

Full Cabinet Revenue and Capital Monitoring for Period 6 (September 2022)

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

The current forecast is showing a total adverse variance of +£8.097 million. This is made up of the Children and Education portfolio and the DSG (Dedicated Schools Grant) position. More information can be found in Table 2 below.

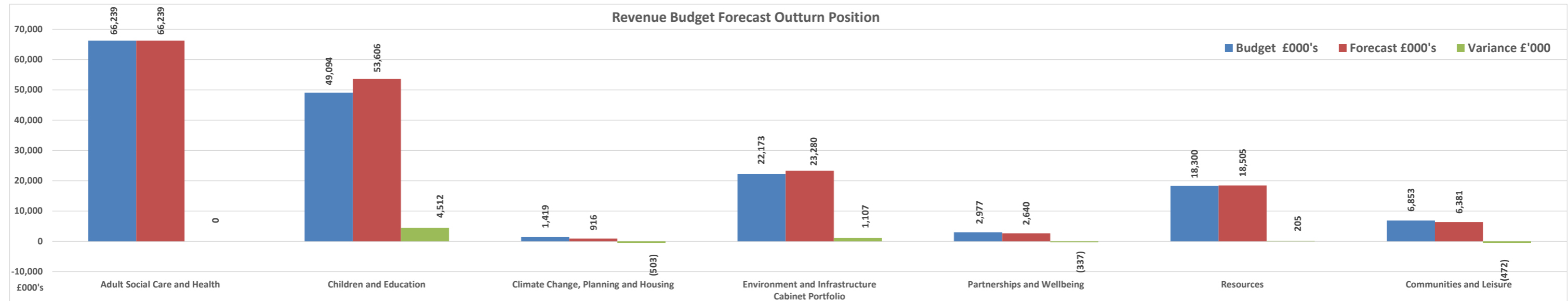


Table 2. Revenue Budget - Forecast Out-turn Position 2022/23 and Explanation of Key Variances

Cabinet Portfolio	Budget	Forecast	Variance	Explanation of Key Variances
	£'000	£'000	£'000	
Adult Social Care and Health	66,239	66,239	0	For Adult Social Care, additional cost of spot care packages for Older People +£1.045m, All Age Disability +£1.691m, and Mental Health +£338,000 has been offset by lower expenditure on block contracted beds (£1.881m) and underspend on staffing costs due to delays in recruitment (£684,000) offset through use of additional reserves (£509,000). Use of reserves of £623,000 was approved as part of the current MTFs for demographic and inflationary pressures and £1.843m are utilised to fund pressures arising as a result of the decision to extend the Crisis Response Team, to keep in place the hospital social care team to facilitate hospital discharges, and to meet our contractual commitments relating to fixed term posts. For Public Health, 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	53,606	4,512	+£7.204m gross forecast variance, offset by (£2.500m) use of contingency reserves and (£192,000) approved by Cabinet 06/10/2022 to pump-prime the implementation of Early Help Level 2 Services, giving a net +£4.512m variance. Gross variance made up of: Children's Placements and Section 17 Support +£1.776m, Social Care Demand and JTAI improvement activities +£4.352m, Social Care Legal costs linked to demand levels +£399,000, Home to School Transport +£1.289m, Other Education Services (£612,000) due to recruitment pressures.
Climate Change, Planning and Housing	1,419	916	(503)	Favourable variance on salaries due to a number of vacancies within the portfolio (£197,000) - 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 on Economy and Infrastructure directorate management mainly as a result of a drawdown of E&I Directorate Risk Reserves to balance E&I Directorate position (£185,000) and the timing of posts being recruited in the new Sustainable Growth service (£121,000).
Environment and Infrastructure	22,173	23,280	1,107	Street Lighting Energy cost pressures +£370,000, Car parking income shortfalls and cost pressures +£362,000, New SEC contract start fuel/staffing cost pressures partly offset by lower Waste Disposal costs +£337,000, Forestry (Arboriculture) +£150,000, plus other minor variances +£73,000 partially netted off mainly by a share of the use of the E&I Directorate Risk Reserve to balance E&I Directorate position (£185,000).
Partnerships and Wellbeing	2,977	2,640	(337)	(£152,000) 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 (£185,000).
Resources	18,300	18,505	205	Gross forecast overspend of £1.536m on the Resources Directorate due to pressures across several support services. This is mainly due to +£535,000 saving target pressures which include Corporate Landlord +£200,000 and new social care information system +£150,000. In addition, there are £430,000 pressures to be funded from directorate relating to Learning Pool and recruitment needs. Other variances include: +£283,000 mainly due to Human Resources staffing pressures and loss of income from traded services (e.g., schools buying payroll); +£151,000 Strategic Land & Property pressures mainly due to the ongoing rental income pressure against Touchwood; +£110,000 Income and Awards mainly due to staffing pressures and the extension of the Age UK contract. +£27,000 other pressures mainly due to staffing pressures within Communications and Business Intelligence. This will be offset by an (£850,000) contribution from Treasury Management and the Directorate will look to identify remaining mitigations of (£686,000). In addition, there is a +£128,000 adverse variance due lower Licensing income as a result of the lasting impact of Covid and wider economic factors and +£77,000 Bereavement Services adverse variance relating to pressure on income due to reduced activity on burials and utilities costs due to inflation above the budgeted level, partly offset by funding allowed for expansion at Woodlands which will not happen in the current year.
Communities and Leisure	6,853	6,381	(472)	Leisure centres +£269,000 mainly due to increased utility costs, and increased revenue contribution to Tudor Grange pitch improvements +£12,000, being met from Leisure reserves (£281,000). Favourable variances on Economy and Infrastructure directorate management mainly as a result of a drawdown of E&I Directorate Risk Reserves to balance E&I Directorate position (£185,000), Libraries due to vacancies in the process of being filled (£161,000), Partnerships additional income from staff time chargeable to grant programmes with a timing delay to recruit additional staff to deliver this activity (£116,000), the new Sustainable Growth service due to vacancies (£84,000) and other net minor variances (£123,000). This is partly offset by a +£197,000 adverse variance on Culture and Arts 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	171,567	4,512	
Dedicated Schools Grant (DSG)	0	3,585	3,585	High Needs Block +£3.585m inc. +£900,000 Summerfield PRU restructure and relocation, £2.685m High Needs Education Placements, bringing the cumulative deficit forecast at year end to +£16.798 million represented by negative reserves per Table 5 below. There is a risk around the negative reserve in that the rules around this only apply to this financial year unless a further statutory override is approved by the DfE to allow this treatment to continue into future years.
Levies	8,749	8,749	0	Nil Variance
Working Balances/ Contingency	(11,837)	(11,837)	0	Nil Variance
Total	163,967	172,064	8,097	

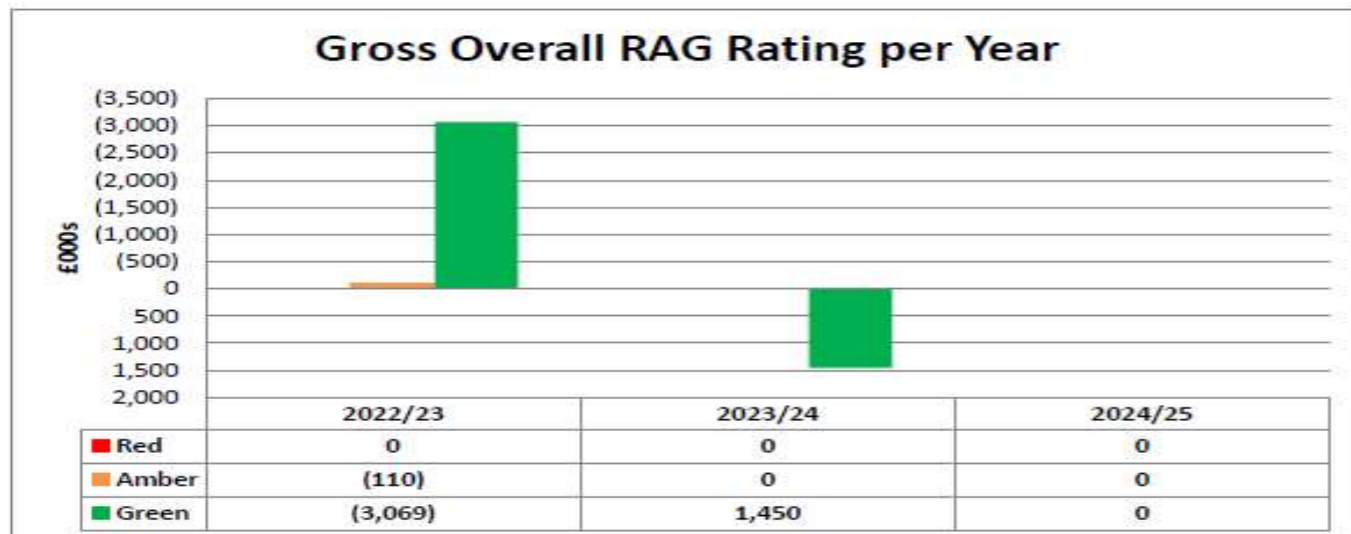
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Table 3. Capital Budget - Forecast Out-turn Position 2022/23 and Explanation of Key Variances

The latest approved Capital Programme budget is £74.675 million. Actual expenditure to the end of September was £19.661 million and there is a favourable forecast variance of (£8.686 million).

Cabinet Portfolio	Budget £'000	Spend £'000	Forecast £'000	Variance £'000	Explanation of Key Variances
Adult Social Care and Health	3,631	184	3,631	0	Nil variance
Children and Education	14,520	1,257	12,199	(2,321)	(£2.321million) consisting of: (£619,000) School Managed Project forecast has been revised down due to schools reviewing affordability; (£676,000) slippage on Schools Improvement Programme, where project options are being appraised; High Needs Block School Improvement slippage on two projects: (£550,000) Yew Tree SEMH Expansion and (£402,000) whilst options are considered for the creation of additional special school places. Demolition works to enable the Free School are now complete; (£74,000) slippage on other projects.
Climate Change, Planning and Housing	1,320	0	1,320	0	Nil variance
Environment and Infrastructure	44,082	15,407	39,226	(4,856)	Significant variances in relation to the HS2 Roundabout over Trace scheme (£8.949 million) 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. 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. Fillongley Road Bridge scheme pressure of +£574,000 has been offset by a re-prioritisation of funding on Bridge Assessments budget (£574,000). Remaining funding for Blythe Valley Park Cycle Route to be rephased into next financial year (£450,000) reflecting its projected targeted completion in 2023/24. Blythe Valley Roundabout Monkspath Hall Road scheme now likely to take place in 2023/24 so funding is to be rephased into next financial year (£380,000). Other variances +£95,000.
Partnerships and Wellbeing	135	0	135	0	Nil variance
Resources	10,069	2,795	8,372	(1,697)	The overall favourable variance is due to : (i) Mell Square favourable variance of (£1.441m) which will be rephased into 2023/24. (ii) There is a (£73,000) favourable variance in relation to the Bosworth Drive demolition works. (iii) (£183,000) favourable due to contingency not required to fund the Social Care Information Project.
Communities and Leisure	918	18	1,106	188	Additional cost of +£268,000 in relation to Tudor Grange pitch improvements due to issues identifying need for additional drainage work and subbase materials (the additional cost will be met £256,000 by Property Services from annual management contributions and the balance of £12,000 from leisure revenue reserves but this has not yet been reflected in the P6 figures). This is offset by a (£80,000) favourable variance on private sector minor works assistance based on forecast usage.
Total	74,675	19,661	65,989	(8,686)	

Table 4. MTF5 3 Year Savings Targets



Key Savings and Mitigations Highlights

Of the overall savings and mitigations target of £1.729 million, £110,000 million is rated as amber, all in relation to 2022/23 but is managed within the position reported in Table 2.

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)	1,121	1,179	903	(1,725)	300	(1,425)
Children and Education	(1,691)	1,691	0	0	0	0	0
Climate Change, Planning and Housing	(2,152)	651	274	24	(1,203)	1,203	0
Communities and Leisure	(4,795)	1,572	1,153	266	(1,804)	769	(1,035)
Covid-19	(12,136)	8,937	3,199	0	0	0	0
Environment and Infrastructure	(7,158)	1,414	1,433	949	(3,362)	3,362	0
Partnerships and Wellbeing	(1,695)	590	596	209	(300)	280	(20)
Resources	(19,031)	2,767	5,626	132	(10,506)	1,030	(9,476)
Levies	(27,071)	27,071	0	0	0	0	0
Corporate Reserves	(40,413)	8,927	345	(5,454)	(36,595)	1,585	(35,010)
Contingency Funding - Adult Social Care and PH	(10,141)	2,975	2,577	112	(4,477)	0	(4,477)
Dedicated Schools Grant	13,213	3,585	0	0	16,798	0	16,798
Total	(117,998)	61,301	16,382	(2,859)	(43,174)	8,529	(34,645)

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 £74.824m leaving a balance of (£43.174m) at March 2025 - of which, £8.529m is forecast to be used beyond the current MTF5 period leaving (£34.645m) - the majority of which are held corporately or within the Resources portfolio.