


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">4 SEPTEMBER 2017</p>	
<p>CORPORATE REVENUE MONITOR 2017/18 MONTH 2 – 30th MAY 2017</p>	
<p>Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For decision and for information</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Finance Director</p>	
<p>Report Author: Gary Ironmonger – Finance manager</p>	<p>Contact Details:</p> <p>Tel: 020 8753 2109</p> <p>Gary.Ironmonger@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The General Fund 2017/18 forecast outturn variance for month 2 is a gross overspend of **£2.896m**.
- 1.2. The potential value of currently identified mitigating actions is **£1.765m**, which will result in a net overspend of **£1.131m**. Delivery of action plans is assigned to relevant responsible Directors. Further work is being undertaken to identify actions to close the remaining net overspend.
- 1.3. The forecast overspend outturn variances reported by five departments in overspend value order are:
 - 1) Children’s Services primarily due to Commissioning and family services
 - 2) Regeneration Planning Housing Services mainly due to temporary accommodation pressures
 - 3) Centrally Managed Budgets due to low interest rates on council cash balances

- 4) Environmental Services Group due to underachievement of income within building and property management
- 5) Libraries due to forgone savings opportunities.

1.4. The Housing Revenue Account outturn variance for 2017/18 is a **break even position** at Month 2. HRA general reserves of £0.789m are forecasted to be carried forward into 2018/19, with a HRA credit balance of **£20.918m** at year-end.

2. RECOMMENDATIONS

2.1. To note the General Fund and Housing Revenue Account month 2 forecast revenue outturn variances.

2.2. To note the action plans amounting to **£1.765m**, seeking to address the General Fund gross overspend forecast variance of **£2.896m**. All overspending departments will need to respond with further actions to reduce the net forecast overspend after mitigating actions of **£1.131m**.

2.3. To approve the proposed virements requests in appendix 11.

3. REASONS FOR DECISION

3.1. The reasons for the recommendations are to report the revenue expenditure position for the Council and to comply with the Financial Regulations.

4. CORPORATE REVENUE MONITOR (CRM) 2017/18 MONTH 2 GENERAL FUND

4.1. Table 1 below sets out the position for month 2.

Table 1: 2017/18 General Fund Gross Forecast Outturn Variance – Month 2

Department ¹	Revised Budget Month 2 £m	Forecast Outturn Variance Month 2 £m	Month 2 Forecast Variance %
Adult Social Care (ASC)	59.509	(0.012)	(0.01%)
Children's Services (CHS)	45.446	1.227	0.71%
Controlled Parking Account (CPA)	(22.235)	(0.130)	(0.08%)
Corporate Services	16.528	(0.367)	(0.21%)
Environmental Services (ES)	44.871	0.494	0.29%
Regeneration, Planning and Housing Services (RPHS)	6.373	0.877	0.51%
Library & Archives Service	2.685	0.142	0.08%
Public Health Services	0	0	0.00%
Centrally Managed Budgets (CMB)	18.800	0.665	0.39%
Total	171.976	2.896	1.7%

4.2. Overspends in ASC are offset by the use additional external funding in 2017/8 totalling £6.05m relating to Improved Better Care Fund £0.831m (ongoing, expected to increase in 2018/19 and 2019/20), Spring Budget Additional Funding £4.297m (reducing in 2018/19 and 2019/20), Adult Social Care Support Grant £0.922m (one-off). In addition to this external funding, the Council provided £2.66m budget growth on an ongoing basis to support ASC budget pressures giving a total of additional funding of £8.71m in 2017/18.

4.3. Temporary Accommodation is the main budget pressure for RPHS.

4.4. Action plans to mitigate the forecast overspends are in the process of being identified. The potential value of mitigating actions already identified is

¹ Figures in brackets represent underspends

£1.765m, which will result in a net overspend of **£1.131m**. All overspending departments will need to respond with further actions to reduce the net forecast overspend of **£1.131m** to nil by year-end without the use of corporate resources.

Table 2: Summary of Net Forecast Outturn Variances After Action Plans

Department	Gross Forecast Outturn Variance Month 2 £m	Potential Value of Action Plan Mitigations Month 2 £m	Forecast Outturn Variance Net of Planned Mitigations £m	Paragraph reference to action plans
Adult Social Care	(0.012)	0	(0.012)	
Children's Services	1.227	0.466	0.761	4.5.1
Controlled Parking Account	(0.130)	0	(0.130)	
Corporate Services	(0.367)	0	(0.367)	
Environmental Services	0.494	0.494	0	4.5.2
Housing General Fund	0.877	0	0.877	4.5.3
Library & Archives Service	0.142	0.140	0.002	4.5.4
Centrally Managed Budgets	0.665	0.665	0	4.5.5
Total	2.896	1.765	1.131	
%	100%	61%	39%	

5. CORPORATE REVENUE MONITOR 2017/18 MONTH 2 DEDICATED SCHOOLS GRANT

- 5.1. Dedicated schools grant (DSG) is paid in support of local authority schools budgets, being the main source of income for the schools budget. This is split between central expenditure and the individual schools budget (ISB) in conjunction with the local schools' forum.
- 5.2. Central expenditure includes both the High Needs Block and Early Years funding which have come under increased pressure, with the Council in an overspent DSG balance of £2.165m at 31 March 2017. Children's Services are therefore considering the actions required to fund the overspend and address the underlying budget pressures.

6. CORPORATE REVENUE MONITOR 2017/18 MONTH 2 HOUSING REVENUE ACCOUNT

- 6.1. The Housing Revenue Account is currently forecasting a **breakeven position** at Month 2. (appendix 10).

Table 3: Housing Revenue Account Forecast Outturn - Month 2

Housing Revenue Account	£m
Balance as at 31 March 2017	(20.129)
Add: Budgeted (Contribution) / Appropriation from Balances	(0.789)
Add: Forecast Surplus Outturn Variance	0.000
Projected Balance as at 31st March 2018	(20.918)

7. VIREMENTS & WRITE OFF REQUESTS

- 7.1. Cabinet is required to approve all budget virements that exceed £0.1m. General Fund budget virements of £1.596m relating mainly to applications of reserves have been requested for month 2. The HRA have also requested virements of £0.256m relating to drawdown from reserves and employers pension contribution. Appendix 11 has the details.
- 7.2. There are no write-off requests for month 2.

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 equality impact assessment (EIA) is not required.

10. LEGAL IMPLICATIONS

10.1. There are no legal implications for this report.

11. FINANCIAL AND RESOURCES IMPLICATIONS

11.1. This report is financial in nature and those implications are contained within. Moving On and the ongoing implementation of Managed Services and Agresso and have financial implications which are being reviewed and may impact on the accuracy of the figures in this report.

11.2. Implications completed by: Gary Ironmonger, Finance Manager, 0208 753 2109.

12. IMPLICATIONS FOR BUSINESS

12.1. There are no implications for local businesses.

13. RISK MANAGEMENT

13.1. Details of actions to manage financial risks are contained in appendices 1-10.

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

14.1. There are no implications for this report.

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
	None		

LIST OF APPENDICES

Appendix number	Title
Appendix 1	Adult Social Care Revenue Monitor
Appendix 2	Children's Services Revenue Monitor
Appendix 3	Controlled Parking Account Revenue Monitor
Appendix 4	Corporate Services Revenue Monitor
Appendix 5	Environmental Services Revenue Monitor
Appendix 6	Regeneration Planning Housing Services Fund Revenue Monitor
Appendix 7	Library & Archives Service Revenue Monitor
Appendix 8	Public Health Services Revenue Monitor
Appendix 9	Centrally Managed Budgets Revenue Monitor
Appendix 10	Housing Revenue Account Revenue Monitor
Appendix 11	Virement Requests

APPENDIX 1: ADULT SOCIAL CARE
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2

Table 2 - Variance Analysis	£000
Integrated Care	
A projected overspend of £3,430,000 on Home Care and Direct Payments. Similar to the previous 2 years, there are continued pressures as part of the out of hospital strategy including 7-day social care services to support customers at home and avoid hospital admissions or to enable early discharge. This has naturally led to an increase in home care costs above that which is normally expected. The main reasons for the overspend in 2017/18 are the full year effect of increased customer numbers from last year of 207 new customers leading to a budget pressure of £2,566,000. The Home Care and Direct payment rates have increased due to the London living wage increases which results in pressures of £864,000.	3,430
Better Care Fund savings shortfall of £587,000. Within the base budget is an MTFS efficiency of £2m following previous negotiations with Health over the Better Care Fund. The efficiency target has various target measures to deliver savings by the avoidance of care in placements, savings in jointly commissioned contracts and securing lower prices. The department is projecting to deliver reductions on placements which continues to move in the right direction with a reduction in volumes leading to forecast savings of £1.413m of the £2m target expected.	587
Mental Health Services is projecting an overspend of £977,000. This service continues to have increasing number of placements with the full year effect from last year of 6 new customers and prices increases above inflation leading to budget pressures of £715,000. In Mental Health, Home Care, and Direct Payment pressures amount to £262,000 with the full year effect of 6 further new customers.	977
Minor variances	94
Total Integrated Care	5,088
Strategic Commissioning & Enterprise	
Small contractual underspends because of reduction in take up.	(30)
Total Strategic Commissioning & Enterprise	(30)
Executive Directorate	
Projected underspend against supplies and services budgets within the	(20)

Table 2 - Variance Analysis	£000
Directorate and Executive support budgets.	
Total Executive Directorate	(20)
Funding from ASC Pressures and Demand Reserves	0
ASC Funding from December 2016 and Spring 2017 budget settlements.	
The department has been allocated Improved Better Care Funding of £4,297,000 in the Spring Budget and £831,000 in the December funding settlement. The plans for this funding are being discussed with Health and will need to be presented to the Health & Wellbeing Board. The funding can be used to stabilise Adult Social Care, manage the transfer of care, invest in out of hospital services and market management of providers. Given the financial pressures in both the Health and social care sectors each party is proposing to set aside £1m to develop a more sustainable market. The department also received a one off ASC support grant in December settlement of £922,000 which is proposed to allocate toward the Home Care demand pressures mentioned above.	(5,050)
Total Funding from ASC Pressures and Demand Reserves	(5,050)
TOTAL VARIANCE	(12)

Table 3 - Key Risks - Detail Items Over £250,000	
Risk Description	Risk at Month 2 £000
Investment from health through the Better Care Fund has not yet been agreed for 2017/18. There is uncertainty about future years funding as Health budgets are also under significant financial pressures.	1,000
Commissioners are continuing to receive requests for inflationary increases from placement providers above that which has already been built into the base budget.	236
Savings from Transformation Commissioning Programme to be delivered currently RAG rated amber.	744
Demographic pressures on Adult Social Care services would continue to increase as the population gets older. We continue to experience increases in numbers greater than anticipated during this financial year.	500
TOTAL RISKS MANAGED	2,480

Supplementary Monitoring Information

The Department continues to experience significant budget pressures. The Department is starting the year with gross projected overspend of £5,038,000. This is mainly because of the full year implications of new customers coming through the service from 2016/17 especially within home care and direct payments and price increases due to market pressures. The Department is proposing to use the new additional funding from the Improved Better Care Fund (IBCF) of £4,297,000 & £831,000 and a one off government grant of £922,000 to mitigate the majority of these pressures. In addition, ASC received £2,660,000 of budget growth in 2017/18 to address underlying budget pressures leaving us with a small projected underspend of (£12,000).

Historically, the Department's budget has had underlying budget pressures, which were partly mitigated in year by using a combination of one off reserves, the carry forward of underspends and funding from health. For 2017/18, we are proposing to use the IBCF monies to reduce the projected overspend as shown above. This funding is time limited over a 3-year period, year one being 2017/18. At this early stage of the year, the department is highlighting a maximum potential risk of £2.5m due to negotiations with health which are yet to be finalised, in year savings at risk of non-delivery and demographic increases.

APPENDIX 2: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
£000	£000	£000
Family Services	27,205	644
Education	6,722	131
Commissioning	4,627	787
Safeguarding, Review and Quality Assurance	1,521	(9)
Finance and Resources	5,367	(326)
Schools Funding	4	0
TOTAL	45,446	1,227

Table 2 - Variance Analysis	£000
Family Services	
Family Support & Child Protection - Salary pressures of £140k due to increased activity and case load and the loss of Focus on Practice grant of £64k.	204
Contact and Assessment - Salary pressures regarding 4 Deputy Team manager posts of £261k and the loss of Focus on Practice grant of £108k is contributing to the current forecast.	369
Multi Agency Safeguarding Hub - 2017/18 finds salary pressures over and above the budget due to a high number of maternity leave requiring cover	75
Minor Variances	(4)
Total Family Services	644
Education	
The Haven - Additional income generated from out of borough residents at The Haven has reduced overall budget pressure. The income for 17/18 is forecast to be lower than 16/17.	(100)
Children with Disabilities staffing - restructure has been delayed but will deliver planned efficiencies but further pressures remain after savings have been made in 17/18.	90

Table 2 - Variance Analysis	£000
Short Breaks and Looked After Disabled Children - a small number of high cost placements are causing a pressure on this budget. The overspend is equivalent to one specialist placement.	171
Special Educational Needs -pressures have arisen due to the employment of additional staff post to support the SEN service in delivering the statutory requirement set out in the Children's and Family's Act.	152
Educational Psychology - strong Traded incomes being generated by this service.	(93)
Governors Support - staffing vacancies and positive budget impact of the 3BM Contractors taking over the clerking service.	(59)
Minor Variances	(30)
Total Education	131
Commissioning	
Pressure on salary budget due to the high utilisation of commissioning capacity above the baseline budgeted establishment in addition to additional projects and activity which are also beyond the baseline scope of the service.	787
Total Commissioning	787
Safeguarding, Review, and Quality Assurance	
Minor Variances	(9)
Total Safeguarding, Review, and Quality Assurance	(9)
Finance and Resources	
Finance and resources contains pressure budget which is due to be dispersed to various services to cover staffing spend pressures	(326)
Total Finance and Resources	(326)
TOTAL VARIANCE	1,227

Table 3 - Key Risks - Detail Items Over £250,000	
Risk Description	Risk at Month 2 £000

Tower Hamlets Judgement - The likely liability should all connected carers be paid carers fees for prior years as far back as 2011 is estimated to be £2.1m. Work is being undertaken to analyse this further.	2,100
Service reorganisation — risk of expenditure that may be required to reshape CHS in a way that is financially sustainable and provides better quality services to residents.	1,500
No Recourse for Public Funds - risk of adverse variance based on 2016/17 outturn. Current year actuals and trends will be closely monitored.	270
TOTAL RISKS MANAGED	3,870

**APPENDIX 3: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2**

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
£000	£000	£000
Pay & Display (P&D)	(12,145)	(1,198)
Permits	(4,496)	(135)
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	159
Bus Lane PCNs	(1,257)	(235)
CCTV Parking PCNs	0	(30)
Moving Traffic PCNs	(6,314)	468
Parking Bay Suspensions	(3,223)	95
Towaways and Removals	(325)	69
Expenditure and Other Receipts	12,339	677
TOTAL	(22,235)	(130)

Table 2 - Variance Analysis	£000
Pay & Display (P&D)	
Overachievement of income due to cashless parking roll out (partly offset by additional expenditure to run the scheme.)	(1,198)
Total Pay & Display (P&D)	(1,198)
Permits	
Overachievement of income due to increase in population and number of permits issued assuming income in line with last year (permit costs continue to be frozen).	(135)
Minor Variances	
Total Permits	(135)
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	
Income shortfall, assuming income in line with last year and similar number of PCNs issued. Income was expected to reduce with introduction of pay by phone parking.	159
Total Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	159
Bus Lane PCNs	

Table 2 - Variance Analysis	£000
Overachievement of income assuming similar number of PCNs will be issued as in previous year.	(235)
Minor Variances	
Total Bus Lane PCNs	(235)
CCTV Parking PCNs	
Income in line with previous year, there are restrictions on the areas where CCTV can be used for parking enforcement	(30)
Minor Variances	
Total CCTV Parking PCNs	(30)
Moving Traffic PCNs	
Income shortfall, assuming income in line with last year.	468
Total Moving Traffic PCNs	468
Parking Bay Suspensions	
Income shortfall, assuming income in line with the last 3 years.	95
Total Parking Bay Suspensions	95
Towaways and Removals	
Income shortfall, assuming income in line with the last 3 years, removals very minimal and only for persistent offenders.	69
Total Towaways and Removals	69
Expenditure and Other Receipts	
Staffing underspends, mostly due to vacancies.	(100)
Additional costs of £877k for cashless parking. This variance relates to an increase in new contractual costs as the result of cashless parking. These costs include the fixed fee SMS text and processing costs as well as the transactions costs. This is offset by a forecast overachievement of parking income of £1.198m as noted above. This will be monitored closely throughout the year and shared with the Commercial Board.	877
Additional income due to cross departmental recharges, legal disbursements, and recovery in line with previous year.	(100)
Total Expenditure and Other Receipts	677
TOTAL VARIANCE	(130)

Table 3 - Key Risks - Detail Items Over £250,000
None to report

APPENDIX 4: CORPORATE SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
£000	£000	£000
H&F Direct	15,202	0
Human Resources & Electoral Services	1,649	0
Finance & Audit	913	0
Delivery & Value	905	0
Executive Services	280	0
Commercial Director	94	0
Innovation & Change Management	(379)	(367)
Legal Services	(781)	0
ICT Services	(1,355)	0
TOTAL	16,528	(367)

Table 2 - Variance Analysis	Month 2 £000
Innovation & Change Management (ICM)	
Business Intelligence - as of Month 2 there is £1,000k of commercial income agreed in principal compared to a budget of £633k.	(367)
Total Innovation & Change Management (ICM)	(367)
TOTAL VARIANCE	(367)

Table 3 - Key Risks - Detail Items Over £250,000
None to report

Supplementary Monitoring Information
Approval is requested for a transfer of £0.345m from the Pressures and Demands reserve to MSP reserve for legal and other costs relating to commercial discussions. This will be drawn down as expenditure is incurred.

APPENDIX 5: ENVIRONMENTAL SERVICES GROUP
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
	£000	£000
Building & Property Management (BPM)	(1,938)	384
Transport, Highways, Parks & Leisure	18,092	(20)
Environmental Health, Community Safety & Emergency Planning	6,191	(2)
Cleaner, Greener & Cultural Services	20,753	(114)
Other Commercial Services	(24)	293
Executive Support and Finance	(364)	(48)
TOTAL	42,710	494

Table 2 - Variance Analysis	£000
Building & Property Management (BPM)	
Advertising hoardings income shortfall (positive impact of new two towers tenders included from June 2017, Lyric Square site no longer being put forward). This will be monitored closely throughout the year and shared with the Commercial Board.	245
Commercial rents income shortfall (void period on new Lila Huset lease)	148
Minor Variances	(9)
Total Building & Property Management (BPM)	384
Transport, Highways, Parks & Leisure	
Net surplus on Transport and Highways professional fees	(96)
Wi-Fi income shortfall, assuming income in line with last year	133
TfL traffic lighting charges underspend, assuming spend in line with last year	(67)
Actual grounds maintenance contract inflation more than budget growth awarded. Inflation requirements to be revisited for 2018/19	27

Table 2 - Variance Analysis	£000
Minor Variances	(17)
Total Transport, Highways, Parks & Leisure	(20)
Environmental Health, Community Safety & Emergency Planning	
Minor Variances	(2)
Total Environmental Health, Community Safety & Emergency Planning	(2)
Cleaner, Greener & Cultural Services	
Actual waste and street cleansing contract inflation more than budget growth awarded.	78
Forecast underspend on waste disposal due to continuation of reduced rate for recycling	(194)
Minor Variances	2
Total Cleaner, Greener & Cultural Services	(114)
Other Commercial Services	
Underachievement of income on ducting concession contract (worst case). Council is applying dispute resolution clauses in the contract, with the next step being mediation in July 2017. Commercial Directorate working on finding alternative concession holders. Under the terms of the contract, guaranteed income of £190k is due for 2017/18 (excluding contract inflation). Whether this will be forthcoming, depends on the outcome of the dispute. To be monitored and reported.	290
Minor Variances	3
Total Other Commercial Services	293
Executive Support and Finance	
Staffing underspends, mostly due to vacancy drag pending service reorganisation	(48)
Total Executive Support and Finance	(48)
TOTAL VARIANCE	494

Table 3 - Key Risks - Detail Items Over £250,000

Risk Description	Risk at Month 2 £000
If unplanned costs arise from changes to facilities management arrangements	400
Staffing budget shortfalls if savings cannot be achieved (unfunded pay award and apprentice levy costs)	250
If the market cannot sustain new income targets (CCTV, Parks & Markets Events)	200
TOTAL RISKS MANAGED	850

Supplementary Monitoring Information

This year there are a number of risks relating to the achievement of savings that were built into the budget. It is early days and we don't yet have a good picture of how some of the more variable parts of the environmental services portfolio will perform this year (waste disposal and parking). The performance of the budget will be closely monitored and corrective action taken as necessary.

A drawdown of £0.111m is requested from the Community Safety Reserve regarding emergency response resilience.

APPENDIX 6: REGENERATION, PLANNING HOUSING SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
	£000	£000
Housing Solutions	5,333	877
Housing Strategy	110	0
Economic Development, Learning & Skills	748	0
Development & Regeneration	13	0
Housing Services	108	0
Planning	2,161	0
Finance & Resources	61	0
TOTAL	8,534	877

Table 2 - Variance Analysis	Month 2 £000
Housing Solutions	
Inflationary pressure on temporary accommodation rents from private landlords plus forecast increase in average client numbers (from a budget of 782 units to a forecast of 882) plus impact of the loss of the management fees of Temporary Accommodation.	3,329
Flexible Homelessness Support Grant provided by the Department for Communities and Local Government (DCLG) to cushion the impact of the removal of the management fee for Temporary Accommodation II (after deducting an assumed £250,000 which we expect Registered Providers to claim). DCLG have stated the aim is to empower LAs with the 'freedom to support the full range of homelessness services they deliver' and plan their provisions with more certainty.	(3,250)
Increase in Bed and Breakfast accommodation net costs due to inflationary pressures on rents and higher average client numbers (147 forecast vs 134 in the budget)	216
Incentive payments to Direct Letting landlords formerly funded from an earmarked reserve	582
Total Housing Solutions	877
TOTAL VARIANCE	877

Table 3 - Key Risks - Detail Items Over £250,000

Risk Description	Risk at Month 2 £000
Overall Benefit Cap	452
Direct Payment (Universal Credit)	560
Increase in the number of households in Bed & Breakfast accommodation	159
Change in Local Housing Allowance subsidy entitlements	830
Inflationary pressures on Temporary Accommodation landlord costs	292
Increased number of homelessness acceptances	336
The Governments High value void sales policy as legislated for in Housing & Planning Act 2016 - reduction in available accommodation	unknown
Skills Funding Agency grant reduction	174
TOTAL RISKS MANAGED	2,803

Supplementary Monitoring Information

Reserve Drawdown Requests

Cabinet approved funding for the Social Lettings Agency of £200,000. It is requested to drawdown funding from reserves for this purpose.

Transfer of Planning division from Environment Services to Regeneration, Planning & Housing Services

The budgets and forecasts for the Planning division are currently being reviewed in detail. Environment Services Finance have indicated that a break even position is expected to be delivered this year. The results of the detailed review will be reflected in CRM 3.

**APPENDIX 7: LIBRARIES AND ARCHIVES SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2**

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
	£000	£000
Libraries Shared Services	2,685	142
TOTAL	2,685	142

Table 2 - Variance Analysis	Month 2 £000
Libraries Shared Services	
Commercial opportunities - due to delays in achieving new income sources and accepting lower market rents and delays in rental agreements in Hammersmith Libraries, there may be a shortfall. Work is being undertaken to close this gap	142
Other Minor Variances	0
Total Libraries Shared Services	142
TOTAL VARIANCE	142

Table 3 - Key Risks - Detail Items Over £250,000 - None to Report
None to report

Supplementary Monitoring Information
<p>The commercial opportunities are significantly behind target for the year. There have been delays to schemes including work areas, and a café in Fulham Library. However, there is a carry forward balance of £45k, as well as other one off credits in the year which have reduced this forecast variance on the Commercial opportunities.</p> <p>Programme support has now been allocated to push through initiatives and to ensure that there are further mitigating activities and to ensure that the full savings can be achieved going forward.</p>

APPENDIX 8: PUBLIC HEALTH SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
	£000	£000
Sexual Health	5,674	0
Substance Misuse	4,570	0
Behaviour Change	1,961	0
Intelligence and Social Determinants	33	(12)
Families and Children Services	6,388	(113)
Public Health Investment Fund (PHIF)	4,162	0
Salaries and Overheads	160	0
Transfer Payments	510	0
Drawdown from Reserves	0	125
S113 Income	(1,119)	0
Public Health – Grant	(22,338)	0
TOTAL	0	0

Table 2 - Variance Analysis	Month 2 £000
Intelligence and Social Determinants	
Expenditure on specialists reduced as vacant posts are filled	(12)
Total Intelligence and Social Determinants	(12)
Families and Children Services	
Contract prices for School Nursing and Health Visiting were reduced when the extensions were negotiated.	(113)
Total Families and Children Services	(113)
Drawdown from Reserves	
Transfer to reserve to reduce the operating balance to zero.	125
Total Drawdown from Reserves	125
TOTAL VARIANCE	0

Table 3 - Key Risks - Detail Items Over £250,000
None to report

APPENDIX 9: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
	£000	£000
Corporate & Democratic Core	3,556	0
Housing and Council Tax Benefits	(328)	0
Levies	1,570	(36)
Net Cost of Borrowing	32	750
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	5,154	0
Pensions & Redundancy	8,816	(49)
TOTAL	18,800	665

Table 2 - Variance Analysis	Month 2 £000
Levies	
Other Minor Variances	(36)
Total Levies	(36)
Net Cost of Borrowing	
Historically low interest rates are expected to continue. This means investment income from the council's cash balances is likely to be in line with last year and an overspend of £750k is forecast.	750
Total Net Cost of Borrowing	750
Pensions & Redundancy	
No variance to report for Month 2	
Other Minor Variances	(49)
Total Pensions & Redundancy	(49)
TOTAL VARIANCE	665

Table 3 - Key Risks - Detail Items Over £250,000
None to report

**APPENDIX 10: HOUSING REVENUE ACCOUNT
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 2**

Table 1 - Variance by Departmental Division		
Departmental Spending Heads	Revised Budget	Variance Month 2
	£000	£000
Housing Income	(76,284)	0
Finance and Resources	14,682	0
Housing Services	9,146	0
Property Services	2,821	0
Housing Repairs	13,769	0
Housing Solutions	187	0
Housing Strategy	409	0
Adult Social Care	48	0
Regeneration	355	0
Safer Neighbourhoods	4,830	0
Capital Charges	29,248	0
(Contribution to) / Appropriation from HRA	789	0
TOTAL	0	0
Control Totals as @ Month 2	0	

Table 2 - Key Risks - Detail Items Over £250,000	
Risk Description	Risk At Month 2 £000
Due to delays in installing advertising hoardings at a number of sites, there is a risk that the income target will not be achieved this year. Officers are working to minimise the delay and an update will be provided next month.	400
A review of revenue repair costs and volumes on the MITIE repairs and maintenance contract indicate that there is a risk of an overspend this year. Officers are reviewing the position in detail and an update will be provided next month.	500
TOTAL RISKS MANAGED	900

Supplementary Monitoring Information
<p>Reserve Drawdown Requests Cabinet approved an earmarked reserve for an Enhanced Sheltered Housing Project in 2014/15. It is requested to drawdown £55,000 from the reserve to cover ongoing costs.</p>

APPENDIX 11 - VIREMENT REQUEST FORM
BUDGET REVENUE MONITORING REPORT – Month 2

Details of Virement	Amount (£000)	Department
GENERAL FUND:		
Drawdown from reserves for Social Lettings Agency	200 (200)	RPHS FCS
Drawdown from reserves for Direct Letting Incentives	18 (18)	RPHS FCS
ASC Support grant to fund demand and price pressures in homecare	(922)	FCS
	922	ASC
Drawdown from reserves for emergency response resilience	111	ES
	(111)	FCS
Transfer from Pressures and Demands reserve to MSP reserve for legal and other commercial discussion costs	345	CMB
	(345)	CMB
Total of Requested Virements (Debits)	1,596	
HOUSING REVENUE ACCOUNT (HRA)		
Pension 2016 triennial evaluation outcome- increase employers' pension contribution	(201)	HRA
	201	HRA
Drawdown from Sheltered Housing earmarked reserve	(55)	HRA
	55	HRA
Total of Requested Virements (Debits)	256	
RPHS – Regeneration, Planning & Housing Services. FCS – Finance & Corporate Services CMB – Centrally Managed Budgets		