

Full Cabinet Revenue and Capital Monitoring for Quarter 1/Period 4 (July 2018)

Table 1. Revenue Budget - Forecast Out-turn Position 2018/19

The current forecast is showing an adverse variance of +£1.166 million which includes an adverse variance of +£1.579 million for DSG and a favourable variance of (£413,000) in respect of Core Council.

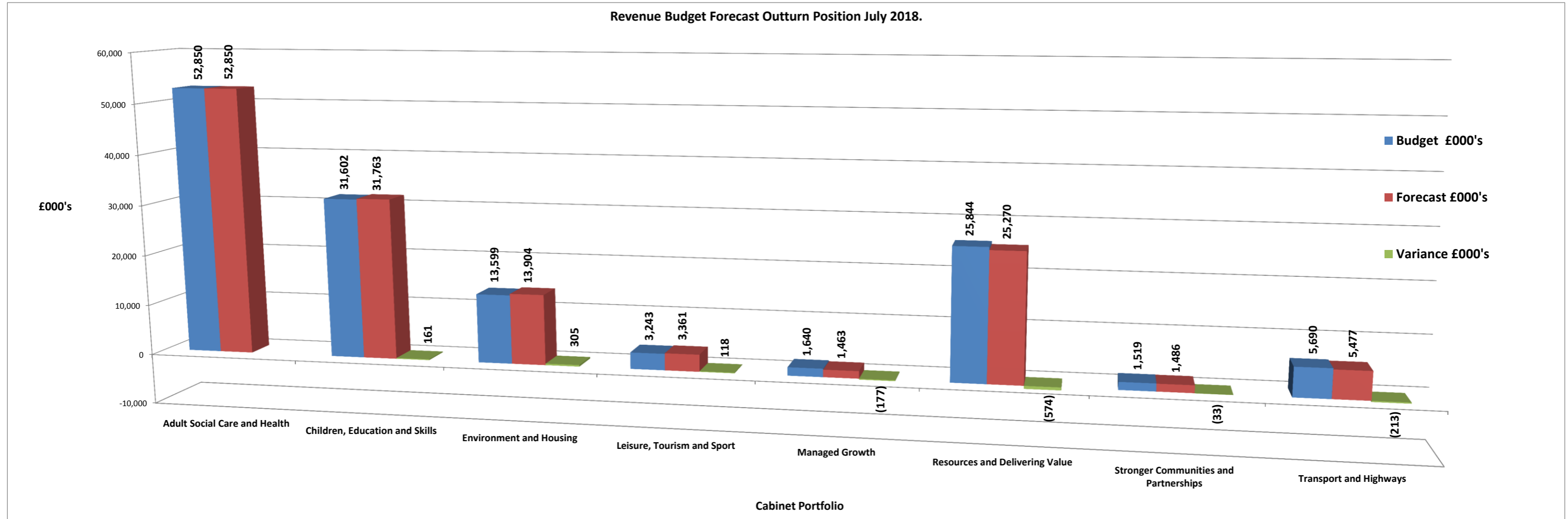


Table 2. Revenue Budget - Forecast Out-turn Position 2018/19 and Explanation of Key Variances

Cabinet Portfolio	Budget £000's	Variance £000's	Explanation of Key Variances
Adult Social Care and Health	52,850	0	For Adult Care and Support an adverse variance from an underlying pressure on spot contracted care +£2.671 million is partly offset by favourable variances on central budgets (£675,000) leaving an adverse variance +£1.996 million. This is offset by the planned use of contingency to meet underlying pressures (£1.396 million), the additional use of contingency (£353,000) and one-off favourable variances (£247,000) to achieve a balanced position by year end. The underlying pressure within spot care is being reviewed and plans are to be put in place to bring the pressure back to a more favourable position. In the Public Health directorate there is an adverse variance from the reduction in the Public Health Grant +£560,000 which is offset by the use of reserves (£560,000).
Children, Education and Skills	31,602	161	Adverse variances from demand pressures on Placements +£1.654 million and Home to School Transport +£1.068 million, both of which are partly offset by windfall funding contributions (£1.000 million) and (£400,000) respectively, UASC +£850,000, support in 0-25 SEND +£227,000 and other adverse variances +£100,000 are partly offset by favourable variances on staffing (£561,000), Early Help (£636,000) and other Children's Social Care (£291,000), giving a net adverse variance of +£1.011 million. This is partly funded from one-off UASC Capacity Grant (£303,000), the remaining UASC reserve (£130,000) and a proposal to negotiate with the Home Office for additional funding for Solihull's unique circumstances (£417,000) to cover the remaining UASC pressure for 2018/19 and open dialogue about future year pressures, leaving an adverse variance +£161,000.
Environment and Housing	13,599	305	Adverse variances as a result of the cost of the comingled recycling service, increases in property growth and a worsening of the recycling market +£425,000, travellers costs +£50,000 and the SEC Pension liability +£50,000. The portfolio also has a one off use of reserves (£220,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end.
Leisure, Tourism and Sport	3,243	118	Adverse variances on The Core theatre income +£49,000 due to a reduction in bookings, The Core café income +£65,000 and other net variances +£4,000.
Managed Growth	1,640	(177)	Adverse variances from the Local Plan review costs +£172,000 and other net variances +£17,000 are partly offset by favourable variances on salaries (£117,000) due to held vacancies within Growth Programmes and early delivery of the Community Infrastructure Levy saving (£30,000). The portfolio also has a one off use of reserves (£219,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end.
Resources and Delivering Value	25,844	(574)	Favourable variances on HR income (£118,000), Corporate Property running costs (£115,000), salaries (£55,000) and other minor net variances (£47,000) are partly offset by an adverse variance on Birmingham Airport dividends +£172,000. A favourable variance on Liquid Logic implementation (£411,000), due to revised project timescales, is committed in future years and will be subject to a request to contribute to a reserve.
Stronger Communities and Partnerships	1,519	(33)	Adverse variances from a reduction in the number of taxi licenses issued +£150,000 and an SMBC legal case +£60,000 are partly offset by a favourable variance on salaries (£24,000) due to vacant posts during the year. The portfolio also has a one off use of reserves (£219,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end.
Transport and Highways	5,690	(213)	Adverse variance on salaries +£56,000 due to unfunded increments is mostly offset by a favourable variance on car park income (£50,000) as a result of the changes to the tariffs from 1st September 2018. The portfolio also has a one off use of reserves (£219,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end.
Total Core Council	135,987	(413)	
Dedicated Schools Grant (DSG)	(641)	1,579	Adverse variances on High Needs Block +£1.218 million, as a result of Independent school places +£1.000 million, English as Additional Language +£19,000 and +£199,000 pressure carried forward from 2017/18 which is the subject of further reports to Cabinet Portfolio Holder with options for bringing spend within available resources. Schools Block +£246,000 carried forward from 2017/18 and Early Years Block +£115,000 carried forward from 2017/18.
Levies	7,630	0	
Working Balances/Contingency	(1,371)	0	
Total	141,605	1,166	

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Table 3. Capital Budget - Forecast Out-turn Position 2018/19 and Explanation of Key Variances

The latest approved Capital Programme budget is £46.253 million. Actual expenditure to the end of July was £3.068 million and there is a forecast favourable variance (£6.627 million).

Cabinet Portfolio	Budget £000's	Spend £000's	Forecast £000's	Variance £000's	Explanation of Key Variances
Adult Social Care and Health	8,738	129	4,927	(3,811)	Favourable variance shown is as a result of the timing for milestone payments as part of the Tanworth Lane care home construction. £3.811 million will be incurred in the 2019/20 financial year, as the build reaches completion.
Children, Education and Skills	11,063	1,767	10,098	(965)	The favourable variance relates to the anticipated rephasing of the North Solihull Primary Programme (£513,000), the School Improvement Programme (£310,000), the School Managed Programme (£142,000). This funding will be required in 2019/20.
Environment and Housing	2,116	13	2,116	0	Expenditure is forecast to be within budget and there are currently no variances to report.
Leisure, Tourism and Sport	599	95	599	0	Expenditure is forecast to be within budget and there are currently no variances to report.
Managed Growth	8,331	555	8,245	(86)	Favourable variance (£60,000) in relation to Match Funded schemes where no suitable projects have been identified for 2018/19 so will be required in 2019/20 and a minor variance on the final cost of Dickens Heath Infrastructure (£26,000)
Resources and Delivering Value	7,850	159	6,085	(1,765)	Favourable variance relates to the Implementation of Liquid Logic social care information system. Timescales in the project plan are later than assumed when the implementation budget was set so a request will be made to rephase this variance to 2019/20.
Stronger Communities and Partnerships	0	(51)	0	0	Expenditure is forecast to be within budget and there are currently no variances to report.
Transport and Highways	7,556	401	7,556	0	Expenditure is forecast to be within budget and there are currently no variances to report.
Total	46,253	3,068	39,626	(6,627)	

Table 4. MTFS 3 Year Savings Targets

Cabinet Portfolio	2018/19 £000's	2019/20 £000's	2020/21 £000's	Details of Red Savings
Adult Social Care and Health	(85)	(176)	(894)	2018/19 Total (£745,000) Adult Social Care and Health (£85,000) (£85,000) Development of Affordable Residential and Nursing Care. Children Education and Skills (£660,000) (£150,000) SEND transport, (£100,000) New 0-25 Disability Service and (£410,000) placement costs. 2019/20 Total (£2.725 million). Adult Social Care and Health (£176,000) (£118,000) Development of Affordable Residential and Nursing Care and (£58,000) Carefirst replacement. Children Education and Skills (£2.049 million) (£150,000) New 0-25 Disability Service, (£150,000) Support Services to Schools, (£1.000 million) placement costs, (£697,000) review of Engage (Early Help) Service and (£52,000) European Funding Programme. Resources and Delivering Value (£500,000) (£500,000) Opportunities to invest in Property and New Developments.
Children, Education and Skills	(660)	(2,049)	0	
Resources and Delivering Value	0	(500)	(719)	
Total Red Savings	(745)	(2,725)	(1,613)	
% of Total	11%	22%	23%	
Adult Social Care and Health	(512)	(1,394)	(1,301)	2020/21 Total (£1.613 million) Adult Social Care and Health (£894,000) (£156,000) Development of Affordable Residential and Nursing Care, (£300,000) Small Homes, (£150,000) Sexual Health, (£100,000) 0-19 Child Health and (£188,000) Cross Cutting Public Health Strategy. Resources and Delivering Value (£719,000) (£200,000) Asset Management, (£245,000) Local Council Tax Support and (£274,000) total of other savings (£100,000) or less.
Environment and Housing	0	(220)	0	
Managed Growth	(173)	(218)	(70)	
Resources and Delivering Value	(385)	(473)	(1,123)	
Stronger Communities and Partnerships	(100)	(175)	0	
Transport and Highways	0	(243)	(221)	
Total Amber Savings	(1,170)	(2,723)	(2,715)	
% of Total	18%	22%	38%	
Total Green Savings	(4,788)	(6,876)	(2,797)	
% of Total	71%	56%	39%	
Total Gross Savings	(6,703)	(12,324)	(7,125)	
Repayments	4,097	575	3,525	
Total Net Savings as shown in the MTFS	(2,606)	(11,749)	(3,600)	
2018/19 RAG rated Savings Target The total savings target as per the MTFS is £2.606 million for 2018/19. The latest position shows that 29% are RAG rated as Red and Amber.				

Table 5. Summary of Reserves/Contingencies

Cabinet Portfolio	Balance as at 1st April 2018 £000's	Forecast(contribution)/use			Forecast Balance at the end of 2020/21 £000's	Forecast (contribution) /use beyond 2020/21 £000's	Proposed as part of 2021/22 MTFS £000's	Forecast Remaining Balance £000's
		2018/19 £000's	2019/20 £000's	2020/21 £000's				
Adult Social Care and Health	(1,284)	560	0	142	(582)	351	0	(231)
Children, Education and Skills	(1,078)	201	66	16	(795)	21	0	(774)
Environment and Housing	(971)	681	209	0	(81)	81	0	0
Leisure, Tourism and Sport	(2,430)	(30)	1,057	352	(1,051)	1,051	0	0
Managed Growth	(4,057)	1,511	118	37	(2,391)	2,391	0	0
Resources and Delivering Value	(6,368)	1,585	1,216	218	(3,349)	320	69	(2,960)
Stronger Communities and Partnerships	(351)	100	(46)	(12)	(309)	309	0	0
Transport and Highways	(2,280)	1,058	0	0	(1,222)	1,222	0	0
Levies	(366)	0	0	0	(366)	0	0	(366)
Contingency - Adult Social Care and Public Health	(2,704)	1,749	748	0	(207)	207	0	0
Total	(21,889)	7,415	3,368	753	(10,353)	5,953	69	(4,331)

The balance of Portfolio Reserves at 1st April 2018 was (£21.889 million). The planned contribution/use in 2018/19, 2019/20 and 2020/21 is the latest estimate of what the position will be over those financial years. A large proportion of the balances held at April 2018 are currently planned to be used by the end of 2020/21 leaving a balance of (£10.353 million) and it is expected that a further £5.953 million will be used beyond 2020/21 and £69,000 will be proposed as part of the 2021/22 MTFS leaving a forecast remaining balance of (£4.331 million) beyond 2021/22. Many of the reserve movements forecast are planned for as part of supporting the overall MTFS position and in terms of supporting major projects/developments e.g. UKC.