



Revenue Budget Monitoring – Period 4, 2017/18

Decision to be taken by: City Mayor

Decision to be taken on: 24th November 2017

Overview Select Committee date: 2nd November 2017

Lead director: Alison Greenhill

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: Ext 37 5667

1. Summary

This report is the first in the monitoring cycle for 2017/18, and gives an early indication of the expected performance against the budget for the year.

Given the scale of Government funding cuts, departments are inevitably under pressure to provide services with less funding.

The key issues during the last few years have been the continued pressures within Adult Social Care and Children's Services. This report continues to demonstrate the pressures within these areas.

The Adult Social Care Department is continuing to see package costs rise for existing service users as their level of need increases. The department is seeking to make significant savings in anticipation of future pressures. Through the early implementation of planned savings, Adults is forecasting one off savings in the current year.

As discussed in last year's outturn report, the major issue for Children's Services remains the number of looked after children. This reached 687 in August compared to 627 at the same time last year. It is anticipated that placement costs will exceed the budget for this year by £2.3m, but the department can meet this cost with one-off monies. Longer term plans to make savings are being prepared, including increased use of multi systemic therapy.

Additionally, we are seeing pressures in City Development and Neighbourhoods, forecasting to draw up to £0.8m of departmental reserves. Many of these pressures are anticipated to be ongoing and will need to be considered in budgeting for 2018/19.

The medium-term financial outlook is extremely difficult as funding cuts continue. Managing spending pressures will be crucial to living within our means in the future along with achieving spending review targets.

As this is based on Period 4, it is too early to make a forecast of the eventual outturn. The narrative of the report describes the pressures which have arisen so far.

2. Recommendations

2.1 The Executive is recommended to:

- Note the emerging picture detailed in the report.
- Approve reductions to the Delivery Communications and Political Governance budget of £140k as detailed in Appendix B, Paragraph 4.2.
- Approve reductions to the Delivery Communications and Political Governance budget of £62k 2017/18 rising to £125k in 2018/19 as detailed in Appendix B, Paragraph 4.3.
- Approve reductions to the Planning, Transportation and Economic Development budget of £100k in 2018/19, in respect of the Park & Ride spending review, as detailed in Appendix B , Paragraph 6.2.
- Approve reductions to the Housing Budget of £250k from 2018/19 in respect of further savings arising from the Homeless review as detailed in Appendix B, Paragraph 11.2.

2.2 The OSC is recommended to:

- Consider the overall position presented within this report and make any observations it sees fit.

3. Supporting information including options considered:

The General Fund budget set for the financial year 2017/18 was £258.2m.

Appendix A details the budget for 2017/18.

Appendix B provides more detailed commentary on the forecast position for each area of the Council's operations.

4. Financial, legal and other implications

4.1 Financial & Legal implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, Ext 37 4001

4.2 Climate Change and Carbon Reduction implications

This report is solely concerned with financial issues.

4.3 Equality Impact Assessment

No Equality Impact Assessment (EIA) has been carried out as this is not applicable to a budget monitoring report.

4.4 Other Implications

Other implications	Yes/No	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-
Corporate Parenting	No	-
Health Inequalities Impact	No	-

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

5. Background information and other papers.

Report to Council on the 22nd February 2017 on the General Fund revenue budget 2017/18.

6. Summary of appendices:

Appendix A – P4 Budget Monitoring Summary;

Appendix B – Divisional Narrative – Explanation of Variances;

7. Is this a private report?

No

Revenue Budget at Period 4, 2017/18

	Current Budget for Year
	£000
Neighbourhood & Environmental Services	30,392.0
Tourism, Culture & Inward Investment	6,365.1
Planning, Transportation & Economic Development	16,398.5
Estates & Building Services	8,437.3
Departmental Overheads	621.3
Fleet Management	5.1
Housing Services	3,846.0
City Development and Neighbourhoods	66,065.3
Adult Social Care	105,481.5
Public Health & Sports Services	22,051.8
Strategic Commissioning & Business Development	690.1
Learning Services	8,064.3
Children, Young People & Families	58,668.9
Departmental Resources	(4,071.2)
Education & Children's Services	63,352.1
Delivery Communications & Political Governance	5,704.0
Financial Services	11,802.1
Human Resources	4,241.6
Information Services	9,002.5
Legal Coronial & Registrars	2,080.4
Corporate Resources and Support	32,830.6
Housing Benefits (Client Payments)	500.0
Total Operational	290,281.3
Corporate Budgets	(661.6)
Capital Financing	13,812.0
Total Corporate & Capital Financing	13,150.4
Public Health Grant	(27,519.0)
Use of Reserves	(17,709.7)
TOTAL GENERAL FUND	258,203.0

11. Housing General Fund

- 11.1. The General Fund housing service is forecast to underspend by £0.5m. Unbudgeted new grant income (Homeless Support Grant) of £0.2m has been received and vacancy management across the service is forecast to result in 8 FTE vacancies, saving £250k. A further £50k is expected to result from the decommissioning of Shared and Supported accommodation within 2017/18. Looking ahead, however, the Homelessness Reduction Act is due to take effect in 2018. This is expected to increase service demand and workloads in the Homelessness Service, and will create service and budget pressures.
- 11.2. The closure of Shared & Supported Housing (60 units) has delivered a saving of £150k and a further £100k has been delivered on the associated administration costs. These are the budgets that remain following the closure of the service.