

# **LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**Report to:** Cabinet

**Date:** 15/09/2025

**Subject:** Revenue Budget Review 2025/26 - Month 2 (May 2025)

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

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

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## **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 first revenue monitoring position for 2025/26 at Month 2 (May 2025). 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, after mitigations, there is a forecast General Fund (GF) underspend of £0.215m. The details are set out with each department's commentaries and work is ongoing to deliver savings and mitigations to balance the budget for the financial year.

The budget for 2025/26 included £12.3m of investment to mitigate demand, demographic and inflationary budget 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, lack of supply of suitable accommodation and the impact of high interest rates and above target inflation has placed the council's finances under pressure at this time.

This is against a backdrop of substantial changes to medium term financial funding and local authority overall core funding proposed for 2026/27 onwards (Fair Funding 2.0) which will represent a shift of resources and assessed needs. Funding from

central government for Hammersmith and Fulham has reduced by 54% in real terms<sup>1</sup>, from £164m in 2010/11 to £132.3m in 2025/26.<sup>2</sup>

A balanced HRA Budget was set for 2025/26 (without the use of balances) however the service continues to resolve prior year service issues, and a prudent approach has been adopted in the forecasts for 2025/26. An in-year pressure of £1.048m 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 10 to 12 and Appendix 2.

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## RECOMMENDATIONS

1. To note the General Fund financial forecast variance at Month 2 (Table 1 and Appendix 1).
2. To note progress on delivering the 2025/26 agreed budget savings (Appendix 3)
3. To note the HRA forecast (paragraph section 11 to 13 and Appendix 2)
4. To note and approve the budget movements (virements) (Appendix 4).

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**Wards Affected:** All

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H&F values	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	We need to always confirm that spend fits our council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business, and every penny counts.
Creating a compassionate council	As the Council's resources have been reduced, we have protected the services on which the most vulnerable residents rely. This budget continues all our previous policies to support residents and proposes new spending on care packages for disabled children and additional resources to help residents through the cost-of-living crisis.

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<sup>1</sup> 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/retailpricesindexlongrunseries1947to2023)

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

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), 23<sup>rd</sup> June 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 26 June 2025*

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## 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 2 (May 2025): General Fund forecast (underspends in brackets)**

Directorate	Budget	Forecast Outturn Variance
	£m	£m
People	144.261	8.560
Place	35.809	5.940
Housing Solutions	16.678	2.469
Finance and Corporate Services	11.091	0.416
<b>Total Directorates:</b>	<b>207.839</b>	<b>17.385</b>
Centrally Managed Budgets	35.695	(1.700)
<b>Total General Fund Services:</b>	<b>243.545</b>	<b>15.685</b>
Service Mitigations		(9.900)
Release of Collection Fund surpluses		(6.000)
<b>Total</b>		<b>(0.215)</b>

**Table 2 – Month 2 (May 2025): General Fund Forecast (by expenditure type)**

Directorate	Budget	Forecast Outturn Variance
	£m	£m
Employees	150.823	2.234
Non-employees	530.306	22.041
Income	(437.584)	(6.900)
<b>Total General Fund Services</b>	<b>243.545</b>	<b>17.385</b>

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 £9.900m have been targeted at this stage, some of which are included in forecast outturns and set out within the directorate sections below. Further updates on these targets will be outlined in the month 6 report.

## **GENERAL FUND**

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

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

Service Area	Forecast Variance £000	Commentary
Children Looked After (LAC) and Care Leavers (CL) Placements and client related	955	Since the start of the year, the service has placed a number of children requiring high support packages (secure welfare, independent fostering agency) as well as semi-independent living block provision which have put pressure on the budget. In addition, there has been a reduction in budgeted health service contributions due to changes in eligibility criteria, and cost pressures for LAC Travel Care and Support where further mitigations are being sought to reduce the overspend.
Other Children and Young Peoples Services, Special Educational Needs and Disability and Other Education Services	409	The Employee Management target was mitigated in prior years but is presenting as a pressure in 2025/26. Work is ongoing to achieve and mitigate this in 2025/26. There are further minor staffing cost pressures for specialist roles required in the service, partially offset by favourable variances on Disabled Children Short Breaks.
Travel Care and Support	141	Specialist and out of borough home to school transport costs for Special Educational Needs
Residential and Nursing Placements	(14)	<p>A projected gross overspends of £0.538m in <b>residential care placements</b> with unit costs increasing by 13% increase over the last 12 months. In <b>nursing care placements</b>, there have been unit costs increases by 14% over the past year. This is due to greater complexity of care needs and inflationary pressures more than budgeted for.</p> <p>This is offset by nursing and residential additional income contributions (£0.552m) due to the increase in residents weekly assessed charges.</p>
Supported Living and Extra Care	3,305	<p><b>Learning Disabilities Services</b> - £1.711m mainly due to demographic pressures of an additional 5 high costs supported living placements since the last financial year and an increase of 6.3% in unit costs.</p> <p><b>Mental Health Services</b> - An overspend of £1.061m is due to 7 new supported living placements and 1 new large joint funded packages of care.</p> <p><b>Physical Support Services</b> net overspend of £0.905m with unit costs increase by 11% over the last 12 months and 8 new residents supported.</p>

		This is partly offset by underspends in the individual fund service and supported people services (£0.372).
Home Care	1,638	Net increase of 69 new residents supported during 2024/25 and further 50 new residents in the first 2 months of 2025/26. As a result, the hours delivered per annum have increased by 8% from 1.120m to 1.208m with the continued impact of discharges out of hospital with greater acuity resulting in large care packages. In addition, the average hourly cost increased by 4.12% compared to budgeted inflation of 2.5%.
Direct Payments	1,826	<b>Physical support services</b> £1.296m overspend relates to 16 new residents supported since the start of the financial year.  Learning Disabilities £0.530m overspend due to additional 8 packages. The average weekly care package has increased from £451 to £500, which is an increase of 11% due to the greater acuity of residents' needs.
Other Care Services and Commissioning	301	Minor staffing cost pressures.
<b>Total</b>	<b>8,561</b>	

Expenditure on placements for Adults, Looked After Children and care experienced young people is expected to be mitigated and reduce in quarter 1 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 2025/26 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

4. 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.

5. 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 deficit of £3.9m. The overall cumulative deficit is forecast to increase to £6.511m by year end (of which £2.6m is accounted for in our existing reserves, and should the remaining £3.9m continue, this will be a further commitment against those reserves or general balances).
6. The adverse forecast is after the following mitigations from other funding sources in 2025/26:
  - £1.2m transfer from the schools block to High Needs Block - agreed contribution from mainstream school budgets of 1%
  - £0.3m budgeted contribution from Central Services Schools Block
  - Nil contribution from High Needs Safety Valve (was £0.9m in 24/25)
  - Nil local authority contribution budgeted in 2025/26 (was £1.4m in 24/25, £1m from general fund reserves and £0.4m investment from other council resources)

**Table 3 - High Needs Block (HNB) Deficit**

	<b>CRM 2 £000's</b>
High Needs Block DSG deficit brought forward from prior years	<b>2,663</b>
In Year High Needs Block forecasted surplus/deficit	<b>3,848</b>
2024-25 High Needs Block Safety Valve funding (To be confirmed)	<b>0</b>
Contributions from High Needs Block Reserve	<b>0</b>
<b>Forecast High Needs deficit after Safety Valve funding</b>	<b>6,511</b>

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:

<b>Service Area</b>	<b>Forecast Variance £000</b>	<b>Commentary</b>
Public Realm (Waste Collection, Street Cleaning)	740	Mostly relating to contractual inflation being more than budgeted for in 2025/26.
Public Realm – Waste Disposal	855	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).
Public Realm – Garden Waste Saving	376	The targeted saving for the year is unlikely to be delivered in full as fewer than 10,000 households are currently subscribed to the new garden waste collection service.



Public Realm – Grounds Maintenance	158	Contractual inflation being more than budgeted for in 2025/26.
Parking	2,947	Continuing changes in driver behaviour in South Fulham has led to better compliance in the borough
Planning and Property Management – Property Transformation	700	Delayed corporate accommodation savings pending completion of the Civic Campus.
Planning and Property Management – Reactive repairs and maintenance	200	Historic pressure on reactive repairs and maintenance budget.
Other smaller variances	(36)	
<b>Sub-Total</b>	<b>5,940</b>	

There are several potential risks including waste collection and street cleansing vehicle hire costs, additional maintenance of Hammersmith Bridge, potential non-delivery of savings targets and reductions in external funding of Highways and Transport projects. 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:

<b>Service Area</b>	<b>Forecast Variance £000</b>	<b>Commentary</b>
Residents Services	458	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 through the Resident Experience and Access Programme are being developed.
Managed Services	133	Budget pressure on finance and HR managed service costs due to prior year undelivered saving.
Assurance, Programmes and Analytics	(299)	Third Sector Community Investment forecast spend in line with agreed main grant programme allocations
Democratic Services, Coroners and Mortuaries	(223)	Favourable variances on registrars fees and charges along with underspend on staffing due to in year vacancies within the directorate.
Other areas	347	Smaller overspends mainly related to unbudgeted staffing costs across legal and finance services, plus additional costs incurred supporting community engagement initiatives
<b>Total</b>	<b>416</b>	

## **Housing Solutions**

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

<b>Service Area</b>	<b>Forecast Variance £000</b>	<b>Commentary</b>
Bed and Breakfast	2,281	<p>The latest forecast is for 337 clients on average (compared to a budget of 200) of whom 221 are placed into B&amp;B annexes on average (to the end of May 2025) resulting in a forecast overspend of £2.115m. Additional overspend of £0.074m is mainly due to the placement of a small number of clients into commercial hotels.</p> <p>Out of hours (OOH) placements and pre-booked accommodation numbers have been higher than planned (from a budget of 10 to an actual of 29 per day on average to the end of May 2025), resulting in a forecast overspend of £0.092m.</p>
Homelessness Prevention Grant	188	Although the forecast average number of households in Private Sector Leased accommodation (970) is lower than the budgeted number (1,100), the forecast cost of procuring these properties (£412.99 per week) compared to the budget (£400.18) is resulting in a forecast overspend of £0.188m.
<b>Total</b>	<b>2,469</b>	

Potential mitigations include a review of all households in B&B to establish duty and reduce demand to contain costs. A number of cost containment measures include temporary accommodation voids management plan, more efficient procurement and management of (nightly paid) Temporary Accommodation and improved systems and data processes.

## **Centrally Managed Budgets**

<b>Service Area</b>	<b>Forecast Variance £000</b>	<b>Commentary</b>
Cost of Borrowing (Net)	(3,400)	Forecast lower than budgeted interest payments on external borrowing due to as current strategy seeks to maximise discount available to the HRA for PWLB borrowing.

Other Corporate and Democratic Core Services	1,732	Forecast budget pressure from increased cost of insurance claims based on current run rate, and budget pressures on external audit fees due to rate increases.
<b>Total</b>	<b>(1,668)</b>	

There continue to be risks that will need to be monitored especially interest on cash balances as wider economic stability is threatened by emerging developments across the Middle East and the Ukraine/Russia war.

A potential mitigation is the income yielded from the council's cash balances position, however this remains to be subject to a degree of volatility dependent on changes in the economic climate (Gilt and interest rates), plus the Council's cash flow position. This is monitored closely alongside the capital forecast and will be updated as appropriate.

A further mitigation is the release of corporately held contingencies. The current balance of uncommitted contingency is £7m and is not included in the current forecast. This will be held as appropriate contingent on management actions to mitigate existing service pressures and any emerging pressures that may arise.

### **Collection Fund**

7. 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%)
8. Retained income from Council Tax and NNDR together are budgeted to represent nearly 60% of the council's net budget requirement 25/26 (£129.7m) 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.
9. 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.

10. At month 2, the forecast collection fund surplus from prior years is £6m, considering mitigations for the cost of levies and discretionary reliefs. This has been included in the overall forecast.

### **HOUSING REVENUE ACCOUNT (HRA)**

11. A balanced budget was set for the HRA for 2025/26 (and without the use of reserves).
12. 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.
13. The overall assessment of the current forecasts is summarised in Table 4 below.

**Table 4: Housing Revenue Account Forecast Outturn**

<b>Service Area</b>	<b>Month 2 Variance £000</b>	<b>Departmental Division</b>
Staff Capitalisation	486	Lower than expected capitalisation of staffing costs
Repairs and Voids	(494)	The underspend is linked to lower than budgeted staffing forecast within Resident and Building Safety Division and contra adverse is reflected on staff capitalisation forecast
Disrepairs Compensation (S82)	1,321	High claim volumes and associated legal costs.
Housing Management	690	Higher than budgeted staffing costs due to sickness cover and additional support required, additional resident engagement costs and high volume of compensation claims.
Decants	839	A high level of decants and management transfers is driving a forecast overspend in temporary accommodation and disturbance allowance costs
Depreciation	(1,472)	A lower than forecast stock valuation has resulted in a lower depreciation charge
Interest Payable (Net)	(308)	An increase in the level of borrowing is offset by lower than expected interest rates
Other Variances	14	
<b>Total Variance</b>	<b>1,048</b>	

Subjective	Total Budget	Actual Month 2	Forecast Variance Month 2
	£000	£000	£000
Employees	25,336	5,793	301
Other Expenditure	85,213	5,404	1,103
Income	(110,549)	(5,369)	(356)
<b>Total</b>	<b>-</b>	<b>5,828</b>	<b>1,048</b>

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

<b>Housing Revenue Account (General Reserve)</b>	<b>£000's</b>
<b>Balance as of 31 March 2025</b>	<b>(5,852)</b>
Pressures Reported at Month 2	1,048
Mitigations (as outlined above)	(1,048)
<b>Balance as of 31<sup>st</sup> March 2026</b>	<b>(5,852)</b>

## **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 2025/26, 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 2025/26 (without the use of balances), a small 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, 25 June 2025*

**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 1 – GENERAL FUND AND HRA MONITORING BY VARIANCE AS AT MONTH 2

Service Area	Budget	Actual Month 2	Forecast Variance Month 2
	£000	£000	£000
<b>Children's and Education Services</b>			
Strategic Commissioning and Transformation	1,333	255	(20)
Looked After Children & Care Leavers Placements, Client Related Non-Placement & Care Management	20,042	3,214	955
Early Intervention Services CYPS	2,889	901	(41)
Other Statutory Social Work CYPS	11,021	1,562	403
Other Children and Young Peoples Services	1,220	197	130
Other Children's & Education Services Budgets	3,036	990	50
Special Educational Needs and Disability (SEND)	7,721	5,426	(50)
Other Statutory Education Services	402	636	(93)
Schools and Early Years Funding	7	18,032	30
Travel Care and Support	7,695	500	141
<b>Sub-Total</b>	<b>55,366</b>	<b>31,713</b>	<b>1,505</b>
Support Services (Corporate overheads, capital financing and other technical adjustments)	11,094	-	0
<b>Total - Children Services</b>	<b>66,460</b>	<b>31,713</b>	<b>1,505</b>

Service Area	Budget	Actual Month 2	Forecast Variance Month 2
	£000	£000	£000
<b>Adult Social Care and Public Health</b>			
Residential and Nursing Placements	20,283	4,399	(14)
Supported Living and Extra Care	13,962	3,009	3,305
Home Care	21,003	1,465	1,638
Direct Payments	10,467	3,055	1,826
Other Care Services and Commissioning	4,674	2,383	301
Public Health	24	419	0
<b>Sub-Total - Social Care and Public Health</b>	<b>70,413</b>	<b>14,730</b>	<b>7,056</b>
Support Services (Corporate overheads, capital financing and other technical adjustments)	7,396		0
<b>Total - Social Care and Public Health</b>	<b>77,800</b>	<b>14,730</b>	<b>7,056</b>
<b>Total - People</b>	<b>144,261</b>	<b>46,443</b>	<b>8,560</b>



	Budget	Actual Month 2	Forecast Variance Month 2
	£000	£000	£000
<b>Housing</b>			
Temporary Accommodation	11,532	3,264	2,469
Homelessness Prevention and Assessment	1,014	620	0
Supported Housing	1,418	412	0
Housing Standards	540	(1,812)	0
Refugee Support	13	182	0
Other GF Housing Budgets	290	59	0
<b>Sub-Total</b>	<b>14,807</b>	<b>2,725</b>	<b>2,469</b>
Support Services (Corporate overheads, capital financing and other technical adjustments)	1,871		
<b>Total</b>	<b>16,678</b>	<b>2,725</b>	<b>2,469</b>

	Budget	Actual Month 2	Forecast Variance Month 2
Place	£000	£000	£000
Climate Change and Transport	1,536	968	0
Economic Development and Area Regeneration	336	1,387	58
Parking	(41,061)	(1,115)	2,947
Planning and Property Management	42,401	(2,979)	903
Public Realm	9,069	1,098	2,054
Other Place Budgets	(762)	54	0
<b>Sub-Total</b>	<b>11,519</b>	<b>(588)</b>	<b>5,940</b>
Support Services (Corporate overheads, capital financing and other technical adjustments)	24,289	0	0
<b>Total</b>	<b>35,809</b>	<b>(588)</b>	<b>5,940</b>

	<b>Budget</b>	<b>Actual Month 2</b>	<b>Forecast Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Finance and Corporate Services</b>			
Finance	3,849	833	<b>134</b>
Managed Services	2,154	1,134	<b>133</b>
Audit, Fraud, Risk and Insurance	1,157	79	<b>(20)</b>
Assurance, Programmes and Analytics	4,415	1,396	<b>(299)</b>
Corporate Procurement	703	129	<b>(2)</b>
Commercial Advertising	(2,600)	(653)	<b>(33)</b>
Digital Services	13,768	4,452	<b>(17)</b>
Legal Services	23	529	<b>154</b>
Residents Services	6,537	1,510	<b>458</b>
People & Talent	2,697	339	<b>()</b>
Communications and Communities	906	244	<b>167</b>
Democratic Services, Coroners & Mortuaries	2,821	1,326	<b>(223)</b>
Members Support	368	78	<b>()</b>
Other Finance and Corporate Budgets	857	187	<b>(36)</b>
<b>Sub-Total</b>	<b>37,656</b>	<b>11,584</b>	<b>416</b>
Support Services (Corporate overheads, capital financing and other technical adjustments)	(26,564)	0	<b>0</b>
<b>Total</b>	<b>11,091</b>	<b>11,584</b>	<b>416</b>
<b>Sub Total for Services</b>	<b>206,839</b>	<b>60,164</b>	<b>17,385</b>

	Total Budget	Actual Month 2	Total Forecast Variance Month 2
Central Items	£000	£000	£000
Levies	11,151	2,624	(79)
Net Cost of Borrowing	(935)	(1,252)	(1,200)
Technical items	(327)	2,992	(
Other and Corporate Democratic Core Services	2,964	6,099	1,732
<b>Sub-Total</b>	<b>35,689</b>	<b>10,464</b>	<b>45</b>
Support Services (Corporate overheads, capital financing and other technical adjustments)	6	224	(2,228)
Mitigations	-	-	
<b>Total</b>	<b>35,695</b>	<b>10,687</b>	<b>(1,700)</b>
<b>Sub-Total General Fund</b>	<b>243,545</b>	<b>70.851</b>	<b>15,68</b>
<b>Service Mitigations</b>			(9,900)
<b>Collection Fund surpluses</b>			(6,000)
<b>Net General Fund</b>			<b>(215</b>

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

Category	Total Budget	Actual Month 2	Total Forecast Variance Month 2
	£000	£000	£000
Rental income	(85,190)	(6,326)	(87)
Service Charge income	(19,055)	(576)	(13)
Other Income	(4,096)	(626)	6
Void Rent Loss	1,600	99	12
Staff Capitalisation	(11,981)	0	486
Repairs	34,849	7,451	(494)
S82 Disrepairs Compensation	645	259	1,321
Housing Management	15,761	1,939	690
Decants	200	135	839
Estate Services	15,801	276	73
Depreciation	16,534	0	(1,472)
Interest Payable (Net)	20,647	0	(308)
Other Costs (Contingency, Finance)	7,464	119	(5)
Corporate Services	6,823	0	0
<b>Sub-Total</b>	<b>0</b>	<b>2,750</b>	<b>1,048</b>
Non Controllable Expenditure (Corporate overheads, capital financing and other technical adjustments)	0	3,078	0
<b>Total</b>	<b>0</b>	<b>5,828</b>	<b>1,048</b>

### **APPENDIX 3 – MTFS SAVINGS MONITOR – UPDATE AT MONTH 2 (May 2025)**

<b>Dept</b>	<b>Service</b>	<b>Summary</b>	<b>Savings Target (£000's)</b>	<b>Savings Forecast (£000's)</b>	<b>Variance (£000's)</b>	<b>Risk to Delivery (RAG rating)</b>
People	Independent living, Quality, Performance and Safeguarding	Review care costs with NHS (CHC) as people with very high needs are discharged from hospital.	(100)	(100)	-	☹️
People	Independent living, Quality, Performance and Safeguarding	Focus on prevention to further promote independent living including promotion of services and support provided in the local area by the voluntary and community sector.	(300)	(300)	-	☹️
People	Independent living, Quality, Performance and Safeguarding	Further increased take-up of Direct Payments to improve choice and control for residents.	(200)	(200)	-	☹️
People	Commissioning	In line with our choice and control principles, increasingly residents are choosing to order online or make other independent meals arrangements. This change in resident activity enables the delivery of this saving	(50)	(50)	-	😊
People	Care Leavers Placements	Cost avoidance through working with our block SIL provider to develop our in-borough provision to meet the needs of young people	(217)	(167)	50	☹️
People	Care Leavers Placements	Improved support following the opening of new site to enable young people in out of borough placements to move into in-borough placements	(310)	(293)	17	😊
People	Staffing / Fostering Shared Service	Benefits of collaborative working and practices	(116)	(116)	-	😊
People	Travel Care and Support	Contract retender savings and further independent travel training	(200)	(200)	-	😊
People	Preventing Family Breakdown	Preventative programme, supporting families to stay together and preventing family breakdown by providing short breaks to young people at risk of coming in to care to enable de-escalation and stabilisation mitigating higher costs.	(310)	(116)	194	☹️

People Total			(1,803)	(1,542)	261	
Place	Corporate Property Management	Non-domestic property portfolio master plan	(100)	0	100	☹️
Place	Council Property Development	Homebuy matching and marketing service	(75)	(75)	-	😊
Place	Development Management	Review discretionary Planning charges	(175)	(175)	-	😊
Place	Street Environment Services	Waste disposal - targeted shift from general waste tonnages to recycling	(300)	(300)	-	😐
Place	Street Environment Services	Introduce time banded commercial waste collections	(50)	(50)	-	😐
Place	Various	Review fees and charges	(500)	(500)	-	😊
Place	Highways	Update street lighting asset inventory	(150)	(150)	-	😊
Place	Highways	Additional income from highways assets	(200)	(200)	-	😐
Place	Highways	Enforcement of Advertising board licences (on pavements)	(50)	(50)	-	😐
Place	Leisure	Additional sports bookings income from enhanced facilities	(100)	(100)	-	😊
Place	Leisure	Review sports bookings discounts	(50)	(50)	-	😊

Place	Leisure	Review sports bookings administration	(50)	-	50	☹️
Place	Libraries	Review Home Library Service	(64)	-	64	☹️
Place	Libraries	Café franchise in libraries	(20)	-	20	☹️
Place	Community Safety	Enhanced specialist enforcement of environmental street scene crime	(150)	(150)	-	😊
Place	Community Safety	Additional external income for CCTV	(30)	(30)	-	😊
<b>Place Total</b>			<b>(2,064)</b>	<b>(1,830)</b>	<b>234</b>	
Finance and Corporate	Digital	Reduction in mobile phone contract costs	(80)	(80)	-	😊
Finance and Corporate	Registrars	Review of fees and charges	(100)	(100)	-	😊
Finance and Corporate	Resident Services	Local Support Payments - bringing the service in-house and reducing administration costs.	(150)	(150)	-	😊
Finance and Corporate	Community Engagement	Removal of 2 out of 3 vacant posts	(80)	(80)	-	😊
Finance and Corporate	ALL	An organisational review of the senior chief officer structures of the Council	(750)	(250)	500	☹️
Finance and Corporate	Procurement and Commercial	An increase in digital advertising rental income based on inflation included in Two Towers contract.	(100)	(100)	-	😊



Finance and Corporate Total			(1,260)	(760)	500	
Grand Total			(5,127)	(4,132)	995	

#### APPENDIX 4 – Virements AT MONTH 2 (May 2025)

	Opening Budget (£m)	In-year growth (£m)	Redirected resources across departments (£m)	Other Movements and Technical Adjustments (£m)	Budget as at Month 2 (£m)
<b>Place</b>	<b>35.99</b>	-	0.07	(0.25)	<b>35.81</b>
<b>People</b>	<b>143.51</b>	0.9	0.75	-	<b>145.16</b>
<b>Finance and Corporate</b>	<b>10.54</b>	-	0.55	-	<b>11.09</b>
<b>Housing Solutions</b>	<b>16.56</b>	-	0.12	0.10	<b>16.78</b>
<b>Central Items</b>	<b>36.94</b>	(0.9)	(1.49)	0.25	<b>34.80</b>
<b>Corporate Budget</b>	<b>(243.54)</b>	-	-	(0.10)	<b>(243.64)</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Explanations of budget virements to date:

##### In Year Growth

- £900k CHS Prevention Grant (Central Items to People)

##### Redirected Resources Across Departments

- £2,100k Employers NI Contribution Funding (Central Items to all other services)
- £688k Land Charges (Central Items to Place)

##### Other Movements and Technical Adjustments

- £250k Corporate Redesign savings delivery (Place to Central Items)
- £66k Drawdown from Homelessness Prevention earmarked reserve to fund private rented sector cost avoidance payments to prevent rough sleepers from homelessness (Corporate Budget to Housing Solutions)