



London Borough of Hammersmith & Fulham

CABINET

2 MARCH 2015

CORPORATE REVENUE MONITOR 2014/15 MONTH 9

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)

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1. EXECUTIVE SUMMARY

- 1.1. The General Fund outturn forecast is a favourable variance of £4.464m. with budget risks of £4.994m This is before taking account of contingencies.
- 1.2. Departments are proposing to carry forward planned underspends of £1.398m (subject to maintaining the current level of underspend by each department) into 2015/16.
- 1.3. In addition Adult Social Care have requested that if the year-end departmental underspend is higher than currently forecast they are allowed to carry forward up to an extra £1.047m.
- 1.4. Environment, Leisure and Residents department are forecasting an overspend, but if a year-end underspend subsequently occurs they have requested that they are allowed to carry the full underspend forward.
- 1.5. Paragraphs 1.2 - 1.4 are subject to the overall General Fund financial position of Council at the year end and clearance by the Director of Finance in consultation with the Cabinet Member for Finance.

- 1.6. The HRA is forecast to be £0.636m underspent with HRA general reserves of £11.16m forecast to be carried forward to 2014/15.
- 1.7. Virement requests totalling £3.175 General Fund and £0.871m HRA have been proposed by departments in month 9.
- 1.8. In order to produce the final accounts to the statutory deadline of 30th June, a significant amount of activity is necessary. As a result of this activity there will be a number of areas where actions are required that normally need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.). In order to meet the deadline, it is therefore proposed that decision making in relation to these issues is delegated to the Section 151 Officer with the confirmation of the Cabinet Member for Finance.

2. RECOMMENDATIONS

- 2.1. To note the General Fund underspend of £4.464m and the HRA underspend of £0.636m
- 2.2. Subject to the overall General Fund financial position of the Council and the departmental underspend being higher or the same as the carry forward request at the year end and clearance by the Section 151 Officer in consultation with the Cabinet Member for Finance:
 - 2.2.1 To agree the carry forward of departmental underspends of £1.398m as detailed in appendix 11.
 - 2.2.2 To agree that Adult Social Care can carry forward budget underspend up to £1.325m to meet future identified budget pressures as outlined in appendix 1, subject to the final ASC outturn position and confirmation from the Cabinet Member for Finance.
 - 2.2.3 To agree that if a budget underspend in Environment, Leisure and Residents Services is achieved at year end they carry this forward to cover the budget pressures arising from Fulham Palace commitments as outlined in appendix 4. subject to the final ELRS outturn position and confirmation from the Cabinet Member for Finance.
- 2.3. To agree virements totalling £3.175m General Fund and £0.871m HRA (appendix 12).
- 2.4. To agree the request for the Section 151 Officer, with the confirmation of the Cabinet Member for Finance, to take the necessary decisions required to ensure the Council's accounts are closed by 30th June 2015.

3. REASONS FOR DECISION

3.1. The decision is required to comply with the Financial Regulations.

4. CORPORATE REVENUE MONITOR (CRM) 2014/15 MONTH 9 GENERAL FUND

Table 1: General Fund Projected Outturn – Period 9

Department	Revised Budget At Month 9 £000s	Forecast Year End Variance At Month 9 £000s	Forecast Year End Variance At Month 7 £000s
Adult Social Care	64,939	(278)	(362)
Centrally Managed Budgets	27,568	(2,050)	(2,490)
Children's Services	48,399	2,350	1,505
Unaccompanied Asylum Seeking Children	1,013	223	198
Environment, Leisure & Residents' Services	31,504	99	129
Finance and Corporate Services	16,913	(420)	(404)
Housing & Regeneration	7,899	(1,013)	(660)
Library Services (Tri- Borough)	3,239	(45)	(30)
Public Health Services	346	(346)	(346)
Transport & Technical Services	16,033	(412)	(98)
Controlled Parking Account	(20,291)	(2,572)	(2,268)
Net Operating Expenditure*	197,562	(4,464)	(4,826)
Interim Budget Savings		3,998	3,998
Revised Variance after Interim Savings		(466)	(828)
Key Risks		4,994	5,471

*Figures in brackets represent underspends against budget.

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

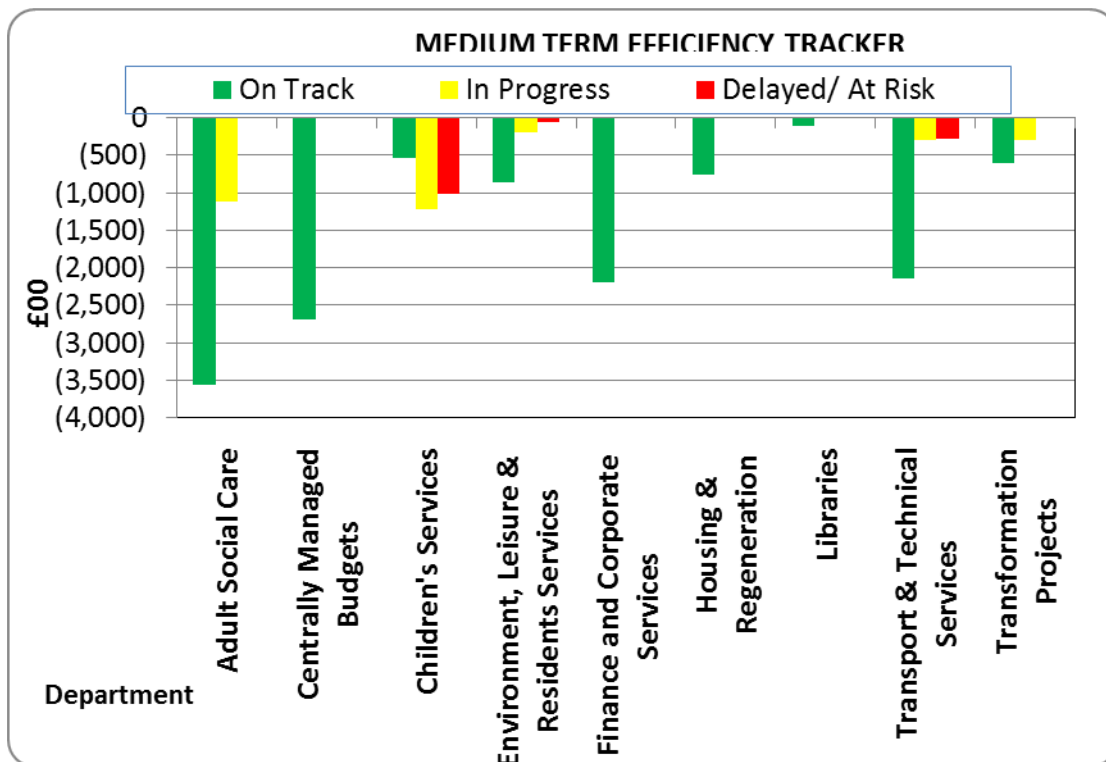
Table 2: Housing Revenue Account Projected Outturn - Period 9

Housing Revenue Account	£000s
Balance as at 31 March 2014	(7,494)
Add: Budgeted Contribution to Balances	(3,030)
Add: Forecast underspend	(636)
Projected Balance as at 31st March 2015	(11,160)
Key Risks	1,389

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 AND WRITE OFF REQUESTS

- 6.1. Cabinet is required to approve all budget virements that exceed £0.1m. Virements totalling £3.175m General Fund and £0.871m HRA are proposed as detailed in appendix 12.

7. CARRY FORWARD PROPOSALS

- 7.1. Departments have presented justifications to carry forward underspend budgets of £1.398m into 2015/16 (details in appendix 11). Consideration and approval of the carry forward proposals is sought in this report. If the year-end outturn is lower than the current forecasts, these carry forward proposals will be scaled down.

Table 3: Proposed Departmental Budget Carry Forward

	Underspend	Proposed Carry Forward
Department	£000s	£000s
Adult Social Care	(278)	278
Finance and Corporate Services	(420)	100
Housing & Regeneration	(1013)	479
Library Services (Tri- Borough)	(45)	15
Transport & Technical Services	(412)	363
Controlled Parking Account	(2,572)	163
Total Proposed Carry Forward of CRM9 Underspend		1,398

- 7.2. In addition to the carry forward proposals above, Adult Social Care has requested that if their outturn underspend is greater than the CRM9 forecast they are allowed to carry forward the total underspend up to the value of £1.325m as outlined in appendix 1. Environment, Leisure and Residents Services have requested that if the department underspends at year end they are allowed to carry the underspend forward as outlined in appendix 5.

8. DELEGATED AUTHORITY FOR CLOSING ACCOUNTS

- 8.1. In order to produce the final accounts to statutory deadlines a significant amount of activity is necessary. As a result of this activity, there will be a number of areas where actions are required that need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.). The process of taking these decisions via Business Board, Briefing to Cabinet and then Cabinet is too long to enable these decisions to be agreed and get the final accounts produced to the statutory deadlines. It is therefore proposed that decision making for all issues in relation to closing the accounts is delegated to the Section 151 Officer with the confirmation of the Cabinet Member for Finance.

9. CONSULTATION

9.1. Not applicable.

10. EQUALITY IMPLICATIONS

10.1. It is not considered that the adjustments to budgets will have an impact on one or more protected groups, so an EIA is not required

11. LEGAL IMPLICATIONS

11.1. Not applicable.

12. FINANCIAL AND RESOURCE IMPLICATIONS

12.1. The General Fund is forecast to underspend by £4.464m and the HRA is forecast to underspend by £0.636m in 2013/14.

12.2. Delegation of decision-making on financial issues relating to closing the accounts to the Section 151 Officer with the confirmation of the Cabinet Member for Finance will enable officers to ensure that the Councils 2014/15 Accounts are closed within the statutory deadlines.

12.3. Implications completed by Gary Ironmonger, Finance manager (Revenue Monitoring). Tel. 020 8753 2109.

13. RISK MANAGEMENT

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

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

14.1. Not applicable.

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 9	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	Carry Forward Proposals
Appendix 12	Virement Requests

APPENDIX 1: ADULT SOCIAL CARE

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Integrated Care	44,483	917	548
Strategic Commissioning & Enterprise	11,640	(1,087)	(873)
Finance & Resources	7,943	0	0
Executive Directorate	873	(108)	(37)
Total	64,939	(278)	(362)
Interim Budget Savings Reported to Full Council on 23 rd July 2014		809	809
Variance post Interim Savings		531	447

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

Departmental Division	Variance £000s	Explanation & Action Plans
Integrated Care	917	<p>There are continued pressures on the Home Care Packages and Direct Payments budgets as part of the out of hospital strategy, to support people at home and avoid hospital admission or to enable early discharge. This has led to an increase in home care costs above that which would have normally occurred. There is a net projected overspend of £776,000 in this budget which has increased by £122,000 since the period 7 report. Discussions with the Clinical Commissioning Group (CCG) around the new home care and Community Independence services will assist from 2015/16 to address the increasing demand of Care at Home. In addition, ASC has formally requested Health funding for these costs for 2014/15.</p> <p>Within the Older People and Physical Disabilities service, the Placement budget is projecting a net underspend of (£595,000). Included in this projection is (£157,000) as a</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		<p>contribution from NHS funding for Social Care.</p> <p>Within the Learning Disability Service (LD), there is a net projected overspend of £743,000 which has increased by £219,000 since the period 7 report. The main reasons for the overspend relate to three transition customers being factored in (2 previously expected to be Continuing Care and one new customer) and a further five Social Care customers now staying for the full year, resulting in the net LD Placement projected overspend of £647,000. In the LD Direct Payment budget, there is a net projected overspend of £96,000 due to an increase of five customers. There is an Action Plan in place to monitor the progress of reducing the LD overspend.</p> <p>There are pressures emerging in the Assistive Equipment Technology budget with a projected overspend of £99,000 due to the out of hospital strategy and the additional spending on the Community Independence Services (CIS) to prevent entry into hospital. From 2015/16, there is CCG funding from the CIS model to assist with the budgetary pressure.</p> <p>The projected underspend of (£143,000) in Mental Health Services is within the Placements budget with the reduction of three customers since the commencement of this year.</p> <p>The new Transport contract is not now expected to deliver savings in 2014/15.</p>
Strategic Commissioning & Enterprise	(1,087)	<p>Within this Division, (£552,000) of Supporting People costs and (£94,000) funding for employment costs are to be transferred to the Public Health grant. In addition there is a projected underspend of (£181,000) from Supporting People procurement savings on new contracts from the West London Framework agreement and variations on existing contracts. In addition, there is an underspend of (£100,000) within the no resource to Public Funds due to a lower number of customers and (£101,000) lower</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		costs in a range of directly managed services.
Finance & Resources	0	
Executive Directorate	(108)	Within the Directorate Division, there is a reduction in general training budget costs of (£115,000) which is partly offset by a net marginal overspend of £7,000 on advertising costs.
Total	(278)	

Table 3: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
Residential and Nursing Inflation Negotiation	0	127
Total	0	127

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)	(3,554)	(1,110)	0

5. Comments from the Executive Director

Adult Social Care (ASC) is projecting a net underspend of (£278,000) as at the end of period nine, this is a decrease in underspend of £84,000 compared to period seven projected underspend of (£362,000). The main reasons for the change in the projection is increasing pressures in Home Care Packages and Direct Payments budgets as part of the out of hospital strategy, to support people at home and avoid hospital admission or to enable early discharge and pressures in the Learning Disabilities placement budget.

As part of the Administration's review of the 2014/15 General Fund revenue budget, ASC has identified three savings that can be achieved in this financial year. As detailed in the table below, these savings totalling (£809,000) are included in the projected outturn position of (£278,000) underspend. A redirection of these resources would need to take into account the overall impact on the departmental variances.

There is one other potential risk to the forecast. 52 placements are still under negotiation with a requested increase in costs representing a full year cost of £127,000.

The department is expected to deliver savings of £4,664,000 in this financial year and at this stage of the year 76% 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	Factored into the projections. If this is used for other purposes the ASC projection for year-end will move towards an overspend
Review of no recourse to public funds savings.	(100)	Yes	Factored into the projections. If this is used for other purposes the ASC projection for year-end will move towards an overspend
Additional Public Health external funding has been identified that offsets Support People costs by £552k	(552)	Yes	Factored into the projections if this is used for other purposes the ASC projection for year-end will move towards an overspend.
Adult Social Care Total	(809)		

Proposed Carry Forward from 2014/15 for Adult Social Care Budget Pressures.

As detailed in table 1, H&F ASC continues to project a favourable variance at this stage of the year of (£278,000). It is proposed that this underspend is carried forward into 2015/16 (see appendix 11)

Since July 2014, financial pressures have emerged and delivery of some MTFS savings proposals are anticipated to be delayed and demand is increasing. As a result the department is requesting the carry forward of the final year-end underspend if it is greater than £278,000 to partly fund the following areas:

MAXIMUM PROPOSED CARRY FORWARD	AMOUNT
(based on known funding pressures)	£000
ADULT SOCIAL CARE	
Demand Pressures in Learning Disabilities (LD) Placement Service: Increase in numbers of learning disabled in transitions placements & care packages.	580
Demand Pressures in Assistive Equipment and Technology: There is increased pressure on equipment budget as a whole as the Health & Social Care community work together to deliver on admission avoidance & delaying admission to Residential or Nursing Facilities	100
MTFS Transformation Project Customer journey operations Alignment: delays in transformation for 6 months of full year saving proposed of £500k.	250
MTFS Procurement and Contract Efficiencies: Packages & Direct Payment delays in tendering new outcome based home care service, therefore delays in achieving MTFS savings.	115
Budget pressure in Careline Income: Shortfall of £280k is not offset by reserves for 2015/16. There is a need to request a carry forward from the 2014/15 underspend to cover this income shortfall, until the future of the service has been reviewed. The service is being reviewed with Commissioning to look at recommissioning a telephony / monitoring service on a shared services basis.	280
Total ASC	1,325

As the total requested carry forward of £1,325,000 is greater than the projected underspend as at period 9, the department will review the pressures emerging and will request any greater underspend on outturn to be carried forward to mitigate these pressures.

APPENDIX 2: CENTRALLY MANAGED BUDGETS

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Corporate & Democratic Core	5,839	(5)	0
Housing and Council Tax Benefits	(90)	0	0
Levies	1,570	0	0
Net Cost of Borrowing	2,322	(200)	(200)
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	7,932	(240)	(290)
Pensions & Redundancy	9,995	0	0
Other (Council Tax Support, Contribution to Balances, provisions)	0	(2,050)	(2,000)
Total	27,568	(2,495)	(2,490)
Interim Budget Savings Reported to Full Council 23 rd July 2014		2,480	2,480
Variance post Interim Savings		(15)	(10)

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

Departmental Division	Variance £000s	Explanation & Action Plans
Corporate & Democratic Core	(5)	An £80k reduction in Audit Fees is offset by an additional £75k in accommodation costs due to tri borough staff relocation.
Net Cost of Borrowing	(200)	Underspend based on expected change to debt profile over remainder of the year.
Other Corporate Items	(240)	Due to the housing market Land Charges income is forecast to be £150k better than budget. The cost of maternity leave is forecast to be £90k under budget.
Other	(2,050)	Potential redirection of resources in line with Interim Council budget for contribution to balances and provisions and Council Tax Support.
Total	(2,495)	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
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)	500

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

The 2014/15 pay award is settled so it is requested that £611k is transferred from the pay award contingency to departmental employees budgets to cover the increased costs.

At year end there will be a reconciliation exercise to identify any creditor balances on the purchase order system (CIVICA) that should be removed due to either the orders not being fulfilled or the orders being paid non-order related to expedite payment. Based on information to date this is likely to increase the favourable forecast by around £500k.

After accounting for the Interim Budget savings identified below Centrally Managed budgets (excluding contingencies) are forecast to have a favourable variance of £15k.

Council Interim Budget Savings 2014-15	Savings £000's	Savings forecast at Period 9 £000's	Notes
CMB			
Budgeted contribution to balances	(900)	(900)	This saving is on target.
Inflation provision	(400)	(450)	The inflation contingency is currently expected to be £450k under budget.
Redundancy provision	(200)	(200)	Spend is forecast to be £200k under budget.
External Audit savings of £80,000 have been identified	(80)	(80)	External audit expenditure is forecast to be £80k under budget.

Council Interim Budget Savings 2014-15	Savings £000's	Savings forecast at Period 9 £000's	Notes
Debt restructuring opportunities that will enable budget savings of £200,000.	(200)	(200)	Proposals for the restructuring of debt to meet this saving are under review.
Council Tax Support	(500)	(500)	As unemployment falls reduced caseload is expected to deliver savings.
Land Charges	(200)	(150)	Land charge income is forecast to be £150k better than budget.
CMB Total	(2,480)	(2,480)	

APPENDIX 3: CHILDREN'S SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Tri Borough Education Service	4,387	(215)	(187)
Family Services	32,492	2,342	1,577
Children's Commissioning	5,645	328	232
Finance & Resources	5,871	95	83
Dedicated School Grant & Schools Funding	4	(200)	(200)
Total	48,399	2,350	1,505
Interim Budget Savings Reported to Full Council 23 rd July 2014		439	439
Variance post Interim Savings		2,789	1,944

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

Departmental Division	Variance £000s	Explanation & Action Plans
Tri Borough Education Service	(215)	The Transport Contract is forecast to underspend for the year, whilst the division is forecasting a net underspend on salaries in relation to in year vacancies. The variance movement is mainly due to net Newly Qualified Teacher income now forecast to be received in 14/15. There remains the risk of additional transport costs being incurred due to new users and changes in the way some children are being transported.
Family Services	2,342	The Service is incurring significant placement pressures with regards to new burdens established by the Coalition Government but which have not been fully funded. The Department will seek to contain as much as is possible but its ability to do so is compromised through other pressures and the increasing number of children who are entitled to new forms of support as set out in Executive Director comments.
Children's Commissioning	328	Tri-borough transport and placement commissioning teams remain over budget. The adverse movement from the previous report is mainly due to Transport Commissioning team project costs.
Finance &	95	IT budget pressures from filestore and programme

Departmental Division	Variance £000s	Explanation & Action Plans
Resources		charges and reduced rental income.
Dedicated School Grant & Schools Funding	(200)	Appropriate expenditure will be identified to maximise the use of DSG effectively.
Total	2,350	

Table 3: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
Secure Remand	135	200
No Recourse To Public Funds	200	300
Southwark Judgement Support	375	450
Kinship Fees related to the Tower Hamlets Judgement	375	450
Cost of supported accommodation rent rising above Housing Benefit	100	200
Rising cost of support to care leavers in education over 21	75	150
Staying Put and consequential costs of Staying Put	175	250
18+ Children With Disabilities (CWD) not meeting ASC criteria	80	150
Additional resources required in Looked After Children (LAC) and Leaving Care	360	600
Delayed start to Assessment Contract	80	100
Total	1,955	2,850

The department has been experiencing revenue pressures throughout 14/15. These pressures relate to changes in practice caused by national legislation and regulatory changes introduced by the Government for which inadequate funding has been distributed to local authorities to meet the additional liability.

A budget virement is proposed to fund these demand-growth pressures, which are set out in the Executive Director comments. The amount proposed is £1,862m from the Contingency budget held centrally.

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
Childrens' Services	2,780	544	1,225	1,011

5. Comments from the Executive Director

The Children's Services Department is projecting an overspend of £2,350m, a movement of £845k from the previous report. The projection has been increasing in prior months as the department's ability to contain the spending pressures that it faces is compromised. Transport contract savings have been able to offset some pressures in prior months, but as these costs are rising, this financial benefit is decreasing.

The department has identified and is working to deliver £2,780m of savings in this financial year, most of which has been dependant on reducing LAC numbers. Although LAC numbers are falling, the profile spend of those remaining in care is at the higher end due to their more complex needs, and higher cost placements.

The pressures that the department are facing manifest themselves in increased placement cost. However they can be explained as either the result of case law requiring changes in our level of provision e.g. the Southwark judgement that establishes the level of support including access to Leaving Care services that young people who are needed to be housed under this provisions are entitled to; or changes in the role of the Corporate Parent, as determined by the Government but for which the level of additional funding provided does not equal the cost of the additional liability that the Council is incurring. This additional pressure is contrary to the New Burdens doctrine whereby the Government is expected to provide additional funding equivalent to the level of liability incurred by local authorities.

The areas where there are particular pressures are as follows:

- Southwark Judgement
- No recourse to public funds
- Secure Remand Increase
- Increase in Education costs for Looked After Children over 21
- Staying Put
- 18+ CWD not meeting ASC criteria
- Increasing Adoption and Special Guardianship Arrangements

Significant pressures remain around Southwark judgement, no recourse to public funds and secure remand cases, which present pressures that may not be able to be contained within Children's Services budgets.

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)	Yes	

Council Interim Budget Savings 2014-15	Savings £000's	On Target	Notes
programme in H&F			
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)	Yes	
Other external funding has also been identified that offsets costs of £39,000	(39)	Yes	
Children's Services Total	(439)		

APPENDIX 3a: UNACCOMPANIED ASYLUM SEEKING CHILDREN

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Unaccompanied Asylum Seeking Children	1,013	223	198
Total	1,013	223	198

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

Departmental Division	Variance £000s	Explanation & Action Plans
Unaccompanied Asylum Seeking Children	223	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	223	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Cost of supporting asylum seeking children continues to increase	100	250
Total	100	250

4. Comments from the Executive Director

The grant for asylum seeking children and UASC leaving care has not increased for the last 2 years 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.

A budget virement is requested to fund demand-growth pressures with respect to rising accommodation and support costs.
The amount proposed is 216k from the Contingency budget held centrally.

APPENDIX 4: ENVIRONMENT, LEISURE & RESIDENTS SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Cleaner, Greener & Cultural Services	21,299	(361)	(334)
Safer Neighbourhoods	9,056	324	386
Customer & Business Development	875	21	(38)
Director & Resources	275	115	115
Total	31,505	99	129

2. Variance Analysis with Action Plans to Address Forecast Overspends

Division	Variance £000s	Explanation & Action Plans
CCGS – Waste disposal	(396)	The partner boroughs negotiated a better unit cost of recycle this year which has reduced costs significantly. This is partly offset by increasing waste tonnages overall. Like other London Boroughs, more expensive general waste tonnages are increasing (up an average 4% on last year) whilst cheaper recycling tonnages are decreasing (down an average 9% on last year). This is compounded by reduced income from the sale of recycle as market commodity prices are decreasing. The current forecast is based on year to date average increases but if future increases continue at the upper growth levels, current year costs will increase by £139k. A waste innovation group has been formed to research new interventions that could reduce waste disposal costs in the longer term through focussed efforts to increase recycling yield and positively influence waste disposal behaviours of residents and businesses.
SND - Transport	264	As previously reported, reductions in the council's vehicle fleet over a number of years has resulted in a significant recharge income pressure. Across all departments, as vehicle requirements have reduced, services have included gross savings in their budget plans rather than net savings after accounting for the loss of recharge income for the Transport service. The ongoing budget pressure for the transport service is in the region of £400k, which is mitigated this year through drawing down the balance on the transport reserve (£100k) and some additional one off income that mostly relates to last year (£36k). Budget growth is proposed for 2015/16 to reset the budgets in line with current activity levels and permanently resolve this budget pressure.

Division	Variance £000s	Explanation & Action Plans
SND – Cemeteries	156	Demand for grave space and burials is declining year to date income is £100k less than to the same period last year. So far only one premium in-borough grave space has been sold compared to five sold last year. This trend is also being observed in RBKC and a project group has been formed to explore the reasons for this decline.
SND – Sports Bookings	(60)	There is a forecast overachievement of sports bookings income due to increased usage and more efficient booking and collection arrangements. This has been included in the MTFS efficiency plans for 2015/16.
Director & Res. – People portfolio savings	118	As reported previously, only £6k of the £124k people portfolio savings target is forecast to be achieved. This is less than the £57k achieved last year due to interns reaching the end of their internship and being appointed into permanent roles. A corporate review of targets and actual performance was undertaken at quarter 2, the outcome of which was to review again at quarter 3. Targets for 2015/16 will also be revised and allocated on a more equitable basis. Given the increasing waste disposal costs, ELRS is not expecting to be able to offset this pressure within the department and will be looking for any shortfall to be met corporately.
Other	17	Other smaller overspends
Total	99	

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	400
Risk that underground ducting concession contract will not achieve non-guaranteed income target in full	0	51
Total	(500)	451

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	(1,105)	(865)	(189)	(51)

Red risks - There is a forecast pressure on the ducting contract (£140k target against which guaranteed income of £89k is predicted, hence a £51k risk).

5. Comments from the Executive Director

Although the department is not currently projecting an underspend, should there be a favourable movement in waste disposal costs or other budgets before year end, it is requested that any net underspend be transferred to the Fulham Palace and Bishops Park reserve. This will help to close the £180k funding gap for the maintenance and management of the site to 2019/20 as set out in the Heritage Lottery Funding agreement, which funded the recent major redevelopment of the site.

The department is forecasting a £99k net overspend due mostly to limited scope for achieving the recharge income targets in the transport workshop budget and achieving the people portfolio savings target. There are some other pressures within the department which are being offset by one off waste disposal underspends. The major ongoing budget pressures have been addressed in the draft Council budget for 2015/16 and so will not continue into next year. The department will aim to mitigate smaller overspends before year end as far as possible, but is exploring the scope for a virement from corporate reserves in recognition that the transport workshop pressure is causing problems in the current financial year.

APPENDIX 5: FINANCE AND CORPORATE SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
H&F Direct	19,075	0	100
Innovation & Change Management	(128)	(70)	(70)
Legal Democratic Services	(1,279)	(100)	(50)
Third Sector, Strategy & Communications	1,121	40	28
Finance & Audit	735	0	0
Procurement & IT Strategy	(2,399)	(35)	(157)
Executive Services	(670)	(50)	(50)
Human Resources	458	(205)	(205)
Other	0	0	0
Total	16,913	(420)	(404)
Less - Interim Budget Savings Reported to Full Council 23rd July 2014		206	206
Variance post Interim Savings	16,913	(214)	(198)

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

Departmental Division	Variance £000s	Explanation & Action Plans
H&F Direct	0	The change in projection reflects the transfer back to Housing of the Rent Accounts team from 1 st January 2015, and the realignment of legacy IT cost pressures
Legal & Democratic Services	(100)	The increased underspend projection is due to continuing positive fluctuations in the legal trading account with legal trading income above expectation for the year.
Third Sector, Strategy & Communications	40	Loss of internal income from other areas of the council for printing
Procurement & IT Strategy	(35)	The reduced underspend reflects the transfer to reserve for the in year savings resulting from the decommissioning of the LAGAN application
Human Resources	(205)	Corporate HR continues to anticipate a £205k underspend due to keeping posts vacant ahead of the Managed Services project.

Departmental Division	Variance £000s	Explanation & Action Plans
Other	86	
Total	(214)	

The variances shown in Tables 1 and 2 are subject to approval of the following contingency and reserve drawdowns:

- In line with existing practice, a drawdown of £177k from the Efficiency Delivery Reserve to reflect cost pressures in Customer Services resulting from the non-delivery for 2014/15 of IT transformational savings in respect of the e-services project, MyAccount. This ongoing project is working to provide e-enabled transactions, making it easier for customers to transact with H&F both in terms of reporting, applying for, booking or paying for services.
- The Enhanced Revenue Collection project has continued to deliver improved Housing Benefit Overpayment debt collection performance, leading to increased Subsidy income for the Council. This work is monitored and delivered through an additional temporary post. A transfer of £43k from the Housing Benefit Reserve is requested to fund this post for 2014/15.
- The Council has a statutory responsibility to fund local elections, and earmarks funds each year for this purpose. £266k is requested to be drawn down from the Contribution to Local Elections Reserve for May 2014 local election costs.

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)		

FCS remains on track to deliver its interim budget savings and an improved Legal & Democratic Services position has delivered a forecast underspend which is requested to be carried forward for Individual Electoral Registration resource pressures ahead of next year's general election.

FCS has also requested drawdowns from the Efficiency Delivery Reserve, Contribution to Local Elections Reserve and Housing Benefit Reserve in line with statutory responsibilities and existing practice. These are detailed in section 3 above.

it is proposed that £100k of the forecast underspend is carried forward to 2015/16 as detailed in appendix 11.

APPENDIX 6: HOUSING & REGENERATION DEPARTMENT

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Housing Options, Skills & Economic Development	7,958	(1,041)	(683)
Housing Strategy & Regeneration	4	0	0
Housing Services	40	0	0
Strategic Housing Stock Options Appraisal - General Fund	170	0	0
Finance & Resources	(103)	28	23
Total	8,069	(1,013)	(660)
Interim Budget Savings Reported to Full Council 23rd July 2014		34	34
Variance post Interim Savings		(979)	(626)

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

Departmental Division	Variance £000s	Explanation & Action Plans
Housing Options, Skills & Economic Development	(1,041)	<p>This relates mainly to a forecast reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£700k) due to a reduction in average client numbers from a budgeted figure of 275 to a forecast of 103. Additionally, the net costs of Private Sector Leasing (PSL) accommodation are expected to reduce by (£734k) due to a fall in the average number of units from a budgeted figure of 853 to a forecast of 704 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 96.0%).</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 £187k. 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</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		remaining seven months of the year of £197k will be funded from internal departmental reserves. Other minor variances of (£17k) are also predicted.
Housing Strategy & Regeneration	0	
Housing Services	0	
Finance & Resources	28	
Total	(1,013)	

Table 3: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
Total		

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
Housing & Regeneration	(750)	(750)		

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 (£979k), a favourable movement of (£353k) from the CRM 7 position of (£626k). The main reasons for this are set out in Table 2 above.

The main reason for the movement is a reduction in the net costs of Private Sector Leasing (PSL) accommodation of (£100k) following an improvement in the forecast collection rate of 2% to 96% and of (£105k) following an increase in client numbers from a forecast average of 668 at month 7 to 704 this month. Also, the movement relates to a reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£143k) due to a reduction in the forecast average client numbers from 115 at month 7 to 103 this month. Other minor movements of (£5k) are forecast.

In order to mitigate against the overspend of £187k on the business incubator units at Sullivan and Townmead and the BBC units, management action is

being taken to improve the debtor management process, and consideration is being given to undertaking a programme of major repairs in order to maximise occupancy rates. The results of these initiatives will be reported upon during the early part of 2015/16.

The Adult Learning & Skills Service set aside £75k in 2013/14 to develop vocational skills training packages in construction and built environment employment. This funding was expected to lever in available Section 106 funding. However, this initiative has not been progressed as originally expected due to the current review relating to the Earls Court Opportunity Area. Approval is requested to change the use of this reserve to support local third sector community organisations in hosting courses on behalf of the Adult Learning & Skills Service. This will ensure the delivery of an important and accessible alternative to current activities provided at the Macbeth Centre.

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)	(34)	

It is proposed that £479k of the underspend is carried forward to 2015/16 as detailed in appendix 11.

APPENDIX 7: LIBRARY SERVICES (Tri-Borough)

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Tri-borough Libraries & Archives Service	3,239	(45)	(30)
Total	3,239		(30)
Interim Budget Savings Reported to Full Council on 23 rd July 2014		30	30
Variance post Interim Savings		(15)	0

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

Departmental Division	Variance £000s	Explanation & Action Plans
Total		

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Income from customer fees and charges	0	40
Premises and utility costs including Westfield	10	30
Total	10	70

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. Due to a recently arisen overachievement of savings from the new Library Management System contract, a small underspend is projected of £15k. It is proposed to carry this forward to support service transformation work likely to begin in 2015/16 (see appendix 11).

Areas of budget risk include income from fees and charges due to the growth in increasingly obsolete formats (DVDs, CDs etc.). Room and space hire opportunities are being reviewed as a means to mitigate these pressures over the longer term.

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 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Sexual Health	6,978	(277)	(75)
Substance Misuse	5,464	(34)	(1)
Behaviour Change	2,110	(211)	(197)
Intelligence and Social Determinants	40	(23)	1
Families and Children Services	2,608	(195)	(191)
Childhood Obesity project	0	100	100
Public Health Investment Fund	0	1,902	1,902
Future Public Health Investment Funding	0	963	686
Substance Misuse – Grant, Salaries and Overheads	(5,470)	0	0
Public Health – Grant, Salaries and Overheads	(11,384)	(2,571)	(2,571)
Total	346	(346)	(346)

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

Departmental Division	Variance £000s	Explanation & Action Plans
Sexual Health	(277)	<p>Forecast adjusted to reflect;</p> <ul style="list-style-type: none"> • Final CLCH contract values £(82K) • Revised forecast re condom distribution £(2K) • HIV prevention £9K • Sexual health service review £(10K) • Chlamydia Screening £(192K)
Substance Misuse	(34)	<p>Forecast adjusted to reflect latest figures;</p> <ul style="list-style-type: none"> • Over provision of 13/14 detox placements £(14K) • “Education, Training and Employment (ETE) Lead” budget correction £(15K) • Drug testing £(5K)

Departmental Division	Variance £000s	Explanation & Action Plans
Behaviour Change	(211)	Change in forecast due to; <ul style="list-style-type: none"> £86K over provision for 2013/14 Health Checks £43K estimated under-spend in 2014/15 on Health Checks £17K estimated under-spend in 2014/15 for Smoking Cessation £46K under-spend in 14/15 Health Trainers £19K under-spend in 14/15 Community Champions
Intelligence and Social Determinants	(23)	<ul style="list-style-type: none"> One-off contribution to Airtex, not in the original budget £0.5K Health Promotion project postponed £(24K)
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.
Childhood Obesity project	100	Allowance for the new Childhood Obesity project.
Public Health Investment Fund (PHIF)	1,902	Earmarked funds for Public Health investment in other Council Departments.
Future Public Health Investment funding	963	Unallocated budget and identified savings required to be earmarked to meet 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 allocation of funds unallocated in the budget.
Total:	(346)	Planned reduction of General Fund contribution from £346K to zero.

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 Acting 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) and £0.1M for Childhood Obesity. The remaining amount of £963K (including savings identified above) will be required to fund PHIF projects in future years and will be carried forward for this purpose.

APPENDIX 9: TRANSPORT AND TECHNICAL SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Building & Property Management (BPM)	(1,367)	(237)	(258)
Transport & Highways	11,807	(71)	137
Planning	2,846	(366)	(238)
Environmental Health	3,331	1	1
Support Services	(584)	261	260
Total	16,033	(412)	(98)

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

Departmental Division	Variance £000s	Explanation & Action Plans
Advertising Hoardings	(135)	The favourable variance is due to the over achievement of advertising income against budget.
Valuation Services	89	The property disposal section is at risk of overspending by £130k due to property disposal costs exceeding the permitted levels that can be charged against estimated capital receipts. However, this is offset by a forecast underspend (£41k) in Valuation Services.
Facilities Management	30	Refunds due to underperformance on the TFM contract are expected from Amey but will not be included in the forecast until confirmed. The variance includes £150k, which relates to 2013/14. However, this is offset by underspends in the EC Harris contract and in carbon reduction.
Civic Accommodation	(138)	The favourable variance is mainly due to a combination of additional rental income, underspends in utilities and security costs.
Sections within Building & Property Management	(83)	Building Control is showing a favourable variance of (£21k) due to additional income from large building schemes. There are favourable variances in Rent and Other Properties of (£17k) and other sections within Building & Property Management of (£45k).
Total - BPM	(237)	
Transport and Highways	(71)	Although this section is favourable overall, there is a £250k shortfall from the non-achievement of a MTFs income target for advertising on pavements. This has been addressed in the MTFs proposals for 15/16. The unfavourable variance is offset by

		additional recharge income from the Network Management group, Survey Projects and underspends in staffing costs in the Transport and Highways Admin section.
Planning	(366)	The favourable position is due to higher than expected levels of income recovered from Planning Regeneration projects. Furthermore, there are also high levels of routine planning applications as the wider economy recovers and applicants seek to beat the CIL deadline.
Environmental Health	1	
Support Services	261	This reflects the MTFS People Portfolio savings target. This budget pressure has been addressed in the 15/16 TTS Budget estimates proposals.
Total:	(412)	Favourable

Table 3: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
If the historic costs already incurred to dispose of HRA assets cannot be met from disposal, proceeds this would need to be funded from Corporate Reserves.	0	252
Total	0	252

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)	(2,150)	(295)	(280)

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.
- 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 a favourable variance of £412k against a net budget of £16,033k. The key risks to the 2014/15 budget are set out in Table 3 above. We are proposing to carry forward £363k into 2015-16 (appendix 11). In the previous month, £233k of this was included in the current forecast outturn.

APPENDIX 9a: CONTROLLED PARKING ACCOUNTS (CPA)

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Activity Area

Activity Area	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Pay & Display (P&D)	(12,613)	505	492
Permits	(4,690)	101	125
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	(175)	(144)
Bus Lane PCN	(915)	21	40
Parking CCTV PCN	(616)	(645)	(606)
Moving Traffic PCN's	(5,814)	(226)	(232)
Parking Bay Suspensions	(1,530)	(2,131)	(2,083)
Towaways / Removals	(352)	40	41
Expenditure and Other Receipts	13,053	(62)	99
Total	(20,291)	(2,572)	(2,268)

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

Activity Area	Variance £000s	Explanation & Action Plans
Pay & Display	505	A number of other councils are seeing Pay & Display receipts falling. Pay and Display receipts will be monitored closely for the rest of the year.
Permits	101	A reduction in the receipts over the first 8 months of 2014-15 has resulted in a forecast lower than budget.
CEO Issued PCN	(175)	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	21	Bus Lane PCNs are at a similar level as in 2013-14.
Parking CCTV PCN	(645)	CCTV parking PCNs are at a similar level as in 2013-14.
Moving Traffic PCN's	(226)	The forecast PCN issue number is lower than the previous year, but the recovery rate has improved. The forecast is therefore at a similar level.
Parking Bay Suspensions	(2,131)	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 suspensions.
Towaways / Removals	40	The unfavourable variance is due to a shortfall in receipts from fines of (£315k) compared to a budget of (£352k).

Activity Area	Variance £000s	Explanation & Action Plans
Expenditure and Other Receipts	(62)	Although resolved in December 2014, 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, creating a £250k overspend in parking office staffing. There are also overspends in postage and delivery costs of £46k and debt registration costs of £56k. This is offset by an underspend in parking enforcement staffing of £203k and budgets of £100k for a CCTV enforcement vehicle and £76k for IT that are not expected to be used. There is also a £111k underspend expected on the P&D machine maintenance contract.
Total	(2,572)	

Table 3: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
Changes in legislation around CCTV parking enforcement	0	250
Total	0	250

4. Comments from the Executive Director

The TTS Parking department is forecasting a favourable variance of £2,572k against a net credit budget of (£20,291k). Activity is broadly 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.

Carry forwards of £163k into 2015-16 are proposed as detailed in appendix 11.

APPENDIX 10: HOUSING REVENUE ACCOUNT

BUDGET REVENUE MONITORING REPORT – PERIOD 9

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Housing Income	(75,698)	44	81
Finance and Resources	14,552	(83)	(1,182)
Housing Services	9,370	(246)	(120)
Commissioning and Quality Assurance	4,060	(155)	(103)
Strategic Housing Stock Options Appraisal HRA	30	0	0
Property Services	2,077	(152)	(6)
Housing Repairs	13,359	248	204
Housing Options	506	(106)	(53)
HRA Central Costs	0	0	0
Adult Social Care	48	0	0
Regeneration	331	112	45
Safer Neighbourhoods	578	0	0
Housing Capital	27,757	(298)	0
(Contribution to)/ Appropriation From HRA General Reserve	(3,030)	(636)	(1,134)

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

Departmental Division	Variance £000s	Explanation & Action Plans
Finance and Resources	(83)	This mainly relates to the release of a (£1m) budgetary provision relating to the legal challenge from Willmott Dixon Partnerships (a full explanation is included in the Director's comments to this report). Additionally, underspends are forecast on IT consultancy (£68k), data storage, remote access and bulk printing contract (£64k), past service pension costs (£52k), redundancy (£35k), council tax for void properties (£28k), recruitment (£25k), and other minor underspends (£20k). This is offset by an overspend of £309k in corporate charges arising from the transfer of the management of the rent income and accounts team back to Housing & Regeneration and an overspend on salary

Departmental Division	Variance £000s	Explanation & Action Plans
		costs of £29k also principally as a result of the transfer. Further, it is proposed to establish an earmarked reserve of £871k to fund the costs of additional resourcing for the sheltered housing accommodation service for two years and a strategic review (a full explanation is set out in the Director's comments to this report).
Housing Services	(246)	Underspends are forecast on legal costs (£64k), incentive payments to enable tenant moves to appropriately sized homes (£62k), staffing costs (£96k), Hammerprint (£30k), housing office running costs (£24k), activities and events (£40k) and other operating costs (£24k) offset by an overspend of £94k on trade waste charges. Officers are currently reviewing the existing charging methodology administered by ELRS and the contractor SERCO in order to ensure that the HRA is charged only for trade waste disposal costs that relate to tenants' homes.
Commissioning and Quality Assurance	(155)	This mainly relates to an underspend of (£114k) on transfer and decant payments, (£69k) on legal costs and a further (£7k) of minor underspends, offset by lower capitalisation of salary costs of £35k.
Property Services	(152)	Underspends relating to staffing costs (£179k) and running costs (£58k) are offset by overspends on legal costs of £60k and other minor variances of £25k. The legal fees over spend all relates to Willmott Dixon legal costs pending the outcome of the review by the costs draftsman of what we can claim
Housing Repairs	248	Overspends are forecast on MITIE contract costs (Out Of Scope work £364k and Price per Property/Block £327k, as there are more properties in the contract than budgeted primarily as a result of the cessation of the disposal programme) and a lower than expected number of rechargeable repairs means that the income from rechargeable repairs is £105k less than budgeted. This is offset by an underspend on MITIE void costs (£149k) and on work undertaken by other contractors of (£399k).

Departmental Division	Variance £000s	Explanation & Action Plans
Housing Options	(106)	This mainly relates to underspends on Temporary on Licence (TOLS) accommodation costs (£106k) arising mainly from lower than expected furniture costs, and on Hostel accommodation net costs (£72k) largely as a result of a reduction in the increase to the bad debt provision required due to an improvement in the collection rate (from a budgeted figure of 90% to a forecast of 94%). These underspends are offset by overspends of £58k on staffing, and of £14k on valuation fees.
Regeneration	112	An underspend on salaries of (£35k) due to vacancies is offset by a reduced capitalisation of salary costs of £147k arising from a change in the expected work programme as the in house Housing Development Programme is under review.
Housing Capital	(298)	This relates to additional interest receivable on HRA balances following a review of the average interest rate on short term investments and the forecast balances expected within the HRA general reserve, major repairs reserve and Decent Neighbourhoods Fund.
Other	44	There are no other individual divisional variances greater than £100k/(£100k).
Total	(636)	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£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, there is a lack of certainty around plans at the year end, or a different construction method is used, then an element of the costs incurred will need to be written off to revenue.	250	1,389
Total	250	1,389

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)	(636)	(11,160)

6. Comments from the Executive Director

The Housing Revenue Account currently forecasts an under-spend of (£636k) for 2014/15, an adverse movement of £498k from the CRM 7 position. The movement relates primarily to the proposal to establish an earmarked reserve of £871k to fund the costs of additional resourcing for the sheltered housing accommodation service (a full explanation is set out below) and also to the following:

- Rents and Charges: an increase to the forecast income of (£37k) mainly within commercial property rents, due to the delayed sale of properties at Fulham Road and Broxholme Rd;
- Finance and Resources: this relates to a review of IT forecasts (£103k); further corporate charges of £309k are now expected as a result of the transfer of the rent income and accounts team, previously reported as a risk; the redundancy forecast underspend has reduced by £15k, salary overspend has increased by £22k; an underspend on recruitment costs (£25k) has been identified and miscellaneous under spends have reduced by £10k.
- Housing Services: a recalculation of salary costs of (£106k), a review of forecast expenditure on activities and events (£15k) and other minor changes (£5k);
- Commissioning and Quality Assurance: this movement is due to reduced legal costs (£59k) and transfer payments (£34k) offset by increased running costs of £41k at the Fulham housing office;

- Housing Repairs: an increase in MITIE contract costs of £46k and non-MITIE contract costs of £50k is offset by an improvement in the forecast for income from insurance claims (£52k);
- Property Services: a reduction in staffing costs of (£111k) and running costs of (£35k);
- Housing Options: a reduction in expected furniture costs (£18k), a reduction in the increase to the bad debt provision required due to an improvement in the collection rate (£18k), and other minor changes of (£17k).
- Regeneration: an increase in the forecast overspend of £67k due to the lower capitalisation of team costs arising from a change in the team's work programme
- Housing Capital: additional interest receivable on HRA balances (£298k) following a review of the average interest rate on short term investments and the forecast balances expected within the HRA general reserve, major repairs reserve and Decent Neighbourhoods Fund.

The Council received a challenge from Willmott Dixon Partnerships in relation 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. A court hearing of the challenge to the procurement process took place in July 2014 and the Council was informed in October 2014 that the hearing found in favour of the Council and ordered that Willmott Dixon pay the Council's costs. Following the expiry of a further period during which Willmott Dixon were able to appeal, the Council is now able to release a provision of £1m to revenue. The Council will now be progressing the recovery of its legal costs and this will be reported on in due course.

Cabinet are requested to approve the setting aside of £771k of the underspend within an earmarked reserve for the purposes of funding six additional sheltered housing staff for a two year period pending a borough-wide review of the sheltered accommodation service. This initiative will deliver benefits for scheme residents in the form of increased satisfaction with the level of service provided, in particular through improvements in engagement with and support given to residents. The £771k will fund the cost of six officers (£507k) plus the additional cost the new posts will attract in the form of corporate overheads (£264k).

Additionally it is proposed to undertake a strategic review across Health, ASC and HRD to shape older persons future housing provision, harvest efficiencies and improve services (£100k), also to be funded from the earmarked reserve.

APPENDIX 11 Detailed Budget Carry Forward Proposals

CARRY FORWARD PROPOSALS AS AT CRM9	AMOUNT
	£000
ADULT SOCIAL CARE	
Demand Pressures in Learning Disabilities (LD) Placement Service and in Assistive Equipment and Technology: Increase in numbers of learning disabled in transitions placements & care packages. There is increased pressure on equipment budget as a whole as the Health & Social Care community work together to deliver on admission avoidance & delaying admission to Residential or Nursing Facilities.	278
TOTAL ASC	278
FINANCE AND CORPORATE SERVICES	
Legal & Democratic Services - Carry forward to fund media and resources to deal with issues arising from Individual Electoral Registration (IER) and the need to invest in a new election system.	100
TOTAL FCS	100
HOUSING & REGENERATION	
<p>HB Assist Plus</p> <p>The HB Assist Plus Team has operated successfully since 2011, initially to mitigate against the impact of the introduction of Local Housing Allowances (LHA) and since then to mitigate against the impact of the Overall Benefit Cap and the Bedroom Tax / restrictions on Housing Benefits to under-occupiers. Each of these measures has had the effect of restricting the income available to households on low or modest incomes and hence on their ability to pay their rent and sustain their tenancy. This in turn has increased the risk of homelessness and the financial threat to the Council arising from this.</p> <p>The work of the Team has been to negotiate with landlords, source alternative accommodation, make recommendations for the use of Discretionary Housing Payments (DHP), administer panels with Adults and Childrens Services to ensure the protection of vulnerable people and make referrals to employment and training support services. This has led to the containment of the impact of welfare reform on the households concerned and contributed to the underspend on temporary accommodation projected in 2014/15.</p> <p>The purpose of the proposed carry-forward is to;</p> <ol style="list-style-type: none"> 1) Continue the work of the existing team of 1 manager and 4 staff (£250k); 2) Provide for the expansion of the work of the team to cover more proactive intervention in cases where homelessness is threatened and in particular where resolution of benefits issues will forestall eviction. This is in direct support of the work of the Cabinet Member for Social Inclusion (£100k); 3) Allow for the work of the team to include mitigation for households impacted by the rollout of Universal Credit. 	350

CARRY FORWARD PROPOSALS AS AT CRM9	AMOUNT
	£000
<p>Incentive payments to private sector landlords</p> <p>Since 2012, the Council has used incentive payments to private landlords to facilitate the procurement of temporary accommodation for homeless households. The accommodation concerned is of a higher standard than the alternative, Bed & Breakfast, more suitable for the households concerned and much more cost effective for the Council. The payments usually relate to deposits and/or rent in advance and are sometimes made available as guarantees rather than cash payments.</p> <p>The availability of incentives has been the single most important factor in the recent success in restricting the use of B&B and in achieving the projected underspend on temporary accommodation in 2014/15. Conversely, not having them available would create a clear risk of a sharp rise in the use of B&B in 2015/16.</p> <p>A total of £426k is already available from departmental and corporate reserves for this purpose in 2015/16. The proposed carry-forward of £129k is proposed to provide for the additional anticipated level of demand for incentive payments in 2015/16.</p>	129
TOTAL HRD	479
LIBRARIES	
The Library service is undergoing an alternative delivery models review for which detailed business case development and possible procurement implications is likely in the course of 2015/16.	15
TOTAL LIBRARIES	15
TECHNICAL & TRANSPORT SERVICES	
HS2- Petitioning Cost. Delay of HS2 project in Central London (previously included in month 7 forecast)	75
The current year's income in the Planning Division is higher than expected mainly due to the increased demand as applicants seek to beat the CIL deadline. Income is being received in 14/15 but Planning will be doing the work in 15/16 and thus needs a budget carry forward	130
Lead Local Flood Authority responsibility - remaining budget to be carried forward to fund future projects (previously included in month 7 forecast)	158
TOTAL TTS	363
CONTROLLED PARKING ACCOUNT	
Implementation of new Parking IT systems (as approved by Cabinet) (included in the previous month's variance)	48
Implementation of new parking controls (as being developed with PAC)	115
Total CPA	163
TOTAL PROPOSED CARRY FORWARD OF CRM9 UNDERSPEND	1,398

APPENDIX 12 - VIREMENT REQUEST FORM

BUDGET REVENUE MONITORING REPORT – PERIOD 9

Details of Virement	Amount (£000)	Department
GENERAL FUND:		
Distribution of pay award inflation to departmental salaries codes.	(611)/611	CMB/ All Depts
Budget adjustment requested to fund demand-growth pressures with respect to rising accommodation and support costs	216/(216)	UASC/CMB
Budget adjustment requested to fund demand-growth pressures due to new duties being imposed on Children's Services by Government without corresponding funding	1,862/(1,862)	CHS/CMB
A drawdown of £177k from the Efficiency Delivery Reserve is requested to reflect cost pressures in Customer Services resulting from the non-delivery for 2014/15 of IT transformational savings in respect of the e-services project, MyAccount. This ongoing project is working to provide e-enabled transactions, making it easier for customers to transact with H&F both in terms of reporting, applying for, booking or paying for services.	177/(177)	FCS/CMB
The Enhanced Revenue Collection project has continued to deliver improved Housing Benefit Overpayment debt collection performance, leading to increased Subsidy income for the Council. This work is monitored and delivered through an additional temporary post. A transfer of £43k from the Housing Benefit Reserve is requested to fund this post for 2014/15.	43/(43)	FCS/CMB
The Council has a statutory responsibility to fund local elections, and earmarks funds each year for this purpose. £266k is requested to be drawn down from the Contribution to Local Elections Reserve for May 2014 local election costs.	266/(266)	FCS/CMB
Total General Fund Virements (Debits)	3,175	

Details of Virement	Amount (£000)	Department
HRA:		
Cabinet are requested to approve the setting aside of £771k of the underspend within an earmarked reserve for the purposes of funding six additional sheltered housing staff for a two and a quarter year period pending a borough-wide review of the sheltered accommodation service	771/(771)	HRA
It is proposed to undertake a strategic review across Health, ASC and HRD to shape older persons future housing provision, harvest efficiencies and improve services (£100k), also to be funded from the earmarked reserve	100/(100)	HRA
Total HRA Virements (Debits)	871	

Departmental Name Abbreviations	
CHS	Childrens Services
CMB	Centrally Managed Budgets
FCS	Finance and Corporate Services
HRA	Housing Revenue Account