

1. General Fund

- 1.1. The Council is currently forecasting a £6.6m overspend on the approved general fund budget (£376.3m) which is an increase of £0.5m since P9. The budget report 2020/21 to Full Council requests drawdown of up to £6.1m from General reserves to mitigate the position which will be repaid by one-off income next financial year. Therefore mitigations must be found to close this additional £0.5m gap before year-end, and it is for each of the Directorates where variation had occurred to find mitigations and to contain these within the 2019/20 budget as a matter of urgency.
- 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.

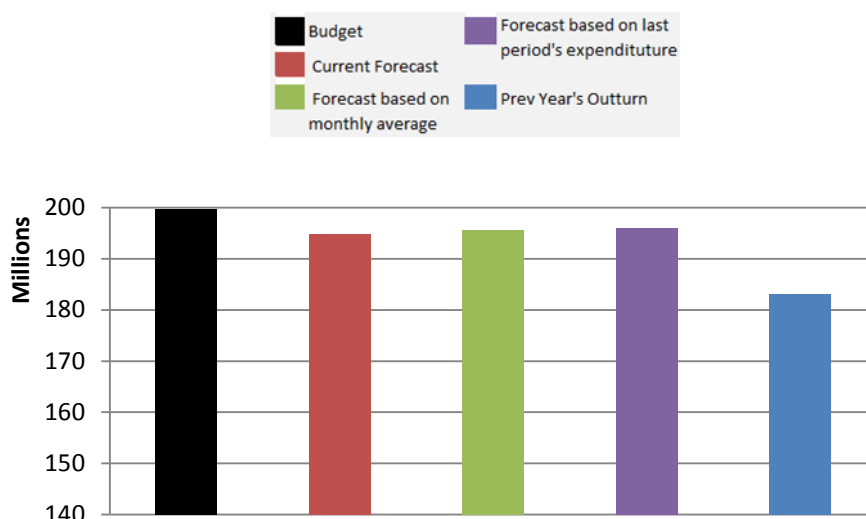
Figure 1: General Fund Forecast Net Expenditure

| Approved Budget* | Directorate | Revised Budget | Outturn | Variance | Variance as % of Net Budget |
|------------------|------------------------------|----------------|--------------|------------|-----------------------------|
| £m | | £m | £m | £m | |
| 226.3 | People | 226.9 | 233.4 | 6.5 | 2.8% |
| 53.9 | Resources | 53.6 | 54.4 | 0.8 | 1.5% |
| 61.1 | Growth and Regeneration | 59.5 | 58.8 | -0.7 | (1.2%) |
| 341.3 | Sub-total | 340.0 | 346.6 | 6.6 | 2.0% |
| 35.0 | Other Budgets** | 36.3 | 36.3 | 0.0 | (0.1%) |
| 376.3 | Net Expenditure Total | 376.3 | 382.9 | 6.6 | 1.8% |

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

- 1.3. The adult social care overspend has increased by of £0.3m comparing to P9, and is currently reporting an overspend of £5.7m. The change mainly relates to increases in Reablement, Intermediate Care, Regulated Services and Early Intervention as part of the response to winter pressures. Please see Appendix A1 for further detail.
- 1.4. 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.
- 1.5. The Resources Directorate's forecast overspend has increased by £0.7m from £0.1m in P9 to £0.8m in P10. The main reason for the increase on overspend relates to mitigations and savings planned in Facility Management services not been delivered. This has been reported as a risk within the Resources directorate throughout the year.
- 1.6. The Growth and Regeneration Directorate has increased its forecast underspend by £0.6m to £0.7m in P10. This mainly relates to additional one-off income from street works overrun charges to other companies and an underspend in Concessionary Travel expenditure based on patronage.
- 1.7. Figure 2 below illustrates the difference between the budget holders' forecasts on employees spend and the extrapolated positions. Note that the forecast based on the last period expenditure appear to be higher than the monthly average, this is due to backdated administration charges being applied to agency costs during P10.

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



2. Ring-Fenced Accounts

Housing Revenue Account

- 2.1. The HRA has reduced the forecast underspend to £2m against the approved budget (£2.6m in P9). The underspend 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. As year-end is fast approaching, it is anticipated that the budgeted new borrowing of £4.8m for 2019/20 will not be required this financial year mainly due to the underspend.

Dedicated Schools Grant

- 2.2. The High Needs budget includes transfers from other blocks of £2.57m and the accelerated funding of £2.41m from 2020/21, giving a total budget of £58.9m. This block is forecasting an overspend of £1.46m, slightly increased 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. The Early Years forecast underspend has reduced since last month due to a £0.46m increase in Early Years High Needs expenditure. Early years DSG expenditure is based on actual take up of places and measured at three 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. The position on this block will move again once the January census figures are available as this will determine one third of the expenditure and over half of the income.
- 2.4. The Schools Block is also showing a variance for the first time in the year and this is due to the actual commitments against the Growth Fund being known to be £0.24m less than the available budget.

Public Health

- 2.5. 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 P9. 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 P10 £5m 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.

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 | 3.52 | 0.99 | 22% |
| Growth and Regeneration | 4.29 | 4.29 | 0.00 | 0% |
| Total | 17.79 | 12.71 | 5.08 | 29% |

| Period 10 Budget Monitoring - Summary | | | | |
|--|----------------------------|-----------------------|-------------------------|-------------------------|
| | 2019/20 - Full Year | | | |
| | Approved Budget | Revised Budget | Forecast Outturn | Outturn Variance |
| | £000s | | | |
| People | | | | |
| Adult Social Care | 148,718 | 149,021 | 154,745 | 5,724 |
| Children and Families Services | 62,439 | 62,800 | 62,847 | 46 |
| Educational Improvement | 11,915 | 11,831 | 12,635 | 804 |
| Public Health - General Fund | 3,237 | 3,238 | 3,222 | (16) |
| Total People | 226,309 | 226,890 | 233,449 | 6,558 |
| Resources | | | | |
| Digital Transformation | 11,528 | 11,689 | 11,416 | (273) |
| Legal and Democratic Services | 6,898 | 6,840 | 6,356 | (484) |
| Finance | 11,500 | 11,639 | 11,624 | (16) |
| HR, Workplace & Organisational Design | 10,568 | 10,412 | 10,016 | (396) |
| Policy, Strategy & Partnerships | 2,939 | 3,052 | 2,902 | (150) |
| Commercialisation & Citizens | 10,446 | 9,954 | 12,059 | 2,104 |
| Total Resources | 53,879 | 53,586 | 54,373 | 785 |
| Growth & Regeneration | | | | |
| Housing & Landlord Services | 11,649 | 11,634 | 11,274 | (359) |
| Development of Place | 1,277 | 1,313 | 1,172 | (141) |
| Economy of Place | 2,678 | 3,464 | 3,922 | 458 |
| Management of Place | 45,476 | 43,120 | 42,449 | (670) |
| Total Growth & Regeneration | 61,080 | 59,531 | 58,817 | (712) |
| SERVICE NET EXPENDITURE | 341,268 | 340,007 | 346,639 | 6,631 |
| Levies | 857 | 857 | 860 | 3 |
| Corporate Expenditure | 34,174 | 31,567 | 31,533 | (34) |
| Capital Financing | 0 | 3,867 | 3,867 | 0 |
| Corporate Revenue Funding | (376,299) | (376,299) | (376,299) | 0 |
| RELEASED FROM RESERVES | 0 | 0 | 0 | 0 |
| TOTAL REVENUE NET EXPENDITURE | 0 | (1) | 6,600 | 6,600 |