

## BUDGET MONITORING REPORT 2012/13 PERIOD 07 (OCTOBER)

### 1. EXCEPTION SUMMARY

1.1 The 2012/13 forecast outturn as at period 7 is set out in the table below:

Directorate	Revised Budget £'000	Current Forecast Outturn £'000	Current Forecast Outturn Variance £'000	Previous Forecast Outturn Variance £'000	Change in Forecast Outturn Variance £'000
<b>Culture &amp; Community</b>	35,881	36,292	411	374	37
<b>Adults' and Health Services</b>	71,225	70,702	(523)	(771)	248
<b>Childrens Services</b>	46,478	47,216	738	689	49
<b>Finance &amp; Commerce</b>	14,554	12,848	(1,706)	(1,339)	(367)
<b>Legal &amp; Democratic Services</b>	4,332	4,299	(33)	(108)	75
<b>Sub total</b>	<b>172,470</b>	<b>171,357</b>	<b>(1,113)</b>	<b>(1,155)</b>	<b>42</b>
<b>Contingency</b>	1,870	1,870	0	0	0
<b>Services Total</b>	<b>174,340</b>	<b>173,227</b>	<b>(1,113)</b>	<b>(1,155)</b>	<b>42</b>
<b>Dedicated Schools Budget</b>	0	0	0	0	0
<b>Grand Total</b>	<b>174,340</b>	<b>173,227</b>	<b>(1,113)</b>	<b>(1,155)</b>	<b>42</b>
<b>Housing Revenue Account</b>	<b>0</b>	<b>(2,447)</b>	<b>(2,447)</b>	<b>(2,425)</b>	<b>(22)</b>

1.2 The revenue monitor reports that:

- The overall general fund forecast revenue outturn variance is unchanged from period 6 and;
- The housing revenue account is also forecasting a similar outturn position to the last period.
- Significant activity variance movements are detailed below at section 2.1.
- Services have reviewed their variances and have provided responses in relation to the one off and on-going nature of them.
- A schedule of new specific unringfenced grants is presented and approval is sought from CMT on how they should be applied.

## 2. ANALYSIS OF SIGNIFICANT VARIANCE CHANGES BY SERVICE

2.1 Activity area variance changes in excess of £100k since last reported:

Service	Activity	Current Forecast Outturn Variance £'000	Previous Forecast Outturn Variance £'000	Change in Forecast Outturn Variance £'000	Reason for Change in Variance
Commissioning	Supporting People and Voluntary Sector	148	48	100	In month six, a large number of budget alignment issues were being addressed and an omission (around the rent deposit scheme) made it look like there was a variance on the bottom line. This wasn't the case, so it has been addressed in period 7, now forecasting the correct outturn position.
Adult Social Care	Adult Community Team	290	119	171	The increase in forecast since period 6 relates to Older Persons long term placements - since the last report there have been 30 admissions, but only 18 discharges. Current discharge figures suggest that the rate of discharges is slowing. In addition to this, the forecast for Older Persons Residential Income (from client contributions) has decreased following the reconciliation work in this area. Income from client contributions remains one of the most significant risks to forecast outturn in this activity. The income reconciliation work now will focus on Homecare Income, and the Bad Debt Provision process. The service are working closely with Finance and Commissioning to progress this work.
Corporate Financial Matters	Corporate Financial Transactions	47	236	(189)	Shortfall on advertising hoardings income £236k. This is being offset by the insurance provision underspend of £500k elsewhere. Also now offset locally by estimated surplus of £189k on agency contract holding account
Asset Management	Transport Accounts	294	432	(138)	Variance in Transport Service has arisen. Mitigation has already taken place using permanent budget transfer/virements within Asset Management. Variance may reduce by further £40k with amendments to fleet management budget. Issues relate largely to route reductions in PTS service. £300k reduction in operating costs has been achieved but it has not been possible to remove all fixed costs and overheads in sufficient time. Work is continuing within service and further mitigation is anticipated.

## 3. ONE OFF AND ONGOING VARIANCES

3.1 CMT agreed that we need to have clarity over whether the variances being reported are in-year one-offs, or whether these are likely to have any lasting impact, rolling into next year.

3.2 The working assumption was that, unless otherwise stated, variances reported were one-off and would therefore not impact on next year. We will, however, need to put this

assumption to the test.

#### **4. GRANTS**

- 4.1 It was recently agreed that any grants offered to the Authority outside the usual Cabinet/Council decision making process will in the future be referred to CMT for a view on how it may be best applied.
- 4.2 However where Services have themselves submitted bids for grant funding it was determined that the Service will have the sole use of the grant.
- 4.3 The current list of specific unringfenced grants are listed at **Appendix A**.

#### **5. ACTIVITY DRIVERS**

- 5.1 A number of Services have not yet provided details of their activity drivers for high and medium risk budgets. The original deadline was the 30th of November and all responses must be received by the 18th of January. A complete table of Activity Drivers will be included as part of the period 9 budget monitoring report.
- 5.2 Managers should be using reference to activity information to explain budget variances where ever possible.
- 5.3 Operational Finance will be pleased to provide any support or guidance needed.

#### **6. TOTAL SUBJECTIVE REVIEW**

- 6.1 A report has been generated that will allow a "helicopter" view of subjectives at directorate level. This is a monitoring tool used to identify any significant spend variances.
- 6.2 Finance staff are currently analysing the variances and, by applying local knowledge, such as timing issues, are eradicating them.
- 6.3 Any anomalies remaining after this process will be presented to CMT in the future.

#### **7. RECOMMENDATIONS**

CMT are asked:

- 7.1 To note the proposed outturn position and are reminded to brief their lead members.
- 7.2 To review the level of on-going budget variances and determine whether any need to be addressed in the 2013-14 budget.
- 7.3 To review the list of new specific unringfenced grants and determine the appropriate approval for releasing the funds including where and when each item should be applied.

## STAFF CONTACTS

<b>Overview, Corporate Finance and Finance &amp; Commerce</b>	Andrew Blake-Herbert Group Director	01708 432201
<b>Culture &amp; Community</b>	Cynthia Griffin Group Director	01708 432260
<b>Adults and Health</b>	Lorna Payne Group Director	01708 433203
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<b>Legal &amp; Democratic Services</b>	Ian Burns Assistant Chief Executive	01708 432484

## NEW GRANTS FOR APPROVAL

Service	Funding Body	Grant name	Specific Unringfenced Grant		Category 13/14
			2012/13 £000's	2013/14 £000's	
CUSTOMER SERVICES	DCLG	Localisation Support for CT.Transitional Grant Scheme	0.00	366.81	Unringfenced
STREETCARE	DCLG	Waste Collection - Green Rewards	146.33	462.76	Unringfenced -successful bid
STREETCARE	DCLG	Waste Collection Campaign	96.58	127.04	Unringfenced -successful bid
<b>CULTURE AND COMMUNITY TOTAL</b>			<b>242.91</b>	<b>956.61</b>	
COMMISSIONING	DOH	Localisation of Social Fund - New	6.04	731.85	Unringfenced
ADULT SOCIAL CARE	DOH	Deprivation of Liberty Safeguards (DOLS)	5.52	22.16	Unringfenced
ADULT SOCIAL CARE	DOH	Healthwatch (incorp in 12/13 LDDF but 13/14 funding stream not yet decided)	12.84	46.98	Unringfenced
<b>ADULTS AND HEALTH SERVICES TOTAL</b>			<b>24.40</b>	<b>800.98</b>	
ISB	DFE	Dedicated Schools Grant (New 13/14 allocation for 2 year olds)	0.00	2,119.82	Unringfenced
CHILDREN AND YOUNG PEOPLE	YJB	Children on Remand	0.00	91.63	Unringfenced
<b>CHILDRENS SERVICES TOTAL</b>			<b>0.00</b>	<b>2,211.45</b>	
CORPORATE	DCLG	Unallocated Grant: New Homes Bonus	836.70	1,797.35	Unringfenced
<b>FINANCE &amp; COMMERCE TOTAL</b>			<b>836.70</b>	<b>1,797.35</b>	
PUBLIC HEALTH	DOH	Healthy Lives for Healthy People - Public Health Funding	84.00	0.00	Ringfenced in 2013/14
<b>PUBLIC HEALTH TOTAL</b>			<b>84.00</b>	<b>0.00</b>	
<b>TOTAL</b>			<b>1,188.01</b>	<b>5,766.40</b>	