

Full Cabinet Revenue and Capital Monitoring for Quarter 3/Period 9 (December 2018)

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

The current forecast is showing an adverse variance of +£984,000 which includes an adverse variance of +£1.356 million for DSG and a favourable variance of (£372,000) in respect of Core Council.

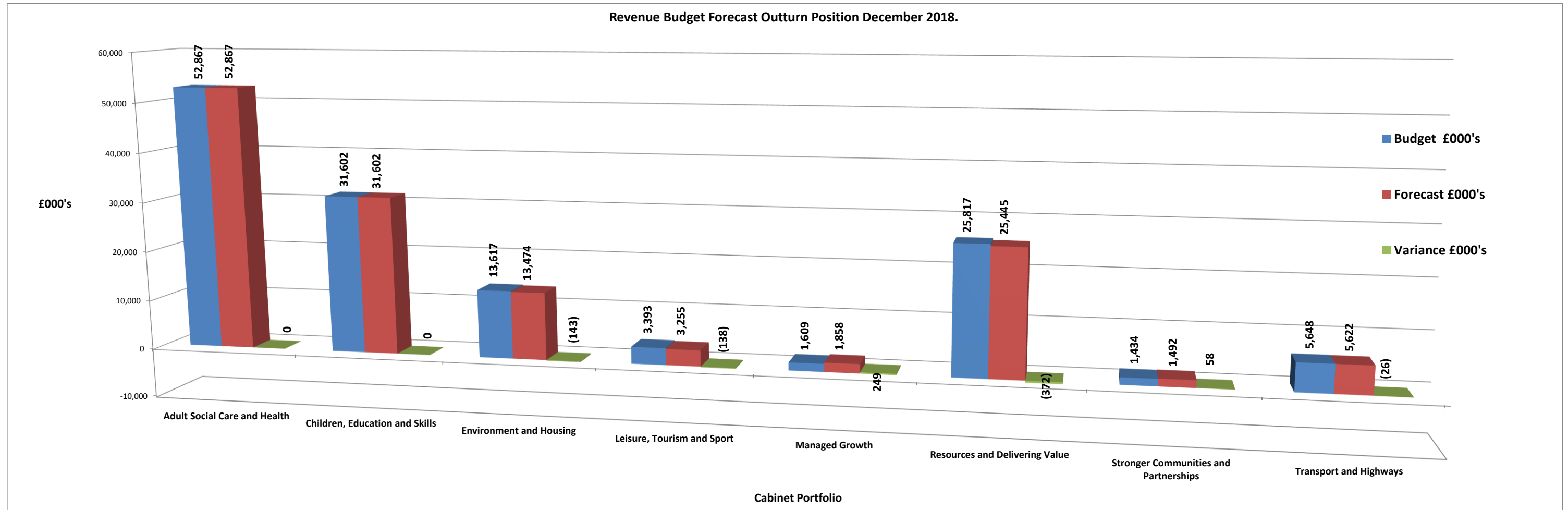


Table 2. Revenue Budget - Forecast Out-turn Position 2018/19 and Explanation of Key Variances

Cabinet Portfolio	Budget £000's	Variance £000's	Explanation of Key Variances
Adult Social Care and Health	52,867	0	Adverse variance on contracted care +£1.627million is partly offset by favourable variances on central budgets (£698,000) leaving an adverse variance +£929,000. One-off benefits are intended to be taken to reserves to support the overall MTFS. This means that a one-off benefit (£971,000) has been recognised in the revenue position for deferred payment income, and another of (£330,000) from accruals balance in preparation for a change in care management system. In addition to this favourable variances (£100,000) due to void negotiations on Chelmunds' Court, the use of (£415,000) of winter pressures grant to meet increased placement pressures and +£81,000 other net variances, has resulted in a forecast contribution to reserves +£806,000.
Children, Education and Skills	31,602	0	Adverse variances from demand pressures on Placements +£2.054million and Home to School Transport +£1.276 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 +£725,000 are partly offset by favourable variances on Early Help (£817,000), Education and Management (£540,000) and other net variances (£812,000). This is partly funded from one-off UASC Capacity Grant (£303,000), the remaining UASC reserve (£130,000) and Home Office additional funding for Solihull's unique circumstances (£200,000) to cover the remaining UASC pressure, leaving an adverse variance of +£742,000 to be covered by (£392,000) from the Childrens Reserve and (£350,000) from the Budget Strategy Reserve to be requested from Full Cabinet.
Environment and Housing	13,617	(143)	Favourable variance due to the good performance of the CSWDCo and resulting dividend (£667,000) and an early delivery of savings (£68,000) partially netted off by adverse variances in maintaining weekly refuse collections +£124,000 and fortnightly free green waste collections +£196,000, cost of dealing with travellers +£100,000, costs of growth in the waste service +£80,000, recycling MRF pressures +£25,000, salaries as a result of unfunded increments +£106,000 and other minor variances of (£39,000).
Leisure, Tourism and Sport	3,393	(138)	Favourable variances on salaries (£210,000), partially netted off by adverse variances on The Core income +£42,000 due to a reduction in bookings, Encore income +£46,000 and other net variances (£16,000). 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	249	Adverse variances planning income +£338,000 and the timing of new advertising contracts in the Borough +£50,000. Adverse cost variances due to local plan review costs +£141,000 plus minor variances across the portfolio +£31,000. This is partly offset by favourable variance on salaries (£135,000) and core funded Managed Growth & Communities staff charged to externally funded UK Central schemes (£150,000). The portfolio also has a one off use of reserves (£26,000) to achieve a balanced position for the Managed Growth and Communities Directorate by year end.
Resources and Delivering Value	25,817	(372)	Favourable variances on salaries (£172,000), Electoral Registration (£74,000), Corporate Property running costs (£143,000), Investment Property income (£52,000), Democratic Services (£40,000), Corporate Training (£40,000) and other net variances (£85,000) are partly offset by adverse variances on Birmingham Airport dividends +£177,000 and reduced charges of ICT time to capital projects +£57,000.
Stronger Communities and Partnerships	1,434	58	Adverse variances from a reduction in the number of taxi licences issued +£110,000 are partly offset by a favourable variances on salaries (£39,000) other net variances (£13,000) .
Transport and Highways	5,648	(26)	Adverse variances on salaries +£104,000 due to unfunded increments and increased agency costs 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, lower than expected energy costs within street lighting (£60,000) due to the accelerated LED replacement programme and other minor variances of (£20,000).
<b>Total Core Council</b>	<b>135,987</b>	<b>(372)</b>	
Dedicated Schools Grant (DSG)	(641)	1,356	Adverse variances on High Needs Block +£2.631 million, due to Independent school places +£2.088 million, Out of Borough Schools +£590,000, Other HN Placements (£119,000), Pupil Support Services +£122,000, other favourable variance (£50,000). On Schools Block a variance of +£246,000 is carried forward from 2017/18. Overall variance of +£2.877million will be offset by one off funding of (£1.521million) as part of the DSG recovery plan.
Levies	7,630	0	
<b>Total</b>	<b>142,976</b>	<b>984</b>	

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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 £49.938 million. Actual expenditure to the end of December was £16.525 million and there is a forecast favourable variance (£13.711 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	1,376	4,339	(4,399)	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	11,444	6,661	9,645	(1,799)	The favourable variance relates to the anticipated rephasing of the North Solihull Primary Programme (£1.000 million), the School Improvement Programme (£680,000) and General/Maintenance Programmes (£119,000).
Environment and Housing	2,116	843	1,390	(726)	Favourable variances on the Renovation Grants scheme (£476,000) due to a revised profile of spend spanning multiple years, the Disabled Facilities Grant prior year carry forward (£220,000) for use in private sector homes in 2019/20 and other minor schemes (£30,000). Total variance of (£726,000) requested to be carried forward into 2019/20.
Leisure, Tourism and Sport	599	107	399	(200)	The Dickens Heath youth community facility scheme programme has been delayed and will now start in March 2019, therefore the (£200,000) variance is forecast for re-phasing.
Managed Growth	10,494	2,883	8,487	(2,007)	Favourable variances in relation to Greening the Grey (Wildlife Ways) schemes (£1.102 million), Kingshurst Village Centre (£331,000), Smithswood (£120,000), Match Funded Schemes (£60,000) and Dickens Heath Infrastructure (£26,000) which formed part of the slippage included in the Capital Strategy report. Simon Digby Housing (£368,000) the purchase of the land was agreed at a price which is lower than the budget that was created. The balance of funding will be used in revenue to deliver the scheme to Outline Business Case.
Resources and Delivering Value	8,887	1,681	5,827	(3,060)	Favourable variances of (£1.765 million) due to revised timescales for the Implementation of Liquid Logic social care information system, (£558,000) relating to other ICT projects, (£447,000) relating to refresh of ICT devices and infrastructure and (£290,000) on other capital projects are all being requested to rephase into 2019/20.
Stronger Communities and Partnerships	7	3	7	0	Minor scheme
Transport and Highways	7,653	2,971	6,133	(1,520)	Favourable variances in relation to the Digital Speed Camera Pilot (£214,000), the A45 Bridge replacement Scheme (£292,000) and Wildlife Ways cycle element (£552,000) all due to be rephased, offset by a £2,000 variance on Town Centre security. Also, the A34 & Marshall Lake Road scheme (£464,000) which is being released from the programme to be used as match funding for a wider UKC scheme.
<b>Total</b>	<b>49,938</b>	<b>16,525</b>	<b>36,227</b>	<b>(13,711)</b>	

**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	(180)	(235)	(629)	<b>2018/19 Total (£840,000)</b> <b>Adult Social Care and Health (£180,000)</b> (£113,000) Development of Affordable Residential and Nursing Care and (£67,000) Review of Mental Health spot and block contracts.
Children, Education and Skills	(660)	(2,049)	0	
Resources and Delivering Value	0	(329)	(449)	
<b>Total Red Savings</b>	<b>(840)</b>	<b>(2,613)</b>	<b>(1,078)</b>	
<b>% of Total</b>	<b>13%</b>	<b>21%</b>	<b>15%</b>	<b>Children Education and Skills (£660,000)</b> (£150,000) SEND transport, (£100,000) New 0-25 Disability Service and (£410,000) placement costs.
Adult Social Care and Health	(17)	(1,076)	(1,208)	<b>2019/20 Total (£2.613 million).</b> <b>Adult Social Care and Health (£235,000)</b> (£118,000) Development of Affordable Residential and Nursing Care, (£58,000) Carefirst replacement and (£59,000) Redesign of Daycare.
Environment and Housing	0	0	0	
Managed Growth	0	(175)	(70)	<b>Children Education and Skills (£2.049 million)</b> (£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	(232)	(22)	(145)	
Stronger Communities and Partnerships	(100)	(175)	0	
Transport and Highways	0	(121)	(221)	<b>Resources and Delivering Value (£329,000)</b> (£329,000) Opportunities to invest in Property and New Developments.
<b>Total Amber Savings</b>	<b>(349)</b>	<b>(1,569)</b>	<b>(1,644)</b>	
<b>% of Total</b>	<b>5%</b>	<b>13%</b>	<b>23%</b>	<b>2020/21 Total (£1.078 million)</b> <b>Adult Social Care and Health (£629,000)</b> (£156,000) Development of Affordable Residential and Nursing Care, (£281,000) Small Homes, (£100,000) 0-19 Child Health and (£92,000) Cross Cutting Public Health Strategy.
<b>Total Green Savings</b>	<b>(5,514)</b>	<b>(8,142)</b>	<b>(4,403)</b>	<b>Resources and Delivering Value (£449,000)</b> (£200,000) Asset Management and (£249,000) total of other savings (£100,000) or less.
<b>% of Total</b>	<b>82%</b>	<b>66%</b>	<b>62%</b>	
<b>Total Gross Savings</b>	<b>(6,703)</b>	<b>(12,324)</b>	<b>(7,125)</b>	
Repayments	4,097	575	3,525	
<b>Total Net Savings as shown in the MTFS</b>	<b>(2,606)</b>	<b>(11,749)</b>	<b>(3,600)</b>	
<b>2018/19 RAG rated Savings Target</b> The total savings target as per the MTFS is £2.606 million for 2018/19. The latest position shows that 18% 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)	470	(74)	202	(738)	656	0	(82)
Children, Education and Skills	(1,077)	793	16	17	(251)	20	0	(231)
Environment and Housing	(971)	461	429	0	(81)	81	0	0
Leisure, Tourism and Sport	(2,379)	(180)	1,004	744	(811)	811	0	0
Managed Growth	(4,057)	1,516	151	93	(2,297)	2,297	0	0
Resources and Delivering Value	(6,368)	(118)	593	873	(5,020)	125	69	(4,826)
Stronger Communities and Partnerships	(351)	(120)	(45)	(12)	(528)	528	0	0
Transport and Highways	(2,280)	1,221	214	53	(792)	792	0	0
Levies	(366)	366	0	0	0	0	0	0
Contingency - Adult Social Care	(2,497)	(806)	1,641	971	(691)	691	0	0
Contingency - Public Health	(207)	0	0	0	(207)	207	0	0
<b>Total</b>	<b>(21,889)</b>	<b>3,603</b>	<b>3,929</b>	<b>2,941</b>	<b>(11,416)</b>	<b>6,208</b>	<b>69</b>	<b>(5,139)</b>
The balance of Portfolio Reserves at 1 <sup>st</sup> 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 (£11.416 million) and it is expected that a further +£6.208 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 (£5.139 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.								