

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Cabinet

**Date:** 15/04/2024

**Subject:** Revenue Budget Review 2023/24 - Month 9 (December 2023)

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

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

---

### SUMMARY

This is the fourth financial review of 2023/24. The outcomes of this review reflect the challenging macro-economic conditions and is based on a prudent view. A pressure of £1.5m (or 0.7% of the net budget) is forecast prior to any mitigations and use of contingencies. Mitigations and recovery action plans could reduce the forecast to £0.6m before the use of any contingencies, and this will be monitored during for the remainder of the budget 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.

---

### RECOMMENDATIONS

1. To note the General Fund financial forecast at Month 9 and the significant improvement in the position since the previous report at Month 6.
2. To note that the position on the Housing Revenue Account (HRA) as set out in paragraph 11.
3. To note the in-year Dedicated Schools Grant High Needs Block forecasted surplus of £0.056m (thereby reducing the cumulative deficit).

4. To approve General Fund budget changes totalling £6.139m (this includes £3m of balances transferable to reserves) as detailed in Appendix 10.

---

**Wards Affected:** All

---

<b>H&amp;F values</b>	<b>Summary of how this report aligns to the H&amp;F Priorities</b>
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 considerable 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 issues set out in this report are of a financial nature.

Andre Mark, Head of Finance (Strategic planning and investment), 12 February 2024 and verified by James Newman, Assistant Director of Finance, 19 February 2024.

## 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.

There are no other legal implications for this report.

Verified by Jade Monroe, Chief Solicitor, Legal Services 15 February 2024.

---

## Background Papers Used in Preparing This Report

None

---

## DETAILED ANALYSIS

### GENERAL FUND

1. Full Council approved a 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 9 (end of December 2023) is a forecast pressure of £1.510m. Table 1 sets out an analysis by Department and Table 2 an analysis by subjective type of expenditure.

**Table 1 – Month 9 (December 2023): General Fund forecast** (underspends in brackets)

<b>Department</b>	<b>Revised Budget Month 9</b>	<b>Forecast Outturn Variance Month 9</b>	<b>Forecast Outturn Variance Month 6</b>	<b>Variance movement since previous month</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Social Care	67.590	2.631	3.848	(1.217)
Children's Services	59.497	2.379	2.474	(0.096)
The Economy Department	12.121	2.130	1.151	0.979
The Environment Department	62.905	1.288	1.267	0.021
Controlled Parking Account	(32.116)	0.010	0.593	(0.583)
Corporate Services	18.551	0.564	0.669	(0.105)
Finance	1.986	(0.402)	(0.034)	(0.368)
Centrally Managed Budgets	17.080	(7.090)	(4.869)	(2.221)
<b>Total</b>	<b>207.614</b>	<b>1.510</b>	<b>5.099</b>	<b>(3.589)</b>

**Table 2 – Month 9 (December 2023): General Fund subjective forecast**  
(underspends in brackets)

Subjective	Revised budget Month 9	Forecast Outturn Variance Month 9	Forecast Outturn Variance Month 6	Variance movement since previous month	Actuals Month 9
	£m	£m	£m	£m	£m
Employees	137.339	(1.976)	(0.840)	(1.145)	102.225
Premises-Related Expenditure	13.490	5.210	2.695	2.515	15.230
Transport-Related Expenditure	1.571	0.147	0.073	0.074	1.300
Supplies & Services	57.896	4.249	(2.428)	7.166	40.223
Third Party Payments	195.698	15.816	9.502	6.390	137.262
Transfer Payments	172.945	(3.637)	(1.323)	(2.314)	93.091
Support Services	18.036	(0.342)	7.284	(7.140)	7.317
Items Excluded from the Cost of Services	(109.213)	(2.615)	(1.384)	(1.854)	(7.200)
Income	(294.024)	(15.338)	(8.482)	(6.856)	(165.894)
Non-Controllable Expenditure	13.876	(0.005)	0.002	0.003	(183,801)
<b>Total</b>	<b>207.614</b>	<b>1.510</b>	<b>5.099</b>	<b>(3.589)</b>	<b>39.753</b>

3. Across the Council, inflation continues to be 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 December was 4.0%.
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. Inflationary pressures are likely to exceed the sums set aside within the budget assumptions for 2023/24. 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).

6. Current interest rates remain at 5.25% (as of December 2023) and despite the fall in inflation, the Bank of England have indicated that it is likely to remain at this level for the rest of the budget year. This may impact both revenue and capital expenditure due to higher costs of borrowing, but also increased 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.
7. Action is required to monitor and manage the inflationary and departmental risks. An unallocated contingency of £2.6m is held within the 2023/24 budget and will be used as financial mitigations where necessary. Departmental action plans of £0.875m have been identified and if delivered would decrease the overspend to £0.635m before the use of any contingencies (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	2.631	(0.500)	2.131
Children's Services	2.379	0	2.379
The Economy Department	2.130	(0.375)	1.755
The Environment Department	1.288	0	1.288
Controlled Parking Account	0.010	0	0.010
Corporate Services	0.564	0	0.564
Finance	(0.402)	0	(0.402)
Centrally Managed Budgets	(7.090)	0	(7.090)
<b>Total</b>	<b>1.510</b>	<b>(0.875)</b>	<b>0.635</b>

8. 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

9. The MTFS savings target for 2023/24 is £2.9m along with the forecast delivery against targets for the Council-wide employee management saving of £2.5m. This is set out below in table 4.
10. A detailed schedule of savings is included in Appendix 11.

**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)	(1,470)	(200)	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	(283)	0
Corporate Services	(257)	(164)	(73)	(20)	(237)	(20)
<b>Total</b>	<b>(2,924)</b>	<b>(2,631)</b>	<b>(273)</b>	<b>(20)</b>	<b>(2,904)</b>	<b>(20)</b>
<b>Employee Budget Efficiencies (2%)</b>	<b>(2,500)</b>	<b>0</b>	<b>(2,500)</b>	<b>0</b>	<b>(2,500)</b>	<b>0</b>

## HOUSING REVENUE ACCOUNT

11. 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 5 below (and detailed in Appendix 8).

**Table 5: Housing Revenue Account forecast outturn**

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

12. 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 budget 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.

## **DEDICATED SCHOOLS GRANT (DSG)**

13. 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.
14. 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 £0.056m 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 £3.193m 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).
15. 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**

	<b>£m</b>
<b>Cumulative deficit brought forward</b>	<b>4.749</b>
In-year forecast surplus	(0.056)
Safety valve funding	(1.500)
<b>Cumulative deficit carried forward</b>	<b>3.193</b>

## **VIREMENT AND WRITE OFF REQUESTS**

16. General Fund virements of £5.789m 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.
21. 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.
22. 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, 16 February 2024*

**List of Appendices:**

<b>Appendix</b>	<b>Title</b>
Appendix 1	Social Care
Appendix 2	Children's Services
Appendix 2a	Dedicated Schools Grant (DSG)
Appendix 3	The Economy Department
Appendix 4	The Environment Department
Appendix 4a	Controlled Parking Account
Appendix 5	Corporate Services
Appendix 6	Finance
Appendix 7	Centrally Managed Budgets
Appendix 8	Housing Revenue Account
Appendix 9	Action Plans
Appendix 10	Virement Requests
Appendix 11	MTFS Savings

**APPENDIX 1: SOCIAL CARE**  
**BUDGET REVENUE MONITORING MONTH 9**

<b>Table 1 - Forecast Variance by Subjective</b>			
<b>Subjective</b>	<b>Budget £000's</b>	<b>Variance Month 9 £000's</b>	<b>Variance Month 6 £000's</b>
Employees	19,562	(447)	(298)
Premises-Related Expenditure	677	244	209
Transport-Related Expenditure	26	0	0
Supplies & Services	2,558	0	(12)
Third Party Payments	86,790	4,784	4,968
Transfer Payments	13,259	(1,291)	(1,019)
Support Services	7,908	0	0
Items Excluded from the Cost of Services	0	0	0
Income	(68,746)	(659)	0
Non-controllable expenditure (technical accounting adjustments e.g., overhead redistribution)	5,556	0	0
<b>Total</b>	<b>67,590</b>	<b>2,631</b>	<b>3,848</b>

<b>Table 2 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 9</b>	<b>Forecast Variance Month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Independent Living, Quality, Performance & Safeguarding	26,981	786	1,523
Specialist Support and Independent Living	28,039	2,159	2,671
Commissioning	6,306	(251)	(256)
Resources	5,788	(16)	(12)
Social Care Directorate	476	(47)	(78)
Public Health	0	0	0
<b>TOTAL</b>	<b>67,590</b>	<b>2,631</b>	<b>3,848</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Independent Living, Quality, Performance &amp; Safeguarding</b>		
<p>Main reasons for the improvement of £0.737m in the forecast overspend are the actions in managing down demand through a range of initiatives:</p> <ul style="list-style-type: none"> <li>- Review and resize double-handed care packages which have come out of hospital.</li> <li>- Review of care package eligibility of CHC and transferring to NHS.</li> <li>- Review of home care &amp; direct payments packages.</li> </ul> <p>Despite the improvement in the forecast, this division remains with a revised overspend due to:</p> <ul style="list-style-type: none"> <li>- A projected overspend in home care packages costing £0.934m resulting from a 5.2% increase in hours delivered since April 2023.</li> <li>- A projected overspend of £0.985m in nursing and residential placements due to increasing unit costs of 12% since last year and 15 net additional new placements since April 2023. This is offset by funded nursing care and nursing care additional contributions (£0.568m) due to increase in average contributions.</li> <li>- Adult supported living services forecasting overspends of £0.265m due to combination of 3 new placements and increasing unit costs.</li> <li>- There are forecast net underspends (£0.534m) in the direct payment service due to review and right size of direct payments where residents are regularly returning surplus funds and an underspend (£0.296m) in staffing mainly due to earlier delays in recruitment.</li> </ul> <p>Mitigation plans are in place to partly address this overspend.</p>	786	1,523
<b>Independent Living, Quality, Performance &amp; Safeguarding Total</b>	<b>786</b>	<b>1,523</b>
<b>Specialist Support and Independent Living Total</b>		

<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"> <li>- £0.955m for Adult Supported Living with 9 new residents since April 23 and average costs increases of 16% over the last year.</li> <li>- £0.635m for Homecare.</li> <li>- £0.113m for Day Care due to 3 new transitions residents.</li> <li>- An increase in rent and service charges for the Parkview centre of £0.288m.</li> <li>- Following a contractual review of the Individual Service Fund (ISF) there are contractual reductions of (£0.403m).</li> </ul> <p>Further mitigation plans are in place to partly address the LD overspend.</p> <p>The Mental Health service is forecasting an overspend as detailed below.</p> <ul style="list-style-type: none"> <li>- £0.503m for Adult Supported Living due to unit cost increases of 7% for new residents.</li> <li>- £0.216m for Home Care due to the full year cost effect of new residents entering the service in 2022/23.</li> <li>- £0.211m for overspends in nursing and residential placements with 10 new jointly funded placements. Within in-house services there is a forecasted underspend of (£0.359m) which is mainly on staffing vacancies of (£0.261m) and lower supplies and services costs of (£0.098m).</li> </ul>	2,159	2,671
<b>Specialist Support and Independent Living Total</b>	<b>2,159</b>	<b>2,671</b>
<b>Commissioning</b>		
A projected underspend on a range of Commissioned variable contracts in supporting people and carers services (£0.058m), Meals and a Chat reduced volumes (£0.047m) and within the third sector community programme (£0.146m).	(251)	(256)
<b>Commissioning Total</b>	<b>(251)</b>	<b>(256)</b>
<b>Resources</b>		
Minor underspend variance	(16)	(12)
<b>Resources Total</b>	<b>(16)</b>	<b>(12)</b>
<b>Social Care Directorate</b>		
Projected underspend due to earlier vacancies in the year.	(47)	(78)

<b>Social Care Directorate Total</b>	<b>(47)</b>	<b>(78)</b>
<b>Public Health</b>		<b>0</b>
The Public Health (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. The year end forecast is an underspend of (£0.205m) which can be used to meet PH outcomes in the following year.	0	0
<b>Public Health Total</b>	<b>0</b>	<b>0</b>

<b>Table 5 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
There are 11 Learning Disabilities transitions currently in Children's Services and awaiting Care Act assessment. There is one resident Health are still funding without prejudice where the continuing health criteria is being reviewed.	143	292
The equipment provider is requesting additional support to be reimbursed over the lifetime of the contract. The overall revised risk is £0.384m with the additional financial support split 60:40 between North West London Integrated Care Board and the Council. The previous risk has been reduced as the loss of credits for returned equipment are now in the forecast as not been applied to reduce the invoices.	154	272
<b>TOTAL RISKS MANAGED</b>	<b>297</b>	<b>564</b>

<b>Supplementary Monitoring Information</b>
<p>The month 9 revenue monitoring is forecasting a reduced projected overspend of £2.631m and an improvement plan of further measures of (£0.5m). Bi-weekly joint service &amp; finance meetings continue to review activity with resulting improvements in the forecast of (£1.217m) since the period 6 forecast of £3.848m.</p> <p>The month 9 forecast remains caveated with some risks and cost pressures which include:</p> <ul style="list-style-type: none"> <li>- The continued impact of the hospital discharges placed by NHS and requiring reassessment of care is increasing social care costs.</li> <li>- 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</li> </ul>

costs to reflect the cost of provision.

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.

**APPENDIX 2: CHILDREN'S SERVICES**  
**BUDGET REVENUE MONITORING MONTH 9**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 9 £000</b>	<b>Variance month 6 £000</b>
Employees (historic past service costs)	30,962	(300)	(22)
Premises-related expenditure	513	251	57
Transport-related expenditure	163	(35)	(36)
Supplies & services	5,622	(164)	493
Third party payments	57,407	8,042	3,605
Transfer payments (e.g., housing benefits, schools funding transfers)	69,547	(2,346)	(304)
Support services (internal trading services)	1,633	(488)	0
Income	(115,173)	(2,605)	(1,318)
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	(7)	0
<b>Total</b>	<b>59,497</b>	<b>2,378</b>	<b>2,475</b>

<b>Table 2 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 9</b>	<b>Forecast Variance Month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children and Young People's Services	32,845	1,857	912
Education	15,405	1,110	1,409
Children's Commissioning	6,867	(930)	(331)
Children's Performance & Improvement	2,952	(236)	(198)
CHS Departmental Budgets	1,428	578	683
School Funding	0	0	0
<b>Total</b>	<b>59,497</b>	<b>2,378</b>	<b>2,475</b>



<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Children and Young People's Services</b>		
<p><b>Placements - £1.114m overspend.</b></p> <ul style="list-style-type: none"> <li>• New placement increase - £0.608m</li> <li>• Increase in block contract properties – £0.107m.</li> <li>• Changes to existing packages - £0.301m increase.</li> </ul> <p>The above is partly offset by additional one-off income from the Household Support Fund, Health and UASC grant.</p> <p><b>Non-Placement Client related £1.107m overspend.</b></p> <ul style="list-style-type: none"> <li>• Transport - £0.344m</li> <li>• Section 17 - £0.736m overspend includes interventions that will become residential packages part funded by Health (25%) in February 2024.</li> </ul> <p><b>Assessments - £105k overspend.</b></p> <ul style="list-style-type: none"> <li>• During Covid there was a decrease in use of service resulting in underspends. Post covid, the demand for the service has gradually increased.</li> </ul> <p><b>Staffing – £490k</b> Due to underspend from part year vacancies held. £372k of the staffing underspend relates to reduction in activity levels within the fostering team. This is helping to partly offset the increase in related placements spend.</p> <p><b>Additional variances</b> - there are other minor offsetting variances within the service.</p>	1,857	912
<b>Children and Young People's Services Total</b>	<b>1,857</b>	<b>912</b>
<b>Education</b>		

<p>The Education Directorate General fund forecast overspend is £1.1m, a favourable movement of £0.3m since CRM6 largely as a result in a favourable movement in placement costs within the Short Breaks service.</p> <p><b>Travel Care and Support Services:</b> There is an overspend of £1.286m in Travel Care and Support for Children and Young with Education and Health Care Plans. This is a movement of £0.078m since CRM6. The overspend can be split to show demand led pressure is £0.9m and unavoidable inflation in excess of 5% is £0.3m. Some of the increased costs has been mitigated by sharing transport where applicable.</p> <p><b>EHC Caseworkers Service:</b> The predicted overspend is £0.180m, a favourable movement of £0.005m since CRM6. This is primarily due to increased usage of agency staff to cover vacancies to deliver statutory duties.</p>	1,110	1,409
<b>Education Total</b>	<b>1,110</b>	<b>1,409</b>
<b>Children's Commissioning</b>		
<p>CHS commissioning staff - £0.230m favourable due to in-year vacancies currently being recruited to and secondments due to grant funded activities.</p> <p>With respect to commissioned services there is an in-year underspend of £0.7m due to expenditure met from grant funding and effective procurement efficiencies.</p>	(930)	(331)
<b>Children's Commissioning Total</b>	<b>(930)</b>	<b>(331)</b>
<b>Children's Performance &amp; Improvement</b>		
Favourable variance due to part year vacancies for posts being recruited to (£0.145m) and reduced activity in Family Group Conferencing numbers from 120 to 65 (£0.077m)	(236)	(198)
<b>Children's Performance &amp; Improvement Total</b>	<b>(236)</b>	<b>(198)</b>
<b>CHS Departmental Budgets</b>		
Departmental staffing vacancy budget is held centrally and has been met from in-year staffing underspends across all children's services	578	683

directorates in 2023/24.		
<b>CHS Departmental Budgets Total</b>	<b>578</b>	<b>683</b>
<b>School Funding</b>		
No material variances - budgets delegated to Schools	0	0
<b>School Funding Total</b>	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>2,379</b>	<b>2,475</b>

<b>Table 4 – Key Risks – Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
	0	0
<b>Total Risks Managed</b>	<b>0</b>	<b>0</b>

<b>Supplementary Monitoring Information</b>

**APPENDIX 2a: DEDICATED SCHOOLS GRANT (DSG)**  
**BUDGET REVENUE MONITORING MONTH 9**

<b>Table 1 – Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 9</b>	<b>Forecast Variance Month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
High Needs Block Expenditure	32,613	(124)	(401)
Early Years Block Expenditure	15,475	68	74
Schools Block Expenditure	38,405	(31)	(13)
Central School Services Block Expenditure	2,422	0	0
DSG Income – to meet expenditure	(88,915)	87	340
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Table 2 High Needs Block (HNB) Deficit</b>	<b>£000</b>
High Needs Block DSG deficit brought forward from prior years	4,749
In Year High Needs Block forecasted surplus less Early Years carry forward deficit	(56)
2023-24 High Needs Block Safety Valve funding (To be confirmed)	(1,500)
Forecast High Needs deficit after Safety Valve funding	3,193

<b>Table 3 – Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £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> )		
Forecast underspend on the high needs block after block transfer support is £0.124m favourable, a slight adverse movement of £0.277m. A further £1.5m High Needs Safety Valve funding for the financial year is expected.	(124)	(401)
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.		
<b>High Needs Block Total</b>	<b>(124)</b>	<b>(401)</b>
<b>Early Years Block</b> ( <i>Funding for Early Years including Two Year Old funding and Early Years Pupil Premium</i> )		
Early Years DSG in 2022/23 was subject to retrospective clawback in 2023/24 of £0.74m more than retained Early Years balance. An overspend will result unless underspends on activity in 2023/24 can mitigate.	68	74
<b>Early Years Block Total</b>	<b>68</b>	<b>74</b>

<b>Schools Block</b> ( <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 dedelegated 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 the Business Intelligence service.</p> <p>Underspends on the dedelegated and statutory education budgets will be paid back to contributing schools.</p>	(31)	(13)
<b>Schools Block Total</b>	<b>(31)</b>	<b>(13)</b>
<b>Central School Services Block</b> ( <i>Funding for the Local Authorities ongoing responsibilities</i> )		
<p>Central Services Block funds core services undertaken for all schools. In addition, there is budget for historic functions will wind down over the medium term. For 2023/24 there is a budgeted contribution of £0.908m to support the High Needs Block from the historic funding element.</p>	0	0
<b>Central School Services Block Total</b>	<b>0</b>	<b>0</b>

<b>Table 3 – Key Risks – Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
<p>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>		
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>0</b>

**Supplementary Monitoring Information**

None to report

**APPENDIX 3: THE ECONOMY DEPARTMENT**  
**BUDGET REVENUE MONITORING MONTH 9**

<b>Table 1 – Forecast Variance by Subjective</b>			
<b>Subjective</b>	<b>Budget £000's</b>	<b>Variance Month 9 £000's</b>	<b>Variance Month 6 £000's</b>
Employees	20,235	(365)	164
Premises-Related Expenditure	5,723	3,787	2,039
Transport-Related Expenditure	10	2	(0)
Supplies & Services	3,827	1,132	604
Third Party Payments	25,029	3,993	1,568
Transfer Payments	98	0	0
Support Services	301	49	30
Items Excluded from the Cost of Services	0	0	0
Income	(37,029)	(6,471)	(3,255)
Non-controllable expenditure Technical Accounting Adjustments e.g., overhead redistribution)	(6,073)	2	2
<b>Total</b>	<b>12,121</b>	<b>2,130</b>	<b>1,151</b>

<b>Table 2 – Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 9</b>	<b>Forecast Variance Month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Housing Solutions	10,863	2,248	443
Economic Development, Skills Service	973	0	0
Planning	2,101	(368)	564
Property and Asset Strategy	(1,996)	257	150
Place	53	0	0
Regeneration & Development	111	(7)	(6)
Head of Finance	16	0	0
<b>TOTAL</b>	<b>12,121</b>	<b>2,130</b>	<b>1,152</b>

**Table 3 – Variance Analysis**

<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Housing Solutions</b>		
<b>Bed and Breakfast</b> – The latest forecast is for 191 clients on average (compared to a budget of 115) of whom 106 are placed into B&B annexes (at end of December 2023) which is resulting in a forecast overspend of £2,252,000. Additional overspend of £360,000 is mainly due to the placement of a small number of clients into commercial hotels. Also, out of hours (OOH) placements and pre-booked accommodation numbers have been higher than planned (from a budget of 6 to an actual of 22 per day on average to the end of December), resulting in a forecast overspend of £548,000.	3,160	1,600
<b>Private Sector Leasing</b> – Although the forecasted average number of Private Sector Leasing units (1,019) is closely aligned with the budgeted number (1,020), pressures on procurement costs are causing a forecast overspend.	177	(68)
Additional one-off top up of <b>Homelessness Prevention Grant</b>	(1,089)	(1,089)
<b>Housing Solutions Total</b>	<b>2,248</b>	<b>443</b>
<b>Planning</b>		
<b>Planning</b> – Income from applications and pre-applications has fluctuated in recent years and is expected to be lower than budgeted this year. However, the latest activity indicates that this shortfall will be offset by additional income from Planning and Performance Agreements.	(368)	564
<b>Planning Total</b>	<b>(368)</b>	<b>564</b>
<b>Property &amp; Asset Strategy</b>		
Relates to lower than budgeted income from <b>corporate buildings</b> and property repairs costs.	257	151
<b>Property &amp; Asset Strategy Total</b>	<b>257</b>	<b>151</b>

**Table 5 – Key Risks – Detail Items Over £250,000**

<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
<b>Housing Solutions</b> – Overall Benefit Cap (OBC) & DHP	26	52
<b>Housing Solutions</b> – 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.	55	111



<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 Cost-of-Living Crisis	71	142
<b>Housing Solutions</b> – 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	146	292
<b>Housing Solutions</b> – Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	72	145
<b>Housing Solutions</b> – There is a risk of large families being accommodated in B&B	35	70
<b>Housing Solutions</b> – Domestic Abuse Act – increase in households in temporary accommodation – extra 70 households this year above the current forecast	102	204
<b>Planning</b> – volatility in income from Planning and Licencing fees	0	170
<b>Planning</b> – potential unbudgeted costs associated with judicial reviews and major planning appeals.	25	200
<b>Facilities Management &amp; Corporate Buildings</b> – there are risks relating to repairs and maintenance costs, energy costs and historic debts.	345	415
<b>TOTAL RISKS MANAGED</b>	<b>877</b>	<b>1,801</b>

**Table 6 – Supplementary Monitoring Information**

<p><b>Housing Solutions</b></p> <p>In November 2023, we saw 336 homelessness approaches, with 74 new homelessness applications made. In December 2023, we saw 211 homelessness approaches, with 50 new homelessness applications made. The decrease in applications between November and December is due to seasonality and mirrors the pattern we saw the previous year. Compared to the previous year, in November we saw a 48% increase in homelessness approaches and in December we saw a 56% increase.</p> <p>Increasing mortgage interest rates mean many households on lower incomes are now priced out of the market. Increased costs of living are also affecting affordability of rents. Changes to eviction rules regarding ‘no fault evictions’ has caused some landlords to leave the market altogether.</p> <p>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 accommodation is impacting our ability to prevent and relieve homelessness. Fewer private rented properties are affordable to households on benefits.</p> <p><b>Planning</b></p> <p>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, it is expected that Planning income will reach the budgeted target in 2023/24. This will continue to be monitored and updates will be reported here. The</p>
--

---

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 9**

<b>Table 1 – Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 9 £000</b>	<b>Variance month 6 £000</b>
Employees	23,626	(737)	(568)
Premises-related expenditure	4,585	636	221
Transport-related expenditure	1,224	177	108
Supplies & services	18,145	1,366	1,320
Third party payments	13,175	593	932
Transfer payments (e.g., Housing Benefits, Schools funding transfers)	116	0	0
Support services (Internal Trading Services)	6,871	33	20
Items excluded from the cost of services (Debt management and Capital Charges)	833	(30)	(30)
Income	(23,944)	(750)	(737)
Non-controllable expenditure Technical Accounting Adjustments e.g., overhead redistribution)	18,274	0	0
<b>Total</b>	<b>62,905</b>	<b>1,288</b>	<b>1,267</b>

<b>Table 2 – Variance by departmental division</b>			
<b>Departmental division</b>	<b>Revised budget £000</b>	<b>Forecast variance month 9 £000</b>	<b>Forecast variance month 6 £000</b>
Climate Change and Transport	1,730	(41)	4
Public Protection	9,707	670	616
Public Realm	51,428	692	658
Executive and Support	40	(32)	(11)
<b>Total</b>	<b>62,905</b>	<b>1,288</b>	<b>1,267</b>

<b>Table 3 – Variance analysis</b>		
<b>Departmental division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Climate Change and Transport</b>		
Other net variances	(41)	4
<b>Climate Change and Transport Total</b>	<b>(41)</b>	<b>4</b>
<b>Public Protection</b>		
Private Sector Housing income less than budgeted	506	501

CCTV historic budget shortfall on 24/7 staffing rota	180	128
Other net variances	(16)	(13)
<b>Public Protection Total</b>	<b>670</b>	<b>616</b>
<b>Public Realm</b>		
Street Lighting Energy overspend	351	267
Waste Contract budget pressure, mostly related to fuel costs	439	418
Other net variances	(98)	(27)
<b>Public Realm Total</b>	<b>692</b>	<b>658</b>
<b>Executive &amp; Support</b>		
Other net variances	(32)	(11)
<b>Executive &amp; Support Total</b>	<b>(32)</b>	<b>(11)</b>
<b>TOTAL VARIANCE</b>	<b>1,288</b>	<b>1,267</b>

**Table 5 – Key risks – detail items over £250,000**

<b>Risk Description</b>	<b>Risk at month 9 £'000</b>	<b>Risk at month 6 £'000</b>
Workforce vacancy savings not delivered	436	450
Income targets not met	125	250
Highway project recharges less than budget	700	700
New contract pension risk	1,000	600
<b>TOTAL RISKS BEING MANAGED</b>	<b>2,261</b>	<b>2,000</b>

**Supplementary Monitoring Information**

The department continues to maximise external income and manage and mitigate risk as far as possible. The new workforce savings will be challenging to deliver, given existing vacancy savings targets already factored into the base budget. The department may need to identify alternative mitigation in year. This will be kept under close review as the year progresses.

**APPENDIX 4A: CONTROLLED PARKING ACCOUNT**  
**BUDGET REVENUE MONITORING MONTH 9**

<b>Table 1 – Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 9 £000</b>	<b>Variance month 6 £000</b>
Employees	8,663	4	(242)
Premises-related expenditure	92	0	0
Transport-related expenditure	143	0	0
Supplies & services	3,216	300	611
Third party payments	6,183	(965)	(930)
Transfer payments (e.g., housing benefits, schools funding transfers)	0	0	0
Support services (internal trading services)	232	0	0
Items excluded from the cost of services (debt management and capital charges)	0	0	0
Income	(52,946)	671	1,154
Non-controllable expenditure (technical accounting adjustments e.g., overhead redistribution)	2,301	0	0
<b>Total</b>	<b>(32,117)</b>	<b>10</b>	<b>593</b>

<b>Table 1 – Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget £000s</b>	<b>Forecast Variance Month 9 £000s</b>	<b>Forecast Variance Month 6 £000s</b>
Income	(52,946)	671	1,154
Expenditure	20,830	(661)	(561)
<b>Total</b>	<b>(32,117)</b>	<b>10</b>	<b>593</b>

<b>Table 2 – Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Income</b>		
Impact of the closure of Wandsworth Bridge for 3 months.	671	1,154
<b>Income Total</b>	<b>671</b>	<b>1154</b>

<b>Expenditure</b>		
Underspend on projects due to delayed implementations and the realisation of savings with external providers.	(661)	(561)
<b>Expenditure Total</b>	<b>(661)</b>	<b>(561)</b>
<b>Total Variance</b>	<b>10</b>	<b>593</b>

<b>Table 4 – Key Risks – Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>0</b>

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

**APPENDIX 5: CORPORATE SERVICES**  
**BUDGET REVENUE MONITORING MONTH 9**

<b>Table 1 – Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 9 £000</b>	<b>Variance month 6 £000</b>
Employees	23,396	635	590
Premises-Related Expenditure	225	8	33
Transport-Related Expenditure	4	3	2
Supplies & Services	10,378	1,034	1,047
Third Party Payments	6,748	(639)	(639)
Transfer Payments	0	0	0
Support Services	95	30	(39)
Items Excluded from the Cost of Services	6	60	0
Income	(8,454)	(567)	(326)
Non-controllable expenditure (technical accounting adjustments e.g., overhead redistribution)	(13,846)	0	0
<b>Total</b>	<b>18,551</b>	<b>564</b>	<b>669</b>

<b>Table 2 – Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 9</b>	<b>Forecast Variance Month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Communications and Communities	957	10	46
Democratic Services, Coroners & Mortuaries	2,833	(200)	(91)
Digital Services	13,223	0	151
Legal Services	(106)	(45)	(59)
Members Support	359	4	10
Resident Services	12,625	509	274
Corporate Services Directorate	(47)	287	337
People & Talent	2,554	0	0
<b>Sub-Total</b>	<b>32,397</b>	<b>564</b>	<b>669</b>
Departmental non-controllable budgets	(13,846)	0	0
<b>Total</b>	<b>18,551</b>	<b>564</b>	<b>669</b>

<b>Table 3 – Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>

<b>Communications and Communities</b>		
	10	46
<b>Communications and Communities Total</b>	<b>10</b>	<b>46</b>
<b>Democratic Services, Coroners &amp; Mortuaries</b>		
	(200)	(91)
<b>Democratic Services, Coroners &amp; Mortuaries Total</b>	<b>(200)</b>	<b>(91)</b>
<b>Digital Services</b>		
	0	151
<b>Digital Services Total</b>	<b>0</b>	<b>151</b>
<b>Legal Services</b>		
	(45)	(59)
<b>Legal Services Total</b>	<b>(45)</b>	<b>(59)</b>
<b>Members Support</b>		
	4	10
<b>Members Support Total</b>	<b>4</b>	<b>10</b>
<b>Resident Services</b>		
Business Rates and Council Tax enforcement income shortfall	431	295
Postage and delivery cost increase due to additional recovery action	126	126
Accessible Transport underspend due to temporary reduction in passenger numbers	(638)	(638)
Share of new workforce saving not yet delivered	199	227
Delay on customer services savings delivery due to increased demand on the service	231	115
Other smaller net overspends	160	149
<b>Resident Services Total</b>	<b>509</b>	<b>274</b>
<b>Corporate Services Directorate</b>		
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.	287	337
<b>Corporate Services Directorate Total</b>	<b>287</b>	<b>337</b>
<b>People &amp; Talent</b>		
	0	0
<b>People &amp; Talent Total</b>	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>564</b>	<b>669</b>



<b>Table 5 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
Business Rates and Council Tax enforcement income not achieved as forecast	150	150
<b>Total Risks Managed</b>	<b>150</b>	<b>150</b>

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

**APPENDIX 6: FINANCE**  
**BUDGET REVENUE MONITORING MONTH 9**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 9 £000</b>	<b>Variance month 6 £000</b>
Employees	8,659	(717)	(434)
Premises-Related Expenditure	0	0	0
Transport-Related Expenditure	1	0	(1)
Supplies & Services	2,590	379	181
Third Party Payments	241	5	(1)
Transfer Payments	0	0	0
Support Services	65	3	2
Items Excluded from the Cost of Services	0	0	0
Income	(4,149)	(72)	219
Non-controllable expenditure (technical accounting adjustments e.g., overhead redistribution)	(5,421)	0	0
<b>Total</b>	<b>1,986</b>	<b>(402)</b>	<b>(34)</b>

<b>Table 2 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 9</b>	<b>Forecast Variance Month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Assurance, Programmes & Analytics	1,554	(171)	(124)
Audit, Fraud, Risk and Insurance	1,139	(103)	(42)
Corporate Services	521	128	116
Finance	3,735	19	25
Managed Services	2,132	137	107
Corporate Procurement	653	(112)	(41)
Commercial Advertising	(2,325)	(300)	(74)
<b>Sub-Total</b>	<b>7,409</b>	<b>(402)</b>	<b>(34)</b>
Departmental non-controllable budgets	(5,423)	0	0
<b>Total</b>	<b>1,986</b>	<b>(402)</b>	<b>(34)</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Assurance, Programmes &amp; Analytics</b>		
Staffing underspend from part year vacancies as recruitment takes place.	(171)	(124)
<b>Assurance, Programmes &amp; Analytics Total</b>	<b>(171)</b>	<b>(124)</b>
<b>Audit, Fraud, Risk and Insurance</b>		
Underspend from part year vacancies whilst recruitment takes place along with underspend on contracted out internal audit days.	(103)	(42)
<b>Audit, Fraud, Risk and Insurance Total</b>	<b>(103)</b>	<b>(42)</b>
<b>Corporate Services</b>		
Employee turnover saving of £0.152m reported here but fully offset by staffing underspends from vacant posts across the department.	128	116
<b>Corporate Services Total</b>	<b>128</b>	<b>116</b>
<b>Finance</b>		
	19	25
<b>Finance Total</b>	<b>19</b>	<b>25</b>
<b>Managed Services</b>		
Overspend forecast following the 2023-24 pay award increasing the Council's share of costs beyond the current budget provision.	137	107
<b>Managed Services Total</b>	<b>137</b>	<b>107</b>
<b>Corporate Procurement</b>		
Staffing underspend from vacant posts whilst recruitment takes place.	(112)	(41)
<b>Corporate Procurement Total</b>	<b>(112)</b>	<b>(41)</b>
<b>Commercial Advertising</b>		
Strong performance on digital advertising revenues.	(300)	(74)
<b>Commercial Advertising Total</b>	<b>(300)</b>	<b>(74)</b>
<b>Total Variance</b>	<b>(402)</b>	<b>(34)</b>

<b>Table 4 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
None to report		
<b>Total Risks Managed</b>	<b>0</b>	<b>0</b>

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

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

<b>Table 1 - Forecast variance by CIPFA Subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 9 £000</b>	<b>Variance month 6 £000</b>
Employees	2,234	(49)	(30)
Premises-Related Expenditure	1,675	285	136
Transport-Related Expenditure	0	0	0
Supplies & Services	11,560	202	(6,614)
Third Party Payments	124	4	0
Transfer Payments	89,925	0	0
Support Services	931	0	7,272
Items Excluded from the Cost of Services	5,121	(42)	(36)
Income	(98,756)	(7,490)	(5,596)
Non-controllable expenditure (technical accounting adjustments e.g., overhead redistribution)	4,265	0	0
<b>Total</b>	<b>17,080</b>	<b>(7,090)</b>	<b>(4,867)</b>

<b>Table 2 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 9</b>	<b>Forecast Variance Month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate and Democratic Core	2,346	62	(51)
Housing Benefits	(328)	0	0
Levies	2,078	(42)	(36)
Net Cost of Borrowing	(345)	(7,500)	(5,000)
Treasury, Pensions and Insurance	3,341	390	258
Maternity and Redundancy	1,013	0	0
Other Corporate Items	8,973	0	(39)
<b>Total</b>	<b>17,080</b>	<b>(7,090)</b>	<b>(4,867)</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Corporate and Democratic Core</b>		
£0.107m overspend on audit fees due to price increases partly offset by underspend on bank charges	62	(51)
<b>Corporate and Democratic Core Total</b>	<b>62</b>	<b>(51)</b>
<b>Housing Benefits</b>		
	0	0
<b>Housing Benefits Total</b>	<b>0</b>	<b>0</b>
<b>Levies</b>		
Minor variance on expected levy costs	(42)	(36)
<b>Levies Total</b>	<b>(42)</b>	<b>(36)</b>
<b>Net Cost of Borrowing</b>		
Forecast return from cash balances based on current cashflows and higher than budgeted rates. This remains highly volatile and subject to external market conditions and internal cashflow assumptions.	(7,500)	(5,000)
<b>Net Cost of Borrowing Total</b>	<b>(7,500)</b>	<b>(5,000)</b>
<b>Treasury, Pensions and Insurance</b>		
The impact of sector wide inflationary pressures has increased the cost of insurance premiums for the Council in year. A reprocurement exercise is underway to mitigate cost pressures for future years although this remains volatile.	390	258
<b>Treasury, Pensions, and Insurance Total</b>	<b>390</b>	<b>258</b>
<b>Maternity and Redundancy Items</b>		
	0	0
<b>Maternity and Redundancy Total</b>	<b>0</b>	<b>0</b>
<b>Other Corporate Items</b>		
	0	0
<b>Other Corporate Items Total</b>	<b>0</b>	<b>0</b>

<b>Table 4 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
None to report	0	0
<b>Total Risks Managed</b>	<b>0</b>	<b>0</b>

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

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

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 9 £000</b>	<b>Variance month 6 £000</b>
Income	(97,115)	(315)	(326)
Premises-Related Expenditure	26,252	(744)	(969)
Employees	24,231	1,794	2,106
Supplies & Services	10,617	3,109	2,897
Support services (internal trading services)	1,577	(457)	369
Third Party Payments	2,342	(364)	(3)
Transport-Related Expenditure	28	200	257
Items excluded from the cost of services (debt management and capital charges)	11,499	(222)	(170)
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	24,199	(668)	(214)
<b>Appropriation From HRA General Reserve</b>	<b>3,630</b>	<b>2,333</b>	<b>3,948</b>

<b>Departmental Division</b>	<b>Revised Budget £000</b>	<b>Forecast Variance Month 9 £000</b>	<b>Forecast Variance Month 6 £000</b>
Housing Income	(94,424)	(256)	(293)
Finance & Resources	6,687	(0)	(8)
Housing Management	7,971	998	987
Resident and Building Safety	10,109	(321)	(597)
Void & Repairs	12,664	1,556	1,473
H&F maintenance (DLO)	3,584	1,789	1,788
Safer Neighbourhoods	768	(492)	(0)
Housing Hub	6,479	959	1,103
Place	12,221	(472)	199
Regeneration & Development	1,191	(208)	(321)
Capital Charges	29,159	(449)	(383)
Corporate Support Service Recharges	7,220	(770)	(0)
<b>Appropriation From HRA General Reserve</b>	<b>3,630</b>	<b>2,333</b>	<b>3,948</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 9 £000</b>	<b>Month 6 £000</b>
<b>Housing Income</b>		



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).	(256)	(293)
<b>Housing Income Total</b>	<b>(256)</b>	<b>(293)</b>
<b>Finance &amp; Resources</b>		
	0	(8)
<b>Finance &amp; Resources Total</b>	<b>0</b>	<b>(8)</b>
<b>Housing Management</b>		
A high level of decants is driving a forecast overspend in temporary accommodation and disturbance allowance costs of £0.8m. In addition, training and staffing costs associated with housing service improvements and the new housing regulations of £0.5m are forecast. This is offset by (£0.3m) following a review of costs charged between the Housing Revenue Account and General Fund.	998	987
<b>Housing Management Total</b>	<b>998</b>	<b>987</b>
<b>Resident and Building Safety</b>		
This mainly relates to a higher proportion of works being capital in nature.	(321)	(597)
	<b>(321)</b>	<b>(597)</b>
<b>Void &amp; Repairs</b>		
This is mainly due to high volumes of disrepair compensation claims (including the associated legal costs) of £2.3m offset partially by an increase in staff and works capitalisation (£0.7m).	1,556	1,473
<b>Void &amp; Repairs Total</b>	<b>1,556</b>	<b>1,473</b>
<b>H&amp;F maintenance (DLO)</b>		
This mainly relates to additional staffing resource, roofing and damp and mould works required as part of the Repairs Improvement Plan.	1,789	1,788
<b>H&amp;F maintenance (DLO) Total</b>	<b>1,789</b>	<b>1,788</b>
<b>Safer Neighbourhoods</b>		
This follows a review of costs charged between the Housing Revenue Account and General Fund.	(492)	(0)
<b>Safer Neighbourhoods Total</b>	<b>(492)</b>	<b>(0)</b>
<b>Housing Hub</b>		

This reflects repairs compensation payments offset by penalty income from contractors of £0.6m plus additional service improvement-related staffing costs of £0.4m.	959	1,103
<b>Housing Hub Total</b>	<b>959</b>	<b>1,103</b>
<b>Place</b>		
A review of costs charged between the Housing Revenue Account and General Fund (£0.5m) offset by minor overspends mainly relating to staffing costs	(472)	199
<b>Place Total</b>	<b>(472)</b>	<b>199</b>
<b>Regeneration &amp; Development</b>		
This mainly relates to a forecast underspend on feasibility costs for major development schemes.	(208)	(321)
<b>Regeneration &amp; Development Total</b>	<b>(208)</b>	<b>(321)</b>
<b>Capital Charges</b>		
A change in the forecast average short term interest rate payable on net internal borrowing from 4.3% to 4.7% following recent Bank of England base rate increases offset by higher than budgeted cash balances and a lower than budgeted depreciation charge due to the stock valuation at the end of March 2023 being slightly lower than anticipated.	(449)	(383)
<b>Capital Charges Total</b>	<b>(449)</b>	<b>(383)</b>
<b>Corporate Support Service Recharges</b>		
Lower than budgeted corporate recharges following a review of services chargeable to the Housing Revenue Account.	(770)	(0)
<b>Corporate Support Service Recharges Total</b>	<b>(770)</b>	<b>(0)</b>
<b>Total Variance</b>	<b>2,333</b>	<b>3,948</b>

		MTFS Target	On Track	Partially Deliverable	Undeliverable
		£000s	£000s	£000s	£000s
		1,130	1,130		
Schemes not on track	£000s	Reason			

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 9 £000</b>	<b>Risk At Month 6 £000</b>
<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.	680	850
<b>Repairs capitalisation</b> - 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
<b>Repairs Cost</b> - Work is continuing to determine the expected cost of the repairs backlog as well as estimating the value of expected repairs not yet highlighted.	unknown	unknown
<b>Income collection</b> - the current excellent performance on rental income collection may deteriorate as a result of the current economic pressures.	355	385
<b>Repairs and disrepairs compensation for urgent repairs works and associated costs</b> - there remains a risk that the forecast understates the costs for this year.	unknown	unknown
<b>Staffing Costs</b> - there is a risk that additional resources will be required to deliver the housing and repairs improvement plans.	400	unknown
<b>Housing Regulator &amp; Ombudsman</b> - Additional costs associated with facilitating inspections and implementing regulatory changes may result in unbudgeted spend.	unknown	unknown
<b>Decants</b> - there remains a risk that the forecast understates the costs for this year.	unknown	unknown
<b>Total Risks Managed</b>	<b>1,435</b>	<b>1,235</b>

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

**APPENDIX 9 – ACTION PLANS – MONTH 9**

<b>ASC and PH Budget 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	Home Care - Review care packages to meet resident eligible care needs	0.250	Michelle Clarke /Jayne White	31/03/2024
2	Direct Payment - Review and right size direct payments where residents are regularly returning surplus funds	0.250	Michelle Clarke /Jayne White	31/03/2024
	<b>Total</b>	<b>0.500</b>		

<b>The Economy Budget 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	Review of housing advice provision for refugees and use of refugee grant	0.050	Lisa Keating	Jan-24
2	Review of temporary accommodation operating costs for refugees and use of refugee grant	0.040	Lisa Keating	Jan-24
3	Review of procurement officer resource for refugees and use of refugee grant	0.050	Lisa Keating	Jan-24
4	Procurement of block-booked accommodation at lower cost to reduce emergency accommodation costs	0.100	Lisa Keating	Jan-24
5	Creation of additional temporary posts for a "Move-On" team (funded from Homelessness Prevention Grant) to increase access to the private rented sector and reduce use of expensive temporary accommodation	0.070	Lisa Keating	Jan-24
6	Direct offers to 60 households	0.065	Lisa Keating	Jan-24
	<b>Total</b>	<b>0.375</b>		

**APPENDIX 10 - VIREMENT REQUESTS – MONTH 9**

	<b>Amount (£000)</b>	<b>Reserves One Off</b>	<b>Contingency On Going</b>	<b>Contingency One Off</b>
<b>The Environment</b>				
Waste Contract Pension Liability	529			529
<b>The Economy</b>				
Corporate property dilapidation costs	450			450
<b>Corporate Services</b>				
Legal charges	10			10
<b>Centrally Managed Budgets</b>				
Technical accounting adjustments for collection fund (business rates) prior year income (transfer to reserves)	3,000	3,000		
Realignment of charges to the Housing Revenue Account	1,700			1,700
Use of Strategic Investment Fund for General Fund feasibility studies	450	450		
<b>Total of requested virements</b>	<b>6,139</b>	<b>3,450</b>		<b>2,689</b>

**APPENDIX 11 – MTFS SAVINGS – UPDATE AT MONTH 9 (December 2023)**

<b>MTFS Savings Tracker- 2023/24</b>						
			<b>Firm Savings proposals</b>			
<b>Department</b>	<b>MTFS Reference</b>	<b>Description</b>	<b>2023-24 Target Savings (£000's)</b>	<b>2023-24 Forecast Delivery (£000's)</b>	<b>RAG Rating</b>	<b>Comments</b>
<b>Social Care and Public Health</b>						
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)	Green	
Social Care and Public Health	Social Care and Public Health -2	Model to further support independent living	(250)	(250)	Green	
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)	Green	
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)	Orange	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 care, as appropriate.	(50)	(50)	Green	

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 -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)		

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 -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)		
<b>Children's Services</b>						
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)		
<b>The Environment</b>						
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)		



Department	MTFS Reference	Description	2023-24 Target Savings (£000's)	2023-24 Forecast Delivery (£000's)	RAG Rating	Comments
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)		
<b>The Economy</b>						
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)		
<b>Corporate</b>						
Corporate	Corporate-1	Realign services to provide greater efficiencies and support for member responsibilities	(20)	0		Staffing re-organisation no longer going to take place. Saving will not be delivered.
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.
<b>Overall Total</b>			<b>(2,924)</b>	<b>(2,831)</b>		

**APPENDIX 11 – MTF S SAVINGS – UPDATE AT MONTH 9 (December 2023)**

**EMPLOYEE MANAGEMENT SAVING 2023/24**

<b>Department</b>	<b>Target (£000s)</b>	<b>Forecast delivery (£000s)</b>	<b>Variance (£000's)</b>	<b>Commentary</b>
Social Care	317	317	0	Funded in 23/24 only from the Market Sustainability and Improvement Workforce grant.
Childrens	613	613	0	£0.383m of savings are one off. These result from in year mitigation actions including vacancies held.
The Environment	449	449	0	The delivery of the savings include other prior year employee savings.
Parking	201	201	0	
The Economy	340	340	0	
Finance	153	153	0	Fully delivered in 2023/24 due to vacancies across all teams, particularly Business Intelligence and Procurement. Would expect natural turnover to allow the savings to be delivered again in 2024/25
Corporate Services	427	427	0	Fully delivered in 2023/24 due to vacancies across most teams. Overall staffing overspends due to previous undelivered savings in Resident Services from REAP and a previous vacancy factor savings in Environment.
<b>Total</b>	<b>2,500</b>	<b>2,500</b>	<b>0</b>	