

**OVERALL GENERAL REVENUE FUND FORECAST OUTTUN POSITION FOR
2019/20**

Portfolio	Budget £M	Forecast £M	Variance £M
Adult Care	72.92	74.87	1.94 A
Aspiration, Children & Lifelong Learning	38.85	44.54	5.69 A
Green City & Environment	0.06	0.31	0.26 A
Healthier & Safer City	(4.95)	(4.91)	0.03 A
Homes & Culture	7.30	7.54	0.24 A
Leader	6.06	4.47	1.58 F
Place & Transport	24.18	23.84	0.34 F
Resources	30.08	31.61	1.53 A
Total Portfolios	174.49	182.27	7.78 A
Levies & Contributions	0.63	0.63	0.00
Capital Asset Management	15.03	5.83	9.20 F
Other Expenditure & Income	8.15	8.95	0.80 A
Net Revenue Expenditure	198.31	197.68	0.63 F
Draw from Balances	0.00	0.00	0.00
Council Tax	(101.75)	(101.75)	0.00
Business Rates	(83.29)	(83.29)	0.00
Non-Specific Government Grants	(13.27)	(13.27)	0.00
Total Financing	(198.31)	(198.31)	0.00
(SURPLUS)/DEFICIT	0.00	(0.63)	0.63 F

NB Numbers are rounded

NOTE: Within the forecast savings proposals of £6.18M for 2019/20 were approved. Of these around 78% (or £4.84M) are classified as either 'green' or 'amber' and therefore already achieved. The balance of 22% (or £1.34M) are currently not forecast to be achieved. These represent a risk until all management actions required to deliver the savings are complete.

EXPLANATIONS BY PORTFOLIO

1. ADULT SOCIAL CARE PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to **over** spend by **£1.94M** at year-end, which represents a percentage over spend against budget of **2.54%**

	Forecast Variance £M	%
Portfolio Outturn	1.94 A	2.54

Service Activity	Forecast Variance Quarter 1 £M
Long Term	1.93 A
Safeguarding Adult Mental Health & Out Of Hours	0.72 A
Provider Services	0.68 F
Other smaller amounts	0.03 F
Total	1.94 A

The SIGNIFICANT movements for the Portfolio are:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Long Term	1.93 A	Increase in average care package costs offset, in part by a reduction in the number of care packages plus unachieved savings targets.

Safeguarding Adult Mental Health & Out Of Hours	0.72 A	Increase in care package costs which in previous years has been offset by Improved Better Care Funding, no longer available.
Provider Services	0.68 F	A favourable variance due to the planned closure of Glen Lee Care Home later in this year and a delayed 24/7 opening of Kentish Road. This is partly offset by enhanced staffing required at Holcroft house costing £0.22M

2. ASPIRATION, CHILDREN AND LIFELONG LEARNING PORTFOLIO

KEY ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to **over** spend by **£5.69M** at year-end, which represents a percentage over spend against budget of **13.4%**

	Forecast Variance £M	%
Aspiration, Children and Lifelong Learning	5.69 A	13.4

A summary of the Portfolio forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
Divisional Management and Legal	0.08 A
Quality Assurance Business Unit	0.18 A
Multi Agency Safeguarding Hub & Children in Need	0.23 F
Specialist Core Services	0.11 F
Looked After Children & Provision	3.81 A
Education - High Needs and Schools	0.54 A

Education - Early Years and Asset Management	1.27 A
Targeted & Restorative Services	0.15 A
Total	5.69 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Multi Agency Safeguarding Hub & Children in Need	0.23 F	Due to ongoing recruitment of a number of vacant posts in the newly created Family Partnership Team.
Looked After Children & Provision	3.81 A	Due to the consistently high numbers in Residential Care and the high numbers in IFA placements. In addition the numbers of Special Guardianship Orders is rising although these placements will provide consistent stable outcomes for children. Senior management are currently putting plans in place to mitigate this adverse variance.
Education - High Needs and Schools	0.54 A	The adverse variance is due to an increase in the number of children placed in the Jigsaw service being above the numbers budgeted for. The average cost of Jigsaw placements is also rising as there are more complex needs requiring more expensive provision.
Education - Early Years and Asset Management	1.27 A	There is a forecast overspend for Home to School Transport of £0.6M due to higher demand for this service from increases in the numbers of children with High Needs above the budgeted amount. The Educational Psychologists team has a staffing cost adverse variance and reduced forecasted income from other organisations due to the level of non-income earning statutory work being undertaken reducing the resources available to sell services to other organisations

3. GREEN CITY & ENVIRONMENT PORTFOLIO

KEY ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to over spend by **£0.30M**.

	Forecast Variance £M
Green City & Environment Portfolio	0.26 A
Green City & Environment Trading Portfolio	0.04 A
Total	0.30 A

A summary of the Portfolio forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
Bereavement & Registration Services	0.30 A
Flood Risk Management	0.04 F
Fleet Services (Trading)	0.04 A
Total	0.30 A

The SIGNIFICANT issue for the Portfolio is:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Bereavement & Registration Services	0.30 A	The adverse variance in is primarily due to reduced income in Bereavement Services due to a new, privately operated crematorium opened near Romsey, which has resulted in a loss of business.

4. HOMES & CULTURE PORTFOLIO

KEY ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to **over** spend by **£0.24M** at year end, which represents a percentage over spend against budget of **3.3%**.

	Forecast Variance £M	%
Portfolio Outturn	0.24	3.3

A summary of the Portfolio forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
Leisure Client	0.08 A
Private Sector Housing	0.19 A
Cultural Services	0.02 F
Total	0.24 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Private Sector Housing	0.19 A	The income forecast has been revised in line with the latest forecast for expected licence applications and revised fee structure. A reduction in the number of licenses anticipated has reduced the income forecast by £0.19M.

5. HEALTHIER & SAFER CITY PORTFOLIO

KEY ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to **over** spend by **£0.03M** at year-end, which represents a percentage over spend against budget of **0.76%**

	Forecast Variance £M	%
Healthier & Safer City	0.03 A	0.76

A summary of the Portfolio forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
Prevention & Inclusion Service	0.05 A
Other	0.02 F
Total	0.03 A

6. LEADERS PORTFOLIO

KEY ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to **under** spend by **£1.58M** at year-end, which represents a percentage under spend against budget of **26.09%**

	Forecast Variance £M	%
Resources	1.58 F	26.09

A summary of the Portfolio forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
Capital Assets	1.40 F
Chief Executive	0.13 F

Communications	0.05 F
Total	1.58 F

The **SIGNIFICANT** issues for the Portfolio are:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Capital Assets	1.40 F	Based on the work programme developed for 2019/20 there is a forecast favourable variance on planned maintenance of £0.66M. This is due to the roofing works potentially being transferred to the capital programme, and because of staff shortages within the Capital Assets Team meaning there are limited resources available to achieve the desired outcomes. The net favourable variance due to vacant posts is £0.48M and savings from supplies and services within the service is also forecast to be £0.12M favourable.

7. RESOURCES PORTFOLIO

KEY ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to **over** spend by **£1.53M** at year-end, which represents a percentage over spend against budget of **4.78%**

	Forecast Variance £M	%
Resources	1.53 A	4.78

A summary of the Portfolio forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
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Transformation	1.48 A
Business Operations & Digital	0.14 F
OD Strategy, Workforce Planning & Employee Relations	0.09 A
Finance & Commercialisation	0.09 A
Legal & Governance	0.01 A
Total	1.53 A

The **SIGNIFICANT** issues for the Portfolio are:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Transformation	1.48 A	There are unachieved digital savings.

8. PLACE & TRANSPORT PORTFOLIO

KEY ISSUES – QUARTER 1 2019/20

The Portfolio is currently forecast to under spend by **£0.34M** at year-end, which represents a percentage under spend against budget of **0.01%**.

	Forecast Variance £M	%
Place & Transport Portfolio	0.34 F	0.01

A summary of the Portfolio forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
City Services – Waste Management	0.12 A
Highways & Parking	0.08 A

Regulatory Services	0.52 F
Other	0.02 F
Total	0.34 F

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Regulatory Services	0.52 F	Operation Albacore concluded in early 2019/20. Legal costs of £0.50M were incurred by the General Fund in 2018/19, which will be funded from the Proceeds of Crime act income. The recovery of income is taking place in 2019/20, effectively reimbursing the General Fund for costs incurred in the prior year.

9. NON-PORTFOLIO EXPENDITURE & INCOME

KEY ISSUES – QUARTER 1 2019/20

Non-Portfolio Expenditure & Income is currently forecast to under spend by **£8.40M** at year-end, which represents a percentage under spend against budget of **35.28%**.

	Forecast Variance £M	%
Non-Portfolio Expenditure	8.40 F	35.28

A summary of the forecast variance is shown in the table below:

Division / Service Activity	Forecast Variance Quarter 1 £M
Levies & Contributions	0.00
Capital Asset Management	9.20 F
Other Expenditure & Income	0.80 A
Total	8.40 F

The SIGNIFICANT issues are:

Service Area	Forecast Variance Quarter 1 2019/20 £M	Explanation
Capital Asset Management	9.20 F	The budget reflects anticipated higher future borrowing levels and costs for delivery of the capital programme and for previously forecast interest rate rises. A lower borrowing requirement than previously anticipated and the continued low interest rate environment, coupled with a prudent and careful approach of making use of internal borrowing continues to place a downward pressure on costs.
Other Expenditure & Income	0.80 A	In line with the 2018/19 outturn position, sums from the recovery of benefits overpayments are expected to be lower than budgeted due to diminishing caseloads as a result of the switch to Universal Credit.