

## **COMMUNITIES, CULTURE & LEISURE PORTFOLIO**

### **KEY ISSUES – QTR 1**

The Portfolio is currently forecast to over spend by **£0.09M** at year-end, which represents a percentage over spend against budget of **1.84%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Communities, Culture &amp; Leisure</b>	<b>0.09 A</b>	<b>1.84</b>
Potential Carry Forward Requests	0.00	

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

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr. 1 £M</b>	<b>Ref.</b>
Gallery & Museums	<b>0.16 A</b>	COMM 1
Other	<b>0.07 F</b>	
<b>Total</b>	<b>0.09 A</b>	

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

#### **COMM 1 - Gallery & Museums (forecast adverse variance £0.16M)**

**There is a shortfall in venue income.**

**Forecast Range £0.25M adverse to £0.10M adverse**

There is a shortfall in income of £0.14M for SeaCity Museum and £0.04M for Tudor House Museum, due to a forecast of lower visitor numbers than budgeted. There are other variances of £0.02M favourable.

## **EDUCATION AND CHILDREN'S SOCIAL CARE PORTFOLIO**

### **KEY ISSUES – QTR 1**

The Portfolio is currently forecast to over spend by **£0.68M** at year-end, which represents a percentage over spend against budget of **1.55%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Education and Children's Social Care</b>	<b>0.68 A</b>	<b>1.55</b>
Potential Carry Forward Requests	0.00	

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

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr 1 £M</b>	<b>Ref.</b>
Looked After Children & Provision	0.84 A	E&CSC 1
ICU – Children's Services	0.13 F	E&CSC 2
Other	0.03 F	
<b>Total</b>	<b>0.68 A</b>	

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

#### **E&CS 1 - Looked after Children and Provision (forecast adverse variance £0.84M)**

The numbers of children in care is higher than the budgeted level, in particular, with residential placements. Also there has been an increase in special guardianship placements issued which is above the budgeted level.

#### **Forecast Range £0.90M adverse to £0.70M adverse**

The total forecast adverse variance is £0.84M, of which £0.65M relates to forecast additional placement costs and the balance relates to forecast additional staffing costs.

Most of the £0.65M relates to increasing demand for residential placements, which has led to a forecast overspend of £0.71M on residential placements. There has been three new residential placements made between April and June 2016 above the budgeted level. Additionally, the average cost per placement is £0.02M higher than the budgeted level. Thus generating a significant pressure on the service.

The number of children in fostering to 18 and placed with Independent Foster Agencies is below budgeted levels. The service are undertaking targeted work on children's pathways within the care system at an individual child level. This has resulted in more special guardianship placements being made within the City, and less foster care placements.

The table below outlines the budgeted and Qtr 1 actual activity levels for 2016/17:

No's of Children 2016/17	Cost Centre	Budgeted			Q1 Actuals					
		1617 Budgeted Numbers	Average Weekly Unit Cost	1617 Working Budget (Month 3)	Q1 Numbers	Average Weekly Unit Cost	Q1 Forecast	Q1 Forecast variance	Q1 Unit Cost variance	Q1 Numbers variance
<b>Fostering up to 18</b>	SL78D	315	£171.65	£4,887,500	296	£171.65	£4,737,800	£-149,700	£0	-19
Independent Fostering Agencies (inc Jigsaw)	SC41D / SL86D	199	£854.11	£8,862,100	187	£904.27	£8,816,800	£-45,300	£50	-12
Supported Placements or Rent	S9760	9	£123.22	£85,300	9	£123.22	£85,300	£0	£0	0
<b>Residential - Independent Sector</b>	SC40D	23	£3,409.55	£3,441,000	22	£3,618.14	£4,150,300	£709,300	£209	-1
Unaccompanied Asylum Seekers	SL820	5	£264.53	£147,200	4	£264.53	£147,200	£0	£0	-1
Inter-Agency	SC33E	36	£345.22	£328,600	36	£345.22	£328,600	£0	£0	0
<b>Sub-total: Children Looked After</b>		<b>587</b>		<b>£17,751,700</b>	<b>554</b>		<b>£18,266,000</b>	<b>£514,300</b>	<b>£259</b>	<b>-33</b>
Care Leavers	S9780	59	£304.52	£636,300	26	£437.73	£593,400	£-42,900	£133	-33
Adoption Allowances	SL89D	96	£126.89	£632,800	96	£126.25	£647,900	£15,100	£1	0
<b>Special Guardianship Allowances</b>	SC25D	<b>115</b>	<b>£102.69</b>	<b>£608,000</b>	<b>133</b>	<b>£109.63</b>	<b>£768,400</b>	<b>£160,400</b>	<b>£7</b>	<b>18</b>
Residence Order Allowances	SL89D	14	£91.17	£75,700	17	£86.98	£77,100	£1,400	£-4	3
<b>Sub-total: Children in Need</b>		<b>284</b>		<b>£1,952,800</b>	<b>272</b>		<b>£2,086,800</b>	<b>£134,000</b>	<b>£137</b>	<b>-12</b>
<b>Total</b>		<b>871</b>		<b>£19,704,500</b>	<b>826</b>		<b>£20,352,800</b>	<b>£648,300</b>	<b>£396</b>	<b>-45</b>

## **E&CS 2 - ICU Children's Services (forecast favourable variance £0.13M)**

The service are not commissioning a contract (previously in place in 2015/16) for midwifery services in 2016/17, thus generating a saving.

### **Forecast Range nil to £0.20M favourable**

During 2015/16 the service decided to not continue with a contract for midwifery services, thus generating a saving of £0.16M. However, there are additional contract pressures emerging as demand for services increases, which have reduced the overall favourable variance.

## **ENVIRONMENT & TRANSPORT PORTFOLIO**

### **KEY ISSUES – QTR 1**

The Portfolio is currently forecast to over spend by **£0.01M** at year-end, which represents a percentage over spend against budget of **0.03%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Environment &amp; Transport</b>	<b>0.01 A</b>	<b>0.03</b>
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variances are shown in the table below:

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr 1 £M</b>	<b>Ref.</b>
Domestic Waste Collection	0.32 A	E&T 1
Commercial Waste Collection	0.10 A	E&T 2
Waste Disposal	0.10 A	E&T 3
E&T Contracts Management	0.18 F	E&T 4
Off Street Parking	0.14 F	E&T 5
Travel	0.15 F	E&T 6
Other	0.04 F	
<b>Total</b>	<b>0.01 A</b>	

An exercise will be undertaken to realign the budgets for Environment & Transport Portfolio prior to quarter 2 monitoring.

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

#### **E&T 1 - Domestic Waste Collection (forecast adverse variance £0.32M)**

**There is a forecast adverse variance on employee costs and fleet charges.**

**Forecast Range £0.40M adverse to £0.30M adverse**

There is an adverse forecast variance of £0.12M relating to the estimated additional cost of temporary agency cover for staff sickness absences and related issues. In addition, there is an adverse forecast variance of £0.17M for fleet charges. The procured new fleet

of ten refuse collection vehicles have a forecast part year additional cost of £0.06M, with the balance of £0.11M mainly being additional hire charges for replacement vehicles. Also there is an adverse forecast variance of £0.03M, for the cost of bin storage.

#### **E&T 2 - Commercial Waste Collection (forecast adverse variance £0.10M)**

**There is a forecast adverse variance in fleet charges and disposal costs.**

**Forecast Range £0.15M adverse to £0.05M adverse**

There is an adverse forecast variance of £0.08M for fleet charges. Also there is an adverse forecast variance of £0.05M, for trade waste disposal costs. However there is a favourable variance on Garden waste income of £0.05M.

#### **E&T 3 - Waste Disposal (forecast adverse variance £0.10M)**

**There are various forecast changes with an adverse overall variance.**

**Forecast Range £0.15M adverse to £0.05M adverse**

There is an adverse forecast variance on disposal costs fixed fees within the contract for general collected household waste of £0.04M, due to the final agreed re-negotiated contract not fully achieving the required reductions in the early years. There are also adverse forecast variance of £0.05M due to the additional disposal costs of contaminated recyclables within the Dry Mixed Recyclables collections.

#### **E&T 4 - E&T Contracts Management (forecast favourable variance £0.18M)**

**There are forecast savings on contracts and additional income forecasts.**

**Forecast Range £0.15M favourable to £0.25M favourable**

There is a favourable forecast variance on the PFI Street Lighting contract sum. This is favourable by £0.05M, due to contract deductions, and £0.02M, due to contract indexation adjustments. Also, there is a favourable forecast variance on the Highways contract sum of £0.02M, due to contract indexation adjustments. There is a favourable forecast variance on the Highways Partnership Third Party Income share for 2015/16 of £0.09M, as the income is higher than was anticipated.

#### **E&T 5 - Off-Street Parking (forecast favourable variance £0.14M)**

**There is a forecast favourable variance due to additional income forecasts and lower business rate payments.**

**Forecast Range Nil to £0.25M favourable**

There is a favourable forecast variance on Off-Street Parking income of £0.12M. This consists of a favourable variance from ticket income of £0.11M and £0.01M from other income, mainly penalty charge notices and suspended parking bays charges. Also, there is a favourable variance on business rate payments of £0.08M. The favourable variances are offset by a forecast adverse variance, due to higher spend on operational costs of £0.06M.

#### **E&T 6 - Travel (forecast favourable variance £0.15M)**

**There is a forecast favourable variance due to lower Concessionary Fares costs.**

**Forecast Range £0.10M favourable to £0.20M favourable**

The total forecast number of Concessionary Fare journeys and the forecast average fare are being monitored closely throughout the year. Based upon the current passenger journeys and the calculated average fare, a favourable variance on the scheme of £0.15M has been forecast.

## **FINANCE PORTFOLIO**

### **KEY ISSUES – QTR 1**

The Portfolio is currently forecast to under spend by **£0.07M** at year-end, which represents a percentage under spend against budget of **0.19%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Finance</b>	<b>0.07 F</b>	<b>0.19</b>
Potential Carry Forward Requests	0.00	

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

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr 1 £M</b>	<b>Ref.</b>
Audit and Risk Management	0.04 F	FIN 1
Other	0.03 F	
<b>Total</b>	<b>0.07 F</b>	

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

#### **FIN 1 - Audit and Risk Management (forecast favourable variance £0.04M)**

**Under spend on Audit contract**

**Forecast range not applicable**

The favourable variance relates to an in-year under spend against the annual budget for the Southern Internal Audit Partnership, following formal notification of the 2016/17 annual fee. This will be reviewed as part of the budget process to determine whether an ongoing saving can be declared.

## HEALTH & SUSTAINABLE LIVING PORTFOLIO

### KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.04M** at year-end, which represents a percentage over spend against budget of **0.79%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Health &amp; Sustainable Living</b>	<b>0.04 A</b>	<b>0.79</b>
Potential Carry Forward Requests	0.00	

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

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr 1 £M</b>	<b>Ref.</b>
Public Health	0.12 A	HSL 1
Sustainability	0.04 F	HSL 2
Other	0.04 F	
<b>Total</b>	<b>0.04 A</b>	

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

#### **HSL 1 - Public Health (forecast adverse variance £0.12M)**

**Currently not achieving the full Public Health grant cut for 2016/17**

**Forecast range £0.15M adverse to £0.05M adverse**

Public Health have a current funding shortfall of £0.12M on a grant reduction of £1.47M. The majority of the savings required, due to the Public Health England grant reduction in 2016/17, has been delivered, from ceasing services and reducing contracts. The Public Health Management Team are investigating further saving options to meet the remaining shortfall.

**HSL 2 - Sustainability (forecast favourable variance £0.04M)**

**There is a forecast under spend on Carbon Reduction Certificates**

**Forecast range £0.03M favourable to £0.04M favourable**

Based on the actual consumption for 2015/16, the estimated number of Carbon Reduction Certificates (CRCs) required for 2016/17 is expected to be £0.04M lower than budgeted. The budget for 2016/17 for the purchase of CRCs is £0.23M. Unused CRCs to the value of £0.04M were brought forward from 2015/16 and a further purchase to the value of £0.15M was made in June 2016.



## HOUSING & ADULT SOCIAL CARE PORTFOLIO

### KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£3.63M** at year-end, which represents a percentage over spend against budget of **5.56%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Housing &amp; Adult Social Care</b>	<b>3.63 A</b>	<b>5.56</b>
Potential Carry Forward Requests	0.00	

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

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr. 1 £M</b>	<b>Ref.</b>
Long Term	2.38 A	ASC 1
Safeguarding Adult Mental Health & Out of Hours	0.30 A	ASC 2
Provider Services	0.17 A	ASC 3
Reablement	0.62 A	ASC 4
Integrated Commissioning Unit Provider Relationships	0.19 A	ASC 5
Other	0.03 F	
<b>Total</b>	<b>3.63 A</b>	

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

**ASC 1 - Long Term (forecast adverse variance £2.38M)**

**Slippage has occurred in the achievement of savings agreed in February 2016 for reductions in volume of care.**

**Forecast range £3.00M to £2.00M adverse.**

The budget for externally purchased care for Older Persons and clients with either a Physical Disability or Learning Disability is forecast to over spend by £2.38M.

It is forecast that the actions to achieve the approved savings will achieve £0.95M of the required £3.24M, leaving a pressure of £2.30M. The Integrated Commissioning Unit (ICU) have commenced work on the various savings elements but are not yet in a position to evidence the likely cohort of packages to be impacted. Where saving targets are now not achievable the ICU are looking at alternative savings proposals.

This adverse position is increased due to a forecast rise in Learning Disability packages of £0.08M.

**ASC 2 - Safeguarding Adult Mental Health & Out of Hours (forecast adverse variance £0.30M)**

**Increase in Mental Health clients' care packages.**

**Forecast range £0.35M to £0.25M adverse.**

There has been an increase cost for Mental Health clients' packages of £0.30M above the budget. Work is currently being undertaken to review all of the Mental Health client packages to ensure that the care being provided is appropriate for each client's needs.

**ASC 3 - Provider Services (forecast adverse variance £0.17M)**

**Increased staffing costs for Kentish Road.**

**Forecast range £0.20M to £0.14M adverse.**

Kentish Road respite centre is forecast to overspend by £0.16M due to an increase in staffing costs to meet client demand. The Manager of the unit is investigating potential savings to offset this adverse position.

**ASC 4 - Reablement (forecast adverse variance £0.62M)**

**Additional staffing costs for the Hospital Discharge Team and the Urgent Response Service.**

**Forecast range £0.70M to £0.50M adverse.**

The Hospital Discharge Team is forecast to overspend by £0.23M due to additional staffing costs to meet the current level of client demand. Any delay in the transfer of care of clients from hospital has the potential risk that the City Council could face fines for bed blocking.

Due to a delay in finalising the staffing arrangements connected with the closure of Brownhill House £0.16M, savings will not be achieved this year.

Additional staffing costs of £0.24M above the budget are forecast to be incurred by the Urgent Response Service. This is due to greater than anticipated management costs of £0.11M following the restructure of the service, non-achievement of the vacancy management target of £0.06M and increased allowances and shift pay costs of £0.07M. The reablement management team are reviewing the current staffing levels to look at ways of reducing this deficit.

**ASC 5 - Integrated Commissioning Unit Provider Relationships (forecast adverse variance £0.19M)**

**Savings target for contract cost reductions is forecast not to be achieved.**

**Forecast range £0.25M to £0.15M adverse.**

The contract saving target of £0.20M brought forward from February 2015 is forecast not to be achieved. This adverse position is reduced by staff vacancies within the Provider Relationships Staffing team of £0.01M.

## LEADERS PORTFOLIO

### KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.92M** at year-end, which represents a percentage over spend against budget of **7.59%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Leaders</b>	<b>0.92 A</b>	<b>7.59</b>
Potential Carry Forward Requests	0.00	

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

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr. 1 £M</b>	<b>Ref.</b>
Central Repairs & Maintenance	0.10 F	LPOR 1
Legal Services & Customer Relations	0.07 F	LPOR 2
Property Portfolio Management	1.31 A	LPOR 3
Property Services	0.21 F	LPOR 4
Other	0.01 F	
<b>Total</b>	<b>0.92 A</b>	

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

**LPOR 1 - Central Repairs & Maintenance (forecast favourable variance £0.10M)**

**Under spend on Reactive Repairs/Fees.**

**Forecast range not applicable**

A favourable forecast variance of £0.10M is predicted against the reactive repairs/fee budgets. However this will be kept under close review as the year-end position will be subject to demand for essential works during the winter months.

**LPOR 2 - Legal Services & Customer Relations (forecast variance favourable £0.07M)**

**Additional Income.**

**Forecast range not applicable**

The favourable forecast variance of £0.07M relates to the receipt of additional in-year section 106 revenue income. This income is variable by nature and therefore difficult to precisely predict so will be kept under review during the year.

**LPOR 3 - Property Portfolio Management (forecast adverse variance £1.31M)**

**Non Achievement of approved savings.**

**Forecast range not applicable**

The adverse variance relates primarily to the non-achievement of £1.30M savings approved by Council on 16<sup>th</sup> Feb 2016. This relates to:

- Property Rationalisation and Disposal £0.3M – relating to the disposal of service properties. As no potential disposals have been identified to date the saving is not likely to be achieved.
- Property Investment Fund £1.0M – Due to the volatile economic environment following 'Brexit' it is not anticipated that any investments will be undertaken until the property market stabilises. This will be reviewed and updated throughout the year.

**LPOR 4 - Property Services (forecast favourable variance £0.21M)**

**Under spends on utilities and supplies & services.**

**Forecast range not applicable**

The favourable variance has arisen within Admin Buildings and comprises a £0.13M under spend on supplies and services, together with £0.08M on utility costs. A detailed review of the supplies and services budgets has been undertaken to identify essential spend only, the forecast for which will be kept under review subject to any additional demands during the remainder of the year. Utility costs have also been reviewed in detail, looking at both current and historical data, but could be affected by winter conditions and the impact of increased occupation of the Civic Centre.

## TRANSFORMATION PORTFOLIO

### KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£3.39M** at year-end, which represents a percentage over spend against budget of **34.59%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	<b>Forecast Variance £M</b>	<b>%</b>
<b>Transformation</b>	<b>3.39 A</b>	<b>34.59</b>
Potential Carry Forward Requests	0.00	

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

<b>Division / Service Activity</b>	<b>Forecast Variance Qtr 1 £M</b>	<b>Ref.</b>
Phase 2 Restructure	1.85 A	TRANS 1
Phase 3 Digital & Business Ops	0.23 A	TRANS 2
Capita Contract – Core Services	0.51 A	TRANS 3
SCR – Schools	0.80 A	TRANS 4
<b>Total</b>	<b>3.39 A</b>	

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

#### **TRANS 1 - Phase 2 Restructure (forecast adverse variance £1.85M)**

**Phase 2 management restructure has generated savings of £0.65M compared to target of £2.50M**

**Forecast range £2.00M adverse to £1.50M adverse**

Following the review of the Organisational Design, the reduction of posts in phase 2 of the management restructure was lower than anticipated.

**TRANS 2 - Phase 3 Digital & Business Ops (forecast adverse variance £0.23M)**

**Restructures are expected to generate savings of £0.36M.**

**Forecast range £0.20M adverse to £0.20M favourable**

A number of changes have been made to the original project scope and timetable There is likely to be further savings in 2016/17 as further initiatives are developed.

**TRANS 3 - Capita Contract – Core Services (forecast adverse variance £0.51M)**

**Contract re-negotiation has resulted in savings of £2.8M.**

**Forecast range £3.00M adverse to £2.50M adverse**

A saving will be achieved against the contract reset, however the profile of savings results in a shortfall in 2016/17, but this should be achieved in future years.

**TRANS 4 – Service Cost Recovery - Schools (forecast adverse variance £0.80M)**

**In-year savings target short of target built into budget.**

**Forecast range £0.80M adverse to £0.20M adverse**

No income is currently being assumed against this budget. As schools finalise their Service level agreements with the Council in July to September, a review will be undertaken for quarter 2.