

COMMUNITIES, CULTURE & LEISURE PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has under spent by **£0.66M** at year-end. The Portfolio outturn variance has moved **favourably** by **£0.62M** from the position reported at Quarter 3.

Division	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Leisure Client	0.17 F	0.00	0.17 F	COMM 1
Leisure Events	0.10 F	0.00	0.10 F	COMM 2
Major Projects	0.13 F	0.00	0.13 F	COMM 3
Heritage, Collection & Management	0.08 F	0.02 F	0.06 F	COMM 4
Libraries	0.05 F	0.00 F	0.05 F	COMM 5
Gallery & Museums	0.05 F	0.01 F	0.04 F	COMM 6
Other	0.08 F	0.01 F	0.07 F	
Total	0.66 F	0.04 F	0.62 F	
Carried Forward	0.07A	0.00	0.07A	
Net Position	0.59 F	0.04 F	0.55 F	

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

COMM 1 – Leisure Client (£0.17M favourable, £0.17M favourable movement)

This is primarily due to the correction of prior year pension contributions.

Pension charges were reduced following the transfer of staff to external service providers. This has resulted in a one-off benefit in the current year due to the correction of prior year charges and will create ongoing savings of £0.13M a year.

COMM 2 – Leisure Events (£0.10M favourable, £0.10M favourable movement)

Additional income from events and permissions was received during the year.

There was higher than anticipated income during the year from events and granting permissions for events.

There is a carry forward request of £0.07M to fund preparation work on Mayflower 400 and other festivals during 2018/19.

COMM 3 – Major Projects (£0.13M favourable, £0.13M favourable movement)

This is due to planned payments to the operator of the new arts complex not being made in 2017/18.

The new arts centre has opened in year but some building facilities are still to be completed. The payments to the operator of the complex cannot be made until these are finalised. At quarter 3 it was expected that the payments would be made by year end however payment is now expected to be made in 2018/19 and will be met from the 2018/19 budget.

COMM 4 – Heritage, Collection & Management (£0.08M favourable, £0.06M favourable movement)

Low costs have been incurred during the year due to staffing vacancies and lower than budgeted spend on repairs and maintenance.

Staffing vacancies are being held in the Central Arts & Heritage team following greater joined up working between teams. This has created a favourable variance of £0.04M. In addition, lower than budgeted spend on repairs and maintenance particularly in relation to monuments has created a favourable variance of £0.04M. The budget is expected to be fully utilised in 2018/19 to coincide with the Ancient Scheduled Monuments project.

COMM 5 –Libraries (£0.05M favourable, £0.05M favourable movement)

Various small underspends across the service over and above planned cost reductions.

There is a favourable variance of £0.05M in Libraries, over and above planned cost reductions to ensure the savings target for Open Use Systems was met in year. The variance is made up of minor underspends across the service including shift pay £0.01M, utilities £0.01M, supplies and services £0.01M and photocopying income £0.01M.

COMM 6 – Galleries and Museums, (£0.05M favourable, £0.04M favourable movement)

Additional income generated by venues was partially off-set by increased expenditure to achieve the increased sales and a delay in the move to the volunteer staffing model at Tudor House.

Income generated by venues was higher than budget by £0.17M The increased level of income is primarily due to visitor numbers being greater than target levels. This has created a favourable variance in ticket sales along with shop and café income. Income from educational visits has also been greater than budget, particularly at SeaCity.

The increased income has been off-set by higher salaries and supplies than budget to help achieve the increased sales. Also a delay in the move to the volunteer staffing model at Tudor House created additional staffing costs in year (£0.12M).

EDUCATION & CHILDRENS SOCIAL CARE PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has under spent by **£0.12M** at year-end The Portfolio outturn variance has moved **adversely** by **£0.07M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Divisional Management & Legal	0.07 F	0.16 F	0.09 A	E&CS1
Quality Assurance	0.05 A	0.00	0.05 A	E&CS2
MASH & Children in Need (CiN)	0.56 F	0.32 F	0.24 F	E&CS3
Specialist Core Services	0.28 F	0.22 F	0.06 F	E&CS4
Looked After Children	0.78 F	0.42 F	0.36 F	E&CS5
ICU – Children’s Services	0.27 F	0.13 F	0.14 F	E&CS6
Education – High Needs & Schools	0.70 A	0.30 A	0.40 A	E&CS7
Education – Early Years and Asset Management	0.96 A	0.76 A	0.20 A	E&CS8
Early Help	0.07 A	0.00	0.07 A	E&CS9
Skills	0.07 A	0.00	0.07 A	E&CS10
Other	0.01 F	0.00	0.01 F	
Total	0.12 F	0.19 F	0.07 A	

The SIGNIFICANT issues for the Portfolio are:

E&CS1 – Divisional Management & Legal (£0.07M favourable, £0.09M adverse movement)

There have been Management staffing vacancies offset by agency cover.

The management team for Education and Children Social Care has undergone changes as part of phase 3 and staff leaving. These savings in management staffing costs while, posts are vacant, have been largely offset by agency cover whilst full recruitment is planned and completed.

The movement from quarter 3 is due to agency staff cover being extended for the remaining 3 months of the year as well as budgeted income for the self-funding Commercialisation Service Manager post not being met whilst the Service is being redesigned. This redesign will review the expected 2018-19 income and the planned work to meet these targets.

A carry forward request for £0.01M has been requested, to make minor improvements to staff accommodation to help with staff retention.

E&CS2 – Quality Assurance (£0.05M adverse, £0.05M adverse movement)

There have been a number of staffing and agency changes in the service.

Within Quality Assurance, staffing posts were being held vacant to meet the budget and savings targets for income. The movement from quarter 3 is due to a requirement to fill these vacant posts to meet the demands of the service as well as extending 2 agency staff contracts to also cover work within the team.

The ongoing pressure for 2018-19 is the income required within the Commercialisation team and this service is currently being redesigned to maximise the income from training courses.

There is a carry forward request of £0.02M. This is because the apprenticeship scheme for social workers is yet to be in place nationally. There is a need to have a 'grow your own' scheme for converting non-social work qualified employees into social workers. The council is currently supporting 4 members of staff through this process and the carry forward of the budget is to meet the ongoing training expenses to continue to support the scheme.

E&CS3 – MASH & Children in Need (£0.56M favourable, £0.24M favourable movement)

Vacant posts that were forecast to be filled have not all been completed by year end.

There have been staff vacancies as part of the phase 3 restructure to be filled and this has led to the favourable variance in year whilst these posts remain vacant.

The movement from quarter 3 is due to forecasting that these posts were to be filled. Recruitment is taking longer than forecast resulting in an additional favourable movement to year end.

The current recruitment drive will ensure that these posts are filled early in the New Year.

E&CS4 – Specialist Core Services (£0.28M favourable, £0.06M favourable movement)

There have been vacant posts that have not been filled as quickly as expected.

There are vacant posts within the service that have not been filled due to difficulty in finding the right candidates for the posts resulting in a favourable variance of £0.31M. The movement from quarter 3 is due to forecasting of these post being filled earlier than expected. The current recruitment drive will fill these posts early in the new financial year.

There is an over spend on the budget to cover children and their families that have no recourse to public funds of £0.03M which has partly offset the favourable staffing variance. This budget is demand led and monitoring during 2018-19 will determine if a realignment of the budgets are required.

E&CS5 – Looked After Children (£0.79M favourable, £0.37M favourable movement)

There has been a large reduction in the inter-agency numbers, savings from staffing vacancies, savings within residential placements and Independent Fostering Agencies (IFA's), increased Unaccompanied Asylum Seeking Children (UASC) income offset by a drive towards increasing the number of Special Guardianship Orders(SGO's).

The numbers of inter-agency adoptions in 2016-17 has been assessed as a peak year for SCC. On review for 2017-18, the number of inter-agency adoptions has reduced significantly due to a change in the process resulting in a favourable variance against the budget of £0.46M.

The phase 3 restructure has resulted in a number of vacancies to be filled across the Looked After Children Service and this has been delayed due to issues with recruitment resulting in a favourable forecast of £0.39M. The movement from quarter 3 on staffing is due to the forecasting of these posts being filled earlier.

The current recruitment drive will ensure that these posts are filled early in the New Year which will ensure the teams work efficiently, reducing caseloads and meeting the required LAC savings for 2018-19.

As part of the year end processes a final review of all the Residential and IFA placements incorporating a checking of invoices still outstanding and payments made to date has shown an additional favourable movement of £0.14M.

Council's across the country have been provided with an allocation of funding to build capacity to care for unaccompanied asylum seeking children and unaccompanied asylum seeking care leavers. This is a formula based calculation for which SCC has received £0.09M. SCC was advised of this funding in February 2018.

The new Edge of Care team and Step Down team has been created and the realignment of budgets and staff is currently underway. The costs for these teams in 2017-18 are in Early Help and there is a current favourable variance of £0.07M within Looked After Children to match an overspend within Early Help noted below.

The continued drive within the service to Special Guardianship Orders and Adoptions has resulted in an increased spend against budget of £0.30M.

E&CS6 – ICU Children's Services (£0.27M favourable, £0.14M favourable movement)

There has been a cessation of 2 contracts during the year.

The cessation of the midwifery contract has resulted in a favourable variance of £0.15M. Two other contracts have also changed following a review in the final quarter of the year. The first is a cessation with a favourable movement of £0.08M. The second is a contract reduction of £0.03M.

These contract changes will not affect 2018-19 as a revised group of contracts will be in place in 2018-19 using the existing budgets.

E&CS7 – Education High Needs & Schools (£0.70M adverse, £0.40M adverse movement)

Pressure due to additional demand and unachieved savings have led to an overspend.

The Special Educational Needs & Disabilities team (SEND) have an overspend of £0.47M due to increased demand on respite care packages and the use of agency staff whilst implementing phase 3. Pressures of £0.16M relate to previously reported unachievable transformation savings for Education Welfare Service, Music Service, and the Language Intervention Team. The Music Service and Language Intervention Team are not SCC funded, and the Education Welfare Service was unable to generate additional income. Overspend of £0.08M due to increase complexity of LAC children with disabilities being placed in residential setting than had been budgeted for.

E&CS8 – Education Early Years & Asset Management (£0.96M adverse, £0.20M favourable movement)

Overspend is predominantly due to the increased numbers and complexity of children requiring Home to School Transport and achievement of income.

The adverse variance is due to pressures arising in the Home to School Transport Service of £0.67M reflecting the increase in numbers of children with High Needs. Increasing complexity of these children have led to children predominantly being transported via taxi or bus which is costly to the service. Work is being undertaken to review these services in 2018/19 Increase statutory demands on the Educational Psychologist have led to a reduced ability to undertake fee earning activity and reduce income in this year.

DSG (Dedicated Schools Grant) Note (E&CS7 and E&CS8)

The DSG was over spent in 2017/18 by a net £1.90M in year. This is due to an over spend on the High Needs Block of £2.35M due to increasing demand for children with special needs and an increase in complexity. This has been partially offset by favourable variances on the Schools Block of £0.27M due to and Early Years Block £0.18M. This was then offset by a surplus brought forward from 2017/18 to give an overall deficit of £1.09M. This deficit has been carried forward into 2018/19.

E&CS9 – Early Help (£0.07M adverse, £0.07M adverse movement)

There are costs for Edge of Care and Step Down that relate to Looked After Children.

The costs for the newly created Edge of Care team and Step Down team has created an adverse movement of £0.07M. There is a current favourable variance of

£0.07M within Looked After Children noted above to match this overspend within Early Help. This has been offset by a favourable movement in Public Health.

E&CS10 – Skills (£0.07M adverse, £0.07M adverse movement)

There is an unachieved income budget from a team restructure.

A team restructure at the start of the year has led to an unachieved income budget of £0.07M for staff recharges as the associated staffing costs are no longer being incurred.

From 2018/19 some of the budget has been removed as part of the updated 2018/19 budget and the remainder will be absorbed by the service into existing income targets.

UNACHIEVED SAVINGS 2017/18

Description	Unachieved Savings 2017/18 £M	Explanation of ongoing impact and mitigating actions.
Reduction in Agency Budget.	0.23	Due to delays in recruitment of staff, including Social Workers. A recruitment drive to fill these posts is underway which will enable us to release the agency staff and meet the savings in 2018/19.
Spend reduction of divisional overhead budgets.	0.05	Savings was expected to be found from overheads. The part savings in 2017-18 is due to other staff savings. This will need to be absorbed into other savings within the service.
Reduction in staff travel in line with reduction in LAC.	0.03	This has not been met because the number of children that are out of the area remains high. As the LAC projects become fully implemented, this saving will be met.
Savings in respect of Service Cost recovery that will not be achieved	0.15	This pressure has been included in the MTFs for 18/19 and future years
Explore opportunities to integrate QA functions with another Council.	0.01	This has not been feasible and the saving will need to be absorbed within the service.
Education Psychology – Social Enterprise.	0.05	Restructuring the Psychology service as part of the phase 3 review will allow the service to further develop its trading and income generating activities and mitigate current pressures.
Merge school based planning and admissions managers role.	0.02	The SCC funding element of merging this post has been saved of £0.05M. This is the total savings to be made and the balance will need to be absorbed within the service going forward.
Total for 2017/18	0.54	

UNACHIEVED SAVINGS 2016/17:-

Description	Unachieved Savings 2016/17 £M	Explanation of ongoing impact and mitigating actions.
Reduction in Agency Budget.	0.09	2016/17 Unachieved saving due to delays in recruitment of staff, including Social Workers and is included in the 2017/18 recruitment drive to fill these posts to enable us to release the agency staff and meet the savings.
Move children out of care into alternative permanent family arrangements.	0.14	2016/17 Unachieved saving was met in 2017/18 by over achievement of other savings targets. In 2018/19, LAC savings projects are underway to meet this target in the new year.
Total for 2016/17	0.23	

Grand Total	0.77	
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ENVIRONMENT & TRANSPORT PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has over spent by **£0.05M** at year-end The Portfolio outturn variance has moved **adversely** by **£0.37M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
City Services – Waste	0.06 A	0.10 A	0.04 F	CCTE 1
City Services – Parks & Open Spaces	0.42 A	0.02 A	0.40 A	CCTE 2
Transport & Planning	0.45 F	0.44 F	0.01 F	CCTE 3
Other minor variances	0.02 A	0.01 A	0.01 A	
Total	0.05 A	0.32 F	0.37 A	

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

CCTE 1 – City Services (Waste Management) (£0.06M adverse, £0.04M favourable movement)

Additional costs incurred due to incinerator unavailability, offset by savings achieved through Alternate Weekly Collections (AWC)

There has been an increase in adverse variance in relation to commercial waste disposal costs. The incinerator was unavailable throughout January and most of February, meaning a significant volume in tonnage was dealt with through the transfer station. The overall adverse variance for trade waste is £0.33M. Fees for 2018/19 have been reviewed and increased to partially recover the additional cost, and the disposal contract arrangements will be reviewed in 2018/19.

The adverse movement in Waste was partially offset by reductions in staffing costs of £0.15M, and reductions in domestic refuse disposal costs of £0.17M following the introduction of AWC this year.

CCTE 2 – City Services (Parks & Open Spaces) (£0.42M adverse, £0.40M adverse movement)

Overall adverse variance largely due to backlog of tree works inherited from previous contractor.

The Tree Surgery team has experienced vacancies and long term sickness over the year. One of the requirements of undertaking tree works, is that a team leader is required on site to manage health & safety and supervise working at height. In addition, the Council has been working through a significant backlog of essential tree works since the previous contract was brought back in house in April. Both of these factors mean that there has been less ability to focus on income generating work, generating an adverse variance of £0.15M. It is likely that the backlog will continue to be addressed throughout 2018/19, but once complete will free capacity for income generating work.

Temporary staff costs of £0.12M have been incurred in respect of Street Cleansing, to cover for vacant posts in the service during the year. The service is currently undergoing its Phase 3 staffing review, which will address resourcing across City Services.

Additional equipment and vehicle repair costs of £0.08M have also been incurred, which arises from an ageing stock of plant and equipment. Options for investment in equipment will be investigated in 2018/19.

CCTE 3 – Transport & Planning (£0.43M favourable, £0.01M adverse movement)

The favourable variance is primarily due to the renegotiated concessionary fares scheme and additional income generation within the planning team, offset by adverse variance in the Street lighting and Highways programme.

The favourable variance on Concessionary Fares of £0.38M is a result of a renegotiated scheme with bus operators creating savings compared to budget assumptions. Lower than anticipated passenger numbers in quarter 4 also reduced the value of expected payments to operators.

The favourable variance in the Planning team of £0.22M is a result of the team recharging staff time to Eastleigh BC for work undertaken by SCC employees on

creating a Local Transport Plan for Eastleigh. Community Infrastructure Levy (CIL) administration fee income has been higher than budget in 2017/18 due to increased CIL receipts from local developers.

There is a carry forward request in the planning team of £0.04M this is to fund work on the Southampton Local Transport Plan in 2018/19 that could not be done in year due to the team's work on the Eastleigh Plan.

A feasibility study for a combined tidal barrier and bridge in the River Itchen has been undertaken in year. The funding for a full capital scheme is currently not available so the scheme is not being developed further at this stage. As the scheme is currently not progressing to a capital project the cost of the feasibility study has been recognised as a revenue expense in year. This has generated a one-off adverse variance of £0.14m.

There was also a £0.04M underspend on salary costs as a result of the Transport Coordination Unit team restructure during the year. This budget will be fully utilised in 2018/19.

An underspend on School crossing patrols of £0.07M is due to staff vacancies during the year. Recruitment to vacant positions was undertaken in 2017/18 but a number of positions remain vacant. A further round of recruitment is currently underway to fill the vacancies.

Planning: The Council retains 5% of Community Infrastructure Levy receipts towards the cost of administration. An increasing number of contributions means that the income forecast has increased favourably by £0.15M. A further one-off £0.03M relates to staffing vacancies held in the year.

UNACHIEVED SAVINGS 2017/18

Description	Unachieved Savings 2017/18 £M	Explanation of ongoing impact and mitigating actions.
Charges for double interment for non-residents	0.03	Delay in implementation. Part-year impact for 2017/18 only. This will be achieved in 2018/19.
Employ additional Registration staff to perform additional income generating work	0.04	Staff recruited but part-year effect. Will be achieved in 2018/19
Charge for replacement bins	0.04	Delay in implementation in 2017/18, will be achieved 2018/19.
Reduce Free Parking Periods at District Centre Car Parks from 5 hours to 2	0.07	Traffic Regulation Order (TRO) advertised in December and implemented early 2018. Has been offset by favourable income variances in of street car parking, and in place for 2018/19.
Total for 2017/18	0.18	

FINANCE PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has under spent by **£0.09M** at year-end. The Portfolio outturn variance has moved **favourably** by **£0.52M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
IT Services	0.93 F	0.60 A	1.53 F	FIN 1
Accounts Payable & Accounts Receivable	0.20 F	0.07 F	0.13 F	FIN 2
Business Support	0.04 F	0.10 F	0.06 A	FIN 3
Customer Services	0.09 A	0.00	0.09 A	FIN 4
Partnership Services	0.89 A	0.00	0.89 A	FIN 5
Other	0.10 A	0.00	0.10 A	
Total	0.09 F	0.43 A	0.52 F	

The SIGNIFICANT issues for the Portfolio are:

FIN 1- IT Services (£0.93M favourable, £1.53M favourable movement)

Additional savings derived from the digital guarantee.

The costs of the Digital Team are included within Partnership Services where there is a corresponding adverse variance (see FIN 5 Below). There was also a saving of £0.44M in computer maintenance, licences and royalties since services and modules are no longer required, not in use or been cancelled during the year.

These favourable variances were offset by unachieved savings in the reorganisation of IT provision of £0.19M, rationalisation of licences £0.11M and lower development activity £0.18M. The movement from quarter 3 is the result of the inclusion of the savings from the digital guarantee.

FIN 2 - Accounts Payable & Accounts Receivable (£0.20M favourable, £0.13M favourable movement)

Vacancies and acting-up arrangements

The under spend has arisen as a result of vacant posts within the Customer Payments & Debt team. Posts have been held vacant as a result of acting-up arrangements and staff being paid less than budgeted since all posts are budgeted at top of grade. Some savings are expected to continue into 2018/19.

There is a carry forward request of £0.18M to fund a fixed term resource to meet the council wide requirements of the Business Support and Customer Payment and Debt Teams.

FIN 3 – Business Support (£0.04M favourable, £0.06M adverse movement)

Vacancies and staff costs lower than budget

The under spend has resulted from vacant posts within the Business Support teams due to significant staff turnover.

FIN 4 – Customer Services (£0.09M adverse, £0.09M adverse movement)

Additional costs associated with Voice Recognition Software

There has been an over spend arising from additional payments to the external service provider following changes in the use of Voice Recognition Software.

FIN 5 – Partnership Services (£0.89M adverse, £0.89M adverse movement)

Adverse variance due to Digital Team Costs.

An adverse variance of £0.87M on Digital costs. The digital team costs are recognised within the overall partnership costs. However, due to the mechanics of the digital guarantee, the offset is shown within the IT services budget (see FIN 1 above).

UNACHIEVED SAVINGS 2017/18

Description	Unachieved Savings 2017/18 £M	Explanation of ongoing impact and mitigating actions.
Reorganise IT Provision	0.19	The recurrent savings will be achieved in future years.
Rationalise Licences by 20%	0.11	The recurrent savings will be achieved in future years with further review of licences
Reduce Development Activity	0.18	The recurrent savings will be achieved in future years with further review of development activity.
Total for 2017/18	0.48	

HEALTH & COMMUNITY SAFETY PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has under spent by **£0.01M** at year-end. The Portfolio outturn variance has moved **adversely** by **£0.01M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Public Health	0.19 F	0.00 F	0.19 F	HSL 1
Prevention & Inclusion Service	0.11 A	0.03 A	0.08 A	HSL 2
Housing Needs	0.08 A	0.00 F	0.08 A	HSL 3
Other	0.01 F	0.05 F	0.04 A	
Total	0.01 F	0.02 F	0.01 A	

The SIGNIFICANT issues for the Portfolio are:

HSL 1 – Public Health (£0.19M favourable, £0.19M favourable movement)

Public Health has a favourable movement since quarter 3. These monies have been reallocated to Housing Related Support (see Housing Needs below) and the support children's centres (see Education and Children's Social Care portfolio). The favourable movement occurred due to lower than anticipated take up of health and renegotiation of the 5-19 nursing service.

HSL 2 – Prevention & Inclusion Service (£0.11M adverse, £0.08M adverse movement)

There have been higher costs of children in remand.

The courts make decisions on whether to remand a child and SCC has the responsibility to ensure that the funding is available to meet this demand. The service works with children known to them to mitigate the risks of these children being remanded where possible.

The overspend is in part due to children being given remand, who have never offended before and were not known previously. SCC currently has no commissioned remand bed that can be offered as an alternative to court ordered remands, which though rare may have prevented some remand episodes. We are working towards a joint commissioned arrangement with Portsmouth City Council which should be in place by the second half of 2018-19 that will help mitigate these high cost remand cases. However, we also have no control over the length of remand – a recent high profile case has resulted in a necessarily prolonged sentence process that means realistically one single child will be held on remand for as long as the court deems necessary, with no realistic prospect of bail due to the seriousness of the offence.

The Q4 movement is impacted upon by that one remand episode and will continue into and beyond Q1 of 2018-19.

HSL 3 – Housing Needs (£0.08M adverse, £0.08M adverse movement)

Overspent on deposits paid to private landlords

There is an overspend on deposits and payments paid to private landlords of £0.08M. Private landlords are increasingly being awarded non returnable payments as an enhanced incentive to encourage new tenancies for homeless individuals and families which is a cause of this overspend. This is expected to continue to be an issue for 2018/19, a bid will be made to use additional New Burdens Grant in relation to the Homelessness Reduction Act to help offset this, by way of development of support and prevention activities. This has been offset by a favourable movement in Public Health.

HOUSING AND ADULT CARE PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has over spent by **£3.71M** at year-end. The Portfolio outturn variance has moved **favourably** by **£0.69M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance	Forecast Variance Quarter 3	Movement	Ref.
	£M	£M	£M	
Safeguarding AMH & OOH	0.41 A	0.49 A	0.08 F	HSC 1
Provider Services	0.52 A	0.29 A	0.23 A	HSC 2
Long Term	3.21 A	3.46 A	0.25 F	HSC 3
Adult Services Management	0.21 F	0.02 F	0.19 F	HSC 4
Reablement & Hospital Discharge	0.16 F	0.18 A	0.34 F	HSC 5
ICU System Redesign	0.08 F	0.00 F	0.08 F	HSC 6
Other	0.02 A	0.00 F	0.02 A	
Total	3.71 A	4.40 A	0.69 F	

The SIGNIFICANT issues for the Portfolio are:

HSC 1 - Safeguarding Adult Mental Health & Out of Hours – (£0.41M adverse variance, £0.08M favourable movement)

Mental Health client numbers were higher than budgeted during the year

The adverse variance of £0.41M for Mental Health client package costs is due to an increase in the number of clients above the original budgeted amount. The budget was based on an average of 238 clients through the year but there was an average number of clients for the current financial year of 256. This is mainly due to reviews taking place for clients that were previously fully funded by Health budgets that following the reviews have become a Council cost.

In the final quarter of the year, there was a review within the service of Mental Health clients in respect to their primary care which resulted in a transfer of some clients to Long Term care. This resulted in a favourable movement of £0.38M since the quarter 3 report. Conversely, there was also a review of client contributions which had a negative effect on income as there was an effective cancellation of expected contributions amounting to £0.18M. The remaining adverse movement in forecast from quarter 3 was related to increased client numbers and backdated cost increases.

The Phase 3 restructure will provide additional review capacity to ensure the care being provided is appropriate to each client's needs and ensuring care is provided in the most cost effective way. This, coupled with the strengths based approach in achieving future savings, is planned to reduce future client numbers.

HSC 2 - Provider Services (£0.52M adverse variance, £0.23M adverse movement)

Kentish Road respite centre remained open longer than expected and additional temporary staff expenditure was incurred in residential care

There was a delay in the closure of Kentish Road respite centre, which was originally planned for April 2017 and instead closed at the end of November 2017. This has led to a £0.20M adverse variance within this area. Kentish Road is expected to reopen for part of 2018/19 and there is a budget in place for the planned expenditure in this area.

Due to staffing vacancies, sickness and maternity leave, Holcroft House and Glen Lee residential care homes have had increased expenditure on temporary staff which has led to an overspend of £0.33M. The overspend increased in the final quarter of 2017/18, due to additional vacancies in permanent staffing positions requiring temporary staffing, which in turn increased the outturn overspend from the quarter 3 forecast position by £0.20M. The additional costs incurred by utilising temporary staffing is expected to be mitigated with new permanent recruitment in this area in the early part of 2018/19.

HSC 3 - Long Term (£3.21M adverse variance, £0.25M favourable movement)

Unachieved savings and increased client numbers led to an overspend

Older Persons & Physical Disability client packages has an adverse variance of £2.65M and there is an adverse variance of £0.56M on Learning Disability packages.

The reason for the over spend is due to £2.53M of unachieved savings, with the remainder of £0.68M being attributed to an increase in demand and complexity of client care in this area. Client number pressures are being mitigated in 2018/19 with

the existing client number pressures being funded through a budget pressure adjustment.

There are also £3.00M recast savings targets and plans for 2018/19 within Adult Social Care which are based on reducing existing client numbers and costs of care. This is expected to reduce costs in this area. This pressure has been addressed as part of the approved budget for 2018/19.

HSC 4 - Adult Services Management (£0.21M favourable variance, £0.19M favourable movement)

Review of Occupational Therapists work and reduction in non-essential spend

There has been a reduction in Occupational Therapists costs of £0.04M following a review of the work undertaken by Occupational Therapists.

There were several areas of underspend contributing to a £0.17M favourable variance. These areas related to payments to external bodies for advice, training and subscriptions that were previously budgeted for, but were not spent in 2017/18 due to a moratorium on non-essential spend due to overspends elsewhere.

HSC 5 - Reablement & Hospital Discharge (£0.16M favourable variance, £0.34M favourable movement)

Staffing vacancies and additional income support from Southampton Clinical Commissioning Group

The Community Independence team experienced vacancies during the year, contributing a favourable variance of £0.09M. Some of the vacant posts are in the process of being filled, others have remained open pending the Phase 3 staffing restructure.

The Hospital Discharge team received £0.06M of income relating to additional support from Southampton Clinical Commissioning Group. There was also an additional £0.03M from the Improved Better Care Fund in quarter 4 that was previously not anticipated.

There was a £0.25M overspend on the Single Point of Access team due to staffing vacancies being covered by temporary staff. The Phase 3 restructure is expected to lead to these posts being filled. This amount was offset by a contribution as part of the partnership with the Southampton Clinical Commissioning Group which was not confirmed until the end of the financial year, and thus not included in earlier forecasting.

HSC 6 – ICU System Redesign (£0.08M favourable, £0.08M favourable movement)

Substance misuse savings

An under spend of £0.08M has been achieved within substance misuse and peer support due to savings on contract expenditure. It was originally envisaged that this underspend would be needed to offset potential pressures at quarter three but only £0.03M was required by year end within ICU Provider Relationships. £0.03M of the saving relates to the Public Health grant. This ring fenced saving has been used to pay for Housing Related Support expenditure. The saving on the Public Health grant will be used in 2018/19 to offset the grant reduction.

UNACHIEVED SAVINGS 2017/18

Saving Description	Unachieved Savings 2017/18 £M	Explanation of ongoing impact and mitigating actions.
Changing the way the adult social care teams operate.	1.68	Savings targets have been recast for 2018/19 with a strengths based approach to assessing and meeting need. The strengths based approach should achieve savings through : <ul style="list-style-type: none"> • Reducing the number of people entering social care system/ needing care packages • Reducing costs through lower cost, earlier interventions that delay and reduce need for more expensive care • Reducing elements of care packages and building on an individual's strengths and assets • Achieving equity between individuals' care
Developing more housing with care.	0.10	
Mental Health review.	0.07	
Joining up adults and housing teams to maintain independent living for longer in supported housing.	0.60	
Cost recovery from care provider training.	0.08	
Total	2.53	

UNACHIEVED SAVINGS PRIOR YEARS

Saving Year	Description	Unachieved Savings £M	Explanation of ongoing impact and mitigating actions
2016/17	Introduce wider role out of telecare.	0.50	Savings targets have been recast for 2018/19 with a strengths based approach to assessing and meeting need.
	Total	0.50	

LEADER'S PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has under spent by **£0.51M** at year-end. The Portfolio outturn variance has moved **favourably** by **£0.50M** from the position reported at Quarter 3.

Division	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Property Services	0.46 F	0.07 F	0.39 F	LPOR 1
Legal & Governance	0.39 F	0.14 F	0.25 F	LPOR 2
Intelligence, Insight & Comms	0.24 F	0.06 F	0.18 F	LPOR 3
HR Services	0.46 A	0.16 A	0.30 A	LPOR 4
Strategic Management	0.11 A	0.00 A	0.11 A	LPOR 5
Economic Development	0.00 F	0.00 F	0.00 F	LPOR 6
Other	0.00 A	0.01 F	0.01 A	
Total	0.51 F	0.12 F	0.39 F	

The SIGNIFICANT issues for the Portfolio are:

LPOR 1 – Property Services (£0.45M favourable, £0.38M favourable movement)

This has primarily been caused by an underspend on the repairs and maintenance budget of £1.50M, off-set by pressures associated with reduced recharge income including the non-charging of overheads to capital of £0.85M.

The planned repairs and maintenance programme was reduced by £1M in year to off-set pressures associated with the non-charging of overheads to capital. The repairs and maintenance budget has historically been underspent and a programme of works was created for 2017/18 that enabled the property portfolio to be adequately maintained in year. A further review of the programme will be undertaken in 2018/19 to establish the ongoing budget requirement.

An additional £0.30M underspend was as a result of cost savings on completed projects or delays on programmed works that have slipped into 2018/19. There was also an additional underspend of £0.20M on reactive repairs as the level of anticipated repairs were not ultimately required in the winter months.

The movement since quarter 3 is a result of these additional underspends materialising in quarter 4.

For 2018/19 the Property Service budget has been realigned following the Stage 3 Capital Assets restructure during 2017/18. The repairs and maintenance budget has been correspondingly reduced to reflect the assumed required programme of work to ensure the property portfolio is appropriately maintained in the future.

LPOR 2 – Legal & Governance (£0.39M favourable, £0.25M favourable movement)

Savings in costs of Registration of Electors, Members Allowances and Legal Services.

The Costs of Registration of Electors is £0.14M underspent due to election fees and grants received from DWP and other bodies. Members allowances are £0.06M favourable since allowances are less than the 2017/18 uplift and not all members claim allowances for additional duties. Legal Services has a favourable budget of £0.16M due to additional Section 106 income received from property developers.

There is a carry forward request of £0.06M to fund a legal resource to meet increased demand to support property and procurement projects.

LPOR 3 – Intelligence, Insight, & Communications (£0.24M favourable, £0.18M favourable movement)

Salary savings due to a restructure and staff vacancies.

The favourable variance has resulted from an under spend of £0.11M in the Communications unit is due to a restructure, vacancies and lower external printing costs. Vacancies in the Strategy unit saved a further £0.13M. Some ongoing savings in staffing the Communications unit are expected to continue into 2018/19

LPOR 4 – HR Services (£0.46M adverse, £0.30M adverse movement)

Additional costs have been incurred associated with bringing permanent recruitment back in-house.

Permanent recruitment, which was previously outsourced, has been brought back in-house. An adverse variance of £0.49M has arisen due to high levels of permanent recruitment, the payment of a termination fee to the Capita, the previous provider, and the establishment of the new in-house recruitment team. Savings in Health and Safety staff and equipment slightly reduced the over spend. The monthly termination fee to Capita will continue until July 2018.

LPOR 5 – Strategic Management of the Council (£0.11M adverse, £0.11M adverse movement)

Additional staffing costs.

Additional staffing costs as a result of staff turnover.

LPOR 6 – Economic Development (Nil variance, Nil movement)

There is a carry forward request of £0.10M for Economic Development to be funded by underspends in the portfolio. The carry forward will fund additional resources in

the Economic Development team to support the further growth and productivity of the Southampton economy by supporting local businesses to create jobs, develop sectorial strengths and help support business start-ups.

SUSTAINABLE LIVING PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio had a **nil** variance at year end. The Portfolio outturn variance has moved **favourably** by **£0.19M** from the position reported at Quarter 3.

Division	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Sustainability	0.14 F	0.04 F	0.10 F	SUSL 1
Private Sector Housing	0.14 A	0.23 A	0.09 F	SUSL 2
Total	0.02 A	0.19 A	0.17 F	

The SIGNIFICANT issues for the Portfolio are:

SUSL 1 – Sustainability (£0.14M favourable, £0.10M favourable movement)

The favourable position is primarily due to an underspend on the Carbon Reduction Commitment scheme of £0.10M. Under the scheme the council purchases credits to offset the amount of carbon used by the authority. During the year the authority utilised £0.12M worth of credits compared to a budget of £0.22M. The scheme is due to end in 2018/19 therefore the authority budgeted to ensure that an appropriate level of credits were purchased to prevent an excessive surplus of credits at the end of the scheme.

Under the scheme the council can carry forward unutilised credits to be used in future years. The amount of credits required in 2017/18 had not been finalised at quarter 3.

SUSL 2 – Private Sector Housing (£0.14M adverse, £0.09M favourable movement)

Reduced income from Houses in Multiple Occupation.

Income from Houses in Multiple Occupation (HMO) was £0.14M adverse at year end.

A detailed review of HMO licenses renewing in 2018/19 has been undertaken which has identified properties that should have previously been registered. The mandatory HMO registration scheme is also being extended, with more properties coming into scope. These factors should mitigate the pressure in 2018/19.

TRANSFORMATION PORTFOLIO

KEY ISSUES – OUTTURN 2017/18

The Portfolio has over spent by **£0.95M** at year-end against a nil budget. The Portfolio outturn variance has moved **adversely** by **£0.95M** from the position reported at Quarter 3.

Division	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Transformation Savings	0.95 A	0.00	0.95 A	TRAN 1
Total	0.95 A	0.00	0.95 A	

The SIGNIFICANT issues for the Portfolio are:

TRAN 1 – Transformation Savings (£0.95M adverse, £0.95M adverse movement)

Non achievement of Transformation savings linked to the Capita procurement guarantee.

In anticipation of an overachievement of procurement savings when setting the budget in February 2017, a 'stretch savings target' of £0.73M was included as an additional Medium Term Financial Strategy saving. This has not been achieved in 2017/18 due to lower than expected financial benefit realisation from procurement activity.

Additionally, potential savings to be claimed against the guarantee of £0.22M are cost rather than budget reductions. Under the terms of the guarantee, this can be claimed against the guarantee, but with no budget reduction to offset.

This was not recognised at quarter 3 as the level of anticipated savings had not been quantified.

Description	Unachieved Savings £M	Explanation of ongoing impact and mitigating actions
Non Achievement of Transformation Savings	0.95	The ongoing pressure has been included in the MTFs for 2018/19 and future years.
Total	0.95	