

## 1. General Fund

1.1. The Council is currently forecasting a £6.1m overspend on the approved general fund budget (£376.3m) which is a reduction of £0.4m since P8. At this point of the financial year, supplementary estimates are expected for any immitigable risks of overspend approaching year-end. The level of reported overspend and risk has also been taken into account for setting 2020/21 budget.

1.2. The table below provides a summary of the current 2019/20 forecast position by directorate. 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	
226.3	People	226.7	232.8	6.2	2.7%
53.9	Resources	53.6	53.6	0.1	0.1%
61.1	Growth and Regeneration	59.3	59.2	-0.1	(0.2%)
<b>341.3</b>	<b>Sub-total</b>	<b>339.6</b>	<b>345.7</b>	<b>6.2</b>	<b>1.8%</b>
35.0	Other Budgets*	36.7	36.7	-0.1	(0.2%)
<b>376.3</b>	<b>Net Expenditure Total</b>	<b>376.3</b>	<b>382.4</b>	<b>6.1</b>	<b>1.6%</b>

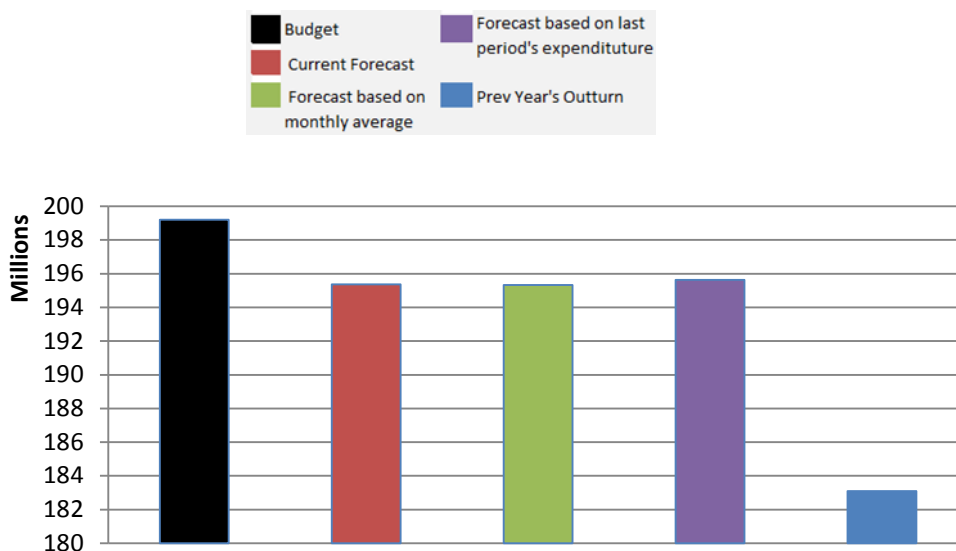
\*Other Budgets includes capital financing and borrowing costs, and non-apportioned central overheads.

1.3. There is a slight movement in the P9 position in Adult Social Care comparing to P8 which is currently reporting an overspend of £5.4m. Please see Appendix A1 for further detail. As previously reported the service has undertaken a review of the impact of changes in demand and market capacity which hindered the delivery of the £4.3m savings originally planned in 2019/20 and concluded the delay in achieving these savings. A supplementary estimate will be required in 2019/20 to balance the in-year position. In addition, a separate report will be taken to Cabinet to re-access the realistic deliverability of savings in 2020/21 and 2021/22.

1.4. The forecast overspend on Education improvement budget is £0.7m, principally relating to Home to School Transport. This recurrent issue was addressed by a temporary supplementary estimate in 2018/19, and it will likely to trigger a further supplementary estimate in 2019/20. The principal reason for these overspend is an increase in numbers of Children who have special education needs that require the service; the current trajectory indicates a 16% increase from last year in eligible children numbers. Other contributing pressures include increases in the cost of Service Level Agreements and increased costs of the new Transport Framework.

1.5. Figure 2 below illustrates the difference between the budget holders' forecasts on employees spend and the extrapolated positions. It shows that the current forecast falls in between the monthly averages and extrapolation based on the last period. As we are heading into the last quarter of the financial year, forecast is now falling in line with the monthly average cost.

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



## 2. Ring-Fenced Accounts

### Housing Revenue Account

- 2.1. The HRA is reporting a higher underspend of (£2.6m) against the approved budget (£2.1m in P8). This relates to the recruitment and retention issues in the Construction industry generally, and the service is seeking to fill vacancies and bring works forward where possible in order to ensure maximum deliverability of the planned programme. During the last quarter of 2019/20 the financing of the HRA expenditure will be determined and it is anticipated that the budgeted new borrowing of £4.8m for 2019/20 will not be required this financial year.

### Dedicated Schools Grant

- 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. This block is forecasting an overspend of £1.365m, which is a slight improvement from last month. The funding for this block is confirmed to be increased in 2020/21 and Schools Forum have agreed movements between blocks for 2020/21 to cover demand and to contribute towards the cost of the Education Transformation Programme.
- 2.3. Early years has shown an underspend against the currently year budget allocations. This forecast underspend is £100k higher comparing to P8 mainly due to in year staffing savings. Early years DSG income is based on actual take up of places and measured at four census points during the year. The first two of these are available and the forecast is based on these participation levels, along with an estimate of future levels, giving an underspend of £0.561m. As actual levels are notified, both the income and forecast will vary during the year. Schools Forum will be asked to approve a plan for the use of the underspend which include a proposal to top-up Maintained Nursery Supplement funding to maintain funding for settings at the current level.

### Public Health

- 2.4. Public Health is forecasting to deliver a balanced budget in 2019/20 with c£0.1m draw-down from ring-fenced reserves which remains consistent with P8. The total grant receipt of £31.6m included a 2.5% reduction (£0.9m) this year. Please see Appendix A6 for further detail.

### 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 P9 £5.3m of £17.8m savings are reported to be at risk where further work / mitigating actions may be required in order to deliver, of which £4.3m relates to the Adult Social Care Better Lives Programme and the remainder relates to Council-wide cross-cutting savings initiatives and schemes.
- 3.3. Since P8, Delivery Executive approved the move of £0.12m of savings relating to third party spend to Resources Directorate from Growth and Regeneration.
- 3.4. Facilities management savings under the Resources Directorate previously reported as £0.26m at risk has now increased to the full amount of £0.87m at risk. The pressure is being mitigated in year through the Resources Directorate as detailed in Appendix A2.

**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	4.90	4.09	45%
Resources & Cross-Cutting	4.52	3.27	1.25	18%
Growth and Regeneration	4.29	4.29	0.00	0%
<b>Total</b>	<b>17.79</b>	<b>12.45</b>	<b>5.33</b>	<b>30%</b>

## 4. Movement of Earmarked Reserves

4.1. As set out in accordance with the policy on reserves, all forecasted balances to 31 March 2020 have been reviewed for their continuing need. This report propose to redirect c£1.2 million of earmarked reserves due to the fact that some of these were superseded by other project with other revenue or capital funding sources or purposes full filled. These are consistent with the 2020 budget report, see detailed movements below:

<b>Reserve Name</b>	<b>Redirected Reserve £m</b>	<b>New Reserve £m</b>	<b>Net Movement £m</b>
Business Risk Reserve (19/20 P4 Pressure)		(0.033)	(0.033)
New Funding Holder Reserve 2020/21		(1.145)	(1.145)
<b>Risk Total</b>	<b>0.000</b>	<b>(1.178)</b>	<b>(1.178)</b>
Bear Pit 19/20 cost		(0.340)	(0.340)
Business Information Management Systems		(0.068)	(0.068)
Cemeteries & Crematoria Renewals	0.459		0.459
City Centre Revitalisation		(0.150)	(0.150)
Deferred Payment agreement 1516 revenue grant	0.098		0.098
Development Fund – major projects advance scheme design		(0.382)	(0.382)
Economic strategy development		(0.078)	(0.078)
Energy Service Budget (BCC)	0.106		0.106
Highways Asset Management System	0.020		0.020
Housing Delivery	0.384		0.384
JSP & Local Plan record		(0.272)	(0.272)
Neighbourhood Partnerships	0.100		0.100
Parking Renewals a/c	0.041		0.041
Parks Development	0.325		0.325
Pest control - Gull Work	0.050		0.050
Place - Highways Services Agency Staff Funding	0.020		0.020
Mayoral Pledges		(0.438)	(0.438)
Regeneration Project Management		(0.250)	(0.250)
Transport	1.181		1.181
<b>Service Total</b>	<b>2.783</b>	<b>(1.978)</b>	<b>0.805</b>
Future Risk (saving consultation reserve)	0.340		0.340
<b>Consultation reserve Total</b>	<b>0.340</b>	<b>0.000</b>	<b>0.340</b>
<b>Total Earmarked Reserve</b>	<b>3.123</b>	<b>(3.156)</b>	<b>(0.033)</b>
<b>General Reserves</b>	<b>0.033</b>	<b>0.000</b>	<b>0.033</b>

## Period 9 Budget Monitoring - Summary

	2019/20 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s	£000s	£000s	£000s
<b>People</b>				
Adult Social Care	148,718	148,912	154,351	5,439
Children and Families Services	62,439	62,699	62,750	51
Educational Improvement	11,915	11,814	12,495	682
Public Health - General Fund	3,237	3,237	3,237	0
<b>Total People</b>	<b>226,309</b>	<b>226,661</b>	<b>232,833</b>	<b>6,172</b>
<b>Resources</b>				
Digital Transformation	11,528	11,668	11,468	(200)
Legal and Democratic Services	6,898	6,808	6,554	(253)
Finance	11,500	11,591	11,574	(17)
HR, Workplace & Organisational Design	10,568	10,364	9,819	(546)
Policy, Strategy & Partnerships	2,939	3,037	2,891	(146)
Commercialisation & Citizens	10,446	10,101	11,339	1,238
<b>Total Resources</b>	<b>53,879</b>	<b>53,569</b>	<b>53,645</b>	<b>76</b>
<b>Growth &amp; Regeneration</b>				
Housing & Landlord Services	11,649	11,602	11,323	(279)
Development of Place	1,277	1,287	1,175	(112)
Economy of Place	2,678	3,410	4,001	591
Management of Place	45,476	43,030	42,734	(296)
<b>Total Growth &amp; Regeneration</b>	<b>61,079</b>	<b>59,329</b>	<b>59,233</b>	<b>(96)</b>
<b>SERVICE NET EXPENDITURE</b>	<b>341,268</b>	<b>339,558</b>	<b>345,711</b>	<b>6,152</b>
Levies	857	857	860	3
Corporate Expenditure	34,174	35,479	35,394	(85)
Capital Financing	0	405	405	0
Corporate Revenue Funding	(376,299)	(376,299)	(376,299)	0
<b>TOTAL REVENUE NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>6,071</b>	<b>6,071</b>