

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 01/04/2025

Subject: Revenue Budget Review 2024/25 - Month 9 (December 2024)

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

Responsible Director: Sukvinder Kalsi, Executive Director of Finance and Corporate Services

SUMMARY

The Council's Corporate Plan for 2023-26 sets out the Council's strategy for delivering on the ambitions and vision to transform its services and spend and invest money to help protect high quality essential services for its residents.

By being Ruthlessly Financially Efficient, the council will focus on its priorities to:

- Protect essential services
- Reform how the council works and
- Invest in the future

This report presents the third provisional outturn position for 2024/25 at Month 9 (December 2024), following the previous update at month 6 (September 2024). The outcomes of this review continue to reflect the extremely challenging macro-economic conditions and are based on a prudent view. The estimated financial position incorporates known and emerging budget variances and details of known risks.

Overall, including mitigations, there is a forecast General Fund (GF) overspend of **£1.1m**. The details are set out with each Department's commentaries and work is ongoing to deliver savings.

The budget for 2024/25 included £19.9m (9% of the Council's net budget) of investment to mitigate demand and inflationary price pressures but despite this investment, as with many local authorities in the country, Hammersmith and Fulham continues to experience pressures across adult social care, temporary accommodation, and Children's services.

A combination of increasing complexity and acuity of need for those in care, an ageing population, and the ongoing cost of living crisis (exacerbated by rapid rises in inflation and interest rates) has placed the council's finances under pressure at this time.

This is against a backdrop of uncertainty in medium term financial funding and local authority overall core funding. Funding from central government for Hammersmith

and Fulham has reduced by 54% in real terms¹, from £164m in 2010/11 to £128m in 2024/25.²

The structural budget deficit on the HRA has been eliminated and a balanced HRA Budget was set for 2024/25 (without the use of balances). The service continues to resolve prior year service issues, and a prudent approach has been adopted in the forecasts for 2024/25. An in-year pressure of £7.684m is forecast (mainly the residual backlog of disrepair claims/works and decanting costs whilst repairs are completed). There are mitigation measures in place to manage this projected pressure and additional details are set out in paragraphs 9 to 11 and Appendix 2.

The financial year will conclude with preparation of the financial statements for 2024/25, including the outturn report. To ensure compliance to the statutory timetables, this report also seeks authority to delegate several strategic decisions to the Executive Director of Finance and Corporate Services, in consultation with the Cabinet Member for Finance and Reform (relating for example to use of reserves, budget virements and levels of bad debt provisions). The details will be reported in full to Cabinet in September 2025 as part of the outturn report for 2024/25.

RECOMMENDATIONS

1. To delegate authority to the Executive Director of Finance and Corporate Services, 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 variance at Month 9 and mitigating actions to reduce the overspend forecast variance position (Table 1 and Appendix 1).
3. To note progress on delivering the 2024/25 agreed budget savings (Appendix 3)
4. To note the HRA forecast (paragraph section 9 to 11 and Appendix 2)
5. To note and approve the budget movements (Appendix 4).

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

¹ As per RPI indices - [Retail Prices Index: Long run series: 1947 to 2023: Jan 1974=100 - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/retailprices/datasets/retailpricesindexlongrunseries1947to2023jan1974=100)

² Funding includes Revenue Support Grant, Business Rates Funding Baseline, Social Care and other general grants.

	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), 11 March 2025

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 18 February 2025

Background Papers Used in Preparing This Report

None.

REVENUE SUMMARY

1. A summary position of the 2024/25 GF financial position is shown in **Table 1 and 2**, with a breakdown by individual variance in **Appendix 1**.

Table 1 – Month 9 (December 2024): General Fund forecast (underspends in brackets)

Directorate	Budget	Forecast Outturn Variance
	£m	£m
People	135.277	3.101
Place	34.257	11.848
Housing Solutions	13.840	6.329
Finance and Corporate Services	15.565	(0.132)
Total Directorates:	198.393	21.146
Centrally Managed Budgets	24.744	(7.805)
Total General Fund Services:	223.683	13.341
Corporately held Contingencies		(9.000)
Sub Total		4.341
Release of Collection Fund surpluses		(3.200)
Total		1.141

Table 2 – Month 9 (Dec 2024): General Fund Forecast (by expenditure type)

Directorate	Budget	Forecast Outturn Variance
	£m	£m
Employees	148.394	(1.514)
Non-employees	541.790	10.660
Income	(466.501)	4.195
Total General Fund Services	223.683	13.341

2. Further management actions are required to deliver a significant downward movement in directorate overspend positions by the end of the financial year. Potential mitigations of £7.700m have been identified at this stage and are included in forecast outturns and set out within the directorate sections below.

GENERAL FUND

People Directorate (Adult Social Care, Children's and Education and Public Health)

The main variances for the People Directorate are summarised in the below table (and detailed in Appendix 1):

Service Area	Forecast Variance £000	Commentary
Travel Care and Support	316	Cost pressure exceeding contract inflation allowance in the budget, plus £0.180m travel care and support for young people placed Out of Borough.
Disabled and Children's Services	(170)	Disabled Children's placements and short breaks underspend of which £0.173m favourable on activity led underspend on The Haven staffing in-year only.
Looked After and Leaving Care Placements	(2)	Children Looked After and Care Leavers underspend including fostering activity underspend.
Client Related Non-Placement Spend	(14)	Pressures on Section 17 family support, client travel and parenting assessments.
Staffing variance in Children and Young People's services (including Performance and Improvement)	191	Children and Young Peoples Services staffing adverse including vacancy factor target £0.392m. Offset by grants received and applied in-year.

Strategic Commissioning and Transformation	(199)	£0.239m staffing underspend on vacancies held being recruited and where grant income is meeting expenditure and £0.084m contract underspend.
Other Children's Services Minor Variances	(331)	
Residential and Nursing Placements	1,961	A projected overspend of £1.961m in residential care placements with unit costs increases of 9.5% from £901 to £987 per week and in nursing care placements, unit costs increase of 7.5% from £1,271 to £1,367 per week since the start of this financial year. The demographic pressures in residential and nursing care are a net increase of 39 new residents since April 2024. This is partly offset by additional contributions of (£0.800m) due to the increase in residents.
Supported Living and Extra Care	3,011	A projected overspend of £3.011m in supporting living accommodation consist of: 1) Learning Disabilities Services - £1.546m mainly due to demographic pressures of an additional 10 supported living placements since the last financial year and an increase of over 6% in unit costs from £1,959 to £2,082 per week. 2) Mental Health Services - An overspend of £1.048m is due to 3 new supported living placements and 2 new large joint funded packages of care. 3) Physical Support Services net overspend of £0.417m due to 6 new residents supported with some larger care packages.
Home Care	(1,109)	Projected underspend of (£1.109m) due to rigorous financial management and timely Home Care reviews mean the budget has been managed in the area. In addition, the promotion of Direct Payments has resulted in more residents arranging their own support at home including employing carers. Overall, the costs are managed within the budget of both services.
Learning Disabilities and Physical Services	964	Projected overspend in direct payments of £0.964m in Learning Disabilities & Physical support services relates to 63 new residents supported since the start of the financial year. This includes 7 residents transferred from the Children's High Needs Block).
Other Care Services and Commissioning	83	Projected small net overspend of £0.079m. The main improvement in the forecast since month 6 has been on the management of the departmental staffing budgets.

Service Mitigations (detailed below)	(1,600)	
Total	3,101	

Expenditure on placements for Adults, Looked After Children and care experienced young people is expected to be mitigated and reduce in quarter 4 in line with the MTFS strategy and strong social work practice and oversight.

Placements remain volatile with potential for significant expenditure to meet increasing complexity of needs or demand led statutory placements in the new financial year.

Non placement client related spend continues to be significant and is mitigated in 2024/25 by contributions negotiated successfully with NHS partners for the previous financial year and effective gate keeping of expenditure.

The Department will also continue to face legislative/demand/cost pressures from service providers across all service areas including placements, hospital discharges, travel support, transition services, delivery of prior year savings and operational buildings

Dedicated Schools Grant

3. Dedicated Schools Grant (DSG) is paid in support of local authority schools' and is the main source of income for the schools' budget. It is split between central expenditure and the individual schools' budget (ISB) in conjunction with the local schools' forum.
4. Funding for the High Needs Block (HNB) continues to be under pressure with the latest forecast by the end of the financial year of a surplus of £1.0m which will go towards reducing the cumulative deficit, along with safety valve funding of £0.960m. The overall cumulative deficit is forecast to increase to £2.341m by year end.
5. 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). The council holds earmarked reserves against the cumulative deficit which is released as the deficit is managed down. This is set out in Table 3 below:

Table 3 - High Needs Block (HNB) Deficit

	£000
High Needs Block DSG deficit brought forward from prior years	2,240
In Year High Needs Block forecasted surplus less Early Years carry forward deficit	1,061
2024-25 High Needs Block Safety Valve funding (subject to monitoring and conditions)	(960)
Forecast High Needs deficit after Safety Valve funding	2,341

This service will also continue to face risks on SEND transport, transitional services and other general tuition/therapy services.

Place Directorate

The main variances for the Place Directorate are summarised in the below table:

Service Area	Forecast Variance £000	Commentary
Public Realm (Waste Collection, Street Cleaning, Waste Disposal, Highways)	2,595	Contractual pressures relating to inflation and pay and pension, allowed for in the budget from 2025/26. The costs of new wheeled bin waste collection services are not expected to be immediately mitigated in full by offsetting waste disposal savings (from behavioural changes).
Parking	8,000	There has been a delay in rolling out our camera network programme, which has further been compounded with camera malfunctions, which are being rectified. There has been a significant decline in our pay rates due to fraud.
Corporate Property and Facilities Management	600	Delayed savings pending review of corporate accommodation.
Other Place Budgets	653	Lower than budgeted income from corporate rental properties and revenue costs no longer chargeable to capital. Increasing prices for energy and water (street lighting, libraries, parks).
Sub-Total	11,848	

There are several potential risks including Corporate Property and Facilities Management (increasing repairs, maintenance and energy costs), Parking (changes in motorists habits may lead to reduction income), low uptake of new green waste subscription service, reduction in external funding for Highway projects and Planning fees. Mitigations will continue to be developed and implemented.

Finance and Corporate Services (including Housing Solutions)

The main variances for Finance and Corporate Services are summarised in the below table:

Service Area	Forecast Variance £000	Commentary
Residents Services	271	Overspend due to staff turnover and vacancy factor targets unable to be met in year. Delay on

		delivery of prior year savings targets due to increased demand and pressures on the service. Plans to mitigate these pressures with process improvement and automation are being developed. An improvement in the forecast of court collection income has reduced the overall overspend for CRM 9.
Managed Services	274	Budget pressure on finance and HR managed service costs due to undelivered saving.
Democratic Services	(397)	Favourable variance on registrars' fees and charges along with underspend on coroners staffing due to in year vacancies. The favourable movement is due to further overachievement of registrars' income.
Assurance, Programmes and Analytics	(324)	Underspend due to part year staffing vacancies.
Other Budgets	44	Digital advertising income exceeded target (£102k), Underspend within Corporate Procurement due to part year staffing vacancies while recruitment process takes place (£114k), Offset by minor overspends in other areas totalling £258k
Total	(132)	

Housing Solutions

The main variances for Housing Solutions summarised in the below table:

Service Area	Forecast Variance £000	Commentary
Bed and Breakfast	6,634	Bed and Breakfast - The latest forecast is for 365 clients on average (compared to a budget of 155) of whom 186 are placed into B&B annexes (at the end of December 2024) which is resulting in a forecast overspend of £5,748,000. Additional overspend of £294,000 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 26 per day on average to the end of December 2024), resulting in a forecast overspend of £592,000.

		There are also cost pressures on Private Sector Leasing.
Homelessness Prevention Grant	(935)	One-off grant top up
Cost Avoidance Payments	550	Cost avoidance payments - an increase in costs of £550,000 forecast to be incurred in minimising the need for more costly emergency housing solutions.
Other Housing Services	80	
Total	6,329	

A Working Group has been established to develop a mitigation strategy to manage these pressures, and the actions will include options to secure additional national grants, controls of operational expenditure, clear pathway and move on options, consideration of policy changes on discharge to private sector, nomination rights to registered providers and out of borough placements.

Centrally Managed Budgets

Service Area	Forecast Variance £000	Commentary
Cost of Borrowing (Net)	(2,837)	Additional income generated on cash balances due to interest rates higher than budgeted. Reduction in cash balances in 24/25 due to capital programme costs have reduced forecast income over the year, however. Also includes lower than budgeted interest payments on outstanding loan balances
Levies	(548)	Underspend £0.548m - Includes expected Concessionary Fares reimbursement because of TfL price freeze on tube fares (£0.315m)
Other Corporate and Democratic Core Services	1,680	Budget pressures across insurance from increased volume of claims and cost of premium renewals due to market conditions and increased risk. Adverse movement of £0.786m from month 6 on insurance due to increased claim payments. There are also budget overspends on audit fees due to rate increases.
Mitigations (detailed below)	(6,100)	
Total	(7,805)	

There continue to be risks that will need to be monitored especially interest on cash balances.

A deep dive review of the Council's net cost of borrowing (aligned to the Capital Programme), confirmation of additional central Government funding and forecast

charges to the HRA has been carried out by officers, and mitigations of £6.1m have been identified to improve the financial position. An update will be provided as part of the year-end outturn report.

Collection Fund

6. Council Tax and National Non-Domestic Rates (NNDR) income, alongside grant funding, are the main sources of the council's overall funding. Income collected from Council tax is shared with the GLA and the council is forecast to retain 67% of this income with the GLA retaining remaining share. For NNDR, this is shared between the council, the GLA and Central Government. The council is forecast to retain 30% of this income (GLA retained 33% and central government retain 37%]
7. Retained income from Council Tax and NNDR together are budgeted to represent 65% of the council's net budget requirement 24/25 (£141.3m) and is held within a ring-fenced account known as the Collection Fund. The overall collection fund surplus/deficit in-year is affected by the number of variables such as movements in the gross taxbase (e.g., the number of properties in the borough and for business rates the impact on business rates appeals), offsetting deductions to bills (e.g. single person discount and Council Tax support council tax and mandatory charitable relief full business rates) and the collection rate.
8. Any forecast surplus or deficit on the Collection Fund will not impact the council's budget until the following financial year due to accounting regulations. An estimate of the surplus or deficit on the collection fund is made annually in January and factored into the budget setting estimates the subsequent financial year. Should the outturn position be an improvement on the estimated position, then this is factored into the in-year position for the following year.

HOUSING REVENUE ACCOUNT (HRA)

9. A balanced budget was set for the HRA for 2024/25 (and without the use of reserves).
10. The strategic operating environment of the Housing Revenue Account continues to be challenging (as is the General Fund) with continuing legislative/demographic pressures and high interest rates.
11. The overall assessment of the current forecasts is summarised in Table 4 below.

Table 4: Housing Revenue Account Forecast Outturn

Service Area	Forecast Variance £000	Commentary
Decants	1,502	A high level of decants is driving a forecast overspend in temporary accommodation and disturbance allowance costs of £1.5m.

Disrepair Spend	3,000	High claim volumes and associated legal costs.
Voids and Repairs	3,084	Additional investment to deliver the repairs improvement plan
Other Services	76	A lower-than-expected stock valuation has resulted in a lower depreciation charge than expected (-£1.3m) offset by higher interest costs because of increased borrowing (+£0.8m) and overspends in other areas.
Total	7,684	

Several mitigations have been developed, including the use of unallocated contingencies, spending controls, capital programme management and potential further capitalisation. As such, it is forecast that the HRA will be balanced at the end of the year.

Housing Revenue Account (General Reserve)	£000's
Balance as of 31 March 2024	(5,376)
Pressures Reported at Month 9	7,684
Mitigations (as outlined above)	(7,684)
Balance as of 31st March 2025	(5,376)

EQUALITIES IMPLICATIONS

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.

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

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.

The report recognises the significant external pressures which have borne down on the Council's costs during 2024/25, 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), a number of factors adversely affecting forecast parking income, and the prospect that there is further will be further demand going forward in key services (including temporary accommodation), 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 and one-off mitigation only. Directorates and the central Finance team will need ensure further measures are identified to mitigate the forecast overspend position, to continue to closely monitor expenditure to ensure it remains within budget and ensure that planned savings are delivered in full or implement alternative mitigating actions to address forecast overspends or savings targets which cannot be delivered.

The report also recognises the significant pressures facing the HRA, so while the structural budget deficit on the HRA has been eliminated and a balanced HRA Budget was set for 2024/25 (without the use of balances), a significant in year deficit is being forecast, with mitigations identified to maintain the same balance at year end. 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, 14 February 2025*

List of Appendices

- Appendix 1 – General Fund Revenue Monitoring by Variance
- Appendix 2 – HRA Revenue Monitoring by Variance
- Appendix 3 – Savings Delivery Tracker
- Appendix 4 – Virement Requests
- Appendix 5 – S106 Funding Allocation Proposals

APPENDIX 1 – GENERAL FUND AND HRA MONITORING BY VARIANCE AS AT MONTH 9

Service Area	Total Budget	Actual Month 9	Total Forecast Variance Month 9	Movement from Prior Period (M6)
PEOPLE – Variance by Service Area	£000	£000	£000	£000
Children's and Education Services				
Looked After Children & Care Leavers Placements, Client Related Non-Placement & Care Management	20,131	15,175	(84)	(102)
Other Statutory Social Work (CYPS)	10,415	8,523	470	(323)
Early Intervention Services (CYPS)	2,679	2,394	(302)	(63)
Other Children and Young Peoples Services	1,274	938	(86)	(9)
Travel Care and Support	6,921	4,752	316	(58)
Special Educational Needs and Disability (SEND)	7,430	32,296	(227)	13
Other Statutory Education Services	528	3,204	32	20
Schools and Early Years Funding	15	62,455	29	38
Strategic Commissioning and Transformation	1,273	1,135	(119)	(41)
Other Children's & Education Services Budgets	2,623	2,189	(234)	31
Sub-Total	53,289	133,061	(205)	(494)
Non-Controllable Expenditure (Corporate overheads, capital financing and other technical adjustments)	10,248	-	-	0
Mitigations	-	-	(800)	(800)
Total - Children Services	63,537	133,061	(1,005)	(1,294)

Adult Social Care and Public Health				
Residential and Nursing Placements	20,019	17,943	1,961	220
Supported Living and Extra Care	12,398	11,549	3,011	307
Home Care	20,612	13,093	(1,109)	(1,034)
Direct Payments	2,693	3,047	964	306
Other Care Services and Commissioning	10,191	9,509	78	(340)
Public Health	0	681	0	0
Sub-Total - Social Care and Public Health	65,913	55,821	4,906	(541)
Non-Controllable Expenditure (Corporate overheads, capital financing and other technical adjustments)	5,828	7,527		0
Mitigations			(800)	(800)
Total - Social Care and Public Health	71,740	63,348	4,106	(1,341)
Total - People	135,277	196,409	3,101	(2,635)

Service Area	Total Budget	Actual Month 9	Total Forecast Variance Month 9	Movement from Prior Period (M6)
PLACE – Variance by Service Area	£000	£000	£000	£000
Climate Change and Transport	1,064	2,156	11	11
Public Realm	32,780	21,268	3,057	374
Public Protection	7,127	5,404	190	(32)
Parking	(38,319)	(16,126)	8,000	3,937
Corporate Property and Facilities Management	7,208	8,891	765	69
Planning	384	652	(304)	(304)
Economic Development and Skills Service	163	2,199	0	0
Other Place Budgets	342	602	126	(20)
Sub-Total	10,751	25,045	11,846	4,036
Support Services (Corporate overheads, capital financing and other technical adjustments)	23,507	26,694	2	2
Total	34,257	51,739	11,848	4,038

Service Area	Total Budget	Actual Month 9	Total Forecast Variance Month 9	Movement from Prior Period (M6)
HOUSING SOLUTIONS - Variance by Service Area	£000	£000	£000	£000
Temporary Accommodation	8,466	14,057	6,274	0
Homelessness Prevention and Assessment	1,745	1,998	70	0
Supported Housing	1,403	1,430	0	0
Other GF Housing Budgets	721	1,626	(15)	(24)
Sub-Total	12,335	19,111	6,329	(24)
Non-Controllable Expenditure (Corporate overheads, capital financing and other technical adjustments)	1,505	0	0	0
Total	13,840	19,111	6,329	(24)

	Total Budget	Actual Month 9	Total Forecast Variance Month 9	Movement from Month 6
FINANCE AND CORPORATE SERVICES - Variance by Service Area	£000	£000	£000	£000
Finance	3,783	3,232	59	(72)
Managed Services	2,042	1,498	274	14
Audit, Fraud, Risk and Insurance	1,112	595	(23)	(26)
Assurance, Programmes and Analytics	4,286	4,241	(324)	(59)
Corporate Procurement	691	584	(114)	(50)
Commercial Advertising	(2,500)	(2,632)	(102)	0
Digital Services	13,473	14,190	41	177
Legal Services	(21)	93	44	14
Residents Services	6,423	7,113	271	(150)
People & Talent	2,636	1,996	()	63
Communications and Communities	970	867	15	51
Democratic Services, Coroners & Mortuaries	2,947	2,149	(397)	(136)
Members Support	333	266	45	38
Other Finance and Corporate Budgets	841	2,190	77	(4)
Sub-Total	37,013	36,381	(132)	(138)
Non-Controllable Expenditure (Corporate overheads, capital financing and other technical adjustments)	(21,449)	(26,283)	0	0
Total	15,565	10,099	(132)	(138)

Service Area	Total Budget	Actual Month 9	Total Forecast Variance Month 9	Movement from Prior Period (M6)
CENTRAL ITEMS	£000	£000	£000	£000
Levies	10,509	7,580	(548)	(141)
Net Cost of Borrowing	(2,135)	(488)	(2,837)	2,258
Technical items	(378)	29,617	1	1
Other and Corporate Democratic Core Services	12,254	3,539	1,753	796
Sub-Total	20,250	40,248	(1,631)	2,913
Non-Controllable Expenditure (Corporate overheads, capital financing and other technical adjustments)	4,494	2,760	(74)	(386)
Mitigations	-	-	(6,100)	(6,100)
Total	24,744	43,008	(7,805)	(3,573)
Sub-Total General Fund	223,683	320,366	13,341	(2,334)
Corporate Contingencies and Collection Fund surpluses			(12,200)	-
Net General Fund	223,683	320,366	1,141	(2,334)

APPENDIX 2 – HOUSING REVENUE ACCOUNT (HRA) MONITORING BY VARIANCE AS AT MONTH 9

HRA Variance by Division				
Category	Total Budget	Actual Month 9	Total Forecast Variance Month 9	Variance to Month 6
	£000	£000	£000	£000
Rental income	(83,322)	(61,143)	(0)	0
Service Charge income	(19,880)	(15,354)	(0)	0
Other Income	(3,927)	(3,832)	(0)	(0)
Void Rent Loss	2,040	1,381	(202)	48
Staff Capitalisation	(12,204)	(4,705)	663	338
Repairs and Voids	34,573	46,553	3,084	4
S82 Disrepairs Compensation	645	2,764	3,022	50
Housing Management	17,894	13,052	(139)	(664)
Decants	200	1,182	1,502	10
Estate Services	15,830	10,327	72	2
Depreciation	17,376	16,084	(1,292)	0
Interest Payable (Net)	13,947	0	815	0
Other Costs (Contingency, Finance)	10,452	3,661	(189)	(140)
Corporate Services	6,373	6,618	353	353
Sub-Total	(4)	16,587	7,688	(0)
Non-Controllable Expenditure (Corporate overheads, capital financing and other technical adjustments)	4	(5)	(4)	0
Total	0	16,582	7,684	(0)

APPENDIX 3 – MTFS SAVINGS MONITOR – UPDATE AT MONTH 9 (December 2024)

Directorate	Previous Dept	MTFS Reference	Description	2024-25 Expected Savings (£000's)	2024-25 Forecast Savings (£000's)	Variance (£000's)	Delivery RAG Rating
People	Social Care and Public Health	Social Care and Public Health -1	Review care costs with NHS (CHC) as people with very high needs are discharged from hospital.	(200)	(200)	0	
People	Social Care and Public Health	Social Care and Public Health -2	Supporting resident independence though better integration of council services with community networks	(150)	(150)	0	
People	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 and coproducing as part of the Direct Payment steering group.	(200)	(200)	0	
People	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 Homes available for residents, ensuring new builds are co-produced with disabled residents and make good Housing voids.	(200)	(200)	0	
People	Social Care and Public Health	Social Care and Public Health -5	Maximising adaptations in people's homes through use of Disabled Facilities Grant. Review Occupational Therapy service delivery across the department with a view to undertake joint care assessment. This increases a person's independence and reduces the need for longer-term care.	(200)	(200)	0	

Directorate	Previous Dept	MTFS Reference	Description	2024-25 Expected Savings (£000's)	2024-25 Forecast Savings (£000's)	Variance (£000's)	Delivery RAG Rating
People	Social Care and Public Health	Social Care and Public Health -6	Better use of equipment to improve independence of residents with sensory disability.	(100)	(100)	0	
People	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).	(250)	(250)	0	
People	Social Care and Public Health	Social Care and Public Health -8	Review of commissioning contracts in line with the third sector strategy. This will be managed by adjusting the available contingencies within this budget (it will not affect existing contracts, or the Fast Track allocations and inflation will be allocated to contracts in 2024/25).	(100)	(100)	0	
People	Social Care and Public Health	Social Care and Public Health -9	Reshaping the department as an all-age adults service and over a medium-term neighbourhood resident focus.	(200)	(200)	0	
People	Social Care and Public Health	Social Care and Public Health -10	Review of Rough Sleeper Public Health Contribution to support residents with independent living.	(100)	(100)	0	
People	Social Care and Public Health	Social Care and Public Health -11	Review of Environmental Health Contributions to manage and support the health protection and outbreak prevention.	(100)	(100)	0	
People	Social Care and Public Health	Social Care and Public Health -12	Review the impact of targeted provision with underserved groups to improve community engagement.	(72)	(72)	0	
People	Social Care and Public Health	Social Care and Public Health -13	Review of Community Champions Programme and Reprovision of Services to align services with resident needs and support the Councils response to the cost of living.	(250)	(250)	0	

Directorate	Previous Dept	MTFS Reference	Description	2024-25 Expected Savings (£000's)	2024-25 Forecast Savings (£000's)	Variance (£000's)	Delivery RAG Rating
People	Children's Services	Children's Services-1	This proposal aligns the budget to the current profile of placements where there is joint health funding. There will be no impact on children and young people.	(325)	(325)	0	
People	Children's Services	Children's Services-2	Reform care support via a targeted line by line review to identify efficiency opportunities to secure high quality packages at optimal cost, including capitalising on opportunities for external funding to invest in creating our own provision	(100)	(100)	0	
People	Children's Services	Children's Services-3	Through collaboration with Housing, to enable care leavers to transition into the Housing Pathway earlier, with increased floating support to ensure the transition is successful.	(100)	(100)	0	
People	Children's Services	Children's Services-4	It is proposed to align the budgets to current expenditure following the recommission. There is no proposed change to delivery	(137)	(137)	0	
People	Children's Services	Children's Services-5	Embedding long-term holiday food provision offer using the council's bulk purchasing power to more effectively procure long-term holiday food	(900)	(900)	0	
Place	The Environment	The Environment-1	Non-residential fees and charges	(200)	(200)	0	
Place	The Environment	The Environment-2	Use of alternative funding (through developer contributions)	(200)	0	200	
Place	The Environment	The Environment-3	Further efficiencies from rollout of wheeled bins	(250)	0	250	
Place	The Environment	The Environment-4	Resident Experience and Access Programme (REAP) enabled savings	(250)	(250)	0	

Directorate	Previous Dept	MTFS Reference	Description	2024-25 Expected Savings (£000's)	2024-25 Forecast Savings (£000's)	Variance (£000's)	Delivery RAG Rating
Place	The Environment	The Environment-5	Introduction of garden waste subscription service (this assumes sign up of 10,000 properties)	(650)	(92)	558	
Place	The Economy	The Economy-1	New fee flexibilities and cost reductions from fewer volumes	(350)	(350)	0	
Place	The Economy	The Economy-2	Review of expenditure (6% reduction)	(200)	0	200	
Housing	The Economy	The Economy-3	Efficient commissioning of Temporary Accommodation	(100)	(100)	0	
Housing	The Economy	The Economy-4	Review of Housing Solutions team	(150)	0	150	
Housing	The Economy	The Economy-5	Acquisition of housing for Temporary Accommodation	(200)	0	200	
Place	The Economy	The Economy-6	Corporate Accommodation savings	(400)	0	400	
Corporate	Corporate	Corporate-1	An increase in digital advertising rental income.	(150)	(150)	0	
Corporate	Corporate	Corporate 2	Reduction in Internal Audit budget for contracted out audit days.	(50)	(50)	0	
Corporate	Corporate	Corporate 3	Reduction in LBHF share of the Hampshire Finance System costs.	(200)	0	200	
Corporate	Corporate	Corporate 4	Reduction in costs arising from the network and telephony procurement strategy and contract award.	(125)	(125)	0	
Corporate	Corporate	Corporate-5	Remove the need for server licencing and reduce support costs for smaller applications following migration to Microsoft Azure platform.	(60)	(60)	0	
Corporate	Corporate	Corporate-6	Additional income from contract based on RPI.	(80)	(80)	0	

Directorate	Previous Dept	MTFS Reference	Description	2024-25 Expected Savings (£000's)	2024-25 Forecast Savings (£000's)	Variance (£000's)	Delivery RAG Rating
Corporate	Corporate	Corporate-8	An organisational review of the senior chief officer structures of the Council	(250)	(90)	160	
Corporate	Corporate	Corporate-9	Discontinuing annual contribution to reserves and utilising in year revenue resources	(275)	(275)	0	
Corporate	Corporate	Corporate-10	Discontinuing annual contribution to reserves and utilising in year revenue resources	(245)	(245)	0	
		Overall Total		(8,069)	(5,751)	2,318	

APPENDIX 4 – Virements AT MONTH 9 (December 2024)

	Opening Budget (£m)	In-year growth (£m)	Redirected resources across departments (£m)	Technical adjustments (£m)	Budget as at Month 9 (£m)
Place	28.28	0.04	1.53	4.41	34.26
People	136.01	-	(1.11)	0.38	135.28
Finance and Corporate	19.92	-	(4.62)	0.27	15.57
Housing Solutions	13.66	-	0.17	0.01	13.84
Central Items	19.13	1.92	4.03	(0.34)	24.74
Corporate Budget	(217.00)	(1.96)	0	(4.73)	(223.69)
Total	0	0	0	0	0

Explanations of budget virements to date:

In Year Growth

- Local Government Finance Settlement additional funding – £1.92m
- Draw down of prior year grant funding from reserves – £0.04m

Redirected Resources Across Departments

- Transfer of third sector investment fund services from People to Finance and Corporate Services following restructure – £2.69m
- Transfer of concessionary fares budget to Central Items – £8.35m
- NJC pay award 24/25 – budgets distributed to Depts - £4.16m
- NNDR Adjustment - £0.16m

Technical Adjustments

- Distribution of Chief Officer pay award provision – £0.34m
- Capital financing - Depreciation and amortisation charges - £4.73m
- Realign the MRP and interest payable in line with the MTFS and current interest payable charges for 2024/25 - £1.1m

Technical adjustments to be approved

- Draw down of Homelessness Prevention funding from reserves - £0.14m

In addition to the above virements, there are budget movements within departmental control totals which require Cabinet approval. These are mainly due to realignment of budgets across subjective (type of spend) categories or across teams but have a net nil impact on the control totals. These are as follows:

- Learning Disabilities Individual Service Fund Contract (Drawdown from earmarked reserves) - £0.182m
- Realignment of redundancy budgets in Central Items - £0.252m
- Benefits Recovery Plan to be funded from the (Efficiency Projects reserve) - £0.278m