

Full Cabinet Revenue and Capital Monitoring for Period 4 (July 2022)

Table 1. Revenue Budget - Forecast Out-turn Position 2022/23

The current forecast is showing a total adverse variance of £6.204 million. This is made up entirely from the Children an Education portfolio and the DSG (Dedicated Schools Grant) position. More information can be found in table 2 below.

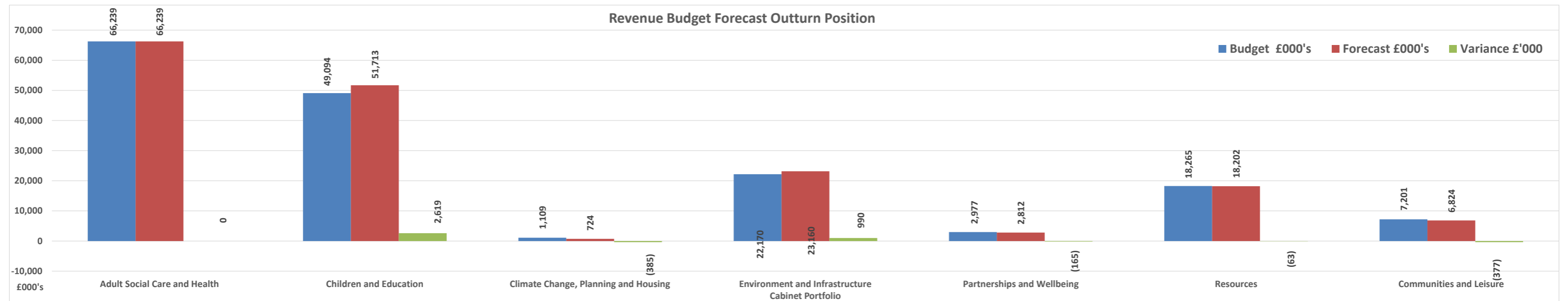


Table 2. Revenue Budget - Forecast Out-turn Position 2022/23 and Explanation of Key Variances

Cabinet Portfolio	Budget	Forecast	Variance	Explanation of Key Variances
	£'000	£'000	£'000	
Adult Social Care and Health	66,239	66,239	0	Increased bed capacity +£140,000, exploitation reduction +£167,000, short term staffing capacity +£1.020m for hospital team and peripatetic social work staff, higher rates for providers +£250,000 to secure their services, modelled inflationary and demographic pressures £623,000, Additional cost of spot care packages for older people +£931,000, all age disability +£637,000 and mental health +£289,000 has been offset by lower expenditure on block contracted beds (£1,507,000). This has required the use of (£2.550m) of directorate reserves in order to achieve a break-even position for adult social care. Accelerating Prevention Fund allocations +£489,000 and reduction in PH grant allocation +£103,000 met from increased use of PH reserves (£592,000).
Children and Education	49,094	51,713	2,619	+£5.119m forecast variance, offset by (£2.500m) use of reserves. +£5.119m made up of: Children's Placements +£1.476m, Social Care Demand and JTAI improvement activities +£2.113m, Home to School Transport +£1.321m, Social Care Legal costs linked to demand levels +£371,000, Other net variances (£162,000).
Climate Change, Planning and Housing	1,109	724	(385)	Favourable variance on salaries due to a number of vacancies within the portfolio (£189,000) - the Planning, Design and Engagement Service received additional investment through the budget process for a number of additional posts which are in the process of being filled. This is in addition to a favourable variance which is mainly as a result of a drawdown of E&I (Economy and Infrastructure) Directorate Risk Reserves to balance E&I Directorate position (£196,000).
Environment and Infrastructure	22,170	23,160	990	Car parking income shortfalls and cost pressures +£332,000, Street Lighting Energy cost pressures +£269,000, New SEC contract start fuel/staffing cost pressures partly offset by lower Waste Disposal costs +£258,000, Forestry (Arboriculture) +£135,000, plus other minor variances +£107,000 partially netted off mainly by a share of the use of the E&I Directorate Risk Reserve to balance E&I Directorate position (£111,000).
Partnerships and Wellbeing	2,977	2,812	(165)	(£54,000) favourable variance from additional income from staff time chargeable to grant programmes with a timing delay to recruit additional staff to support delivery of new areas of activity. This is in addition to a favourable variance mainly as a result of a drawdown of E&I Directorate Risk Reserves to balance E&I Directorate position (£111,000).
Resources	18,265	18,202	(63)	+£705,000 saving target pressures (which include Corporate Landlord +£200,000, new social care information system +£150,000 and £324,000 pressures to be funded from directorate relating to Learning Pool and recruitment needs). Other variances include: +£151,000 Strategic Land & Property pressures mainly due to the ongoing rental income pressure against Touchwood; +£295,000 mainly due to Human Resources staffing pressures and loss of income from traded services (e.g. schools buying payroll); +£103,000 Business Intelligence & Improvement mainly due to staffing pressures. Offset by (£0.850 million) contribution from Treasury Management, Bereavement service (£130,000), Solihull Connect and Customer Contact service (£122,000), Audit, Governance and Risk Management (£50,000). The portfolio will identify other mitigations to deliver the forecast position totalling (£165,000).
Communities and Leisure	7,201	6,824	(377)	There is a forecast pressure of £269,000 in relation to leisure Centres, mainly due to utility price increases, which will be offset in year by use of additional leisure reserves of (£269,000). Favourable variances on salaries (£303,000) additional income and other minor cost reductions in Customer Services (£129,000) and a favourable variance mainly as a result of a drawdown of E&I Directorate Risk Reserves to balance E&I Directorate position (£168,000). This is partly offset by a +£223,000 adverse variance due to the continued effects of the Covid-19 pandemic on income from the Core theatre and café with reduced visitor numbers and increased cost pressures in relation to supplies.
Total Core Council	167,055	169,674	2,619	
Dedicated Schools Grant (DSG)	0	3,585	3,585	High Needs Block +£3.585m inc. +£900,000 Summerfield PRU, £2.685m High Needs Education Placements, bringing the cumulative deficit forecast at year end to +£16.798 million held in reserves per Table 5 below.
Levies	8,749	8,749	0	Nil Variance
Working Balances/ Contingency	(11,837)	(11,837)	0	Nil Variance
Total	163,967	170,171	6,204	

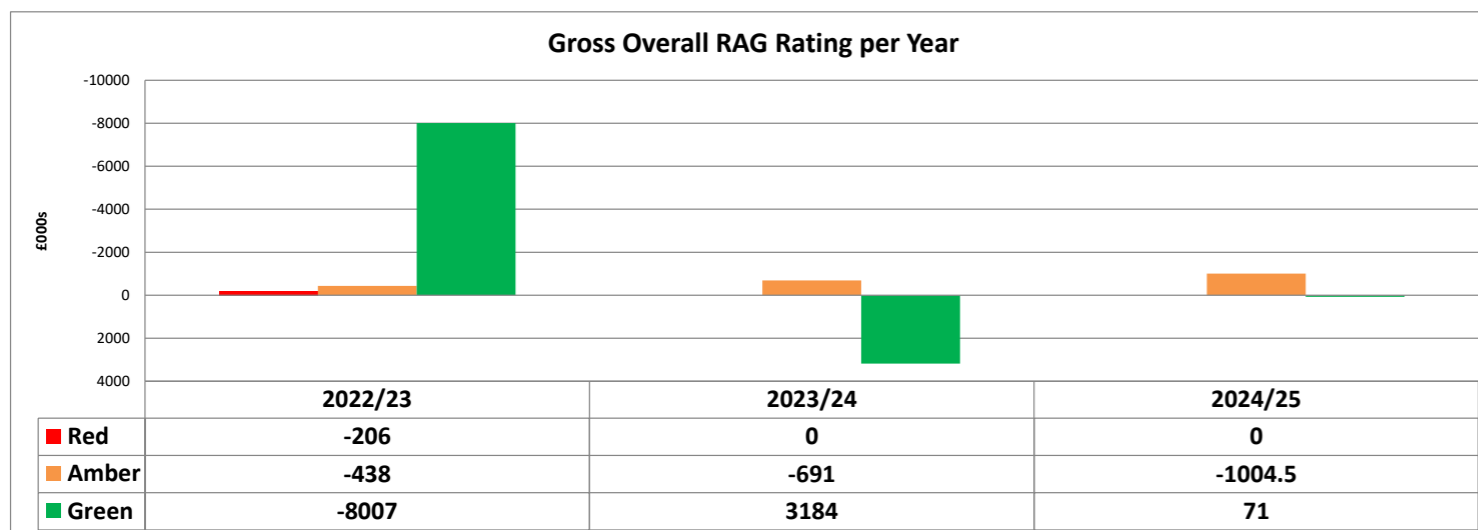
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Table 3. Capital Budget - Forecast Out-turn Position 2022/23 and Explanation of Key Variances

The latest approved Capital Programme budget is £72.288 million. Actual expenditure to the end of July was £9.161 million and there is a favourable forecast variance of (£3.844 million).

Cabinet Portfolio	Budget £'000	Spend £'000	Forecast £'000	Variance £'000	Explanation of Key Variances
Adult Social Care and Health	3,161	(557)	3,161	0	Nil variance
Children and Education	14,469	287	14,442	(27)	Minor Variance
Climate Change, Planning and Housing	59	0	0	(59)	Programme of landscaping works across parks and open spaces within the north of the borough. This funding is to be transferred to the small habitats grants projects.
Environment and Infrastructure	43,678	8,473	39,784	(3,894)	Significant variances in relation to the HS2 Roundabout over Trace scheme (£8.949 million) which is led by HS2 and delays to their programme that have impacted this scheme partially offset by adverse variances within the Kingshurst Village Centre +£3.309million due to the acquisition of properties that were delayed from 2021/22 and potential accelerated expenditure. Additional costs expected to be funded by DLUHC Estates Regeneration funding. Finally, the HS2 NEC Longabout +£1.519million which is due to increased cost estimates for the delivery of the scheme. A change request has recently been approved by the WMCA to unlock additional funding for this scheme so is unlikely to be a variance at the end of the year.
Partnerships and Wellbeing	135	0	135	0	Nil variance
Resources	10,069	983	10,069	0	Nil variance
Communities and Leisure	717	(25)	853	136	Currently forecasting an adverse variance but residual housing grant will be used to fund this variance.
Total	72,288	9,161	68,444	(3,844)	

Table 4. MTF3 3 Year Savings Targets



Key Savings and Mitigations Highlights

Of the overall savings and mitigations target of £7.092 million, £2.340 million is rated as red/amber with only £644,000 (7%) relating to 2022/23.

The internal officer led ARTOP Board continues to monitor the progress on delivery of these savings.

Table 5. Summary of Reserves/Contingencies

Cabinet Portfolio	Balance as at 1st April 2022 £'000	Planned / Forecast (contribution)/use			Forecast Balance at the end of 2024/25 £'000	Forecast / Planned (contribution) /use beyond 2024/25 £'000	Forecast Remaining Balance £'000
		2022/23 £'000	2023/24 £'000	2024/25 £'000			
Adult Social Care and Health	(4,928)	1,154	1,283	976	(1,515)	0	(1,515)
Children and Education	(1,691)	1,127	0	0	(564)	0	(564)
Climate Change, Planning and Housing	(2,152)	513	341	24	(1,274)	1,274	0
Communities and Leisure	(4,795)	1,702	1,118	159	(1,816)	769	(1,047)
Covid-19	(12,136)	8,937	3,199	0	0	0	0
Environment and Infrastructure	(7,158)	2,315	1,444	978	(2,421)	2,421	0
Partnerships and Wellbeing	(1,695)	543	668	209	(275)	255	(20)
Resources	(19,031)	2,418	1,346	(68)	(15,335)	830	(14,505)
Levies	(27,071)	27,071	0	0	0	0	0
Corporate Reserves	(40,413)	8,927	345	(5,454)	(36,595)	1,605	(34,990)
Contingency Funding - Adult Social Care and PH	(10,141)	2,243	2,547	112	(5,239)	0	(5,239)
Dedicated Schools Grant	13,213	3,585	0	0	16,798	0	16,798
Total	(117,998)	60,535	12,291	(3,064)	(48,236)	7,154	(41,082)

The balance of Portfolio Reserves at 1st April 2022 was (£117.998m). There is a forecast use of reserves over the existing Medium Term Financial Strategy of £69.762m leaving a balance of (£48.236m) at March 2025 - of which, £7.154m is forecast to be used beyond the current MTF3 period leaving (£41.082m) - the majority of which are held corporately or within the Resources portfolio.