,000 due to the additional capacity required to improve our transitional work with Children's services and offsetting underspends in day care services of (£284,000).</p> <p>In Mental Health services a similar position of the full year effect of new or returning people, with a resultant projected overspend of £222,000 in residential and nursing placements, £79,000 in Home care and an offsetting underspend in Direct Payments of (£35,000).</p> <p>The In house services revised model of day care provision gives an underspend for care provision of (£201,000) and reduced staffing costs of (£341,000) as alternatives service delivery models have been delivered during Covid-19. Robust mitigation plans are in place to address the overspends over the medium term.</p>	1,492	1,587
Learning Disability, Mental Health and In-House Services Total	1,492	1,587

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Commissioning		
There is projected underspend of (£67,000) in lower contract spends, which is partly offset by the meals service overspend of £41,000 from additional referrals following the re-provision of day care services during Covid-19.	(26)	25
Commissioning Total	(26)	25
Resources		
	0	0
Resources Total	0	0
Social Care Directorate		
A projected small underspend on the running costs.	(17)	0
Social Care Directorate Total	(17)	0
Public Health		
The Public Health grants for the financial year is £22.275m. This funding has been allocated to improve Public Health outcomes for residents and the current forecasted spend is £22.245m with the estimated balance of £0.007m to be allocated to PH reserves.	0	0
Public Health Total	0	0
TOTAL VARIANCE	226	676
Covid-19 Expenditure		
The department has incurred actuals of £6.384m for Covid-19 costs in 2020/21 to provide a range of social care measures with additional support to care market providers and residents during the continued pandemic and as part of the Winter plan. The department is assuming all the costs will be funded from a combination of the LA un-ringfenced emergency Covid-19 government funding (£2.428m), Hospital discharge funding via the CCG's (£1.924m), from the Infection Control grants (£1.658m) and the MHCLG income loss funding (0.374m). However, to date the expected un-ringfenced Covid-19 grant funding is not currently sufficient to meet the Council's additional costs and lost revenues.	6,384	5,205

Table 4 - Savings Delivery					
Dept		MTFS target	On track	Partially deliverable	Undeliverable
		£000s	£000s	£000s	£000s
Total MTFS Savings		2,465	2,465	0	0
Schemes not on track	£000s	Reason			

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
Increasing LD transitions residents.	149	244
TOTAL RISKS MANAGED	149	244

APPENDIX 7: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT MONTH 9

Subjective	Revised budget £000	Variance month 9 £000	Variance month 6 £000
Employees (historic past service costs)	3,596	0	0
Premises-related expenditure	269	0	0
Transport-related expenditure	160	0	0
Supplies & services	5,288	0	0
Third party payments	92	0	0
Transfer payments (e.g. housing benefits, schools funding transfers)	112,116	0	0
Support services (internal trading services)	0	0	0
Items excluded from the cost of services (debt management and capital charges)	4,520	0	0
Income (including transfer payments)	(119,212)	639	848
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	6,231	0	0
Total	13,060	639	848

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 9	Forecast variance month 6	Forecast variance due to Covid M9	Forecast variance (non - Covid) M9
	£000	£000	£000	£000	£000
Corporate & Democratic Core	2,254	0	0		
Housing Benefits	(328)	0	0		
Levies	1,545	0	0		
Net Cost of Borrowing	2,915	201	307		201
Other Corporate Items	946	438	541	283	155
Pensions & redundancy	5,728		0		
TOTAL	13,060	639	848	283	356
Balance of unapplied unallocated contingency		(1,056)	(1,256)		
Revised Totals	13,060	(417)	(408)	283	356

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Corporate & Democratic Core		
Corporate & Democratic Core total	0	0
Housing Benefits		

Table 3 - Variance analysis		
Departmental division	Month 9 £000	Month 6 £000
Housing Benefits total	0	0
Levies		
Levies total	0	0
Net Cost of Borrowing		
Historically low interest rates have led to reduced investment returns on cash balances.	201	307
Net Cost of Borrowing total	201	307
Other Corporate Items		
Management responsibility for advertising hoarding income is being transferred between departments and financial monitoring is temporarily being reported in Centrally Managed Budgets. There is currently a forecast underachievement of income in this area of £393,000 of which £238,000 is attributable to Covid-19 factors. These losses are not claimable under the Covid-19 income loss grant.	393	391
Land charge income is forecast to be under budget due to market conditions caused by the Covid-19 pandemic (net of Covid-19 income loss grant).	45	150
Other Corporate Items total	438	541
Pensions & redundancy		
Pensions & redundancy total	0	0
TOTAL VARIANCE	639	848

Table 4 - Savings Delivery				
Dept	MTFS target	On track	Partially deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total savings	1,695	1,695		
Schemes not on track	£000s	Reason		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 9 £000	Risk at month 6 £000
None		
TOTAL RISKS MANAGED	0	0
Supplementary monitoring information		

The overspend reported in Centrally Managed Budgets (CMB) relates to areas that are outside of Centrally Manged Budgets' control. The management of advertising hoardings is being transferred between departments and performance is being temporarily reported in CMB. Land charge income is managed by the Environment department but has being historically reported within CMB. Both these income streams have been affected by Covid-19.

APPENDIX 8: HOUSING REVENUE ACCOUNT
BUDGET REVENUE MONITORING REPORT MONTH 9

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000's	Variance Month 9 £000's	Variance Month 6 £000's
Employees	22,171	(1,131)	(1,256)
Premises-Related Expenditure	17,780	3,842	3,716
Transport-Related Expenditure	260	(92)	(99)
Supplies & Services	13,123	(3,803)	(3,290)
Third Party Payments	1,211	168	192
Transfer Payments	0	0	0
Support Services	464	414	127
Items Excluded from the Cost of Services	0	70	70
Income	(80,708)	297	329
Non Controllable Expenditure	33,623	(634)	(736)
Appropriation From (+)/To (-)HRA General Reserve	7,924	(867)	(948)

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 9	Forecast Variance Month 6	Forecast Variance due to COVID	Forecast Variance (non - COVID)
	£0	£0	£0	£000	£000
Housing Income	(77,474)	(538)	(318)	83	(620)
Finance & Resources	9,365	(3,384)	(3,399)	15	(3,399)
Housing Management	6,572	621	707	200	421
Property & Compliance	9,659	(4)	(101)		(4)
Void & Repairs	7,411	838	585		838
Long Term Repairs Model	0	2,555	2,555		2,555
Safer Neighbourhoods	712	(127)	(83)		(127)
Place	13,702	57	(133)	25	32
Regeneration & Development	1,199	(240)	(45)		(240)
Operations	3,968	(78)	(42)		(78)
Capital Charges	25,180	(637)	(744)		(637)
Corporate Support Service Recharges	7,630	70	70		70
Appropriation from HRA General Reserve	7,924	(867)	(948)	323	(1,190)

Table 3 - Variance Analysis		
Departmental Division	Month 9 £000	Month 6 £000
Housing Income		
There are forecast overspends on: dwelling rent and service charges of £121,000 (0.17% of gross budget); garage income of £57,000 due to a review of historic rent arrears and lower levels of income than originally budgeted for; advertising income due to the Covid-19 pandemic of £83,000; repairs and maintenance on HRA commercial units of £40,000 and other minor variances of £11,000. These are offset by a projected underspend on the budgeted bad debt provision of (£850,000).	(538)	(318)
Housing Income Total	(538)	(318)
Finance & Resources		
This relates to a release of a provision for risk (£3,297,000) and an underspend due to staffing vacancies (£87,000).	(3,384)	(3,399)
Finance & Resources Total	(3,384)	(3,399)
Housing Management		
An underspend of (£267,000) on staffing costs is mainly due to vacant posts within the Neighbourhood Services division, downsizing grant expenditure because of lower take up (£25,000) and maintenance of communal equipment and furniture underspend of (£76,000), improve in hostels collection (£15,000) totalling (£360,000). This is expected to offset an increase in temporary accommodation and disturbance allowance costs due to the increase in the number of decants of £342,000 and loss of income from temporary on licence properties of £83,000.	41	127
Unbudgeted Careline service costs of £380,000 following a review of the apportionment of costs between the General Fund and the Housing Revenue Account.	380	380
Covid-19 related costs mainly due to enhanced cleaning of Sheltered Block £200,000.	200	200
Housing Management Total	621	707
Property & Compliance		
An increase in staffing costs is being funded from underspends elsewhere.	(4)	(101)
Property & Compliance Total	(4)	(101)
Long Term Repairs Model		
This relates to the increased costs associated with the procurement of new repairs and maintenance contracts as part of the long term repairs model.	2,555	2,555
Long Term Repairs Model Total	2,555	2,555

Table 3 - Variance Analysis		
Departmental Division	Month 9 £000	Month 6 £000
Void & Repairs		
Due to an amendment to the Landlord and Tenant Act 1985 & The Homes (Fitness for Human Habitation) Act 2018 in March 2020, the Repairs Team have seen a significant increase in disrepair claims. As a result of the increased number of claims, an overspend of £350,000 on the disrepair provision is expected and the associated legal cost in relation to mainly disrepair claim handling has also resulted in a forecast of £343,000 of legal cost (both internal and external). An overspend of £138,000 is expected on staffing budget and further £7,000 of other minor variances.	838	585
Void & Repairs Total	838	585
Adult Social Care		
No variance expected	0	0
Adult Social Care Total	0	0
Safer Neighbourhood		
An underspend of (£144,000) is expected mainly on staffing costs due to recruitment delays offset by minor variances of £17,000.	(127)	(83)
Safer Neighbourhood Total	(127)	(83)
Place		
Forecast staffing underspends of (£479,000) are offset by a similar level of overspend on sub-contractors within the H&F Maintenance Team. In addition, there are bad debt write offs of £40,000 and Covid-19 spend of £25,000 mainly for cleaning sheltered units.	57	(133)
Place Total	57	(133)
Regeneration & Development		
This mainly relates to a lower than budgeted spend forecast on abortive capital project costs	(240)	(45)
Regeneration & Development Total	(240)	(45)
Operations		
This relates to staffing underspend of (£78,000) within the division.	(78)	(42)
Operations Total	(78)	(42)
Capital Charges		
This relates to an increased depreciation charge of £450,000 following a revaluation of the Council's housing stock which has determined that values have increased on average since last year by 5.4% - more than double the rate expected when the	(637)	(744)

Table 3 - Variance Analysis		
Departmental Division	Month 9 £000	Month 6 £000
budget was set; a reduction in interest payable on HRA debt of (£864,000) has been possible following a revision to the borrowing strategy to take advantage of considerably lower interest rates available than originally budgeted; interest earned on balances is expected to marginally offset the interest paid on internal borrowing from the General Fund to meet the HRA's capital financing requirement (£223,000).		
Capital Charges Total	(637)	(744)
Corporate Support Service Recharges		
Additional corporate recharges are expected for the HRA share of the apprenticeship levy (£70,000).	70	70
Corporate Support Service Recharges Total	70	70
TOTAL VARIANCE	(867)	(948)

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 9 £000	Risk At Month 6 £000
Capitalisation of staffing costs - Due to the impact of Covid-19, there is a risk of slippage on the capital programme this year, and this will cause staff capitalisation to be lower than budgeted, resulting in unbudgeted charges to revenue. Officers are currently monitoring this and should the risk crystallise, it will be shown as a variance.	768	768
Repairs and Maintenance - The impact of the Covid-19 could see an increase in costs such as contractual claims, extended preliminaries, storage and inflated material costs could. Social distancing measures create challenges in meeting statutory responsibilities such as carrying out gas safety checks which could lead to regulatory penalties and health and safety incidents. In addition, following the demobilisation of the Interim Repairs Model, a claim for disputed works costs has been filed by one of the repairs contractor for £1m. Management is currently reviewing the legitimacy of the claim and will update accordingly.	1,710	1,710
A mid-year review of corporate recharges to the HRA has indicated that there may be a potential increase in costs.	480	-
TOTAL RISKS MANAGED	2,958	2,478

Table 4 - Savings Delivery					
Dept		MTFS Target	On Track	Partially Deliverable	Undeliverable
		£000s	£000s	£000s	£000s
Total MTFS Savings		500	500		
Schemes not On Track	£000s	Reason			

Supplementary Monitoring Information	
<p>A set of proposed mitigations and savings to financially sustain the Housing Revenue Account in the long term and to manage pressures such as the additional funding required from the procurements associated with the Long Term Repairs Model has been submitted to Cabinet as part of the Council's annual review of its Medium Term Financial Strategy.</p>	

**APPENDIX 9
VIREMENT REQUESTS**

Details of virement	Amount (£000)	Department
GENERAL FUND:		
Planned use of Supporting People Reserve to fund Supporting People Services.	300	Social Care
	(300)	Social Care
Allocation from the Greater London Authority (GLA) Adult Education Budget fund to the Adult Learning and Skills Service	105	The Economy
	(105)	The Economy
Total of Requested GF Virements (Debits)	405	