

1. General Fund

1.1. The Council is currently forecasting a £4.3m overspend on the approved general fund budget (£376.3m). At this point of the financial year any immitigable risks of overspend may trigger supplementary estimate prior to year-end. The level of any overspend in 2019/20 will need to be considering when setting the budget for 2020/21 to replace any additional drawdowns from reserves.

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	
226.4	People	226.7	229.8	3.1	1.4%
53.9	Resources	53.6	55.1	1.5	2.8%
61.0	Growth and Regeneration	59.8	59.7	-0.1	(0.1%)
341.3	Sub-total	340.1	344.6	4.5	1.3%
35.0	Other Budgets**	36.2	36.0	-0.2	-0.6%
376.3	Net Expenditure Total	376.3	381.8	4.3	1.1%

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

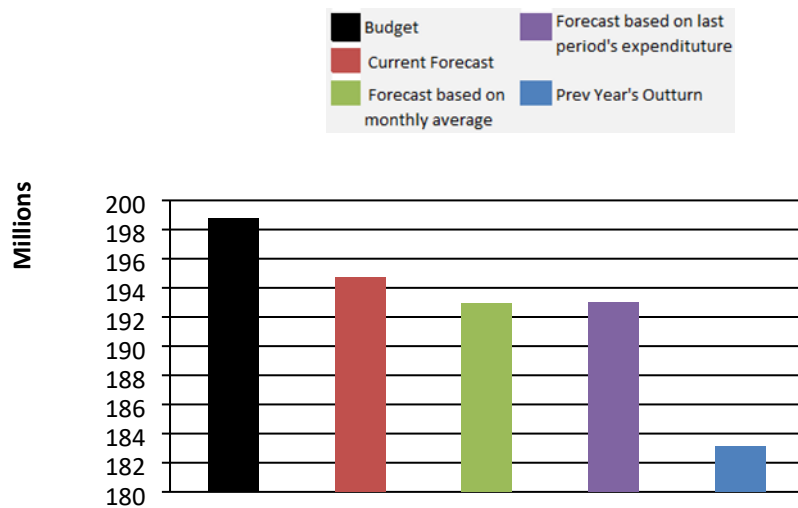
1.3. The forecast overspend in People is predominantly within Adult Social Care (£2.4m) meanwhile assuming a level of the planned efficiency initiatives will be delivered in the service against the c£4m target. This is an increase of £0.26m from P6 and reflects additional costs in Working Age Adults (£0.91m) reflecting a number of high cost placements offset by staff and other savings (£0.4m) and further savings in the other services (£0.3m). These are detailed in Appendix A1.

1.4. The Education improvement budget forecast remains at risk of overspend of £0.6m, 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 Commercialisation and Citizens in the Resources Directorate where the forecast overspend of £1.7m in P6 has decreased to £1.5m. This pressure relates to Facilities management services and the Resource Directorate as whole is continuing the effort in identifying mitigations to balance the budget for 2019/20. The current review of Facilities Management has highlighted pressures on savings which could be improved if the service is successful with a current bid plus forecast mitigations for security, salary and software costs.

1.6. Figure 2 below illustrates that the difference between the budget holders' forecast on employees spend and the extrapolated current monthly averages are moving closer. There could be scope to make further savings through salaries however there are factors such as turnover provision that also need to be accounted for.

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



2. Ring-Fenced Accounts

Housing Revenue Account

- 2.1. The HRA is has increased its forecast underspend to £1.7m (£1.4m P6) against the budget set and this relates to the recruitment and retention issues in the Construction industry generally, and the service is seeking to fill vacancies and over programme where possible in order to ensure maximum deliverability of the planned programme. Any underspend at year-end will be built into the future programme.

Dedicated Schools Grant

- 2.1. The total Dedicated Schools Grant (DSG) budget, including amounts recouped by the Education and Skills Funding Agency (ESFA) 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 overspend of £1.060m which is proposed to be managed by the carried forward £1.9m balance in the DSG ring-fenced reserve.
- 2.2. The High Needs budget includes transfers from other blocks of £2.566m and the accelerated funding of £2.407m from 2020/21, giving a total budget of £58.904m. The current forecast has increased by £1.5m from last month due to increased pressures in Out of Area Placements and Alternative Provision, the total forecast overspend in this block is £1.682m. The ESFA have announced that funding for this block will increase in 2020/21 and Schools Forum will be asked to support any movement between blocks required to ensure enough funding is available to meet demand.
- 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 £0.622m. 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 P6. 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 £0.127m (£0.14m P6) but steps are underway to reduce this figure.

3. Savings Programme

- 3.1. The savings / efficiency programme agreed by Council in 2018 included savings totalling £11.7m for 2019/20. In addition, £6.1m of savings were carried forward from 2018/19 to 2019/20 which still

requires recurrent delivery and mitigation in 2019/20. Therefore the total savings delivery target for 2019/20 is £17.8m.

3.2. At P7 £3.65m of £17.8m savings are reported to be at risk where further work / mitigating actions may be required in order to deliver (consistent with P6), of which £2.0m relates to the Adult Social Care Better Lives Programme and the remainder relates to Council-wide cross-cutting savings initiatives and schemes.

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	4.39	3.49	0.90	20%
Growth and Regeneration	4.41	3.75	0.66	15%
Total	17.79	14.14	3.65	21%

Period 7 Budget Monitoring - Summary

	2019/20 - Full Year				Previous Period Forecast	
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
	£000s				£000s	
People						
Adult Social Care	148,805	148,998	151,423	2,425	266	151,157
Children and Family Services	62,439	62,699	62,764	66	259	62,505
Educational Improvement	11,915	11,814	12,391	577	(468)	12,859
Public Health - General Fund	3,237	3,237	3,237	0	(0)	3,237
Total Adults, Children and Education	226,396	226,746	229,815	3,067	57	229,759
Resources						
Digital Transformation	11,528	11,668	11,668	0	(499)	12,168
Legal and Democratic Services	6,898	6,808	6,884	76	(44)	6,928
Finance	11,500	11,591	11,627	36	665	10,962
HR, Workplace & Organisational Design	10,568	10,364	9,888	(476)	(266)	10,154
Policy, Strategy and Partnerships	2,939	3,037	3,021	(16)	(107)	3,128
Commercialisation and Citizens	10,446	10,101	11,997	1,896	481	11,516
Total Resources	53,879	53,569	55,085	1,516	229	54,856
Growth & Regeneration						
Housing & Landlord Services	11,649	11,602	11,305	(297)	3	11,302
Development of Place	1,277	1,287	1,228	(58)	(64)	1,292
Economy of Place	2,678	3,410	3,719	309	23	3,696
Management of Place	45,389	43,497	43,485	(12)	97	43,388
Total Growth & Regeneration	60,993	59,796	59,738	(58)	60	59,678
SERVICE NET EXPENDITURE	341,268	340,111	344,638	4,524	347	344,293
Levies	857	857	860	3	0	860
Corporate Expenditure	34,174	34,925	34,710	(215)	(375)	35,085
Capital Financing	0	405	405	(0)	(0)	405
Insurance Fund	0	0	0	0	0	0
Corporate Revenue Funding	(376,299)	(376,299)	(376,299)	0	(0)	(376,299)
RELEASED FROM RESERVES	0	0	0	0	0	0
TOTAL REVENUE NET EXPENDITURE	(0)	(1)	4,313	4,313	(28)	4,344