

MUNICIPAL YEAR 2018/2019 REPORT NO. 61

MEETING TITLE AND DATE:

Cabinet
12th September 2018

REPORT OF:

Executive Director of Resources

Agenda – Part: 1	Item: 8
Subject: Revenue Monitoring Report 2018/19: July 2018	
Wards: ALL	
Key Decision No: 4731	
Cabinet Member Consulted: Cllr Maguire	

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1. EXECUTIVE SUMMARY

1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of July 2018.

1.2 After the application of capital receipts for transformation purposes of £2.3m; the revenue budget forecast reflects an outturn position of £9.2m overspend for 2018/19 which will be funded using the Council's reserves.

1.3 Since 2010, the council has saved £161m; for 2018-19 a further £8m savings were agreed and £1m on income and £9m savings agreed from prior years. As time has progressed delivering these savings and additional income generating year on year continues to be challenging. Subject to substitute savings and management action being taken, prior year savings totalling £5.4m and current year savings totalling £5.1m has been identified as being at risk of delivery.

2. RECOMMENDATIONS

Cabinet is recommended to note:

- 2.1 The financial backdrop to the council's budget position (described in paragraphs 3.1 to 3.9).
- 2.2 The £9.2m overspend revenue outturn projection and the use of £2.3m of capital receipts to support organisation transformation.
- 2.2 That Cabinet Members will continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2018/19 and savings implementation.

Cabinet is recommended to agree that:

- 2.3 £2m be transferred from underspent interest budget within the corporate budget to increase total contingency to £3m recognising the council's underlying demographic and cost pressures. The level and necessity of this reserve will be considered annually.

3. BACKGROUND

- 3.1. On 21 February 2018, the council's 2018-19 budget was set by full council. This budget was set in the challenging context of a reduction in core funding of £6m in 2018-19; following funding reductions of £87m since 2010.
- 3.2. New savings of £7.8m were agreed for 2018-19 and income generation of £0.8m. Savings and income agreed from previous years totalled £9.4m, of which £7.5m relates to savings and £1.9m relating to income.
- 3.3. Enfield, reflecting national picture, continues to experience rising cost pressures from Temporary Accommodation, SEN transport, families with no recourse to public funds, and cost and demographic pressures in social care. Although the adult social care precept and flexible homelessness grant has contributed in part to relieving these cost pressures. There was been no financial recognition nationally of the cost pressures within children's services.
- 3.4. Since 2013/14, Enfield has continued to lobby for fairer funding, with the current transitional arrangements resulting in a £11.6m embedded reduction in funding. The impact of the new funding arrangements due to be implemented in 2020/21 will not be known until Autumn 2019, creating further funding uncertainties for all councils.
- 3.5. 2018-19 is the pilot first year of the London Business Rates Pool. The financial benefit of this arrangement, in the form of a one-off payment of £4m due to additional business rates income, will not be confirmed until September 2019. Planned commitments of £1.8m from this funding were initially agreed at Council on 21 February 2018, this will need to be considered as part of the overall future budget position. We are pleased to report that Enfield's bid from the strategic investment pot has been put forward to be considered to be funded from the strategic investment pot assigned for projects that support economic development across the borough.
- 3.6. Local authority financial management has become headline news over the last few months (Northants, and more recently Somerset and East Sussex County Council). In the context of economic situation and the cumulative impact of the sustained funding reductions since 2010, balancing councils budget remains a significant challenge.
- 3.7. As reported to Cabinet on 25 July 2018, the council services overspent by £2.9m offset by underspends in corporate; capital receipts of £6.7m were utilised. During 2017/18 the council's risk reserves increased in the main due to corporate item underspends in Minimum Revenue Provision and interest.
- 3.8. In this context, managing the council's budget position is a high risk priority for the council. The Council's revenue expenditure against budget is monitored by

regular reports to the Executive Management Team and Cabinet. These reports provide a snapshot of the revenue position and savings implementation for each Department and for the Council and provide details of any projected additional budget pressures and risks, or any significant underspends.

- 3.9. This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, variations in this report are limited to +/- variances of £50,000 or over to provide a greater strategic focus.

4.0 July 2018 Monitoring – General Fund

- 4.1 Each of the departments has generated a list of the variances which are contributing to the projected outturn figures. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast overspends by implementing offsetting savings measures. All Executive Directors reporting overspends are working on mitigating actions for the current year and where pressures are ongoing these are also being worked up as part of the MTFP.

- 4.2 The forecast budget overspend is £9.2m; after the application of £2.3m capital receipts. Below is a summary of the projected outturn variances broken down between departments:

Table 1: Forecast Projected Departmental Outturn Variances

July 2018	Net Controllable Budget						
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	July variation (Gross)	Proposed Flexible use of Capital Receipts (UCR)	July variation (Net of UCR)
Department	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Chief Executive	7,153	879	8,032	8,208	176	0	176
People	105,976	4,752	110,728	119,165	8,437	(390)	8,047
Place	17,635	1,253	18,888	22,132	3,244	(182)	3,062
Resources	52,677	(6,286)	46,391	53,420	7,029	(1,750)	5,279
Total Department Budgets	183,441	598	184,039	202,925	18,886	(2,322)	16,564
Contribution from reserves	0	0	0	(300)	(300)		(300)
Corporate Items	43,420	(2,498)	40,922	36,782	(4,140)		(4,140)
Corporate Contingency	1,000	1,900	2,900	0	(2,900)		(2,900)
Government Funding	(106,782)	0	(106,782)	(106,782)	0		0
Council Tax Requirement	121,079	0	121,079	132,625	11,546	(2,322)	9,224

() is an underspend

- 4.3 Management actions are ongoing to continue to address these budget pressures. In addition, a review of corporate items has been undertaken which has identified potential contributions towards the departmental overspends and improve the budget position further.

- 4.4 Management action taken to reduce costs include: additional scrutiny on any agency arrangements, review of all outsourcing arrangements, implementation of the review of management structures previously agreed as part of the Enfield 2017 workstreams and where appropriate vacant posts are being held in advance of future restructures.
- 4.5 The overspend has been driven by the following key factors:
- £6.290m prior year savings and £4.255m income generation at high risk of being unrealisable, due to change of circumstances or optimism bias in terms of the level or speed of delivery.
 - ongoing budget pressures previously identified in 2017-18 in SEN Transport, No Recourse to Public Funds and Temporary Accommodation. A service by service detailed analysis of this can be seen in section 5 appendices B to F.
- 4.6 The forecast variance at the year-end will need to be met from a contribution from the council's general balances, though it is intended to keep this as low as possible. As set out in the July cabinet report, robust reserves would help us manage pressures in the short to medium term.
- 4.7 The approved changes reflect the allocation of one-off funding for youth projects, use of contingency to support Children's Services pressures and the new arrangements for operational support functions within each department.
- 4.8 This report provides further information on the budget position as follows:
- Summary narrative for each service area supported by Appendices B to F providing additional data
 - Monitoring information on the progress towards meeting agreed savings and income generation agreed
 - Update on DSG and HRA
 - The financial management key performance indicators set out in appendix A.

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & MITIGATING ACTIONS

5.1. Chief Executive's Department (Appendix B)

This department is reporting an overspend of £0.2m variance to budget for June (budget of £8.0m), details of which are provided in Appendix B.

5.2. People (Appendix C)

The department is forecasting a £8.4m overspend (budget of £110.7m).

Adult Social Care (ASC)

Of which £3.3m relates to Adult Social Care. Although substantial savings have been made in year the demand for services continues

because of demographic pressures.

Savings: £4.7m savings achieved but £2.9m of savings are considered to be at high risk of delivery and form part of the pressure (of which £2.8m relate to prior years). A further £2.2m is considered to be amber risk of delivery but are assumed to be delivered within the forecast within this monitor. These will continue to be monitored during the year and any movement will be reported on in future updates.

Children's and Families

Children's and Families services are forecasting a £4.0m overspend. The most significant variance relates to £1.9m pressure relating to SEN Transport. Any achieved savings have helped stem the continued growth in expenditure. Demand in Special Guardianship Allowances continues to grow and despite allocating additional budget in 2018/19 the forecast still exceeds the budget available by £0.4m.

Savings: £1.0m have been achieved. However, unachievable savings of £0.7m attributed to generating additional income in the Schools traded services and the continued demand in No Recourse to Public Funds cases means a forecast overspend of £0.4m because savings included in the MTFP reflected the expectation that costs would decrease following management actions that were implemented.

Use of capital receipts: Included in the forecast is £0.4m relating to the Edge of Care transformation project which will commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision. It is proposed that the cost of this project is funded through the Flexible Use of Capital Receipts.

The Housing Related Support schemes (Supporting People) budget is forecast to overspend by £1.2m. This is a result in delayed decommissioning and recommissioning of Housing related support contracts which will only come into effect part way through 2018/19.

Further details are provided in Appendix C.

5.3. Place (Appendix D)

The Place department are forecasting an overspend position of £3.2m (budget of £18.9m) with the most significant pressures being reported in Property Services. The reason for this variance arises due to unrealized income generation as described below. Further details are provided in Appendix D.

Savings: Assumptions around the success of income generating initiatives such as the Bunding initiative and the renting out of office space in the Civic Centre have not materialized as originally budgeted for, creating a pressure in 2018/19 of approximately £2.4m.

A further £0.4m relates to savings proposals such as the disposal of Gentleman's Row and alternative use of corporate buildings which have not been implemented.

The remaining overspend relates to operational issues such as the cost of cleaning and security and rent collection.

Use of capital receipts: The Regeneration and Environment services are reporting an overspend of £0.2m but it is likely that this will reduce following the application of £0.2m to fund the EDGE transport transformation contract from the flexible use of capital receipts.

5.4. Resources (Appendix E)

The Resources department is forecasting a £5.3m (budget £46.4m) after the planned use of capital receipts is applied to fund transformational related expenditure.

Demand for services continues and impacts on services such as income collection, financial assessments and deputyship and accounts for a further £1.0m of the forecast overspend. Other significant forecast overspends include; a £0.7m overspend in IT because of ongoing annual maintenance and licenses for systems implemented as part of the capital programme. A key reason for the budget variance relates to unrealized savings and income as described below. Specific details by services are listed in Appendix 4.

Savings: savings of £0.1m have been achieved but savings of £4.2m and income targets of £1.4m agreed through the MTFP that are now considered to be at risk of delivery or undeliverable and contribute to the overspends forecast in the IT, Procurement and Leisure & Culture services.

Use of capital receipts: Within the £2.3m proposed use of capital receipts, £1.7m relates to items within the Resources department to support IT services and the transformation team.

5.5. Corporate Items (Including Contingency & Contingent Items) General Fund

The Council maintains a general contingency of £1m. Of this £0.15m has been allocated as one-off funding for youth projects, of which £100k has been drawn down to date. Funding set aside in the budget for pay awards, inflation and other corporate pressures are also held in the contingent items budget to be allocated out during the year. The forecast outturn reflects our best estimate of the call against contingent items during the year. Corporate items also include levy payments and treasury management costs, which are made up of interest payments on council borrowing and receipts on investments.

As approved in the Council Budget Report, £0.500m has been transferred to

Children's services from contingency to address service pressures and is reflected in Table 1.

The underspend currently being reported consists of a forecast £4m underspend against interest payments and £3m underspend against contingent items. This may change depending on the call on contingency during the year.

The underspend on interest budgets is expected to continue for the short to medium term due to historically low interest rates and it is proposed to transfer £2m of this budget saving to contingency to be available to offset unavoidable service pressures.

5.6. **Proposed Flexible Use of Capital Receipts**

With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilize capital receipts for revenue purposes. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners. £1.7m has already been agreed in the Council Budget report for 2018/19 to fund the Procurement & Commissioning co-managed service. The proposed list of additional transformational funding for 2018/19 is set out below.

IT Services:	£1.000m
Transformation Team:	£0.750m
EDGE contract:	£0.182m
Edge of Care:	£0.390m
Total	£2.322m

The government has extended this flexibility until 2021/22. However, the council is mindful of over reliance on and sustainability of this one-off funding. The EDGE contract, Edge of Care and co-managed procurement and commissioning arrangements are time limited costs. However, the council ongoing investment in transformation and ICT indicates that longer term solutions to fund these pressures will be needed in future years.

5.7. **Dedicated Schools Grant (DSG) Budgets (Appendix F)**

5.8 For 2018/19 Enfield received a total Dedicated Schools Grant allocation of £331.54m and the funding is allocated across four blocks; £255.80m for the Schools block, £2.97m for the Central Schools Services Block, £26.95m for Early years and £45.82m for the High Needs block.

5.9 In 2017/18 we have a bought forward DSG deficit of £3.3m. This looked likely to increased but due to a top slice from our 2017-18 DSG allocation and the cost of out of borough placements being lower than originally estimated the cumulative deficit bought forward to 2018-19 reduced to £1.5m. There continues to be cost

pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are placed in borough. There are plans in place to develop additional provision in the borough over the next 3 year period which will help to reduce costs.

5.10 The in-year forecast outturn is an overspend of £0.138m, and the areas of greatest pressure continues to be within the high needs block where an increase in exceptional needs pupils in mainstream schools and additional funding for Durants schools to deal with complex needs resulting in a £0.750m overspend. This pressure has been mitigated with favourable variances totalling £0.612m due to lower demand on the growth fund, a reduced rates liability due to schools converting to academies and the delay in a new unit provision.

5.11 Therefore, the cumulative forecast deficit at year end is £1.638m and will have first call on the 2019/20 grant allocation and therefore reduce the funding available for next year's allocation.

6. ACHIEVEMENT OF SAVINGS (Appendix G)

6.1 A risk-based approach to the monitoring of savings is undertaken as part of the monthly budget monitoring, where the delivery of each saving is given a risk rating of:

- Blue - Banked i.e. fully achieved
- Yellow - Substitute saving identified
- Green - On track
- Amber - At risk of delivery
- Red - Undeliverable

6.2 The savings include those that are new for 2018/19 plus the full year effect of previous decisions and savings from 2017/18 that continue to have an adverse impact on the current year budget.

6.3 Of the £27.8m departmental savings, £9.2m is expected to be fully delivered at this stage. This consists of £1.4m which has been fully achieved, a further £7.4m which is on track for delivery and £0.4m substitute savings have been found within the service. In addition, £3.2m of corporate savings have been fully achieved.

6.3 However, £8.0m and £10.5m are considered to be amber or red risk status. These risk ratings are reflected in the forecast outturns for each department and form part of the reasons for variances as described in the narrative above. Of the red savings - £4.2m relates to income generation, the risks of delivery include timing and speed of implementation (e.g. bundling income delays, Civic Centre lettings), change in market conditions (e.g. school funding reductions placing pressure on schools budgets and therefore reducing opportunities). The £6.3m of red savings which are unrealisable are characterised by service areas that have existing offsetting cost and

demographic pressures, such as No Recourse to Public Funds, SEN transport, adult social care.

- 6.4 Further details for each department are summarised in the charts and tables in Appendix 6.

7. HOUSING REVENUE ACCOUNT (HRA)

- 7.1 The HRA projection for July shows an overspend of £0.45m.
- 7.2 A reduction of £45k in garage rental income due to an increase in the void rate, estimates 60% compared to an actual void rate of 63.4%.
- 7.3 There is currently a review of the bad debt provision being undertaken to assess the impact that Universal Credit has had on our arrears levels. There will be a further update next month.

8. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

9. REASONS FOR RECOMMENDATIONS

To ensure that Members are aware of the projected budgetary position, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.

10. COMMENTS OF THE EXECUTIVE DIRECTOR OF RESOURCES AND OTHER DEPARTMENTS

10.1 Financial Implications

As the Section 151 Officer, the Executive Director of Resources is required to keep under review the financial position of the Authority. The monthly revenue monitoring is a key part of this review process. If required, measures will be put in place to address any risks identified through the monitoring process and to contain expenditure within approved budgets. There is further work to be done to ensure a budget can be set within available resources.

Management of this financial year's position, and the long-term sustainability of the Council's finances (as expressed in the budget and MTFs) will require ongoing focus and effort by officers and councillors. The corporate failure of Northamptonshire County Council has provided a timely reminder for all local authorities of the need to continue to manage their finances tightly, and to make sometimes difficult decisions despite the prevailing circumstances (e.g. the Government's austerity programme, the uncertainty created by Brexit, and

growth pressures in many areas). For Enfield, this will mean that financial management will continue to be based on sound principles:

- **Timeliness** - decisions should be taken as soon as possible, so that the risks associated with the implementation of these measures can be properly mitigated and managed. Shorter-term decisions are intrinsically higher risk and should be avoided.
- **Collective Responsibility** - savings (including generation of additional income) should be made across all services, and collective consideration, analysis and decision making will continue to be key to ensure the Council's budget remains in balance. Individual Councillor and officer interests should therefore be balanced against the need for a coherent programme which takes appropriate account of statutory responsibilities, agreed and supported by Cabinet members and Council as a whole.
- **Sustainability** - the ongoing use of reserves, contingencies and other one-off sources (e.g. capital receipts, grants etc) is unsustainable. Although Enfield has a relatively healthy reserve position at present, these balances can quickly be eroded. Instead, savings should be taken as soon as possible, so that the reliance on one-off funding sources is reduced, and the budget made more sustainable. When one-off sources of funding are used, they should "pump prime" invest to save measures, aimed at reducing ongoing demand. Much has been done already, and this will continue to need to be a major theme of financial and service planning.
- **Cost Behaviour** - the nature of different service budgets should be properly understood and reflected in financial planning decisions. Some budgets are more readily able to generate income (primarily those where charging is not heavily regulated, and the service level is often discretionary rather than mandatory), whilst others are not, and the Council budget should therefore be balanced in the round rather than on a service-by-service or departmental basis.
- **Smart Use of Assets** - it follows that assets – primarily property – should be developed and income generated from them on an ongoing basis, rather than disposed of (unless absolutely necessary). There are, for example, excellent opportunities to take forward the property development agenda, quickly, with good governance and in a relatively buoyant property market, both within the mainstream Council and with the Council's trading companies.
- **Entrepreneurial Activity** - income generation that supports the Council's overall aims and ambitions will continue to be a major feature of financial and service planning, building on the considerable success that has already occurred. This will mean setting ambitious and stretching targets for the Council's companies, so that they deliver social, economic and financial benefits, ensuring all fees and charges (including rents) are properly reflective of both the underlying costs and prevailing market conditions, and identifying new opportunities to generate additional income.
- **Effective Oversight, Challenge and Scrutiny** – Cabinet and the Overview and Scrutiny Committee should both play a key role in

ensuring savings and commercial proposals are robust, deliverable and, in the round, enable the Council's budget to continue to be managed effectively.

By continuing to work to these principles, the Council's finances will be managed on a sustainable basis, and political and service priorities will consequently be delivered wherever possible. Should the finances not be managed in this way in future, the financial management challenges, as has been seen at Northamptonshire CC, may be all-consuming and, therefore, impact on councillors' and officers' ability to deliver the many other responsibilities, priorities and aspirations that they may have.

10.2 Legal Implications

The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

10.3 Property Implications

Not applicable in this report.

11. KEY RISKS

There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan: -

- Achievement of challenging savings targets.
- Brexit and the state of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt.
- Impact of the fall in the pound on inflation and pay
- Demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.
- Potential adjustments which may arise from the audit of various Grant Claims.
- Movement in interest rates.

Risks associated with specific Services are mentioned elsewhere in this report.

12. IMPACT ON COUNCIL PRIORITIES

12.1 Fairness for All – The recommendations in the report fully accord with this Council priority.

12.2 Growth and Sustainability – The recommendations in the report fully accord with this Council priority.

12.3 Strong Communities – The recommendations in the report fully accord with this Council priority.

13. EQUALITIES IMPACT IMPLICATIONS

The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

The Council does not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.

Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

14. PERFORMANCE MANAGEMENT IMPLICATIONS

The report considers the financial impact of changes arising from reduced funding. The projections and future pressures on the budget are viewed with due consideration of financial management and the most efficient use of resources.

15. HEALTH AND SAFETY IMPLICATIONS

Not applicable in this report.

16. HR IMPLICATIONS

Not applicable in this report.

17. PUBLIC HEALTH IMPLICATIONS

Not applicable in this report.

Background Papers







None

Appendix A – Financial Resilience Key Performance Indicators

A summary overview of financial performance is outlined below in Table 1. The intention of this is to provide the key highlight messages in a “dashboard” style summary. It is designed to capture the key messages across the Council’s main financial areas, namely:

1. Income and expenditure;
2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
3. Cash flow forecasting and management.

Table 1: Summary performance overview

Financial Indicator	Status @ July 18	Key Highlights
Income & Expenditure Position – General Fund Year end forecast variances		Year-end variances of £9.2m overspend have been forecast to date in relation to General Fund net controllable expenditure. Departments are developing actions to mitigate the pressure to offset identified pressures.
Progress to Achieving Savings MTFP (current Year)		Savings monitoring has identified a total of £10.5m that have been risk rated as undeliverable and a further £8.0m that are at risk of delivery. These are reflected in the reported overspend for July 2018.
Income & Expenditure Position – HRA		The HRA is projecting a £0.045m overspend at year-end outturn against budget.
Income & Expenditure Position – DSG		The DSG is forecasting a £0.138m overspend at year-end outturn against budget.
Cash Investments; Borrowing & Cash Flow		The current profile of cash investments continues to be in accordance with the Council’s approved strategy for prioritising security of funds over rate of return.
Balance Sheet - General Fund balances year end projections		The outturn projection for General Fund balances will meet the Council’s Medium Term Financial Strategy target based on the use of uncommitted reserves to meet one-off overspends in 2018/19.

Appendix B

Chief Executive's	Budget Variation July 2018 (£'000)
The department is currently projecting a saving of £200k achieved by changing the funding arrangements from revenue to capital for CCTV replacement programme.	(200)
Human Resources - additional resources required in the team to deal with increased workload as a result of the drive to reduce agency costs and convert to permanent/fixed term appointments.	54
Agency Rebate - projecting an overachievement of agency rebate income based on actuals to date. There is a risk that this may reduce slightly over the remainder of this financial year in light of the drive to reduce agency staff numbers.	(88)
Electoral Services - overspend relates to the cost of May local elections which exceeded the balance held in the elections reserve.	97
Land charges - The income target for land charges is currently projecting a shortfall as also experienced during 2017/18 with further declines in the market being exhibited.	260
Other minor variances	53
Chief Executive Total	176

Appendix C

People- Adult Social Care	July 18 £000's
Adult Social Care	
There are unrealised savings from previous years within Care Purchasing of £2.8m and £0.1m new 2018/19 savings which adds to the pressures within the Services described below. Key assumptions within the forecast are based on projected activity and year to year trends. In future years there is an increased budget pressures due to demographic pressures, provider cost pressures and a growing demand for social care services.	
Strategy & Resources - These services include, transport, grants to voluntary organisations, Safe Guarding and Service Development. The projected underspend is within Safeguarding Adults. The expenditure, on safeguarding adults' reviews, which is undertaken by external experts varies depending upon the number of reviews.	(65)
Mental Health - The service is currently projecting an overspend for the year on care packages. There has been an increase of 6 community-based packages since March.	304
Learning Disabilities - The service continues to project an overspend position because of managing demand led services. There are 30 transition cases in 18/19. Substantial savings have been made in year however, demand for services continues to rise because of demographics and Ordinary Residence clients.	940
Older People and Physical Disabilities (the Customer Pathway) - The service is projecting care purchasing overspends due to demand led services, within residential and community-based services. There has been an increase of 84 community-based clients and 16 residential clients since March. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics.	2,102
IWE/Bridgewood - This includes management fee to IWE plus client income at Bridgewood House.	0
Public Health Grant The Departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2017/18 is now £16.8m, this reflects a reduction in grant of £499k. There is a risk that demand led sexual health services could result in additional pressures.	0
Other minor variances	(13)
Housing Related Support - this is a result of difficulties in identifying a provider during the tender exercise for the floating support service.	1,157
Adult Social Care & Public Health	4,425

People- Children's and Families Services	July 18 £000's
SEN Transport - demand for transport provision continues within 2018/19 and savings agreed within the Medium-Term Plan have not been achieved or where savings have materialised these have only resulted in stemming the growth in expenditure. The latest projection for 2018/19 is based on current pupil no's/routes. The position may change in Sept due to pupil transition/new starters, but additional costs should be offset by re-routing efficiencies.	1,928
Schools Traded Services - this is as a result of setting income targets that have proved to be unachievable. This includes £230k from 2017/18 and a further £500k from 2018/19.	730
No Recourse to Public Funds (NRPF) - The service has committed to an invest to save model, funding both a fraud officer and an immigration officer to reduce the number of presentations and aid speedier Home Office decisions. Even though the work of the fraud officer and immigration officer is starting to show through a reduction in the numbers of new cases, and there are some families that have had their final immigration status confirmed, there remains insufficient funding within the budget to meet demand. Savings of £240k per year over 2017/18 and 2018/19 were agreed in the MTFP, however the number of cases has continued to grow and therefore the savings have not materialised as intended.	437
Special Guardianship Allowances - despite increasing budget in 2018/19 continued demand has resulted in a forecast overspend.	355
Former UASC 18+ - overspend is because of a number of unfunded clients following appeal rights being exhausted.	99
Safeguarding & Quality Assurance - overspend due to pressure on staffing budgets.	73
Edge of Care – transformation project to commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision.	390
Children's and Families Services	4,012
People Department Total	8,437
Flexible Use of Capital Receipts – Edge of Care	(390)
People Department Net Total	8,047

Appendix D

Place	<i>Budget Variation July 2018 (£'000)</i>
Planning Applications - the forecast overspend is partly due to the legal costs of a revocation order being £80k greater than anticipated and £70k due to staffing pressures.	150
Street Lighting - £50k overspend relates to the forecast cost of festive lighting which remains unfunded.	50
Commercial Services (Parks) – favourable variance is forecast, due to favourable variances from Parks Events, Allotments and Parks Assets.	(85)
Whitewebbs Golf Course – £100k adverse variance; which is due to the delay in awarding the leasing of the Whitewebbs Golf Course contract.	100
Waste Processing and CA Site - recycling costs are forecast to increase during 2018/19, this is due to the changes in the China policy towards recycling materials, which has increased the cost of processing from £26.52 to £48.44.	239
Commercial Waste Services - This is due to additional income generated from the successful marketing of the commercial waste services and a one-off reimbursement from the NLWA and Commercial bins cost efficiencies.	(297)
People Transport - This relates to the cost of the EDGE contract for 2019/20 and is proposed to be funded through the Flexible Use of Capital Receipts.	182
Regeneration - favourable variance of £120k is forecast which is due to more time being allocated to the capital schemes and therefore greater level of recharges to be funded via the capital programme.	(120)
Property - the most significant overspend relates to the estimated level of income from the bunding scheme. Current forecasts are significantly lower than were originally planned for and as such an adverse position of approximately £1.4m is forecast. A further £297k relates to the costs of the disposals programme and reflect the additional cost above the 4% limit which are funded by the income generated by the actual disposals.	1,885
Facilities Management - approximately £360k relates to the decision not to rent out the 5th floor of the Civic Centre as originally planned and the rent-free periods offered to new tenants of the Civic Centre. Other facilities related pressures including cleaning and security costs account for a further £366k overspend. £270k relates to savings proposals that were included in the budget but yet to be implemented or have decided not to be implemented such as the disposal of Gentleman's Row and alternative use of buildings. And St. Andrew rent increase (including backdated rent charges)	1,127
Other Minor variances below £50k	13
Place Total	3,244
Flexible Use of Capital Receipts – EDGE Contract	(182)
Place Net Total	3,062

Appendix E

Resources	Budget Variation July 2018 (£'000)
Finance Hub - deputyship team established on a full cost recovery basis that has not been possible to implement plus increases in demand have required additional resources to be employed which has further increased the pressure on the service budget.	63
Financial Assessments - overspend is forecast due to the continued level of demand experienced and staffing resources required to meet it. Costs have been mitigated through creating fixed term opportunities rather than reliance on temporary staff.	240
Income Collection - overspend forecast due to reduction in level of court fees received through court summonses and court costs and staffing overspend forecast as a result of continued level of demand for services.	550
ICT staffing - overspend forecast due to new IT posts which are to be created with a part year effect in 2018/19, IT staff costs that have been funded via the flexible use of capital receipts and income targets relating to the commercialisation of IT related services which are currently considered at risk of delivery.	1,660
ICT Contracts - this relates to savings expectation of £1.0m in IT contract costs which are considered to be at risk of delivery. Further analysis is being undertaken to quantify the savings that are achievable.	1,000
ICT Applications/Licences - revenue impact of the annual maintenance/licence costs associated with the capital programme.	750
Transformation Team - these relate to staffing costs that are proposed to be funded through the flexible use of capital receipts.	750
Procurement - £1.1m of the overspend relates to savings target that are considered at risk, including the commercialisation of the service and procurement savings across all Council services.	1,100
Leisure & Culture - adverse variance relates to not achieving expected 2017/18 income targets and the impact this has on the likelihood of meeting the increased expectations that are reflected in the Medium Term Financial Plan. Mitigating actions have been identified and are being implemented to get the service operating within budgeted expectations.	861
Other Minor Variances	55
Resources Total	7,029
Flexible Use of Capital Receipts – IT, Procurement, Transformation	(1,750)
Resources Net Total	5,279

Appendix F

Dedicated Schools Grant

Dedicated Schools Grant 2018/19	July 18 £000's
<i>Schools Block</i>	
Demand on Growth Fund lower than estimated (120k) & reduced rates liability for academy converters (192k)	(312)
<i>High Needs Block</i>	
Increase exceptional needs 600k plus an additional allocation to Durants for complex needs 150k and a delay in new unit provision (300k).	450
DSG NET TOTAL	138

Appendix G

Summary of Savings by Department impacting on 2018/19

Table 3

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
Blue	0	0	555	0	555	796	0	1,351
Green	478	4,694	445	500	5,639	1,168	100	7,385
Yellow	0	0	325	0		434		434
Amber	0	2,242	250	0	2,492	1,335	4,218	8,045
Red	150	2,888	1,831	1,300	6,019	2,971	1,405	10,545
Total	628	9,824	3,406	1,800	14,705	6,704	5,723	27,760

Red Savings by Year (2017/18 relate to savings that impact 2018/19 but relate to 2017/18)

Table 4

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
2017/18	150	250	990	1,300	2,540	1,700	1,044	5,434
2018/19	0	2,638	841	0	3,479	1,271	361	5,111
Total	150	2,888	1,831	1,300	6,019	2,971	1,405	10,545

Red Savings summarised by when decision was agreed in Medium Term Financial Plan

Table 5

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
Up to 2017/18	150	2,783	1,831	1,300	5,914	2,891	1,105	10,060
2018/19 (New)	0	105	0	0	105	80	300	485
Total	150	2,888	1,831	1,300	6,019	2,971	1,405	10,545

Red Savings by Savings and Income Generation

Table 6

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
Savings	0	2,638	1,831	1,300	5,769	521	0	6,290
Income	150	250	0	0	250	2,450	1,405	4,255
Total	150	2,888	1,831	1,300	6,019	2,971	1,405	10,545

Detailed List of Savings by Department

Appendix H

Chief Executive's

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
CEX	Income	Increased volume of Land Charges fees	(150)					Red
CEX	Saving	£1m Agency Cost Saving - CEX Portion		(28)				Green
CEX	Saving	Reductions in HR. Staffing Cuts		(120)				Green
CEX	Saving	Remove in year underspends		(200)				Green
CEX	Saving	Remove in year underspends		(130)				Green
CEX Total			(150)	(478)	0	0	0	

People – Children's Services

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
People	Saving	NRPF	(240)	(240)				Red
People	Saving	SEN Transport	(250)	(101)	0	0		Red
People	Saving	Traded Services with schools and other Education Services	(500)	(500)	(600)			Red
People	Saving	Reducing number of children in care		(250)				Amber
People	Saving	Regionalisation of Adoption Services			(50)			Amber

People	Saving	Joint Service for Disabled Children- staffing restructure		(75)	(65)			Yellow
People	Saving	Reprofiling Shared Services saving (SCS28)		(250)				Yellow
People	Saving	Community Safety: re-apportionment of policing contract costs to reflect the support provided to HRA		(188)				Green
People	Saving	EPS / CAMHS Service		(200)	(220)			Green
People	Saving	Independent Reviewing efficiencies				(65)		Green
People	Saving	Merging support and management of Children and Adults Safeguarding Boards		(29)	0			Green
People	Saving	Service Development Review			(37)			Green
People	Saving	Single Point of Entry new System		(28)				Green
People	Saving	Careers Service re-modelling		(10)				Blue
People	Saving	Children's Centres		(500)				Blue
People	Saving	Joint Service for Disabled Children: Saving will be achieved through the deletion of a 0.5 Full Time Equivalent post and two high cost care packages coming to a natural end		(45)				Blue
People - Childrens Services Total			(990)	(2,416)	(972)	(65)	0	

People – Adult Social Care

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
People	Income	Increase Income (higher rate Attendance Allowance)	(250)					Red
People	Saving	Learning Disabilities Care Purchasing		(586)	(713)			Red
People	Saving	Older People Care Purchasing		(1,587)	(1,587)			Red
People	Saving	Physical Disabilities Care Purchasing		(360)	(360)			Red
People	Saving	Relocation of residential clients		(105)				Red
People	Saving	Supporting People Phase 3	(1,300)	(500)				Red
People	Saving	Brokerage Redesign	(600)					Amber
People	Saving	Closure of Bridge House and Coppice Wood Lodge (Transferred to FYE)	(300)					Amber
People	Saving	Further use of Assistive Technology		(75)				Amber
People	Saving	Increase availability of 18 nursing beds through re-provision	(400)					Amber
People	Saving	IWE benefit/surplus at least 1% per year		(130)				Amber
People	Saving	Management of sustainable provider rates		(225)				Amber
People	Saving	Reduction in placements from hospital		(37)				Amber
People	Saving	Residential Home Re-provision - Closure----	(200)					Amber
People	Saving	Review high cost packages that may be eligible for health needs		(75)				Amber

		funding						
People	Saving	£1m Agency Cost Saving - HHASC Portion		(200)				Amber
People	Saving	Direct Payment clawbacks by reviewing bank accounts		(75)				Green
People	Saving	HHASC Management Restructure, Director and Assistant Director Posts		(196)	30	90		Green
People	Income	Improved BCF funding		(4,106)	(3,700)			Green
People	Income	Increased Income		(150)	(125)			Green
People	Saving	Independent Living Fund		(50)				Green
People	Saving	retender of extra care facilities		(117)				Green
People - Adults Social Care Total			(3,050)	(8,574)	(6,455)	90	0	

Place

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
Place	Saving	accommodation savings to be achieved through alternative use of buildings	(150)	(150)				Red
Place	Income	Assets Income		(80)				Red
Place	Income	Civic Centre - let 2 further floors of the building		(500)				Red
Place	Income	Commercial Property	(500)					Red
Place	Saving	Gentlemans Row		(121)	0			Red
Place	Income	Property - Bund Income Ph 1	(750)	(235)	0	985		Amber
Place	Income	Property - Bund Income Ph 2	(200)	(420)	(220)	200		Red
Place	Saving	Withdraw Whitewebbs Golf Course Subsidy	(100)					Red
Place	Income	Additional Commercial Income (waste & parks)		(80)				Amber
Place	Income	Building / Dev Control income	(100)	(100)				Amber
Place	Income	Civic Centre - let of floors of the building	(800)	0	(150)			Amber
Place	Saving	Re-Use Collections		(20)				Amber
Place	Saving	£1m Agency Cost Saving - ENV Portion		(434)				Yellow
Place	Income	Additional Commercial Income (waste & parks)		(80)				Green
Place	Saving	Aqua Fund		(23)				Green
Place	Saving	Barrowell Disposal Haulage Saving		(23)				Green

Place	Saving	Changes to Parking Measures		(100)	(300)			Green
Place	Income	Cross Over Income		(50)				Green
Place	Saving	Efficiencies arising from a new Parking Contract to be implemented in July 2017.		(50)	0	0		Green
Place	Income	Improved sales of existing and additional burial plots		(100)				Green
Place	Income	Increase income across R& E		(250)	(250)	(250)		Green
Place	Saving	Management actions to contain pressure		(188)	(446)	(379)		Green
Place	Income	New revenue stream arising from the Council's new contract for street advertising, other large format advertising and sponsorship schemes.		(35)				Green
Place	Income	Parks events additional income.		(50)				Green
Place	Saving	Street Lighting Reduction of Scouting		(50)				Green
Place	Income	Traffic and Transportation Income (3 years only)		(130)			130	Green
Place	Income	Tree Team Income		(39)				Green
Place	Saving	Green bin service change		(306)				Blue
Place	Saving	Integration of Regeneration and Economic Development		(100)				Blue
Place	Saving	Regeneration and Environment Service		(200)				Blue
Place	Saving	Regeneration and Planning Restructures		(140)				Blue
Place	Saving	Vehicle Leasing-Cage Tippers		(50)				Blue
Place Total			(2,600)	(4,104)	(1,366)	556	130	

Resources

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
Resources	Income	Arts & Culture Business Plan - Future Years Savings by increased income	(194)	(61)	(58)			Red
Resources	Income	Arts Income		(300)				Red
Resources	Income	Future income generated from IT	(300)					Red
Resources	Income	Leisure and culture	(250)					Red
Resources	Income	New income from marketing of the digital platform	(300)					Red
Resources	Saving	£1m Agency Cost Saving - CH Portion		(90)				Amber
Resources	Saving	£1m Agency Cost Saving - FRCS Portion		(248)				Amber
Resources	Saving	Commercialisation of Procurement and Contracts Hub		(250)				Amber
Resources	Saving	Contract Review		(300)				Amber
Resources	Saving	IT Contracts	(500)	(1,000)				Amber
Resources	Saving	IT Staffing	(1,200)					Amber
Resources	Saving	Procurement Forward Plan		(530)				Amber
Resources	Saving	Reduction in cost of ICT third party contracts	(100)					Amber
Resources	Saving	Audit and Risk management service restructure		(50)				Green
Resources	Saving	Efficiencies following implementation of time-saving financial software.			(50)			Green
Resources	Saving	Transactional Services		(50)				Green
Resources Total			(2,844)	(2,879)	(108)	0	0	

