

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 10/01/2022

Subject: 2021/22 Corporate Revenue Monitor - Month 6 (September 2021)

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

Responsible Director: Emily Hill, Director of Finance

SUMMARY

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

As at month 6, a £2.768m underspend is forecast for the General Fund. This is after the expected application of Covid-19 grant funding of £4.889m. Action plans of £1.930m are proposed to mitigate areas of overspend which, if delivered, would increase the forecast underspend to £4.698m.

RECOMMENDATIONS

1. To note the General Fund forecast underspend of £2.768m.
 2. To note that the forecast draw down from the Housing Revenue Account general balance will be £0.983m less than budgeted.
 3. To note the in-year High Needs Block Dedicated Schools Grant overspend of £2.173m.
 4. To approve the virements of £1.565m 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.
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Financial Impact

	Forecast Overspend/ (Underspend) £m	Forecast Overspend/ (Underspend) net of mitigating actions £m
Current year – month 6	(2.768)	(4.698)
Current year – month 4	(2.260)	(4.139)
2020/21 outturn	(0.301)	(0.301)

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

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 £2.173m is forecast that will be offset by additional Government funding towards the cumulative deficit of £4m. This will reduce the overall deficit to £14.852 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 £0.983m 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 6 (September 2021) is a favourable variance of £2.768m (Table 1). This forecast allows for the application of available Covid-19 grant funding and balances.

Table 1 – Month 6 (September 2021): General Fund forecast (underspends in brackets)

Department	Gross variance £m	Covid-19 variance £m	Net variance £m
Children's Services	0.316	0.546	(0.230)
The Economy Department	0.828	0.731	0.097
The Environment Department	0.633	0.536	0.097
Controlled Parking Account	(2.892)	0.550	(3.442)
Finance	0.481	0.250	0.231
Resources	(0.458)	0.318	(0.776)
Social Care	2.555	1.300	1.255
Centrally Managed Budgets	0.000	0.000	0.000
Total	1.463	4.231	(2.768)
Unringfenced & other Covid-19 Grant	(4.231)	(4.231)	0.000
TOTAL	(2.768)	0.000	(2.768)

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-19 funding. The council has also set aside a one-off Covid-19 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 only the first quarter 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 of £1.5m.

- The underlying budget underspend, net of the financial impact of Covid-19, is £2.768m. This is set out in Table 2.

Table 2 – Month 6 forecast variance excluding the impact of Covid-19

Department	Revised budget £m	Forecast net variance Month 6 £m	Forecast net variance Month 4 £m
Children's Services	51.643	(0.230)	(0.008)
The Economy Department	10.667	0.097	0.078
The Environment Department	67.232	0.097	(0.150)
Controlled Parking Account	(26.639)	(3.442)	(3.279)
Finance	0.871	0.231	0.132
Resources	4.963	(0.776)	(0.479)
Social Care	57.295	1.255	1.446
Centrally Managed Budgets	18.342	0.000	0.000
Total	184.374	(2.768)	(2.260)

- Mitigating action plans of £1.930m have been identified, which if delivered, would increase the forecast underspend to £4.698m.

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	(0.230)	0.070	(0.300)
The Economy Department	0.097	0.000	0.097
The Environment Department	0.097	0.160	(0.063)
Controlled Parking Account	(3.442)	0.000	(3.442)
Finance	0.231	0.600	(0.369)
Resources	(0.776)	0.000	(0.776)
Social Care	1.255	1.100	0.155
Centrally Managed Budgets	0.000	0.000	0.000
Total	(2.768)	1.930	(4.698)
Net impact of Covid	0.000	0.000	0.000
	(2.768)	1.930	(4.698)

7. Financial risks of £8.597m are identified at month 6 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.
 - There are concerns regarding wider inflation and supply chain problems and the potential to increase costs.
8. Action is required to manage these risks. An unallocated contingency of £3m is held within the 2021/22 budget should in-year financial mitigation be required. If all, or part, of the unallocated contingency is not used at year-end 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 £7.2m in 2021/22. It is forecast to draw down **£0.983m** 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 6 £m	Forecast Month 4 £m
Balance as at 31 March 2021	(17.563)	(17.563)
Less: Budgeted appropriation from balances	7.187	7.187
Add: underspend	(0.983)	(0.320)
Balance as at 31st March 2022	(11.359)	(10.696)

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 £2.173m 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 £14.852m by year end. The additional Government funding is subject to the council managing its DSG recovery plan as part of the grant conditions and therefore may be at risk if the council is unable to meet the trajectory set out in those plans.
13. The forecast has continued to deteriorate since month 4 due to increased demand for Education, Health and Care Plans being experienced potentially due to Covid-19.

Table 5: Dedicated Schools Grant – High Needs Block deficit

	Forecast Month 6 £m	Forecast Month 4 £m
High Needs Block DSG deficit brought forward from prior years	16.679	16.679
In-year High Needs Block forecast deficit	2.173	1.810
2021-22 High Needs Block Safety Valve Funding (subject to DfE monitoring)	(4.000)	(4.000)
Forecast cumulative High Needs Block deficit after Safety Valve Funding	14.852	14.489

GENERAL FUND RESERVES

14. The council carried forward general balances and reserves of £144.8m at the start of 2021/22. A review has been undertaken of existing and potential commitments and an updated reserves cashflow produced to 2025. This is summarised in Table 6. Should the current year forecast underspend be realised this will enable an additional contribution to be made to reserves.
15. An annual update of the reserves strategy and action plan will form part of the suite of reports considered at Budget Council in February 2022.

Table 6 – General Fund reserves forecast (all opening balances)

	2021 (£m)	2022 (£m)	2023 (£m)	2024 (£m)	2025 (£m)
General balances	19.3	20.4	20.4	20.4	20.4
Earmarked reserves - unrestricted	63.7	53.0	48.9	50.4	62.9
Earmarked reserves - restricted	10.4	9.6	8.6	8.6	8.6
Covid related	51.4	3.2	4.2	2.1	2.1
Total	144.8	86.2	82.1	81.5	94.0
Revenue developer contributions	46.0	Developer contributions are subject to a separate approval and monitoring process			

16. The most significant forecast movement relates to the Covid-19 related reserve of £51.4m. This will reduce as it is applied to meet expected timing differences relating to known collection fund liabilities (£39m regarding business rate reliefs), and payment of business grants and other commitments.

VIREMENT AND WRITE OFF REQUESTS

17. Virement requests totalling £1.565m are detailed in Appendix 9. They largely relate to use of Covid-19 funding to meet costs regarding enhanced sheltered housing cleaning, additional social distancing measures and an adjustment to corporate property recharges.

REASONS FOR DECISION

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

EQUALITIES IMPLICATIONS

19. 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.
20. 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

21. 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 6**

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 6 £000	Variance Month 4 £000
Employees	26,117	(402)	(273)
Premises-related expenditure	590	59	61
Transport-related expenditure	175	(90)	(82)
Supplies & services	5,746	30	201
Third party payments	49,184	4,377	4,348
Transfer payments	70,191	(1,301)	(1,755)
Support services	(1,809)	97	134
Items excluded from the Cost of Services	0	0	0
Income	(106,339)	(2,454)	(2,097)
Non-controllable expenditure	7,789	0	0
Total	51,643	316	538

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4	Forecast Variance due to Covid M6	Forecast Variance (non - Covid) M6
	£000	£000		£000	£000
Children and Young People's Services	32,292	(444)	72	243	(687)
Education	12,027	715	348	303	412
Children's Commissioning	3,216	7	(34)	0	7
Children's Performance & Improvement	2,476	(140)	(83)	0	(140)
CHS Departmental Budgets	1,632	178	236	0	178
School Funding	0	0	0	0	0
TOTAL	51,643	316	538	546	(230)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £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.	(1,139)	(730)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Ongoing work by the service to ensure young people are in the most suitable placement has seen a further decrease in the forecast since period 4. The risk of increased case numbers and a small number of high cost placements in second half of the financial year remains, but the cost associated with this risk decreases each month. The placements model contains £433,000 of allowance for new placements with an element to offset known exits and step-downs, and element for growth in numbers.		
<u>Client Related Expenditure</u> Alongside the costs of a placement 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 reduced placement costs. Work to reduce expenditure is being progressed by the service, all of which has led to the minor underspend reported.	(26)	(14)
<u>Legal Costs</u> The 2020/21 overspend on legal services was £638,000. Growth of £300,000 was applied from April 2021 and budget from 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 and having completed some detailed analysis of current activity data the forecast has been revised down to a £33,000 underspend.	(33)	100
<u>Staffing</u> A review of the cost apportionment methodology for the fostering service has led to an increase in the Hammersmith & Fulham share of costs with a (£238,000) overspend forecast. The service is shared with Kensington & Chelsea and Westminster with costs based on activity data for the first quarter of the current year. Overspends in the Looked After Children's Service (£143,000), Family Support and Child Protection (£89,000), Contact and Assessment (£87,000), Early Help (£74,000) 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 (£77,000) have been included in the variance caused by Covid-19.	730	737
Minor variances	24	(20)
Children and Young People's Services total	(444)	72

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Education		
<p><u>Children with disability placements - Short breaks and care packages</u></p> <p>The placements budget as a whole across the directorate is forecast to underspend.</p> <p>The current profile of packages is: Direct payments 133 packages; forecast £663,578 Care Packages (Spot) 95 packages; forecast £787,565 Residential Placements 10 packages; forecast £809,056.</p> <p>A small allowance for new packages of £55,000 is included in the forecast. New packages are being added as the information becomes available.</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 redesign due to the impact of Covid-19. 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>	88	137
<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 has undertaken a mini restructure to realign posts and budgets resulting in a favourable movement in period 6.</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>	74	142
<p><u>The Haven Centre</u></p> <p>The Haven is forecast to overspend primarily due to the expected under achievement of generated income. There are 7 beds at the centre with 5 currently filled. The Covid-19 pandemic continues to have an impact on the centre. There has been a delayed implementation of the new staffing structure. The pandemic has meant that the service requires</p>	210	176

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
a high level of agency and casual cover for Covid-19 outbreaks.		
<p><u>Travel Care and support</u> Net growth has been far higher than forecast. Demand growth at September was 12% both in pupil numbers and costs which was 4% higher than the 8% forecast. There is a net growth of 37 children with a total cost impact of £720k of which this has been partially mitigated by £384k reduction in spend as a result of leavers, destination changes and other efficiencies. Destinations have similarly increased from 76 to 84 of which 71% of the total destinations are to out of borough schools which represents 46% of total spend.</p> <p>Activities to support demand management include referrals to travel training (although net budget effect likely small) as well as a line by line review post October half term to review opportunities for step down transitions and personal travel budgets.</p>	295	16
<p><u>Professional Development Centre (income loss)</u> 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 (Lilla Huset) in August 2021 meaning there will be no income generated in 2021/22. The service is relocating to the Pier in early 2022/23. Loss of income may be mitigated by reduced service costs related to vacation of the Lilla Huset site from August 2021.</p>	91	91
Other minor variances	(43)	(198)
Education total	715	348
Children's Commissioning		
Minor variances	7	(34)
Children's Commissioning total	7	(34)
Children's Performance & Improvement		
An underspend is expected due to staffing vacancies.	(140)	(83)
Children's Performance & Improvement total	(140)	(83)
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.	178	236
Other minor variances totalling £30,000.		
Departmental Budgets total	178	236

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
School Funding		
Nil variance	0	0
School Funding total	0	0
TOTAL VARIANCE	316	538

Table 4 - Savings Delivery				
Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
Children's Services	£000s	£000s	£000s	£000s
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 against current the Disabled Children's Team placement budget, 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 6 £000	Risk At Month 4 £000
Family Services Placements - there is a high degree of risk of increased case numbers later in the year with referrals and demand increasing during the year to date. The placements model currently assumes there will be £433,000 of future spend on new placements.	TBC	TBC
Early Intervention contract risk, the full risk across the contract is £1,000,000 with a potential risk of £250,000 in 2021/22.	250	250
TOTAL RISKS MANAGED	TBC	TBC

Supplementary Monitoring Information
None to report

**APPENDIX 1a: DEDICATED SCHOOLS GRANT (DSG)
BUDGET REVENUE MONITORING MONTH 6**

Table 1 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4	Forecast Variance due to Covid M6	Forecast Variance (non - Covid) M6
	£000	£000	£000	£000	£000
High Needs Block (HNB) Expenditure	25,070	2,173	1,810	0	2,173
Early Years Block Expenditure	17,003	0	0	0	0
Schools Block Expenditure	39,254	(251)	(192)	0	(251)
Central School Services Block Expenditure	3,336	(25)	0	0	(25)
DSG Income	(84,664)	0	0	0	0
TOTAL	0	1,897	1,618	0	1,897

Table 2 High Needs Block (HNB) Deficit	£000
HNB DSG deficit brought forward from prior years	16,679
In-year HNB forecast deficit	2,173
2021/22 HNB Safety Valve funding (subject to DfE monitoring)	(4,000)
Forecast HNB deficit after Safety Valve funding	14,852

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
High Needs Block (<i>Supports provision for children and young people with special educational needs from their early years to age 25 and in addition Alternative Provision</i>)		
The forecast shows an adverse movement versus the month 4 which is a variance of £2,093,570 against the forecast spend in the submitted medium term Safety Valve recovery plan agreed with the Department for Education.		
There are one off mitigations proposed in 2021/22 however the ongoing pressure from 2022/23 to 2025/26 will need further mitigations subject to confirmation of future year funding allocations.	2,173	1,810
Speech and Language Therapy (SALT) The SALT provision is projected to overspend by £167,000. Work is ongoing with special schools, the NHS Clinical Commissioning Group (CCG), and their provider Central London Community Healthcare to co-produce an alternative model for SALT delivery in special schools. It is expected		

Table 3 - Variance Analysis

Departmental Division	Month 6 £000	Month 4 £000
<p>that all Special Schools will assume responsibility for their therapy delivery by 1 January 2022.</p> <p>The forecast assumes full recovery of 2021/22 SALT income for non-resident pupils of £312,000 in Hammersmith & Fulham maintained schools. Work to recover this income is a priority and the education service is currently working with senior leaders in SEND services and finance in each of the placing authorities to make the necessary arrangements for payment. Initial responses have been positive, and work is being taken to raise invoices.</p> <p>An equivalent amount is also due to be recovered for 2020/21. Placing authorities have been advised that invoices are to be sent out shortly. A provision of £194,000 was made for 2019/20. There remains a risk around the recovery of this income primarily due to the data quality of records provided by the CCG and the time delay in attempting to recover. The Education service has therefore prioritised this income recovery due to a total risk of £312,000 for this financial year and the loss of prior year income which if recovered could benefit the overall position by £506,000.</p>		
<p>Top-up funding</p> <p>The forecast includes top-up spend of £18,221,698 across all provision types compared to 2020/21 spend of £16,251,000 and has increased by £562,000 since month 4. 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).</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 backlog. £428,086 has been included in this forecast to reflect the likely increase in Education and Health Care Plans (EHCP) as a result. Work will be undertaken to further refine this element of 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 £397,033 of increased costs associated for 118 pupils with either a new placement or setting, an increased fee at their provision or who have been placed as a result of a tribunal. The manual processes in maintaining pupil level data has meant that some unforeseen historic pupil costs of £51,270 are being incurred in 2021/22.</p>		

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
<p><u>Alternative Provision (AP)</u> The local authority intends to commence recovering applicable pupil led budgets from schools for permanently excluded pupils allowable within the school finance regulations. Based on current pupil data, the Council could recover approximately £88,000 for 2021/22. There continues to be collaboration between the AP provider, schools and the Council to regularise the provision of short-term intervention services.</p>	0	0
<p><u>Import and Export adjustment</u> 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 Council 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 2021/22 high needs funding of £144,000. This should be confirmed by November 2021.</p>		
High Needs Block total	2,173	1,810
Early Years Block (<i>Funding for Early Years including Two Year Old funding and Early Years Pupil Premium</i>)		
Nil variance	0	0
Early Years Block total	0	0
Schools Block (<i>Core funding for mainstream maintained schools</i>)		
A review of dedelegated budgets indicates that there will be a £251,000 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 to be agreed by Schools' Forum at a future date.	(251)	(192)
Schools Block total	(251)	(192)
Central School Services Block (<i>Funding for the Local Authorities ongoing responsibilities</i>)		
Nil variance	0	0
Central School Services Block total	0	0
TOTAL VARIANCE	1,981	1,618

Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
None to report		
TOTAL RISKS MANAGED	0	0

Supplementary Monitoring Information
None to report

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

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 6 £000	Variance Month 4 £000
Employees	14,711	366	242
Premises-related expenditure	4,833	2,700	2,309
Transport-related expenditure	10	90	0
Supplies & services	6,899	438	189
Third party payments	21,896	(255)	(163)
Transfer payments	98	0	0
Support services	222	252	172
Items excluded from the Cost of Services	0	(3)	
Income	(30,554)	(2,760)	(1,455)
Non-controllable expenditure	(7,448)	0	(205)
Total	10,667	828	1,089

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4	Forecast Variance due to Covid	Forecast Variance (non - Covid) M4
	£000	£000	£000	£000	£000
Housing Solutions	9,136	(151)	79	139	(290)
Economic Development, Skills Service	4,086	4	0	0	4
Planning	1,580	237	339	128	109
Operations	(4,456)	707	640	464	243
Place	84	0	0	0	0
Regeneration & Development	184	31	31	0	31
Head of Finance (GP)	53	0	0	0	0
TOTAL	10,667	828	1,089	731	97

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Housing Solutions		
The forecast for average client numbers (929 units compared to 941 in July 2021 and 950 units in May 2021) is lower than budgeted (978 units) in Private Sector Leased (PSL) temporary accommodation schemes. The unit rent payments to landlords have been increased to reflect inflation on the Local Housing Allowance (LHA), resulting in a net underspend of (£80,000).	(80)	83

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Although there is a forecast reduction in average client numbers in short-term temporary accommodation, higher out of hours (OOH) placements and pre-booking and higher accommodation costs has resulted in a net forecast overspend of £23,000.	23	7
Other minor variances include the forecast overspend on costs of damage bonds on Private Rented Sector accommodation and of supported housing contracts partially offset by saving on vacancies.	87	80
Unallocated Flexible Homelessness Support Grant	(146)	(146)
Unallocated Homelessness Reduction Grant	(174)	(174)
The provision of accommodation and supported housing to rough sleepers and clients needing to self-isolate as part of the response to the Covid-19 pandemic is forecast to cost £139,000 compared to the month 4 forecast of £229,000.	139	229
Housing Solutions total	(151)	79
Economic Development & Skills Service		
	4	0
Economic Development & Skills Service total	4	0
Planning		
Development Management - Unbudgeted exceptional costs associated with judicial reviews and major planning appeals of £201,000 are forecast to be partly offset by a favourable staffing variance of £85,000 as a result of ongoing recruitment.	116	74
Development Management (Covid-19) - Planning Applications income shortfall due to the impact of the Covid-19 pandemic. This is a best estimate based on proxies and will be monitored and updated as patterns emerge over the coming months. This is expected to be offset by Government grant for Covid-19 income loss for the first quarter of the year only	128	276
Planning Management	(3)	(3)
Spatial Planning	(4)	(8)
Planning total	237	339
Operations		
Asset Strategy	19	10
Facilities Management and Corporate Buildings - additional Covid-related costs for additional cleaning staff and deep cleaning of office buildings and a forecast shortfall in rental income of £150,000 from the Lila Huset building due to the withdrawal of Education Services and the intention to	524	506

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
retain the archives within the building. Cabinet approval is requested to fund the shortfall from the corporate property reserve.		
Property Transformation Team - staffing costs are expected to be funded from newly identified revenue streams, but this income is not expected to crystallise until next financial year.	164	124
Operations total	707	640
Place		
	0	0
Place total	0	0
Regeneration & Development		
Following a review of activity, it is expected that the staffing costs of the Development team will be under-capitalised.	31	31
Regeneration & Development total	31	31
TOTAL VARIANCE	828	1,089

Table 4 - Savings Delivery				
Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	1,100	1,100	0	0

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Housing Solutions - Increase in bad debt provision on Temporary Accommodation rent arrears because of reductions in personal income due to Covid-19.	342	456
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.	323	431
Housing Solutions - Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast.	161	215
Housing Solutions - Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast.	202	270
Economic Development, Skills Service - reduction in adult learning course fee income due to a fall in student volumes	231	111

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
as a result of Covid-19 of £270,000 based on actual income raised to date and actual monthly income generated during 2020/21 for the remaining months of financial year 2021/22. This includes an assumption that the service will receive an income loss compensation grant of £39,000 for the first quarter income loss.		
Regeneration & Development - There is a risk of the developments not proceeding. This would mean capital spend incurred to date being written off and charged to revenue.	2,709	2,691
TOTAL RISKS MANAGED	3,968	4,174

Supplementary Monitoring Information
<p>Housing Solutions - In August 2021, the service received 154 homelessness enquiries, a decrease of 36 in comparison with the same period last year. Only 64 homelessness applications were made – a reduction of 45 compared to the same period last year. In September 2021, 189 homeless enquiries were received, with 69 homelessness applications. The number of homeless enquiries was steadily increasing since the start of the 2021/22 financial year until August when enquiries started to drop again in line with a similar pattern last year after the Summer. The lifting of the eviction bans 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, our call volumes on our frontline housing advice line continued to increase. Prior to March 2020, monthly call figures never exceeded 1000. By June 2020, 2000+ calls were received every month except December 2020, peaking at 2,724 in March 2021. This has dropped slightly in recent months with the service receiving 1,884 calls in August 2021 and 1,998 calls in September 2021 but is still well above pre-2020/21 call volumes.</p>
<p>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 £3.0m in 2021/22, some £0.3m short of the budget.</p> <p>The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including:</p> <ul style="list-style-type: none"> • Covid19 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 • Reduction in Planning Performance Agreements

Supplementary Monitoring Information
<ul style="list-style-type: none">• 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 6**

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	25,111	272	173
Premises-related expenditure	5,292	677	439
Transport-related expenditure	824	6	38
Supplies & services	16,057	376	169
Third party payments	23,621	(227)	821
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	116	0	0
Support services (internal trading)	0	152	77
Items excluded from the Cost of Services (debt management and capital charges)	15,311	(106)	(106)
Income	(30,241)	(517)	(900)
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	11,142	0	0
Total	67,232	633	712

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 6	Forecast variance month 4	Forecast variance due to Covid M6	Forecast variance (non - Covid) M6
	£000	£000	£000	£000	£000
Public Realm	36,523	(199)	(229)	180	(379)
Safer Neighbourhoods & Regulatory Services	9,541	513	843	151	362
Leisure, Sport and Culture	6,975	459	259	145	314
Resident Services	14,193	(139)	(162)	60	(199)
Total	67,232	633	712	536	97

Table 3 - Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
Public Realm		
Loss of commercial waste income following the Covid-19 pandemic (business closures), net of compensating grant	53	142
One-off savings due to delayed implementation of service changes	(284)	(507)
Minor variances	32	136
Public Realm total	(199)	(229)

Table 3 - Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
Safer Neighbourhoods and Regulatory Services		
Covid-19 enforcement costs - enforcement of shop closures. Grant funding now applied to enforcement of social distancing in parks and open spaces and protest eviction order.	47	456
Loss of regulatory services income following the Covid-19 pandemic (licensing, markets, building control), net of compensating grant.	104	82
CCTV overspend due to unbudgeted CCTV software upgrade, staffing overspends and income underachievement.	291	274
Noise and Nuisance overspend due to continuation of enhanced 24/7 service and loss of gas safety checks income previously recharged to the HRA (brought in-house by housing)	256	202
Technical Services staffing and supplies and services underspend	(75)	(69)
Minor variances	(110)	(102)
Community Safety and Regulatory Services total	513	843
Leisure, Sport and Culture		
Unbudgeted building works at Askew Road library	110	0
Loss of commercial income following the Covid-19 pandemic (filming and events, leisure and sports bookings), net of compensating grant	163	163
Unachieved commercial income for Shepherds Bush Green market - not progressed due to proximity of the existing permanent market.	50	50
Loss of Boat Race income due to relocation of event as a result of Hammersmith Bridge closure	46	46
Park buildings maintenance	34	34
Minor variances	56	(34)
Leisure, Sport and Culture total	459	259
Resident Services		
Staffing overspends due to Covid-19 pandemic (increased demand for revenues and benefits services and resulting delayed implementation of the planned restructure)	250	250
New Burdens funding to cover Covid-19 service demand pressures	(290)	(290)
Early delivery of REAP savings (external contact centre)	(100)	(100)
Other smaller net variances	1	(22)
Resident Services total	(139)	(162)
TOTAL VARIANCE	633	712

Table 4 - Savings Delivery

Dept	MTFS target	On track	Partially deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total savings	699	563	65	71
Schemes not on track	£000s	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 6 £000	Risk at month 4 £000
Law Enforcement Team - unconfirmed HRA service contribution	340	340
Law Enforcement Team - unbudgeted one-off implementation costs	500	500
Law Enforcement Team - projected underachievement of income now expected to be offset by part year staffing vacancies	0	350
Highways - lack of externally funded projects to charge officer time to due to withdrawal of TfL grant	462	1,887
Additional street cleansing pressures	250	0
TOTAL RISKS BEING MANAGED	1,552	3,077

Supplementary monitoring information

None to report

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

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 6 £000	Variance Month 4 £000
Employees	6,627	11	(21)
Premises-related expenditure	76	2	0
Transport-related expenditure	73	0	0
Supplies & services	719	262	250
Third party payments	2,900	436	136
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (internal trading)	314	(77)	(62)
Items excluded from the Cost of Services (debt management and capital charges)	0	0	0
Income	(40,349)	(3,526)	(3,032)
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	3,001	0	0
Total	(26,639)	(2,892)	(2,729)

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4	Forecast Variance due to Covid M6	Forecast Variance (non - Covid) M6
	£000	£000	£000	£000	£000
Controlled parking income	(40,349)	(3,526)	(3,032)	550	(4,076)
Controlled Parking expenditure	13,710	634	303	0	634
TOTAL	(26,639)	(2,892)	(2,729)	550	(3,442)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Controlled Parking Income		
Pay & Display - Higher forecast reflecting current parking patterns.	(3,311)	(3,366)
Penalty Charge Notice – reduced income from penalty charge notices.	1,240	908
Other Income – higher number suspensions than expected. Due to the fluctuating nature of suspensions our forecast is based on slightly increased levels. The assumption is that the	(1,296)	(415)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
increased activity in the first six months is due to residents and utility companies catching up on planned works post the pandemic.		
Covid-19 fees and charges income loss grant.	(159)	(159)
Controlled Parking Income total	(3,526)	(3,032)
Controlled Parking Expenditure		
Salary Expenditure – movements due to taking account of 1.75% expected salary inflation based on current pay offer.	11	(21)
Other Expenditure - Increased charges from Pay & Display activity, and one-off Conduent (Parking Management System) costs, and processing of backlog debt registrations.	623	324
Controlled Parking Expenditure Total	634	303
TOTAL VARIANCE	(2,892)	(2,729)

Table 4 – Savings Delivery				
Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	400	400		

Table 5 – Key Risks – Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Possibility of a further government Covid-19 restrictions .	2,000	2,000
TOTAL RISKS MANAGED	2,000	2,000

Supplementary Monitoring Information
<p>Parking income has fluctuated this year with a number of one-off income streams such as increased suspensions due to residents, utilities, and developers catching up on activity that would have otherwise taken place during Covid-19.</p>

APPENDIX 4: FINANCE
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	6,390	(482)	(559)
Premises-related expenditure	0	0	0
Transport-related expenditure	2	(2)	(2)
Supplies & services	2,600	99	73
Third party payments	10	251	251
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (internal trading)	(43)	115	115
Items excluded from the Cost of Services (debt management and capital charges)	0	0	0
Income	(3,247)	500	560
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	(4,841)	0	0
Total	871	481	438

Table 2 - Variance by departmental division					
Departmental division	Revised budget £000	Forecast variance month 6 £000	Forecast variance month 4 £000	Forecast variance due to Covid M6 £000	Forecast variance (non - Covid) M6 £000
Audit, Fraud, Risk and Insurance	986	14	22	0	14
Assurance, Programmes & Analytics	1,335	(184)	(189)	0	(184)
Corporate Services	547	(72)	(116)	0	(72)
Finance	3,153	269	226	0	269
Managed Services	2,132	21	0	0	21
Commercial and Contracts	(2,441)	433	495	250	183
SUB-TOTAL	5,712	481	438	250	231
Departmental non-controllable budgets	(4,841)	0	0	0	0
TOTAL	871	481	438	250	231

Table 3 – Variance analysis		
Departmental division	Month 6 £000	Month 4 £000

Table 3 – Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
Audit, Fraud, Risk and Insurance		
Small staffing overspends	14	22
Audit, Fraud, Risk and Insurance total	14	22
Assurance, Programmes & Analytics		
The underspends are due to work by the Business Intelligence service to support contact tracing and public health initiatives which is funded by one-off grant, plus recent vacancies within the Programme Management Office service to be recruited to.	(184)	(189)
Assurance, Programmes & Analytics total	(184)	(189)
Corporate Services		
Underspend on staffing budgets	(72)	(116)
Chief Executives Office total	(72)	(116)
Finance		
Forecast overspend due to part year savings delivery arising from the finance service review	269	226
Finance total	269	226
Managed Services		
Small overspend due to one-off legacy system costs	21	0
Managed Services total	21	0
Commercial and Contracts		
The impact of the Covid-19 pandemic has led to a fall in expected income from partner advertising agencies. A number of our sites are on a profit share basis and are forecast to result in a budget pressure for the year as a result.	433	495
Commercial and Contracts total	433	495
TOTAL VARIANCE	481	438

Table 4 - Savings Delivery				
	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
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 Q3 2021/22 which will deliver the saving in full in 2022/23. Offset by Finance vacancies and other departmental staffing underspends in 2021/22.		

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 6 £000	Risk at month 4 £000
None to report	0	0
TOTAL RISKS MANAGED	0	0

Supplementary monitoring information		
None to report		

APPENDIX 5: RESOURCES
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	14,213	(94)	(255)
Premises-related expenditure	196	(5)	(7)
Transport-related expenditure	4	3	(4)
Supplies & services	9,334	49	617
Third party payments	335	(171)	(265)
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (internal trading)	36	28	54
Items excluded from the Cost of Services (debt management and capital charges)	683	0	0
Income	(6,217)	(267)	(345)
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	(13,622)	0	0
Total	4,963	(458)	(205)

Table 2 - Variance by departmental division					
Departmental division	Revised budget £000	Forecast variance month 6 £000	Forecast variance month 4 £000	Forecast variance due to Covid M6 £000	Forecast variance (non - Covid) M6 £000
Communications and Communities	567	116	35	101	15
Democratic services, Coroners & Mortuaries	2,372	(123)	(115)	89	(212)
Digital Services	12,488	(457)	(100)	84	(541)
Legal Services	(460)	(100)	(100)	0	(100)
Leaders Office	264	60	60	0	60
Transformation, Talent & Inclusion	2,391	44	13	44	(0)
Procurement	261	(0)	(0)	0	(0)
Departmental costs	19	3	3	0	3
SUB -TOTAL	17,902	(458)	(205)	318	(776)
Departmental non-controllable budgets	(12,939)	0	0	0	0
TOTAL	4,963	(458)	(205)	318	(776)

Table 3 – Variance analysis

Table 3 – Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
Communications and Communities		
Additional communication support to meet the demands of Covid-19 recovery within the service.	116	35
Communications and Communities total	116	35
Democratic services, Coroners & Mortuaries		
Forecast underspends due to one-off income from second post-mortems and small staffing underspends.	(123)	(115)
Democratic services, Coroners & Mortuaries total	(123)	(115)
Digital Services		
As the majority of the workforce continues to work remotely, trend data has shown that demand for service desk and print services are lower than budgeted. A new target operating model has now been implemented and the service has reduced its shared service costs, however there are a number of posts yet to be recruited to and are vacant in the short term.	(457)	(100)
Digital Services total	(457)	(100)
Legal Services		
There has been an increase in demand for legal advice and therefore the service is forecasting one-off income based on prior trend analysis, this income is volatile and therefore there is a risk that this may not materialise should demand decrease.	(100)	(100)
Legal Services total	(100)	(100)
Leaders Office		
Overspend on administrative costs.	60	60
Leaders Office total	60	60
Transformation, Talent & Inclusion		
Small overspend on staffing costs.	44	13
Transformation, Talent & Inclusion total	44	13
Procurement		
	0	0
Procurement total	(0)	(0)
Departmental costs		
	3	3
Departmental costs	3	3
TOTAL VARIANCE	(458)	(205)

Table 4 - Savings Delivery				
	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	457	457	0	0

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month £000	Risk at month 4 £000
None to report	0	0
TOTAL RISKS MANAGED	0	0

Supplementary monitoring information
None to report

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

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 6 £000	Variance Month 4 £000
Employees	14,036	(170)	0
Premises-related expenditure	602	0	0
Transport-related expenditure	46	0	0
Supplies & services	1,076	(55)	(59)
Third party payments	72,225	1,480	1,505
Transfer payments	12,800	0	0
Support services	7,829	0	0
Items excluded from the Cost of Services	0	0	0
Income	(56,716)	0	0
Corporate Charges (SLAs and Capital Charges)	5,397	0	0
Total	57,295	1,255	1,446
Covid-19 cost		1,300	1,300
Revised Total	57,295	2,555	2,746

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4	Forecast Variance due to Covid	Forecast Variance (non - Covid) M6
	£000	£000	£000	£000	£000
Independent Living, Quality, Performance & Safeguarding	22,281	727	1,062	0	727
Specialist Support & Independent Living	24,028	493	361	0	493
Commissioning	4,945	90	82	0	90
Resources	5,513	0	0	0	0
Social Care Directorate	528	(55)	(59)	0	(55)
Public Health	0	0	0	0	0
TOTAL	57,295	1,255	1,446	0	1,255
Social Care Covid-19	0	1,300	1,300	1,300	
Revised Total	57,295	2,555	2,746	1,300	1,255

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Independent Living, Quality, Performance &		

Table 3 - Variance Analysis

Departmental Division	Month 6 £000	Month 4 £000
Safeguarding		
<p>The 2021/22 budget includes social care savings of £1.950m. The forecast has many variable demands from the on-going impact of Covid-19 such as: 1) the impact of the Hospital discharges placed by the NHS and requiring reassessment of care which is leading to further additional costs in adult social care (ASC); 2) the impact on the care market providers for on-going additional costs from Covid-19 (the department continues to provide a package of measures to support providers); 3) the impact to achieve the full delivery of savings; & 4) market instability following Covid-19.</p> <p>The Independent Living, Quality, Performance & Safeguarding Division is projecting a £727,000 overspend due to the full year effect and additional 146 net increase in care packages numbers costing £2,440,000 and an overspend of £479,000 for 28 new Discharge 2 Assess (D2A) NHS placements. These placements were led by CCG and then transferred (fee non-negotiable) to ASC after a re-assessment of needs. As a result of the CCG sourcing, the costs of these are above H&F fee levels and therefore the full year effect of the additional cost is £940,000 which H&F are looking to recharge the CCG. There is also a significant risk of more patients yet to be assessed and transferred over to ASC and it is believed 80% will transfer to ASC. Partly offsetting the forecast is a projected underspend of (£418,000) in Direct Payments due to changes in residents care needs and returned unspent funds, (£119,000) underspend on supporting living accommodation and additional income of (£355,000) on residential income contributions and funded nursing care as the number of residents increase in Placements. Mitigation plans are in place to address this overspend and the department has assumed (£1,300,000) will be funded from the additional funding from the un-ringfenced Covid-19 government grant as these costs are the medium-term impact of Covid-19.</p>	727	1,062
Independent Living, Quality, Performance & Safeguarding total	727	1,062
Specialist Support & Independent Living		
<p>This Division continues to have budget pressures in Learning Disability (LD) services due to a full year cost effect of new or returning residents commencing from 2020/21 and higher market costs with a projected overspend comprising Home Care £647,000, Placements £545,000 and offsetting underspend in Direct Payment services of (£136,000) and Individual Service Fund contract (£177,000). In Mental</p>	493	361

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Health services the forecast has improved since month 4 with an overall projected overspend down to breakeven due to reduced number of placements and an underspend of (£216,000) in Provided Services resulting from re-opening of day care services from the summer and net staffing underspend of (£170,000) due to delays in recruitment. Mitigation plan are in place to address the remaining overspends.		
Specialist Support & Independent Living total	493	361
Commissioning		
The existing meals contract with Harrow Commercial Services ended on the 31 August 2021 with a new meals and chat service for the remaining residents. The costing of the new spot providers, plus the additional homecare costs and the part year effect of the Harrow contract is expected to result in an overspend of £69,000. However, it is not anticipated that this will be a longer term risk. The remaining variance in the Division of £21,000 relates to additional demand on a supporting housing contract.	90	82
Commissioning total	90	82
Resources		
	0	0
Resources total	0	0
Social Care Directorate		
There is small underspend in the supplies and services budgets.	(55)	(59)
Social Care Directorate total	(55)	(59)
Public Health	0	0
Public Health total	0	0
TOTAL VARIANCE	1,255	1,446
The department has spent £2,354,000 on Covid-19 as at end of September 2021 for hospital discharges, Infection Control and testing measures. The department is assuming all the costs will be 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 CCGs. The department have assumed £1,300,000 additional funding from the un-ringfenced Covid-19 government grant for the additional Hospital discharge costs resulting from the medium-term impact of Covid-19.	1,300	1,300

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
REVISED VARIANCE	2,555	2,746

Table 4 - Savings Delivery					
Dept		MTFS Target £000s	On Track £000s	Partially Deliverable £000s	Undeliverable £000s
Total MTFS Savings		1,950	1,490	460	0
Schemes not On Track	£000s	Reason			
At this stage of the financial year the department is forecasting full delivery of savings.	0	There remains £0.460m (24% of the total savings) to be delivered over the next 6 months and is therefore ahead of the savings target.			

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Learning Disability transitions and other care pressures.	580	1,321
Backlog of Health funded Nursing placements, 25 as at the end of September, on the D2A pathway awaiting joint Continuing Healthcare (CHC) / Care Act assessment to determine funding responsibility. It is estimated that 75 - 80% will transfer to ASC.	257	555
TOTAL RISKS MANAGED	837	1,876

Supplementary Monitoring Information
The Department is projecting an overspend of £1,255,000 as at month six, reduction of (£191,000) in the overspend compared to month four of £1,446,000. The improvement in the forecast is due to tighter management review of care and support needs. 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 MTFS savings.

APPENDIX 7: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees (historic past service costs)	3,596	300	0
Premises-related expenditure	271	0	0
Transport-related expenditure	160	0	0
Supplies & services	7,855	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)	1,495	0	0
Items excluded from the Cost of Services (debt management and capital charges)	3,922	(300)	0
Income	(100,584)	0	0
Non-controllable expenditure ((technical accounting adjustments e.g. overhead redistribution)	4,591	0	0
Total	18,342	0	0

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 6	Forecast variance month 4	Forecast variance due to Covid M6	Forecast variance (non - Covid) M6
	£000	£000	£000	£000	£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	(300)	0	0	0
Other Corporate Items	5,383	0	0	0	0
Pensions & redundancy	5,728	300	0	0	0
TOTAL	18,342	0	0	0	0

Table 3 - Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
Corporate & Democratic Core		
	0	0
Corporate & Democratic Core total	0	0
Housing Benefits		
	0	0
Housing Benefits total	0	0

Table 3 - Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
Levies		
	0	0
Levies total	0	0
Net Cost of Borrowing		
Analysis of the 2021/22 debt profile indicates that the total cost of borrowing activities will be less than budgeted.	(300)	0
Net Cost of Borrowing total	(300)	0
Other Corporate items		
	0	0
Other Corporate items total	0	0
Pensions & redundancy		
Reduced costs of historic unfunded pension payments	(40)	0
Forecast based on redundancy costs to date netted off against the savings being made from the voluntary redundancy scheme.	340	0
Pensions & redundancy total	300	0
TOTAL VARIANCE	0	0

Table 4 - Key risks - detail items over £250,000		
Risk Description	Risk at month 6 £000	Risk at month 4 £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 6**

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000	Variance Month 6 £000	Variance Month 4 £000
Employees	20,530	(110)	(870)
Premises-related expenditure	20,084	321	483
Transport-related expenditure	259	(101)	(88)
Supplies & services	11,853	(1,292)	(40)
Third party payments	2,098	488	39
Transfer payments	0	0	0
Support services	577	337	528
Items excluded from the Cost of Services	0	0	0
Income	(82,462)	(43)	212
Non-controllable expenditure	34,247	(583)	(583)
Appropriation From (+)/To (-)HRA General Reserve	7,187	(983)	(320)

Table 2 - Variance by Departmental Division					
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4	Forecast Variance due to Covid	Forecast Variance (non - Covid) M6
	£000	£000	£000	£000	£000
Housing Income	(79,527)	(84)	(81)		(84)
Finance & Resources	8,070	(0)	(223)		(0)
Housing Management	6,535	438	71	20	418
Property & Compliance	9,246	(627)	(87)		(627)
Void & Repairs	10,170	374	773		374
DLO (H&F Maintenance)	2,881	22	0		22
Safer Neighbourhoods	712	(0)	0		(0)
Place	10,445	(107)	(56)		(107)
Regeneration & Development	1,061	(304)	(71)		(304)
Operations	4,424	(54)	(5)		(54)
Capital Charges	25,255	(641)	(641)		(641)
Corporate Support Service Recharges	7,915	(0)	0		(0)
Appropriation from HRA General Reserve	7,187	(983)	(320)	20	(1,003)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £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 latest forecast for dwelling rents and garages income suggests a shortfall of £167,000 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.	(84)	(81)
Housing Income total	(84)	(81)
Finance & Resources		
Net nil variance	(0)	(223)
Finance & Resources Total	(0)	(223)
Housing Management		
A high level of decants is driving a overspend in temporary accommodation and disturbance allowance costs of at least £723,000. In addition, unbudgeted Covid-19 related cleaning and security costs of £20,000 are forecast. These costs are partially offset by an underspend of £230,000 on staffing costs mainly due to delays in recruitment and other minor variances of £75,000.	438	71
Housing Management total	438	71
Property & Compliance		
It has been possible to sustain higher than expected capitalisation of contract costs and lower than budgeted procurement costs associated with a range of mechanical and engineering repairs and maintenance contracts than was assumed at the procurement stage (£706,000). It is also expected that a provision for other repairs and maintenance and project costs will not be fully spent this year (£354,000). Offsetting this is an increase in the forecast for the revenue costs for staff of £359,000 due in part to lower than expected capitalisation, together with an overspend against training costs of £74,000 arising from the need to comply with changes in legislation.	(627)	(87)
Property & Compliance total	(627)	(87)
Void & Repairs		
The council is awarding a higher level of historic compensation claims to support tenants. Offsetting this, analysis of the revenue and capital costs being incurred on the general repairs and maintenance contracts is resulting in a higher than expected capitalisation of those costs, enabling a forecast underspend of (£341,000).	374	773

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Void & Repairs total	374	773
DLO (H&F Maintenance)		
	22	0
DLO (H&F Maintenance) total	22	0
Safer Neighbourhood		
No variance reported	0	0
Safer Neighbourhood total	0	0
Place		
Pressures on staffing costs due to the need for additional staffing for a pilot concierge scheme and for the repairs customer service centre of £440,000 are offset by underspends within other staffing budgets and a provision for risk and contract penalties of (£483,000). Additionally, forecast overspends on legal and compensation costs of £205,000 are offset by contract penalty and rental income (£206,000) and by other minor running variances (£63,000).	(107)	(56)
Place total	(107)	(56)
Regeneration & Development		
This mainly relates to a forecast underspend on feasibility costs (£321,000), offset by other minor variances of £17,000.	(304)	(71)
Regeneration & Development total	(304)	(71)
Operations		
The underspend is due to a delay in recruitment.	(54)	(5)
Operations total	(54)	(5)
Capital Charges		
The underspend mostly 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.	(641)	(641)
Capital Charges total	(641)	(641)
Corporate Support Service Recharges		
	0	0
Corporate Support Service Recharges total	0	0
TOTAL VARIANCE	(983)	(320)

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

	Month 6 £000	Month 4 £000
Income from commercial property: In addition to the variance above, 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
Decanting costs, Housing Management - the full expectation of unbudgeted spend on temporary accommodation and disturbance allowance costs due to the increase in the number of decants driven by repairs activity is reported within the variances as set out in Table 3. No further risk is currently envisaged.	0	300
TOTAL RISKS MANAGED	250	750

Supplementary Monitoring Information
None to report

APPENDIX 9 - VIREMENT REQUESTS – MONTH 6

Details of Virement	Amount (£000)	Department
Use of Corporate Property Reserve to fund the shortfall on corporate buildings income.	150 (150)	Economy CMB
Use of the Covid reserve to fund enhanced sheltered housing cleaning measures and social distancing measures (non-landlord costs).	(315) 315	Economy (HRA) Covid reserve (CMB)
An adjustment in the corporate property recharge to reflect lower office occupancy during the pandemic.	(1,100) 1,100	Economy (HRA) Covid Reserve (CMB)
Total of Requested Virements (Debits)	1,565	