

Title of Report:	Financial Performance Report 2015-16 Quarter One
Report to be considered by:	Overview and Scrutiny Management Commission
Date of Meeting:	15 September 2015

Purpose of Report: To outline to the Overview and Scrutiny Management Commission the proposed Terms of Reference for a review into car parking in the district.

Recommended Action: Amend, if necessary, and approve the Terms of Reference for the review.

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Executive Report

1. Introduction

- 1.1 This report presents the financial performance for Quarter One of the 2015/16 financial year. At Quarter One, the forecast revenue position is an over spend of £987k.
- 1.2 The over spend comes predominantly from Children's Services who are forecasting an over spend of £1.9m. The Service and Directorate are putting a range of actions in place to help bring this over spend down by year end. Adult Social Care is forecasting an under spend of £877k, as a result of releasing £400k from the risk reserve and capitalising over £400k of equipment expenditure which was previously funded from revenue budgets.
- 1.3 All other services are reporting close to budget.

2. Proposals

- 2.1 For Members to note this report.

3. Equalities Impact Assessment Outcomes

- 3.1 This report is not relevant to equality.

4. Conclusion

- 4.1 The Quarter One position is showing a forecast over spend of £1m. The Council remains in a challenging financial environment, and is faced with delivering savings of just under £6m, as well as addressing significant in year pressures in the Communities Directorate. The Council is taking steps to maintain financial discipline and ensure that savings are deliverable.

1. Introduction

- 1.1 The financial performance reports provided to Members throughout the financial year are concerned with the under or over spend against the Council's approved budget. At Quarter One the forecast revenue position is an over spend of £987k.

2. Background to the 2015/16 Budget

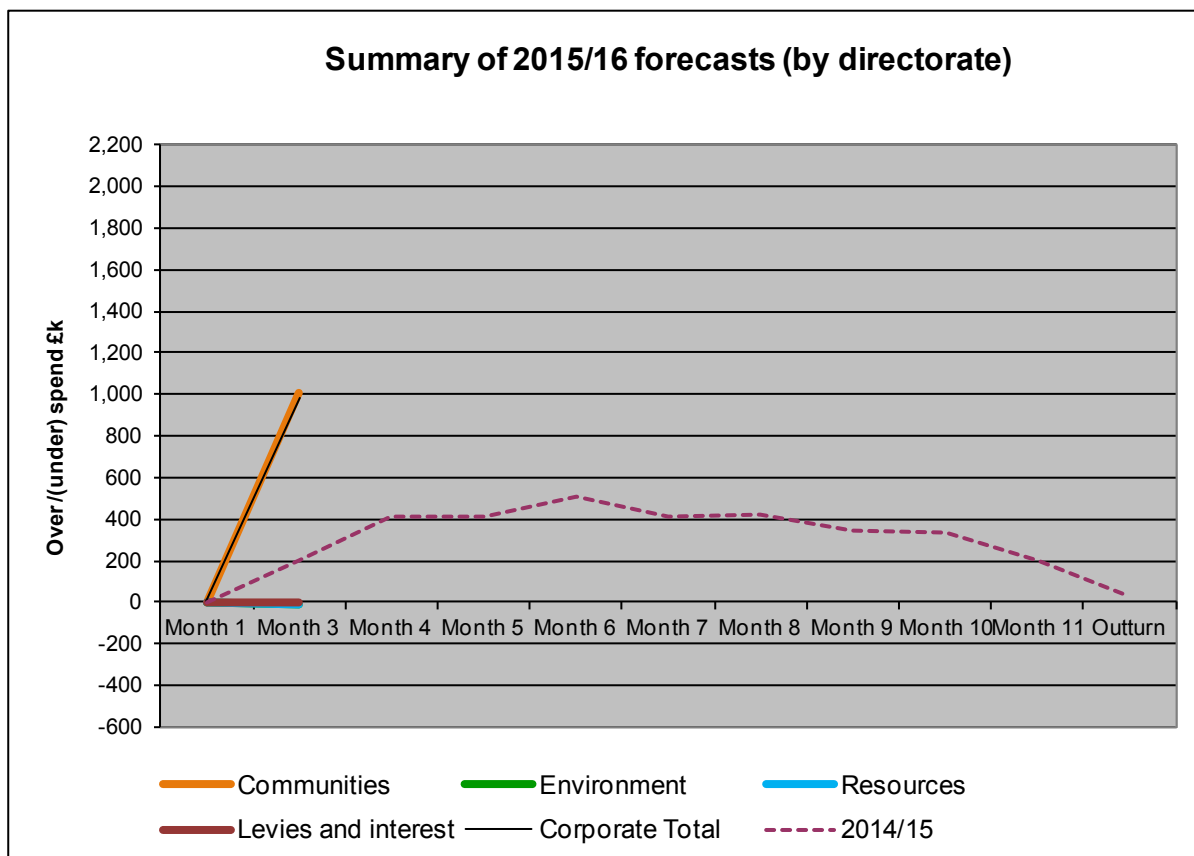
- 2.1 In order to meet the funding available, the 2015/16 budget was build with a £5.9m savings programme.

3. Summary Revenue Forecast

Service	Current Net Budget	Annual Net Forecast	Forecast (under)/over spend			Change from last quarter
			Quarter One	Quarter Two	Quarter Three	
	£000	£000	£000	£000	£000	£000
DSG	(721)	(721)	0			0
Corporate Director - Communities	275	275	0			0
Adult Social Care	40,800	39,923	(877)			0
Care Commissioning, Housing & Safeguarding	6,184	6,121	(63)			0
Children's Services	13,494	15,439	1,945			0
Education	10,867	10,867	0			0
Adult Social Care Change Programme	804	804	0			0
Communities	71,703	72,707	1,004			0
Corporate Director	167	167	0			0
Highways & Transport	7,819	7,753	(66)			0
Planning & Countryside	3,761	3,761	0			0
Culture & Environmental	21,610	21,669	59			0
Environment	33,357	33,350	(7)			0
Chief Executive	569	569	0			0
Customer Services	1,989	1,989	0			0
Finance	1,871	1,871	0			0
Human Resources	1,126	1,142	16			0
Information Technology	2,802	2,790	(12)			0
Legal	962	962	0			0
Public Health	(80)	(80)	0			0
Strategic Support	3,584	3,570	(14)			0
Resources	12,823	12,813	(10)			0
Levies and Interest	7,448	7,448	0			0
Total	125,331	126,318	987			(0)

Nb rounding differences may apply to nearest £k

- 3.1 The Communities Directorate is forecasting an over spend of £1m. The whole of this over spend predominantly sits within Children’s Services, who are forecasting a net over spend of £1.9m. The key financial pressures within the service are placements and allowances (£780k), joint arrangements (£305k across childcare lawyers and emergency duty team), agency expenditure in child protection teams/management (£711k) and the youth service (£150k from delayed team restructure). The Service and Directorate are reviewing a range of actions in consultation with their Portfolio Members to help bring this over spend down by year end. Adult Social Care are forecasting an under spend of £877k as a result of releasing £400k from the risk reserve and capitalising over £400k of equipment expenditure which was previously funded from revenue budgets.
- 3.2 The Environment Directorate is forecasting an under spend of £7k, which consists of a £66k under spend in Highways & Transport due to increased car parking income and a £59k over spend in Culture & Environmental Protection.
- 3.3 The Resources Directorate is forecasting an under spend of £10k with all services forecasting close to budget.
- 3.4 Levies and Interest is forecasting on line.
- 3.5 The following chart shows the forecasts per Directorate together with a corporate total and a comparison to last year.



4. Summary Capital Forecast

- 4.1 56.1% of the 2015/16 capital programme is committed as at the end of June 2015. Forecast capital spend in the year is currently £42.3 million against a revised budget of £44.6 million with a further £2.2 million now expected to be re-profiled into 2016/17. A breakdown of capital spend and commitments to date is shown in Appendix 1b.
- 4.2 Appendix 1b also explains the changes from the original capital programme which was approved by the Council in March to the current revised capital programme. The changes mainly consist of budgets which were unspent at the end of 2014/15 which have been brought forward to 2015/16 to enable the continuation/completion of schemes already underway and additional external funding (mainly government grants and S106 contributions which have been allocated since March).

Communities

- 4.3 56.5% of the Communities Programme is committed at the end of Quarter One. In Adult Social Care funds will be moved between projects to accommodate an increase in the cost of the Notrees project. Funds set aside for Prepayment cards are no longer needed for that purpose but will be used for a financial self assessment tool for the Client Financial Services.
- 4.4 In Care Commissioning, Housing and Safeguarding a feasibility study is being undertaken for the redevelopment of the Four Houses Corner gypsy and travellers' site. It is likely that a contribution towards the cost of the scheme will be made from Council funding for the Disabled Facilities Grant programme, provided grants allocated but not paid at the end of the financial year can be paid from next year's budget. The contract for the replacement for the RAISE system is expected to be let in September.
- 4.5 Underlying pressure of £494,000 has arisen in 2014/15 and 2015/16 on the cost of a number of Education schemes, including the permanent provision of universal infant free school meals. This is offset in the current financial year by £690,000 funding for schemes which needs to be re-profiled, including the expansion of Spurcroft and the Willows primary schools which continue to be delayed due to planning and environmental issues. Spend in 2015/16 is therefore expected to be £196,000 lower than the current year budget. However the additional cost pressures are forecast in 2016/17, giving a total pressure of approximately £1.2m expected to be felt in 2016/17 programme. Officers are actively seeking savings in other schemes in the 2016/17 programme to help offset this pressure.

Environment

- 4.6 57.9% of the total capital budget for Environment has been committed as at the end of June 2015. Good progress is being made with the majority of Highways schemes including two major new schemes funded by Challenge Fund grant from the Department for Transport (DfT), which were added to the capital programme by the Executive in April – the replacement of street lights with LEDs (£4.3m planned spend in 2015/16) and improvements to the A339 corridor (£2.5m spend in 2015/16). However it will be necessary to re-profile £1.97m of the highways programme. This is mainly due to the need to resolve land issues for the new access road to the London Road Industrial Estate.

- 4.7 In Planning and Countryside, the cost of repairs to flood damaged rights of way are still expected to be contained within the amount of the Severe Weather Recovery grant brought forward from 2014/15. In Culture and Environmental protection capital maintenance programmes for leisure centre facilities and libraries and Shaw House are expected to be completed on schedule.

Resources

- 4.8 34.6% of the Resources programme is committed at the end of Quarter One. There have been further delays to the finalisation of the London Road Industrial Estate development agreement and there is a risk of overspending on legal and consultancy costs for the scheme. The Agresso upgrade has been successfully implemented. Phase one of the Superfast Broadband project is due to be completed in the autumn and the contract for phase 2 has now been let and work on phase 2 is expected to begin in October.

5. Conclusion

- 5.1 The Quarter One position is showing a forecast over spend of £987k. The Council remains in a challenging financial environment, and is faced with delivering savings of just under £6m, as well as addressing significant in year pressures in the Communities Directorate. The Council is taking steps to maintain financial discipline and ensure that savings are deliverable.

Appendices

Appendix 1a) - Summary revenue forecasts
Appendix 1b) - Summary capital forecasts
Appendix 2a-c – Directorate summaries

Consultees

None