

Corporate Resources Overview & Scrutiny Committee Financial Results for Q1 2014/15 23rd September 2014

Q1 2014/15 General Fund Revenue

- The Forecast outturn position as at June 2014 is over budget by £0.7m.
- Main forecast overspend is in Children's Services, forecast to overspend by £1.0m mainly due to:
 - £303k pressure from increased Special Guardianship Orders (30 New cases 2013/14 @ average cost £160 week not factored into MTFP, additional 4 since April).
 - £365k increased Independent Fostering and Adoption costs above budget provision.
 - £212k Increase in Market Rate Supplements across Social Worker posts to retain current workforce offset by £16k savings across Children With Disabilities, and Intake & Family Support.
- Social Care, Health & Housing are forecasting an overspend of £0.5m but with significant risks identified.
- Improvement and Customer Services are forecasting to achieve budget but have flagged up £0.8m of risks.
- Corporate costs are forecast to underspend by £0.7m as a result of less interest payable and increased contribution from the HRA.

Q1 2014/15 General Fund Revenue

Year to Date

YTD Spend is £0.97 ahead of budget (of which £0.8m is Schools and HRA). Underlying directorate spend is £0.17m ahead of budget.

Reserves

The full year forecast position includes £2.9m proposed use of general fund earmarked reserve. £0.85m SCHH, £0.78m Children's Services, £1.05m Community Services, £0.72m Regeneration & Business Support.

Risks and Upsides

Risks quantified to date are £3.6m and opportunities quantified to date are £0.2m. The net risk identified is £3.4m.

Q1 2014/15 Revenue Year to Date & Forecast Outturn

Table 1

Directorate	Year to Date - June P3			Full Year		
	Budget £m	Actual £m	Variance £m	Budget £m	Forecast Outturn £m	Variance £m
SCHH	15.8	16.1	0.4	62.9	63.4	0.5
Childrens Services	11.4	11.4	(0.0)	44.8	45.8	1.0
Community Services	8.9	8.9	0.0	36.7	36.5	(0.2)
Regeneration	0.4	0.6	0.2	5.1	5.1	0.0
Public Health	(1.0)	(1.0)	(0.1)	0.0	0.0	0.0
Improvement & Corporate Services	5.4	5.6	0.2	21.6	21.6	0.0
Corporate Resources	1.3	1.0	(0.2)	5.0	5.0	0.0
Corporate Costs	2.1	1.8	(0.3)	9.9	9.2	(0.7)
Total Exc HRA	44.2	44.4	0.2	186.0	186.7	0.7
Schools	0.0	0.2	0.2	0.0	0.0	0.0
HRA	0.0	0.6	0.6	0.0	0.0	0.0
Total	44.2	45.2	1.0	186.0	186.7	0.7

Note: Any minor rounding differences are due to linking to detailed appendices.

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Q1 2014/15 Capital Position

Key points to note:

- The capital budget (including deferred spend) for 2014/15 excluding HRA is £116.8m (£70.3m net). The main issues to note are:
- Gross forecast is to spend £111.7m vs. budget of £116.8m. The variance of £5.1m is a result of proposed deferred spend to 2015/16 of £9.4m and overspend of £4.3m.
- Additional grant has been received and therefore expenditure for Schools within Children's Services will be greater than budget. The forecast within Children's Services reflects the funding available, almost all of which is externally funded.
- Gross spend to date is £19.7m, below budget by £6.7m.
- Profiled budgets are still being worked on and so the YTD position may not be fully reflective of the underlying position.
- £87.4m (75%) of the gross budget relates to 20 of the top value schemes. £82.6m (74%) of the gross spend forecast relates to these schemes.
- Forecast capital receipts are £1.45m compared to budget of £7.45m. Year to date is £23k.

Q1 2014/15 Capital Outturn

Table 2

Month: June 2014	Gross Year to Date			Gross Year				Variance Explanation	
Director	Budget	Actual	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Forecast % of Budget	Deferred Spend to 15/16	(Under) / Overspend
	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Social Care Health and Housing	2,050	525	(1,525)	8,198	8,226	28	0 %	0	28
Children's Services	3,000	2,967	(33)	25,684	30,140	4,456	17 %	0	4,456
Community Services	16,952	14,823	(2,129)	67,809	58,984	(8,825)	(13)%	(8,676)	(149)
Regeneration and Business Support	852	0	(852)	3,409	3,409	0	0 %	0	0
Improvement and Corporate Services	3,565	1,380	(2,185)	11,671	10,946	(725)	(6)%	(725)	0
TOTAL EXCLUDING HRA	26,419	19,695	(6,724)	116,771	111,705	(5,066)	(4)%	(9,401)	4,335

This gross position reflects the level of activity to deliver the Councils capital programme.

Note: Any minor rounding differences are due to linking to detailed appendices

Q1 2014/15 HRA Revenue / Capital

The revenue forecast is a year end surplus of £6.684m compared to a budgeted surplus of £6.191m, an improvement of £0.493m.

This is driven by an increase in income of £0.656m, offset by a forecast increased expenditure for Housing Management of £0.178m.

The forecast position for the HRA capital programme is to spend to budget, this includes deferred works on Priory View from 2013/14.

Galliford Try Partnerships commenced work on site at the Priory View Extra Care Development in April 2014 with an estimated completion date of Autumn 2015. It is predicted that in 2014/15 £10.575m will be spent, funded from the Extra Care Development Reserve.

The 2014/15 budget for the HRA anticipates a contribution to the Extra Care Development Reserve of £5.182m and a contribution to the Strategic Reserve of £1.009m. The year end forecast suggests a contribution to reserves of £6.684m, an improvement of £0.493m. This equates to a predicted total reserve balance of £16.819m as at 31 March 2014.