

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 15/01/2024

Subject: Revenue Budget Review 2023/24 - Month 6 (September 2023)

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

Responsible Director: Sukvinder Kalsi, Strategic Director of Finance

SUMMARY

This is the third financial review of 2023/24 (a further report will follow at Month 9). The outcomes of this review reflect the challenging macro-economic conditions and is based on a prudent view. A pressure of £5.1m (or 2.3% of the net budget) is forecast prior to any mitigations and use of contingencies. Mitigations and recovery action plans could reduce the forecast to £4.0m and this will be monitored during the year.

The strategic operating environment for the Council and across the economy remains challenging, with high inflation and interest rates. This is reflected in reducing household incomes and is increasing demand on public services, adding costs to our service delivery, and reducing the income that is collected for services.

The budget for 2023/24 was based on:

- preserving front line services valued by residents/businesses/visitors.
- ensuring the delivery of key Council priorities (e.g., free home care, council tax support scheme and weekly collection of waste)
- increasing investment in services including fly-tipping, food waste collection, homelessness, free school breakfasts, care packages for disabled children and family hubs
- maintaining financial resilience of the Council

The approved General Fund budget was also based on pay and price allowances of 5%, investment in services of almost £10.7m (plus a £1m fund for cost-of-living programmes) and savings of £2.9m.

To facilitate the closing of the accounts several actions will be required which normally require Cabinet approval, for example transfer to and from reserves, budget virements, level of bad debt provision, etc. This report seeks authority to delegate such decisions to the Strategic Director of Finance.

RECOMMENDATIONS

1. To delegate authority to the Strategic Director of Finance, in consultation with the Cabinet Member for Finance and Reform, to take all decisions necessary to facilitate the closing of the final accounts.

2. To note the General Fund financial forecast at month 6.
3. To note that the position on the Housing Revenue Account (HRA) as set out in paragraph 12.
4. To note the in-year Dedicated Schools Grant High Needs Block forecasted surplus of £0.401m (thereby reducing the cumulative deficit).
5. To approve General Fund budget changes totalling £0.061m as detailed in Appendix 10. This is being funded using one-off use of earmarked reserves.
6. To approve the proposal to refund to council tenants, the commission on the collection of water charges as set out in paragraph 14 of this report.

Wards Affected: All

H&F values	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.
Creating a compassionate council	As the Council's resources have been reduced, we have protected the services on which the most vulnerable residents rely. This budget continues all our previous policies to support residents and proposes new spending on care packages for disabled children and additional resources to help residents through the cost-of-living crisis.
Building shared prosperity	A significant proportion of services are delivered in partnership with local and national companies, and this will continue to promote all business sectors to the benefit of residents. In addition, there will be increased investment in the Industrial Strategy Delivery and the development and promotion of the STEAM sector strategy.
Doing things with residents, not to them	The use of co-production across the Council is embedded and all service matters are developed with the engagement of residents. The Council is continuing the REAP (Resident Experience and Access Programme) Programme to improve residents' access to the services.
Taking pride in H&F	The budget includes significant investment

	in public realm services especially waste collection, street cleaning and open/park spaces. Our new waste contract includes provisions to tackle fly-tipping and collection of food waste.
Rising to the challenge of the climate and ecological emergency	The Council has established a Climate Change team and the team has developed a Climate and Ecology Strategy (and is making a significant contribution to the international and national policy debates). It is also securing grants from national programmes to help with improvements of the thermal efficiency of Council properties and homes).

Financial Impact

All the financial issues are set out in this report.

Andre Mark, Head of Finance (Strategic planning and investment), 21 November 2023 and verified by Sukvinder Kalsi, Strategic Director of Finance, 15 December 2023.

Legal Implications

The Council has a statutory duty under s151 of the Local Government Act 1972 to arrange for the proper administration of its financial affairs as well as a common law fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

The proposals outlined in paragraph 14 are necessary in light of the court decisions that Councils had overcharged their tenants for water.

There are no other legal implications for this report.

Verified by Jade Monroe, Chief Solicitor, Legal Services 12th December 2023

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

GENERAL FUND

1. Full Council approved the current General Fund revenue budget in February 2023 of £201.6m. The budget across all services including investment of £10.9m and savings of £2.9m.

2. The General Fund forecast at Month 6 (end of September 2023) is a forecast pressure of £5.099m. Table 1 sets out an analysis by Department and Table 2 an analysis by subjective type of expenditure.

Table 1 – Month 6 (September 2023): General Fund forecast (underspends in brackets)

Department	Revised Budget Month 6	Forecast Outturn Variance Month 6	Forecast Outturn Variance Month 4	Variance movement since previous month
	£m	£m	£m	£m
Social Care	66.853	3.848	4.917	(1.069)
Children's Services	57.995	2.474	1.678	0.796
The Economy Department	11.056	1.151	1.201	(0.050)
The Environment Department	61.748	1.267	1.088	0.179
Controlled Parking Account	(32.153)	0.593	1.237	(0.644)
Corporate Services	17.484	0.669	0.488	0.181
Finance	1.618	(0.034)	(0.076)	0.042
Centrally Managed Budgets	23.013	(4.869)	(4.746)	(0.123)
Total	207.614	5.099	5.787	(0.688)

Table 2 – Month 6 (September 2023): General Fund subjective forecast (underspends in brackets)

Subjective	Revised budget Month 6	Forecast Outturn Variance Month 6	Forecast Outturn Variance Month 4	Variance movement since previous month	Actuals Month 6
	£m	£m	£m	£m	£m
Employees	129.443	(0.840)	0.306	(1.146)	79.697
Premises-Related Expenditure	14.431	2.695	1.449	0.846	25.156
Transport-Related Expenditure	1.591	0.073	(0.007)	0.080	1.049
Supplies & Services	64.092	(2.428)	2.858	(5.286)	32.770
Third Party Payments	194.578	9.502	9.287	0.215	86.303
Transfer Payments	172.930	(1.323)	(1.930)	0.607	62.700
Support Services	17.991	7.284	(0.146)	7.430	5.704
Items Excluded from the Cost of Services	(109.419)	(1.384)	(1.177)	(0.207)	(8.723)
Income	(291.904)	(8.482)	(4.853)	(3.629)	(156.503)
Non-Controllable Expenditure	13.879	0.002	0.000	0.002	(105.209)

Total	207.614	5.099	5.787	(1.088)	22.946
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3. Across the Council, inflation is now a significant financial risk. The continuing national economic conditions of high inflation and interest rates present many significant challenges to the Council, increasing costs for delivering services, reducing our income from residents/businesses/visitors, making investment plans more expensive and is increasing the demand for public services. In its Spring Budget of March 2023, the government predicted that inflation, as measured by the Consumer Price Index (CPI) would have fallen to 6.9% by the second quarter, and to 2.9% by the end of the year. CPI inflation measured at the end of August was 6.7% but there are still significant concerns that it is not falling as quickly as it should, and inflationary pressures for food remain stubbornly elevated.
4. The 2023/24 Hammersmith & Fulham budget included a £13.6m provision for inflation. This assumed:
 - Contract inflation of £7.6m (5%) which has been distributed within departmental base budgets.
 - £6m (5%) to fund the 2023/24 pay award. Chief Officer pay award was finalised in June 2023 and the remainder is retained corporately until other pay awards are confirmed.
5. Negotiations on the final pay award for 23/24 continue to take place for many affected staff. Trade Unions have rejected a “full and final pay offer” from national employers of £2,355 for Inner London councils and there is an increased risk of industrial action. If a revised pay offer were to be agreed at a higher value, this would need to be met from contingencies in 2023/24 and factored into the Council’s medium term financial planning.
6. Inflationary pressures are likely to exceed the sums set aside within the budget. The increase in costs does not just affect the General Fund but also the HRA, schools and the 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. Current interest rates are 5.25% (as of September 2023) and are likely to rise further in the coming months. This may impact both revenue and capital expenditure due to higher costs of borrowing and interest yields on cash balances. Any additional new borrowing that the council undertakes will be subject to the higher rate and this increase in costs will have to be factored into the council’s medium term financial plans.
8. Action is required to monitor and manage the inflationary and departmental risks. An unallocated contingency of £5.7m is held within the 2023/24 budget and will be used as financial mitigations where necessary. Departmental action plans of £1.070m have been identified and if delivered would decrease the overspend to £4.029 (see below).

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

Department	Forecast Outturn Variance	Potential Value of Action Plan Mitigations	Forecast Outturn Variance after Mitigations
	£m	£m	£m
Social Care	3.848	(0.930)	2.918
Children's Services	2.474	(0.140)	2.334
The Economy Department	1.151	0	1.151
The Environment Department	1.267	0	1.267
Controlled Parking Account	0.593	0	0.593
Corporate Services	0.669	0	0.669
Finance	(0.034)	0	(0.034)
Centrally Managed Budgets	(4.869)	0	(4.869)
Total	5.099	(1.070)	4.029
Balance of the uncommitted unallocated contingency	(5.700)	0	(5.700)
TOTAL	(0.601)	(1.070)	(1.671)

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).

MTFS SAVINGS MONITORING

10. The MTFS savings target for 2023/24 is £2.9m. Progress against departmental targets is set out below in Table 4. A detailed schedule of savings is included in Appendix 11.
11. Forecast delivery against targets for the Council-wide employee management saving of £2.5m is set out below in table 5.

Table 4: MTFS Savings

Department	Target Savings Delivery	Delivery Risk Rating			Forecast Savings Delivery	Forecast Non-Delivery of Savings
		Low	Medium	High		
	£000's	£000's	£000's	£000's	£000's	£000's
Social Care and Public Health	(1,670)	(970)	(700)	0	(1,670)	0
Children's Services	(700)	(700)	0	0	(700)	0
The Economy	(14)	(14)	0	0	(14)	0
The Environment	(283)	(283)	0	0	(520)	0
Corporate Services	(257)	(164)	(73)	0	(0)	(20)
Total	(2,924)	(2,131)	(773)	0	(2,904)	(20)
Employee Budget Efficiencies (2%)	(2,500)	0	(2,500)	0	(2,500)	0

Table 5: Employee Management Saving

Department	Target (£000s)	Forecast delivery (£000s)	Variance (£000's)	Commentary
Social Care	317	317	0	Funded in 23/24 only from the Market Sustainability and Improvement Workforce grant.
Childrens	613	563	(50)	£0.383m of savings are one off for 2023/24 and currently at risk for 2024/25
The Environment	449	0	(449)	Not expected to be delivered due to existing vacancy saving to be delivered first
Parking	201	201	0	
The Economy	340	340	0	
Finance	153	153	0	
Corporate Services	427	427	0	
Total	2,500	2,001	(499)	

HOUSING REVENUE ACCOUNT

12. The strategic operating environment of the Housing Revenue Account continues to be challenging (as the General Fund) with high inflation and interest rates. There are additional national regulatory building obligations (e.g. damp & mould and disrepair). The overall assessment is that an additional call from reserves will be necessary (for example to undertake additional repairs and the position is summarised in Table 6 below (and detailed in Appendix 8).

Table 6: Housing Revenue Account forecast outturn

Housing Revenue Account (General Reserve)	£m
Balance as of 31 March 2023	(10.023)
Less: Budgeted appropriation from balances (base deficit of £1.4m and one-off temporary use of reserves)	3.630
Balance as of 31st March 2024	(6.393)

13. The details of the financial performance of the HRA are set out in Appendix 8. It is usual to project emerging pressures at this stage of the financial year and work is in progress to identify mitigations. It is intended that the balances on the HRA will be a minimum of £5m at the end of March 2024. This level of general balances is considered reasonable given the overall levels of income and expenditure on the HRA.
14. The refund of commission received by local authorities from Thames Water and not deducted on the collection of water charges from council tenants has been considered by the Courts in challenges brought by tenants against their local authorities from 2016 to 2020 (Southwark and Kingston). The Courts concluded that local authorities should not recover from the tenants more than what they were charged by Thames Water and any overpayment should be refunded. This Council also received a commission (in line with other local authorities) and is now proposing that these are refunded for the period 2014 to 2020. This is a fair and equitable proposal and will assist tenants in sustaining their tenancies (as rent arrears will be reduced), provide support for household incomes during this cost of living crisis and promote stronger trust in the Council as a landlord. It is also an efficient use of resources and will help to avert potential future costs. It is estimated that this will require funding of £5m and this will be met from provisions previously set aside for this purpose in the HRA.

DEDICATED SCHOOLS GRANT (DSG)

15. 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.
16. Funding for the High Needs Block (HNB) continues to be under pressure with the latest forecast set out in Table 7. For 2023/24, a DSG HNB surplus of £0.401m is forecast which will go towards reducing the cumulative deficit, along with safety valve funding of £1.500m. The overall cumulative deficit is forecast to reduce to £2.848m 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 (Department for Education).
17. The council holds earmarked reserves against the cumulative deficit which is released as the deficit is managed down.

Table 7: Dedicated Schools Grant – High Needs Block deficit

	£m
Cumulative deficit brought forward	4.749
In-year forecast surplus	(0.401)
Safety valve funding	(1.500)
Cumulative deficit carried forward	2.848

GENERAL FUND RESERVES

18. A full update on the reserves strategy and action plan will be completed and reported to Political Cabinet in December. The current year forecast overspend will reduce forecast reserves.
19. The current reserves position and forecast balances at year end after commitments is set out below in Table 8.

Table 8: Reserves Forecast to 31st March 2024

	Opening Balance 31st March 2023	Forecast Movement	Forecast Closing Balance 31st March 2024
Ear Marked Reserves	£m	£m	£m
Corporate Demands and Pressures	(37.4)	8.2	(29.1)
Insurance Fund	(4.5)	0.0	(4.5)
Inflation Risk	(4.8)	0.0	(4.8)
Civic Campus	(1.4)	1.4	0.0
Digital	(5.9)	3.9	(2.0)
Invest to save	(2.7)	2.6	(0.1)
Parking	(2.8)	2.8	(0.0)
DSG	(15.1)	0.0	(15.1)
Unallocated Contingency	(1.5)	0.7	(0.9)
Pre Development Costs	(5.0)	0.0	(5.0)
Planning Reserve	(1.7)	0.8	(1.0)
Other Service Reserves	(8.9)	4.0	(4.9)
Other Corporate Reserves	(6.7)	2.1	(4.6)
Sub Total General Fund Ear Marked Reserves	(98.3)	26.4	(72.0)
General Balances	(21.3)	0	(21.3)
Total General Fund Reserves	(119.7)	26.4	(93.3)
HRA Reserves and Balances	(21.3)	0.0	(16.3)
Schools Balances	(0.3)	(0.2)	(0.6)
Collection Fund Reserve	(3.4)	0.0	(3.4)
s106 / CIL	(2.2)	2.2	(0.0)
Total	(147.0)	33.4	(113.6)

VIREMENT AND WRITE OFF REQUESTS

20. General Fund virements of £0.061m are proposed as detailed in Appendix 10.

REASONS FOR DECISION

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

EQUALITIES IMPLICATIONS

22. 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.
23. 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

24. 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.
25. The report recognises the significant external pressures which are expected to bear down on the Council's costs during 2023/24, including persistently high levels of inflation and increasing interest rates. Detailed risks are set out for departments in the appendices, and include areas overspends are being caused by increased demand for services (particularly social care) and the prospect that there is further will be further demand going forward, further increasing pressure on budgets. It is recognised that unallocated contingency has been held and will be applied to reduce the potential overspend for the year, however, this is a short-term mitigation only. Directorates and the central Finance team will need to continue to closely monitor expenditure to ensure it remains within budget and that planned savings are delivered in full or implement alternative mitigating actions to address forecast overspends or savings targets which cannot be delivered.
26. The report also recognises the significant pressures facing the HRA, with a significant reduction in the HRA General Reserve being noted for the end of the year. Officers must ensure that costs and income are closely monitored and controlled and that corrective actions to protect and maintain the financial stability of the HRA are agreed and embedded.

Implications completed by: David Hughes, Director of Audit, Fraud, Risk, and Insurance, 30th November 2023

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**APPENDIX 1: SOCIAL CARE
BUDGET REVENUE MONITORING MONTH 6**

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000's	Variance Month 6 £000's	Variance Month 4 £000's
Employees	18,100	(298)	(179)
Premises-Related Expenditure	626	209	144
Transport-Related Expenditure	26	0	0
Supplies & Services	2,558	(12)	(12)
Third Party Payments	85,667	4,968	5,673
Transfer Payments	13,244	(1,019)	(173)
Support Services	7,908	0	0
Items Excluded from the Cost of Services	0	0	0
Income	(66,842)	0	(536)
Non-controllable expenditure	5,556	0	0
Total	66,853	3,848	4,917

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Independent Living, Quality, Performance & Safeguarding	26,873	1,523	2,600
Specialist Support and Independent Living	27,555	2,671	2,704
Commissioning	6,215	(256)	(297)
Resources	5,758	(12)	(12)
Social Care Directorate	452	(78)	(78)
Public Health	0	0	0
TOTAL	66,853	4,917	4,917

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Independent Living, Quality, Performance & Safeguarding		
<p>The main reasons for the improvement of (£1.077m) in the forecast is the management actions implemented with a review of Direct Payment care packages and the review of Continuing Health criteria resulting in expenditure reductions of (£0.499m). Secondly the recently announced of the Market Sustainability and Improvement workforce where costs have been allocated to this grant to support winter planning of the service of (£0.578m).</p> <p>Despite the improvement in the forecast this Division remains with a revised overspend due to: the full year net effect of 77 new residents with Home Care packages costing £1.562m.</p> <ul style="list-style-type: none"> •A projected overspend of £0.639m in nursing and residential placements are due to increasing unit costs of 10.8% since last year and 4 additional new placements. •Adult Supported Living services forecasting overspend of £0.277m due to combination of 3 new placements and increasing unit costs. <p>There are forecast underspends across the rest of the service of (£0.735m) in the direct payment service due to a reduction in residents' numbers and a review of packages and an underspend of (£0.220m) in staffing.</p> <p>There is a significant risk of more residents yet to be assessed and transferring to Social Care. Mitigation plans are in place to partly address this overspend.</p>	1,523	2,600
Independent Living, Quality, Performance & Safeguarding Total	1,523	2,600
Specialist Support and Independent Living		
<p>The main pressures remain in Learning Disability (LD) services is due to a full year cost effect of new or returning residents commencing from 2022-23 and higher market costs.</p> <p>The projected overspend comprises of:</p> <ul style="list-style-type: none"> - £1.342m for Adult Supported Living with 11 new residents since 2022/23 and average costs increases of 18% over the last year. - £0.609m for Homecare. - £0.223m for Direct Payments and Day Care due to 3 new transitions residents. - An increase in rent and service charges for the Parkview centre of £0.209m. - Following a contractual review of the Individual Service Fund (ISF) there are proposed contractual reductions of (£0.507m). <p>Further mitigation plans are in place to partly address the LD</p>	2,671	2,704

overspend.		
The Mental Health service is forecasting an overspend as detailed below: - £0.464m for Adult Supported Living due to unit cost increases of 13% for new residents. - £0.226m for Home Care due to the full year cost effect of new residents entering the service in 2022/23. - £0.105m for overspends in nursing and residential placements with 6 new jointly funded placements		
Specialist Support and Independent Living Total	2,671	2,704
Commissioning		
A projected underspend on a range of Commissioned variable contracts in supporting people and carers services (£0.078m), Meals reduced volumes (£0.058m) and within the third sector community programme (£0.120m).	(256)	(297)
Commissioning Total	(256)	(297)
Resources		
Minor underspend variance	(12)	(12)
Resources Total	(12)	(12)
Social Care Directorate		
Projected underspend due to vacancies held across the service recently recruited to.	(78)	(78)
Social Care Directorate Total	(78)	(78)
Public Health		0
The PH grant will continue to be subject to conditions, including a ring-fenced requiring LAs to use the grant for Public Health activity only. The PH grant for 2023/24 is £24.016m (an increase of £0.759m from 22/23) and equates to £124.3 per head of population. The additional grant is to meet agenda for change responsibilities and the programme is fully committed.	0	0
Public Health Total	0	0
TOTAL VARIANCE	3,848	4,917

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000

LD services - There are 5 health funded residents no longer eligible for continuing health care. The service are discussing with Health partners on the assessment. LD Transitions – 14 residents currently in Children’s Services and awaiting Care Act assessment.	292	380
Market pressures: 1) NRS Equipment provider (additional financial support requested) 2. Increase in Parkview rent and service charges by the landlord for 2023/24 from £0.517m to £0.806m. The April to December increase is included in the variance analysis. Charges related to the January to March period are included as a risk whilst the service are reviewing options.	274	144
TOTAL RISKS MANAGED	564	524

Supplementary Monitoring Information
<p>The month 6 forecast remains caveated with risks and cost pressures. These include:</p> <ul style="list-style-type: none"> - The continued impact of the hospital discharges placed by NHS and requiring reassessment of care is increasing social care costs. - The continued impact of cost of living pressures on the care market providers. As part of the Social Care reforms for the fair cost of care, the department is paying higher unit costs to reflect the cost of provision. - The delivery of the budgeted 2023/24 savings of (£1.67m). <p>The departmental forecast assumes full expenditure of the Discharge Support grant of £2.352m. This funding is ringfenced and covers post hospital discharge care costs on average for 20 days. However, most care assessed needs are much longer therefore this arises to an additional budgetary pressure to the council.</p> <p>Mitigation plans are in place to partly address this overspend.</p>

APPENDIX 2: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	29,615	(22)	443
Premises-related expenditure	534	57	57
Transport-related expenditure	163	(36)	(55)
Supplies & services	5,622	493	(101)
Third party payments	57,407	3,605	4,369
Transfer payments (e.g. housing benefits, schools funding transfers)	69,547	(304)	(1,757)
Support services (internal trading services)	1,633	(1)	(152)
Income	(115,349)	(1,318)	(1,130)
Items excluded from the cost of services (debt management and capital charges)	0	0	0
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	8,823	0	0
Total	57,995	2,474	1,678

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Children and Young People's Services	32,315	912	571
Education	14,876	1,409	886
Children's Commissioning	6,618	(331)	(179)
Children's Performance & Improvement	2,881	(198)	(209)
CHS Departmental Budgets	1,305	682	609
School Funding	0	0	0
Total	57,995	2,474	1,678

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Children and Young People's Services		
<p><u>Placements & Client related</u> Placements - £0.708m overspend</p> <p><u>Non placement client related £0.423m overspend</u> Transport - £0.350m Section 17 and Section 23 - £0.142m This is partly offset by £0.100m income from the Household support fund.</p> <p><u>Assessments</u> - £0.230m overspend. During Covid there was a decrease in use of service resulting in underspends. Post covid, the demand for the service has gradually increased.</p> <p><u>Staffing</u> £0.384m underspend which mitigates the adverse variance of the departmental vacancy target.</p>	912	571
Children and Young People's Services Total	912	571
Education		
<p>The Education Directorate General fund forecast overspend is £1.409m, a movement of £0.528m since CRM4.</p> <p>Travel Care and Support Services: There is an overspend of £1.209m in Travel Care and Support for Children and Young with Education and Health Care Plans. This is a movement of £0.179m since CRM4. The overspend can be split to show demand led pressure is £0.9m and unavoidable inflation in excess of 5% is £0.3m.</p> <p>Disabled and Children's Team: Client transport costs in the Short Breaks service is a £0.096m overspend. This is primarily because of an increase in transport cost and specifically the use of escorts. The Placements overspend is £0.024m.</p> <p>EHC (Education Health Care Planning) Caseworkers Service: The predicted overspend is £0.185m, an adverse movement of £0.168m since CRM4. This is primarily due to an increase in employee costs. This is due to an increased usage of agency staff to cover vacancies to deliver statutory duties.</p>	1,409	886

Education Total	1,409	886
Children's Commissioning		
CHS commissioning staff - £0.099m favourable due to in year vacancies. Early Intervention Services – £0.201m underspend on projects.	(331)	(179)
Children's Commissioning Total	(331)	(179)
Children's Performance & Improvement		
£0.198m favourable variance due to part year vacancies for posts being recruited.	(198)	(209)
Children's Performance & Improvement Total	(198)	(209)
CHS Departmental Budgets		
Vacancy factor – £0.613m has been loaded here to be mitigated by departmental staffing budgets as mentioned above. Of this overspend £0.613m relates to the gross vacancy factor target for the department staffing underspends across the services are mitigating this target.	682	609
CHS Departmental Budgets Total	682	609
School Funding		
	0	0
School Funding Total	0	0
Total Variance	2,474	1,678

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
	0	0
Total Risks Managed	0	0

Supplementary Monitoring Information

APPENDIX 2a: 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
	£000	£000	£000
High Needs Block Expenditure	32,813	(401)	(401)
Early Years Block Expenditure	15,475	74	0
Schools Block Expenditure	38,405	(13)	0
Central School Services Block Expenditure	2,422	0	0
DSG Income	(89,115)	340	401
TOTAL	0	0	0

Table 2 High Needs Block (HNB) Deficit	£000
High Needs Block DSG deficit brought forward from prior years	4,749
In-year HNB forecast surplus	(401)
2022-23 HNB Safety Valve funding (to be confirmed)	(1,500)
Forecast High Needs deficit after Safety Valve funding	2,848

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
High Needs Block (<i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision</i>)		
Forecast underspend on the high needs block after block transfer support is £0.4m favourable. A further £1.5m High Needs Safety Valve Funding for 2023/24 is profiled.		
There is significant risk to the expenditure forecast from continuing inflationary pressures in the economy which are impacting on the cost of Special Educational Needs placements.	(401)	(401)
High Needs Block Total	(401)	(401)
Early Years Block (<i>Funding for Early Years including Two Year Old funding and Early Years Pupil Premium</i>)		
Early Years Dedicated Schools Grant 2022/23 was subject to retrospective clawback in 2023/24 of £0.74m more than retained Early Years balance. An overspend will result unless the cost of activity in 2023/24 can be mitigated.	74	0
Early Years Block Total	74	0
Schools Block (<i>Core funding for mainstream maintained schools</i>)		

<p>The Schools Block DSG accounted for by the Local Authority relates to the delegated budgets for maintained mainstream schools.</p> <p>Schools can elect that a proportion of their funding is delegated back to the local authority for day to day management. Use of funds are monitored by schools via The Schools Forum. All grant is expected to be expended in 2023/24 financial year including retained balances of £0.315m held from 2022/23 financial year on behalf of schools.</p> <p>There is a top slice of £0.262m in 2023/24 to contribute to the statutory functions undertaken by the local authority on behalf of schools. This includes finance, asset management, asbestos management and surveys and statutory functions provided by Business Intelligence.</p>	(13)	0
Schools Block Total	(13)	0
Central School Services Block (<i>Funding for the Local Authorities ongoing responsibilities</i>)		
Central Services Block funds core services undertaken for all schools. In addition, there is some budget for historic functions that is winding down over the medium term. For 2023/24 there is £0.908m budgeted contribution to support the High Needs Block from the historic funding element.	0	0
Central School Services Block Total	0	0
TOTAL VARIANCE	(340)	401

Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
<p>Key risk is with respect to inflationary cost pressures and demand with respect to Education and Healthcare Plans for young people with special educational needs. This will be monitored closely through 2023/24.</p> <p>The final £3m funding through the Safety Valve agreement to 2024/25 requires the elimination of the High Needs deficit by 2025/26.</p>		

Supplementary Monitoring Information
None to report

APPENDIX 3: THE ECONOMY DEPARTMENT
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast Variance by Subjective			
Subjective	Budget £000's	Variance Month 6 £000's	Variance Month 4 £000's
Employees	19,292	164	(28)
Premises-Related Expenditure	5,601	2,039	743
Transport-Related Expenditure	10	(0)	(0)
Supplies & Services	3,827	604	467
Third Party Payments	25,029	1,568	373
Transfer Payments	98	0	0
Support Services	301	30	21
Items Excluded from the Cost of Services	0	0	0
Income	(37,029)	(3,255)	(375)
Non-Controllable Expenditure	(6,073)	2	0
Total	11,056	1,151	1,201

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Housing Solutions	10,648	443	445
Economic Development, Skills Service	775	0	0
Planning	1,876	564	641
Property and Asset Strategy	(2,424)	151	121
Place	53	0	0
Regeneration & Development	111	(7)	(6)
Head of Finance	16	0	0
TOTAL	11,056	1,151	1,201

Table 3 - Variance Analysis

Departmental Division	Month 6 £000	Month 4 £000
Housing Solutions		
<p>Bed and Breakfast - The latest forecast is for 158 clients (compared to a budget for 115) of whom 60 are placed into B&B annexes (at end of July 2023) is resulting in a forecast overspend of £1,122,000. A forecast overspend of £291,000 is mainly due to the placement of a small number of clients into commercial hotels. In addition, out of hours (OOH) placements and pre-booked accommodation numbers have been higher than planned (from a budget of 6 to an actual of 17 per day on average to the end of June), resulting in a forecast overspend of £187,000.</p>	1,600	548
<p>Private Sector Leasing - The forecasted average number of Private Sector Leasing units (1,022) is greater than the budgeted number (1,020), an underspend is forecast due to the lower than expected costs of accommodation.</p>	(68)	(100)
Additional one-off top up of Homelessness Prevention Grant	(1,089)	0
Housing Solutions Total	443	448
Planning		
<p>Planning - As explained in the Risks section, income from applications and pre-applications has fluctuated in recent years. The latest activity indicates that this risk is crystallising and the division is currently predicting an income shortfall of £587,000, offset by other minor favourable variances.</p>	564	641
Planning Total	564	641
Property & Asset Strategy		
Relates to lower than budgeted income from corporate buildings and property repairs costs.	151	121
Property Total	151	121
TOTAL VARIANCE	1,151	1,204

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Housing Solutions - Overall Benefit Cap (OBC) & DHP	52	69
Housing Solutions - Cost of Living Crisis and Ending of eviction ban - an increase in court proceedings against tenants may result in an increased net cost due to an increase in households in temporary accommodation.	111	147
Housing Solutions - Increase in bad debt provision on Temporary Accommodation (Bed & Breakfast and Private Sector Leasing) rent arrears because of reductions in personal income due to Cost of Living Crisis	142	189
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	292	389
Housing Solutions - Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	145	193
Housing Solutions - There is a risk of large families being accommodated in B&B	70	93
Housing Solutions - Domestic Abuse Act - increase in households in temporary accommodation - extra 70 households this year above the current forecast	204	272
Planning - income from Planning applications and pre-applications in recent years has fluctuated, and may be as low as £1.4m	150	250
Planning - Based on previous year outcome, there is a risk that income from Licencing Fees may drop	20	50
Planning - potential unbudgeted costs associated with judicial reviews and major planning appeals.	200	200
Facilities Management & Corporate Buildings - there are risks relating to repairs and maintenance costs, energy prices and historic debts.	415	415
TOTAL RISKS MANAGED	1,801	2,267

Table 6 - Supplementary Monitoring Information

Housing Solutions In August 2023, we saw 260 homelessness approaches, with 87 new homelessness applications made.

In September 2023, we saw 343 homelessness approaches, with 81 new homelessness applications made.

Compared to the previous year, in August we saw a 21% increase in homelessness approaches and in September we saw a 54% increase.

Increasing mortgage interest rates mean many households on lower-incomes are now priced out of the market. Increased costs of living are also affecting abilities to pay rent. Changes to eviction rules regarding 'no fault evictions' has caused some landlords to leave the market altogether.

An increase in homelessness as Homes for Ukraine sponsorship placements and initial accommodation arrangements made by Ukrainians arriving on the family visa scheme break down continues to be a risk. Sustained difficulty procuring private rented is impacting our ability to prevent and relieve homelessness. Fewer private rented properties are affordable to households on benefits.

Planning income in recent years has fluctuated between £2.2m (2020/21), £3.1m (2021/22), £3.1m in (2022/23) and is currently budgeted to reach £3.7m in 2023/24. Based on current trend, there is a risk that that Planning income may reach only £3.1m in 2023/24. This will continue to be monitored and updates will be reported here. The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including:

- Possible further Planning reforms
- Ukraine war, inflation and recession impact on wider economy and on delays in construction projects)
- Potential developer response to wider stakeholder engagement rationalising or delaying projects
- Changes to the statutory charging schedule
- Economic factors such as the 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 confidence in the service through reduced staffing - may be less likely to fund Planning Performance Agreements
- Government schemes to encourage house building, including grant schemes
- Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market)
- Adverse weather conditions, and delays in supply chains, delaying construction pipeline

**APPENDIX 4: THE ENVIRONMENT DEPARTMENT
BUDGET REVENUE MONITORING MONTH 6**

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance Month 6	Variance month 4
	£000		£000
Employees	22,511	(568)	(363)
Premises-related expenditure	4,544	221	346
Transport-Related expenditure	1,224	108	45
Supplies & services	17,662	1,263	645
Third party payments	13,175	932	237
Transfer payments	116	0	0
Support Services	6,871	20	17
Items excluded from the Cost of Services	833	(30)	(30)
Income	(23,460)	(679)	192
Non-controllable expenditure	18,274	0	0
Total	61,748	1,267	1,088

Table 2 - Variance by departmental division			
Departmental division	Revised budget	Forecast variance month 6	Forecast variance month 4
	£'000	£'000	£'000
Climate Change and Transport	1,557	4	(14)
Public Protection	9,107	616	220
Public Realm	51,060	658	882
Executive and Support	24	(11)	0
Revised Variance	61,748	1,267	1,088

Table 3 - Variance analysis		
Departmental division	Month 6 £'000	Month 4 £'000
Climate Change and Transport		
Other net variances	4	(14)
Climate Change and Transport Total	4	(14)
Public Protection		
Private Sector Housing historic budget shortfall	501	314
CCTV historic budget shortfall on 24/27 staffing rota	128	0
Other net variances	(13)	(94)
Public Protection Total	616	220
Public Realm		

Street Lighting energy overspend	267	216
Waste Contract budget pressure, mostly related to fuel costs	418	475
Other net variances	(27)	191
Public Realm Total	658	882
Executive & Support		
Other net variances	(11)	(14)
Executive & Support Total	(11)	(14)
TOTAL VARIANCE	1,267	1,088

Table 4 - Key risks - detail items over £250,000		
Risk Description	Risk at month 6 £000	Risk at month 4 £000
Workforce vacancy savings not delivered	450	450
Income targets not met	250	250
Highway project recharges less than budget	700	700
New contract pension risk	600	0
TOTAL RISKS BEING MANAGED	2,000	1,400

Supplementary Monitoring Information
The department continues to maximise external income and manage and mitigate risk as far as possible, with the aim of delivering an outturn within budget. The new workforce savings will be challenging to deliver in full and may require alternative mitigation in year. This will be kept under close review as the year progresses.

APPENDIX 4A: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance Month 6	Variance month 4
	£0	£0	£0
Employees	8,663	(242)	(70)
Premises-related expenditure	92	0	0
Transport-related expenditure	143	0	0
Supplies & services	3,179	611	327
Third Party payments	6,183	(930)	(751)
Transfer payments	0	0	0
Support services	232	0	0
Items excluded from the Cost of Services	0	0	0
Income	(52,946)	1,154	1,731
Non-controllable expenditure	2,301	0	0
Total	(32,153)	593	1,237

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Controlled parking income	(52,946)	1,154	1,731
Controlled Parking Account expenditure	20,793	(561)	(494)
TOTAL	(32,153)	593	1,237

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Controlled Parking Income		
Impact of the closure of Wandsworth Bridge from end of July until end of September	1,154	1,731
Controlled Parking Income Total	1,154	1,731
Controlled Parking Expenditure		
Underspend on project expenditure due to delayed implementations.	(561)	(494)
Controlled Parking Expenditure Total	(561)	(494)
TOTAL VARIANCE	593	1,237

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

Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
TOTAL RISKS MANAGED	0	0

Supplementary Monitoring Information
None to report

APPENDIX 5: CORPORATE SERVICES
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	21,992	590	856
Premises-Related Expenditure	238	33	23
Transport-Related Expenditure	4	2	0
Supplies & Services	10,678	1,047	636
Third Party Payments	6,748	(639)	(610)
Transfer Payments	0	0	0
Support Services	95	(39)	(34)
Items Excluded from the Cost of Services	6	(0)	(0)
Income	(8,431)	(326)	(385)
Non-Controllable Expenditure	(13,846)	(0)	0
Total	17,484	669	488

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Communications and Communities	927	46	99
Democratic Services, Coroners & Mortuaries	2,680	(91)	(48)
Digital Services	13,000	151	(1)
Legal Services	(203)	(59)	(79)
Members Support	353	10	18
Resident Services	12,245	274	147
Corporate Services Directorate	(95)	337	351
Transformation, Talent, and Inclusion	2,423	(0)	(0)
Sub-Total	31,330	669	488
Departmental non-controllable budgets	(13,846)	0	0
Total	17,484	669	488

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Communications and Communities		
Forecast for unfunded project work in line with 2022/23 outturn.	46	99
Communications and Communities Total	46	99
Democratic Services, Coroners & Mortuaries		
The Mortuary underspend of £0.080m relating to staffing vacancies, reported in CRM 2, is now offset by unbudgeted costs for the purchase and maintenance of mortuary equipment.	(91)	(48)
Democratic Services, Coroners & Mortuaries Total	(91)	(48)
Digital Services		
Overspend due to Office 365 licence cost increase following contract renewal.	151	(1)
Digital Services Total	151	(1)
Legal Services		
Additional staff costs offset by additional cost recharges.	(59)	(79)
Legal Services Total	(59)	(79)
Members Support		
	10	18
Members Support Total	10	18
Resident Services		
Business Rates and Council Tax enforcement income shortfall	295	347
Postage and delivery costs increase due to additional recovery action	126	0
Accessible Transport underspend due to temporary reduction in passenger numbers	(638)	(587)
Share of new workforce saving not yet delivered	227	213
Delay on customer services savings delivery due to increased demand on the service	115	84
Other smaller net overspends	149	90
Resident Services Total	274	147
Corporate Services Directorate		

Includes the department's share of the 2023/24 workforce saving (£0.302m - excluding the Resident Services element). The overspend is partly netted off by underspends from vacancies held and recorded across the department.	337	351
Corporate Services Directorate Total	337	351
Transformation, Talent and Inclusion		
	0	0
Transformation, Talent and Inclusion Total	0	0
Total variance	668	488

Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Business Rates and Council Tax enforcement income not achieved as forecast	150	150
Total Risks Managed	150	150

Supplementary Monitoring Information
None to report

APPENDIX 6: 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	8,268	(434)	(426)
Premises-Related Expenditure	0	0	0
Transport-Related Expenditure	1	(1)	(1)
Supplies & Services	2,590	181	176
Third Party Payments	241	(1)	(0)
Transfer Payments	0	0	0
Support Services	31	2	2
Items Excluded from the Cost of Services	0	0	0
Income	(4,091)	219	173
Non-Controllable Expenditure	(5,421)	(0)	(0)
Total	1,618	(34)	(76)

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Assurance, Programmes & Analytics	1,483	(124)	(80)
Audit, Fraud, Risk and Insurance	1,101	(42)	(26)
Corporate Services	503	116	104
Finance	3,521	25	(3)
Managed Services	2,132	107	107
Corporate Procurement	625	(41)	(104)
Commercial Advertising	(2,325)	(74)	(74)
Sub-Total	7,040	(34)	(76)
Departmental non-controllable budgets	(5,421)	(0)	(0)
Total	1,618	(34)	(76)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Assurance, Programmes & Analytics		
Staffing underspend from part year vacancies as recruitment takes place.	(124)	(80)
Assurance, Programmes & Analytics Total	(124)	(80)
Audit, Fraud, Risk and Insurance		
Minor staffing underspends.	(42)	(26)
Audit, Fraud, Risk and Insurance Total	(42)	(26)
Corporate Services		
Employee turnover saving of £0.152m reported here but fully offset by staffing underspends from vacant posts across the department.	116	104
Corporate Services Total	116	104
Finance		
	25	(3)
Finance Total	25	(3)
Managed Services		
Overspend forecast in anticipation of the 2023-24 pay award increasing the Council's share of costs beyond the current budget provision.	107	107
Managed Services Total	107	107
Corporate Procurement		
Staffing underspend from vacant posts whilst recruitment takes place.	(41)	(104)
Corporate Procurement Total	(41)	(104)
Commercial Advertising		
	(74)	(74)
Commercial Advertising Total	(74)	(74)
Total Variance	(34)	(76)

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 7: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by CIPFA Subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	1,002	(30)	68
Premises-Related Expenditure	2,795	136	136
Transport-Related Expenditure	21	0	0
Supplies & Services	17,979	(6,616)	720
Third Party Payments	118	(0)	(0)
Transfer Payments	89,925	0	0
Support Services	921	7,272	0
Items Excluded from the Cost of Services	5,091	(36)	(17)
Income	(99,105)	(5,596)	(5,653)
Non-Controllable Expenditure	4,265	0	0
Total	23,013	(4,869)	(4,746)

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Corporate and Democratic Core	2,346	(53)	(53)
Housing Benefits	(328)	0	0
Levies	2,048	(36)	(48)
Net Cost of Borrowing	(345)	(5,000)	(5,000)
Treasury, Pensions and Insurance	2,165	258	354
Maternity and Redundancy	1,013	(0)	(0)
Other Corporate Items	16,112	(39)	0
Total	23,013	(4,869)	(4,746)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Corporate and Democratic Core		
£0.252m overspend from audit fees increase, partly offset by bank charges underspend.	(53)	(53)
Corporate and Democratic Core Total	(53)	(53)
Housing Benefits		
	0	0
Housing Benefits Total	0	0
Levies		
Minor variance on expected levy costs	(36)	(48)
Levies Total	(36)	(48)
Net Cost of Borrowing		
Forecast interest return from cash balances. This remains highly volatile and subject to external market conditions and internal cashflow assumptions.	(5,000)	(5000)
Net Cost of Borrowing Total	(5,000)	(5000)
Treasury, Pensions and Insurance		
	258	345
Treasury, Pensions and Insurance Total	258	345
Maternity and Redundancy Items		
	(0)	(0)
Maternity and Redundancy Total	0	0
Other Corporate Items		
Small underspends across the service	(39)	0
Other Corporate Items Total	(39)	0
Total Variance	(4,869)	(4,746)

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	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Income	(97,147)	(326)	400
Premises-Related Expenditure	25,631	(969)	880
Employees	22,310	2,106	2,678
Supplies & Services	13,296	2,897	585
Support services (internal trading services)	1,577	369	0
Third Party Payments	2,237	(3)	434
Transport-Related Expenditure	28	257	0
Items excluded from the cost of services (debt management and capital charges)	11,499	(170)	(125)
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	24,199	(214)	(214)
Appropriation From HRA General Reserve	3,630	3,948	4,638

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Housing Income	(94,424)	(293)	275
Finance & Resources	11,368	(8)	210
Housing Management	7,565	987	385
Resident and Building Safety	10,040	(597)	0
Void & Repairs	12,616	1,473	1,716
H&F maintenance (DLO)	3,542	1,788	2,361
Safer Neighbourhoods	749	0	0
Housing Hub	6,252	1,103	0
Place	8,349	199	206
Regeneration & Development	1,165	(321)	(300)
Capital Charges	29,159	(383)	(214)
Corporate Support Service Recharges	7,220	0	0
Appropriation From HRA General Reserve	3,630	3,948	4,639

Table 2 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Housing Income		
A forecast on dwelling rent and service charges income loss of £0.3m, offset by leasehold service charges from 2022/23 (£0.5m) and business rate reimbursements on advertising hoarding sites (£0.1m).	(292)	275
Housing Income Total	(292)	275
Finance & Resources		
	(8)	210
Finance & Resources Total	(8)	210
Housing Management		
A high level of decants is driving a forecast overspend in temporary accommodation and disturbance allowance costs of £0.7m. In addition, training and staffing costs associated with the new housing regulations of £0.3m are forecast.	987	385
Housing Management Total	987	385
Resident and Building Safety		
This mainly relates to an increase in the value of capitalisable works.	(597)	0
	(597)	0
Void & Repairs		
This is mainly due to high volumes of disrepair compensation claims (including the associated legal costs) of £2.1m offset partially by an increase in staff and works capitalisation (£0.3m).	1,473	1,715
Void & Repairs Total	1,773	1,715
H&F maintenance (DLO)		
This mainly relates to additional staff and materials resources required as part of the Repairs Improvement Plan.	1,788	2,361
H&F maintenance (DLO) Total	1,788	2,361
Housing Hub		
This reflects repairs compensation payments offset by penalty income from contractors of £0.6m plus additional service improvement related staffing costs of £0.5m.	1,103	0
Housing Hub Total	1,103	0

Place		
Overspends mainly relating to forecast staffing costs	199	206
Place Total	199	206
Regeneration & Development		
This mainly relates to a forecast underspend on feasibility costs for major development schemes.	(321)	(300)
Regeneration & Development Total	(321)	(300)
Capital Charges		
A change in the forecast average short term interest rate payable on net internal borrowing from 4.3% to 4.9% following recent Bank of England base rate increases offset by higher than budgeted cash balances and a lower depreciation charge due to the stock valuation being lower than anticipated.	(383)	(214)
Capital Charges Total	(383)	(214)
Total Variance	3,948	4,639

Table 4 - Savings Delivery					
		MTFS Target	On Track	Partially Deliverable	Undeliverable
		£000s	£000s	£000s	£000s
		1,130	1,130		
Schemes not on track	£000s	Reason			

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Capitalisation of Staffing - 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.	850	850
Repairs capitalisation - officers are completing regular and robust reviews of repairs costs to identify those that are capital in nature. As the remainder of the year's costs are yet to be incurred and analysed, there remains a risk that a greater proportion of costs expected may fall to revenue.	unknown	unknown
Repairs Cost - Presently work is underway to value the expected cost of the repairs backlog as well as estimating the value of expected repairs not yet highlighted.	unknown	unknown

Income collection - the current excellent performance on rental income collection may deteriorate as a result of the current economic pressures.	355	385
Repairs and disrepairs compensation for urgent repairs works and associated costs - at this early stage, there is a risk that the forecast understates the costs for this year.	unknown	unknown
Housing Regulator & Ombudsman - Additional costs associated with facilitating inspections may result in unbudgeted spend	unknown	unknown
Staffing Costs - there is a risk that additional resources will be required to deliver the housing and repairs improvement plans.	400	unknown
Total Risks Managed	1,605	1,235

Supplementary Monitoring Information		
None to report		

APPENDIX 9 – ACTION PLANS – MONTH 6

ASC and PH Budget Overspend Action Plan				
Ref	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
1	Reduce double handed care packages	0.500	Michelle Clarke /Jayne White	30/09/2023
2	Increase occupancy levels in block contracted service provision	0.330	Michelle Clarke /Jayne White	31/03/2024
3	Review taxi provision and identify alternative travel arrangements	0.100	Nia Evans	31/03/2024
	Total	0.930		

CHS Overspend Action Plan

	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
1	<p>Education - Disabled Children's Placements and Short Breaks We will remind all case workers about the importance of packages being for assessed need only and amending the packages if the family's needs change either up or down.</p> <p>The panel are being more robust in questioning requests for financial agreement and cost effectiveness of providers.</p> <p>Direct Payments monitoring is underway to identify any underspends and using the existing policy to re-coup funds where appropriate.</p> <p>A new finance monitoring process is in place to ensure POs are accurate and spend is monitored to identify issues early.</p> <p>Work is starting to create a dashboard to assist non-statutory workers to monitor and complete timely reviews of package to ensure they are fit for purpose to meet needs.</p>	0.05	Becky Powell	31/10/2023
2	<p>Education - Disabled Children's Transport A review of all commitments for transport and escorts is underway. We are discussing with adult social care for young people transitioning to adulthood</p>	0.09	Becky Powell	31/10/2023

3	Family Support Child Protection Parenting Assessment Service to scrutinise the current spend data and discuss with the wider social work teams to whom also contribute to this spend.	TBC	Anna Keegan	31/10/2023
	Total	0.14		

APPENDIX 10 - VIREMENT REQUESTS – MONTH 6

Social Care

Details of Virement	Amount (£000)	Reserves One Off	Contingency On Going	Contingency One Off
Learning Disabilities Service Fund Block Contract	61	61		
Sub Total of requested virements	61	61		

Total

Details of Virement	Amount (£000's)	Reserves One Off	Contingency On Going	Contingency One Off
Total requested virements	61	61		

APPENDIX 11 – MTFS SAVINGS – UPDATE AT MONTH 6 (September 2023)

MTFS Savings Tracker- 2023/24						
			Firm Savings proposals			
Department	MTFS Reference	Description	2023-24 Target Savings (£000's)	2023-24 Forecast Delivery (£000's)	RAG Rating	Comments
Social Care and Public Health						
Social Care and Public Health	Social Care and Public Health -1	Review care costs with NHS as people with extremely high needs are discharged from hospital.	(150)	(150)		
Social Care and Public Health	Social Care and Public Health -2	Model to further support independent living	(250)	(250)		
Social Care and Public Health	Social Care and Public Health -3	Further Increased take-up of Direct Payments for choice and control for residents and increasing wellbeing	(200)	(200)		
Social Care and Public Health	Social Care and Public Health -4	Joint commissioning steering group with Economy department on implementing the Disabled People's Housing Strategy and reducing voids. This will be done through reviewing the Extra Care available for residents, ensuring new builds are co-produced with disabled residents and make good Housing Voids	(200)	(200)		Further work to be undertaken to deliver the savings. (Currently forecast to achieve the savings)
Social Care and Public Health	Social Care and Public Health -5	Maximising adaptations in people's homes through use of Disabled Facilities Grant. This increases a person's independence and reduces the need for longer-term	(50)	(50)		

		care, as appropriate.				
Social Care and Public Health	Social Care and Public Health -6	Reviews of care support for people with a sensory disability encouraging the use of equipment, as appropriate, to increase a person's independence.	(50)	(50)		
Social Care and Public Health	Social Care and Public Health -7	Improved support and information for residents and make better use of digital technologies (such as care cubed, use of resident portal, timely return of equipment) and review of Joint Equipment Low Item Ordering	(500)	(500)		Further work to be undertaken to deliver the savings. (Currently forecast to achieve the savings)
Social Care and Public Health	Social Care and Public Health -8	Smarter procurement for better outcomes for carers and review of supporting people services	(70)	(70)		
Social Care and Public Health	Social Care and Public Health -9	Delivery of agreed savings on 0-19 Public Health Nursing. Savings from year 2 through procurement of new health visiting and school nursing contract. Service quality has remained the same with savings achieved through improved service through procurement and contract monitoring.	(60)	(60)		
Social Care and Public Health	Social Care and Public Health -10	Re-tendering of Substance Misuse and Drugs contracts with efficiencies in commissioning and contracting with a plan to reduce overheads and to modernise in line with clinical standards.	(50)	(50)		

Social Care and Public Health	Social Care and Public Health -11	Review of community champion contracts and redesign into an outreach model	(50)	(50)		
Social Care and Public Health	Social Care and Public Health -12	Adult Weight Management- Targeted Operating Model working to improve the leisure offer for residents and linking with the Council's food strategy	(40)	(40)		
Children's Services						
Children's Services	Children's Services-1	A single commissioning process to ensure families receive the right service at the right time; to intervene early and prevent escalation. Targeting efficiencies from April 2023 at £0.7m. Subject to consultation process. This is in addition to £2.3m from Early Help and Prevention delivered to 2021/22.	(700)	(700)		
The Environment						
The Environment	The Environmen-2	Sustained reductions in waste disposal tonnages, for both general waste and recycling. Waste disposal tonnages can be volatile, so there is some risk attached to this proposal	(150)	(150)		
The Environment	The Environmen-3	Bold increases in fees and charges (10-20%) that do not affect residents. The department has a fees and charges income target of £11m, with some existing pressure against it due to the cost-of-living crisis and reversal of one-off growth from 2022/23.	(133)	(133)		
The Economy						

The Economy	The Economy-1	Staffing costs are largely funded from Section 106 and this adjustment follows a review of the staffing budgets charged to the General Fund.	(14)	(14)		
Corporate						
Corporate	Corporate-1	Realign services to provide greater efficiencies and support for member responsibilities	(20)	0		
The Environment	The Environment -1	Continuation of the Resident Experience and Access Programme, driving further improvements in Council Tax, Housing Benefits, Accessible Transport and Contact Centre.	(237)	(164)		Moved from Environment. £75k against Accessible Transport and £89k from the Revenues team have been achieved. £42k against printing and postage is unachieved along with £31k staff savings across Benefits and Customer Services due to additional demands on the service meaning the FTE reductions have not been able to take place yet.
Overall Total			(2,924)	(2,831)		