

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>7 SEPTEMBER 2015</b>
<b>CORPORATE REVENUE MONITOR 2014/15 OUTTURN</b>	
<b>Report of the Cabinet Member for Finance : Councillor Max Schmid</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b>	
<b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Director: Hitesh Jolapara – Strategic Director for Financial Corporate Services</b>	
<b>Report Author: Gary Ironmonger</b>	<b>Contact Details: Gary Ironmonger</b> Tel: 020 (8753 2109) E-mail: <a href="mailto:gary.ironmonger@lbhf.gov.uk">gary.ironmonger@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. The 2014/15 Accounts are subject to review by external audit prior to their sign off by Audit, Pensions and Standards Committee by 30<sup>th</sup> September.
- 1.2. The General Fund provisional outturn was a favourable variance of £8.009m after carry forward of approved departmental underspends of £4.312m. In addition contingencies of £3.337m were not drawn down. This outcome has enabled a transfer to earmarked reserves of £11.346m.
- 1.3. The HRA outturn is a £2.643m underspend with HRA general reserves at £13.167m. HRA reserves have increased by £5.673m, due to the underspend of £2.643m, and budgeted contribution to HRA general reserves of £3.030m.

## 2. RECOMMENDATIONS

- 2.1. That the General Fund underspend of £11.346m (including contingencies) and the HRA underspend of £2.643m be noted.
- 2.2. That the transfer to earmarked reserves of £11.346m be noted.

2.3. That the increase in the HRA reserves of £5.673m be noted.

### 3. REASONS FOR DECISION

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

### 4. 2014/15 GENERAL FUND OUTTURN

Table 1: General Fund Outturn 2014/15

Department	Revised Budget	Actual	Variance
	£'000	£'000	£'000
Adult Social Care	63,955	63,269	(686)
Centrally Managed Budgets	19,080	16,448	(2,632)
Children's Services	70,415	70,669	254
Unaccompanied Asylum Seeking Children	1,232	1,237	5
Environment, Leisure & Residents Services	29,492	29,469	(23)
Finance and Corporate Services	21,356	20,913	(443)
Housing & Regeneration	8,403	7,455	(948)
Libraries (Shared Services)	3,628	3,602	(26)
Public Health Service	347	0	(347)
Transport and Technical Services	19,537	19,479	(58)
Controlled Parking Account	(20,425)	(23,530)	(3,105)
<b>Net Operating Expenditure</b>	<b>217,020</b>	<b>209,011</b>	<b>(8,009)</b>
Contingencies Not Drawn Down	3,337	0	(3,337)
<b>Resources Available For Reserves and Balances</b>	<b>220,357</b>	<b>209,011</b>	<b>(11,346)</b>

\*Figures in brackets represent underspends against budget.

4.1. The £8.009m underspend in Table 1 is after departmental carry forwards of £4.312m and excludes contingencies not drawn down of £3.337m. The underspend amounts to 1.9% of the Councils gross budget (excluding Housing Benefits transfer payments). A fuller explanation of these variances is provided in Appendix 1.

4.2. The Accounts for 2014/15 are due to be reviewed by the external auditors. Following external audit the Accounts must be signed off by Audit, Pensions and Standards Committee by 30<sup>th</sup> September.

### 5. 2014/15 HOUSING REVENUE ACCOUNT

Table 2: Housing Revenue Account Outturn 2014/15

Housing Revenue Account	£000s
Balance as at 31 March 2014	(7,494)
Plus: Budgeted Contribution to Balances	(3,030)

Add: In- year Underspend	(2,643)
<b>Projected Balance as at 31st March 2015</b>	<b>(13,167)</b>

- 5.1. The HRA underspent by £2.643m in 2014/15 as shown in Table 2. The reasons for the underspend are explained in Appendix 2.
- 5.2. Overall HRA balances have increased by £5.673m. This is attributable to the underspend of £2.643m and the budgeted contribution to balances of £3.030m.

## 6. RESERVES, BALANCES AND PROVISIONS

- 6.1. The favourable outturn resulted in a transfer to earmarked reserves of £11.346m (Table 3). This is in addition to the previously approved carry forward of departmental budget underspends of £4.312m.

**Table 3: Transfers to Earmarked Reserves**

<b>Proposed Transfers to Reserves</b>	<b>£'000</b>
Efficiency Projects Reserve – To top up this reserve to meet future implementation costs of delivering efficiencies	1,546
Housing Stock Options (GF). £1.2m is committed to fund the stock condition survey and other related stock options work.	1,200
IT infrastructure reserve. Investment is essential if savings are to be delivered from the migration from HFBP.	2,000
Non-Domestic Rates Deficit Support. The business rates appeals system continues to present financial risks. The Valuation Agency Office informed Hammersmith and Fulham of a further £36m of appeals at the close of 2014/15. An initial estimate is that this will require LBHF to set aside an additional £3m as a provision for appeals. It is likely that a proportion of this will be covered by safety net grant. A transfer of £1m from LBHF resources is also prudent.	1,000
Corporate Pressures. To fund emergent spend pressures and Council priorities as the Council seeks to achieve demanding savings targets and unfunded new burdens imposed by Government.	5,600
<b>Total Contribution to Reserves and Balances</b>	<b>11,346</b>

- 6.2. The General Fund Balances remain at £19.004m (4% of the gross budget excluding Housing Benefit transfer payments). This is within the range of £14m-£20m identified as prudent in the 2015/16 Budget Report. The 2015/16 Budget Report also identified financial risks and challenges facing the Council of £11.9m in 2015/16. Maintaining balances at this level will help mitigate against such risk.

- 6.3. Earmarked reserves will be, subject to Audit, £104.3m at the close of 2014/15. The departmental split is set out in Table 4 and detailed in Appendix 3. Provisions have increased to £21.1m as set out in Table 4 and expanded on in appendix 4.

**Table 4: Earmarked Reserves, Balances and Provisions at 31 March 2015.**

	<b>Balance at 31 March 2015</b>
	<b>£m</b>
Adult Social Care	7.276
Children's Services	1.737
Environment, Leisure and Residents Services	1.786
Libraries	0.038
Housing and Regeneration	4.578
Transport and Technical Services	5.675
Corporate	68.429
<b>General Fund Earmarked Reserves</b>	<b>89.519</b>
Housing Revenue Account Reserves	14.790
<b>Earmarked Reserves*</b>	<b>104.309</b>
<b>Provisions**</b>	<b>21.128</b>
<b>General Balance</b>	<b>19.004</b>
<b>Total</b>	<b>144.441</b>

\* Reserves are specific amounts set aside for future policy purposes or to cover contingencies.

\*\* A provision is in essence a liability of uncertain timing or amount

## 7. VIREMENTS

- 7.1. In order to produce the final accounts to statutory deadline of 30<sup>th</sup> June, a number of 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, Cabinet delegated decision making in relation to these issues to the Director for Finance in consultation with the Cabinet Member for Finance.

## 8. CARRY FORWARD PROPOSALS

- 8.1. Departments have presented justifications to carry forward underspend budgets of £4.3m into 2015/16 (Table 5). These have been previously approved and noted here for information only.

**Table 4: Departmental Budget Carry Forward to 2015/16**

<b>Department</b>	<b>Approved Budget Carry Forward</b>
	<b>£000s</b>
Adult Social Care	2,044
Centrally Managed Budgets (Civica Adjustments)	248
Children's Services and Unaccompanied Asylum Seeking Children	(160)
Environment, Leisure & Residents Services	485
Finance and Corporate Services	625
Housing & Regeneration	479
Libraries and Archives	0
Public Health Service	0
Transport and Technical Services	428
Parking	163
<b>Total</b>	<b>4,312</b>

## **9. CONSULTATION**

9.1. N/A.

## **10. EQUALITY IMPLICATIONS**

10.1. 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.

## **11. LEGAL IMPLICATIONS**

11.1. N/A

## **12. FINANCIAL AND RESOURCES IMPLICATIONS**

12.1. These are covered in the paragraphs above.

12.2. Implications verified/completed by: Gary Ironmonger.

## **13. RISK MANAGEMENT**

13.1. The 2015/16 Budget Report identified financial risks and challenges facing the Council of £11.9m. These risks will be monitored and actions to lessen their impacts will be taken to ensure that identified risks do not crystallise into overspends.

## **14. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

14.1. N/A

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
	None		

**List of Appendices**

Appendix 1	Departmental Analysis – General Fund 2014/15 Revenue Outturn
Appendix 2	Departmental Analysis – HRA 2014/15 Revenue Outturn
Appendix 3	Movement in Earmarked Reserves
Appendix 4	Provisions

**APPENDIX 1:**

**DEPARTMENTAL ANALYSIS – GENERAL FUND 2014/15 REVENUE  
OUTTURN**

**ADULT SOCIAL CARE (ASC)**

**Variance Analysis by Departmental Division**

<b>Departmental Division</b>	<b>Revised Budget 2014-15</b>	<b>Year End Variance</b>	<b>Explanation of Major Variances (over £100k)</b>
	<b>£'000s</b>	<b>£'000s</b>	
Integrated Care	42,791	64	<p>The outturn variance in the Integrated Care Division before the carried forward of funds is (£1.98m). The main reasons for the variances are as follows:</p> <p>In April 2015 an out of court settlement was negotiated with Care UK under the PFI contract. This settlement resulted in significant one-off savings for the Council of (£1.66m), as well as on-going annual savings.</p> <p>Within the Older People and Physical Disabilities service, the Placement budget is underspend by (£1.1m) as there was an on-going reduction in client numbers. Between April 2014 to March 2015 there was a net decrease of 32 clients.</p> <p>There are pressures on the Home Care Packages and Direct Payments budgets as part of the out of hospital strategy to support customers 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 with a net overspend of £0.291m. These pressures were offset by additional funding from the Delayed Discharge government grant of (£0.32m) and Winter Resilience funding from health.</p> <p>Within the Learning Disability Service, there is a net overspend of £0.984m. The main reasons for the overspend relate to three transitions customers (two from Continuing</p>

Departmental Division	Revised Budget 2014-15 £'000s	Year End Variance £'000s	Explanation of Major Variances (over £100k)
			<p>Care and one new customer) and a further five new Social Care customers in 2014/15 resulting in the net LD Placement overspend of £0.647m. The LD Direct Payment and Home Care budgets overspent by £0.325m due to an increase of five customers.</p> <p>The Assistive Equipment Technology budget outturn is breakeven after additional spending on the Community Independence Services to prevent entry into hospital with funding of £0.045m from Winter Resilience and £0.080m from Delayed Discharge grant</p> <p>Within Mental Health Services the outturn was an underspend of (£0.083m) mainly resulting from lower staffing costs.</p> <p>The outturn variance includes £2.044m carry forward to fund various ASC initiatives and budget pressures. From this £1.004m is earmarked to fund the new home care contracts.</p>
Commissioning & Enterprise	11,977	(738)	The underspend of (£0.738m) is mainly due to the Supporting People budget being underspent by (£0.552m) with appropriate costs funded by Public Health grant and (£0.215m) from Supporting People procurement savings on new contracts from the West London Framework agreement and variations on existing contracts.
Finance and Resources	8,307	(46)	The underspend in this Division is related to IT costs charged to the Managed Service programme of (£0.036m) in addition to additional Client Affairs Income.
Directorate	880	34	Within the Directorate Division, there are higher contractual costs for projects of £0.091m which is partly offset by a net reduction in general training budget underspend of (£0.057m).
<b>Total</b>	<b>63,995</b>	<b>(686)</b>	



## CENTRALLY MANAGED BUDGETS

### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Corporate & Democratic Core	5,840	(40)	
Housing Benefits	(524)	(1,028)	Underspend due to maximising subsidy through minimising Local Authority Benefit payments error and ongoing improvements to collection of Housing Benefit overpayments.
Levies	1,570	(12)	
Net Cost of Borrowing	2,323	(80)	
Other Corporate Items	754	(135)	A favourable variance of £174k on Land Charge Income offset by a number of minor adverse variances
Civica Write-Off	0	(970)	Historic accounting adjustments for the write back of Civica invoices paid incorrectly on the Cedar finance system in previous years.
Pensions & Redundancy	9,117	(367)	Early achievement of the Pension Fund Past Service Deficit contribution savings (£272k) and a favourable variance on pension related payments for past redundancy decisions. (£88k).
<b>CMB</b>	<b>19,080</b>	<b>(2,632)</b>	
Contingencies not drawn down	3,337		
<b>Total</b>	<b>22,417</b>		

## CHILDREN'S SERVICES DEPARTMENT (CHS)

### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Shared Services Education Service	5,114	(791)	Underspends have been incurred in staffing costs following the outcome of a number of service reviews in year. There was also an overachievement in the level of traded services income received by the service, specifically in relation to Newly Qualified Teachers.
Family Services	49,787	845	Family Services has continued to incur significant placement pressures with regards to Southwark Judgement, Secure Remand and No Recourse to Public Funds expenditure. Further pressures in relation to S17- Children in Need (children requiring support to achieve a reasonable standard of health/development) expenditure, S23- Looked After Children expenditure and supported accommodation where Young People are staying in placements longer due to a rise in the number of young people in education/university placements.
Children's Commissioning	6,366	115	Pressures within the transport and placement commissioning teams due to project costs and prior years unachievable MTFs savings
Finance & Resources	2,225	50	
Dedicated School Grant & Schools Funding	6,922	35	
<b>Total</b>	<b>70,414</b>	<b>254</b>	

## UNACCOMPANIED ASYLUM SEEKING CHILDREN

### Variance Analysis by Departmental Division

<b>Departmental Division</b>	<b>Revised Budget 2014-15</b>	<b>Year End Variance</b>	<b>Explanation of Major Variances (over £100k)</b>
	<b>£000s</b>	<b>£000s</b>	
Unaccompanied Asylum Seeking Children	1,232	6	No material variance to report
<b>Total</b>	<b>1,232</b>	<b>6</b>	

## ENVIRONMENT LEISURE AND RESIDENT'S SERVICES

### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Customer & Business Development	813	79	<p><b>£50k underground duct asset concession contract</b> - Non-guaranteed income element of the new contract was less than budgeted.</p> <p><b>£29k Other</b></p>
Cleaner, Greener & Cultural Services	21,399	(158)	<p><b>(£140k) Waste Disposal</b> – The partner boroughs strongly negotiated a much 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 3% on last year) whilst cheaper recycling tonnages are decreasing (down an average 7% on last year).</p> <p><b>(£18k) Other</b></p>
Safer Neighbourhoods	7,432	(86)	<p><b>£122k Cemeteries Income</b> – Income £42k less than last year and £122k less than budget. Reasons for this decline are being investigated.</p> <p><b>(£160k) reversal of open orders</b> - as part of the data cleanse prior to the transition the Agresso</p> <p><b>(£48k) Other smaller net underspends</b></p>
Director & Resources	(152)	142	<p><b>£118k People Portfolio Savings</b> – ELRS achieved £6k of the £124k target. Target rises to £153k in 2015/16.</p> <p><b>£24k Other</b> – mostly due to unexpected or increased IT charges</p>
<b>Total</b>	<b>29,492</b>	<b>(23)</b>	

## FINANCE AND CORPORATE SERVICES

### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
H&F Direct	20,625	80	The majority of the overspend was due to a reduction in recoverable court costs associated with Council Tax compared to budget.
Innovation & Change Management	(105)	(113)	The service has experienced difficulties recruiting staff.
Legal Democratic Services	(724)	(251)	The variance reflects income in to the legal services trading account towards the end of the year due to peak work.
Third Sector, Strategy & Communications	674	(10)	
Finance & Audit	866	(78)	
Procurement & IT Strategy	(85)	(90)	
Executive Services	(663)	(47)	
Human Resources	1,218	(380)	Posts continued to be held vacant pending a restructure. In addition to this, a one-off credit of £203k was received in respect of the i-Trent (HR IT system) hosting contract.
Other	(450)	450	£450k of the FCS underspend has been earmarked for Customer Service improvements
<b>Total</b>	<b>21,356</b>	<b>(439)</b>	

**Housing & Regeneration - General Fund**

**Variance Analysis by Departmental Division**

<b>Departmental Division</b>	<b>Revised Budget 2014-15</b>	<b>Year End Variance</b>	<b>Explanation of Major Variances (over £100k)</b>
	<b>£000s</b>	<b>£000s</b>	
Housing Options, Skills & Economic Development	7,955	(1,125)	<p>This relates mainly to a reduction in the net costs of Bed and Breakfast (B&amp;B) accommodation of (£820k) due to a reduction in average client numbers. Additionally, the net costs of Private Sector Leasing (PSL) accommodation are reduced by (£969k) due to a fall in the average number of units as well as a reduction in the increase to the bad debt provision due to an improvement in the collection rate.</p> <p>£240k of the temporary accommodation underspend was utilised to fund the first five months of a package of incentive payments to landlords associated with the Council's temporary accommodation portfolio (originally budgeted to come from corporate contingencies). The incentive payments for the remaining seven months (£190k) were funded from internal departmental reserves.</p> <p>Additionally, there are other minor variances of (£55k) across the division.</p> <p>The overall underspend has been offset by a carry forward of £350k for HB Assist Plus and £129k for incentive payments to private sector landlords.</p>
Housing Strategy & Regeneration	324	186	This relates to expenditure on the Earls Court regeneration project which was ineligible for capitalisation or as costs of disposal.
Housing Services	40	(14)	
Finance & Resources	84	5	
<b>Total</b>	<b>8,403</b>	<b>(948)</b>	

**Libraries (Shared Service)**

**Variance Analysis by Departmental Division**

<b>Departmental Division</b>	<b>Revised Budget 2014-15</b>	<b>Year End Variance</b>	<b>Explanation of Major Variances (over £100k)</b>
	<b>£000s</b>	<b>£000s</b>	
Shared Service - Libraries & Archives	3,628	(26)	No material variances
<b>Total</b>	<b>3,628</b>	<b>(26)</b>	

## Public Health Service

### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Sexual Health	6,978	276	There is an overspend in “open access” Genitourinary Medicine activity of £447K mainly due to a new service model rolled out by Chelsea & Westminster Healthcare NHS Trust which has seen an unprecedented growth in GUM activity. There is an underspend of £229K in Chlamydia Screening. Minor overspends of £58K in other Sexual Health contracts.
Substance Misuse	5,464	(163)	Underspend in Community based services of £267K, partly offset by overspends in detox placements (£97K).
Behaviour Change	2,110	(325)	Lower than budgeted activity for health checks (£121K) and Smoking Cessation (£152K), with minor underspends in other Behaviour Change contracts totalling £52K.
Intelligence and Social Determinants	40	(22)	Underspend in health promotion costs.
Families and Children Services	2,608	(220)	Savings of £177K are due to the delayed start to retendering the obesity contracts, together with net savings of £43K on other minor projects.
Public Health Investment Fund	-	1,079	Planned Public Health investment in departments who are contributing to public health outcomes.
Substance Misuse – Grant, Salaries and Overheads	(5,470)	0	
Public Health – Grant, Salaries and Overheads	(11,383)	(972)	This represents the net movement of the above identified variances and the planned underspend from the General Fund
<b>Total</b>	<b>347</b>	<b>(347)</b>	



## TRANSPORT & TECHNICAL SERVICES DEPARTMENT

### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Building & Property Management (BPM)	(577)	(472)	<p>The overall underspend of (£472k) in BPM resulted from the following main factors:</p> <ul style="list-style-type: none"> <li>• Favourable variance in Advertising income (£147k)</li> <li>• Building control income (£82k)</li> <li>• Civic accommodation (£214k), mainly from underspend in utilities and additional rent income</li> <li>• Underspend in supplies and services and staffing costs of (£88k) in Technical Support team and other underspend of (£9k).</li> </ul> <p>This is mainly offset by an unfavourable variance in Asset and Valuation Section of £68k due to unrecoverable expenditure incurred on properties no longer being sold.</p>
Transport & Highways	12,816	265	The unfavourable variance mainly arises from a reduction in income from professional fees charged to other budgets. A further £150k was transferred to WIFI Concession reserve to cover shortfalls in future income.
Planning	2,731	(74)	The favourable position was mainly due to higher than expected levels of income recovered from Planning Regeneration projects and favourable income from pre-application fees in the Development Management section. There have been high levels of routine planning applications as the wider economy recovers and where applicants seek to beat the Community Infrastructure Levy deadline.
Environmental Health	3,758	(82)	The year-end position in Environmental Health division was due to favourable variance mainly from Pest Control and Private Sector Housing income.

<b>Departmental Division</b>	<b>Revised Budget 2014-15</b>	<b>Year End Variance</b>	<b>Explanation of Major Variances (over £100k)</b>
Support Services	(456)	305	This reflects the MTFS People Portfolio savings target. This budget pressure has been addressed in the 15/16 TTS Budget estimates proposals.
<b>Total</b>	<b>18,272</b>	<b>(58)</b>	

## CONTROLLED PARKING ACCOUNTS (CPA)

### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Pay & Display	(12,613)	608	A reduction in receipts from Pay and Display. A number of other councils are also seeing a reduction in their receipts.
Permits	(4,690)	99	
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	25	
Bus Lane PCN	(915)	(26)	
Parking CCTV PCNs	(616)	(705)	PCNs issued using CCTV have been at a similar level as in 2013-14. A change in legislation means that CCTV can no longer be used to enforce parking in most areas from April 2015.
Moving Traffic PCN's	(5,814)	(573)	A similar number of PCNs were issued as in 2013-14, but with an improved recovery rate.
Parking Bay Suspensions	(1,530)	(2,321)	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	(352)	55	

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
Expenditure and Other Receipts	12,919	(268)	<p>Key items of variance include:</p> <ul style="list-style-type: none"> <li>- Unused budget for a CCTV vehicle (-£100k)</li> <li>- Overspends in postage and delivery, IT system costs and other running costs (£40k)</li> <li>- Underspend in the cash collection and Towaway contracts (-£270k)</li> <li>- Underspend in debt registration costs (-£40k)</li> <li>- Underspend in on street enforcement running costs (-£98k)</li> <li>- Other variances totalling £37k adverse.</li> </ul> <p>In addition £163k of budget has been carried forward into 2015-16 to cover costs of implementing new parking controls and the implementation costs of a new Parking IT system.</p>
<b>Total</b>	<b>(20,425)</b>	<b>(3,106)</b>	

## APPENDIX 2

### DEPARTMENTAL ANALYSIS –HRA 2014/15 REVENUE OUTTURN

#### HOUSING REVENUE ACCOUNT

##### Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Housing Income	(75,804)	(306)	This relates mainly to income from garage rents (£186k), commercial properties (£204k), and other minor variances (£89k) offset by shortfalls on dwelling rents and service charges of £173k arising from higher than anticipated void rates.
Finance and Resources	10,970	(345)	This underspend relates mainly to the release of provisions for in-year risks not crystallised (£160k), underspends on redundancy (£84k), council tax and business rates on void properties (£85k) and other minor variances of (£16k).
Housing Services	9,394	(722)	This relates to under-spends on staff (£192k) and other running cost including utilities (£106k), incentive payments to enable tenant moves to appropriately sized homes (£240k), and other minor variances (£184k).
Commissioning and Quality Assurance	3,834	(251)	This is due to under-spends on the costs of the new Resident Involvement structure (£78k), transfer and decant payments (£107k) and other minor variances (£66k).
Property Services	2,102	(405)	Underspends relating to staffing costs (£179k) and higher capitalisation of salaries (£391k) are offset by overspends on legal costs of £159k and other minor variances of £6k.
Housing Repairs	13,760	28	

<b>Departmental Division</b>	<b>Revised Budget 2014-15</b>	<b>Year End Variance</b>	<b>Explanation of Major Variances (over £100k)</b>
	<b>£000s</b>	<b>£000s</b>	
Housing Options	515	(268)	This mainly relates to underspends on Temporary on Licence (TOLS) accommodation (£130k) arising mainly from lower than expected furniture costs, and on Hostel temporary accommodation (£138k) mainly as a result of a reduction in the increase to the bad debt provision due to an improvement in the collection rate.
HRA Central Costs	0	0	
Adult Social Care	48	0	
Regeneration	420	(1)	
Safer Neighbourhoods	590	1	
Housing Capital	31,141	(374)	This relates mainly 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.
<b>(Contribution to)/ Appropriation From HRA General Reserve</b>	<b>3,030</b>	<b>(2,643)</b>	

### APPENDIX 3: MOVEMENT IN EARMARKED RESERVES

Dept	Reserve Description	Balance at 31/3/14	Movement	Balance at 31/3/15
		£000s	£000s	£000s
<b>Adult Social Care</b>	Home Care IT Cost	(41)	0	(41)
	No Recourse to Public Funds	(50)	20	(30)
	PFI Reserve	(133)	0	(133)
	Portfolio Management Res. Plan	(457)	122	(335)
	Pressures & Demands	(3,097)	(1,304)	(4,401)
	Preventative & Early Intervention	(214)	0	(214)
	S117 Reserve	(57)	0	(57)
	Social Care Reform	(140)	64	(76)
Supporting People Programme	(1,989)	0	(1,989)	
<b>ASC Total</b>		<b>(6,178)</b>	<b>(1,098)</b>	<b>(7,276)</b>
<b>Childrens Services</b>	CHS Adoption Reform Reserve	(226)	86	(140)
	CHS Education Excellence	(100)	100	0
	CHS Pressures and Demands	(755)	25	(730)
	CHS Shared Services Integration	(363)	257	(106)
	CHS Troubled Families Reserve	(709)	298	(411)
	Focus on Practice	(350)	0	(350)
<b>CHS Total</b>		<b>(2,503)</b>	<b>766</b>	<b>(1,737)</b>
<b>Centrally Managed Budgets</b>	Third Sector Investment Fund Reserve	0	(542)	(542)
	Bishops Park Reserve	(358)	41	(317)
	Capital Reserve (Earmarked)	(1,534)	55	(1,479)
	King Street Reserve	(668)	73	(595)
	Business Board Reserve	(1,358)	535	(823)
	Computer & IT Funds	(1,752)	752	(1,000)
	Contribution to Local Election	(325)	191	(134)
	Corporate Demand Pressures Reserve	(3,516)	(5,600)	(9,116)
	Corporate Redundancy	(3,028)	(719)	(3,747)
	Council Tax Discount Admin	(135)	(135)	(270)
	Customer Services Reserve	0	(450)	(450)
	Debtors Review Reserve	(619)	0	(619)
	Dilapidations/Office Moves Res	(3,726)	(585)	(4,311)
	Efficiency Projects Reserve	(10,396)	(2,884)	(13,280)
	Electronic Data Mgt System	(100)	0	(100)
	FCS Pressures & Demands Reserve	0	(75)	(75)
	Hammersmith & Fulham Direct Reserve	0	(600)	(600)
Housing Benefit Reserve	(2,415)	167	(2,248)	

Dept	Reserve Description	Balance at 31/3/14	Movement	Balance at 31/3/15
		£000s	£000s	£000s
	Human Resources Reserve	(1,000)	0	(1,000)
	Individual Electoral Registration Reserve	0	(100)	(100)
	Imperial Wharf Reserve	(800)	0	(800)
	Insurance Fund	(4,819)	(1,022)	(5,841)
	IT Infrastructure	(2,813)	(2,590)	(5,403)
	LPFA Sub Fund	(1,000)	0	(1,000)
	Managed Services	(4,750)	3,874	(876)
	MTFS Delivery Risk	(7,000)	852	(6,148)
	NDR Deficit Support	(6,021)	2,777	(3,244)
	Stock Option Appraisal Reserve (GF)	0	(1,200)	(1,200)
	Unallocated Contingency Reserve	0	(476)	(476)
	Vat Reserve	(2,500)	0	(2,500)
	White City Neighbourhood	(183)	48	(135)
<b>CMB Total</b>		<b>(60,816)</b>	<b>(7,613)</b>	<b>(68,429)</b>
<b>Environment Leisure and Residents Services</b>	Avonmore Community Centre	(45)	0	(45)
	Barclays Sports Grant	(29)	0	(29)
	Community Safety Reserve	(382)	22	(360)
	ELRS IT Reserve	(20)	0	(20)
	ELRS MTFS Risk Reserve	0	(150)	(150)
	Fulham Palace Reserve	(459)	(109)	(568)
	LAA waste grant	(137)	(11)	(148)
	Linford Christie Fund	(10)	4	(6)
	Marketing Reserve	(165)	(161)	(326)
	Parks Reserve	(30)	0	(30)
	Sports Grant	(4)	0	(4)
Transport Reserve	(100)	0	(100)	
<b>ELRS Total</b>		<b>(1,381)</b>	<b>(405)</b>	<b>(1,786)</b>
<b>Housing Revenue Account</b>	Community Pot Reserve	0	(19)	(19)
	Deed Pack Review Reserve	0	(300)	(300)
	HRA Commercial Property leases	(200)	106	(94)
	HRA Efficiency Reserve	(1,020)	(391)	(1,411)
	HRA IT Recharges Reserve	(205)	(142)	(347)
	HRA Legal Costs	(200)	0	(200)
	HRA Non-dwellings Impairment	(6,346)	(289)	(6,635)
	HRA Strat Regen and Housing Development	(1,746)	0	(1,746)
	HRA Utilities	(761)	(500)	(1,261)
	Improved Voids Specification	(500)	0	(500)
	Parking Charges Review Reserve	0	(606)	(606)



Dept	Reserve Description	Balance at 31/3/14	Movement	Balance at 31/3/15
		£000s	£000s	£000s
	Sheltered Housing	0	(871)	(871)
	Stock Options Appraisal (HRA)	0	(300)	(300)
	Welfare Reform Reserve	0	(500)	(500)
<b>HRA Total</b>		<b>(10,978)</b>	<b>(3,812)</b>	<b>(14,790)</b>
<b>Housing and Regeneration Department (General Fund)</b>	ALSS SFA 2011/12 Allocation	(187)	102	(85)
	DCLG - Portas & Town Team Part	(9)	6	(3)
	HB Assist Plus	(160)	(230)	(390)
	Homelessness Grant	(99)	99	0
	Housing Options Re-org Implementation	(52)	17	(35)
	Incentive payment DL	(400)	61	(339)
	No Recourse to Public Funds	(50)	50	0
	Overcrowding Grant	(9)	9	0
	Probation Service Grant	(16)	0	(16)
	Review of Housing Register	(54)	0	(54)
	Sullivan Service Charges	(26)	0	(26)
	Temp Accom Health & Safety Imp	(25)	0	(25)
	Temporary Accommodation	(3,506)	0	(3,506)
	Tenants Incentive Scheme	(27)	27	0
	Training Support	(9)	0	(9)
UC Project Mgt & Rollout	(125)	35	(90)	
<b>HRD(GF) Total</b>		<b>(4,754)</b>	<b>176</b>	<b>(4,578)</b>
<b>Libraries Shared Services</b>	Libraries Reserve	(38)	0	(38)
<b>LIB Total</b>		<b>(38)</b>	<b>0</b>	<b>(38)</b>
<b>Transport and Technical Services Department</b>	Asbestos Management Reserve	(100)	50	(50)
	Computer & IT Funds	(414)	0	(414)
	Controlled Parking Fund	(695)	(18)	(713)
	Depot Improvements Reserve	(175)	175	0
	Earls Court Reserve	(44)	0	(44)
	Fulham Palace Reserve	(204)	0	(204)
	High Speed Two (HS2) Reserve	0	(78)	(78)
	Legal Fees Reserve	(340)	320	(20)
	Local Lead Flood Authority	(603)	(70)	(673)
	Planning Inquiries Reserve	(358)	(130)	(488)
	Property Disposals Reserve	(100)	0	(100)
	S106 - Revenue Schemes	(1,339)	(58)	(1,397)
	TFL Street Management	(129)	0	(129)
TFM Reserve	(929)	(184)	(1,113)	
Thames Tideway Tunnel	(81)	49	(32)	

<b>Dept</b>	<b>Reserve Description</b>	<b>Balance at 31/3/14</b>	<b>Movement</b>	<b>Balance at 31/3/15</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	Thames Water Management Contra	(92)	92	0
	TTS Property Moves	(31)	31	0
	TTS Savings Proposals Fund	(50)	0	(50)
	TTS Staff Development Sessions	(20)	0	(20)
	Wi Fi Concession	(200)	50	(150)
	Works Contracts Reserve	(35)	35	0
<b>TTS Total</b>		<b>(5,939)</b>	<b>264</b>	<b>(5,675)</b>
<b>Grand Total</b>		<b>(92,587)</b>	<b>(11,722)</b>	<b>(104,309)</b>

#### **APPENDIX 4: PROVISIONS**

<b>Provision Description</b>	<b>£000's</b>
The insurance provision was reduced by £851k to bring it into line with forecast liabilities.	2,496
Non Domestic Rates losses on Appeals – This provision has been established to cover the councils exposure to outstanding rating appeals resulting from the introduction of the new Business Rates retention scheme.	17,479
Provision to cover reimbursements of Property Search fees in relation to Land Charges appeals cases	86
Provision to cover various Housing Revenue Account tenant liabilities	654
Provision to cover potential Specific Childcare funding shortfalls	175
Provision to cover legal fees and reimbursement in relation to disrepair cases	238
<b>Total</b>	<b>21,128</b>