

Full Cabinet Revenue and Capital Monitoring for Quarter 2/Period 6 (September 2018)

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

The current forecast is showing an adverse variance of +£1.591 million which includes an adverse variance of +£1.464 million for DSG and an adverse variance of +£127,000 in respect of Core Council.

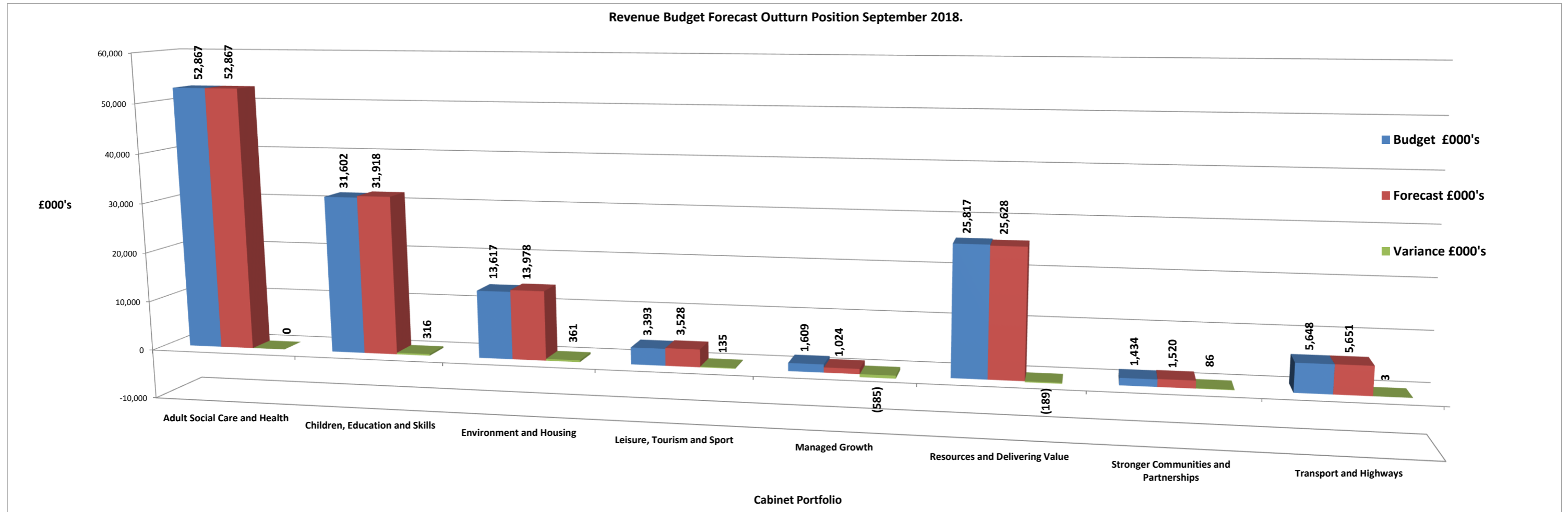


Table 2. Revenue Budget - Forecast Out-turn Position 2018/19 and Explanation of Key Variances

| Cabinet Portfolio | Budget £000's | Variance £000's | Explanation of Key Variances |
|---------------------------------------|----------------|-----------------|---|
| Adult Social Care and Health | 52,867 | 0 | Adverse variance from an underlying pressure on contracted care +£1.770 million is partly offset by favourable variances on central budgets (£680,000) leaving an adverse variance +£1.090 million. The plan to offset the in year position using reserves has been amended as part of the decision not to use the one-off benefits of changes to deferred payment income to fund capital expenditure, but to contribute it to reserves to support the overall MTFs. This means that a one-off benefit (£971,000) has been recognised in the revenue position. In addition to this favourable variances (£100,000) as a result of void negotiations on Chelmunds' Court, and (£134,000) other net variances, has resulted in a forecast contribution to reserves +£115,000. |
| Children, Education and Skills | 31,602 | 316 | Adverse variances from demand pressures on Placements +£1.658 million and Home to School Transport +£1.068 million, both of which are partly off set by windfall funding contributions (£1.000 million) and (£400,000) respectively, UASC +£889,000 and support in 0-25 SEND +£427,000 are partly offset by favourable variances on staffing (£650,000), Early Help (£631,000) and other net variances (£156,000), giving a net adverse variance of +£1.205 million. This is partly funded from one-off UASC Capacity Grant (£303,000), the remaining UASC reserve (£130,000) and assumed Home Office additional funding for Solihull's unique circumstances (£456,000) to cover the remaining UASC pressure, leaving an adverse variance of +£316,000. |
| Environment and Housing | 13,617 | 361 | Adverse variances as a result of the cost of maintaining fortnightly refuse collections +£124,000 and green waste collections +£196,000, costs of growth in the waste service +£80,000, recycling MRF pressures +£25,000 and salaries as a result of unfunded increments +£106,000 are partly offset by an early delivery of savings (£68,000) and other minor variances (£21,000). The portfolio also has a one off use of reserves (£81,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end. |
| Leisure, Tourism and Sport | 3,393 | 135 | Adverse variances on The Core income +£49,000 due to a reduction in bookings, Encore income +£75,000 and other net variances +£11,000. An adverse variance +£670,000 from repairs and loss of income at Tudor Grange Pool is offset by an in year favourable variance from new operating arrangements of (£618,000) and the use of reserves (£52,000). |
| Managed Growth | 1,609 | (585) | Favourable variance on salaries (£118,000) and core funded Managed Growth & Communities staff charged to externally funded UK Central schemes (£200,000) partly offset by adverse variances on income due to the timing of new advertising contracts in the Borough +£50,000, local plan review costs +£141,000 and other net variances +£15,000. The portfolio also has a one off use of reserves (£473,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end. |
| Resources and Delivering Value | 25,817 | (189) | Favourable variances on salaries (£170,000), HR income (£105,000), Corporate Property running costs (£122,000) and other net variances (£74,000) are partly offset by adverse variances on Birmingham Airport dividends +£172,000 and reduced charges of ICT time to capital projects +£110,000. |
| Stronger Communities and Partnerships | 1,434 | 86 | Adverse variances from a reduction in the number of taxi licences issued +£120,000 and an SMBC legal case +£45,000 are partly offset by a favourable variances on salaries (£19,000) other net variances (£6,000). The portfolio also has a one off use of reserves (£54,000) to achieve a balanced position for the Managed Growth & Communities Directorate by year end. |
| Transport and Highways | 5,648 | 3 | Adverse variances on salaries +£46,000 due to unfunded increments and other net variance +£25,000 are mostly offset by a favourable variance on car park income (£50,000) as a result of the changes to the tariffs from 28th September 2018. The portfolio also has a one off use of reserves (£18,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end. |
| Total Core Council | 135,987 | 127 | |
| Dedicated Schools Grant (DSG) | (641) | 1,464 | 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. There is also an adverse variance on Schools Block +£246,000 carried forward from 2017/18. |
| Levies | 7,630 | 0 | |
| Working Balances/Contingency | 0 | 0 | |
| Total | 142,976 | 1,591 | |

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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 £49.285 million. Actual expenditure to the end of September was £9.701 million and there is a forecast favourable variance (£6.700 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 | 605 | 5,017 | (3,721) | Favourable variance as a result of the timing for milestone payments as part of the Tanworth Lane care home construction, which will now be incurred in 2019/20 as the build reaches completion. |
| Children, Education and Skills | 11,090 | 4,983 | 10,176 | (914) | The favourable variance relates to the anticipated rephasing of the North Solihull Primary Programme (£500,000), the School Improvement Programme (£195,000), the School Managed Programme (£163,000) and General/Maintenance Programmes (£56,000). It is anticipated that this funding will be re-phased to 2019/20. |
| Environment and Housing | 2,116 | 63 | 2,116 | 0 | Expenditure is forecast to be within budget and there are currently no variances to report. |
| Leisure, Tourism and Sport | 607 | 95 | 607 | 0 | Expenditure is forecast to be within budget and there are currently no variances to report. |
| Managed Growth | 10,291 | 1,756 | 10,205 | (86) | Favourable variance (£60,000) in relation to Match Funded schemes where no suitable projects have been identified for 2018/19 so funding will be required in 2019/20 and (£26,000) on the final cost of Dickens Heath Infrastructure. |
| Resources and Delivering Value | 8,887 | 1,007 | 7,122 | (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 | (5) | 0 | 0 | Expenditure is forecast to be within budget and there are currently no variances to report. |
| Transport and Highways | 7,556 | 1,197 | 7,342 | (214) | Favourable variance in relation to the Digital Speed Camera pilot and it is anticipated that this funding will be re-phased to 2019/20. |
| Total | 49,285 | 9,701 | 42,585 | (6,700) | |

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 | (152) | (235) | (835) | 2018/19 Total (£812,000) Adult Social Care and Health (£152,000) (£85,000) Development of Affordable Residential and Nursing Care and (£67,000) Review of Mental Health spot and block contracts. Children Education and Skills (£660,000) (£150,000) SEND transport, (£100,000) New 0-25 Disability Service and (£410,000) placement costs. |
| Children, Education and Skills | (660) | (2,049) | 0 | |
| Resources and Delivering Value | 0 | (500) | (474) | |
| Total Red Savings | (812) | (2,784) | (1,309) | |
| % of Total | 12% | 23% | 18% | |
| Adult Social Care and Health | (204) | (1,149) | (1,058) | 2019/20 Total (£2.784 million). Adult Social Care and Health (£235,000) (£118,000) Development of Affordable Residential and Nursing Care, (£58,000) Carefirst replacement and (£59,000) Redesign of Daycare. 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. |
| Environment and Housing | 0 | (110) | 0 | |
| Managed Growth | (100) | (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 | (789) | (2,368) | (2,472) | |
| % of Total | 12% | 19% | 35% | |
| Total Green Savings | (5,102) | (7,172) | (3,344) | |
| % of Total | 76% | 58% | 47% | |
| Total Gross Savings | (6,703) | (12,324) | (7,125) | 2020/21 Total (£1.309 million) Adult Social Care and Health (£835,000) (£156,000) Development of Affordable Residential and Nursing Care, (£281,000) Small Homes, (£150,000) Sexual Health, (£100,000) 0-19 Child Health and (£148,000) Cross Cutting Public Health Strategy. Resources and Delivering Value (£474,000) (£200,000) Asset Management and (£274,000) total of other savings (£100,000) or less. |
| 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 24% 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 | (1,336) | 491 | (8) | 352 | (501) | 419 | 0 | (82) |
| Children, Education and Skills | (1,077) | 200 | 66 | 17 | (794) | 20 | 0 | (774) |
| Environment and Housing | (971) | 542 | 429 | 0 | 0 | 0 | 0 | 0 |
| Leisure, Tourism and Sport | (2,379) | 22 | 1,005 | 542 | (810) | 810 | 0 | 0 |
| Managed Growth | (4,057) | 1,829 | 151 | 93 | (1,984) | 1,984 | 0 | 0 |
| Resources and Delivering Value | (6,368) | 1,120 | 831 | 996 | (3,421) | 200 | 69 | (3,152) |
| Stronger Communities and Partnerships | (351) | (66) | (45) | (12) | (474) | 474 | 0 | 0 |
| Transport and Highways | (2,280) | 694 | 214 | 77 | (1,295) | 1,295 | 0 | 0 |
| Levies | (366) | 0 | 0 | 0 | (366) | 0 | 0 | (366) |
| Contingency - Adult Social Care | (2,497) | (115) | 1,641 | 971 | 0 | 0 | 0 | 0 |
| Contingency - Public Health | (207) | 0 | 0 | 0 | (207) | 207 | 0 | 0 |
| Total | (21,889) | 4,717 | 4,284 | 3,036 | (9,852) | 5,409 | 69 | (4,374) |

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 (£9.852 million) and it is expected that a further +£5.409 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 (£4.374 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.