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|  | London Borough of Hammersmith & Fulham CABINET 3 NOVEMBER 2014 |
| CORPORATE REVENUE MONITOR 2014/15 - MONTH 5 | |
| Report of the Cabinet Member for Finance – Councillor Max Schmid | |
| Open Report | |
| Classification - For Decision Key Decision: Yes | |
| Wards Affected: All | |
| Accountable Executive Director: Jane West – Executive Director of Finance and Corporate Governance | |
| Report Author: Gary Ironmonger – Finance Manager Revenue Monitoring | Contact Details: Gary Ironmonger Tel: 020 8753 2109 E-mail: gary.ironmonger@lbhf.gov.uk |

1. EXECUTIVE SUMMARY

- 1.1. The General Fund outturn forecast is a favourable variance of £5.571m with budget risks of £5.369m. This is before taking account of contingencies.
- 1.2. The saving proposals put forward in the Interim Budget Report to Council in July are incorporated within this Report. The forecast underspend is £1.573m more than that set out in the July Council Report.
- 1.3. The HRA is forecast to underspend by £0.423m with HRA general reserves of £10.947m at year end. The HRA budget risks are £0.600m.
- 1.4. General Fund virement requests of £0.487m are recommended for approval. There are no virement request for the HRA at Month 5.
- 1.5. Approval is sought to write off £0.047m of uncollectable debt relating to the Sullivan and Townmead business incubator units.

2. RECOMMENDATIONS

- 2.1. To note the General Fund and HRA month 5 revenue outturn forecast.

2.2. To approve the virement requests totalling £0.487m for the General Fund as detailed in Appendix 11.

2.3. To approve that £0.047m of uncollectable debt relating to commercial tenants at the Sullivan and Townmead business incubator units is written off.

3. REASONS FOR DECISION

3.1. The decision is required to comply with the financial regulations.

4. CORPORATE REVENUE MONITOR (CRM) 2014/15 MONTH 5 GENERAL FUND

Table 1: General Fund Projected Outturn – Period 5

| Department | Revised Budget At Month 5 £000s | Forecast Year End Variance At Month 5 £000s | Forecast Year End Variance At Month 3 £000s |
|---|------------------------------------|--|--|
| Adult Social Care | 64,955 | (540) | 283 |
| Centrally Managed Budgets | 27,769 | (2,480) | (260) |
| Children's Services | 48,358 | 527 | 836 |
| Unaccompanied Asylum Seeking Children | 1,013 | 115 | 0 |
| Environment, Leisure & Residents' Services | 31,461 | 203 | 51 |
| Finance and Corporate Services | 16,995 | (187) | 95 |
| Housing & Regeneration | 8,048 | (566) | (887) |
| Library Services (Tri- Borough) | 3,221 | (30) | 0 |
| Public Health Services | 346 | (346) | (346) |
| Transport & Technical Services | 15,772 | 45 | 121 |
| Controlled Parking Account | (20,298) | (2,312) | (2,269) |
| Net Operating Expenditure* | 197,640 | (5,571) | (2,376) |
| Interim Budget Savings | | 3,998 | |
| Revised Variance after Interim Savings | | (1,573) | |
| Key Risks | | 5,369 | 6,153 |

*note: figures in brackets represent underspends

4.1. Detailed variance and risk analysis by department can be found in Appendices 1 to 9.

CORPORATE REVENUE MONITOR 2014/15 HOUSING REVENUE ACCOUNT

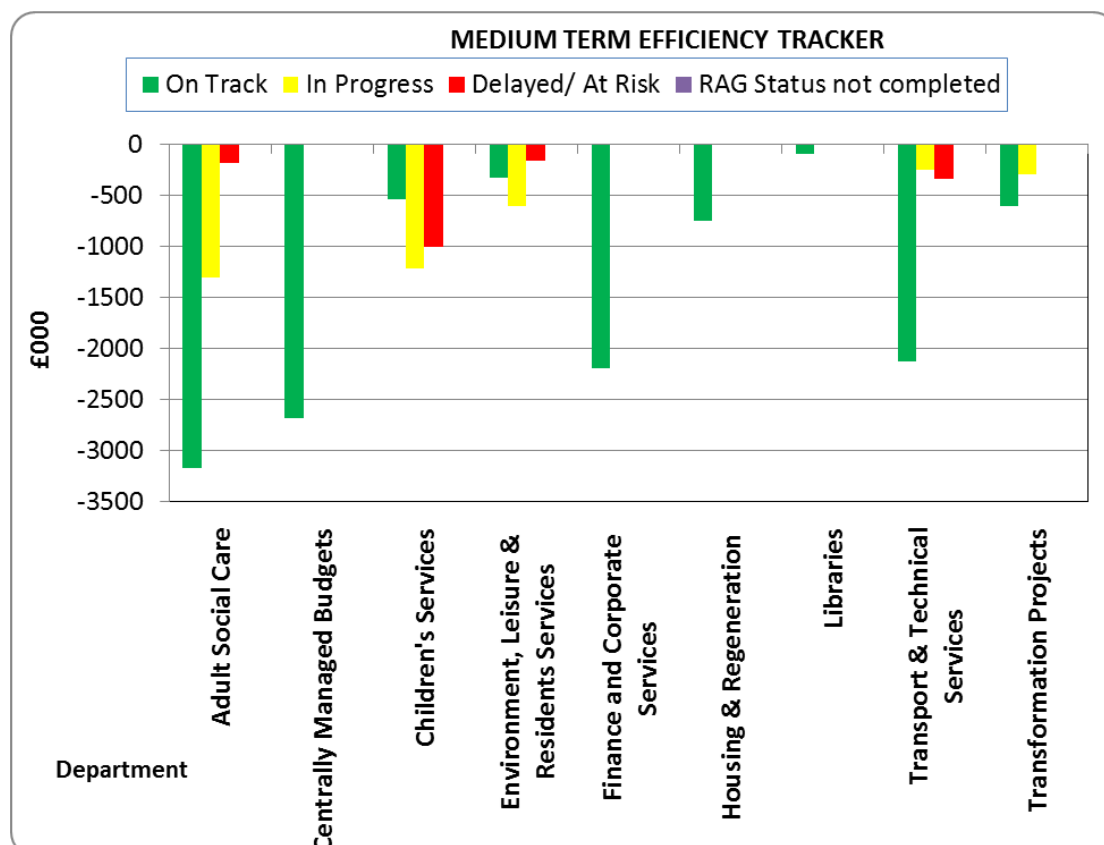
Table 2: Housing Revenue Account Projected Outturn - Period 5

| Housing Revenue Account | £000s |
|--|-----------------|
| Balance as at 31 March 2014 | (7,494) |
| Add: Budgeted Contribution to Balances | (3,030) |
| Add: Forecast Underspend | (423) |
| Projected Balance as at 31st March 2015 | (10,947) |
| Key Risks | 600 |

4.2. Detailed variance and risk analysis can be found in Appendix 10.

5. MEDIUM TERM FINANCIAL STRATEGY EFFICIENCY TRACKER SUMMARY

5.1. The 2014/15 budget included efficiency proposals of £17.905m. Progress against these is summarised below and detailed in Appendices 1 to 9.



6. VIREMENTS & WRITE OFF REQUESTS

- 6.1. Cabinet is required to approve all budget virements that exceed £0.1m.
- 6.2. Virements totalling £0.487m are requested for the General Fund budgets There are no virement request for the HRA at Month 5.(Appendix 11).
- 6.3. Approval is sought to write off £0.047m of debt relating to the business incubator units at Townmead and Sullivan Way.

7. CONSULTATION

- 7.1. N/A.

8. EQUALITY IMPLICATIONS

- 8.1. It is not considered that the adjustments to budgets will have an impact on one or more protected group so an EIA is not required.

9. LEGAL IMPLICATIONS

- 9.1. There are no legal implications for this report.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The General Fund outturn forecast at Month 5 is for a favourable variance of £5.571m. This is £1.573m more than the savings proposals identified in the Council's interim budget review.
- 10.2. Any redirection of resources resulting from the interim budget review should take account of the overall impact on departmental variances. On current projections Adult Social Care need to retain at least some of these savings to cover overspends in other areas. Children's Services are projecting an overspend that would be exacerbated if these savings were redirected to other projects. Other areas are currently forecasting to come in close to or under budget if resources are redirected following the interim budget review.
- 10.3. The HRA outturn forecast at Month 5 is an underspend of £0.423m.
- 10.4. Implications verified/completed by: James Arthur/Gary Ironmonger

11. RISK MANAGEMENT

- 11.1. Details of actions to manage financial risks are contained within departmental Appendices (1-10).

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. N/A

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

| No. | Description of Background Papers | Name/Ext of holder of file/copy | Department/ Location |
|-----|----------------------------------|--------------------------------------|----------------------|
| 1. | CRM 5 | Gary Ironmonger - Tel: 020 8753 2109 | FCS |

List of Appendices

- Appendix 1 Adult Social Care Revenue Monitor
- Appendix 2 Centrally Managed Budgets
- Appendix 3 Children's Services Revenue Monitor
- Appendix 3a Unaccompanied Asylum Seeking Children Revenue Monitor
- Appendix 4 Environmental Leisure and Residents Services Revenue Monitor
- Appendix 5 Finance and Corporate Services Revenue Monitor
- Appendix 6 Housing and Regeneration Department Revenue Monitor
- Appendix 7 Library Services (Tri-Borough) Monitor
- Appendix 8 Public Health Services Monitor
- Appendix 9 Transport and Technical Services Monitor
- Appendix 9a Controlled Parking Account Revenue Monitor
- Appendix 10 Housing Revenue Account Monitor
- Appendix 11 Virements Requests

APPENDIX 1: ADULT SOCIAL CARE

BUDGET REVENUE MONITORING REPORT – PERIOD 5

APPENDIX 1: ADULT SOCIAL CARE

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|---|-----------------------|-------------------------|-------------------------|
| | £000s | £000s | £000s |
| Operations | 38,156 | 358 | 349 |
| Provided Service and Mental Health Partnership | 9,088 | (152) | (105) |
| Commissioning | 8,267 | (597) | 39 |
| Procurement and Business Intelligence | 1,037 | (80) | 0 |
| Finance | 7,910 | (7) | 0 |
| Directorate | 497 | 32 | 0 |
| Additional Public Health external funding has been identified that offsets for employment of PD/ LD costs | | (94) | |
| Total | 64,955 | (540) | 283 |
| Interim Budget Savings Reported as @ Full Council 23 rd July 2014 | | 809 | |
| Updated Variance @ Month 5 | | 269 | |

2.Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|------------------------------|-----------------------|--|
| Operations | 358 | <p>There are pressures on the Home Care Packages and Direct Payments budgets as people are supported at home, in line with Tri-Borough ASC strategy. There is a net projected overspend of £498,000 in this budget. Discussions continue with the Clinical Commissioning Group to secure permanent funding for the increasing demand of meeting Care at Home.</p> <p>Within the Older People (OP) and Physical Disabilities (PD) Placement budget we are projecting a net underspend of (£438,000)</p> |

| Departmental Division | Variance £000s | Explanation & Action Plans |
|------------------------------------|----------------|--|
| | | <p>Included in this projection is (£157,000) as a contribution from NHS funding for Social Care in these areas.. This is welcomed given the pressures in the Home Care market.</p> <p>One of the main changes since last month is the proposal to vire from the placement budget £287,000 to temporarily offset the MTFS savings on the customer journey work stream. When the savings plans were drafted we had hoped that the outcome of the customer journey work would have begun to be achieved, but we won't see this until 2015/16.</p> <p>Within the Learning Disability (LD) Service, there is a net projected overspend of £332,000. The main reasons for the overspend relate to two transitions customers being factored in (one previously expected to be Continuing Care and one new customer) and a further two Social Care customer now staying for the full year. Since last month projection, there is one client who has transferred from Social to Continuing Care, resulting in the LD Placement projected overspend of £239,000. In the LD Direct Payment budget there is a net projected overspend of £93,000 due to an increase of four customers. An Action Plan is in place to address this and the outcomes will be reported in subsequent reports, and a risk has been factored in for clients who are no longer meet continuing health care.</p> <p>The new Transport contract is not now expected to deliver savings in 2014/15. A briefing to the Cabinet Member is being discussed on the redesign and variation of the service.</p> |
| Provided Service and Mental Health | (152) | <p>Within the Provided Service Division the main reason is a projected underspend of (£100,000) with a lower number of no recourse to Public Funds clients and (£52,000) within Mental Health on direct payments and day care services..</p> |
| Commissioning | (597) | <p>Within the Commissioning Division projection is (£552,000) of Supporting People cost to be funded from Public Health. In addition there is</p> |

| Departmental Division | Variance £000s | Explanation & Action Plans |
|---------------------------------------|----------------|---|
| | | a projected underspend of (£121,000) from Supporting People procurement savings on new contracts from the West London Framework agreement and variations on existing contracts. This is partly offset by pressure on the legal budget of £30,000 and the Tri-Borough Commissioning recharges there is projected overspend of £29,000. |
| Procurement and Business Intelligence | (80) | There is reduction in general training budget and Social workers training expenditure. |
| Finance | (7) | Marginal underspend projected in Client Affairs team. |
| Directorate | 32 | Marginal overspend on supplies and services and advertising cost. |
| Total | (540) | |

Table 3: Key Risks

| Risk Description | Lower Limit £000s | Upper Limit £000s |
|--|----------------------|----------------------|
| Learning Disability review of Continuing Care client | 0 | 250 |
| Home Care Contract rate negotiation | 50 | 350 |
| Total | 50 | 600 |

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFS Target £000s | On Track (Green) £000s | In Progress (Amber) £000s | Delayed/ At Risk (Red) £000s |
|-------------------|--------------------------------|---------------------------|------------------------------|---------------------------------|
| Adult Social Care | (4,664) | (3,589) | (1,075) | 0 |

5. Comments from the Executive Director

Adult Social Care (ASC) is projecting a net underspend of (£540,000) as at the end of period five. This is an improvement in the projection of £1,241,000 compared to the period four projected overspend of £701,000 reported to Business Board.

There are two main reasons for the change in projections are departmental management action and early achievement of savings.

The departmental changes in the projection relates to a proposed virement from the placement budget to offset the MTFs customer journey savings target of £287,000 in 2014/15. The other changes in the projections since last month relates to lower OP & PD placement costs following a review of high cost clients, management action taken within LD placement budget and a reduction in general training costs.

As part of the incoming Council Administration to review the 2014/15 General Fund revenue budget, ASC has identified three savings ideas that can be achieved early in this financial year. As detailed in table below, three savings totally (£809,000) are included in the projected outturn position of (£540,000) underspend. In addition there is (£94,000) factored into the projection from Public Health external funding to offsets costs for employment of PD/LD clients.

The current Home Care (HC) contracts expire on 30th September 2014. Individual spot contract will be procured for HC customers for the period 1st October 2014 to 31st March 2015, until the new HC contracts are procured. Procurement are currently renegotiating the spot rates with providers. It is anticipated that rates could rise by approximately 10% which equates to £300k. Additionally the West London Alliance HC volume discounts may no longer be paid by providers, which will add a further to £50k to the risk.

The department is expected to deliver savings of £4,664,000 in this financial year and at this stage of the year 77% are on track to be delivered. The remaining savings are classified as amber as discussions are on-going with the service providers and at this stage are expected to be delivered.

| Council Interim Budget Savings 2014-15 | Savings £000's | On Target | Notes |
|--|-----------------------|------------------|--------------|
| Adult Social Care | | | |
| Improve outcomes and reduce dependency amongst residents through better joint services with the NHS. | (157) | Yes | |
| Review of no recourse to public funds savings. | (100) | Yes | |
| Additional Public Health external funding has been identified that offsets Support People costs by £552k | (552) | Yes | |
| Adult Social Care Total | (809) | | |
| Additional Public Health external funding has been identified that offsets for employment of PD/LD costs by £94k | (94) | Yes | |

APPENDIX 2: CENTRALLY MANAGED BUDGETS

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--|----------------|------------------|------------------|
| | £000s | £000s | £000s |
| Corporate & Democratic Core | 5,839 | (80) | (60) |
| Housing and Council Tax Benefits | (90) | 0 | 0 |
| Levies | 1,570 | 0 | 0 |
| Net Cost of Borrowing | 2,322 | (200) | 0 |
| Other Corporate Items (Includes Contingencies, Insurance, Land Charges) | 8,133 | (200) | (200) |
| Pensions & Redundancy | 9,995 | 0 | 0 |
| Other (Council Tax Support, Contribution to Balances, provisions) | 0 | (2,000) | 0 |
| Total | 27,769 | (2,480) | (260) |
| Interim Budget Savings Reported as @ Full Council 23 rd July 2014 | | 2,480 | |
| Updated Variance @ Month 5 | | 0 | |

2. Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|-----------------------------|----------------|--|
| Corporate & Democratic Core | (80) | This underspend is due to reduced Audit fees. |
| Net Cost of Borrowing | (200) | Underspend based on expected change to debt profile over remainder of the year. |
| Other Corporate Items | (200) | Due to the buoyant housing market Land Charges income is forecast to be £200k better than budget. |
| Other | (2,000) | Potential redirection of resources in line with Interim Council budget for Contribution to balances and provision and Council Tax Support) |
| Total | (2,480) | |

Table 3: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|---|--------------|-------------|
| | £000s | £000s |
| Increase in Tri Borough accommodation costs due to staff relocation to RBKC. | 0 | 250 |
| There is a risk that the Net Cost of Borrowing may be under or over budget depending on the changes to the capital programme implemented in 2014/15 | (500) | 500 |
| Total | (500) | 250 |

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFS Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|---------------------------|-----------------------|------------------|---------------------|------------------------|
| | £000s | £000s | £000s | £000s |
| Centrally Managed Budgets | (2,686) | (2,686) | 0 | 0 |

5. Comments from the Director

After accounting for the Interim Budget savings identified below Centrally Managed budgets (excluding contingencies) are forecast to have nil variance.

| Council Interim Budget Savings 2014-15 | Savings £000's | On Target | Notes |
|---|----------------|-----------|---|
| CMB | | | |
| Budgeted contribution to balances | (900) | Yes | This is on target to be delivered. |
| Inflation provision | (400) | Yes | The inflation contingency is currently expected to be £400k under budget. |
| Redundancy provision | (200) | Yes | Redundancy spend is expected to be £200k under budget. |
| External Audit savings of £80,000 have been identified | (80) | Yes | Based on current fees external audit expenditure is expected to be £80k under budget. |
| Debt restructuring opportunities that will enable budget savings of £200,000. | (200) | Yes | Proposals for the restructuring of debt to meet this saving are under review. |
| Council Tax Support | (500) | Yes | As unemployment falls a caseload reduction is expected to deliver this saving. |
| Land Charges | (200) | Yes | Land charge income is currently forecast to be £200k better than budgeted. |
| CMB Total | (2,480) | | |

APPENDIX 3: CHILDREN'S SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--|----------------|------------------|------------------|
| | £000s | £000s | £000s |
| Tri Borough Education Service | 4,385 | (306) | (328) |
| Family Services | 32,540 | 725 | 822 |
| Children's Commissioning | 5,641 | 308 | 342 |
| Finance & Resources | 5,787 | 0 | 0 |
| Dedicated School Grant & Schools Funding | 5 | (200) | 0 |
| Total | 48,358 | 527 | 836 |
| Interim Budget Savings Reported as @ Full Council 23 rd July 2014 | | 439 | |
| Updated Variance @ Month 5 | | 966 | |

2. Variance Analysis with Action Plans to Address Forecast Overspends/(underspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|-------------------------------|----------------|---|
| Tri Borough Education Service | (306) | The major variance is the delivery of savings through the tri borough transport contract. There has been a reduction in the forecast underspend since period 3 due to increased demand. |
| Family Services | 725 | Significant placement pressures remain with regards to Southwark Judgement cases £250k, No Resource to Public Funds £300k, and Secure Remand £200k Support to looked after children via s23 £170k |
| Children's Commissioning | 308 | The schools meal contract is likely to be extended to align with Tri-borough, and so funding the Adult School Meals shortfall of £146k by Dedicated Schools Grant is still uncertain. Pressures remain relating to transport commissioning and risk regarding in year MTFS. |
| DSG | (200) | Appropriate expenditure will be identified to maximise use of DSG effectively |
| Total | 527 | |

Table 3: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|--|--------------------|--------------------|
| | £000s | £000s |
| Secure Remand | 100 | 250 |
| No Recourse To Public Funds | 200 | 350 |
| Southwark Judgement Support | 150 | 250 |
| Kinship Fees related to the Tower Hamlets Judgement | 0 | 450 |
| Cost of supported accommodation rent rising above Housing Benefit | 100 | 350 |
| Rising cost of support to care leavers in education over 21 | 150 | 250 |
| There is a potential saving from the new Tri-Borough Transport contract. However, this may not be realised due to legacy costs from the in-house contract, fluctuating contract costs and significant concerns over the performance of the contract raised in the July meeting of the Policy and Accountability Committee. | 0 | 267 |
| Total | 700 | 2,167 |

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFS Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|----------------------------|------------------------------|-------------------------|----------------------------|-------------------------------|
| | £000s | £000s | £000s | £000s |
| Children's Services | (2,780) | (544) | (1,225) | (1,011) |

5. Comments from the Executive Director

The Children's Services Department is projecting an overspend of £925,000 at this early stage of the financial year. The department's 13/14 outturn was a balanced position with no further balances established to assist with pressures and risks in this financial year.

The department has identified and is working to deliver £2.780m of savings in this financial year.

Significant pressures remain in this financial year and are ongoing issues created by changes in legislation and court rulings affecting the delivery of services to children and young people in need.

Cases presenting under the Southwark Judgement continue to cause a pressure and we are expecting additional expenditure of approximated £250k this year.

Changes to the youth offending remand funding has previously been identified as a risk and is on-going, last year the dept. saw 23 young people remanded. Since April 14 five young people have been in remand with one case likely to be on remand a minimum of 6 months. The effect of these young people being deemed looked after whilst on remand is now leading to an increase in post 18 young people presenting who are eligible for leaving care support and accommodation.

The department have experienced increasing numbers of young people presenting who have no recourse to public funds. In last financial year 95 cases were in need of support costing a total £213k. We continue to experience high levels of cases presenting for support and expect at this stage that the expenditure will be at a similar level. Further evidence based analysis will be undertaken with the aim of driving down demand and therefore costs associated with this group.

The risk arising from the recent Tower Hamlets court case challenging an authority's right not to pay kinship carers the same fees as registered foster carers remains. Tower Hamlets lost the case and we are therefore currently looking at the qualifying criteria which carers will have to meet in order to receive the carer fee element in line with main stream foster cares. The current foster carer weekly fee is £237. The potential risk on a full year basis if all kinship carers qualified for a fee payment would be £450k .

The department are seeing a rise in the number of young people in further education and university placements post 21. This is leading to a rise in costs and can be significant at these young people are not eligible for housing benefit whilst in education.

The cost of supported accommodation rents is increasing and the levels of housing benefit is not covering the full cost. This additional costs falls to the department and is another ongoing pressure.

It should be noted that a significant level of planned savings are predicated on reducing number of looked after children and care leavers. The department are continuing with the activity to reduce the number and placement profile of but it must be highlighted that volumes are subject to change and the current reductions are not as expected. There are also a number of very high cost specialist placement requirements which will be ongoing.

Council Interim Budget Savings CRM5 Update

| Council Interim Budget Savings 2014-15 | Savings £000's | On Target | Notes |
|--|-----------------------|------------------|--|
| Children's Services | | | |
| The Tri-borough Children's Services has been successful in achieving a 'payment by results' bonus of £200,000 from its Troubled Families | (200) | | To Update - CHS currently hold the PBR received on the balance sheet. The in year saving of £200k will be |

| Council Interim Budget Savings 2014-15 | Savings £000's | On Target | Notes |
|---|-----------------------|------------------|--|
| programme in H&F | | | met from the reserve |
| Further savings have been found arising from the corporate allocation of Dedicated Schools Grant that can reduce net spend in 2014/15 by £200,000 | (200) | | Appropriate expenditure will be identified to maximise the use of DSG effectively. |
| Other external funding has also been identified that offsets costs of £39,000 | (39) | | To Update - Progress to be confirmed in next CRM |
| Children's Services Total | (439) | | |

APPENDIX 3a: UNACCOMPANIED ASYLUM SEEKING CHILDREN

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|---------------------------------------|-----------------------|-------------------------|-------------------------|
| | £000s | £000s | £000s |
| Unaccompanied Asylum Seeking Children | 1,013 | 115 | 0 |
| Total | 1,013 | 115 | 0 |

2. Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|------------------------------|-----------------------|--|
| UASC | 115 | Grant for Asylum Seeking Children & UASC leaving care has not increased in the last 2 years & accommodation costs and support costs have risen beyond inflation. |
| Total | 115 | |

Table 3: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|--|--------------------|--------------------|
| | £000s | £000s |
| Accommodation Cost not covered by grant allocation | 100 | 200 |
| Total | 100 | 200 |

4. Comments from the Executive Director

The grant for asylum seeking children and UASC leaving care has not increased for the last 2 year however accommodation and support costs have risen beyond inflation. There is therefore a risk that an overspend will arise if accommodation costs cannot be reduced.

APPENDIX 4: ENVIRONMENT, LEISURE & RESIDENTS SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--------------------------------------|----------------|------------------|------------------|
| | £000s | £000s | £000s |
| Cleaner, Greener & Cultural Services | 21,289 | (381) | (512) |
| Safer Neighbourhoods | 9,234 | 522 | 630 |
| Customer & Business Development | 1,012 | (55) | (146) |
| Director & Resources | (74) | 117 | 79 |
| Total | 31,461 | 203 | 51 |

2. Variance Analysis with Action Plans to Address Forecast Overspends

| Division | Variance £000s | Explanation & Action Plans |
|---------------------------------|----------------|--|
| CCGS – Waste disposal | (400) | The boroughs strongly negotiated a much better unit cost of recycle this year which has reduced costs by circa £500k. This is partly offset by the increasing waste tonnages overall. A London-wide trend is showing that more expensive general waste tonnages are increasing whilst cheaper recycling tonnages are decreasing. This is compounded by reduced income from the sale of recycle as market commodity prices are decreasing. In July general waste tonnages were 0.8% higher than last year but this financial year has seen increases as high as 11% when compared to the previous year – demonstrating the volatility of waste disposal. If these trends continue, annual costs will increase by £270k. A waste innovation group, set up to progress initiatives to reduce waste tonnages and increase recycling in the medium term, will report its findings in the Autumn. A more detailed analysis of the Waste Authority costs was submitted to PAC in September. |
| CGCS – Street Scene Enforcement | 38 | The council always prosecutes those who do not pay Fixed Penalty Notices (FPNs) which has added a £19k pressure on the legal budgets this year. FPN income has also reduced year on year (£22k year to date compared to £34k for the same period last year). This is mostly due to increased littering compliance in the borough's transport hubs, which has a positive impact on the overall street scene but at the same time gives rise to a £16k income pressure. The aim of FPNs is to achieve compliance in an area of enforcement and so the service is assessing how to manage these pressures going forward. Options will be presented to the lead cabinet member in September. |

| Division | Variance £000s | Explanation & Action Plans |
|--|---------------------------|---|
| SND - Coroners and Mortuary | 89 | A continued reduction in corporate overheads means less recharge income from partner boroughs. Growth has been proposed to fund this pressure from 2015/16. |
| SND - Transport | 316 | As previously reported, reductions in the council's vehicle fleet over a number of years has resulted in a significant recharge income pressure. Given that this pressure can no longer be sustained by the department, an action plan to secure alternative new business and close all but £100k of the budget gap was prepared before the start of the year. The remaining £100k is included as growth in 2015/16. Despite best efforts to secure new business, negotiations with the only potential high value customer have recently fallen through. The loss of this anchor income, and given that a comprehensive review of the market concluded that alternative income generating business potential is limited, it is no longer financially viable to provide an in-house vehicle repair workshop. Given that this service has historically been budgeted to generate a net surplus, a request for growth will need to be made from 2015/16 to write out the workshop budgets. |
| Customer & Business Development | 51 | There is a forecast shortfall in the non-guaranteed income element of the new CCTV ducting contract. The contractor is trying to progress fibre installation at five LBHF housing sites through discussions with the Housing and Regeneration department. Depending on take up, this has the potential to close the budget pressure this year. |
| Director & Res. – People portfolio savings | 117 | Only £7k of the £124k people portfolio savings target is forecast to be achieved, which is less than the £57k achieved last year due to ex graduate attachments reaching the end of their attachment and being appointed into permanent roles. A corporate review of targets is underway, following which it is expected that any shortfall will be met corporately. |
| Other | (8) | Other smaller underspends |
| Total | 203 | |

Table 3: Key Risks

| Risk Description | Lower Limit £000 | Upper Limit £000 |
|---|---------------------------------|---------------------------------|
| Risk of increased waste disposal and contamination tonnages | (500) | 0 |
| Risk that Transport income shortfall cannot be absorbed | 0 | 100 |
| Total | (500) | 100 |

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFS Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|-------------------|--------------------------------------|-----------------------------|------------------------------------|---------------------------------------|
| | £000s | £000s | £000s | £000s |
| ELRS Department | (1,110) | (327) | (613) | (165) |

Red risks - plans to rationalise the number of bring back recycling units is currently on hold whilst the impact on recycling rates and the street scene is assessed (£25k target). There is a forecast pressure on the ducting contract (£140k target against which income of £89k is predicted).

5. Comments from the Executive Director

The department is forecasting a £203k overspend due to uncontrollable pressures from outside of the department - £117k people portfolio savings and £89k Coroners and Mortuary. Whilst the department will look to offset these pressures as far as possible this year from waste disposal underspends, volatile waste tonnages suggest corporate funding is likely to be requested in year. The Coroner and Mortuary pressure is a one off pressure for 2014/15 as corporate growth has been requested to permanently close the budget gap from 2015/16. The shortfall against the People Portfolio savings target is an ongoing pressure. The department is committed to maximising savings through the use of graduate attachments, but following a significant programme of restructure flowing from the bi-borough service reviews, there are very few vacancies and so limited opportunity to engage graduates or achieve a 10% saving on vacant PO posts. It is expected that any shortfall against this transformational target will be met corporately, as agreed when the savings were allocated to departments.

APPENDIX 5: FINANCE AND CORPORATE SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--|-----------------------|-------------------------|-------------------------|
| | £000s | £000s | £000s |
| H&F Direct | 19,172 | 33 | 215 |
| Innovation & Change Management | (188) | (100) | (35) |
| Legal Democratic Services | (1,296) | (30) | 0 |
| Third Sector, Strategy & Communications | 1,133 | (30) | 0 |
| Finance & Audit | 409 | 0 | (85) |
| Procurement & IT Strategy | 2,455 | 140 | 0 |
| Executive Services | (466) | (70) | 0 |
| Human Resources | 691 | (130) | (150) |
| Other | 0 | 0 | 150 |
| Total | 16,995 | (187) | 95 |
| Less - Interim Budget Savings Reported @ Full Council 23rd July 2014 | | 206 | |
| Updated Variance @ Month 5 | | 19 | |

2.Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|--------------------------------|-----------------------|--|
| H&F Direct | 33 | Reduction in overspend is due to agreement for a one of drawdown from the Housing Benefit Reserve, as agreed in the CRM 4 report |
| Innovation & Change Management | (100) | Underspend is due to both vacancies and increased recharge of staff costs to corporate projects |
| Procurement & IT Strategy | 140 | Overspend is due to shortfall against the HFBP contract |
| Executive Services | (70) | Increased underspend due to further vacancies in the division |
| Other | (190) | |
| Total | (187) | |

Table 3: Key Risks

None to report.

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFS Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|------------------------------|-----------------------------|---------------------|---------------------------|------------------------------|
| | £000s | £000s | £000s | £000s |
| Finance & Corporate Services | (2,192) | (2,192) | 0 | 0 |

5. Comments from the Director

| Council Interim Budget Savings 2014-15 | Savings £000's | On Target | Notes |
|--|-------------------|-----------|-------|
| Finance and Corporate Services | | | |
| General Fund savings from reduction in Communications activity. | (156) | Yes | |
| Human Resources Team have identified an on-going saving starting in 2014/15 of £50,000 from the reduction of a post | (50) | Yes | |
| Finance and Corporate Services Total | (206) | | |

Following the Interim Budget report, FCS is now broadly on budget. It has a small overspend which will be managed down to zero over the coming months.

A shortfall against the HFBP contract is being off-set by underspends in a number of divisions as a result of vacancies and recharges to corporate programmes.

Drawdown of £200k funding from the Housing Benefit reserve is requested to fund work carried out to improve Housing Benefit subsidy performance. This work in reducing Local Authority error assists LBHF in maximising Housing Benefit subsidy received from Government.

APPENDIX 6: HOUSING & REGENERATION DEPARTMENT

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--|-----------------------|-------------------------|-------------------------|
| | £000s | £000s | £000s |
| Housing Options, Skills & Economic Development | 8,107 | (589) | (887) |
| Housing Strategy & Regeneration | 4 | 0 | 0 |
| Housing Services | 40 | 0 | 0 |
| Finance & Resources | (103) | 23 | 0 |
| Total | 8,048 | (566) | (887) |
| Interim Budget Savings Reported as @ Full Council 23rd July 2014 | | 34 | |
| Updated Variance @ Month 5 | | (532) | |

2. Variance Analysis with Action Plans to Address Forecast Overspends/(underspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|--|-----------------------|--|
| Housing Options, Skills & Economic Development | (589) | <p>This relates mainly to a forecast reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£483k) due to a reduction in average client numbers from a budgeted figure of 275 to a forecast of 118. Additionally, the net costs of Private Sector Leasing (PSL) accommodation are expected to reduce by (£565k) due to a fall in the average number of units from a budgeted figure of 853 to a forecast of 646 and a reduction in the increase to the bad debt provision required due to an improvement in the collection rate (from a budgeted figure of 89.0% to a forecast of 95.0%).</p> <p>This is offset by a shortfall in income and increased costs on the business incubator units at Sullivan, Townmead and the BBC units of £255k. Additionally, it is proposed to utilise £223k of the temporary accommodation underspend to fund the first five months of a package of incentive payments to landlords associated with the Council's temporary accommodation portfolio which was originally budgeted to come from corporate contingencies. Note that forecast incentive payments payable over the remaining seven months of the year of £257k will be funded from internal departmental reserves. Other</p> |

| Departmental Division | Variance £000s | Explanation & Action Plans |
|---------------------------------|----------------|---|
| | | minor variances of (£19k) are also predicted. |
| Housing Strategy & Regeneration | 0 | |
| Housing Services | 0 | |
| Finance & Resources | 23 | |
| Total | (566) | |

Table 3: Key Risks

| Risk Description | Lower Limit £000s | Upper Limit £000s |
|---|-------------------|-------------------|
| Economic Development Employment & Training Initiatives – a number of employment, training and business development schemes are due to be funded from Section 106 monies provided by Earls Court development partners in this financial year, elements of these schemes would normally be resourced using staff already in post and money was allocated to fund these posts as part of the budget. However, as a result of the current review of the Council's Earls Court regeneration project plan, the delivery and funding of these schemes in this year are at risk. | 0 | 56 |
| Total | 0 | 56 |

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFS Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|------------------------|-----------------------|------------------|---------------------|------------------------|
| | £000s | £000s | £000s | £000s |
| Housing & Regeneration | (750) | (750) | 0 | 0 |

5. Comments from the Executive Director

The Housing and Regeneration department currently expects the overall outturn for the year 2014/15 to produce a favourable variance of (£566k), an adverse movement of £33k from the CRM 4 position of (£599k) reported to Business Board. The main reasons for this are set out in Table 2 above. It is anticipated that any underspend at year-end will be set aside in an earmarked

reserve to address future risks around temporary accommodation and homelessness.

The main reason for the movement is due to the need to make higher than expected provision for bad debts at the Townmead & Sullivan workshops resulting in a movement of £53k. Other minor movements of (£20k) are forecast.

Officers are currently investigating options to mitigate against the overspend of £255k on the business incubator units at Sullivan and Townmead and the BBC units, and this will be reported via the CRM in due course.

Approval is requested to write off £47k of debt relating to commercial tenants at the Sullivan and Townmead business incubator units. These debts have now been deemed irrecoverable following a review by the Council's enhanced revenue collection partner, Agilisys. As this debt is already fully provided for, there will be no adverse impact on the above departmental variance.

Council Interim Budget Savings 2014/15

On 23rd of July 2014 Cabinet approved the following additional savings targets which officers are working to achieve. This is included in the forecast variance reported above.

| | Savings £000s | On Target | Notes |
|--|--------------------------|----------------------|--------------|
| Housing & Regeneration | | | |
| HRD officers have identified £34,000 of savings originally proposed for 2015/16 that they have been asked to bring forward | (34) | (34) | |
| HRD Total | (34) | | |

APPENDIX 7: LIBRARY SERVICES (Tri-Borough)

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--|-----------------------|-------------------------|-------------------------|
| | £000s | £000s | £000s |
| Tri-borough Libraries & Archives Service | 3,221 | (30) | 0 |
| Total | 3,221 | (30) | 0 |
| Interim Budget Savings Reported as @ Full Council 23 rd July 2014 | | 30 | |
| Updated Variance @ Month 5 | | 0 | |

2. Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

None to report. Previously reported underspends are now shown below within the Interim Budget savings update

Table 3: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|---------------------------------------|--------------------|--------------------|
| | £000s | £000s |
| Income from customer fees and charges | 10 | 50 |
| Westfield premises and utility costs | 10 | 30 |
| Total | 20 | 80 |

Table 4: MTFs Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFs Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|----------------------------------|------------------------------|-------------------------|----------------------------|-------------------------------|
| | £000s | £000s | £000s | £000s |
| Tri-borough Libraries & Archives | (100) | (100) | 0 | 0 |

5. Comments from the Director

At this stage in the year no significant financial issues causing an unmitigated pressure are foreseen. However areas of risk include income from fees and charges due to income generated from increasingly obsolete formats (DVDs, CDs). Room and space hire opportunities are being reviewed as a means to mitigate these pressures over the longer term. Rising utility costs across all premises may cause pressures.

Both the original budget savings target for 2014/15 (£100k) and the interim savings target (£30k) have been achieved. The table below summarises the position on the interim budget savings:

| Council Interim Budget Savings 2014-15 | Savings £000's | On Target | Notes |
|--|-----------------------|------------------|--|
| Tri-Borough Libraries | | | |
| The Tri-borough Library Service has identified that due to the increase in demand for eBooks it can release £30,000 from its book stock budget | (30) | Yes | Book fund commitment has been released so this interim saving has been achieved. |
| Tri-Borough Libraries Total | (30) | | |

APPENDIX 8: PUBLIC HEALTH SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--|----------------|------------------|------------------|
| | £000s | £000s | £000s |
| Sexual Health | 6,978 | (75) | (82) |
| Substance Misuse | 5,464 | (1) | 0 |
| Behaviour Change | 2,110 | (187) | 0 |
| Intelligence and Social Determinants | 40 | 1 | 1 |
| Families and Children Services | 2,608 | (195) | (192) |
| Public Health Investment Fund | 0 | 1,902 | 0 |
| Future Public Health Investment Funding | 0 | 780 | 0 |
| Substance Misuse – Grant, Salaries and Overheads | (5,470) | 0 | 0 |
| Public Health – Grant, Salaries and Overheads | (11,384) | (2,571) | (73) |
| Total | 346 | (346) | (346) |

2. Variance Analysis with Action Plans to Address Forecast Overspends/ (Underspend)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|--------------------------------------|----------------|---|
| Sexual Health | (75) | Forecast adjusted to reflect final CLCH contract values & revised forecast for condom distribution and HIV prevention. |
| Substance Misuse | (1) | Net of under provision of 13/14 residential placements and “Education, Training and Employment (ETE) Lead” budget correction. |
| Behaviour Change | (187) | Change in forecast due to; <ul style="list-style-type: none"> • £86K over provision for 2013/14 Health Checks • £37K estimated under-spend in 2014/15 on Health Checks • £24K estimated under-spend in 2014/15 for Smoking Cessation • £40K under-spend in 14/15 Health on Trainers |
| Intelligence and Social Determinants | 1 | One-off contribution to Airtext, not in the original budget. |
| Families and Children Services | (195) | The re-commissioning of the obesity prevention service, as part of the childhood obesity programme, has been rescheduled to April 2015, saving this year’s budget £183K. The remaining £12K is the expected under-spend for dental health. |

| Departmental Division | Variance £000s | Explanation & Action Plans |
|---|-----------------------|---|
| Public Health Investment Fund (PHIF) | 1,902 | Earmarked funds for Public Health investment in other Council Departments. |
| Future Public Health Investment funding | 780 | Unallocated budget and identified savings earmarked for future Public Health Investment Fund spend. |
| Public Health – Grant, Salaries and Overheads | (2,571) | This represents the net movement of the above identified variances and the planned reduction of General Fund contribution from £346K to zero. |
| Total: | (346) | |

Table 3: Key Risks

| Risk Description: | Lower Limit | Upper Limit |
|---|--------------------|--------------------|
| | £000s | £000s |
| PCT Legacy invoices – low risk. Dispute over ownership of liability (and corresponding NHS funding) | 0 | 244 |
| Total | 0 | 244 |

Table 4: MTFS Progress (with explanations of schemes at red status)

None to report.

5. Comments from the Director

It is currently expected that the budgeted contribution from the general fund (£346K) will not be required to be drawn down, as there is sufficient Public Health Grant and under-spend to meet all existing and expected commitments.

Included within the Public Health budget are unallocated funds of £2.2M (after the planned reduction in General Fund contribution). Of this, £1.9M has been earmarked for Public Health Investment Fund projects (subject to Cabinet approval). The remaining unallocated amount will be £780K (including savings identified above), and will be ear-marked to fund PHIF projects in future years.

APPENDIX 9: TRANSPORT AND TECHNICAL SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget | Variance Month 5 | Variance Month 3 |
|--------------------------------------|-----------------------|-------------------------|-------------------------|
| | £000s | £000s | £000s |
| Building & Property Management (BPM) | (1,657) | (342) | (234) |
| Transport & Highways | 11,807 | 236 | 227 |
| Planning | 2,846 | (150) | (96) |
| Environmental Health | 3,332 | (1) | (56) |
| Support Services | (556) | 302 | 280 |
| Total | 15,772 | 45 | 121 |

2. Variance Analysis (include Action Plans to Address Forecast Overspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|--|-----------------------|--|
| Advertising Hoardings | (302) | The favourable variance is due to the over achievement of advertising income against budget. The forecast takes into account the estimated income reduction due to the closures of the Hammersmith Flyover over the summer. |
| Valuation Services | 65 | The property disposal section is at risk of overspending by £130k due to property disposals costs exceeding the permitted charge against estimated capital receipts. This is offset by a forecast (£65k) underspend in Valuation Services staffing. |
| Facilities Management | 50 | The main pressure is the forecast overspend in the TFM contract. The adverse variance includes £150k which relates to 2013/14. The TFM contract has also increased in value due to the final costs of staff transferred to Amey, the final costs of pensions and costs of the space planning function. Refunds for underperformance are expected from Amey but will not be included in the forecast until confirmed. There are underspends in the EC Harris contract and carbon reduction. |
| Civic Accommodation | (125) | The favourable variance is mainly due to a combination of additional rental income and underspends in utilities. |
| Sections within Building & Property Management | (30) | Building Control is favourable by (£40k) income from large building schemes. This is offset by an unfavourable variance of £10k within other sections in Building & property Management. |
| Total - BPM | (342) | |
| Transport and Highways | 236 | The unfavourable variance represents the non-achievement of a MTFS income target of £250k for advertising on pavements. This has been addressed |

| | | |
|----------------------|-----------|--|
| | | in the MTFS proposals for 15/16. |
| Planning | (150) | The forecast underspend is due to high levels of routine planning applications expected as the wider economy recovers and applicants seek to beat the CIL deadline. |
| Environmental Health | (1) | |
| Support Services | 302 | This reflects the under-achievement of the MTFS People Portfolio savings target. TTS has not found it possible to employ the numbers of graduate attachments necessary to achieve the savings target. This has been addressed in the MTFS proposals for 15/16. |
| Total: | 45 | Unfavourable |

Table 3: Key Risks

| Risk Description | Lower Limit £000s | Upper Limit £000s |
|---|----------------------|----------------------|
| There is a risk of a planning income shortfall of £220k related to project activity.. | 0 | 220 |
| If the Licensing Fee increases included as an MTFS saving are not approved after national consultation initiated by the Home Office. | 0 | 40 |
| If there is a change in the sharing of the TFM costs (LBHF is bearing 30% of the total) there will be an additional pressure. The worst-case scenario represents a 2% increase in the overall cost share. | 0 | 300 |
| If the costs already incurred to dispose of HRA assets cannot be met from disposal proceeds, which are reducing. This would need to be funded from Corporate Reserves. | 0 | 270 |
| If there are further delays in co-locating EH beyond mid 2014/15 | 0 | 60 |
| If the disposal of General Fund assets realises a value, which when the 4% allowance is applied, is less than the costs of disposal. Anything above the £100k TTS reserve will be funded from Corporate Reserve as agreed during the 2013/14 closing meeting. | 0 | 182 |
| Total | 0 | 1,072 |

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2013/2014 MTFS Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|--------------------------------|--------------------------|---------------------|---------------------------|------------------------------|
| | £000s | £000s | £000s | £000s |
| Transport & Technical Services | (2,725) | (2,130) | (255) | (340) |

Currently there are three schemes on red status:

- Planned increases in Licensing fee income of £30k which is subject to consultation and yet to be confirmed.
- Bi-borough service review savings from co-location £60k.
- Plans for advertising on Pavements generating income of £250k cannot be progressed due to lack of demand.

5. Comments from the Executive Director

The overall position is an unfavourable variance of £45k against a net budget of £15,772k. The key risks to the 2014/15 budget are set out in Table 3 above.

Progress in all budget areas will continue to be monitored closely by the Executive Director and the management team who will exercise the necessary financial controls to ensure that the department achieves its targets by year-end.

APPENDIX 9a: CONTROLLED PARKING ACCOUNTS (CPA)

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Activity Area

| Activity Area | Revised Budget | Variance Month 5 | Variance Month 3 |
|--|-----------------------|-------------------------|-------------------------|
| | £000s | £000s | £000s |
| Pay & Display (P&D) | (12,613) | 396 | 222 |
| Permits | (4,690) | 107 | 92 |
| Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN) | (6,814) | (141) | (114) |
| Bus Lane PCN | (915) | 106 | 129 |
| CCTV PCN | (616) | (566) | (728) |
| Moving Traffic PCN's | (5,814) | (339) | (629) |
| Parking Bay Suspensions | (1,530) | (1,771) | (1,173) |
| Towaways / Removals | (352) | 47 | 53 |
| Expenditure and Other Receipts | 13,046 | (151) | (121) |
| Total | (20,298) | (2,312) | (2,269) |

2. Variance Analysis (include Action Plans to Address Forecast Overspends)

| Activity Area | Variance £000s | Explanation & Action Plans |
|-------------------------|-----------------------|---|
| Pay & Display | 396 | There has been a decrease in machine cash receipts of 2.4% as compared with the first 4 months of 2013-14. This is partly offset by an increase in Smart Visitor Permit receipts. However the forecast is lower than last year's outturn, and is lower than budgeted. |
| Permits | 107 | A reduction in the receipts over the first 4 months of 2014-15 has resulted in a forecast lower than budget. |
| CEO Issued PCN | (141) | CEO issued PCNs have been forecast at a similar level as in 2013-14, but the recovery rate has improved, resulting in an improved forecast |
| Bus Lane PCN | 106 | Bus Lane PCNs have been forecast at a similar level as in 2013-14. |
| CCTV PCN | (566) | CCTV parking PCNs have been forecast to continue at a similar level as in 2013-14. |
| Moving Traffic PCN's | (339) | The numbers of moving traffic offences are 4% less than in the same period in the previous year, resulting in a reduced forecast. However, this is offset by an increase in the recovery rate, meaning that the forecast remains higher than budgeted. |
| Parking Bay Suspensions | (1,771) | Parking bay suspensions receipts have continued at a higher than budgeted level, following the change in pricing structure in 2013-14 and an increase in the volume of suspensions requested, including an increase in longer term suspension requests. |
| Towaways / Removals | 47 | The unfavourable variance is due to a shortfall in receipts from fines of (£305k) compared to a budget of (£352k). |

| Activity Area | Variance £000s | Explanation & Action Plans |
|--------------------------------|-------------------|---|
| Expenditure and Other Receipts | (151) | A delay in the introduction of IT requirements has caused a delay in the co-location and the full implementation of the new Bi-borough staffing structure for the Parking Office. This has resulted in the need for additional staffing at a cost of £83k. This is offset by budgets of £100k for a CCTV enforcement vehicle and £100k for IT that are not expected to be used. There is also an underspend expected on the P&D machine maintenance contract and on the amounts spent on registering PCN debts with the county court. |
| Total | (2,312) | |

Table 3: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|--|----------------|----------------|
| | £000s | £000s |
| Changes in legislation around CCTV parking enforcement | 0 | 600 |
| Total | 0 | 600 |

4. Comments from the Executive Director

The TTS Parking department is forecasting a favourable variance of £2,312k against a net budget of (£20,298k). Activity is broadly assumed to be in line with the previous year, but with an improvement in the payment rate for penalty charge notices and increases in the number and value of parking bay suspensions. Parking suspensions are running well ahead of budget including some longer term suspensions that started in 2013/14 but which extend into 2014/15

APPENDIX 10: HOUSING REVENUE ACCOUNT

BUDGET REVENUE MONITORING REPORT – PERIOD 5

1. Variance by Departmental Division

| Departmental Division | Revised Budget £000s | Variance Month 5 £000s | Variance Month 3 £000s |
|--|-------------------------|---------------------------|---------------------------|
| Finance and Resources | 14,552 | (95) | (95) |
| Housing Services | 9,370 | (215) | 6 |
| Commissioning and Quality Assurance | 4,090 | (103) | 0 |
| Property Services | 2,077 | (6) | (17) |
| Housing Repairs | 13,359 | 0 | 86 |
| Housing Income | (75,698) | 4 | 13 |
| Housing Options | 400 | (53) | (79) |
| HRA Central Costs | 0 | 0 | 0 |
| Adult Social Care | 48 | 0 | 0 |
| Regeneration | 331 | 45 | 0 |
| Safer Neighbourhoods | 577 | 0 | 0 |
| Housing Capital | 27,864 | 0 | |
| (Contribution to)/ Appropriation From HRA General Reserve | (3,030) | (423) | (86) |

2. Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

| Departmental Division | Variance £000s | Explanation & Action Plans |
|-------------------------------------|-------------------|--|
| Housing Services | (215) | Underspends are forecast on legal costs (£110k), salaries (£102k) and miscellaneous running cost budgets (£3k) |
| Commissioning and Quality Assurance | (103) | Underspends are forecast on salaries (£13k), decant and management transfers (£80k) and legal costs (£10k). |
| Other | (105) | There are no other individual divisional variances greater than £100k/(£100k). |
| Total | (423) | |

Table 3: Key Risks

| Risk Description | Lower Limit £000s | Upper Limit £000s |
|---|----------------------|----------------------|
| Housing Development Programme: if the Council's housing development projects progress in accordance with approved plans, then the associated costs will be capitalised. However, if projects do not progress, or need to be redesigned, then an element of the design costs incurred will need to be written off to revenue. | 250 | 1,389 |

| Risk Description | Lower Limit | Upper Limit |
|--|-------------|-------------|
| | £000s | £000s |
| Strategic Regeneration: the latest forecasts indicate that there are emerging cost pressures associated with the operational management of the Regeneration function. Officers are currently reviewing the position with a view to identifying savings to eliminate this risk. | 0 | 44 |
| Advertising hoarding income: Building and Property Management (BPM) advise that a shortfall is likely following delays in letting various sites due to a retendering process and other planning delays. There will also be an associated General Fund variance as the delays in letting the sites will result in a reduction in fees payable to TTS, as these are to be paid based on income generated. | 105 | 130 |
| Trade Waste Charges: a realignment of the bill of quantities by ELRS and SERCO has resulted in a proposed increase in charges. This is currently under review by the Estate Services Manager. | 60 | 112 |
| Total | 0 | 600 |

Table 4: MTFS Progress (with explanations of schemes at red status)

| Department | 2014/2015 MTFS Target | On Track (Green) | In Progress (Amber) | Delayed/ At Risk (Red) |
|-------------------------|-----------------------|------------------|---------------------|------------------------|
| | £000s | £000s | £000s | £000s |
| Housing Revenue Account | 3,299 | 3,299 | 0 | 0 |

Table 5 HRA General Reserve

| | B/Fwd | Budgeted (Contribution to) /Appropriation from General Reserve | HRA Variance (Surplus)/ Deficit | Forecast C/F |
|----------------------------|----------------|--|---------------------------------|-----------------|
| | £000s | £000s | £000s | £000s |
| HRA General Reserve | (7,494) | (3,030) | (423) | (10,947) |

6. Comments from the Executive Director

The Housing Revenue Account currently forecasts an under-spend of (£423k) for 2014/15, a movement of £35k from the CRM 4 position. The movement relates mainly to the following:

- Regeneration: external legal professional advice costs of £45k in excess of the approved budget

- Other: a number of minor adjustments to forecasts across several divisions (£10k).

The Council has received a challenge from Wilmot Dixon Partnerships to a procurement process. In September 2013, the stay which had prevented the Council from signing the proposed new Repairs and Maintenance contract with MITIE was lifted and this contract is now signed. However, the challenge to the procurement process remains and a court hearing took place in July 2014. The Council expects to know the outcome of the hearing in October 2014.

APPENDIX 11 - VIREMENT REQUEST FORM

BUDGET REVENUE MONITORING REPORT – PERIOD 5

| Details of Virement | Amount (£000) | Department |
|--|--------------------------|-------------------|
| GENERAL FUND: | | |
| Draw down from the Housing Benefits Reserve to fund temporary staff who are supporting an improved Housing Benefits return position | (200)/ 200 | FCS |
| Tempory virement from the Placements Budgets to Community Independence Budgets to cover the shortfall in MTFS Savings Customer Journey work stream which won't be achieved until 2015/16 | (287)/ 287 | ASC |
| Total General Fund Virements (Debits) | 487 | |
| | | |
| HRA: | 0 | |
| Total HRA Virements (Debits) | 0 | |

| Departmental Name Abbreviations | |
|--|------------------------------|
| ASC | Adult Social Care |
| FCS | Finance & Corporate Services |
| HRA | Housing Revenue Account |