

	<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">OVERVIEW AND SCRUTINY BOARD</p> <p style="text-align: center;">8th April 2014</p>
<p style="text-align: center;">HIGH LEVEL REVENUE BUDGET MONITORING QUARTER 3 REPORT 2013-14</p>	
<p style="text-align: center;">Report of the Executive Director of Finance & Corporate Governance</p>	
<p>Open Report.</p>	
<p>Classification - For Information Key Decision: N/A</p>	
<p>Wards Affected: All</p>	
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1. EXECUTIVE SUMMARY

- 1.1. This report presents the Revenue Monitoring position at the end of month 10 (January 2014).
- 1.2. The General Fund outturn forecast is a favourable variance of £7.66m in 2013/14 which is 1.1% of the Gross Budget of £702m. The forecast underspend is before taking account of contingencies.
- 1.3. The HRA outturn forecast is a £0.373m underspend which will lead to a year end HRA General Reserve of £6.4m

2. RECOMMENDATIONS

- 2.1. To note the forecast General Fund underspend of £7.66m and the forecast HRA underspend of £0.373m.

3. REASONS FOR DECISION

- 3.1. Report for Information.

4. CORPORATE REVENUE MONITOR (CRM) 2013/14 GENERAL FUND OUTTURN FORECAST

Table 1: General Fund Projected Outturn – Month 10

Department	Revised Budget at Month 10 £000s	Forecast Year End Variance at Month 10 £000s	Forecast Year End Variance at Quarter 2 £000s
Adult Social Care	67,345	(1,901)	(1,111)
Children's Services	50,621	(245)	606
Unaccompanied Asylum Seeking Children	1,521	0	0
Environment, Leisure & Residents Services	31,669	(527)	(24)
Finance and Corporate Services	19,343	(513)	(30)
Housing & Regeneration	7,206	(630)	(304)
Library Services (Tri- Borough)	3,135	(30)	0
Public Health Services	311	(311)	0
Transport & Technical Services	17,311	(186)	0
Controlled Parking Account	(21,006)	(1,404)	(168)
Centrally Managed Budgets	30,894	(1,913)	(1,813)
Net Operating Expenditure*	208,350	(7,660)	(2,844)

*Figures in brackets represent underspends against budget.

- 4.1. A favourable variance of £7.66m is forecast for the General Fund, an improvement of £4.8m since last reported. Departmental variances are explained in Appendix 1.

5. CORPORATE REVENUE MONITOR 2013/14 HOUSING REVENUE ACCOUNT

Table 2: Housing Revenue Account Month 10 Projected Outturn 2013/14

Housing Revenue Account	£000s
Balance as at 31 March 2013	(4,263)
Add: Budgeted Contribution to Balances	(1,747)
Add: Forecast Underspend	(373)
Projected Balance as at 31st March 2014	(6,383)

- 5.1. The HRA is forecast to underspend by £0.373m in 2013/14 (appendix 2) which would give a HRA General Reserve balance of £6.383m at year end.

6. CONSULTATION

6.1. N/A.

7. EQUALITY IMPLICATIONS

7.1. Report for information only therefore an EIA is not required.

8. LEGAL IMPLICATIONS

8.1. N/A

9. FINANCIAL AND RESOURCES IMPLICATIONS

9.1. A favourable outturn variance of £7.66m is forecast for the General Fund.

9.2. The HRA is forecast to underspend by £0.373m in 2013/14 leading to a year end HRA General Reserve balance of £6.383m.

9.3. Implications completed by: Gary Ironmonger (Finance Manger – FCS).

10. RISK MANAGEMENT

10.1. The 2013/14 Budget Report identified financial risks and challenges facing the Council of £21.6m in 2013/14, rising to £37.09m in 2015/16. These risks will be monitored and actions to lessen their impacts will be taken in the relevant years to ensure that identified risks do not crystallise into overspends.

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

11.1. N/A

List of Appendices

Appendix 1	General Fund Quarter 3 Revenue Outturn Forecast 2013/14 by Department
Appendix 2	HRA Quarter 3 Revenue Outturn Forecast 2013/14

APPENDIX 1:

GENERAL FUND – PERIOD 10 REVENUE OUTTURN FORECAST 2013/14

ADULT SOCIAL CARE (ASC)

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Operations	42,001	(596)	(348)
Provided Service and Mental Health Partnership	12,343	(390)	(159)
Commissioning	11,876	(875)	(560)
Procurement and Business Intelligence	280	(23)	(29)
Finance	409	(5)	(3)
Directorate	436	(12)	(12)
Total	67,345	(1,901)	(1,111)

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Operations	(596)	<p>The majority of the projected underspend (£820,000) is in the Placements budget as there is an on-going reduction in client numbers. Between April 2012 and December 2013 there was a net decrease of 39 clients. This has been a welcomed early achievement contributing towards the MTFS savings, assisting the Council in meeting future savings targets and has been factored into the financial plan with a reduction of £1,346,000 as proposed savings in 2014-15.</p> <p>In line with Tri-Borough ASC strategy to support clients at home, there are pressures on the Home Care Packages and Direct Payments budgets. For Older People and Physical Disabilities Services, there is a net projected overspend of £179,000 in these areas.</p> <p>Following the transfer of the Meals Service to the new service provider from the 1st of July 2013, there is a projected overspend of £180,000. There has been a delay in the start of the new contract (the initial start date was 8th April 2013) which accounts for £56,000 of the overspend, £10,000 relating to a net shortfall of income because of an 8% reduction of Meals</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		<p>delivered and the remaining projection of £114,000 relates to implementation costs which will reduce over the lifetime of the contract in line with the Call Off Agreement. Over the life of the contract the savings anticipated are £1,214,000 which is revised to account for the delay in commencement of the contract (excluding the implementation costs).</p> <p>There is a continued Budget pressure relating to the PFI Homes following a further submission of costs by the contractor. This has been reviewed by the department and a response submitted to the Expert to determine. The department has been prudent and factored in the projected net overspend of £200,000 into the forecast outturn position.</p> <p>Within the Learning Disability (LD) Service, there is a net projected underspend of (£315,000).The main reasons for the underspend relate to lower activity levels in LD Placement budget of (£530,000) which is a reduction of 8 placements since April 2013 and the de-registration of an LD service, saving (£256,000) which is an early MTFS savings for 2014/15. The underspend is offset with continued pressures of £148,000 in Day Care and a pressures of £323,000 for LD clients supported at home.</p> <p>Within the Community Independence Service, there is an going income shortfall on Careline of £400,000 which the department can fund from the one off balance sheet reserves in the current year. The service is being reviewed.</p>
Mental Health and Provided Service	(390)	There is a projected underspend of (£228,000), with lower cost in Mental Health Placements which is in line with the Departmental strategy with a focus on recovery and Community Care Support. The other area of underspend is staff savings in the establishments which will assist in achieving MTFS proposed savings from 2014-15.
Commissioning	(875)	The main projected underspend is (£836,000) due to Supporting People savings on new contracts from the West London Framework agreement and variations on existing contracts. In total 24 contracts have been varied and there has been a reduction in subsidy

Departmental Division	Variance £000s	Explanation & Action Plans
		payments in one particular contract. The early achievement of these savings will contribute to the total savings target of £875,000 proposed for 2014-15.
Procurement & Business Intelligence	(23)	The workforce development training commitments have been reviewed leading to a net projected underspend of (£23,000).
Finance	(5)	Marginal underspend projected in Client Affairs team.
Directorate	(12)	Marginal underspend on supplies and services.
Total	(1.901)	

CHILDREN'S SERVICES

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Tri Borough Education Service	5,998	(367)	(451)
Family Services	30,596	(215)	435
Children's Commissioning	6,465	163	194
Finance & Resources	7,522	174	428
Dedicated School Grant & Schools Funding	40	0	0
Total	50,621	(245)	606

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Finance & Resources	174	A £130K overspend relates to the Employee Led Mutual. In the establishment of the mutual it was acknowledged that they would require funding to procure support charges from alternative providers to the Council which would not be reflected by a reduction in the cost of central support services. The net impact of this was calculated to be £130,600. There are other pressures within the division contributing to this over spend, including the mobile phone & Filestore, which the department are working to reduce this year.
Children's Commissioning	163	The division is expecting a shortfall of at least £138k on Adult Schools Meals income in the current financial year. There are other small pressures within the division contributing to this overspend.
Family Services	(215)	Family Services had previously set aside reserves to accommodate known pressures and risks for this financial year. These have now been drawn down from the balance sheet specifically against the shortfall in funding for secure placements, fees associated with court directed assessments and external placements. The Underspend is attributable to unspent Adoption Reform Grant.

Departmental Division	Variance £000s	Explanation & Action Plans
Tri Borough Education Service	(367)	The division is forecasting a net underspend on salaries related to re-organisation and in year vacancies (£181k); Special Education Needs Transport is expected to under spend due to a reduction in the number of vehicles and better route planning - (£227k). There is a shortfall on Schools Buy back income of £46k.
DSG & School Funding	0	
Total	(245)	

UNACCOMPANIED ASYLUM SEEKING CHILDREN

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Unaccompanied Asylum Seeking Children	1,521	0	0
Total	1,521	0	0

2. Variance Analysis

None to report.

ENVIRONMENT, LEISURE & RESIDENTS SERVICES

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Cleaner, Greener & Cultural Services (CGCS)	21,204	(888)	(441)
Safer Neighbourhoods	9,057	441	408
Customer & Business Development	923	(93)	0
Director & Resources	484	13	9
Total	31,669	(527)	(24)

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Waste Disposal	(938)	An unexpected rebate of £776k has been received from the reduction in undeclared commercial waste at the civic amenity site, and reduced tonnage charges, hence the favourable movement since quarter 2. A new waste innovation group is looking at new initiatives for reducing waste tonnages. It is likely this work will result in invest to save funding being requested. In month 9 the tonnages were higher than forecast as was the contamination (actual 19.9%, forecast was 17.5%).
Cleaner Greener & Cultural Services - Other	50	Other Cleaner Greener & Cultural Services net overspends
Total Cleaner Greener & Cultural Services	(888)	
Transport	161	This pressure has been reported in previous months. A paper has been drafted that will request the budget to be permanently reset from 2014/15. Subject to that paper being presented to the Cabinet Member this report anticipates a virement of £90k from the Waste Disposal budget.

Departmental Division	Variance £000s	Explanation & Action Plans
CCTV	138	The pressure on this service area has been reported in previous months. Service reviews are still ongoing across ELRS and it is expected that the associated savings target can be reallocated within the department.
Leisure Management	70	£70k pressure due to delays in agreeing implementation of the Hammersmith All Weather Pitch.
Grounds and Parks Maintenance	100	This includes £60k unexpected utility bills, being investigated by the service and the Carbon Reduction Team in order to mitigate the impact and put processes in place to manage utility consumption in the future. There is a £30k pressure on internal income due to a reduction in maintained sites.
Safer Neighbourhoods Division - Other	(28)	Other Safer Neighbourhoods Division net underspends
Total Safer Neighbourhoods Division	441	
Customer & Business Development	(93)	
Director & Resources	13	
Total	(527)	

FINANCE AND CORPORATE SERVICES

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
H&F Direct	20,628	140	140
Innovation & Change Management	(248)	(175)	0
Legal Democratic Services	(1,490)	(125)	0
Third Sector, Strategy & Communications	2,412	40	40
Finance & Audit	(176)	(200)	(100)
Procurement & IT Strategy	(1,355)	127	140
Executive Services	(490)	(50)	0
Human Resources	142	(270)	(250)
Other	80	0	0
Total	19,343	(513)	(30)

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
H&F Direct	140	The H&F Direct reorganisation will not achieve its full MTFS target in this financial year, largely due to slippage in its implementation date, but will over achieve its MTFS target from 2014/15. Reorganisation implemented in December (7 fte's). Will continue to drive efficiency prior to bi-borough service in 14/15
Innovation & Change Management	(175)	Delays in filling vacant posts
Human Resources	(270)	Underspend is due to some posts being held vacant pending future reorganisations for the Managed Services outsourcing programme
Executive Services	(50)	Recharging for Housing & Regeneration Department Staff
Legal Democratic Services	(125)	Vacant posts in Electoral Services have now been filled, but will still underspend against budget. Governance Services is underspent on subscriptions. The balance of the variation is a reflection on Legal Services trading position.
Finance & Audit	(200)	There are some posts being held vacant prior to a reorganisation for the Managed Services outsourcing programme.

Departmental Division	Variance £000s	Explanation & Action Plans
Procurement & IT Strategy	127	The variance represents a cash savings slippage which is being offset by greater than expected benefits in the form of cost avoidance. In on-going discussions with HFBP to find further savings.
Total	(513)	

HOUSING & REGENERATION DEPARTMENT

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Housing Options, Skills & Economic Development	6,769	(633)	(314)
Housing Strategy & Regeneration	381	0	0
Housing Services	40	3	10
Finance & Resources	16	0	0
Total	7,206	(630)	(304)

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Housing Options, Skills & Economic Development	(633)	This relates mainly to lower than expected void rates (2.8% against the budgeted void rate of 4%) on private sector leased (PSL) properties (£334k), lower than expected rent loss and subsidy loss costs relating to the Housing Association Leasing Scheme (HALS) at Hamlet Gardens (£258k) and a reduction in net costs of Bed & Breakfast (B&B) accommodation of (£178k) due to a reduction in average client numbers from a budgeted average of 270 to a forecast of 132. This is offset by the impact of the overall benefit cap which has resulted in a need to increase the bad debt provision on B&B (from a budgeted figure of 4% to a forecast of 6%) and on PSL (from a budgeted figure of 2% to a forecast of 4%), resulting in an adverse variance of £179k. In addition, favourable variances on staffing vacancies (£193k), and the Locata choice-based lettings subscription fee (£62k) are offset by lower than budgeted occupancy rates at the business development units at Townmead Road of 67% and ongoing difficulties in securing leases at the BBC units resulting in a projected under-recovery of income of £59k and an increase in bad debts of £94k. Further, other minor variances of £60k are forecast.
Other	3	
Total	(630)	

LIBRARY SERVICES (Tri-Borough)

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Libraries Services (Tri-Borough)	3,135	(30)	0
Total	3,135	(30)	0

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Tri-borough Libraries & Archives	(30)	Hammersmith Library refurbishment (opening April 2014) includes significant stock renewal. The timing is phased and S106 Contributions are supporting the refurbishment programme this year. Any additional investment in new stock is a key priority.
Total	(30)	

PUBLIC HEALTH SERVICES

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Sexual Health	6,949	0	0
Substance Misuse	5,568	0	0
Behaviour Change	2,162	0	0
Intelligence and Social Determinants	0	0	0
Families and Children Services	2,484	0	0
Substance Misuse – Grant, Salaries and Overheads	(5,312)	0	0
Public Health – Grant, Salaries and Overheads	(11,540)	(311)	0
Total	311	(311)	0

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Public Health – Grant, Salaries and Overheads	(311)	The overall forecast underspend against the expenditure budget is £0.526m. Of this £0.215m relates to expenditure funded from ring-fenced Public Health grant. In line with the grant conditions this will be carried forward as Receipts in Advance for use in 2014/15. The remaining £0.311m of the underspend relates to Public Health funding from the LBHF general fund.
Total	(311)	

TRANSPORT AND TECHNICAL SERVICES

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Building & Property Management (BPM)	(715)	(70)	(51)
Transport & Highways	12,697	(95)	(51)
Planning	2,447	(233)	(37)
Environmental Health	2,992	(48)	(19)
Support Services	(110)	260	158
Total	17,311	(186)	0

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Building Control	41	The adverse variance is mostly due to staffing costs of 4 staff members before redundancy as part of the implementation of the new structure in 2013/14.
Facilities Management	(68)	There were underspends in Civic Cleaning (£180k), Carbon Reduction (£120k), Smart FM (£56k) and Mail & Logistics (£24k). These underspends were offset mainly by overspends of £43k in Removals, £166k in the Amey contract and £103k in the EC Harris contract.
Architecture, Surveying, Engineering and Technical Support	249	The adverse variance relates to departmental overheads, which are no longer rechargeable to the HRA after the transfer of Building Technical Services into Housing. TTS is identifying savings elsewhere to address this problem and has made proposals to deliver that in the 2014/15 MTFS.
Advertising Hoardings, Works Contract, Civic Accommodation and sections within Building & Property management	(292)	The favourable position is mainly due to the projected (£305k) over achievement in income from Advertising Hoardings. Additional variances are (£122k) from BPM Business Support Team, (£58k) from Works contract and (£87k) from Technical Support, offset by an adverse variance in Civic Accommodation of £278k. The latter is due to a one-off overspend in Reactive repairs and Planned Maintenance, offset by an underspend in Utilities and additional rents received.
Total - BPM	(70)	
Transport and Highways	(95)	The underspend is mainly from the Transport Policy and Network Management Section of (£92k), due to receipts from Network Permits, the Gazetteer and an underspend in football traffic management.

Departmental Division	Variance £000s	Explanation & Action Plans
Planning	(233)	Recent increases in Planning applications have led to an over achievement of receipts compared to budget.
Environmental Health	(48)	The underspend is mainly from staffing costs and Bi Borough cost sharing.
Support Services	260	Pressures on this budget have resulted from in year movement of budgets from Support Services to Building Control and Environmental Health, required to realign unachievable targets for receipts in those areas. There are further pressures from inadequate funding being provided to meet the finance restructure (world-class financial management).
Total:	(186)	

CONTROLLED PARKING ACCOUNTS (CPA)

1. Variance by Activity Area

Activity Area	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Pay & Display	(12,599)	497	606
Permits	(4,690)	139	99
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	29	(99)
Bus Lane PCN	(915)	281	379
Parking CCTV PCNs	(616)	(700)	(600)
Moving Traffic PCN's	(5,814)	(523)	(28)
Parking Bay Suspensions	(1,530)	(662)	(70)
Towaways / Removals	(352)	(27)	(36)
Expenditure and Other Income	12,324	(438)	(419)
Total	(21,006)	(1,404)	(168)

2. Variance Analysis

Activity Area	Variance £000s	Explanation & Action Plans
Pay & Display	497	There has been a reduction of 2.8% in receipts compared to last year. In addition, the council will have to repay VAT on receipts from two off street car parks for the past 4 years, at an estimated cost of £50k. This has been reflected in the forecast. The roll out of Smart Visitor Permits has resulted in an increase in receipts.
Permits	139	There has been a 1% reduction in overall receipts from Permits compared to the previous year. This has resulted in a forecast that is lower than the budget.
CEO Issued PCN	29	Fewer PCNs were issued in the year to December than in the same period in the previous year. Therefore there is a reduction in forecast receipts.
Bus Lane PCN	281	The budget for Bus Lane PCNs was increased in 2012-13 to bring it in line with the activity. However, the activity level fell in the first 5 months of the current year, due to problems with one of the cameras used for enforcement, and roadworks requiring the bus lane to be used by traffic. This has now been resolved but the forecast receipts for the year remains under the budgeted level.
Parking CCTV PCNs	(700)	CCTV Parking PCN issue numbers have increased in the current financial year, staying above the level on which the budget was based.
Moving Traffic PCN's	(523)	There has been an increase in the number of contraventions detected in recent months, leading to an increase in the forecast receipts.

Activity Area	Variance £000s	Explanation & Action Plans
Parking Bay Suspensions	(662)	The parking bay suspensions receipts budget was increased by £263k in 2013-14 to reflect expected receipts from the introduction of a graduated charging structure. This was introduced from 1 September 2013. The forecast has increased this month due to additional suspension receipts in the last 5 months. This includes the receipts from three long term suspensions, extending to the end of the financial year.
Towaways	(27)	The monthly cost of the contract for towaways has reduced, resulting in an underspend against budget.
Expenditure and Other Receipts	(438)	There is an underspend in staffing, due to a number of vacant posts, which is partially offset by the use of Project Centre to cover additional notice processing activity.
Total	(1,404)	

CENTRALLY MANAGED BUDGETS

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Corporate & Democratic Core	5,935	(50)	(50)
Housing and Council Tax Benefits	243	0	0
Levies	1,716	(163)	(163)
Net Cost of Borrowing	4,306	(1,000)	(1,000)
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	8,229	(700)	(600)
Pensions & Redundancy	10,465	0	0
Total	30,894	(1,913)	(1,813)

The above figures exclude forecast unspent contingency balances of 3m.

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Corporate & Democratic Core	(50)	This underspend is as a result of reduced Audit Fees.
Levies	(163)	Actual levy payments are forecast to be £163k below budget. Base budgets have been reviewed as part of the Medium Term Financial Strategy Process.
Net Cost of Borrowing	(1,000)	The forecast underspend relates to additional investment income (from higher than expected cash balances) and lower borrowing. The Capital Financing Requirement is £13m lower than budgeted due to additional debt repayment in 2012/13.
Other Corporate Items	(700)	Land Charge income is higher than budget (£600k) due to better than expected activity due to the upturn in the Housing market. In addition the central budget held for maternity costs is forecast to underspend (£100k) based on current spending levels.
Total	(1,913)	

APPENDIX 2

HOUSING REVENUE ACCOUNT – PERIOD 10 OUTTURN FORECAST 2013/14

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 10	Variance Quarter 2
	£000s	£000s	£000s
Finance and Resources	12,403	(280)	(27)
Housing Services	10,645	(299)	(27)
Commissioning and Quality Assurance	2,621	(192)	(30)
Property Services	2,587	(213)	0
Housing Repairs	14,147	654	0
Housing Income	(73,327)	57	127
Housing Options	632	55	(172)
Adult Social Care	39	0	0
Regeneration	48	0	67
Safer Neighbourhoods	264	21	0
Housing Capital	575	0	(78)
(Contribution to)/ Appropriation From HRA General Reserve	27,619	(176)	(140)

2. Variance Analysis

Departmental Division	Variance £000s	Explanation & Action Plans
Finance and Resources	(280)	Underspends are forecast due to staffing vacancies (£65k), a reduction in Trade Union facility charges (£36k), a review of maternity costs (£35k), professional fees (£30k), recruitment and selection costs (£30k), and a reduction in IT storage and remote access charges (£94k) offset by other minor overspends of £10k.
Housing Services	(299)	This results from underspends on printing and postage costs (£70k), legal costs (£62k), staffing costs (£213k) and miscellaneous budgets of (£19k) offset by overspends of £42k on grounds maintenance and £23k on trade waste.
Commissioning and Quality Assurance	(192)	This variance is comprised of underspends on grants and audit / bookkeeping support to Residents Associations (£60k), salaries (£12k), decant costs (£53k), printing charges (£47k) and miscellaneous budgets (£20k).
Property Services	(213)	This results from a reduction in net staffing costs following a review of costs associated with the delay of the implementation of the new repairs contract.

Departmental Division	Variance £000s	Explanation & Action Plans
Housing Repairs	654	This relates to an additional forecast cost of £325k incurred as a result of the changeover between the old and new contracts, with the new contract implementation being delayed compared to the original MTFS assumptions. In addition, a review of repairs costs rechargeable to tenants is likely to produce a shortfall of £160k and a review of development voids costs is expected to result in an overspend of £150k. A further £19k of other minor variances are expected.
Housing Options	55	This relates mainly to a higher level of Temporary On License Scheme (TOLS) tenants than expected (153 tenants against a budget of 90) and lower than predicted furnishing costs, offset by the costs of 2 void business units at the Mitre Bridge business park, resulting in a net favourable variance of (£10k). In addition, staff costs are forecast to underspend by (£38K), there has been a reduction in the number of RTB valuations (£20k) and there are lower than expected void rates (3% against the budgeted void rate of 10%) on Hostels (£51K) and lower than expected utilities costs on Hostels (£26k). Further, it is proposed to set aside £200k to provide for the resolution of the Council's lease of unoccupied commercial properties at Mitre Bridge (see section 6).
Housing Capital	(176)	The income from interest achievable on the General Reserve, Major Repairs Reserve and Decent Neighbourhoods Fund has increased following a revision to the expected balance at year end on the latter, from £29.8m to £59.2m.
Other	78	
Total	(373)	