


<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 MARCH 2016</p>	
<p>CORPORATE REVENUE MONITOR 2015/16 MONTH 8 - NOVEMBER</p>	
<p>Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification: For Decision</p>	
<p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Finance Director</p>	
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1. EXECUTIVE SUMMARY

- 1.1. The General Fund outturn forecast is an overspend of £1.185m (a decrease of £2.180m from month 7), with budget risks of £4.524m.
- 1.2. The HRA is forecast to underspend by £0.762m with HRA general reserves of £16.401m at year end. The HRA budget risks are £0.050m.
- 1.3. Due to the on-going implementation of the Agresso financial system the CRM8 forecast is still not based on actual expenditure data taken from Agresso. CRM8 is focused on high risk areas and reflects discussions with service managers and information taken from other systems (e.g. Adult Social Care framework-i care payments & management system). Whilst this provides some assurance to the forecast figures it does expose the authority to a higher than normal financial risk. The longer the transition takes the greater the financial risk.
- 1.4. A local MSP stabilisation team has been created to enable LBHF to take forward MSP stabilisation work and develop processes required to mitigate financial risks (including the closing of accounts). As a result there have been some improvements in the operational functionality of Agresso. An update on Managed Services (BT contract) is given in section 7.

1.5. Carry-forward requests for underspends will be considered in the CRM9 report.

2. RECOMMENDATIONS

2.1. To note the General Fund and HRA month 8 revenue outturn forecast.

2.2. All overspending departments to agree proposals/action plans for bringing spend in line with budget.

3. REASONS FOR DECISION

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

4. CORPORATE REVENUE MONITOR (CRM) 2015/16 MONTH 8 GENERAL FUND

Table 1: General Fund Projected Outturn – Period 8

Department	Revised Budget At Month 8 £000s	Forecast Year End Variance At Month 8 £000s	Forecast Year End Variance At Month 7 £000s
Adult Social Care	60,723	840	1,238
Centrally Managed Budgets	25,040	(220)	(120)
Children's Services	48,323	1,575	3,234
Corporate Services	16,399	185	120
Environmental Services	45,490	119	49
Controlled Parking Account	(20,318)	(1,302)	(1,144)
Housing General Fund	6,694	(12)	(12)
Library Services (Shared Services)	3,221	0	0
Public Health Services	0	0	0
Net Operating Expenditure*	185,572	1,185	3,365
Key Risks		4,524	8,040

*note: figures in brackets represent underspends

4.1. A budget virement transfer to CHS totalling £1.445m from the Corporate Demand and Pressures Reserve is included in the CHS budget £48.323m.

4.2. Detailed variance and risk analysis by department can be found in appendices 1 to 8. Details of the main adverse variances can be found in appendices 1 (Adult Social Care), 3 (Children's Services), and 4 (Corporate Services).

4.3. The favourable variance for Centrally Managed Budgets excludes any unspent contingency funds. Currently £2.0m of contingency balances are uncommitted.

CORPORATE REVENUE MONITOR 2015/16 HOUSING REVENUE ACCOUNT

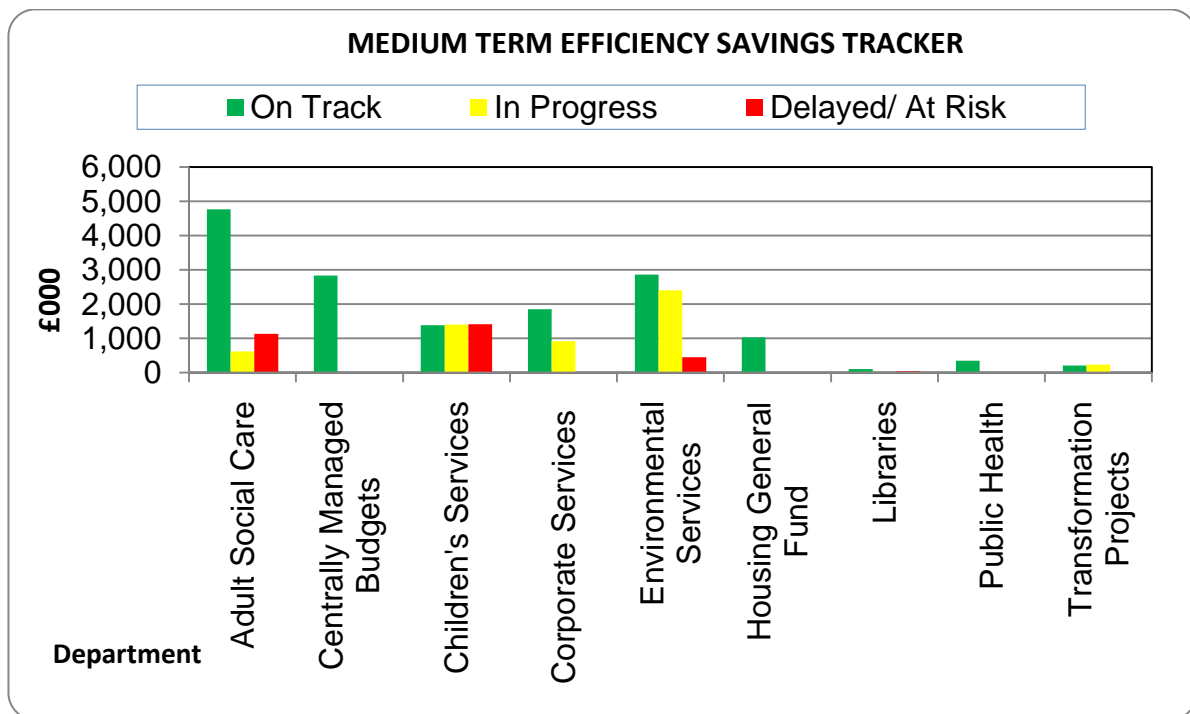
Table 2: Housing Revenue Account Projected Outturn - Period 8

Housing Revenue Account	£000s
Balance as at 31 March 2015	(13,165)
Add: Budgeted Contribution to Balances	(2,474)
Add: Forecast Underspend	(762)
Projected Balance as at 31st March 2016	(16,401)
Key Risks	50

4.4. Detailed variance and risk analysis can be found in Appendix 9.

5. MEDIUM TERM FINANCIAL STRATEGY EFFICIENCY TRACKER SUMMARY

5.1. The 2015/16 budget included efficiency proposals of £24m. Progress against these is summarised below and detailed in appendices 1 to 9.



6. VIREMENTS & WRITE OFF REQUESTS

6.1. Cabinet is required to approve all budget virements that exceed £0.1m.

6.2. There are no virement or write-off requests at month 8.

7. MANAGED SERVICES PROJECT

- 7.1. A brief update on MSP is given in this section. A local MSP stabilisation team has been created to enable LBHF to take forward MSP stabilisation work and develop processes required to mitigate financial risks (including the closing of accounts). As a result there have been some improvements in the operational functionality of Agresso. However, efforts are ongoing to achieve stabilisation in all areas.
- 7.2. The Accounts Payable function has seen improvements with the majority of payments being processed correctly first time. Invoices are being raised on the Sales Ledger in some areas. Although departments are working to recover income we are still some way from having a fully functioning recovery process in place for following up late payers.
- 7.3. Core reconciliations (bank, trial balance) are being worked on however, the trial balance has not balanced yet and there are outstanding items on the bank reconciliation and payroll. Cabinet on the 12th of October approved additional funding of £2m to enable the completion of the MSP implementation. Current forecasts indicate that there is likely to be additional costs of £2.1m incurred which represents an overspend of £0.1m. This is mainly due to additional staffing backfill costs. There is a risk that costs may increase in order to complete the interface work for departmental feeder systems.

8. CONSULTATION

- 8.1. N/A.

9. EQUALITY IMPLICATIONS

- 9.1. Adjustments to budgets are not considered to have an impact on one or more protected groups so an EIA is not required.

10. LEGAL IMPLICATIONS

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

11. FINANCIAL AND RESOURCES IMPLICATIONS

- 11.1. The General Fund outturn forecast at month 8 is for an overspend of £1.185m (a decrease of £2.180m from month 7). The forecast overspend excludes any application of the £2.0m of currently uncommitted contingency balances. Part of the reason for the reduction in the forecast overspend is that allowance has been made for a budget virement transfer to CHS totalling £1.445m from the Corporate Demand and Pressures Reserve.
- 11.2. The HRA outturn forecast at month 8 is an underspend of £0.762m.
- 11.3. Due to the on-going implementation of the Agresso financial system and Managed Services from BT, the CRM8 forecast is not based on actual expenditure data taken from

Agresso. CRM8 is focused on high risk areas and reflects discussions with service managers and information taken from other systems (e.g. Adult Social Care framework-i care payments & management system). Whilst this provides some assurance to the forecast figures it does expose the authority to a higher than normal financial risk. The longer the transition takes the greater the financial risk.

11.4. Implications verified/completed by: Jade Cheung.

12. IMPLICATIONS FOR BUSINESSES

12.1. There are no implications for local businesses.

13. RISK MANAGEMENT

13.1. Details of actions to manage financial risks are contained within departmental appendices (1-9).

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

14.1. N/A

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES

- Appendix 1 Adult Social Care Revenue Monitor
- Appendix 2 Centrally Managed Budgets
- Appendix 3 Children's Services Revenue Monitor
- Appendix 4 Corporate Services Revenue Monitor
- Appendix 5 Environmental Services Revenue Monitor
- Appendix5a Controlled Parking Account Revenue Monitor
- Appendix 6 Housing Department General Fund Revenue Monitor
- Appendix 7 Library Services (Shared Services) Monitor
- Appendix 8 Public Health Services Monitor
- Appendix 9 Housing Revenue Account Monitor

APPENDIX 1: ADULT SOCIAL CARE**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Integrated Care	45,546	797	1,187	<p>Similar to the previous year, there are increasing 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. There is a projected overspend of £1,816,000 which is partially offset by Community Independence Service (CIS) one off Investment allocation of (£358,000) and Care Act funding of (£557,000) to £901,000. Since the commencement of the year there has also been an increase in customer numbers of 123 in 2015/16 which accounts for some of the projected overspend.</p> <p>The department jointly with the Clinical Commissioning Groups (CCG) have commissioned a piece of work to understand the pressures on the health system and what is causing the overspend in homecare. Constructive discussions continue with Health towards a contribution to the additional Home care costs. There will be additional cost pressures on the Homecare budget with the tendering of the new Home care contracts during 2015/16 - both from an increase in prices to improve quality and a potential increase in demand, although this is excluded from the current projections. The modelling of the effects of the contract will also include mitigations such as negotiating a contribution from the CCG and potential economies from new ways of working.</p>

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
				<p>There is an underspend in the Private Finance Initiative (PFI) budget of (£294,000) in 2015/16 due to an out of court settlement reached with Care UK under the PFI contract in April 2015. This settlement resulted in significant one off savings for the Council and for Health. The Council saved (£1.66m) which was reflected in the outturn figures in 2014/15.</p> <p>Within the Learning Disability (LD) Service, there is a net projected underspend of (£375,000). Since last month's report, the projections have improved due to a number of management actions with a review of packages and the closure of two cases, the transfer of customers who meet Continuing Health Care and a lowering of the risk factored in for Transitions customers.</p> <p>Within Mental Health services, the net projected overspend is £17,000. The Placements budget shows a continued reduction in customer numbers since the commencement of this year and is projecting an underspend of (£256,000). This is offset by pressures in Home Care of £168,000 and in Supporting Living with four new customers with a projected overspend of £105,000.</p> <p>There are pressures continuing in the Assistive Equipment Technology budget due to the out of hospital strategy and the additional spending on the CIS to prevent entry into hospital.</p> <p>The total projected overspend was £120,000 which has been offset by one off budget virement of (£120,000) from earmarked reserve. From 2015/16, there is CCG funding from the CIS model to assist with the budgetary pressure. There is an income shortfall of £280,000 on Careline services, which has been fully funded by one off budget virement from earmarked reserve.</p>

Departmental Division	Revised Budget £000s	Variance Month 8 £000s	Variance Month 7 £000s	Variance Analysis
				<p>Within the ASC 2015/16 base budget is an MTFS efficiency of £2m following the negotiations with health over the first year of the Better Care Fund. The £2m efficiency target has various target measures to deliver this saving which include avoidance of care in residential and nursing placement, reduction in home care hours, saving from jointly commissioning section 75 contracts and securing lower prices from placement providers.</p> <p>To date the department is projecting the delivery of the following against this target:</p> <p>Reductions in residential and nursing placements is moving in the right direction with some reduction in volumes of placements with savings of (£669,000) factored in. A number of contracts have been renegotiated relating to Elgin and Olive House homes with savings of (£133,000). There is a projected underspend of (£650,000) from savings from Better care Fund and working closer with Health leaving a net shortfall of £548,000.</p>
Strategic Commissioning & Enterprise	7,044	56	64	The main variances in this Division are a projected net underspend of (£42,000) from Supporting People procurement savings. There is net overspend of £33,000 of unachievable MTFS savings relating to Advocacy contract. There has been work undertaken on the S.113 recharges resulting in a net projected overspend of £117,000 which is partly offset by a projected under spend of (£52,000) within Meals services.
Finance & Resources	7,351	0	0	
Executive Directorate	782	(13)	(13)	There is a projected underspend of (£75,000) within the workforce development training budgets which is offset by S113 salaries recharge overspend of £62,000 .
Total	60,723	840	1,238	
Funding from Pressures	0	0	0	Cabinet have approved £1,237,000 from the ASC Pressures and Demand

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
and Demand Reserve				reserve to partly offset the budget pressures. The total Reserve at the commencement of the financial year was £4.4m. After allowing for the total drawn down of £1.237m, the balance of the reserve of £3.163m is earmarked for further pressures resulting from the new Home Care contracts and demand pressures in Learning Disabilities and Older people care groups over the next two financial years.
Variance Post Reserve Funding	60,723	840	1,238	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
There is an aging population as growth is expected to be 1% per annum. The budget has been set with no overall growth for this financial year.		450
Increase in inflationary pressures for Older People, Physical Disabilities & Learning disabled people.		150
Increase in demand Learning disabled transitions placements and care packages as no growth has been budgeted for.		50
Total		650

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Adult Social Care		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		6,514	4,767	615	1,132
Schemes Delayed / At Risk	£000s	Reason			
	615	Discussions are on-going with the service providers and at this stage are expected to be delivered.			
	1,132	Factored into the month 8 projections to be managed as part of the overall departmental budget.			

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

Adult Social Care (ASC) is projecting a net overspend of £840,000 as at end of period eight, this is a decrease in the overspend of £398,000 compared to the period seven projected overspend of £1,238,000. This is after funding from the pressures and demand balance sheet reserve of (£1,237,000) to mitigate on a one off basis the overall projected pressures of £2,077,000.

The department is expected to deliver savings of £6,514,000 in this financial year and at this stage of the year 73% are on track to be delivered.

Similar to last month's report, the projections should be treated with caution due to difficulties experiencing of the introduction of the Agresso new Managed Services system.

Action Plan to Monitor Budget Overspend

The Department has commenced work with budget managers to produce action plans to reduce overspend and bring the budget to break-even. Since last month's report, the management actions have reduced the projected overspend by £398,000 mainly from a review of Learning Disability (LD) customers with care packages or placements and from renegotiated contracts relating to Elgin and Olive House homes.

In addition, the ASC Transformation Programme reviews progress on a two-weekly basis of the projects and programmes which will bring about the savings, with deep dives to check on progress.

The reviews have focused on the LD budget overspend, the emerging supported living customers, the review of homecare costs pressures and level of reserve funding that can be utilised on a one-off basis to bring the budget into balance.

The Executive Director and Deputy Executive Director have commenced funding negotiations with Health colleagues for 2016/17, in liaison with the LBHF Director for Finance. The department's expectation is funding will be available from Health to contribute to the Home care costs as part of the out of hospital strategy to support customers at home and avoid hospital admission or to enable early discharge. The department will review the operational service model if sufficient funding is not available.

Transfer of Independent Living Fund (ILF) to Local Authorities

Hammersmith and Fulham took responsibility for the payment of Independent Living Fund (ILF) to 48 customers on 1st July 2015. These customers have had annual reviews of their Adult Social Care needs by social workers and have been kept informed via a series of meetings and letters regarding the transfer of ILF. The unringfenced grant determination issued by the Department of Communities and Local Government confirmed funding for LBHF of £671,292, which covers the ILF payments of the 48 ILF customers for the period 1st July 2015 to 31st March 2016. This grant has been vired into the ASC budget to fund the full ILF financial requirements for 2015/16. This has been actioned and now included in the ASC net budget.

The grant determination also advises that funding beyond April 2016 will be decided as part of the next Government spending review. The financial commitments from 2016/17 is estimated at an annual figure of £894,458.

APPENDIX 2: CENTRALLY MANAGED BUDGETS**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Corporate & Democratic Core	5,857	(20)	(20)	Audit Fees are forecast to be under budget.
Housing and Council Tax Benefits	(91)	0	0	
Levies	1,570	0	0	
Net Cost of Borrowing	1,082	0	0	
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	6,786	0	0	
Pensions & Redundancy	9,836	(200)	(100)	Unfunded pension costs (from historic redundancies) are forecast to be under budget.
Total	25,040	(220)	(120)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Shared Services Office Accommodation Costs are currently under review.	0	720
Land Charge Income risk due to housing market activity levels.	0	100
Total	0	820

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Centrally Managed Budgets		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		2,833	2,833		
Schemes Delayed / At Risk		£000s	Reason		

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

Better information from the Agresso finance system (e.g. regular allocation of Land Charges income) and the bedding in of new processes (e.g. regular processing of payments for the unfunded pension costs) mean that the period 8 monitor is more robust than previous versions for Centrally Managed Budgets.

APPENDIX 3: CHILDREN'S SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Family Services	31,518	1,078	2,704	<p>The favourable movement from the previous month is mainly due to the assumption that a budget virement proposal to meet the demand-led pressures reported throughout the year is approved at Cabinet in February. (£1,445k)</p> <p>There has also been a forecast increase in income from the sale of bed nights at the Haven, and an improvement in our placements forecasts as a result of a service review (£181k).</p> <p>There are staffing cost pressures across the service of £209k. Within this pressure, £111k is in relation to the Looked After Children (LAC) and Leaving Care teams as expenditure on agency workers has been higher than expected due to difficulties in the recruitment to permanent posts.</p> <p>LAC numbers are not falling as has been anticipated in year – there are 10 additional LAC in care that are unexpected at this stage based on the assumption that we would have 15 less LAC in the year.</p> <p>In addition, the delay of the Semi-Independent Living (SIL) contact implementation has meant the full year effect has not been realised this year, although this should take effect in full next year - £185k.</p> <p>A further £220k pressure is now forecast in Youth Offending services, mainly as a result of the impact of the new Government's recent decision to</p>

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
				<p>reduce Youth Justice grant funding by 14%.</p> <p>The Multi Agency Safeguarding Hub (MASH) continues to present an unfunded budget pressure of £185k as the expected reduction in assessments has not materialised. This is being reviewed by the service with a view to reducing expenditure to manage this pressure.</p> <p>A shortfall of income at the Haven short break residential unit is forecast as a result of non-achievable MTFS target resulting in a pressure of £63k, pressures on Virtual Schools as a result of a shortfall on the MTFS target and a reduction in grant funding of £173k, plus pressures in relation to Serious Review case costs of £43k.</p>
Schools Commissioning and Education Services	4,531	(40)	49	<p>The favourable movement from month 7 is mainly due to the impact of delayed recruitment to additional posts to address the current overspend, plus a reduction on non-salary expenditure within the Educational Achievement team.</p> <p>A pressure of £243k is forecast as a result of the requirement for additional unfunded posts required to support service stability through the conversion of SEN Statements into the new Education, Health and Care Plan (EHCP) format. There are also additional pressures on team costs within Schools Improvement of £91k.</p> <p>This pressure is mitigated by projected underspends within the Schools Standards (£281k) and Educational Achievement services (£90k), and in other small underspends within the directorate (£3k).</p>
Children's Commissioning	5,290	328	272	<p>Pressure on salaries due to delayed implementation of restructure and additional costs associated with transition to new structure of £528k partially mitigated by in year savings on LAC Designated Nurse (£140k) and Fulham College budgets. (£55k)</p>

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
				The increase in forecast from the previous month is due to confirmation that the service restructure has been delayed until April 2016.
Safeguarding, Review and Quality Assurance	1,737	209	209	The projected overspend is due to staffing costs pressures within the Safeguarding team, mainly as a result of previous years MTFS target not being achieved in full.
Finance & Resources	5,247	0	0	There are pressures in relation to delivery of savings within the Finance team due to the delay in full implementation of the Managed Services project, plus costs to support the development of major projects and service reviews within Family and Children's Services and ICT team costs. These pressures are offset by additional rental income.
Total	48,323	1,575	3,234	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
21+ Increase in Education	0	60
Staying Put	0	70
Consequential Costs of Staying Put Arrangements	0	50
18+ Children With Disabilities not meeting ASC criteria	0	80
Impact of Secure Remand on Leaving Care	0	50
Serious Case Review Costs	43	50
Unaccompanied Asylum Seeking Children 18+ (unfunded 25 FTEs)	0	100
No Recourse to Public Funds	0	50
Southwark Judgement	0	30
Delayed start to Assessment Contract	92	100

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
ICT Costs	30	50
New users to SEN Transport service	0	50
LAC and Leaving Care Team	90	115
Tower Hamlets Kinship Fee Payments	0	100
Multi Systemic Therapy (MST) contribution	0	50
YOT Grant Reduction	95	100
Delay in Commissioning restructure	256	300
Total	606	1,405

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Children's Services		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		4,199	1,386	1,400	1,413
Schemes Delayed / At Risk	£000s	Reason			
People Portfolio Savings	128				
Commissioning staff reduction	140	Implementation of service restructure delayed to April 2016			
IFA Review	250	The profile of the current LAC population and the un-availability of suitable in-house foster carers has meant an over reliance on more expensive Independent Fostering Provider placements. Strategies to increase the pool of available in-house foster carers are currently being scoped.			
Finance Restructure	250	Delay in the proposed restructure of the service as resources are retained for the full implementation of the Managed Services project.			
Better support to foster carers to reduce residential need	250	There has been an increase in the number of children presenting with complex needs and requiring residential placement in 15/16, in some cases where fostering placements have proved to be unsustainable, there has been no other alternative available to the service.			

Substitution funding (Education DSG, PHS, Troubled Families)	200	The strategy to deliver the £200k saving has not yet been defined. The strategy of using one off grant funding or Performance By Results will not result in long-term efficiencies and is uncertain.
10 more relative placements	70	The service will explore the availability and willingness of connected persons to care for LAC children in all appropriate cases, however may not be able to achieve this target.
New model for Respite overnight care (The Haven)	125	The strategy to deliver this saving has not yet been clearly defined.

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The departmental overspend has reduced by £1,659k since month 7 on the assumption that a budget virement proposal to meet the demand-led pressures reported throughout the year is approved at cabinet in February.

Children Services continue to be affected by changes in practice forced by legislation and Government policies including changes in Youth Justice Funding. In total current pressures are forecast at £1,575k.

In terms of the remainder of the spending pressures, the department is reviewing proposals to contain expenditure for the rest of the year and these should become more evident by the Period 9 revenue monitor. These steps will include consider deferring expenditure until 2016-17 where it does not impact significantly on service delivery.

At present, we have 5 children who were taken into care as a direct result of concerns over Child Sexual Exploitation (CSE). These children are typically moved away from their local area and we forecast that we are currently spending £362k towards their placement costs. In addition, 2 children who were Looked After Children (LAC) have had to be moved to different placements due to ongoing concerns over CSE, with a resulting increase in the placement forecasts of £117k from the previous year.

Within the Commissioning directorate, there are potential opportunities in Youth, Health Commissioning and funding on Fulham College (£202k) to mitigate the current overspend, but these are still being assessed and will be confirmed later in the year.

APPENDIX 4: CORPORATE SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
H&F Direct	19,252	230	230	The main pressure remains a projected £230k (£150k in CRM5) shortfall in court costs recovery (due to an expected reduction in recovery resulting from Agresso delays and a shortfall against income targets). Work continues to mitigate budget pressures elsewhere.
Innovation & Change Management (ICM)	(5)	0	0	Work continues to mitigate the previously reported risks.
Legal and Electoral Services	(183)	65	0	The legal service is forecasting an adverse variance of £65k. This is mainly as a result of not fully delivering staff reductions until period 5 due to the late implementation of shared legal services. The unit will continue to review costs to find alternative savings to offset this variance. Electoral services may generate a small underspend which will be added to the reserve held for this service to offset pressures in future years.
Finance & Audit	265	0	0	No change
Shared ICT Services & Procurement	(2,630)	0	0	Expected to be within budget, provided budget virements are made for special projects that were funded centrally in previous years.

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Executive Services	(716)	0	0	No change
Human Resources	393	(110)	(110)	This is due to the early achievement of next year 80K savings and use of graduates and holding vacancies
Delivery and Value	23	0	0	Expected to be within the overall budget with overspending areas offset by underspends elsewhere in the division.
Total	16,399	185	120	

2: Key Risks

None to report that have not been reported elsewhere.

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Finance & Corporate Services	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000s	£000s	£000s	£000s
Total MTFS Savings	2,762	1,845	917	
Schemes Delayed / At Risk	£000s	Reason		

APPENDIX 5: ENVIRONMENTAL SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Cleaner, Greener & Cultural Services	20,935	(1,122)	(1,143)	<p>(£1,080k) Waste Disposal – Western Riverside Waste Authority (WRWA) has been able to freeze waste disposal tonnage prices for 2015/16 and as a result we are expecting to underspend by £446k on overall waste tonnages. Year to date total waste tonnages are broadly in line with last year, but recycle tonnages have reduced by an average 4%. No commodity income from the sale of recycle is forecast (only £50k was achieved last year). An additional £634k one off rebate has also been received relating to the period 2011/2012 to 2014/15, arising from the treatment of government payments to electricity generators set out in the contract between WRWA and Cory. We do not know at this stage whether such payments will flow in the future.</p> <p>(£37k) Waste Policy – staffing underspends due to vacancies pending implementation of a new structure, partly offset by £25k income shortfall on waste sack advertising.</p> <p>(£35k) Waste Contract and Enforcement – Forecast underspend on contract is due to negative inflation in 2015/16.</p> <p>£30k Other smaller net overspends</p>
Safer Neighbourhoods	7,781	657	620	<p>£120k Transport – The Transport budgets are set on the assumption that the Passenger Transport service would be brought back in house for 2015/16, meaning £100k p.a. additional management and repair income for the Transport workshop. It has now been agreed that this service will remain outsourced and so the full year shortfall is included in the forecast. Budget growth to remove the ongoing pressure is being pursued.</p>

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
				<p>£54k Coroners Service - Pressure due mostly to increased legal fees for high profile cases and one off office moves (potentially to be funded corporately). Partially offset by savings on undertakers contract.</p> <p>£71k Mortuary - £46k pressure on salaries due to additional resource required to deal with a high volume of cases and a £25k MTFS target for digital autopsies not expected to be achieved due to two reasons; delays in implementation and uncertainty over the long term future of the site.</p> <p>£70k Hammersmith All Weather Pitch – the arrangements for the leisure facility have been reviewed and it is not expected that the prior year saving in this area will now be achieved.</p> <p>£279k Phoenix Fitness Centre – invest to save. The £319k one off investment required to deliver ongoing annual savings of £350k is included in the forecast. This was approved by Cabinet.</p> <p>£58k Parks and Open Spaces - pressure due to not drawing down from the reserve to fund Bishops Park/Fulham Palace maintenance. This will enable the reserve to last longer and fund more of the future year spend commitments as set out in the Heritage Lottery funding agreement.</p> <p>£5k Other smaller net overspends</p>
Customer & Business Development	600	87	13	<p>£81k Registrars – Forecast income shortfall of £138k, partially offset by £57k staffing underspend due to vacant posts. Resourcing and opening hours currently under review with the aim of maximising income generating potential and reducing the forecast overspend before year end.</p> <p>£267k Ducting contract – Worsening position due to a revision of the forecast to reflect slippage on the contract commencement date.</p> <p>(£215k) Commercial Waste – mostly due to waste disposal charges attributable to commercial waste being less than budget.</p> <p>(£77k) Director post – early delivery of 2016/17 MTFS saving</p> <p>£31k Other net overspends</p>
Former ELRS	(94)	114	64	£153k People Portfolio Saving – the savings target is not expected to be

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Executive Directorate & Finance				met, neither in this year nor in future years. (£51k) Executive Director post – early delivery of 2016/17 MTFS saving £12k Other smaller net overspends
Building & Property Management (BPM)	(1,928)	772	839	<p>The adverse variance in BPM relates to the following</p> <p>£729k in Advertising Hoardings – Income has recovered in the period September to November, but the Council is still carrying the adverse variance that arose from April to August. Deloitte has now completed its audit. The main issue stated is in relation to free advertising slots offered by Ocean. Officers met with Ocean on the 1st week of December. Another meeting has been scheduled with Ocean in January 2016 for further discussion on options to address the income shortfall. These include the possibility of changing the charging system from a profit sharing model to a mixture of a fixed rental with a profit sharing element; continuing with the current agreement and retendering the site in 2017; and varying the planning conditions to permit moving images at specific times, which may result in increased income.</p> <p>£30k in Civic Accommodation – This is due to a combination of an unachievable rental income target of about £42k offset by a favourable variance of (£12k) on supplies and services.</p> <p>£139k Valuation Services - There is a risk that the Property Disposal section will overspend by £240k due to costs incurred on properties that may not be sold. However, this will be offset by a drawdown from reserve of (£100k).</p> <p>£39k Technical Support and BPM Business Support – Staffing overspend.</p> <p>The above overspends will be offset mainly by the following:- (£62k) Facilities Management – (£57k) of this favourable variance is due to the staffing restructure in BPM Professional Services. There is a further</p>

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
				underspend of (£20k) from the EC Harris contract. However, the sum of these underspends is offset by an overspend of £15k in the Carbon Reduction Section where a budget reduction is assumed. (£66k) Building Control –This is due to additional income from large building schemes. (£38k) Rent and Other Properties. Higher than expected income in Commercial rents.
Transport & Highways	12,684	(240)	(314)	(£240k) Network management – (£181k) of the variance is due to income from permits and fines. There is a further surplus of (£59k) from Gazetteer income.
Planning	2,622	(167)	(70)	The favourable position is mainly from higher than expected levels of income from Planning Regeneration.
Environmental Health	3,480	0	21	
Former TTS Support Services	(590)	18	18	
Total	45,490	119	48	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Due to the delay in the sales to cash module in Agresso becoming operational the department is still catching up with sales invoicing, which increases the likelihood of bad debts. This is a particular risk where services have already been provided but invoicing was delayed (e.g. events and filming).	0	300
Risk that central government funding will not be secured for the additional Coroner and Mortuary costs associated with the terror attacks in Tunisia (LBHF share of the West London costs).	0	100
If expenditure incurred on disposed assets cannot be met by disposal receipts and on properties not	0	400

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
being sold, this would need to be funded from Corporate Reserves.		
If there is a continuing shortfall for the rest of the year in advertising hoarding income on certain sites (Two Towers and L'Oreal).	0	500
If a legal challenge on license fees is successful.	0	42
Total	0	1,342

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Environmental Services	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000s	£000s	£000s	£000s
Total MTFS Savings	5,702	2,855	2,403	444
Schemes Delayed/ At Risk	£000s	Reason		
Increased income from CCTV ducting contract	160	See table one		
Income from digital autopsies	25	See table one		
Advertising Hoarding Income	200	Lower than expected income from Advertising Hoardings sites.		
LED lighting and Column replacement maintenance budgets.	59	Street lighting LED pilots are running, and plans are in place to extend this. In the current year, only 41% of the savings are expected to be achievable.		

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The main financial problems that have arisen this year are the drop in advertising hoardings income and the pressures in Safer Neighbourhoods. Set out in the above main tables, are the proposed actions to address these problems. The financial position is being assisted significantly by the underspend in waste disposal due mostly to the one off waste disposal rebate from Western Riverside Waste Authority. Environmental Services are achieving an early implementation of senior management savings which have been brought forward from 2016/17.

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A number of other pressure areas exist. Budget growth is in the plans for resident access to the leisure facilities and an invest to save bid will be submitted for the one off pressures on the Phoenix Fitness Centre. Budget growth is also being pursued to remove the ongoing income pressure as a result of the Passenger Transport service not transferring back in house. It would be desirable for the People Portfolio target to be reviewed council-wide to determine whether this is deliverable in the longer term. The pressures on the Coroners Service and Mortuary will continue to be reviewed and reported.

Property Services are actively exploring the possibility of renting out Civic Accommodation to increase rental income. There is also continued monitoring of the expenditure on properties that have been disposed of, and those that are no longer being sold, and how expenditure already incurred on those disposals may be met.

Progress in all budget areas will continue to be regularly monitored by the management team. Where there are significant variances, remedial actions and financial controls (as set out in this report) are being applied to contain actuals within budget for Environmental Services as a whole.

APPENDIX 5a: CONTROLLED PARKING ACCOUNTS (CPA)**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Pay & Display (P&D)	(12,229)	821	1,124	Pay and display receipts are lower in the first eight months of 2015-16 than they were in the same period last year. Other boroughs in London are seeing similar reductions. However, there have been some signs of improvement in the cash and card receipts in November.
Permits	(4,690)	46	68	The amount received for parking permits to the end of November is similar to the previous year.
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	577	645	The number of PCNs issued in the first eight months of 2015-16 is 8% lower than in the same period last year. This has resulted in a forecast shortfall against budget.
Bus Lane PCNs	(915)	(642)	(677)	There has been an increase in the numbers of PCNs issued in the first eight months of the year as compared with the same period in the previous year. This has led to a forecast surplus against budget.
CCTV Parking PCNs	0	(50)	(52)	New legislation came into effect in 2015-16 to no longer allow the enforcement of parking through the use of CCTV, except in certain limited circumstances. The budget has been adjusted to reflect this.
Moving Traffic PCNs	(5,814)	(1,365)	(1,321)	The number of PCNs issued in the first eight months of 2015-16 is higher than the same period in the previous year. This has led to a forecast surplus against budget.
Parking Bay Suspensions	(2,423)	(831)	(855)	Income from parking bay suspensions has continued at the level seen last year. The budget for income was increased by £863k for 2015-16.
Towaways and Removals	(352)	64	48	Receipts from towaways are at a similar level to the previous year.

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Expenditure and Other Receipts	12,919	78	(124)	Staffing is forecast to underspend by £124k. A carry forward of £200k is assumed within the forecast to fund future changes in signage to comply with the Information Commissioners Office (ICO) Code of Practice on CCTV surveillance.
Total	(20,318)	(1,302)	(1,144)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
There are no risks to declare this month		
Total		

3: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

Officers will continue to keep a close eye on the performance of Parking income and expenditure and in particular review regularly Suspension income which may change at short notice due to fluctuations in demand.

APPENDIX 6: HOUSING DEPARTMENT - GENERAL FUND**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Housing Options, Skills & Economic Development	6,758	(12)	(12)	<p>This mainly relates to:</p> <ul style="list-style-type: none"> a reduction in procurement costs (£195k) following the expiry of an expensive lease for temporary accommodation (this relates to an early achievement of MTFS savings to be delivered in 2016/17), a reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£348k) due to lower average client numbers (101 forecast compared to 175 in the original budget) which is offset by a predicted overspend of £397k as a result of inflationary pressures on rents for suitable temporary accommodation from private sector landlords. £134k salaries overspend as a result of long term sickness in the Reviews and Complex Cases team.
Housing Strategy & Regeneration	7	0	0	
Housing Services	43	0	0	
Strategic Housing Stock Options Appraisal - General Fund				
Finance & Resources	(114)	0	0	
Total	6,694	(12)	(12)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
Temporary Accommodation Procurement Costs – recent months have seen increased difficulties in containing the inflationary cost pressures associated with procuring suitable temporary accommodation from private sector landlords. Officers are continuing to make use of incentive payments to private landlords in mitigating this risk. This cost pressure has been further exacerbated by the withdrawal of properties by some landlords due to late payments as a result of the Managed Services implementation. In the event that this risk crystallises, the resultant costs will be mitigated by the Temporary Accommodation reserve.	101	247
Managed Services – the general lack of data available from the system, the lack of systems assurance and reconciliation reporting, the time taken to resolve payment issues, the opportunity cost of officer time in managing issues arising and other factors are expected to have both a financial and non-financial impact on the Council.	Unknown	Unknown
Total	Unknown	Unknown

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Housing Department	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000s	£000s	£000s	£000s
Total MTFS Savings	1,023	1,023		
Schemes Delayed / At Risk	£000s	Reason		

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The Housing and Regeneration department currently expects the overall outturn for the year 2015/16 to produce a favourable variance of (£12k). There is no movement since last month. It should be noted that it has not been possible to complete detailed budget monitoring via Agresso this month due to the delay on the roll out of key monitoring reports. However, finance officers have met with Heads of Service in order to identify significant variances from budget and to ensure that appropriate management action is taken in order to contain cost pressures. Nevertheless, there remains a significant risk to the accuracy of forecasts until Managed Services is fully implemented. Further details relating to the issues arising as a result of Managed Services are outlined in the Key Risks section above.

APPENDIX 7: LIBRARY SERVICES (SHARED SERVICES)**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Libraries Shared Service	3,221	0	0	At this stage forecast is to budget
Total	3,221	0	0	

2: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
Increased premises and utility costs including Westfield	10	30
Reduced income from customer fees and changes due to less demand for increasingly obsolete product formats (DVDs, CDs etc.)	10	30
Total	20	60

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Libraries Shared Services	MTFS Target £000s	On Track £000s	In Progress £000s	Delayed/ At Risk £000s
Total MTFS Savings	162	107	21	34
Schemes Delayed / At Risk	£000s	Reason		
Review of inter-Library transport arrangements	34	There have been delays in this scheme being launched		

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

Not applicable.

APPENDIX 8: PUBLIC HEALTH SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Sexual Health	6,410	(112)	(112)	Estimated underspends on Chlamydia and youth services' contracts.
Substance Misuse	5,464	(47)	(47)	Various minor underspends including homeless outreach and drug testing.
Behaviour Change	2,753	(383)	(383)	Estimated underspends in Behaviour Change services, including health checks, smoking cessation and Community Champions.
Intelligence and Social Determinants	89	(40)	(40)	Underspend caused by delay in commencing new projects.
Families and Children Services	5,135	(270)	(270)	Variance due to the 0-5 programme which was transferred to LBHF in Period 7; actual figures replacing the original estimates included the budgeted figures.
Public Health Investment Fund (PHIF)	2,185	616	616	PHIF to be reviewed in P10 for activity progress and forecast change.
Salaries and Overheads	1,435	(200)	(200)	Salaries and vacancy monitoring identify savings for 15/16 year.
Drawdown from Reserves	(783)	(818)	(818)	Variance is the balancing figure of all the other differences.
Public Health – Grant	(20,855)	1,417	1,417	Confirmed grant cut based on Department of Health consultation responses.
Public Health 0-5 Programme Grant (from Oct 2015)	(1,833)	(163)	(163)	Variance due to the 0-5 programme (see Families & Children's above).
Total	0	0	0	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
There are no risks to declare this month.		
Total		

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Public Health Service	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000s	£000s	£000s	£000s
Total MTFS Savings	350	350		
Schemes Delayed / At Risk	£000s	Reason		

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The £350,000 MTFS target is achieved by reducing the budgeted contribution from the General Fund from £350,000 in 2014/15 to zero in 2015/16.

Other contributions from Public Health to the MTFS, take the form of transformation funding in other council departments who are contributing to Public Health outcomes. These savings are reported within those departments.

The Public Health Investment Fund will be fully reviewed in December for the monitoring of progress.

APPENDIX 9: HOUSING REVENUE ACCOUNT**BUDGET REVENUE MONITORING REPORT – PERIOD 8****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
Housing Income	(77,484)	(750)	(500)	It is anticipated that there will be an underspend on the bad debt provision for rental income on Council homes, primarily as a very prudent allowance was made in the budget for the impact of Welfare Reform. The full impact of Welfare Reform has not been felt yet and the Government has not rolled out Universal Credit at the speed allowed for in our budget.
Finance and Resources	15,164	(65)	(225)	Underspends on salaries (£75k) and IT projects (£50k) are expected to be offset by a reduction in the capitalisation of staffing costs resulting from delays in commencing construction on Housing Development programme projects compared to those assumed in the budgets.
Housing Services	9,578	0	0	
Commissioning and Quality Assurance	3,119	0	0	
Strategic Housing Stock Options Appraisal HRA	0	0	0	
Property Services	2,163	0	0	
Housing Repairs	13,748	90	0	This is due to an increase in the forecast number of empty Council homes which need to be brought up to a lettable standard.
Housing Options	369	(20)	(20)	
HRA Central Costs	0	0	0	
Adult Social Care	48	0	0	
Regeneration	267	138	0	This relates to a reduction in the capitalisation of staffing costs resulting from delays in commencing construction on Housing Development programme projects compared to the position assumed when the original

Departmental Division	Revised Budget	Variance Month 8	Variance Month 7	Variance Analysis
	£000s	£000s	£000s	
				budget was prepared.
Safer Neighbourhoods	578	0	0	
Housing Capital	29,976	(155)	(155)	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.
(Contribution to)/ Appropriation From HRA General Reserve	(2,474)	(762)	(900)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
Managed Services: the general lack of data available from the system, the lack of systems assurance and reconciliation reporting, the time taken to resolve payment issues, the delay in implementing the system for leaseholder service charges, delayed and missing cash files preventing rent arrears from being managed and the associated bad debt risk, the opportunity cost of officer time in managing issues arising and other factors are expected to have both a financial and non-financial impact on the department.	unknown	unknown
Housing Repairs - There is a risk of approx. £50k for the CCTV (Chroma Vision) contract where there is no budget provision and where an additional request has been made for further funding by corporate colleagues and a business case is awaited.	50	50
Total	Unknown	Unknown

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Housing Revenue Account		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		2,187	2,187		
Schemes Delayed / At Risk	£000s	Reason			

4: 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	(13,165)	(2,474)	(762)	(16,401)

5: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The Housing Revenue Account currently forecasts an under-spend of (£762k) for 2015/16, an adverse movement of £138k since last month.

The main reason for the movement is a reduction in the forecast capitalisation of staffing costs of £198k which has resulted from commencement of construction works on Housing Development programme projects being later than originally predicted when the budget was prepared. Additionally, there has been a reduction in the underspend on IT projects of £100k as a result of a plan to convert paper housing management records into an electronic format, and an increase in the forecast number and cost of repairs of £90k to return empty Council homes to a lettable standard. These increases have been partially offset by an increase in the underspend on the bad debt provision for rental income on Council homes of (£250k), primarily as the full impact of Welfare Reform has not been felt yet.

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It should be noted that it has not been possible to complete detailed budget monitoring via Agresso this month due to the delay on the roll out of key monitoring reports. Whilst BT has released these reports to LBHF, they still cannot be accessed by key staff. However, finance officers have met with Heads of Service in order to identify significant variances from budget and to ensure that appropriate management action is taken in order to contain cost pressures. **Nevertheless, there remains a significant risk to the accuracy of forecasts until Managed Services is fully implemented.**

Further detail relating to the issues arising as a result of Managed Services are outlined in the Key Risks section above.