

2019/20 Revenue Financial Performance: Quarter One

Committee considering report:	Executive
Date of Committee:	5 September 2019
Portfolio Member:	Councillor Jeff Cant
Date Portfolio Member agreed report:	6 August 2019
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Forward Plan Ref:	EX3795

1. Purpose of the Report

- 1.1 To report on the Quarter One revenue financial performance.

2. Recommendation

- 2.1 To note the report.

3. Implications

- 3.1 **Financial:** The Quarter One forecast is an over spend of £620k, of which £210k is provided for in service risk reserves and risk management provision, which if used, could result in a year end position of a £410k over spend. This is 0.3% of the Council's 2019/20 net revenue budget of £125m.
- 3.2 **Policy:** N/A
- 3.3 **Personnel:** N/A
- 3.4 **Legal:** N/A
- 3.5 **Risk Management:** N/A
- 3.6 **Property:** There is a forecast under achievement of commercial investment income.
- 3.7 **Other:** N/A

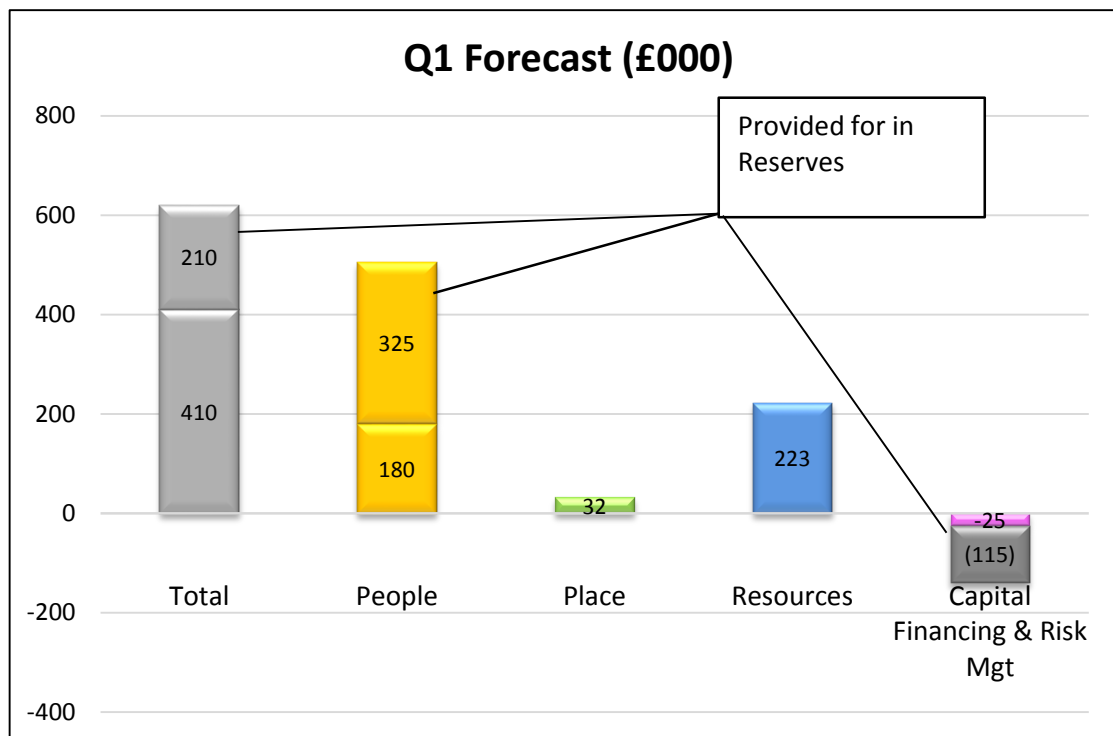
4. Other options considered

- 4.1 None

Executive Summary

5. Introduction

- 5.1 The Quarter One forecast is an over spend of £620k, of which £210k is provided for in service risk reserves and risk management provision, which if used, could result in a year end position of a £410k over spend. This is 0.3% of the Council's 2019/20 net revenue budget of £125m.
- 5.2 The Directorate forecasts are shown in the chart below.



- 5.3 The People Directorate is forecasting an over spend of £505k, of which £325k is provided for in service risk reserves and risk management provision.
- (1) Adult Social Care is forecasting an over spend of £153k, mostly arising in the care home workforce, in particular at Birchwood, due to difficulty recruiting and reliance on agency staff. There are pressures as a result of an Extra Care Housing provider terminating the contract at two provisions. There is a £161k service risk reserve for risks that have arisen.
 - (2) In Children & Family Services, there is a forecast over spend of £203k, predominantly in Independent Fostering Agency (IFA) placements. There is a £49k service risk reserve against this. There is a potential under spend in residential placements which could go towards mitigating the IFA over spend, but it is too early in the year to forecast this.
 - (3) In Education, there is a forecast over spend of £180k. The removal of the SEND grant is driving a £115k pressure, which Budget Board agreed to report as an over spend during 2019/20. This can be funded from the risk management provision at year end. There is a shortfall of

income at Castle Gate, due to insufficient beds to sell to neighbouring authorities. However, the placement of West Berkshire children here, is leading to cost avoidance on the disability support budget.

- 5.4 The Place Directorate is forecasting an over spend of £32k, largely arising in Public Protection and Culture from contract pressure and delay to digitalisation savings.
- 5.5 The Resources Directorate is forecasting an over spend of £223k. In Finance & Property there is a £290k income shortfall forecast in from commercial property, as the portfolio is not invested at the level expected. In Commissioning, there is a £72k contract pressure from the school meals service.
- 5.6 In Capital Financing & Risk Management, there is a forecast under spend of £140k. £100k income target for commercialisation which is currently forecast not to be met, but additional investment income, reduced levy costs and other under spends are offsetting this.
- 5.7 The 2019/20 savings and income generation programme of £6.2m, is 83% Green, 8% Amber and 9% Red. The relatively high level of red savings of £558k is a factor in the overall over spend position.

6. Proposal

- 6.1 To note the Quarter One forecast of £620k.
- 6.2 To note that £210k of the forecast over spend has been provided for in reserves, which if used could reduce the over spend to £410k.

7. Conclusion

- 7.1 The Council is reporting a forecast over spend of £620k, of which £210k is provided for in service risk reserves and risk management provision, leading to a year end forecast of £410k. The report highlights what each directorate is putting in place to mitigate their forecast over spends, and any implications for budget setting. There is a £6.2m savings and income generation programme which is forecasting 83% achieved at Quarter One.

8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Supporting Information
- 8.4 Appendix D – People Directorate
- 8.5 Appendix E – Place Directorate
- 8.6 Appendix F – Resources Directorate
- 8.7 Appendix G – Quarter One Report
- 8.8 Appendix H – Deficit Schools outturn position 2018/19