


<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>11 APRIL 2016</p>	
<p>CORPORATE REVENUE MONITOR 2015/16 MONTH 9 – DECEMBER 2016</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>	
<p>Report Author: Jade Cheung – Finance Manager</p>	<p>Contact Details: Tel: 020 8753 3374 E-mail: Jade.Cheung@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The General Fund 2015/16 outturn forecast variance at month 9 is an underspend of (£0.205m); a decrease of £1.390m from month 8, with budget risks of £5.100m.
- 1.2. The HRA is forecast to underspend by (£0.751m) as at 31st March 2016. HRA general reserves of (£16.390m) are forecast to be carried forward into 2016/17. The HRA budget risks are £0.050m.
- 1.3. Due to the on-going implementation of the Agresso financial system the CRM9 forecast is still not based on actual expenditure data from Agresso. CRM9 is focused on high risk areas and reflects discussions with service managers and information obtained 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. Departments have requested that they be allowed to carry forward budgets of £2.021m from year-end underspends. These will be considered at the year-end, in the context of the Councils' overall position and other priorities.

- 1.5. Virements are requested totalling £1.250m. This comprises £0.223m from Unallocated Contingency and £0.097m from the Private Sector (Direct Lettings) Incentive Payments Reserve; in order to fund Housing General Fund Temporary Accommodation Incentive Payments demand pressures totalling £0.320m. A transfer of £0.930m is requested from the Corporate Demands & Pressures reserve to the Managed Services Programme(MSP) reserve to fund additional costs of MSP implementation and stabilisation to end of June 2016.
- 1.6. In order to produce the final accounts to the statutory deadline of 30th June, a significant amount of activity is necessary. There are a number of areas where actions will be required which normally need Cabinet approval, for example; final budget carry-forwards, use of reserves, budget virements, level of bad debt provision etc. In order to meet the final accounts deadline, it is therefore proposed that decision making in relation to these issues is delegated to the Strategic Finance Director in conjunction with the Cabinet Member for Finance.

2. RECOMMENDATIONS

- 2.1. That the General Fund and HRA month 9 revenue outturn forecast variance be noted.
- 2.2. That all overspending departments to agree proposals/action plans for bringing spend in line with budget.
- 2.3. To agree the virement totalling £1.250m (Appendix 10). This comprises £0.223m from Unallocated Contingency and £0.097m from the Private Sector (Direct Lettings) Incentive Payments Reserve; in order to fund Housing General Fund Temporary Accommodation Incentive Payments demand pressures totalling £0.320m. A transfer of £0.930m is requested from the Corporate Demands & Pressures reserve to the Managed Services Programme(MSP) reserve to fund additional costs of MSP implementation and stabilisation to end of June 2016.
- 2.4. To note that departments have requested that they be allowed to carry forward budgets of £2.021m from year-end underspends. These will be considered at the year-end, in the context of the Councils' overall position and other priorities.
- 2.5. To note that in order to produce the final accounts to the statutory deadline of 30th June, a significant amount of activity is necessary. It is therefore proposed that decision making in relation to these issues is delegated to the Strategic Finance Director in conjunction with the Cabinet Member for Finance.

3. REASONS FOR DECISION

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

4. CORPORATE REVENUE MONITOR (CRM) 2015/16 MONTH 9 GENERAL FUND

Table 1: General Fund Projected Outturn – Period 9

Department	Revised Budget At Month 9 £000	Forecast Year End Variance At Month 9 £000	Forecast Year End Variance At Month 8 £000
Adult Social Care	61,242	308	840
Centrally Managed Budgets	25,040	(220)	(220)
Children's Services	48,323	1,372	1,575
Corporate Services	16,399	175	185
Environmental Services	45,465	(176)	119
Controlled Parking Account	(20,318)	(1,664)	(1,302)
Housing General Fund	6,694	0	(12)
Library Services (Shared Services)	3,221	0	0
Public Health Services	0	0	0
Net Operating Expenditure*	186,066	(205)	1,185
Key Risks		5,100	4,524

*note: figures in brackets represent underspends

- 4.1. 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).
- 4.2. The favourable variance for Centrally Managed Budgets excludes any unspent contingency funds. Currently £1.9m of contingency balances are uncommitted.

5. CORPORATE REVENUE MONITOR 2015/16 HOUSING REVENUE ACCOUNT

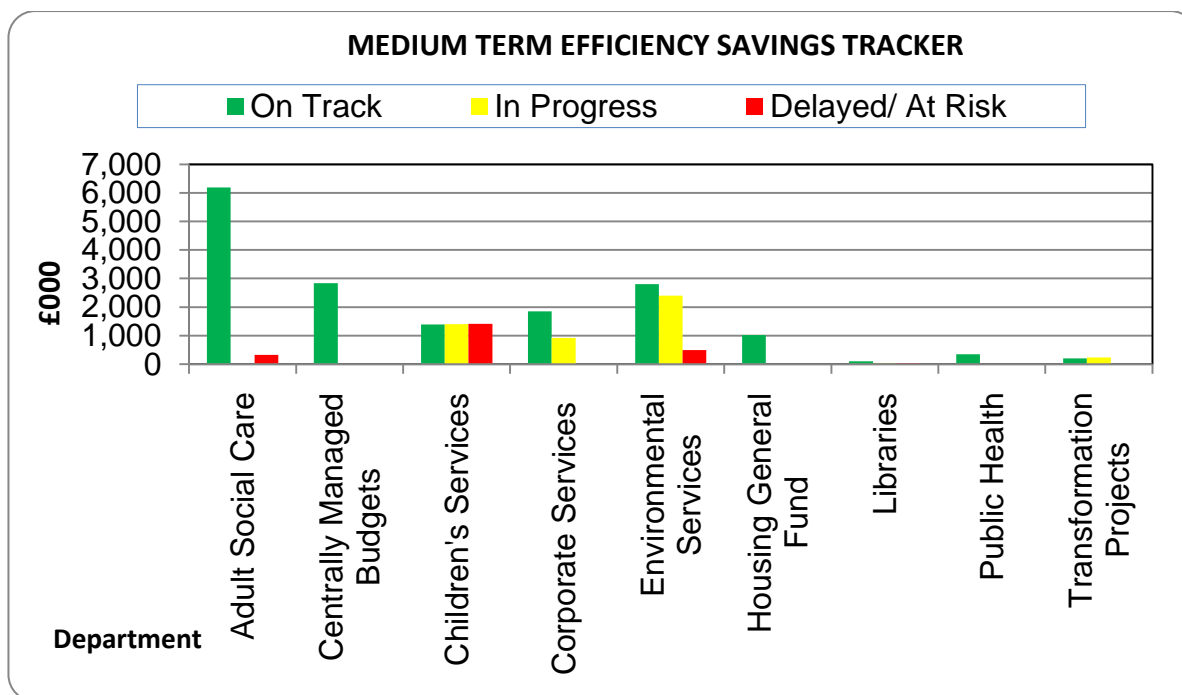
Table 2: Housing Revenue Account Projected Outturn - Period 9

Housing Revenue Account	£000
Balance as at 31 March 2015	(13,165)
Add: Budgeted Contribution to Balances	(2,474)
Add: Forecast Underspend	(751)
Projected Balance as at 31st March 2016	(16,390)
Key Risks	50

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

6. MEDIUM TERM FINANCIAL STRATEGY EFFICIENCY TRACKER SUMMARY

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



7. VIREMENTS & WRITE OFF REQUESTS

- 7.1. Cabinet is required to approve all budget virements that exceed £0.1m. The virements requested in month 9 total £1.250m (£0.320m Housing; and £0.930m FCS).
- 7.2. A package of incentive payments to landlords associated with the Council's temporary accommodation portfolio is currently forecast to cost £0.320m in 2015/16. Cabinet is requested to approve the virement of £0.223m from Unallocated Contingency and £0.097m from the Private Sector (Direct Lettings) Incentive Payments Reserve to fund this expenditure (appendix 10).
- 7.3. A transfer of £0.930m is requested from the Corporate Demands & Pressures reserve to the Managed Services Programme(MSP) reserve to fund additional costs of MSP implementation and stabilisation to end of June 2016. This is a result of additional costs for hosting existing systems (£0.320m), programme management (£0.230m) and Backfill/MSP stabilisation team (£0.380m). This funding is required to ensure progress of MSP implementation and stabilisation and help facilitate the production of the 2015/16 statement of accounts within statutory deadlines.
- 7.4. There are no write-off requests at month 9.

8. CARRY-FORWARD PROPOSALS

- 8.1. Departments have presented justifications to carry-forward underspend budgets of £2.021m into 2016/17 subject to any appropriate corporate adjustments based upon the final outturn position (appendix 11). These will be considered at the year-end, in the context of the Councils' overall position and other priorities.

9. CONSULTATION

9.1. N/A.

10. EQUALITY IMPLICATIONS

10.1. Adjustments to budgets are not considered to have an impact on one or more protected groups so an equality impact assessment (EIA) is not required.

11. LEGAL IMPLICATIONS

11.1. There are no legal implications for this report.

12. FINANCIAL AND RESOURCES IMPLICATIONS

12.1. The General Fund outturn forecast at month 9 is an underspend of (£0.205m), (a decrease of £1.390m from month 8), with budget risks of £5.100m. In month 9 the main Service underspends have arisen from Centrally Managed Budgets, Environmental Services and Controlled Parking Account.

12.2. The HRA is forecast to underspend by £0.751m as at 31st March 2016. HRA general reserves of £16.390m are forecast to be carried forward into 2016/17. The HRA budget risks are £0.050m.

12.3. Departments have requested that they be allowed to carry forward budgets of £2.021m from year-end underspends. These will be considered at the year-end, in the context of the Councils' overall position and other priorities.

12.4. The virements requested in month 9 total £1.250m (£0.320m Housing; and £0.930m FCS). A package of incentive payments to landlords associated with the Council's temporary accommodation portfolio is currently forecast to cost £0.320m in 2015/16. Cabinet is requested to approve the drawdown of £0.223m from Unallocated Contingency and £0.097m from the Private Sector (Direct Lettings) Incentive Payments Reserve to fund this expenditure (appendix 10). A transfer of £0.930m is requested from the Corporate Demands & Pressures reserve to the Managed Services Programme(MSP) reserve to fund additional costs of MSP implementation and stabilisation to end of June 2016.

12.5. In order to produce the final accounts to the statutory deadline of 30th June, a significant amount of activity is necessary. There are a number of areas where actions will be required which normally need Cabinet approval, for example; final budget carry-forwards, use of reserves, budget virements, level of bad debt provision etc. In order to meet the final accounts deadline, it is therefore proposed that decision making in relation to these issues is delegated to the Strategic Finance Director in conjunction with the Cabinet Member for Finance.

12.6. Due to the on-going implementation of the Agresso financial system the CRM9 forecast is still not based on actual expenditure data from Agresso. CRM9 is focused on high risk

areas and reflects discussions with service managers and information obtained 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.

12.7. Implications verified/completed by: Jade Cheung – Finance Manager

13. IMPLICATIONS FOR BUSINESSES

13.1. There are no implications for local businesses.

14. RISK MANAGEMENT

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

15. PROCUREMENT AND IT STRATEGY IMPLICATIONS

15.1. 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
- Appendix10 Virements
- Appendix11 Budget Carry Forward Proposals

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 8	Variance Analysis
	£000	£000	£000	
Integrated Care	45,767	301	797	<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, including 7 days social care services 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 gross projected overspend of £2,046,000 which has been managed downward by Community Independence Service (CIS) Investment allocation of (£358,000), Care Act funding of (£557,000) and new health care funding (still to be agreed) leaving a net £731,000 overspend. Since the commencement of the year there has also been an increase in customer numbers of 144 in 2015/16 which accounts for some of the projected overspend.</p> <p>The department jointly with the Clinical Commissioning Group (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 in 2016/17 and will be subject to CCG Board approval. 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</p>

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
				<p>contribution from the CCG and potential economies from new ways of working.</p> <p>There is an underspend in the Private Finance Initiative (PFI) budget of (£329,000) in 2015/16 due to an out of court settlement reached in April 2015 with Care UK under the Private Finance Initiative (PFI) contract. 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 (£560,000). 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 one case, the transfer of two customers who meet Continuing Health Care and a lowering of the risk factored in for Transitions customers.</p> <p>The Mental Health Team budget is projecting a net underspend of (£136,000) relating to staffing costs and relocation of staff from Old Oak Common to Claybrook Centre from the 1st October 2015 resulted in a rental underspend of (£80,000), which is partly offset by the Community Independence Service staffing pressures of £113,000, leaving a net underspend of (£103,000).</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 £148,000 which has been offset by one off budget virement of (£120,000) from earmarked reserve leaving a balance</p>

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
				<p>of £28,000. From 2015/16, there is CCG funding from the CIS model to assist with the budgetary pressure.</p> <p>There is an income shortfall of £280,000 on the Careline services. The Department is funding the shortfall by a transfer from an earmarked reserve.</p> <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: Reductions in residential and nursing placements is moving in the right direction with some reduction in volumes of placements with savings of (£605,000) 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 £612,000.</p>
Strategic Commissioning & Enterprise	7,342	35	56	<p>The main variances in this Division are a projected net underspend of (£50,000) 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 salary budgets, resulting in a net projected overspend of £117,000 due to the need to recruit additional resources to cover workloads, which is partly offset by a projected under spend of (£65,000) within Meals services.</p>
Finance & Resources	7,351	0	0	

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
Executive Directorate	782	(28)	(13)	There is a projected underspend of (£90,000) within the workforce development training budgets which is offset by salary overspends of £62,000 .
Total	61,242	308	840	
Funding from Pressures and Demand Reserve	0	0	0	Cabinet approved £1.237m from the ASC Pressures and Demand 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	61,242	308	840	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000	£000
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.		150
Total		150

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

Adult Social Care	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000	£000	£000	£000
Total MTFS Savings	6,514	6,190	0	324

Schemes Delayed / At Risk	£000	Reason
	324	Factored into the month 9 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 £308,000 as at end of period nine, this is an decrease in the overspend of £532,000 compared to the period eight projected overspend of £840,000.

The department is expected to deliver savings of £6,514,000 in this financial year and at this stage of the year 95% are on track to be delivered in full.

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.

5: Action Plan to Monitor Budget Overspend.

The Department has an action plan to work with budget managers to reduce overspend and bring the budget to break-even. Since last month's report, the management actions have reduced the projected overspend by £532,000 mainly from a further review of Learning Disability (LD) customers with care packages or placements and from negotiated discussions with Health on contributing to home care services as part of the out of Hospital strategy.

In addition, the Adult Social Care (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 and, the review of homecare costs pressures.

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 has negotiated funding 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 which will be presented to CCG boards for approval.

6. 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 which is included in the proposed 2016/17 ASC budgets.

7: Carry forward request

- The department is projecting an overspend of £308,000 and therefore under Financial regulations is unable to request any carry forwards in the report. Given the forecast has improved by £930,000 over the last two periods should there be a favourable movement at outturn, the department have a number of budget pressures in 2016/17 which require consideration at year end.
- There is an income shortfall of £280,000 on Careline which will need a carry forward from 2015/16 until the future of the service has been reviewed.
- MTFs Transformation Project Customer journey operations alignment: delays in transformation for 3 months of full year saving proposed of £334,000.
- Placement demand and pressures included in risks of £546,000.

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 8	Variance Analysis
	£000	£000	£000	
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)	(200)	Unfunded pension costs (from historic redundancies) are forecast to be under budget.
Total	25,040	(220)	(220)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000	£000
Shared Services Office Accommodation Costs are currently under review.	0	720
Land Charge Income risk due to housing market activity levels.	0	80
Total	0	800

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

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

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

The favourable variance for Centrally Managed Budgets excludes any unspent contingency funds. Currently £1.9m of contingency balances are uncommitted.

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 8	Variance Analysis
	£000s	£000s	£000s	
Family Services	31,518	625	1,078	<p>Following an audit of placements within Family Services at the end of December, the in-year forecast costs across Adoption, Residential Looked After Children (LAC) and Scheme Fostering placements have been revised.</p> <p>There has also been a reduction in spot purchase residential parenting & mother and baby assessments, and grant funding has now also been confirmed from the DfE for the Staying Put programme.</p> <p>In addition, two children previously in high cost residential placements have returned with their parents, thereby reducing the forecast expenditure on children homes. This has contributed to the favourable movement from last month variance of £453k.</p> <p>There are staffing cost pressures across the service of £253k. Within this pressure, £141k is in relation to the LAC and Leaving Care teams as expenditure on agency workers has been higher than expected due to difficulties in the recruitment to permanent posts, although Parenting assessment workers have recently TUPE over to the new provider.</p> <p>There are pressures on Virtual Schools as a result of a shortfall on the MTFS target and a reduction in grant funding of £189k, and 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 £89k.</p>

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000s	£000s	£000s	
				<p>There are other departmental variances including unfunded budget pressures at the Multi Agency Safeguarding Hub (MASH), Youth Offending teams where a reduction in grant income has presented an in-year pressure, and other pressures, which are partially offset by underspends to result in a pressure of £94k in month 9. This pressure has been reflected with a growth bid for 2016/17.</p> <p>These are being reviewed by the service with a view to reducing expenditure in the financial year.</p>
Schools Commissioning and Education Services	4,531	(85)	(40)	<p>There are favourable variances in the division due to staffing underspends within the Sensory and Language Support (SLS) and Schools Standards (£184k) teams, plus a forecast underspend within Educational Achievement (£90k)</p> <p>There are further forecast underspends on building expenditure at the Professional Development Centre (£51k), and small underspends throughout the division (£35k)</p> <p>A pressure of £275k is forecast as a result of the requirement for additional unfunded posts required to support service stability through the conversion of Special Educational Needs (SEN) Statements into the new Education, Health and Care Plan (EHCP) format.</p>
Children's Commissioning	5,290	453	328	<p>As previously reported, the delay in the implementation of the divisional restructure plus additional one-off costs associated with the transition to the new structure has resulted in a pressure across team costs within Commissioning of £654k. It is expected however that once the restructure is implemented it will deliver MTFs savings earmarked for 16/17.</p> <p>This pressure is partially offset by in year savings on LAC (Looked After Children) Designated Nurse (£66k) and Childrens and Adolescents Mental Health Services (CAMHS) (£52k) budget, plus contract savings within the Young Peoples Provision service. (£83k)</p>

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	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	142	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. The movement in forecast is due to Child Sexual Exploitation (CSE) funding now being received and the confirmation of the sharing of staff costs with RBKC and WCC.
Finance & Resources	5,247	237	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 of £346k , plus costs to support the development of major projects and service reviews within Family and Children's Services and ICT team costs of £88k . Offset partially by additional rental income.
Total	48,323	1,372	1,575	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
21+ Increase in Education	0	267
Staying Put	0	241
Consequential Costs of Staying Put Arrangements	0	95
18+ Children With Disabilities not meeting ASC criteria	0	0
Impact of Secure Remand on Leaving Care	0	0
Serious Case Review Costs	43	25
Unaccompanied Asylum Seeking Children 18+ (unfunded 25 FTEs)	0	377
No Recourse to Public Funds	0	0

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Southwark Judgement	0	70
Delayed start to Assessment Contract	92	92
ICT Costs	30	92
New users to SEN Transport service	0	30
LAC and Leaving Care Team	141	225
Tower Hamlets Kinship Fee Payments	0	297
Multi Systemic Therapy (MST) contribution	0	50
YOT Grant Reduction	14	20
Delay in Commissioning restructure	654	700
Total	974	2,581

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	250	There has been an increase in the number of children presenting with		

residential need		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)

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 £1,372k.

In terms of the remainder of the spending pressures, the department continues to review proposals to contain expenditure for the rest of the year. 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 9****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
H&F Direct	19,259	230	230	The main pressure remains a projected £230k (£200k in CRM7) 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	(181)	65	65	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	256	0	0	No change
Shared ICT Services & Procurement	(2,622)	0	0	Expected to be within budget, provided budgets are vired for special projects that were funded centrally in previous years.

Departmental Division	Revised Budget £000	Variance Month 9 £000	Variance Month 8 £000	Variance Analysis
Commercial Directorate	(8)	0	0	Expected to be within budget, but there is a risk of £60k overspend if MTFS efficiency savings from the stationery contract cannot be clawed back from the departments.
Executive Services	(716)	(10)	0	10k underspend are due to vacancies held for this service.
Human Resources	393	(110)	(110)	This is due to the early achievement of next year's £80k savings, use of graduates and holding vacancies
Delivery and Value	23	0	0	Expected to be within the overall budget by the year end. It is anticipated that the unachievable income targets in media, communications and Hammerprint will be offset by underspends in other areas in the division.
Total	16,399	175	185	

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
	£000	£000	£000	£000
Total MTFS Savings	2,762	1,845	917	
Schemes Delayed / At Risk	£000	Reason		

APPENDIX 5: ENVIRONMENTAL SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 9****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
Cleaner, Greener & Cultural Services	20,935	(1,138)	(1,122)	<p>(£1,074k) 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 £440k 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>(£49k) Waste Contract and Enforcement – Forecast underspend on the contract is due to negative inflation in 2015/16.</p> <p>£22k Other smaller net overspends</p>
Safer Neighbourhoods	7,781	601	657	<p>£120k Transport – The Transport budgets were 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 £000	Variance Month 9 £000	Variance Month 8 £000	Variance Analysis
				<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 the prior year saving in this area will not 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>(£51k) Other smaller net underspends</p>
Customer & Business Development	600	119	87	<p>£59k Registrars – A forecast income shortfall of £115k (£23k improvement on last month), is partially offset by a £58k staffing underspend due to vacant posts. Resourcing and opening hours are currently under review with the aim of maximising income generating potential and reducing the forecast overspend before year end.</p> <p>£267k Ducting contract – overspend reflects slippage on the contract commencement date.</p> <p>(£167k) 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>£37k Other net overspends</p>

Departmental Division	Revised Budget £000	Variance Month 9 £000	Variance Month 8 £000	Variance Analysis
Former ELRS Executive Directorate & Finance	(94)	114	114	£153k People Portfolio Saving – the savings target is not expected to be 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
Sub-total	29,222	(304)	(264)	
Building & Property Management (BPM)	(1,913)	647	772	£731k in Advertising Hoardings – There was a significant shortfall in income from the Two Towers advertising hoarding site during the first half of the year. The position has since improved but not enough to offset the entire earlier shortfall. Negotiations are ongoing with the contractors to address the position. £19k in Civic Accommodation – This is due to a combination of unachievable rental income target of about £39k, offset by a favourable net variance of (£20k) on Utilities and Third Party Payments. £46k Technical Support and BPM Business Support – This is made up of staffing overspend of £27k in Technical Support and £17k in BPM Business Support. (£61k) Facilities Management – The staffing restructure in BPM services resulted in a favourable variance of (£55k). There is a further underspend of (£17k) from the EC Harris contract. These underspends are offset by an overspend of £12k in the Carbon Reduction Section where a budget reduction is assumed. (£49k) Building Control – This favourable variance is due to additional income from large building schemes. (£27k) Rent and Other Properties . Higher than expected income in Commercial rents. (£13k) Valuation Services – Staffing underspend in the Asset Management Team of (£13k). There is a risk that the Property Disposal section will overspend due to costs incurred on properties that may not be sold. These overspend will be offset

Departmental Division	Revised Budget £000	Variance Month 9 £000	Variance Month 8 £000	Variance Analysis
				by a drawdown from reserve with a current balance £100k.
Transport & Highways	12,684	(278)	(240)	(£278k) Network management – (£270k) It is expected overall that Transport and Highways will be on budget this year. However this includes an underspend of £261k on the DEFRA flood grant which is proposed to be carried forward to be spent next year (See carry forward request below).
Planning	2,622	(134)	(167)	The favourable position is mainly from higher than expected levels of income from Planning Regeneration and a drawdown from the planning reserve. However, there is a risk of slippage on regeneration scheme income if developers do not progress schemes. This is not included in the forecast. (ref: Risks table below)
Environmental Health	3,440	9	0	
Former TTS Support Services	(590)	(116)	18	The overspend of £18k on unachievable savings is offset by a drawdown of (£134k) from reserves.
Sub-total	16,243	128	383	
Total	45,465	(176)	119	The variance for Month 8 included an assumed carry forward of £261k flood grant funding. This has been excluded from the Month 9 variance.

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Due to the delay in the sales to cash module in Agresso becoming operational the ES service group 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
	£000	£000
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	350
If developers do not progress regeneration schemes then funding for the services of planners may not be forthcoming	0	175
If a legal challenge on license fees is successful.	0	42
Total	0	1,367

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

Environmental Services	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000	£000	£000	£000
Total MTFS Savings	5,702	2,805	2,403	494
Schemes Delayed/ At Risk	£000	Reason		
Increased income from CCTV ducting contract	160			
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.	109	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.

A number of other pressure areas exist. Budget growth is in the plans for 2016/17 for Hammersmith All Weather pitch 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.

5: Carry Forward Proposals

Environmental Services is currently projecting an overall underspend of (£176k). It has identified one proposal for a carry forward into 2016/17 that will be considered at the year end:

- £261k of the ring-fenced Department of Environment, Food and Rural Affairs (DEFRA) funding for committed and future flood and water management projects. This is required to contribute towards future projects currently estimated at £951k at 31st December 2015. The current reserve balance is £673k.

A carry forward of £261k for flood works would result in a year end variance of £85k adverse for the Environment Services as a whole. There are two carry forwards which the Service would like to make but which are currently unaffordable. If finances improve sufficiently by year end then the service will propose:

- £160k to the Fulham Palace and Bishops Park reserve. There is currently a £160k shortfall in the five-year site maintenance and management budget to 2019/20, as the Council committed to in the Heritage Lottery grant funding agreement (which funded the recent major redevelopment of the site). £140k for the additional budget risk in 2016/17 if the costs of managing the disposal of properties cannot be met from the 4% of capital receipts permitted to be spent on disposal costs.

APPENDIX 5a: CONTROLLED PARKING ACCOUNTS (CPA)**BUDGET REVENUE MONITORING REPORT – PERIOD 9****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
Pay & Display (P&D)	(12,229)	667	821	Pay and display receipts are lower in the first nine months of 2015-16 than they were in the same period last year. Other boroughs in London are seeing similar reductions.
Permits	(4,690)	55	46	The amount received for parking permits to the end of December is similar to the previous year.
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	592	577	The number of PCNs issued in the first nine months of 2015-16 is 7% lower than in the same period last year. This has resulted in a forecast shortfall against budget.
Bus Lane PCNs	(915)	(675)	(642)	There has been an increase in the numbers of PCNs issued in the first nine 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)	(50)	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)	(1,246)	(1,365)	There has been an increase in the numbers of PCNs issued in the first nine months of the year as compared with the same period in the previous year. This has led to a forecast surplus against budget.
Parking Bay Suspensions	(2,423)	(768)	(831)	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)	34	64	Receipts from towaways are at a similar level to the previous year.
Expenditure and Other Receipts	12,919	(273)	(122)	Staffing is forecast to underspend by (£295k), due to a number of vacant civil enforcement officer posts.
Total	(20,318)	(1,664)	(1,502)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000	£000
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 the Parking Bay Suspension income which may change at short notice due to fluctuations in demand.

A carry-forward request of £300k will be submitted at the year-end to pay for new CCTV signage.

APPENDIX 6: HOUSING DEPARTMENT - GENERAL FUND**BUDGET REVENUE MONITORING REPORT – PERIOD 9****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
Housing Options, Skills & Economic Development	6,758	0	(12)	<p>This mainly relates to:</p> <ul style="list-style-type: none"> a reduction in procurement costs (£203k) 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 (£512k) due to lower average client numbers (103 forecast compared to 175 in the original budget) which is offset by a predicted overspend of £581k mainly as a result of inflationary pressures on rents for suitable temporary accommodation from private sector landlords, £134k salaries overspend as a result of resourcing issues 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	0	(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.	28	142
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
	£000	£000	£000	£000
Total MTFS Savings	1,023	1,023		
Schemes Delayed / At Risk	£000	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 break even against the budget. This represents a minor deterioration in the forecast outturn since last month of £12k.

The movement mainly relates to a forecast reduction in the net cost of Bed and Breakfast (B&B) accommodation of (£164k), further inflationary cost pressures of £185k on the rents for providing suitable temporary accommodation from private sector landlords to enable the Council to meet its homelessness obligations, and a reduction in procurement costs (£9k) following the expiry of an expensive lease for temporary accommodation.

A package of incentive payments to landlords associated with the Council's temporary accommodation portfolio is currently forecast to cost £320k this year. Cabinet in November 2012, approved a package of measures to minimise the costs of temporary accommodation. It is now proposed to drawdown the remaining funding of £320K from the funds earmarked for this purpose: £223k from the Unallocated Contingency and a Housing departmental reserve of £97k. This is a planned draw down from resources specifically set aside for this purpose. If the draw down is not made then the department would need to declare an overspend.

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 9****1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
Libraries Shared Services	3,221	0	0	At this stage forecast is to budget
Total	3,221	0	0	

2: Key Risks

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

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

Libraries Shared Services	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000	£000	£000	£000
Total MTFS Savings	162	107	21	34
Schemes Delayed / At Risk	£000	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)

We are still reflecting items at risk, but anticipate that any shortfall will be mitigated by some other small underspends. As a result, there is no change to the forecast.

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 8	Variance Analysis
	£000	£000	£000	
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	(509)	(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	596	616	PHIF projects reviewed for progress, with lower spend in some projects.
Salaries and Overheads	1,435	(200)	(200)	Salaries and vacancy monitoring has identified underspends.
Drawdown from Reserves	(783)	(672)	(818)	The variance shown 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
	£000	£000
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
	£000	£000	£000	£000
Total MTFS Savings	350	350		
Schemes Delayed / At Risk	£000	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 has been reviewed and the projected outturn is included in the position set out above.

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

Departmental Division	Revised Budget	Variance Month 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
Housing Income	(77,484)	(750)	(750)	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)	(65)	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	90	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	(9)	(20)	
HRA Central Costs	0	0	0	
Adult Social Care	48	0	0	
Regeneration	267	138	138	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 9	Variance Month 8	Variance Analysis
	£000	£000	£000	
				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)	(751)	(762)	

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
		£000	£000	£000	£000
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
	£000	£000	£000	£000
HRA General Reserve	(13,165)	(2,474)	(751)	(16,390)

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

The Housing Revenue Account currently forecasts an under-spend of (£751k) for 2015/16, a minor deterioration in the variance since last month of £11k.

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.

APPENDIX 10 - VIREMENT REQUEST FORM**BUDGET REVENUE MONITORING REPORT – PERIOD 9**

Details of Virement	Amount (£000)	Department
GENERAL FUND:		
To fund Housing General Fund Temporary Accommodation Incentive Payments demand pressures:		
<ul style="list-style-type: none"> • Transfer from Unallocated Contingency budget £223K, and • £97K drawdown from the Private Sector (Direct Lettings) Incentive Payments Reserve. 	223 / (223)	HGF / CMB
	97 / (97)	HGF / Reserves
A transfer of £0.930m is requested from the Corporate Demands & Pressures reserve to the Managed Services Programme (MSP) reserve to fund additional costs of MSP implementation and stabilisation to end of June 2016.	930 / (930)	FCS / Reserves
Total General Fund Virements (Debits)	1,250	
HRA:	0	
Total HRA Virements (Debits)	0	

Departmental Name Abbreviations	
HGF	Housing General Fund
CMB	Centrally Managed Budgets

APPENDIX 11: DETAILED BUDGET CARRY FORWARD PROPOSALS

CARRY FORWARD PROPOSALS AS AT CRM9	AMOUNT
	£000
ENVIRONMENTAL SERVICES	
To fund committed and future projects in relation to the Flood and Water Management grant from DEFRA.	261
Fulham Palace. To fund a shortfall in the five-year site maintenance and management budget to 2019/20, as the Council committed to in the Heritage Lottery grant funding agreement (which funded the recent major redevelopment of the site).	160
For the additional budget risk in 2016/17 if the costs of managing the disposal of properties cannot be met from the 4% of capital receipts permitted to be spend on disposal costs.	140
TOTAL ENVIRONMENTAL SERVICES	561
CONTROLLED PARKING ACCOUNT	
Changes in signage to comply with the Information Commissioners Office (ICO) Code of Practice on CCTV surveillance.	300
Total CPA	300
ADULT SOCIAL CARE	
Income shortfall of £0.280m on Careline until the future of the service has been reviewed.	280
Medium Term Financial Strategy (MTFS) Transformation Project Customer journey operations alignment - delays in transformation for 3 months of a full year saving proposed of £0.334m.	334
Placement demand and pressures relating to the London Living Wage of £0.546m.	546
TOTAL ADULT SOCIAL CARE	1.160
TOTAL PROPOSED CARRY FORWARD OF UNDERSPEND	2.021