

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 05/09/2022

**Subject:** 2022/23 Corporate Revenue Monitor - Month 2 (May 2022)

**Report of:** Councillor Rowan Ree, Cabinet Member for Finance and Reform

**Report author:** Andrew Lord, Head of Strategic Planning and Investment

**Responsible Director:** Sukvinder Kalsi, Director of Finance

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### SUMMARY

This is the first corporate revenue monitoring report produced for 2022/23.

A **£4.334m** overspend is forecast for the General Fund. Action plans of **£2.800m** are proposed that, if delivered, will decrease the forecast overspend to **£1.534m**.

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### RECOMMENDATIONS

1. To note General Fund forecast overspend of £4.334m.
  2. To note that the forecast draw down from the Housing Revenue Account (HRA) general balance is £4.453m, £0.403m more than budgeted.
  3. To note the in-year Dedicated Schools Grant High Needs Block forecasted surplus of £0.582m, reducing the cumulative deficit.
  4. To approve General Fund virements totalling £4.494m and HRA virements totalling £0.377m as detailed in appendix 10.
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**Wards Affected:** All

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| 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

**Table 1 – 2022/23 forecast**

|                             | <b>Forecast over/(under)spend (£m)</b> | <b>Forecast over/(under)spend net of mitigations (£m)</b> |
|-----------------------------|--|---|
| Current – month 2 2022/23   | 4.334                                  | 2.800   |
| 2021/22 outturn             | (6.750)                                | N/A   |
| Last year – month 2 2021/22 | (1.985)                                | (4.299)   |

This report sets out the current forecast and action plans for those departments with forecast overspends (Table 2).

Funding for the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) continues to be under pressure, although the situation is improving considerably in line with the Council's recovery plan. For 2022/23, an in year surplus of £0.582m is forecast. The overall cumulative deficit will reduce to £7.238m by year end due to the in-year surplus and the Council securing additional Government funding. Continued funding is subject to DfE monitoring and the Council continuing to manage its DSG recovery plan.

The forecast draw down from the Housing Revenue Account (HRA) general balance will be £4.453m, £0.403m more than budgeted.

Elizabeth Nash, Principal Accountant 24/06/2022 and verified by Sukvinder Kalsi, Director of Finance 24/08/2022.

### Legal Implications

There are no legal implications for this report.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 25/08/2022.

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### Background Papers Used in Preparing This Report

None

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## DETAILED ANALYSIS

### GENERAL FUND

1. The General Fund forecast at month 2 (May 2022) is a forecast overspend of £4.334m (Table 2).

**Table 2 – Month 2 (May 2022): General Fund forecast** (underspends in brackets)

| Department                             | Revised Budget Month 2 | Forecast Outturn Variance Month 2 |
|--|------------------------|-----------------------------------|
|  | £m                     | £m                                |
| Children's Services                    | 53.127                 | (0.180)                           |
| The Economy Department                 | 7.339                  | 0.335                             |
| The Environment Department             | 65.527                 | 2.223                             |
| Controlled Parking Account             | (30.302)               | (0.031)                           |
| Finance                                | 1.234                  | 0.013                             |
| Resources                              | 5.893                  | (0.002)                           |
| Social Care                            | 60.836                 | 2.806                             |
| Centrally Managed Budgets              | 22.340                 | (0.830)                           |
| <b>Total</b>                           | <b>185.994</b>         | <b>4.334</b>                      |
| Balance of the unallocated contingency | 3.500                  | 0                                 |

2. As set out in the appendices, departments have identified financial risks of £5.879m at month 2.
3. Across the council inflation is now a significant financial risk. The Consumer Price Index (CPI) rose by 9.1% in the 12 months to May 2022. This is the highest level recorded since the government introduced this inflation measure in 1997 and compares to a rise of 0.7% in the 12 months to March 2021. The Bank of England expect the annual increase in CPI to approach 11% in the Autumn.
4. The 2022/23 Hammersmith & Fulham budget includes a £10m provision for inflation. This assumed:
  - Contract inflation of £3.15m which has already been distributed within departmental base budgets.
  - £3m to fund the 2021/22 pay award and uplift in employer national insurance contribution (health and social care levy) which has already been distributed within departmental base budgets.
  - A £2.35m provision for a 2022/23 pay increase (equivalent to a 2.3% pay award). This is retained corporately until the pay award is confirmed.
  - A corporate inflation contingency of £1.5m as mitigation against additional inflationary risk.
5. Inflationary pressures, such as the pay award, are likely to exceed the sums set aside within the budget. For example the current local government pay claim is for

an increase in line with inflation. This far exceeds the 2.3% increase factored into the budget.

6. The increase in costs does not just affect the General Fund but also the HRA, schools and capital programme. Pressure on household incomes may also increase demand for council services, such as homelessness or welfare support, and impact on council income streams (such as council tax collection rates).
7. Action is required to monitor and manage the inflationary and departmental risks. An unallocated contingency of £3.5m (in addition to the inflation contingency of £1.5m) is held within the 2022/23 budget should financial mitigation be required. If all, or part, of the unallocated contingency is not used in 2022/23 the forecast underspend will increase. As part of CRM 2 budget virements are proposed of £0.377m following a review of how costs are split between the General Fund and HRA. The virements will have the net effect of benefiting the HRA whilst reducing the unallocated contingency.
8. The Covid-19 pandemic continues to impact on the council's finances. The 2022/23 budget included a one-off allocation of £2.664m to departmental budgets to fund Covid-19 pressures and the risk of an economic downturn. A one-off Covid related contingency of £1.5m is also set aside and a £9m reserve carried forward from 2021/22. The use of this funding will be monitored throughout 2022/23 and allocated in accordance with appropriate approvals.
9. Mitigating departmental action plans of £2.800m have been identified, which if delivered would decrease the overspend to £1.534m (Table 3).

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

| Department                             | Forecast Outturn Variance | Potential Value of Action Plan Mitigations | Forecast Outturn Variance after Mitigations |
|--|---------------------------|--|---|
|  | £m                        | £m   | £m  |
| Children's Services                    | (0.180)                   | 0.000                                      | (0.180)                                     |
| The Economy Department                 | 0.335                     | 0.000                                      | 0.335                                       |
| The Environment Department             | 2.223                     | 0.000                                      | 2.223                                       |
| Controlled Parking Account             | (0.031)                   | 0.000                                      | (0.031)                                     |
| Finance                                | 0.013                     | (0.540)                                    | (0.527)                                     |
| Resources                              | (0.002)                   | 0.000                                      | (0.002)                                     |
| Social Care                            | 2.806                     | (2.260)                                    | 0.546                                       |
| Centrally Managed Budgets              | (0.830)                   | 0.000                                      | (0.830)                                     |
| <b>Total</b>                           | <b>4.334</b>              | <b>2.800</b>                               | <b>1.534</b>                                |
| Balance of the unallocated contingency | (3,500)                   |  | (3,500)                                     |
| <b>TOTAL</b>                           | <b>0.834</b>              |  | <b>(1,966)</b>                              |

10. 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

11. The Housing Revenue Account is forecasting and overspend and as a result will draw down **£0.403m more** from balances than budgeted (Table 4). The main variances are detailed in Appendix 8.

**Table 4: Housing Revenue Account forecast outturn**

| Housing Revenue Account (General Reserve)  | £m              |
|--|-----------------|
| <b>Balance as at 31 March 2022</b>         | <b>(15.566)</b> |
| Less: Budgeted appropriation from balances | 4.050           |
| Add: overspend                             | 0.403           |
| <b>Balance as at 31st March 2023</b>       | <b>(11.113)</b> |

## DEDICATED SCHOOLS GRANT (DSG)

12. Dedicated schools grant (DSG) is paid in support of local authority schools' and is the main source of income for the schools' budget. It is split between central expenditure and the individual schools' budget (ISB) in conjunction with the local schools' forum.
13. Funding for the High Needs Block (HNB) continues to be under pressure with the latest forecast set out in Table 5. For 2022/23, a DSG HNB surplus of £0.582m is forecast which will go towards reducing the cumulative deficit, along with safety valve funding of £4m. The overall cumulative deficit is forecast to reduce to £7.238m by year end. The additional Government funding forecast is subject to the council managing its DSG recovery plan as part of the grant conditions and close monitoring by the DfE.
14. The council holds earmarked reserves against the cumulative deficit which is released as the deficit is managed down.

**Table 5: Dedicated Schools Grant – High Needs Block deficit**

|   | £m            |
|---|---------------|
| <b>Cumulative deficit brought forward</b> | <b>11.820</b> |
| In-year forecast surplus                  | (0.582)       |
| Safety valve funding                      | (4.000)       |
| <b>Cumulative deficit carried forward</b> | <b>7.238</b>  |

## **GENERAL FUND RESERVES**

15. An update on the reserves strategy and action plan will be completed and reported at month 6. The current year forecast overspend will reduce forecast reserves.

## **VIREMENT AND WRITE OFF REQUESTS**

16. General Fund virements of £4.494m and HRA virements of £0.377m are proposed as detailed in Appendix 10.

## **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 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.

### **List of Appendices:**

| <b>Appendix</b> | <b>Title</b>                  |
|-----------------|-------------------------------|
| 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      | Action Plans                  |
| Appendix 10     | Virement Requests             |

**APPENDIX 1: CHILDREN'S SERVICES**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast variance by subjective</b> |                                |                                  |
|--|--------------------------------|----------------------------------|
| <b>Subjective</b>                                | <b>Revised budget<br/>£000</b> | <b>Variance month 2<br/>£000</b> |
| Employees  | 26,162                         | 356                              |
| Premises-related expenditure                     | 534                            | 41                               |
| Transport-related expenditure                    | 172                            | (61)                             |
| Supplies & services                              | 4,057                          | 31                               |
| Third party payments                             | 51,818                         | 3,100                            |
| Transfer payments                                | 72,492                         | (3,876)                          |
| Support services                                 | (1,809)                        | 120                              |
| Items excluded from the Cost of Services         | 2,033                          | 0                                |
| Income   | (108,961)                      | 109                              |
| Non-controllable expenditure                     | 6,630                          | 0                                |
| <b>Total</b>                                     | <b>53,128</b>                  | <b>(180)</b>                     |

| <b>Table 2 - Variance by Departmental Division</b> |                                |   |
|--|--------------------------------|---|
| <b>Departmental Division</b>                       | <b>Revised Budget<br/>£000</b> | <b>Forecast Variance Month 2<br/>£000</b> |
| Children and Young People's Services               | 32,086                         | (982)                                     |
| Education  | 12,738                         | 837                                       |
| Children's Commissioning                           | 4,560                          | 3   |
| Children's Performance & Improvement               | 2,145                          | (37)                                      |
| CHS Departmental Budgets                           | 1,598                          | (1)                                       |
| School Funding                                     | 0                              | 0   |
| <b>Total</b>                                       | <b>53,127</b>                  | <b>(180)</b>                              |

| <b>Table 3 - Variance Analysis</b>   |                         |
|--|-------------------------|
| <b>Departmental Division</b>   | <b>Month 2<br/>£000</b> |
| <b>Children and Young People's Services</b>  |                         |
| The underspend is made up of: <ul style="list-style-type: none"> <li>• £0.800m on placements and client related expenditure as a result of savings actions and prior year growth for Children Looked After / Leaving Care (CLA)/(LC) costs</li> <li>• £0.200m underspend forecast on secure remand and welfare - highly volatile budget</li> <li>• £0.200m on parent assessment budget</li> <li>• £0.244m staffing overspend on Family Support and Child Protection (FSCP) and CLA/LC teams as a result of agency cover for staff turnover, maternity and sickness</li> <li>• Other minor variances</li> </ul> | <b>(982)</b>            |

|  |              |
|--|--------------|
| The forecast includes £0.941m for contingency for net new placements based on trend over 2020/21 and 2021/22 (plus 25%).   |              |
| <b>Children and Young People's Services Total</b>  | <b>(982)</b> |
| <b>Education</b>   |              |
| Forecast overspend of £0.775m with respect to Travel Care and Support for Young People with Education and Health Care (EHC) plans. Of this, £0.155m relates to inflation on contracts in excess of the inflation awarded to the budget from April 2022.<br><br>EHC casework is forecast to overspend by £0.128m.<br><br>Special Educational Needs (SEN) Performance and Quality Assurance investment with respect to White Paper and new inspection framework £0.129m. | 837          |
| <b>Education Total</b>   | <b>837</b>   |

| <b>Table 4 - Savings Delivery</b>          |                    |  |                              |                      |
|--|--------------------|--|------------------------------|----------------------|
|  | <b>MTFS Target</b> | <b>On Track</b>  | <b>Partially Deliverable</b> | <b>Undeliverable</b> |
|  | <b>£000s</b>       | <b>£000s</b>   | <b>£000s</b>                 | <b>£000s</b>         |
|  | 533                | 441  | 10                           | 82                   |
| <b>Schemes not on track</b>                | <b>£000s</b>       | <b>Reason</b>  |                              |                      |
| 3rd Party Funding Contribution to Services | 82                 | Expected funding contribution of £0.092m from NHS not agreed, however alternative budget mitigations are proposed. |                              |                      |

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



**APPENDIX 1a: DEDICATED SCHOOLS GRANT (DSG)**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Variance by Departmental Division</b> |                       |                                  |
|--|-----------------------|----------------------------------|
| <b>Departmental Division</b>                       | <b>Revised Budget</b> | <b>Forecast Variance Month 2</b> |
|  | <b>£000</b>           | <b>£000</b>                      |
| High Needs Block expenditure                       | 28,647                | (582)                            |
| Early Years Block expenditure                      | 17,406                | 0                                |
| Schools Block expenditure                          | 38,407                | 0                                |
| Central School Services Block expenditure          | 2,837                 | 0                                |
| DSG income   | (87,297)              | 582                              |
| <b>TOTAL</b>                                       | <b>0</b>              | <b>0</b>                         |

| <b>Table 2 High Needs Block (HNB) Deficit</b>                        | <b>£000</b>   |
|--|---------------|
| <b>High Needs Block DSG deficit brought forward from prior years</b> | <b>11,820</b> |
| In-year HNB forecast surplus   | (582)         |
| 2022-23 HNB Safety Valve funding (to be confirmed)                   | (4,000)       |
| <b>Forecast High Needs deficit after Safety Valve funding</b>        | <b>7,238</b>  |

| <b>Table 3 - Variance Analysis</b>  |                     |
|---|---------------------|
| <b>Departmental Division</b>  | <b>Month 2 £000</b> |
| <b>High Needs Block</b> ( <i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision</i> )                                  |                     |
| The forecast spend of £28.065m, represents an underspend of £0.582m against the 2022/23 DSG HNB allocation.   |                     |
| The baseline budget overspend in 2022/23 is circa £1.300m versus budget before the planned £1.300m transfer from Central Services Schools Block and £0.556m Schools Block transfer.   | (582)               |
| £10.550m of High Needs Safety Valve funding was received to 2021/22 to reduce the cumulative HNB deficit. A further £4m of Safety Valve funding is expected to be received in 2022/23 subject to close monitoring by the Department of Education. |                     |
| <b>High Needs Block total</b>   | <b>(582)</b>        |

| <b>Table 4 - Key Risks - Detail Items Over £0.250m</b> |                             |
|--|-----------------------------|
| <b>Risk Description</b>                                | <b>Risk At Month 2 £000</b> |
| None to report   |                             |
| <b>TOTAL RISKS MANAGED</b>                             | <b>0</b>                    |

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

| <b>Table 1 - Forecast Variance by Subjective</b> |               |                         |
|--|---------------|-------------------------|
| <b>Subjective</b>                                | <b>Budget</b> | <b>Variance Month 2</b> |
|  | <b>£000</b>   | <b>£000</b>             |
| Employees  | 15,237        | 164                     |
| Premises-related expenditure                     | 4,650         | 36                      |
| Transport-related expenditure                    | 10            | 0                       |
| Supplies & services                              | 3,133         | 184                     |
| Third party payments                             | 21,820        | (470)                   |
| Transfer payments                                | 98            | 0                       |
| Support services                                 | 269           | 0                       |
| Items excluded from the Cost of Services         | 0             | 0                       |
| Income   | (31,379)      | 434                     |
| Non-controllable expenditure                     | (6,499)       | (13)                    |
| <b>Total</b>                                     | <b>7,339</b>  | <b>335</b>              |

| <b>Table 2 - Variance by Departmental Division</b> |                       |                                  |
|--|-----------------------|----------------------------------|
| <b>Departmental Division</b>                       | <b>Revised Budget</b> | <b>Forecast Variance Month 2</b> |
|  | <b>£000</b>           | <b>£000</b>                      |
| Housing Solutions                                  | 8,604                 | (30)                             |
| Economic Development, Skills Service               | 488                   | 0                                |
| Planning   | 1,509                 | 0                                |
| Operations   | (3,475)               | 365                              |
| Place  | 70                    | 0                                |
| Regeneration & Development                         | 143                   | 0                                |
| <b>TOTAL</b>                                       | <b>7,339</b>          | <b>335</b>                       |

| <b>Table 3 - Variance Analysis</b>  |                     |
|---|---------------------|
| <b>Departmental Division</b>  | <b>Month 2 £000</b> |
| <b>Housing Solutions</b>  |                     |
| The forecast for average client numbers (941 units) is lower than budgeted (982 units) in Private Sector Leased (PSL) temporary accommodation schemes.  | (180)               |
| There is a forecast increase in average client numbers (from a budget of 95 clients to a forecast of 107) 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 7 per day to the end of May) and higher accommodation costs (from a budget of £275.45 per week to an actual of £278.30 at end of May 2022). | 150                 |
| <b>Housing Solutions total</b>  | <b>(30)</b>         |
| <b>Operations</b>   |                     |
| <b>Facilities Management and Corporate Buildings - Income target of</b>   | <b>365</b>          |

| <b>Table 3 - Variance Analysis</b>   |                         |
|--|-------------------------|
| <b>Departmental Division</b>   | <b>Month 2<br/>£000</b> |
| £0.075m at Ravenscourt Stores unachievable in 2022/23 due to ongoing redevelopment agreement with tenant. The Lila Huset building saw two major tenants leave in 2021/22 and it is likely that there will be a shortfall in income of £0.290m. |                         |
| <b>Operations total</b>  | <b>365</b>              |

| <b>Table 4 - Savings Delivery</b> |                        |                 |                                  |                      |
|-----------------------------------|------------------------|-----------------|----------------------------------|----------------------|
|                                   | <b>MTFS<br/>Target</b> | <b>On Track</b> | <b>Partially<br/>Deliverable</b> | <b>Undeliverable</b> |
|                                   | <b>£000s</b>           | <b>£000s</b>    | <b>£000s</b>                     | <b>£000s</b>         |
| <b>Total MTFS Savings</b>         | 235                    | 235             | 0                                | 0                    |
| <b>Schemes not<br/>on track</b>   | <b>£000s</b>           | <b>Reason</b>   |                                  |                      |
| All schemes on track              |                        |                 |                                  |                      |

| <b>Table 5 - Key Risks - Detail Items Over £0.250m</b>  |                                     |
|---|-------------------------------------|
| <b>Risk Description</b>   | <b>Risk At<br/>Month 2<br/>£000</b> |
| <b>Housing Solutions</b> - Increase in bad debt provision on Temporary Accommodation (Bed & Breakfast and Private Sector Leasing) rent arrears because of reductions in personal income due to financial hardship   | 496                                 |
| <b>Housing Solutions</b> - Further increase in the number of households in Temporary Accommodation - based on an additional 100 households this year above the current forecast   | 458                                 |
| <b>Housing Solutions</b> - Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast   | 320                                 |
| <b>Housing Solutions</b> - Domestic Abuse Act - increase in households in temporary accommodation - extra 70 households this year above the current forecast  | 320                                 |
| <b>Planning</b> - potential unbudgeted costs associated with judicial reviews and major planning appeals including additional work to support the Hammersmith Town Centre supplementary planning document are expected to be funded from the Planning reserve | 250                                 |
| <b>TOTAL RISKS MANAGED</b>  | <b>1,844</b>                        |

## Supplementary Monitoring Information

### Housing Solutions

In April 2022, 186 homeless enquiries were received, with 68 homelessness applications. In May 2022, 199 homeless enquiries were received, with 70 homelessness applications.

The number of homeless enquiries remain high. April and May 2021 saw 172 and 174 enquiries respectively. Overall for the period April-May 2022, there was an increase of 39 enquiries compared to the same period last year (11% increase). We have already seen an impact from the conflict in Ukraine on homelessness approaches and numbers in temporary accommodation which we expect to increase as Homes for Ukraine sponsorship placements break down and approaches increase from Ukrainians on the family visa scheme which does not have accommodation attached.

Difficulty procuring private rented properties to prevent and relieve homelessness and increased prices are being reported across the sector.

**Planning income** in recent years has fluctuated between £3.600m (2018/19), £2.300m (2019/20), £2.200m (2020/21), £3.100m (2021/22) and is currently forecast to reach £3.400m in 2022/23, in line with the budget. However, 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
- Reduced developer funding of Planning Performance Agreements
- Government schemes to encourage house building, including grant schemes
- Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market)
- Adverse weather conditions, and delays in supply chains, delaying construction pipeline

**APPENDIX 3: THE ENVIRONMENT DEPARTMENT**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast variance by subjective</b> |                       |                         |
|--|-----------------------|-------------------------|
| <b>Subjective</b>                                | <b>Revised budget</b> | <b>Variance month 2</b> |
|  | <b>£000</b>           | <b>£000</b>             |
| Employees  | 25,770                | 613                     |
| Premises-related expenditure                     | 3,777                 | 445                     |
| Transport-Related expenditure                    | 790                   | 369                     |
| Supplies & services                              | 16,675                | 66                      |
| Third party payments                             | 20,983                | 1,119                   |
| Transfer payments                                | 116                   | 0                       |
| Support Services                                 | 0                     | 84                      |
| Items excluded from the Cost of Services         | 14,315                | (83)                    |
| Income   | (27,401)              | (390)                   |
| Non-controllable expenditure                     | 10,547                | 0                       |
| <b>Total</b>                                     | <b>65,572</b>         | <b>2,223</b>            |

| <b>Table 2 - Variance by departmental division</b> |                       |                                  |
|--|-----------------------|----------------------------------|
| <b>Departmental division</b>                       | <b>Revised budget</b> | <b>Forecast variance month 2</b> |
|  | <b>£000</b>           | <b>£000</b>                      |
| Public Realm                                       | 35,731                | 1,867                            |
| Safer Neighbourhoods & Regulatory Services         | 11,021                | 306                              |
| Leisure, Sport and Culture                         | 6,264                 | 280                              |
| Resident Services                                  | 12,556                | (230)                            |
| <b>Revised Variance</b>                            | <b>65,572</b>         | <b>2,223</b>                     |

| <b>Table 3 - Variance analysis</b>                              |                     |
|---|---------------------|
| <b>Departmental Division</b>                                    | <b>Month 2 £000</b> |
| Hammersmith Bridge unfunded revenue costs                       | 1,600               |
| Reduced commercial waste net income (continued Covid-19 impact) | 350                 |
| Streetlighting saving and increased energy costs                | 126                 |
| Waste disposal underspend                                       | (171)               |
| Network management license income                               | (96)                |
| Other minor variances   | 58                  |
| <b>Public Realm total</b>                                       | <b>1,867</b>        |
| Building Control net income underachievement                    | 150                 |
| CCTV budget pressure due to staffing and maintenance            | 138                 |
| Other minor variances   | 18                  |
| <b>Safer Neighbourhoods &amp; Regulatory Services total</b>     | <b>306</b>          |
| Parks mostly due to increasing utility costs and maintenance    | 236                 |
| Unbudgeted community events                                     | 41                  |
| Other minor variances   | 3                   |
| <b>Leisure, Sport and Culture total</b>                         | <b>280</b>          |

| <b>Table 3 - Variance analysis</b>   |                         |
|--|-------------------------|
| <b>Departmental Division</b>   | <b>Month 2<br/>£000</b> |
| NNDR enforcement income shortfall  | 319                     |
| Accessible Transport underspend due to rebate for reduced passenger numbers during Covid-19 pandemic | (665)                   |
| Other net variances  | 116                     |
| <b>Resident Services total</b>   | <b>(230)</b>            |
| <b>TOTAL VARIANCE</b>  | <b>2,223</b>            |

| <b>Table 4 - Savings Delivery</b> |                        |  |                                  |                      |
|-----------------------------------|------------------------|--|----------------------------------|----------------------|
|                                   | <b>MTFS<br/>Target</b> | <b>On<br/>Track</b>  | <b>Partially<br/>Deliverable</b> | <b>Undeliverable</b> |
|                                   | <b>£000s</b>           | <b>£000s</b>   | <b>£000s</b>                     | <b>£000s</b>         |
|                                   | 1,184                  | 1,117  | 67                               |                      |
| <b>Schemes not on track</b>       | <b>£000s</b>           | <b>Reason</b>  |                                  |                      |
| Leisure Contract income           | 67                     | The leisure industry has not yet fully recovered from the impact of the Covid-19 pandemic, affecting its ability to both sustain and grow income |                                  |                      |

| <b>Table 5 - Key risks - detail items over £0.250m</b>       |                                     |
|--|-------------------------------------|
| <b>Risk Description</b>                                      | <b>Risk at<br/>month 2<br/>£000</b> |
| Utility and fuel charges increase by 50% compared to 2021/22 | 250                                 |
| <b>TOTAL RISKS BEING MANAGED</b>                             | <b>250</b>                          |

| <b>Supplementary Monitoring Information</b>   |
|---|
| The Council will continue to work with the Department for Transport and Transport for London and seek to recover 66% of the Hammersmith Bridge costs as part of the project to fully restore the bridge. If successful, this will significantly reduce the forecast overspend for the department. |

**APPENDIX 3A: CONTROLLED PARKING ACCOUNT**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast variance by subjective</b> |                       |                         |
|--|-----------------------|-------------------------|
| <b>Subjective</b>                                | <b>Revised budget</b> | <b>Variance month 2</b> |
|  | <b>£000</b>           | <b>£000</b>             |
| Employees  | 7,251                 | (252)                   |
| Premises-related expenditure                     | 80                    | 0                       |
| Transport-related expenditure                    | 2                     | 0                       |
| Supplies & services                              | 979                   | 0                       |
| Third Party payments                             | 5,877                 | (165)                   |
| Transfer payments                                | 0                     | 0                       |
| Support services                                 | 214                   | 0                       |
| Items excluded from the Cost of Services         | 0                     | 0                       |
| Income   | (47,472)              | 386                     |
| Non-controllable expenditure                     | 2,767                 | 0                       |
| <b>Total</b>                                     | <b>(30,302)</b>       | <b>(31)</b>             |

| <b>Table 2 - Variance by Departmental Division</b> |                       |                                  |
|--|-----------------------|----------------------------------|
| <b>Departmental Division</b>                       | <b>Revised Budget</b> | <b>Forecast Variance Month 2</b> |
|  | <b>£000</b>           | <b>£000</b>                      |
| Income   | (47,472)              | 386                              |
| Expenditure  | 17,170                | (417)                            |
| <b>Total</b>                                       | <b>(30,302)</b>       | <b>(31)</b>                      |

| <b>Table 3 - Variance Analysis</b>   |                     |
|--|---------------------|
| <b>Departmental Division</b>   | <b>Month 2 £000</b> |
| <b>Income</b>  |                     |
| Pay & Display is down compared to the first two periods last financial year. Suspensions activity remains higher than pre Covid-19 levels.   | 386                 |
| <b>Income total</b>  | <b>386</b>          |
| <b>Expenditure</b>   |                     |
| A reduced spend on Pay & Display activities corresponding to reduction in activity. Slight delay in recruiting to the new Parking structure. | (417)               |
| <b>Expenditure total</b>   | <b>(417)</b>        |
| <b>Total variance</b>  | <b>(31)</b>         |

| <b>Table 4 - Key Risks - Detail Items Over £0.250m</b> |                             |
|--|-----------------------------|
| <b>Risk Description</b>                                | <b>Risk At Month 2 £000</b> |
|  |                             |

|                            |          |
|----------------------------|----------|
| None to report             |          |
| <b>Total Risks Managed</b> | <b>0</b> |

| <b>Supplementary Monitoring Information</b>   |  |
|---|--|
| The budget position assumes the budget adjustments included in the virement request to realign budgets to reflect new operating models within Parking, and the establishment of a Parking projects budget in Appendix 10. |  |



**APPENDIX 4: FINANCE**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast variance by subjective</b> |                       |                         |
|--|-----------------------|-------------------------|
| <b>Subjective</b>                                | <b>Revised budget</b> | <b>Variance month 2</b> |
|  | <b>£000</b>           | <b>£000</b>             |
| Employees  | 6,699                 | (534)                   |
| Premises-related expenditure                     | 0                     | 0                       |
| Transport-related expenditure                    | 3                     | 0                       |
| Supplies & services                              | 2,595                 | 73                      |
| Third Party payments                             | 241                   | 4                       |
| Transfer payments                                | 0                     | 0                       |
| Support services                                 | (16)                  | 0                       |
| Items excluded from the Cost of Services         | 0                     | 0                       |
| Income   | (3,056)               | 470                     |
| Non-controllable expenditure                     | (5,232)               | 0                       |
| <b>Total</b>                                     | <b>1,234</b>          | <b>13</b>               |

| <b>Table 2 - Variance by Departmental Division</b> |                       |                                  |
|--|-----------------------|----------------------------------|
| <b>Departmental Division</b>                       | <b>Revised Budget</b> | <b>Forecast Variance Month 2</b> |
|  | <b>£000</b>           | <b>£000</b>                      |
| Assurance, Programmes & Analytics                  | 1,373                 | 7                                |
| Audit, Fraud, Risk and Insurance                   | 976                   | (59)                             |
| Corporate Services                                 | 610                   | (194)                            |
| Finance  | 3,201                 | (105)                            |
| Managed Services                                   | 2,132                 | 0                                |
| Corporate Procurement                              | 575                   | (71)                             |
| Commercial Advertising                             | (2,400)               | 434                              |
| <b>Sub-Total</b>                                   | <b>6,466</b>          | <b>13</b>                        |
| Departmental non-controllable budgets              | (5,232)               | 0                                |
| <b>Total</b>                                       | <b>1,234</b>          | <b>13</b>                        |

| <b>Table 3 - Variance Analysis</b>               |                         |
|--|-------------------------|
| <b>Departmental Division</b>                     | <b>Month 2<br/>£000</b> |
| <b>Corporate Services</b>                        |                         |
| Staffing vacancies across directorate            | (194)                   |
| <b>Corporate Services total</b>                  | <b>(194)</b>            |
| <b>Finance</b>                                   |                         |
| Delayed recruitment to revised finance structure | (105)                   |
| <b>Finance total</b>                             | <b>(105)</b>            |
| <b>Commercial Advertising</b>                    |                         |

| <b>Table 3 - Variance Analysis</b>  |                         |
|---|-------------------------|
| <b>Departmental Division</b>  | <b>Month 2<br/>£000</b> |
| 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. | 434                     |
| <b>Commercial Advertising total</b>   | <b>434</b>              |

| <b>Table 4 - Key Risks - Detail Items Over £250,000</b> |                                     |
|---|-------------------------------------|
| <b>Risk Description</b>                                 | <b>Risk At<br/>Month 2<br/>£000</b> |
| None to report  |                                     |
| <b>Total Risks Managed</b>                              | <b>0</b>                            |

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

**APPENDIX 5: RESOURCES**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast variance by subjective</b> |                                |                                  |
|--|--------------------------------|----------------------------------|
| <b>Subjective</b>                                | <b>Revised budget<br/>£000</b> | <b>Variance month 2<br/>£000</b> |
| Employees  | 14,716                         | (145)                            |
| Premises-related expenditure                     | 196                            | (1)                              |
| Transport-related expenditure                    | 4                              | (0)                              |
| Supplies & services                              | 8,973                          | 231                              |
| Third party payments                             | 60                             | 24                               |
| Transfer payments                                | 0                              | 0                                |
| Support services                                 | 29                             | 5                                |
| Items excluded from the Cost of Services         | 0                              | 0                                |
| Income   | (5,906)                        | (117)                            |
| Non-controllable expenditure                     | (12,179)                       | (0)                              |
| <b>Total</b>                                     | <b>5,893</b>                   | <b>(2)</b>                       |

| <b>Table 2 - Variance by Departmental Division</b> |                                |   |
|--|--------------------------------|---|
| <b>Departmental Division</b>                       | <b>Revised Budget<br/>£000</b> | <b>Forecast Variance Month 2<br/>£000</b> |
|  | <b>£000</b>                    | <b>£000</b>                               |
| Communications and Communities                     | 639                            | 29  |
| Democratic Services, Coroners & Mortuaries         | 2,424                          | (48)                                      |
| Digital Services                                   | 12,273                         | 0   |
| Resources Directorate                              | 338                            | (2)                                       |
| Legal Services                                     | (395)                          | (1)                                       |
| Members Support                                    | 322                            | 20  |
| Transformation, Talent and Inclusion               | 2,472                          | 0   |
| <b>Sub-Total</b>                                   | <b>18,072</b>                  | <b>(2)</b>                                |
| Departmental non-controllable budgets              | (12,179)                       | 0   |
| <b>Total</b>                                       | <b>5,893</b>                   | <b>(2)</b>                                |

| <b>Table 3 - Variance Analysis</b> |                         |
|------------------------------------|-------------------------|
| <b>Departmental Division</b>       | <b>Month 2<br/>£000</b> |
| None to report                     |                         |

| <b>Table 4 - Savings Delivery</b> |              |                    |                 |                              |                      |
|-----------------------------------|--------------|--------------------|-----------------|------------------------------|----------------------|
|                                   |              | <b>MTFS Target</b> | <b>On Track</b> | <b>Partially Deliverable</b> | <b>Undeliverable</b> |
|                                   |              | <b>£000s</b>       | <b>£000s</b>    | <b>£000s</b>                 | <b>£000s</b>         |
|                                   |              | 450                | 450             |                              |                      |
| <b>Schemes not on track</b>       | <b>£000s</b> | <b>Reason</b>      |                 |                              |                      |
|                                   |              |                    |                 |                              |                      |

| <b>Table 5 - Key Risks - Detail Items Over £0.250m</b> |                             |
|--|-----------------------------|
| <b>Risk Description</b>                                | <b>Risk At Month 2 £000</b> |
| None to report   |                             |
| <b>Total Risks Managed</b>                             | <b>0</b>                    |

| <b>Supplementary Monitoring Information</b>   |
|---|
| The Democratic Services forecast assumes the approval of the virement request in Appendix 10 to reflect the increased costs of members allowance scheme approved by Full Council in May 2022, to be met from corporate contingency. |

**APPENDIX 6: SOCIAL CARE**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast Variance by Subjective</b> |               |                         |
|--|---------------|-------------------------|
| <b>Subjective</b>                                | <b>Budget</b> | <b>Variance Month 2</b> |
|  | <b>£000</b>   | <b>£000</b>             |
| Employees  | 14,834        | 0                       |
| Premises-related expenditure                     | 610           | 0                       |
| Transport-related expenditure                    | 34            | 0                       |
| Supplies & services                              | 1,387         | (50)                    |
| Third party payments                             | 76,506        | 2,856                   |
| Transfer payments                                | 12,638        | 0                       |
| Support services                                 | 7,716         | 0                       |
| Items excluded from the Cost of Services         | 0             | 0                       |
| Income   | (57,997)      | 0                       |
| Non-controllable expenditure                     | 5,108         | 0                       |
| <b>Total</b>                                     | <b>60,836</b> | <b>2,806</b>            |

| <b>Table 2 - Variance by Departmental Division</b>      |                       |                                  |
|---|-----------------------|----------------------------------|
| <b>Departmental Division</b>                            | <b>Revised Budget</b> | <b>Forecast Variance Month 2</b> |
|   | <b>£000</b>           | <b>£000</b>                      |
| Independent Living, Quality, Performance & Safeguarding | 24,935                | 2,337                            |
| Specialist Support and Independent Living               | 25,046                | 638                              |
| Commissioning   | 5,050                 | (119)                            |
| Resources   | 5,262                 | 0                                |
| Social Care Directorate                                 | 543                   | (50)                             |
| Public Health   | 0                     | 0                                |
| <b>TOTAL</b>  | <b>60,836</b>         | <b>2,806</b>                     |

| <b>Table 3 - Variance Analysis</b>   |                     |
|--|---------------------|
| <b>Departmental Division</b>   | <b>Month 2 £000</b> |
| <b>Quality, Safety &amp; Performance</b>   |                     |
| <p>The forecast is caveated with unknowns as we come out of Covid-19 including:</p> <ul style="list-style-type: none"> <li>the impact of the hospital discharges placed by NHS and requiring reassessment of care which is increasing social care costs.</li> <li>the impact of cost of living pressures on the care market providers.</li> <li>the fair cost of care exercise which will produce a market sustainability report and is highly likely to result in higher median unit costs (see risks in table 5 below)</li> <li>the delivery of budgeted 2022/23 savings of £1.5m.</li> </ul> <p>The forecast overspend is due to:</p> <ul style="list-style-type: none"> <li>the full-year effect from 2021/22 and additional 132 net increase in residents with Home Care packages costing £1.922m.</li> </ul> | 2,337               |

| <b>Table 3 - Variance Analysis</b>  |                         |
|---|-------------------------|
| <b>Departmental Division</b>  | <b>Month 2<br/>£000</b> |
| <ul style="list-style-type: none"> <li>an overspend of £0.722m in nursing placements for 38 new discharge to assess (D2A) residents transferred from health to social care services.</li> <li>an underspend of (£0.307m) in nursing care contributions and funded nursing care income.</li> </ul> <p>The department has charged actuals of £0.163m, against Covid-19 funding as at the end of May 2022. The forecast assumes that Quarter 1 hospital discharge costs of £0.771m will be recovered from Client Commissioning Groups. This is a local North-West London agreement and the forecast above includes the additional pressures from Quarter 2.</p> <p>Mitigation plans are in place to mostly address this overspend and the department will request (£1.600m) additional funding from corporate Covid-19 funds, as these costs are the medium term impact from the Covid-19 discharge to assess hospital policy.</p> |                         |
| <b>Quality, Safety &amp; Performance total</b>  | <b>2,337</b>            |
| <b>Learning Disability, Mental Health and In-House Services</b>   |                         |
| <p>The main pressures are in Learning Disability (LD) services due to a full year effect of new or returning residents commencing from 2021/22 and higher market costs. The projected overspend comprises:</p> <ul style="list-style-type: none"> <li>Home Care £0.428m</li> <li>Adult Supported Living £0.411m</li> <li>Placements £0.212m</li> <li>An underspend in Direct Payment and Day Care services areas of (£0.227m).</li> </ul> <p>In Mental Health there is an improved position due to the reduced number of placements and underspend of (£0.186m) is forecast.</p> <p>Mitigation plans are in place to address the LD overspend.</p>  | 638                     |
| <b>Learning Disability, Mental Health and In-House Services total</b>   | <b>638</b>              |
| <b>Commissioning</b>  |                         |
| Underspend on a range of commissioned variable contracts.   | (119)                   |
| <b>Commissioning total</b>  | <b>(119)</b>            |

| <b>Table 4 - Savings Delivery</b> |                    |                 |                              |                      |
|-----------------------------------|--------------------|-----------------|------------------------------|----------------------|
| <b>Dept</b>                       | <b>MTFS Target</b> | <b>On Track</b> | <b>Partially Deliverable</b> | <b>Undeliverable</b> |
|                                   | <b>£000s</b>       | <b>£000s</b>    | <b>£000s</b>                 | <b>£000s</b>         |
| <b>Total MTFS Savings</b>         | 1,500              | 1,500           | 1,299                        | 0                    |
| <b>Schemes not on track</b>       | <b>£000s</b>       | <b>Reason</b>   |                              |                      |

| <b>Table 5 - Key Risks - Detail Items Over £0.250m</b>  |                             |
|---|-----------------------------|
| <b>Risk Description</b>   | <b>Risk At Month 2 £000</b> |
| Fair cost of care exercise and the cost of living pressures in the Care Market with inflationary uplifts awarded at 4% and exercise leading to providers requesting higher uplifts (6% modelled). | 1,200                       |
| 34 nursing placements funded by the health awaiting to be transferred to Social Care, it is believed 80% will transfer This excludes any potential new placement transfers in year.               | 1,238                       |
| A potential 12 LD transitions transferring from Children to Adults.   | 334                         |
| <b>TOTAL RISKS MANAGED</b>  | <b>2,772</b>                |

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

**APPENDIX 7: CENTRALLY MANAGED BUDGETS**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast variance by subjective</b> |                       |                         |
|--|-----------------------|-------------------------|
| <b>Subjective</b>                                | <b>Revised budget</b> | <b>Variance month 2</b> |
|  | <b>£000</b>           | <b>£000</b>             |
| Employees  | 3,604                 | 0                       |
| Premises-related expenditure                     | 2,625                 | 0                       |
| Transport-related expenditure                    | 21                    | 0                       |
| Supplies & services                              | 11,011                | 0                       |
| Third party payments                             | 112                   | 70                      |
| Transfer payments                                | 89,925                | 0                       |
| Support services                                 | 678                   | 0                       |
| Items excluded from the Cost of Services         | 4,322                 | 0                       |
| Income   | (94,026)              | (900)                   |
| Non-controllable expenditure                     | 4,068                 | 0                       |
| <b>Total</b>                                     | <b>22,340</b>         | <b>(830)</b>            |

| <b>Table 2 - Variance by Departmental Division</b> |                               |                                  |
|--|-------------------------------|----------------------------------|
| <b>Departmental Division</b>                       | <b>Revised Budget Month 2</b> | <b>Forecast Variance Month 2</b> |
|  | <b>£000</b>                   | <b>£000</b>                      |
| Corporate & Democratic Core                        | 1,780                         | 0                                |
| Housing Benefits                                   | (328)                         | 0                                |
| Levies   | 1,560                         | 0                                |
| Net Cost of Borrowing                              | 4,115                         | (1,000)                          |
| Other Corporate Items                              | 9,485                         | 170                              |
| Pensions & redundancy                              | 5,728                         | 0                                |
| <b>Total</b>                                       | <b>22,340</b>                 | <b>(830)</b>                     |

| <b>Table 3 - Variance Analysis</b>  |                     |
|---|---------------------|
| <b>Departmental Division</b>  | <b>Month 2 £000</b> |
| <b>Net Cost of Borrowing</b>  |                     |
| Increases in the Bank of England 'base rate' will enable the council to earn a higher return from the investment of its cash balances.  | (1,000)             |
| <b>Net Cost of Borrowing Total</b>  | <b>(1,000)</b>      |
| <b>Other Corporate Items</b>  |                     |
| Higher spend on the Apprenticeship levy. In part this is due to increased payroll costs due a switch from use of agency staff to directly employed staff on fixed term contracts and additional staffing costs for example through the law enforcement team | 70                  |
| A forecast shortfall in budgeted land charge income.  | 100                 |



| <b>Table 3 - Variance Analysis</b> |                         |
|------------------------------------|-------------------------|
| <b>Departmental Division</b>       | <b>Month 2<br/>£000</b> |
| <b>Other Corporate Items total</b> | <b>170</b>              |

| <b>Table 4 - Key Risks - Detail Items Over £250,000</b> |                                     |
|---|-------------------------------------|
| <b>Risk Description</b>                                 | <b>Risk At<br/>Month 2<br/>£000</b> |
| None to report  |                                     |
| <b>Total Risks Managed</b>                              | <b>0</b>                            |

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

**APPENDIX 8: HOUSING REVENUE ACCOUNT**  
**BUDGET REVENUE MONITORING MONTH 2**

| <b>Table 1 - Forecast variance by subjective</b> |                       |                         |
|--|-----------------------|-------------------------|
| <b>Subjective</b>                                | <b>Revised budget</b> | <b>Variance month 2</b> |
|  | <b>£000</b>           | <b>£000</b>             |
| Employees  | 20,870                | 0                       |
| Premises-related expenditure                     | 21,267                | 92                      |
| Transport-related expenditure                    | 28                    | 0                       |
| Supplies & services                              | 9,377                 | (107)                   |
| Third party payments                             | 1,686                 | (23)                    |
| Transfer payments                                | 0                     | 0                       |
| Support services                                 | 0                     | 0                       |
| Items excluded from the Cost of Services         | 0                     | 0                       |
| Income   | (85,378)              | 385                     |
| <b>Appropriation From HRA General Reserve</b>    | <b>(32,150)</b>       | <b>346</b>              |

| <b>Table 2 - Variance by Departmental Division</b> |                       |                                  |
|--|-----------------------|----------------------------------|
| <b>Departmental Division</b>                       | <b>Revised Budget</b> | <b>Forecast Variance Month 2</b> |
|  | <b>£000</b>           | <b>£000</b>                      |
| Housing Income                                     | (82,144)              | 255                              |
| Finance & Resources                                | 6,866                 | 0                                |
| Housing Management                                 | 6,514                 | 170                              |
| Property & Compliance                              | 9,077                 | 0                                |
| Void & Repairs                                     | 10,455                | 168                              |
| H&F maintenance (DLO)                              | 3,365                 | 0                                |
| Safer Neighbourhoods                               | 723                   | 0                                |
| Place  | 10,979                | 0                                |
| Regeneration & Development                         | 882                   | 0                                |
| Operations   | 3,945                 | 0                                |
| Capital Charges                                    | 26,205                | (190)                            |
| Corporate Support Service Recharges                | 7,184                 | 0                                |
| <b>Appropriation From HRA General Reserve</b>      | <b>4,050</b>          | <b>403</b>                       |

| <b>Table 3 - Variance Analysis</b>   |                     |
|--|---------------------|
| <b>Departmental Division</b>   | <b>Month 2 £000</b> |
| <b>Housing Income</b>  |                     |
| Mainly due to dwelling rent and service charges income loss from higher than budgeted void numbers (2.78% forecast compared to budget of 2%) | 255                 |
| <b>Housing Income total</b>  | <b>255</b>          |
| <b>Housing Management</b>  |                     |
| A high level of decants is driving a forecast overspend in temporary   | 170                 |

| <b>Table 3 - Variance Analysis</b>  |                         |
|---|-------------------------|
| <b>Departmental Division</b>  | <b>Month 2<br/>£000</b> |
| accommodation and disturbance allowance costs.  |                         |
| <b>Housing Management total</b>   | <b>170</b>              |
| <b>Void &amp; Repairs</b>   |                         |
| Significant financial pressures due to increased numbers of disrepair compensation claims (including the associated legal costs).   | 168                     |
| <b>Void &amp; Repairs total</b>   | <b>168</b>              |
| <b>Capital Charges</b>  |                         |
| A reduction in the depreciation charge following an external review of the value and life of the housing stock, offset by an increase in borrowing costs due to increases in the internal borrowing rate. | (190)                   |
| <b>Capital Charges total</b>  | <b>(190)</b>            |

| <b>Table 4 - Savings Delivery</b> |                        |                 |                                  |                      |
|-----------------------------------|------------------------|-----------------|----------------------------------|----------------------|
|                                   | <b>MTFS<br/>Target</b> | <b>On Track</b> | <b>Partially<br/>Deliverable</b> | <b>Undeliverable</b> |
|                                   | <b>£000s</b>           | <b>£000s</b>    | <b>£000s</b>                     | <b>£000s</b>         |
|                                   | 3,850                  | 3,850           |                                  |                      |
| <b>Schemes not<br/>on track</b>   | <b>£000s</b>           | <b>Reason</b>   |                                  |                      |
|                                   |                        |                 |                                  |                      |

| <b>Risk Description</b>  | <b>Risk At<br/>Month 2<br/>£000</b> |
|--|-------------------------------------|
| <b>Housing Management - Decant costs:</b> Spend on temporary accommodation and disturbance allowance costs due to the increase in the number of decants driven by repairs activity.  | 509                                 |
| <b>Capitalisation of staffing:</b> officers are completing regular and robust reviews of capitalisable staffing costs but there is a risk that these assumptions may need to be adjusted dependent on activities carried out by staff during the year. | TBC                                 |
| <b>Disrepairs related fees, external and internal legal costs and damages payments:</b> the current forecast is based on the 2021/22 outturn but it is possible that Council may end up incurring higher costs.  | 503                                 |
| <b>Total Risks Managed</b>   | <b>1,013</b>                        |

| <b>Supplementary Monitoring Information</b>   |
|---|
| A review of the repairs contract has been completed and it is estimated that this may |

result in additional revenue costs of £0.3m in 2022/23. There may also be additional capital costs. This will be finalised prior to the Cabinet version of this report.

## APPENDIX 9 – ACTION PLANS – MONTH 2

| <b>Finance Overspend Action Plan</b> |  |                                |                            |                 |
|--------------------------------------|--|--------------------------------|----------------------------|-----------------|
| <b>Ref</b>                           | <b>Mitigating Action(s)</b>  | <b>Proposed Mitigations £m</b> | <b>Responsible Officer</b> | <b>Deadline</b> |
| 1                                    | Digital Advertising - A rent review of a key site is being undertaken and expected to generate additional income.  | 0.260                          | Emily Hill                 | Jul-22          |
| 2                                    | Digital Advertising - Detailed analysis of profit shares with partner agencies to be undertaken and could mitigate a proportion of the income shortfall. The mitigation is subject to market volatility. | 0.280                          | Emily Hill                 | Dec-22          |
|                                      | <b>Total</b>   | <b>0.540</b>                   |                            |                 |

| <b>Social Care and Public Health Action Plan</b> |   |                                |                               |                 |
|--|---|--------------------------------|-------------------------------|-----------------|
| <b>Ref</b>                                       | <b>Mitigating Action(s)</b>   | <b>Proposed Mitigations £m</b> | <b>Responsible Officer</b>    | <b>Deadline</b> |
| 1  | Request for corporate Covid-19 funding to contribute to ongoing budget pressures of residents transferred from Hospital discharge in greater numbers and with increasing acuity of needs. | 1.600                          | Prakash Daryanani             | 30/09/2022      |
| 2  | Assumes 5 spot placements and / or supported living residents transfer into Learning Disability (LD)Supported Living block contract to reduce void costs.                                 | 0.160                          | Jo Baty / Julie Murray        | 30/09/2022      |
| 3  | Review high cost placements, packages and Direct Payments including completion of Continuing Health Care checklists and the use of Care cubed tool to reduce costs.                       | 0.500                          | Jo Baty / Christopher Nicklin | 31/03/2023      |
|  | <b>Total</b>  | <b>2.260</b>                   |                               |                 |

**APPENDIX 10 - VIREMENT REQUESTS – MONTH 2**

| <b>Details of Virement</b>  | <b>Amount (£000)</b> | <b>Department</b> |
|---|----------------------|-------------------|
| <b>GENERAL FUND:</b>  |                      |                   |
| Review of Corporate Democratic Charge to HRA (transfer from contingency)  | 134                  | CMB               |
|   | (134)                | CMB               |
| Review of Amenity Charge from HRA to General Fund (met from contingency)  | 243                  | CMB               |
|   | (243)                | CMB               |
| Realignment of budgets to reflect new operating models within Parking, and the establishment of a Parking projects budget | (3,515)              | CPA               |
|   | 3,515                | CPA               |
| Realign the budgets for children looked after care leaves and travel care and support in line with current demands        | (500)                | CHS               |
|   | 500                  | CHS               |
| Increased costs of members allowance scheme approved by Full Council to be met from corporate contingency                 | 102                  | RES               |
|   | (102)                | CMB               |
|   |                      |                   |
| <b>Total of Requested Virements (Debits)</b>  | <b>4,494</b>         |                   |
|   |                      |                   |
| <b>HRA:</b>   |                      |                   |
| Total of Requested Virements (Debits)   |                      |                   |
| Review of CDC Charge to HRA (transfer from contingency)   | 134                  | HRA               |
|   | (134)                | HRA               |
| Review of Amenity Charge from HRA to General Fund   | 243                  | HRA               |
|   | (243)                | HRA               |
| <b>Total of Requested Virements (Debits)</b>  | <b>377</b>           |                   |