

## 1. General Fund

- 1.1. The Council is currently forecasting a £3.1m overspend on the approved general fund budget (£376.3m). At this point of the financial year it is expected that the forecast overspend will be largely managed through management actions through the rest of the financial year.
- 1.2. The table below provides a summary of the current forecast position by directorate for 2019/20. Additional service details are provided for each Directorate in individual appendices.

Figure 1: General Fund Forecast Net Expenditure

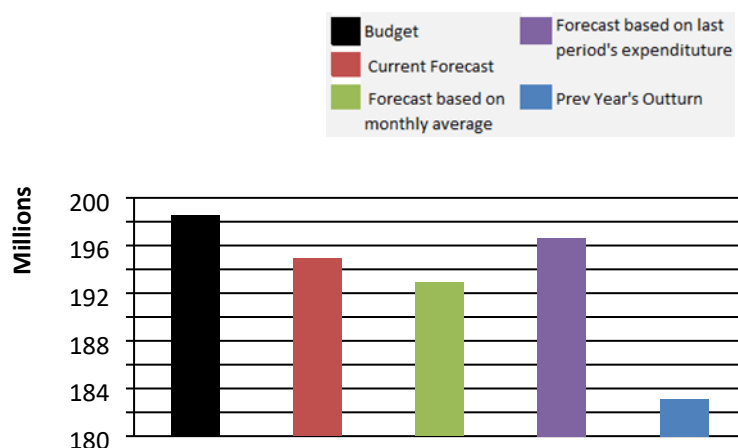
Approved Budget	Directorate	Revised Budget	Outturn	Variance	Variance as % of Net Budget
£m		£m	£m	£m	
226.6	People	226.9	229.7	2.7	1.2%
50.4	Resources	50.0	50.7	0.7	1.4%
64.3	Growth and Regeneration	62.8	62.7	-0.1	(0.1%)
<b>341.3</b>	<b>Sub-total</b>	<b>339.7</b>	<b>343.0</b>	<b>3.3</b>	<b>1.0%</b>
35.0	Other Budgets*	36.6	36.2	-0.2	(0.5%)
<b>376.3</b>	<b>Net Expenditure Total</b>	<b>376.3</b>	<b>379.1</b>	<b>3.1</b>	<b>0.8%</b>

\*Other Budgets includes capital financing and borrowing costs, and un-apportioned central overheads.

- 1.3. The forecast overspend is predominantly within Adult Social Care (£2.2m) meanwhile assuming a level of the planned efficiency initiatives will be delivered in the service against the c£4m target. Forecast movements from P4 to P5 predominantly relate to increased pressures for older adult placements, offset by staffing and other cost savings plus an increase in forecast income. Adult Social Care has seen sharp increases in demand for residential care for over 65s linked with hospital discharges since May 2019. There are also increasing costs in providing residential support to transitioning young people to adulthood and providing support to working age adults in the communities. Contracting arrangements are being reviewed and options are being considered that include changing elements of the payment mechanism. However it must be stated that there is a concern that if the emerging trend for older adults continues, the ability to deliver a balanced budget by the end of the financial year will be unachievable.
- 1.4. The Education improvement budget is forecasting a risk of overspend of £0.5m. (no change compared to P4), and principally relating to Home-School Transport. This is a recurrent issue and was addressed by a temporary supplementary estimate in 2018/19. For 2019/20, the service is pursuing a range of initiatives to manage demand and cost, including: procuring a new software system to get better management information and to improve route planning; participating in a Department for Education project looking at good practice in Home-School Transport; and considering how the SEN Capital Strategy can help minimise the need for transport by having provision where it is needed.
- 1.5. The remaining forecast overspend is within Facility Management in the Resources Directorate. Savings delivery plans are proving challenging with increasing running cost pressures on the Council's operational buildings. The service is currently exploring options and developing mitigation plans.
- 1.6. At this point of the financial year a significant amount of budget for the wider council is still forecasted to be spent as a default by budget holders whilst the forecast based on monthly average spend indicates a lower spend profile. Significant efforts are being made by budget holders to improve the forecast accuracy. Further work is still needed on an ongoing basis to ensure that the assumptions match with recruitment plans and any potential vacancy factors are identified. Figure 2 below illustrate the difference between the budget holders' forecast on employees spend and the

extrapolated current monthly averages. The chart has been updated from previous versions to include pay and agency rather than the whole CIPFA group of Employees which includes one off costs such as relocation and severance and distort the figures forecasting forward.

Figure 2: Employee cost run-rate comparison to management forecast



## 2. Ring-Fenced Accounts

### Housing Revenue Account

- 2.1. The HRA is forecasting a balanced position at year-end as per P4. The service is putting plans in place to ensure the delivery of the repair and maintenance programme. There are recruitment and retention issues in the Construction industry generally, and the service is seeking to fill vacancies in order to ensure maximum deliverability of the planned programme.

### Dedicated Schools Grant

- 2.1. The total Dedicated Schools Grant (DSG) budget, including amounts recouped by the Education and Skills Funding Agency for Academies is £357.1m for 2019/20 and this includes accelerated funding of £ 2.407m from 2020/21. The DSG is currently forecasting an in year underspend of £0.640m which will add to the carried forward balance of £1.9m in the DSG reserve, this represents a small adverse movement of £0.030m from P4.
- 2.2. The High Needs budget includes transfers from other block of £2.566m and the accelerated funding of £2.407m, the forecast is broadly in line with this budget, showing a £0.133m overspend, but the underlying position for High Needs is a shortfall of c.£5m. The plan for addressing this presently is to lobby government for more resources, to pursue the High Needs Transformation Programme to deliver service improvements and to take any opportunities that present themselves to transfer funding from other blocks or elsewhere and flex the DSG budget to best meet our needs
- 2.3. Early years DSG income is based on actual take up of places and measured at 4 census points during the year. The first 2 of these are available and the forecast is based on these participation levels, along with an estimate of future levels, giving an underspend of £0.773m. As actual levels are notified both the income and forecast will vary during the year.

### Public Health

- 2.4. Public Health is forecasting to deliver a balance budget in 2019/20 which remains consistent with P4. The total grant receipt of £31.6m included a 2.5% reduction (£0.9m) this year. There is a risk that the agreed 2019/20 budget may be overspent to a value of £0.7m. This is being closely monitored and should this probability increase a supplementary estimate will follow requesting a drawdown of

£0.7m from the ring fenced Public Health reserves this year.

### 3. Savings Programme

- 3.1. The savings / efficiency programme agreed by Council in 2018 included savings totalling £11.7m for 2019/20. There was also £6.1m of savings with largely one off activity carried forward from 2018/19 to 2019/20 which still require full delivery in 2019/20, therefore increasing the total savings delivery target for 2019/20 is £17.8m.
- 3.2. At P5 £4m of £17.8m savings are reported to be at risk where further work / mitigating actions may be required in order to deliver. This remains the same as P4. Of the £4m savings that still at risk, £2.0m relates to the Adult Social Care Better Lives Programme and the remainder relates to Council-wide cross-cutting savings initiatives.
- 3.3. One adjustment has been made to the target (which remains at £17.8m) and this relates to a Delivery Executive decision to write off to the provision set aside £23k for BE58 Review of funding for the Lord Mayor’s Chapel.

Figure 3: Summary of Delivery of Savings by Directorate

Directorate	2019/20 Savings £m	2019/20 Savings reported as safe	2019/20 Savings reported as at risk	
		£m	£m	%
People	8.98	6.90	2.09	23%
Resources & Cross-Cutting	4.17	3.27	0.90	22%
Growth and Regeneration	4.63	3.57	1.06	23%
<b>Total</b>	<b>17.79</b>	<b>13.74</b>	<b>4.05</b>	<b>23%</b>

## Period 5 Budget Monitoring - Summary

	2019/20 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			£000s
<b>People</b>				
Adult Social Care	148,805	148,998	151,156	2,158
Children and Families Services	62,439	62,436	62,473	37
Educational Improvement	12,103	12,274	12,809	536
Public Health - General Fund	3,237	3,237	3,238	2
<b>Total People</b>	<b>226,584</b>	<b>226,945</b>	<b>229,677</b>	<b>2,732</b>
<b>Resources</b>				
Digital Transformation	12,130	12,168	12,168	0
Legal and Democratic Services	6,898	6,808	6,806	(2)
Finance	10,947	10,971	11,012	41
HR, Workplace & Organisational Design	10,568	10,390	10,150	(240)
Policy, Strategy & Partnerships	2,939	3,035	3,067	32
Commercialisation & Citizens	6,915	6,606	7,493	887
<b>Total Resources</b>	<b>50,396</b>	<b>49,977</b>	<b>50,695</b>	<b>718</b>
<b>Growth &amp; Regeneration</b>				
Housing & Landlord Services	11,600	11,597	11,438	(160)
Development of Place	1,277	1,285	1,272	(13)
Economy of Place	2,678	3,215	3,296	80
Management of Place	48,733	46,695	46,710	15
<b>Total Growth &amp; Regeneration</b>	<b>64,288</b>	<b>62,792</b>	<b>62,715</b>	<b>(78)</b>
<b>SERVICE NET EXPENDITURE</b>	<b>341,268</b>	<b>339,714</b>	<b>343,087</b>	<b>3,373</b>
Levies	857	857	860	3
Corporate Expenditure	34,174	35,323	35,085	(238)
Capital Financing	0	405	405	0
Insurance Fund	0	0	0	0
Corporate Revenue Funding	(376,299)	(376,299)	(376,299)	0
RELEASED FROM RESERVES	0	0	0	0
<b>TOTAL REVENUE NET EXPENDITURE</b>	<b>(0)</b>	<b>(0)</b>	<b>3,138</b>	<b>3,138</b>

### HOUSING REVENUE ACCOUNT SUMMARY

	2019/20 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			£000s
<b>Housing Revenue Account</b>				
Strategy, Planning & Governance	(102,687)	(95,699)	(94,689)	1,010
Responsive Repairs	26,192	25,672	25,094	(578)
Planned Programmes	18,095	16,567	16,171	(395)
Estate Management	9,408	5,133	5,077	(56)
Capital - Neighbourhoods HRA	0	0	0	0
HRA - Funding & Expenditure	11,745	11,745	11,745	0
HRA - Capital Financing	11,617	10,952	10,952	0
HRA - Year-end transactions	25,630	25,630	25,630	0
<b>Total Housing Revenue Account</b>	<b>0</b>	<b>0</b>	<b>(20)</b>	<b>(20)</b>

### RING FENCED BUDGETS

	2019/20 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			£000s
Public Health	0	0	0	(0)
Dedicated Schools Grant	(0)	(0)	(0)	(0)
<b>Total Ring fenced budgets</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>