

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 01/11/2021

Subject: 2021/22 Corporate Revenue Monitor - Month 4 (July 2021)

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

Responsible Director: Emily Hill, Director of Finance

SUMMARY

This is the second corporate revenue monitoring report produced for 2021/22.

A **£2.260m** underspend is forecast for the General Fund. This is after the expected application of Covid-19 grant funding of **£4.849m**. Action plans of **£1.879m** are proposed to mitigate against any overspends arising during the year.

RECOMMENDATIONS

1. To note General Fund forecast underspend of £2.260m.
 2. To note that the forecast draw down from the Housing Revenue Account general balance will be £0.320m less than budgeted.
 3. To note the in-year Dedicated Schools Grant overspend of £1.810m.
 4. To approve the General Fund virement of £0.310m as detailed in Appendix 9.
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Wards Affected: All

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

	Forecast Overspend/ (Underspend) £m	Forecast Overspend/ (Underspend) net of mitigating actions £m
Current year – month 4	(2.260)	(4.139)
Current year – month 2	(1.985)	(4.299)
2020/21 outturn	(0.301)	(0.301)

This report sets out the current forecast and action plans to deliver further in-year savings.

Funding for the High Needs Block (HNB) continues to be under pressure although the cumulative overspend on the Dedicated Schools Grant (DSG) reserve reduced to £16.679m at 31 March 2021 following the successful negotiation for additional funding from the DfE, £6m of which was received in 2020/21.

For 2021/22 a further DSG overspend of £1.810m is forecast that will be offset by additional Government funding towards the cumulative deficit of £4m. This will reduce the overall deficit to £14.489m by year end. The additional Government funding is subject to the council managing its DSG recovery plan.

After allowance for the impact of Covid-19, the forecast draw down from the Housing Revenue Account (HRA) general balance will be £0.320m less than budgeted.

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

1. The General Fund forecast at month 4 (July 2021) is a favourable variance of £2.260m (Table 1). This forecast allows for the application of available Covid-19 grant balances.

Table 1 – Month 4 (July 2021): General Fund forecast (underspends in brackets)

Department	Gross variance £m	Covid-19 variance £m	Net variance £m
Children's Services	0.538	0.546	(0.008)
The Economy Department	1.089	1.011	0.078
The Environment Department	0.712	0.862	(0.150)
Controlled Parking Account	(2.729)	0.550	(3.279)
Finance	0.438	0.306	0.132
Resources	(0.205)	0.274	(0.479)
Social Care	2.746	1.300	1.446
Centrally Managed Budgets	0.000	0.000	0.000
Total	2.589	4.849	(2.260)
Covid funding / contingency applied	(4.849)	(4.849)	0.000
TOTAL	(2.260)	0.000	(2.260)

2. Covid-19 continues to have an impact on the council's revenue streams, such as planning and events. Additional expenditure is also forecast on a range of budgets, such as on additional cleaning staff and deep cleaning of office buildings and enforcement of social distancing in parks and open spaces.
3. For 2021/22, the council has been allocated £6.188m of unringfenced Covid funding. The council has also set aside a one-off Covid contingency of £1.096m. Such funding is sufficient to meet the current forecast Covid-19 pressures. Concern remains that pent-up demand for services will result in additional cost pressures later in the year and the council is experiencing increased demand and costs, particularly in Social Care.
4. For 2021/22, the existing Covid-19 income compensation scheme will continue to operate for lost sales, fees and charges for the first quarter only of the financial year. 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 income is excluded. The Covid-19 variance set out in Table 1 is net of the anticipated income grant.
5. The underlying budget underspend, net of the financial impact of Covid-19, is £2.260m. This is set out in Table 2.

Table 2 – Month 4 forecast variance excluding the impact of Covid-19

Department	Revised budget £m	Forecast net variance Month 4 £m	Forecast net variance Month 2 £m
Children's Services	51.566	(0.008)	0.172
The Economy Department	10.439	0.078	(0.232)
The Environment Department	67.589	(0.150)	(0.252)
Controlled Parking Account	(26.662)	(3.279)	(3.220)
Finance	0.871	0.132	0.130
Resources	4.514	(0.479)	(0.372)
Social Care	57.146	1.446	1.789
Centrally Managed Budgets	18.647	0.000	0.000
Total	184.110	(2.260)	(1.985)

6. Mitigating action plans of £1.879m have been identified, which if delivered would increase, the underspend to £4.139m.

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

Department	Forecast Outturn Variance	Potential Value of Action Plan Mitigations	Forecast Outturn Variance
	£m	£m	£m
Children's Services	(0.008)	0.074	(0.082)
The Economy Department	0.078	0.000	0.078
The Environment Department	(0.150)	0.000	(0.150)
Controlled Parking Account	(3.279)	0.000	(3.279)
Finance	0.132	0.445	(0.313)
Resources	(0.479)	0.000	(0.479)
Social Care	1.446	1.360	0.086
Centrally Managed Budgets	0.000	0.000	0.000
Total	(2.260)	1.879	(4.139)
Net impact of Covid	0.000	0.000	0.000
	(2.260)	1.879	(4.139)

7. Financial risks of £11.631m are identified at month 4 and are included in the appendices. In addition:
- National negotiations are on-going regarding the 2021/22 local government pay award.
 - Discussion are on-going regarding the funding of stabilisation and restoration works of Hammersmith Bridge and the council is incurring revenue and capital costs at risk.

8. Action is required to manage these risks. An unallocated contingency of £3m is held within the 2021/22 budget should financial mitigation be required. If all, or part, of the unallocated contingency is not used the forecast underspend will increase.
9. The main departmental variances are set out in Appendices 1 to 7. Additional information is provided on the delivery of planned savings and the type of expenditure (such as employees).

HOUSING REVENUE ACCOUNT

10. The Housing Revenue Account budget expected a draw on reserves of £7.1m in 2021/22. It is forecast to draw down **£0.320m** less from balances than budgeted. The main variances are detailed in Appendix 8.

Table 4: Housing Revenue Account forecast outturn

Housing Revenue Account (General Reserve)	Forecast Month 2 £m	Forecast Month 2 £m
Balance as at 31 March 2021	(17.563)	(17.563)
Less: Budgeted appropriation from balances	7.187	7.187
Add: underspend	(0.320)	(0.233)
Balance as at 31st March 2022	(10.696)	(10.609)

DEDICATED SCHOOLS GRANT (DSG)

11. 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.
12. Funding for the High Needs Block (HNB) continues to be under pressure with the latest forecast set out in Table 5. For 2021/22, a DSG HNB overspend of £1.810m is forecast (£2.9m in 2020/21) that will be offset by additional Government funding of £4m. This will reduce the overall cumulative deficit to £14.489m by year end. The additional Government funding is subject to the council managing its DSG recovery plan as part of the grant conditions.
13. The forecast has deteriorated since month 2 due to increased demand for Education Health and Care Plans being experienced.

Table 5: Dedicated Schools Grant – High Needs Block deficit

	Forecast Month 4 £m	Forecast Month 2 £m
Cumulative deficit brought forward	16.679	16.679
In-year forecast deficit	1.810	0.840
Safety valve funding	(4.000)	(4.000)
Cumulative deficit carried forward	14.489	13.519

GENERAL FUND RESERVES

14. As set out in Table 6 the council carried forward general balances and earmarked reserves of £65.3m at the start of 2021/22. An update on the reserves strategy and action plan will be completed and reported at month 6. The current year forecast underspend will enable a contribution to reserves.

Table 6 – General Fund reserves

	2021/22 Opening balance £m
General balance	19.3
Earmarked reserves	46.0
Total general balances and earmarked reserves	65.3
Restricted reserves	9.3
Covid-19 response and recovery reserve	50.9
Dedicated Schools Grant (includes high needs block)	18.8
Total	144.3
Revenue developer contributions (section 106 and community infrastructure levy)	46.0

15. The Covid-19 reserve of £50.9m includes £41m that relates to the council's share of business rates reliefs issued in 2020/21. These funds are not available to the council more generally but to meet known collection fund liabilities that will be charged against this reserve as they become due. In addition, the reserve includes £3.9m carried forward in respect of business grants that are payable to local businesses in 2021/22 in line with the government's grant conditions.

VIREMENT AND WRITE OFF REQUESTS

16. A General Fund virements of £0.31m is proposed (Appendix 9). This virement is to transfer one-off IT income to reserves to be invested in future IT projects.

REASONS FOR DECISION

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

EQUALITIES IMPLICATIONS

18. As required by Section 149 of the Equality Act 2010 (the Act), 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.
19. 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.

RISK MANAGEMENT IMPLICATIONS

20. 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.

Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, telephone 020 8753 2587.

List of Appendices:

Appendix	Title
Appendix 1	Children's Services
Appendix 1a	Dedicated Schools Grant (DSG)
Appendix 2	The Economy Department
Appendix 3	The Environment Department
Appendix 3a	Controlled Parking Account
Appendix 4	Finance
Appendix 5	Resources
Appendix 6	Social Care
Appendix 7	Centrally Managed Budgets
Appendix 8	Housing Revenue Account
Appendix 9	Virement Requests

**APPENDIX 1: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING MONTH 4**

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 4 £000	Variance Month 2 £000
Employees	25,994	(273)	435
Premises-related expenditure	542	61	3
Transport-related expenditure	175	(82)	(71)
Supplies & services	5,676	201	322
Third party payments	48,774	4,348	2,132
Transfer payments	70,379	(1,755)	(936)
Support services	993	134	69
Items excluded from the cost of services	0	0	0
Income	(105,986)	(2,097)	(1,739)
Non controllable expenditure	5,019	0	0
Total	51,566	538	214

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget £000	Forecast Variance Month 4 £000	Forecast Variance Month 2 £000	Forecast Variance due to Covid M4 £000	Forecast Variance (non - Covid) M4 £000
Children and Young People's Services	32,093	72	(134)	243	(171)
Education	12,005	348	280	303	45
Children's Commissioning	3,216	(34)	5	0	(34)
Children's Performance & Improvement	2,476	(83)	(119)	0	(83)
CHS Departmental Budgets	1,776	236	183	0	236
School Funding	0	0	0	0	0
TOTAL	51,566	538	214	546	(8)

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
Children and Young People's Services		
Placements		
Savings of £400,000 are being delivered as part of the 2021/22 budget. A further £1,150,000 of budget has been reallocated to other demand pressures within the department.	(730)	(173)
Significant savings to some high cost placements have been made since the period 2 forecast along with the ongoing work		

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
to ensure young people are in the most suitable placement. There is a high degree of risk of increased case numbers later in the year and demand will be closely tracked. The placements model contains £743,000 for the cost of new placements with an element to offset known exits and step-downs, and element for growth in numbers.		
<u>Client Related Expenditure</u> Alongside placement costs there are additional costs including travel and subsistence and various statutory allowances. The significant overspend in 2020/21 has been mitigated in 2021/22 by budget growth and a further budget increase facilitated by placements savings. Work to reduce expenditure is being progressed by the service, all of which has led to the minor underspend reported.	(14)	(45)
<u>Legal Costs</u> The 2020/21 overspend on legal services was £638,000. Growth of £300,000 was applied from April 2021 and savings delivered elsewhere in the department has allowed a further legal budget increase of £260,000. Work by the service is looking to reduce care proceedings by 3 cases per year which aims to reduce the overspend reported by March 2022.	100	118
<u>Staffing</u> A review of the cost apportionment methodology for the fostering service has led to an increase in the Council's share of activity and costs with a forecast overspend of £265,000. Overspends in the Looked After Children's Service (£158,000), Early Help (£121,000) and Family Support and Child Protection (£104,000) are due to agency staff covering long term sickness, maternity leave and vacant posts whilst recruitment is taking place. Costs for additional workers for age assessments (£67,000) in Looked After Children Service and additional sessional workers in the Contact Centre (£72,000) have been included in the variance caused by Covid-19.	737	0
Other minor variances	(20)	(34)
Children and Young People's Services Total	72	(134)
<u>Education</u>		
<u>Children with disability placements - Short breaks and care packages</u> The current profile of packages is: Direct payments 133 packages; forecast £674,840 Care Packages (Spot) 95 packages; forecast £810,576 Residential Placements 10 packages; forecast £822,597.	137	212

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
<p>A small contingency budget of £74,000 is included in the forecast for new packages which are added as the information becomes available. At this stage it is not clear if these packages will be taken up.</p> <p>The service is reviewing the impact of Covid-19 - savings were partially reliant on service redesign to deliver increased use of the Stephen Wiltshire Centre for group based activities to reduce reliance on spot purchase individual packages of support. Service capacity has not been available to deliver this. Further, due to reduced availability of group based services across the sector there is an increased reliance on individual packages via direct payments and spot purchase.</p>		
<p><u>Education and disabilities</u></p> <p>There is a forecast overspend in staffing within the Education, Health and Care Plan (EHCP) caseworkers' team due to the additional cost of agency staff to cover sickness and one supernumerary Team Manager to support the Service Manager.</p> <p>The overspend is partly offset by vacancies in the Disabled Children's Team (DCT) Team. The service is in the process of restructuring which should present a realignment of posts and budgets.</p> <p>The above has had an impact on the team being able to provide EHCP assessments within statutory timescales. This has been exacerbated by the Covid 19 pandemic.</p>	142	123
<p><u>The Haven Centre</u></p> <p>The overspend is due to under achievement of income. There are 7 beds at the centre with 5 currently filled. The Covid-19 pandemic continues to have an impact on the centre requiring a high level of agency and casual cover for Covid-19 outbreaks. There has been a delayed implementation of the new staffing structure.</p>	176	0
<p><u>Professional Development Centre (income loss)</u></p> <p>The centre is unlikely to open during the summer term of the academic year 2020/21 as a result of Covid-19 related closure. The service is due to leave the current building in August 2021 meaning there will be no income generated in 2021/22. The service is relocating to the Pier in early 2022/23. Mitigations for the budget pressures are being sought.</p>	91	91
Other minor variances	(198)	(146)
Education Total	348	280
Children's Commissioning		

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
No significant variances.	(34)	5
Children's Commissioning Total	(34)	5
Children's Performance & Improvement		
An underspend is due to staffing vacancies.	(83)	(119)
Children's Performance & Improvement Total	(83)	(119)
Children's Services Departmental Budgets		
A reorganisation of support services is being implemented. Once implemented the forecast overspend of £148,000 will reduce with no impact expected for 2022/23.	236	183
Other minor variances totalling £88,000 are forecast.		
Children's Services Departmental Budgets Total	236	183
School Funding		
Nil variance	0	0
School Funding Total	0	0
TOTAL VARIANCE	538	214

Table 4 - Savings Delivery

Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
Children's Services	£000	£000	£000	£000
Total MTFS Savings	748	480	268	
Schemes not On Track	£000s	Reason		
Disabled children care packages	268	This is now expected to be deliverable from 2022/23, although placements are forecast to be within budget across the directorate as a whole.		

Table 5 - Key Risks - Detail Items Over £250,000

Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
Family Services Placements - There is a high degree of risk of increased case numbers later in the year with referrals and demand increasing. The placements model contains £743,000 estimate of costs for new placements.	TBC	TBC
West London Zone - an unfunded contractual commitment exists, the full risk across the contract is £1,000,000 with £250,000 in 2021/22.	250	TBC
TOTAL RISKS MANAGED	TBC	TBC

Supplementary Monitoring Information

None to report

**APPENDIX 1a: DEDICATED SCHOOLS GRANT (DSG)
BUDGET REVENUE MONITORING MONTH 4**

Table 1 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 4	Forecast Variance Month 2	Forecast Variance due to Covid M4	Forecast Variance (non - Covid) M4
	£000	£000	£000	£000	£000
High Needs Block (HNB) Expenditure	25,070	1,810	840	0	1,810
Early Years Block Expenditure	17,003	0	0	0	0
Schools Block Expenditure	39,254	(192)	(192)	0	(192)
Central School Services Block Expenditure	3,336	0	(0)	0	0
DSG Income	(84,664)	0	0	0	0
TOTAL	0	1,618	649	0	1,618

High Needs Block DSG deficit brought forward from prior years	16,679
In Year High Needs Block Forecasted deficit	1,810
2021/22 High Needs Block Safety Valve Funding (To be confirmed)	4,000
Forecast High Needs deficit after Safety Valve Funding	14,489

Table 2 - Variance Analysis		
Departmental Division	Month 4	Month 2
	£000	£000
High Needs Block (<i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and Alternative Provision</i>)		
The HNB forecast shows an adverse movement versus the CRM 2 forecast of £970,000. This revised forecast shows a variance of £1,680,000 against the forecast spend in the Q1 Safety Valve recovery plan agreed with the Department of Education.		
There are one off mitigations proposed in 2021/22 however the ongoing pressure from 2022/23 to 2025/26 will need additional mitigations subject to confirmation of future year funding allocations.	1,810	840
Speech and Language Therapy (SALT) The SALT provision is projected to overspend by £167,000. This is a favourable movement of £82,000.		
Work is ongoing with special schools, the NHS Clinical		

Table 2 - Variance Analysis

Departmental Division	Month 4 £000	Month 2 £000
<p>Commissioning Group (CCG) and their provider Central London Community Healthcare to co-produce an alternative model for delivery in special schools. Special schools had set their budgets for 2021/22 and the original target of 1 April 2021 was unachievable. However, work has been on-going and agreement has been made that one school will implement from the 1 September 2021 and two schools from the 1 January 2022 resulting in the favourable movement.</p> <p>The forecast assumes full recovery of 2021/22 SALT income for non-resident pupils of £312,000. An equivalent amount is also due to be recovered for 2020/21. A provision of £194,000 was made for the 2019/20. There remains a risk around the recovery of this income primarily due to data quality of records provided by the CCG and the time delay in attempting to recover prior year income and the Education service must prioritise recovery to avoid risk of £312,000 crystallising. Recoveree of prior year sums could benefit the overall HNB position by £506,000.</p>		
<p>Top-up funding The 2021/22 forecast includes top-up spend of £17,713,000 across all provision types compared to 2020/21 spend of £16,251,000. This forecast has increased by c.£1m since CRM2.</p> <p>The process for calculating this forecast continues to be manual, primarily due to the delay of the implementation of the SEN case management system (CMS). As reported in CRM 2 the system went live in August 2021 but it will be some time before the benefits to forecasting are achieved. There continues to be a significant risk around this forecast but the development of better processes and management information is giving more assurance that the forecast is accurate.</p> <p>The Covid-19 pandemic has had a detrimental effect on the ability to process EHCP assessments within statutory timescales and has resulted in a back-log. A figure of £360,000 has been included in this forecast to reflect the likely increase in (EHCP) as a result. Work will be undertaken to refine the forecast so that pupils can be tracked to predict future year costs, likely numbers of starters and leavers and outstanding assessments.</p> <p>The forecast includes an additional £600,000 of new and</p>		

Table 2 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
<p>backdated costs for 40 pupils with either a new EHCP, different provision, change of costs or have been placed as a result of a tribunal.</p> <p>The manual processes in maintaining pupil level data has meant that unforeseen historic pupil costs of c£174,000 are being incurred in 2021/22.</p>		
<p>Alternative Provision (AP) There has been a favourable movement of £140,000. The local authority will commence recovering applicable pupil led budgets from schools for permanently excluded pupils. This is allowable within the school finance regulations. Based on current data, this could recover c£88,000 for 2021/22. The remainder of the favourable movement is due to the continuing collaboration between the AP provider, schools and the local authority to regularise the provision of short-term intervention services.</p>		
<p>Additional special school places There is an adverse movement of £170,000 on the cost of commissioned special school places.</p>	0	0
<p>Import and Export adjustment The High Needs funding formula is subject to a net adjustment reflecting the difference between high needs pupils and students living in one local authority and attending a school or college in another. The local authority has been informed of a potential error in the data submitted by a further education college in another borough which could result in a reduction in the 2021/22 high needs funding of £144,000. This should be confirmed by November 2021.</p>		
High Needs Block Total Total	1,810	840
Early Years Block (<i>Funding for Early Years including Two Year Old funding and Early Years Pupil Premium</i>)		
Nil variance expected.	0	0
Early Years Block Total	0	0
Schools Block (<i>This budget of the DSG forms the core funding for mainstream maintained schools</i>)		
A review of de-delegated budgets indicates that there will be a £192,000 underspend on schools in financial difficulty. It is proposed to Schools Forum that this should be carried forward to 2022/23 as part of DSG reserves for deployment on maintained primary schools.	(192)	(192)

Table 2 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
Schools Block Total	(192)	(192)
Central School Services Block (<i>Funding for the Local Authorities ongoing responsibilities</i>)		
Nil variance expected.	0	0
Central School Services Block Total	0	0
TOTAL VARIANCE		649

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
None to report		
TOTAL RISKS MANAGED	0	0

APPENDIX 2: THE ECONOMY DEPARTMENT
BUDGET REVENUE MONITORING MONTH 4

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 4 £000	Variance Month 2 £000
Employees	14,659	242	80
Premises-related expenditure	4,719	2,309	129
Transport-related expenditure	10	0	0
Supplies & services	6,882	189	(21)
Third party payments	21,906	(163)	272
Transfer payments	98	0	0
Support services	196	172	(9)
Items excluded from the cost of services	0		0
Income	(29,409)	(1,455)	498
Non controllable expenditure	(8,622)	(205)	0
Total	10,439	1,089	949

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget £000	Forecast Variance Month 4 £000	Forecast Variance Month 2 £000	Forecast Variance due to Covid £000	Forecast Variance (non - Covid) M4 £000
Housing Solutions	9,023	79	(5)	229	(150)
Economic Development, Skills Service	4,065	0	0	0	0
Planning	1,580	339	476	276	63
Operations	(4,535)	640	478	506	134
Place	84	0	0	0	0
Regeneration & Development	169	31	0	0	31
Head of Finance	53	0	0	0	0
TOTAL	10,439	1,089	949	1,011	78

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
Housing Solutions		
Although the forecast for average client numbers (941 units compared to 950 units in May 2021) is lower than budgeted (978 units) in Private Sector Leased (PSL) temporary accommodation, the unit rent payments to landlords have increased to reflect inflation on the Local Housing Allowance (LHA), resulting in a net forecast overspend.	83	120
The forecast reduction in average client numbers (from a	7	(30)

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
budget of 99 clients to a forecast of 89 compared 83 in May 2021) in Bed and Breakfast (B&B) temporary accommodation, higher out of hours (OOH) placements and pre-booking (from a budget of 4 per day on average to an actual of 9 per day on average to the end of May) and higher cost (from a budget of £275.45 per week to an actual of £284.47 at the end of July compared with £284.55 at end of May 2021) has contained the net forecast overspend to £7,000.		
Other minor variances	80	80
Balance of unapplied Flexible Homelessness Support Grant (total allocation £2.805m).	(146)	(146)
Balance of unapplied Homelessness Reduction Grant (total allocation £568,000).	(174)	(174)
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.	229	145
Housing Solutions Total	79	(5)
Economic Development & Skills Service		
	0	0
Economic Development & Skills Service Total	0	0
Planning		
Development Management - Adverse variance of £159,000 relates mostly exceptional costs associated with judicial reviews and major planning appeals. This is partly offset by a favourable staffing variance of (£85,000) as a result of ongoing recruitment and some voluntary redundancies.	74	(97)
Development Management (Covid-19) - predicting a Planning Applications income shortfall of £362,000 due to the impact of the pandemic. This is a best estimate and will be monitored and updated as patterns emerge. This is expected to be offset by Government grant for Covid-19 income loss for the first quarter of the year only (£86,000).	276	589
Planning Management	(3)	0
Spatial Planning - relates to staffing vacancies due to an ongoing recruitment process following a restructure.	(8)	(16)
Planning Total	339	476
Operations		
Asset Strategy - minor operational overspends.	10	31
Facilities Management and Corporate Buildings - Additional Covid-19 related costs are forecast for cleaning staff and deep cleaning of office buildings.	506	447
Property Transformation Team - staffing costs were expected to be funded from newly identified revenue streams,	124	0

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
but this income is not expected to crystallise until next financial year.		
Operations Total	640	478
Place		
	0	0
Place Total	0	0
Regeneration & Development		
It is expected that the staffing costs of the Development team will be under-capitalised.	31	0
Regeneration & Development Total	31	0
TOTAL VARIANCE	1,089	949

Table 4 - Savings Delivery				
Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000	£000	£000	£000
Total MTFS Savings	1,100	1,100	0	0
Schemes not On Track	£000	Reason		

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
Housing Solutions - Increase in bad debt provision on Temporary Accommodation rent arrears because of reductions in personal income due to Covid-19.	456	570
Housing Solutions - 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.	431	539
Housing Solutions - Homelessness Reduction Bill increase in households in temporary accommodation - extra 70 households this year above the current forecast	270	377
Regeneration & Development - There is a risk of developments not proceeding. This would mean capital spend incurred to date being written off and charged to revenue.	2,691	2,683
Regeneration & Development - if the land sale at Watermeadow Court does not achieve a sufficient capital receipt or does not go ahead, there is a risk that the associated costs of disposal will result in a charge to	TBC	TBC

Table 5 - Key Risks - Detail Items Over £250,000

Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
revenue.		
TOTAL RISKS MANAGED	3,848	4,169

Supplementary Monitoring Information

Housing Solutions - In June 2021, the service received 191 homelessness enquiries, a decrease of 32 in comparison with the same period last year. Only 80 homelessness applications were made - a reduction of 43 compared to the same period last year. In July 2021, 228 homeless enquiries were received, with 68 homelessness applications. The number of homeless enquiries has been steadily increasing since the start of the 2021/22 financial year. The lifting of the eviction ban for private rented tenants as well as the introduction of the Domestic Abuse Act are likely to result in an increase in homelessness applications as 2021/22 progresses. Throughout 2020/21, call volumes on frontline housing advice line continued to increase. Prior to March 2020, monthly call figures never exceeded 1,000. By June 2020, 2,000+ calls were received every month except December 2020, peaking at 2,724 in March 2021.

Planning income in recent years has fluctuated between £3.6m (2018/19), £2.3m (2019/20), £2.2m (2020/21) and is currently forecast to reach £2.7m in 2021/22, some £0.6m short of the budget.

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

- 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 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

APPENDIX 3: THE ENVIRONMENT DEPARTMENT
BUDGET REVENUE MONITORING MONTH 4

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 4 £000	Variance month 2 £000
Employees	25,673	173	371
Premises-related expenditure	5,222	439	177
Transport-related expenditure	827	38	54
Supplies & services	16,602	169	(709)
Third party payments	23,174	821	749
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	116	(0)	(0)
Support services (Internal Trading Services)	0	77	37
Items excluded from the cost of services (Debt management and Capital Charges)	15,311	(106)	(106)
Income	(30,820)	(900)	(97)
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	11,483	0	0
Total	67,589	712	476

Table 2 - Variance by departmental division					
Departmental division	Revised budget £000	Forecast variance M4 £000	Forecast variance M2 £000	Forecast variance due to Covid M4 £000	Forecast variance (non - Covid) M4 £000
Public Realm	36,523	(229)	(304)	180	(409)
Safer Neighbourhoods & Regulatory Services	9,534	843	703	538	305
Leisure, Sport and Culture	7,342	259	102	105	154
Resident Services	14,189	(162)	(26)	39	(201)
Executive and Support	0	0	0	0	0
Revised Variance	67,589	712	476	862	(150)

Table 3 - Variance analysis		
Departmental division	Month 4 £'000	Month 2 £'000
Commercial waste - includes £179,000 income shortfall relating to Covid-19 business closures (£610,000 income loss less grant income of £431,000) and £36,000 loss of income following decant from Hammersmith Town Hall	142	195
Waste collection and disposal - potential savings on Serco contract but dispute process invoked for contract indexation (£199,000) and Waste disposal/other services (£308,000).	(507)	(488)

Table 3 - Variance analysis		
Departmental division	Month 4 £'000	Month 2 £'000
Unconfirmed s106 for Environmental Quality.	85	85
Other net variances	51	(96)
Public Realm Total	(229)	(304)
Community Safety - unbudgeted enforcement of social distancing in parks and open spaces (Covid-19 response), provided by Parks security and enforcement contractor.	409	277
Regulatory Services and Community Safety - expected loss of income £253,000 and expenditure £47,000 incurred due to Covid-19 (business disruption and slow recovery to normal commercial activities)	300	208
Covid19 loss of income to be reimbursed by MHCLG grant (relating to the above).	(171)	(116)
CCTV - Adverse variance due to income shortfall, overspend on staffing costs and unfunded upgrade on CCTV software.	274	142
Noise and Nuisance - net ongoing loss of Gas Safety Checks income following service in-sourcing by housing and overspend on staffing costs due to 24/7 enhancement service.	202	292
Commercial Services - Pest Control income not achieved due to slow recovery of commercial activities; offset by over achievement of rechargeable income from Food and Health Safety Services.	(35)	(31)
Technical Services - underspend on Office Supplies and staffing costs.	(69)	(54)
Other net variances.	(67)	(15)
Community Safety and Regulatory Services Total	843	703
Cancelled events due to Covid-19 lockdown requirements (Polo in the Park and filming).	41	32
Events - Commercial income target for a market on Shepherds Bush Green not progressed due to proximity to the existing market. Alternative income generating proposals not likely to be delivered due to the impact of Covid-19.	50	50
Cancelled Boat Race due to closure of Hammersmith Bridge.	46	46
Civic Services: reduced ceremonies and delayed recruitment	(16)	31
Sand End Community Centre funding shortfall	34	0
Libraries - income target and net loss of income during library closure relating to Covid-19	8	8
Leisure contract - income shortfall due to deferment of contractual income during period of leisure centre closure, related to Covid-19	36	36
Sports bookings contract - income shortfall due to deferment of contractual income during period of no bookings in parks, related to Covid-19	86	20
Net cemeteries income	(108)	(165)

Table 3 - Variance analysis		
Departmental division	Month 4 £'000	Month 2 £'000
Net repairs and maintenance (grounds, trees and playgrounds), legal costs associated with Grounds Maintenance contract reprocurement and smaller net variances	82	45
Leisure, Sport and Culture Total	259	103
Staffing overspend Covid-19 related (agency staff working on Test & Trace and delayed redundancies) and net vacancies	250	231
New Burdens Funding received to cover Covid 19 pressures.	(290)	(290)
External Contact Centre brought in-house - savings ringfenced for Resident experience Access Programme.	(100)	
Other smaller net variances (Legal and recovery costs overspend, free school meals income and bank charges refunds)	(22)	33
Resident Services Total	(162)	(26)
Executive and Support Total	0	0
TOTAL VARIANCE	712	476

Table 4 - Savings Delivery				
	MTFS target £000	On track £000	Partially deliverable £000	Undeliverable £000
Total Savings	699	557	71	71
Schemes not on track	£000	Reason		
Pest Control	35	Due to slow recovery of commercial activities after Covid-19.		
Leisure Contract	101	Due to slow recovery of Leisure activities after Covid-19.		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 4 £000	Risk at month 2 £000
Law Enforcement Team - Unconfirmed HRA contribution towards the provision of service	340	340
Law Enforcement Team - Unbudgeted one-off implementation cost	500	500
Law Enforcement Team - Projected loss of FPNs income (Loss of income for the 1st three months-April to June of £90k included in the forecast. This to be reviewed and subject to year-end outturn for 2021/22)	350	350

Table 5 - Key risks - detail items over £250,000

Risk Description	Risk at month 4 £000	Risk at month 2 £000
Professional fees under review pending approval of three year capital programme funded by s106 and other funding	1,887	0
Ongoing disputes relating to contract inflation and indexation	580	0
TOTAL RISKS BEING MANAGED	3,657	1,190

APPENDIX 3A: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING MONTH 4

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000s	Variance Month 4 £000s	Variance Month 2 £000s
Employees	6,627	(21)	0
Premises-related expenditure	76	0	0
Transport-related expenditure	73	0	0
Supplies & services	719	250	0
Third party payments	2,877	136	0
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (Internal Trading Services)	314	(62)	0
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(40,349)	(3,032)	(2,644)
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	3,001	0	0
Total	(26,662)	(2,729)	(2,644)

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget £000	Forecast Variance Month 4 £000	Forecast Variance Month 2 £000	Forecast Variance due to Covid M4 £000	Forecast Variance (non - Covid) M4 £000
Controlled parking income	(40,349)	(3,032)	(2,644)	550	(3,582)
Controlled Parking Account expenditure	13,687	303	0	0	303
TOTAL	(26,662)	(2,729)	(2,644)	550	(3,279)

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
Controlled Parking Income		
Pay & Display - Consistent activity at higher levels than expected.	(3,366)	(2,999)
Penalty Charge Notice Income - drop in income forecast	908	596
Other Income Streams - Suspensions, Permits, and Traffic Orders above budgeted levels.	(415)	0
Government Grant - forecast income loss due to pre Covid income streams for Quarter 1.	(159)	(241)
Controlled Parking Income Total	(3,032)	(2,644)

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
Controlled Parking Expenditure		
Salary Expenditure	(21)	0
Controlled Parking Expenditure - Increased charges from Pay & Display activity, as well as one-off Conduent (Parking Management System) costs.	324	0
Controlled Parking Expenditure Total	303	0
TOTAL VARIANCE	(2,729)	(2,644)

Table 4 - Savings Delivery				
Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000	£000	£000	£000
Total MTFS Savings	400	400		
Schemes not On Track	£000	Reason		

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
Possibility of a further government Covid-19 restrictions later in the year.	2,000	2,000
TOTAL RISKS MANAGED	2,000	2,000

Supplementary Monitoring Information
None to report.

APPENDIX 4: FINANCE
BUDGET REVENUE MONITORING MONTH 4

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 4 £000	Variance month 2 £000
Employees	6,390	(559)	(549)
Premises-related expenditure	0	0	0
Transport-related expenditure	2	(2)	(2)
Supplies & services	2,600	73	26
Third party payments	10	251	223
Transfer payments (e.g. housing benefits, Schools funding transfers)	0	0	0
Support services (internal trading services)	(43)	115	116
Items excluded from the cost of services (debt management and capital charges)	0	0	0
Income	(3,247)	560	556
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	(4,841)	0	0
Total	871	438	369

Table 2 - Variance by departmental division					
Departmental division	Revised budget £000	Forecast variance month 4 £000	Forecast variance month 2 £000	Forecast variance due to Covid M4 £000	Forecast variance (non - Covid) M4 £000
Audit, Fraud, Risk and Insurance	986	22	(22)	0	0
Assurance, Programmes & Analytics	1,335	(189)	0	0	0
Corporate Services	547	(116)	(111)	0	0
Finance	3,153	226	0	0	0
Managed Services	2,132	0	0	0	0
Commercial	(2,441)	495	503	306	189
SUB-TOTAL	5,712	438	369	306	189
Departmental non-controllable budgets	(4,841)	0	0	0	0
TOTAL	871	438	369	306	189

Table 3 - Variance analysis

Departmental division	Month 4 £000	Month 2 £000
Audit, Fraud, Risk and Insurance		
Staffing overspends	22	(22)
Audit, Fraud, Risk and Insurance Total	22	(22)
Assurance, Programmes & Analytics		
Work by the Business Intelligence service to support contact tracing and public health initiatives which is funded by one-off grant and vacancies within the Programme Management Office.	(189)	0
Assurance, Programmes & Analytics Total	(189)	0
Corporate Services		
Underspend on staffing	(116)	(111)
Corporate Services	(116)	(111)
Finance		
Forecast overspend due to part year savings delivery arising from the finance service review delayed due to Covid-19	226	0
Finance Total	226	0
Managed Services		
	0	0
Managed Services Total	0	0
Commercial		
The impact of the Covid-19 pandemic has led to a fall in expected income from advertising agencies. A number of our sites are on a profit share basis and are forecast to result in a budget pressure.	495	503
Commercial Total	495	503
TOTAL VARIANCE	438	369

Table 4 - Savings Delivery				
	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000	£000	£000	£000
Total MTFS Savings	450	50	200	200
Schemes not on track	£000s	Reason		
Finance	400	Restructure proposals for finance service currently under review for consultation and implementation in 2021/22.		

Table 5 - Key risks - detail items over £250,000
--

Risk Description	Risk at month £000	Risk at month 2 £000
None to report		
TOTAL RISKS MANAGED	0	0

Supplementary monitoring information
None to report

APPENDIX 5: RESOURCES
BUDGET REVENUE MONITORING MONTH 4

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 4 £000	Variance month 2 £000
Employees	13,451	(255)	509
Premises-related expenditure	184	(7)	(4)
Transport-related expenditure	16	(4)	(4)
Supplies & services	9,294	617	(38)
Third party payments	412	(265)	(265)
Transfer payments (e.g. housing benefits, schools funding transfers)	0	0	0
Support services (internal trading services)	17	54	38
Items excluded from the cost of services (debt management and capital charges)	683	0	0
Income	(5,594)	(345)	(258)
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	(13,947)	0	0
Total	4,514	(205)	(22)

Table 2 - Variance by departmental division					
Departmental division	Revised budget £000	Forecast variance month £000	Forecast variance month 2 £000	Forecast variance due to Covid M4 £000	Forecast variance (non - Covid) M4 £000
Communications and Communities	567	35	0	35	0
Democratic services, Coroners & Mortuaries	2,248	(115)	107	76	(191)
Digital Services	12,488	(100)	(200)	150	(250)
Legal Services	(460)	(100)	0	0	(100)
Leaders Office	264	60	55	0	60
Transformation, Talent & Inclusion	2,391	13	13	13	(0)
Procurement	261	0	0	0	0
Resources Directorate	19	3	3	0	3
SUB-TOTAL	17,778	(205)	(22)	274	(479)
Departmental non-controllable budgets	(13,265)	0	0	0	0
TOTAL	4,514	(205)	(22)	274	(479)

Table 3 - Variance analysis

Departmental division	Month 4 £000	Month 2 £000
Communications and Communities		
Communications - additional communication support to meet the demands of Covid-19 recovery.	35	0
Communications and Communities Total	35	0
Democratic services, Coroners & Mortuaries		
The movement is due to spend lower than forecast on Programme for London Excess Deaths Partnership (formerly known as the Mortality Management Group). There are also forecast underspends due to one-off income from second post-mortems and small staffing underspends.	(115)	107
Democratic services, Coroners & Mortuaries Total	(115)	107
Digital Services		
Underspends on business application contract costs.	(100)	(200)
Digital Services Total	(100)	(200)
Legal Services		
There has been an increase in demand for legal advice and therefore the service is forecasting one-off income for this financial year based on prior trend analysis. This income is volatile and there is a risk that this may not materialise should demand decrease.	(100)	0
Legal Services Total	(100)	0
Transformation, Talent & Inclusion		
Small overspend on staffing.	13	13
Transformation, Talent & Inclusion Total	13	13
Procurement		
	0	0
Procurement Total	0	0
Other		
Staffing and administrative support	63	58
Other	63	58
TOTAL VARIANCE	(205)	(22)

Table 4 - Savings Delivery

	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000	£000	£000	£000
Total MTFS Savings	457	457	0	0
Schemes not on track	£000s	Reason		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month £000	Risk at month 2 £000
None to report		
TOTAL RISKS MANAGED	0	0

Supplementary monitoring information
None to report

**APPENDIX 6: SOCIAL CARE
BUDGET REVENUE MONITORING MONTH 4**

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 4 £000	Variance Month 2 £000
Employees	14,198		
Premises-related expenditure	584		
Transport-related expenditure	41		
Supplies & services	1,120	(59)	(62)
Third party payments	70,481	1,505	1,851
Transfer payments	12,800		
Support services	8		
Items excluded from the cost of services	0		
Income	(52,108)		
Corporate Charges (SLAs and capital charges)	10,021		
Total	57,145	1,446	1,789
Covid-19 cost	0	1,300	1,300
Revised Total	57,145	2,746	3,089

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget £000	Forecast Variance Month 4 £000	Forecast Variance Month 2 £000	Forecast Variance due to Covid £000	Forecast Variance (non - Covid) M4 £000
Quality, Safety & Performance	22,281	1,062	979	0	1,062
Learning Disability, Mental Health and In-House Services	24,028	361	832	0	361
Commissioning	4,796	82	40	0	82
Resources	5,513	0	0	0	0
Social Care Directorate	528	(59)	(62)	0	(59)
Public Health	0	0	0	0	0
TOTAL	57,146	1,446	1,789	0	1,446
Social Care Covid 19	0	1,300	1,300	1,300	0
REVISED Total	57,146	2,746	3,089	1,300	1,446

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £001

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £001
Quality, Safety & Performance		
<p>The 2021/22 budget includes savings of £1.950m. There are many unknowns in the budget from the on-going impact of Covid-19 such as: 1) the impact of the Hospital discharges placed by the NHS requiring reassessment of care which is likely to lead to further additional costs in social care; 2) the impact on the care market providers for on-going additional costs of Covid-19 (the council continues to provide a package of measures to support providers); 3) the impact to achieve savings; & 4) market instability following Covid-19.</p> <p>The main reasons for the overspend is the full year effect and additional 125 net increase in care packages costing £2,336,000 and partly offset by (£583,000) in Direct Payments due to returned unspent funds and changes in care costs. A large part of this pressure is an overspend of £1,078,000 for 44 new Discharge 2 Assess (D2A) NHS placements led by CCG and then transferred (fee non-negotiable), to the council after a re-assessment of needs. As a result of the CCG sourcing placements, the costs of these are above H&F fee levels and the full year effect of the additional cost is £940,000 which H&F are looking to recharge the CCG.</p> <p>There is also a significant risk of more patients yet to be assessed and transferred over to social care and it is believed 80% will transfer. Partly offsetting the pressures is a reduction in other placement and supporting living accommodation of (£251,000) and additional income of (£218,000) on Residential Income contributions and funded nursing care as the number of residents increase. Mitigation plans are in place to address this overspend and the department has assumed (£1,300,000) will be funded from the un-ringfenced Covid-19 government grant as these costs are the medium term impact from Covid-19.</p>	1,062	979
Quality, Safety & Performance Total	1,062	979
Learning Disability, Mental Health and In-House Services		
<p>The main pressures are due to a full year cost of new or returning people commencing from 2020/21 and higher market costs with a projected overspend of Home Care £343,000, Placements £431,000 and offset by underspend in Direct Payment and Day Care services areas of (£210,000) and Individual Service Fund contract (£177,000). In Mental Health the forecast has improved since month 2 with an overall projected overspend down to £70,000 due to reduced number of placements and an underspend of (£96,000) in</p>	361	832

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £001
Provider Services mainly resulting from day care services. Mitigation plan are in place to address the remaining overspends.		
Learning Disability, Mental Health and In-House Services Total	361	832
Commissioning		
The existing meals contract with Harrow Commercial Services is ending on the 31 August 2021. There will be a new meals and chat service for remaining residents. The costing of the proposed new spot providers, plus the additional homecare costs and the part year effect of the Harrow contract to the end of August is expected to result in an overspend of £49,000.	82	40
Commissioning Total	82	40
Resources		
	0	0
Resources Total	0	0
Social Care Directorate		
Underspend in supplies and services.	(59)	(62)
Social Care Directorate Total	(59)	(62)
Public Health		
	0	0
Public Health Total	0	0
TOTAL VARIANCE	1,446	1,789
Costs of £1,634,000 have been incurred on Infection Control and Testing measures which it is assumed with me funded from a combination of the Government support such as the Infection Control and Rapid Testing grants and from the revised Hospital discharge funding via the CCG.		
The department have assumed £1,300,000 funding from the un-ringfenced Covid-19 government grant for the additional Hospital discharge costs resulting from the medium term impact from Covid-19.	1,300	1,300
REVISED VARIANCE	2,746	3,089

Table 4 - Savings Delivery

	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000	£000	£000	£000
Total MTFS Savings	1,950	1,950		
Schemes not On Track	£000	Reason		
	0	At this stage of the financial year the department is forecasting a full delivery of savings. There remains £0.930m (48% of the total savings) to be delivered over the next 8 months.		

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
Learning Disability transitions and other care pressures.	1,321	1,266
Backlog of Health funded Nursing placements on the D2A pathway awaiting joint CHC / Care Act assessment to determine funding responsibility. It is estimated that 80% will transfer to social care.	555	546
For the Better Care Fund there is some discussion of a potential signoff at a sub-regional level which would not be welcomed by Boroughs, as it would open the door for potential reallocation of money.	tbc	tbc
TOTAL RISKS MANAGED	1,876	1,812

Supplementary Monitoring Information
The department continues to experience significant budget pressures. The budget pressures are mainly as a result of the Hospital discharge pathway, the full year effect of care support and reductions of care budgets for savings. In arriving at the forecast for month 4, there are a number of additional risks of £1.8m mainly from Learning Disability transitions and other care pressures. Further analysis will need to be undertaken with a high risk the budget forecast for 2021/22 will be volatile and could increase from the month 4 forecast.

APPENDIX 7: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING MONTH 4

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 4 £000	Variance month 4 £000
Employees (historic past service costs)	3,775	0	0
Premises-related expenditure	511	0	0
Transport-related expenditure	160	0	0
Supplies & services	7,975	0	0
Third party payments	112	0	0
Transfer payments (e.g. housing benefits, schools funding transfers)	96,924	0	0
Support services (internal trading services)	3	0	0
Items excluded from the cost of services (debt management and capital charges)	3,922	0	0
Income	(100,528)	0	0
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	5,793	0	0
Total	18,647	0	0

Table 2 - Variance by departmental division					
Departmental division	Revised budget £000	Forecast variance month 4 £000	Forecast variance month 2 £000	Forecast variance due to Covid M4 £000	Forecast variance (non - Covid) M4 £000
Corporate & Democratic Core	2,284	0	0	0	0
Housing benefits	(328)	0	0	0	0
Levies	1,560	0	0	0	0
Net cost of borrowing	3,715	0	0	0	0
Other corporate items	5,688	0	0	0	0
Pensions & redundancy	5,728	0	0	0	0
TOTAL	18,647	0	0	0	0

Table 3 - Variance analysis		
Departmental division	Month 4 £000	Month 2 £000
Corporate & Democratic Core		
	0	0
Corporate & Democratic Core total	0	0
Housing Benefits		

Table 3 - Variance analysis		
Departmental division	Month 4 £000	Month 2 £000
	0	0
Housing Benefits total	0	0
Levies		
	0	0
Levies total	0	0
Net Cost of Borrowing		
	0	0
Net Cost of Borrowing total	0	0
Other Corporate Items		
	0	0
Other Corporate Items total	0	0
Pensions & redundancy		
	0	0
Pensions & redundancy total	0	0
TOTAL VARIANCE	0	0

Table 4 - Key risks - detail items over £250,000		
Risk Description	Risk at month 4 £000	Risk at month 2 £000
None to report	0	0
TOTAL RISKS MANAGED	0	0

Supplementary monitoring information
None to report

APPENDIX 8: HOUSING REVENUE ACCOUNT
BUDGET REVENUE MONITORING MONTH 4

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 4 £000	Variance Month 2 £000
Employees	21,268	(870)	112
Premises-related expenditure	20,731	483	(210)
Transport-related expenditure	259	(88)	1
Supplies & services	10,468	(40)	(343)
Third party payments	2,098	39	367
Transfer payments	0	0	0
Support services	577	528	55
Items excluded from the cost of services	0	0	0
Income	(82,107)	212	527
Non controllable expenditure	33,893	(583)	(730)
Appropriation From (+)/To (-)HRA General Reserve	7,187	(320)	(219)

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget £000	Forecast Variance Month 4 £000	Forecast Variance Month 2 £000	Forecast Variance due to Covid £000	Forecast Variance (non - Covid) M4 £000
Housing Income	(79,527)	(81)	80		(81)
Finance & Resources	7,522	(223)	(41)		(223)
Housing Management	6,769	71	286	20	51
Property & Compliance	9,647	(87)	(0)		(87)
Void & Repairs	12,690	773	0		773
Safer Neighbourhoods	712	(0)	(0)		(0)
Place	10,603	(56)	90		(56)
Regeneration & Development	1,061	(71)	6		(71)
Operations	4,540	(5)	2		(5)
Capital Charges	25,255	(641)	(641)		(641)
Corporate Support Service Recharges	7,915	(0)	(0)		(0)
Appropriation from HRA General Reserve	7,187	(320)	(219)	20	(340)

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
Housing Income		
The ongoing impact of the Covid-19 pandemic is predicted to lead to an under-recovery of income from advertising sites of £40,000. Additionally, the initial forecast for dwelling rents and garages income suggests a shortfall of £171,000 this year. However, this is offset by an expected underspend against the bad debt provision of (£300,000) due to better than budgeted income collection performance.	(81)	80
Housing Income Total	(81)	80
Finance & Resources		
Underspends on staffing costs of (£140,000) mainly due to vacant posts and on direct debit incentives (£133,000), offset by other minor variances of £50,000.	(223)	(41)
Finance & Resources Total	(223)	(41)
Housing Management		
A high level of decants is driving a overspend in temporary accommodation and disturbance allowance costs of at least £300,000. In addition, unbudgeted Covid-19 related cleaning and security costs of £20,000 are forecast. These costs are partially offset by an underspend of (£187,000) on staffing costs mainly due to delays in recruitment and other minor variances of (£68,000).	71	286
Housing Management Total	71	286
Property & Compliance		
Underspends on staffing budgets due to delays in recruitment.	(87)	(0)
Property & Compliance Total	(87)	(0)
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 are continuing to see a significant overspend due to disrepair claims. As a result of the increased number of claims, an overspend of £523,000 on the disrepair and legal budgets is forecast. In addition, an overspend of £250,000 is due to the cost of additional contractor costs and staffing expenditure.	773	0
Void & Repairs Total	773	0
Adult Social Care		
	0	0
Adult Social Care Total	0	0

Table 3 - Variance Analysis		
Departmental Division	Month 4 £000	Month 2 £000
Safer Neighbourhood		
	0	0
Safer Neighbourhood Total	0	0
Place		
A forecast staffing overspend of £99,000 from additional staffing for a pilot Concierge scheme offset by staffing underspends within the Resident Involvement team (£171,000) and other minor variances of £16,000.	(56)	90
Place Total	(56)	90
Regeneration & Development		
A forecast underspend on feasibility costs (£223,000) is partially offset by the projected under-capitalisation of staffing costs of £124,000 and additional legal costs of £28,000.	(71)	6
Regeneration & Development Total	(71)	6
Operations		
	(5)	0
Operations Total	(5)	0
Capital Charges		
The underspend relates to a change in the treasury management and borrowing strategy agreed corporately to defer the replacement of internal borrowing with externally financed debt to future years.	(640)	(640)
Capital Charges Total	(640)	(640)
Corporate Support Service Recharges		
	0	0
Corporate Support Service Recharges Total	0	0
TOTAL VARIANCE	(320)	(219)

Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
Income from commercial property: there is a risk of a further loss of income due to the Covid-19 pandemic. The risks is specific to recovery of commercial debt even though invoices have been raised to existing tenants.	250	250
Covid-19 related costs, Housing Management - mainly due to the potential need for further enhanced cleaning of Sheltered blocks	200	200
Decanting costs, Housing Management there is a risk of	300	300

Table 4 - Key Risks - Detail Items Over £250,000

Risk Description	Risk At Month 4 £000	Risk At Month 2 £000
further unbudgeted spend on temporary accommodation and disturbance allowance costs due to the increase in the number of decants driven by repairs activity.		
Covid-19 related costs, Repairs and Maintenance - the ongoing impact of Covid-19 and a potential additional lockdown increases the risk of contractual claims, extended preliminaries, storage and inflated material costs. 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.	TBA	TBA
Capitalisation of Repairs and Maintenance costs - officers are completing monthly reviews of capitalisable repairs costs and any variance on either capital or revenue budgets will be reported.	TBA	TBA
TOTAL RISKS MANAGED	750	750

Supplementary monitoring information

None to report

APPENDIX 9 - VIREMENT REQUESTS – MONTH 4

Details of Virement	Amount (£000)	Department
GENERAL FUND:		
Transfer of retained profit from the liquidation of the Bridge Partnership to the Technology & IT reserve	310	Reserves
	(310)	Resources
Total of Requested Virements (Debits)	310	
HRA:	0	
Total of Requested Virements (Debits)	310	