

Annex 1.1

OVERALL GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR 2020/21

Portfolio	Budget Dec 2020 £M	BAU* Annual Forecast Dec 2020 £M	BAU* Forecast Variance Dec 2020 £M	BAU* Forecast Variance Sept 2020 £M	BAU* Variance Movement from Sept 2020 £M
Children & Learning	47.13	52.89	5.76 A	4.37 A	1.39 A
Culture & Homes	8.79	8.47	0.31 F	0.13 A	0.44 F
Customer & Organisation	27.25	27.16	0.09 F	0.41 A	0.50 F
Finance & Income Generation	(3.01)	(2.40)	0.61 A	1.32 A	0.71 F
Green City & Place	23.04	24.61	1.57 A	1.30 A	0.27 A
Health & Adults	66.49	64.50	1.99 F	2.64 F	0.65 A
Stronger Communities	3.03	2.91	0.12 F	0.05 F	0.07 F
Total Portfolios	172.70	178.15	5.45 A	4.83 A	0.62 A
Levies & Contributions	0.09	0.09	0.00	0.00	0.00
Capital Asset Management	9.87	9.38	0.49 F	0.00	0.49 F
Other Expenditure & Income	8.37	8.37	0.00	0.00	0.00
Net Revenue Expenditure	191.02	195.98	4.96 A	4.83 A	0.13 A
Draw from Balances	0.00	0.00	0.00	0.00	0.00
Council Tax	(102.28)	(102.28)	0.00	0.00	0.00
Business Rates	(54.57)	(54.57)	0.00	0.00	0.00
Non-Specific Government Grants	(34.16)	(34.16)	0.00	0.00	0.00
Total Financing	(191.02)	(191.02)	0.00	0.00	0.00
Net Deficit / (Surplus)	0.00	4.96	4.96 A	4.83 A	0.13 A
Use of Corporate Funds	0.00	(9.55)	9.55 F	7.94 F	1.60 F
(Surplus) / Deficit for the year	0.00	(4.59)	4.59 F	3.12 F	1.47 F

NB Numbers are rounded

*Business as usual

EXPLANATIONS BY PORTFOLIO

1. CHILDREN & LEARNING PORTFOLIO

KEY REVENUE ISSUES – DECEMBER 2020

The Portfolio is currently forecast to have a deficit of **£5.76M** at year-end on business as usual (BAU) activities, which represents a percentage deficit against budget of **12%**. The Portfolio forecast variance has moved adversely by **£1.39M** from the position reported at Quarter 2.

In addition, **£3.66M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	Forecast Variance Qtr 3 £M	Forecast Variance Qtr 2 £M	Movement from Qtr 2 £M	% of budget
Portfolio Outturn business as usual	5.76 A	4.37 A	1.39 A	12.0
COVID-19 Pandemic	3.66 A	4.08 A	0.42 F	

A summary of the Portfolio business as usual forecast variance and movement since Quarter 2 is shown in the table below:

Service Area	BAU Forecast Variance Qtr 3 £M	BAU Forecast Variance Qtr 2 £M	BAU Movement from Qtr 2 £M
Divisional Management & Legal	0.17 A	0.17 A	0.00
Looked After Children & Provision	3.63 A	3.18 A	0.45 A
Multi Agency Safeguarding Hub & Children in Need	0.82 A	0.82 A	0.00
Quality Assurance Business Unit	0.13 A	0.08 A	0.05 A
Specialist Core Services	0.77 A	0.13 A	0.64 A
Targeted and Restorative Services	0.26 A	0.00	0.26 A
Other	0.02 F	0.01 F	0.01 F
Total	5.76 A	4.37 A	1.39 A

The SIGNIFICANT business as usual movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in BAU Forecast Variance Between Quarter 2 and Quarter 3 £M	Explanation:
Looked After Children and Provision	0.45 A	The adverse movement from Quarter 2 mainly relates to three areas. Firstly, a full review of Foster Carer payments, including the full effect of the recent payment uplifts, has shown an increase in the expected outturn this year. Secondly, the number of Special Guardianship Orders (SGO's) has increased more than expected. The standard nature of SGO payments does mean that it prevents further ongoing placement issues and cost increases. The third main adverse movement is in the required extension of agency staff within the Placements Team, the Looked After Children Team, the Friends and Family Team and the Pathways Team.
Specialist Core Services	0.64 A	The adverse movement from Quarter 2 relates to an increase in temporary accommodation and other preventative spend within the Protection and Court Teams to assist children and families within the city.
Targeted and Restorative Services	0.26 A	There is an adverse movement from Quarter 2 that mainly relates to a forecast shortfall in the payment by results (PBR) income within the Troubled Families grant. For this year, difficulty in tracking information from partner organisations and the data team had led to this forecast reduction. The team are constantly looking at alternative options to identify relevant cases that can be claimed to minimise this adverse variance.

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

Service Area	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Qtr 2 £M	COVID-19 Pressures Movement from Qtr 2 £M
Divisional Management & Legal	0.06 A	0.06 A	0.00
Education - Early Years & Asset Mgt	0.80 A	1.25 A	0.45 F
Education - High Needs & Schools	0.10 A	0.22 A	0.12 F
Looked After Children & Provision	2.10 A	1.96 A	0.14 A
Multi Agency Safeguarding Hub & Children in Need	0.46 A	0.46 A	0.00
Targeted and Restorative Services	0.06 A	0.06 A	0.00
Other	0.08 A	0.07 A	0.01 A
Total	3.66 A	4.08 A	0.42 F

The SIGNIFICANT COVID-19 pressures movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in COVID-19 Pressures Between Quarter 2 and Quarter 3 £M	Explanation:
Education - Early Years & Asset Mgt	0.45 F	The favourable movement is due to additional Home to School Transport funding of £0.45M for the Autumn and Spring term from the Department for Education.

2. CULTURE & HOMES PORTFOLIO

KEY REVENUE ISSUES – DECEMBER 2020

The Portfolio is currently forecast to have a surplus of **£0.31M** at year-end on business as usual activities, which represents a percentage surplus against budget of **3.5%**. The Portfolio forecast variance has moved favourably by **£0.44M** from the position reported at Quarter 2.

In addition, **£2.46M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	Forecast Variance Qtr 3 £M	Forecast Variance Qtr 2 £M	Movement from Qtr 2 £M	% of budget
Portfolio Outturn business as usual	0.31 F	0.13 A	0.44 F	3.5
COVID-19 Pandemic	2.46 A	2.25 A	0.21 A	

A summary of the Portfolio business as usual forecast variance and movement since Quarter 2 is shown in the table below:

Service Area	BAU Forecast Variance Qtr 3 £M	BAU Forecast Variance Qtr 2 £M	BAU Movement from Qtr 2 £M
City of Culture	0.00	0.05 F	0.05 A
Cultural Services	0.06 A	0.08 A	0.02 F
Leisure Client	0.10 A	0.10 A	0.00
Housing Needs	0.46 F	0.00	0.46 F
Private Sector Housing	0.01 F	0.00	0.01 F
Total	0.31 F	0.13 A	0.44 F

The SIGNIFICANT business as usual movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in BAU Forecast Variance Between Quarter 2 and Quarter 3 £M	Explanation:
Housing Needs	0.46 F	£0.46M of COVID-19 related expenditure relating to Homelessness will be offset by using available resources from the Flexible Homelessness grant and New Burdens funding - this is reflected in the monitoring by reporting a favourable variance in Business as Usual activities offset by an adverse variance in COVID-19 related pressures.

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

Service Area	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Qtr 2 £M	COVID-19 Pressures Movement from Qtr 2 £M
Cultural Services	1.15 A	1.19 A	0.04 F
Housing Need	0.46 A	0.52 A	0.06 F
Leisure Client	0.61 A	0.34 A	0.27 A
Private Sector Housing	0.24 A	0.20 A	0.04 A
Total	2.46 A	2.25 A	0.21 A

The SIGNIFICANT COVID-19 pressures movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in COVID-19 Pressures Between Quarter 2 and Quarter 3 £M	Explanation
Leisure Client	0.27 A	There is an overall adverse variance of £0.61M due to expected contract liabilities resulting from COVID-19 for Leisure contracts. This adverse variance has increased by £0.27M since Quarter 2 due to the impact of the national lockdowns in November 20 and January 21. The Council will be submitting an application to the recently announced National Leisure Recovery Fund. If successful, this is expected to partly reduce the adverse variance but it is not yet known by how much.

3. CUSTOMER & ORGANISATION PORTFOLIO

KEY REVENUE ISSUES – DECEMBER 2020

The Portfolio is currently forecast to have a surplus of **£0.09M** at year-end on business as usual activities, which represents a percentage surplus against budget of **0.3%**. The Portfolio forecast variance has moved favourably by **£0.50M** from the position reported at Quarter 2.

In addition, **£0.37M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	Forecast Variance Qtr 3 £M	Forecast Variance Qtr 2 £M	Movement from Qtr 2 £M	% of budget
Portfolio Outturn business as usual	0.09 F	0.41 A	0.50 F	0.3
COVID-19 Pandemic	0.37 A	0.35 A	0.02 A	

A summary of the Portfolio business as usual forecast variance and movement since Qtr 2 is shown in the table below:

Service Area	BAU Forecast Variance Qtr 3 £M	BAU Forecast Variance Qtr 2 £M	BAU Movement from Qtr 2 £M
Customer Services	0.34 F	0.17 F	0.17 F
Facilities Management	0.10 F	0.00	0.10 F
IT Services	0.74 A	0.75 A	0.01 F
Projects, Policy & Performance	0.17 F	0.17 F	0.00
Strategic Management of the Council	0.11 F	0.00	0.11 F
Other	0.11 F	0.00 A	0.11 F
Total	0.09 F	0.41 A	0.50 F

The SIGNIFICANT business as usual movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in BAU Forecast Variance Between Quarter 2 and Quarter 3 £M	Explanation
Customer Services	£0.17 F	There is a favourable movement of £0.17M from the last quarter, which is due to continuing delays in recruitment for vacant posts within the team due to the impact of Covid-19 on the recruitment process.

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

Service Area	COVID-19 Pressures Qtr 3	COVID-19 Pressures Qtr 2	COVID-19 Pressures Movement from Qtr 2
	£M	£M	£M
IT Services	0.12 A	0.12 A	0.00
Land Charges	0.06 A	0.10 A	0.04 F
HR Services	0.09 A	0.07 A	0.02 A
Other	0.10 A	0.06 A	0.04 A
Total	0.37 A	0.35 A	0.02 A

The were no significant COVID-19 pressures movements between Quarter 2 and Quarter 3 for the Portfolio.

4. FINANCE & INCOME GENERATION PORTFOLIO

KEY REVENUE ISSUES – DECEMBER 2020

The Portfolio is currently forecast to have a deficit of **£0.61M** at year-end on business as usual activities, which represents a percentage deficit against budget of **20.20%**. The Portfolio forecast variance has moved favourably by **£0.71M** from the position reported at Quarter 2.

In addition, **£4.87M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	Forecast Variance Qtr 3 £M	Forecast Variance Qtr 2 £M	Movement from Qtr 2 £M	% of budget
Portfolio Outturn business as usual	0.61 A	1.32 A	0.71 F	20.20
COVID-19 Pandemic	4.87 A	4.85 A	0.02 A	

A summary of the Portfolio business as usual forecast variance and movement since Quarter 2 is shown in the table below:

Service Area	BAU Forecast Variance Qtr 3 £M	BAU Forecast Variance Qtr 2 £M	BAU Movement from Qtr 2 £M
Accounts Payable	0.09 F	0.13 F	0.04 A
Commercialisation	0.19 F	0.04 F	0.15 F
Corporate Planning	0.06 F	0.21 A	0.27 F
Local Taxation & Benefits Service	0.31 F	0.12 F	0.19 F
Property Portfolio Management	1.48 A	1.50 A	0.02 F
Accounts Receivable	0.13 F	0.08 F	0.05 F
Other	0.09 F	0.02 F	0.07 F
Total	0.61 A	1.32 A	0.71 F

The SIGNIFICANT business as usual movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in BAU Forecast Variance Between Quarter 2 and Quarter 3 £M	Explanation
Corporate Planning	£0.27 F	Staffing savings have been made of £0.15M due to delays in being able to recruit to vacant posts. Savings of £0.12M have also been achieved in the postage and cash collections budgets as utilisation and costs have been less during the pandemic.

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

Service Area	COVID-19 Pressures Qtr 3	COVID-19 Pressures Qtr 2	COVID-19 Pressures Movement from Qtr 2
	£M	£M	£M
Commercialisation	0.30 A	0.30 A	0.00
Corporate Planning	2.75 A	2.75 A	0.00
Local Taxation & Benefits Service	0.51 A	0.51 A	0.00
Property Portfolio Management	1.30 A	1.29 A	0.01 A
Other	0.01 A	0.00	0.01 A
Total	4.87 A	4.85 A	0.02 A

There were no significant COVID-19 pressures movements between Quarter 2 and Quarter 3 for the Portfolio.

5. GREEN CITY & PLACE PORTFOLIO

KEY REVENUE ISSUES – DECEMBER 2020

The Portfolio is currently forecast to have a deficit of **£1.57M** at year-end on business as usual activities, which represents a percentage deficit against budget of **6.8%**. The Portfolio forecast variance has moved adversely by **£0.27M** from the position reported at Quarter 2.

In addition, **£7.07M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	Forecast Variance Qtr 3 £M	Forecast Variance Qtr 2 £M	Movement from Qtr 2 £M	% of budget
Portfolio Outturn business as usual	1.57 A	1.30 A	0.27 A	6.8
COVID-19 Pandemic	7.07 A	6.04 A	1.03 A	

A summary of the Portfolio business as usual forecast variance and movement since Quarter 2 is shown in the table below:

Service Area	BAU Forecast Variance Qtr 3 £M	BAU Forecast Variance Qtr 2 £M	BAU Movement from Qtr 2 £M
City Services – Waste Operations	0.78 A	0.34 A	0.44 A
City Services – District Operating Areas	0.38 A	0.43 A	0.05 F
City Services – Commercial Services	0.17 A	0.20 A	0.03 F
City Services – Trees & Ecology	0.06 A	0.06 A	0.00
Planning	0.11 A	0.11 A	0.00
Transportation	0.07 A	0.07 A	0.00
Green City & Place Trading	0.11 A	0.10 A	0.01 A
Parking & Itchen Bridge	0.13 F	0.00	0.13 F
Others	0.02 A	0.01 F	0.03 A
Total	1.57 A	1.30 A	0.27 A

The **SIGNIFICANT** business as usual movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in BAU Forecast Variance Between Quarter 2 and Quarter 3 £M	Explanation:
City Services – Waste Operations	0.44 A	There is additional forecast spend on temporary staff of £0.23M, based on current monthly spend and current vacancies being covered. The remaining movement is a result of a successful backdated pay claim; increase in bin purchases for increasing green waste customers; increase in damage and repairs forecast; and other minor variances in the service.

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

Service Area	COVID-19 Pressures Qtr 3	COVID-19 Pressures Qtr 2	COVID-19 Pressures Movement from Qtr 2
	£M	£M	£M
Parking & Itchen Bridge	5.18 A	4.35 A	0.83 A
City Services – Waste Operations	0.90 A	0.82 A	0.08 A
City Services – District Operating Areas	0.34 A	0.33 A	0.01 A
City Services – Commercial Services	0.19 A	0.17 A	0.02 A
Transportation	0.26 A	0.26 A	0.00
Planning	0.13 A	0.03 A	0.10 A
Economic Development	0.08 A	0.08 A	0.00
Total	7.07 A	6.04 A	1.03 A

The SIGNIFICANT COVID-19 pressures movements between Quarter 2 and Quarter 3 for the Portfolio are:

Service Area	Movement in COVID-19 Pressures Between Quarter 2 and Quarter 3	Explanation
	£M	
Parking & Itchen Bridge	0.83 A	The adverse movement in the quarter reflects the impact of the November lockdown and expected lower volumes on use of the Itchen Bridge and parking in the City to the end of the financial year.

6. HEALTH & ADULTS PORTFOLIO

KEY REVENUE ISSUES – DECEMBER 2020

The Portfolio is currently forecast to have a surplus of **£1.99M** at year-end on business as usual activities, which represents a percentage surplus against budget of **3.0%**. The Portfolio business as usual forecast variance has moved adversely by **£0.65M** from the position reported at Quarter 2.

In addition, **£14.87M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	Forecast Variance Qtr 3 £M	Forecast Variance Qtr 2 £M	Movement from Qtr 2 £M	Qtr 3 % of budget
Portfolio Outturn business as usual	1.99 F	2.64 F	0.65 A	3.0
COVID-19 Pandemic	14.87 A	26.68 A	11.81 F	

A summary of the Portfolio business as usual forecast variance and movement since Quarter 2 2020 is shown in the table below:

Service Area	BAU Forecast Variance Qtr 3 £M	BAU Forecast Variance Qtr 2 £M	BAU Movement from Qtr 2 £M
Long Term	1.36 F	2.27 F	0.91 A
Public Health	0.29 F	0.29 F	0.00
ICU Provider Relationships	0.15 F	0.09 F	0.06 F
Reablement & Hospital Discharge	0.11 F	0.00	0.11 F
Safeguarding AMH & OOH	0.06 F	0.00	0.06 F
Other	0.02 F	0.01 A	0.03 F
Total	1.99 F	2.64 F	0.65 A

The **SIGNIFICANT** business as usual movements between Quarter 2 and Quarter 3 2020 for the Portfolio are:

Service Area	Movement in BAU Forecast Variance Between Quarter 2 and Quarter 3 2020 £M	Explanation
Long Term	0.91 A	Since Quarter 2 there has been a £0.91M adverse variance movement due to increases in Nursing, Residential and Learning Disabilities package costs. The NHS has continued to pick up the majority of hospital discharge costs since April 2020, due to COVID-19 protocols. These packages are in the process of being transferred to the City Council which may affect the position depending on the date of transfer.

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

Service Area	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Qtr 2 £M	COVID-19 Pressures Movement from Qtr 2 £M
Long Term	11.36 A	23.33 A	11.97 F
Provider Services	0.15 A	0.15 A	0.00
ICU Provider Relationships	0.64 A	0.55 A	0.09 A
Reablement & Hospital Discharge	0.84 A	0.85 A	0.01 F
Public Health	0.29 A	0.29 A	0.00
Safeguarding Adult Mental Health and Out of Hours	1.52 A	1.48 A	0.04 A
Other	0.07 A	0.03 A	0.04 A
Total	14.87 A	26.68 A	11.81 F

The SIGNIFICANT COVID-19 pressures movements between Quarter 2 and Quarter 3 2020 for the Portfolio are:

Service Area	Movement in COVID-19 Pressures Between Quarter 2 and Quarter 3 £M	Explanation
Long Term	11.97 F	<p>There has been a significant favourable variance movement of £11.97M since Quarter 2, this is mainly due to:</p> <p>Hospital Discharge Scheme 1 - The original figures assumed that cases would transfer to the local authority as at 1st September 2020. The Clinical Commissioning Group have confirmed they will continue to fund all Scheme 1 cases until the client has had a review of their needs and the appropriate package of care agreed.</p> <p>Hospital Discharge Scheme 2- The reduced figure reflects a proportion of self-funders who will be responsible for the cost of their own care, clients that will meet the Continuing Health Care criteria and their cost will continue to be met by health and a trajectory to sadly reflect those likely to pass away before the end of the financial year.</p> <p>There has also been a favourable movement of £2.00M due to a review of the forecast increased homecare costs and £0.83M favourable movement due to a review of the expected Financial Assessment and Benefits team assessments forecast income position.</p> <p>This favourable position is partially offset by a £0.51M adverse variance due to additional staffing required to mitigate the COVID impact and conduct reviews. This will continue to meet the additional staffing resource requirement to carry out discharge assessments and reviews as a result of COVID-19 into the next financial year.</p>

7. STRONGER COMMUNITIES PORTFOLIO

KEY REVENUE ISSUES – DECEMBER 2020

The Portfolio is currently forecast to have a surplus of **£0.12M** at year-end on business as usual activities, which represents a percentage surplus against budget of **3.9%**. The Portfolio forecast variance has moved favourably by **£0.07M** from the position reported at Quarter 2.

In addition, **£1.23M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	Forecast Variance Qtr 3 £M	Forecast Variance Qtr 2 £M	Movement from Qtr 2 £M	% of budget
Portfolio Outturn business as usual	0.12 F	0.05 F	0.07 F	3.9%
COVID-19 Pandemic	1.23 A	1.10 A	0.13 A	

A summary of the Portfolio business as usual forecast variance and movement since Quarter 2 is shown in the table below:

Service Area	BAU Forecast Variance Quarter 3 £M	BAU Forecast Variance Quarter 2 £M	BAU Movement from Quarter 2 £M
Bereavement Services	0.21 A	0.10 A	0.11 A
Environmental Health	0.13 F	0.17 F	0.04 A
Registration Services	0.03 A	0.07 A	0.04 F
Port Health & Trading Standards	0.08 F	0.00	0.08 F
Safer Communities	0.08 F	0.00	0.08 F
Other	0.06 F	0.05 F	0.01 F
Total	0.12 F	0.05 F	0.07 F

There were no **SIGNIFICANT** business as usual movements between Quarter 2 and Quarter 3 for the Portfolio.

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

Service Area	COVID-19 Pressures Quarter 3 £M	COVID-19 Pressures Quarter 2 £M	COVID-19 Pressures Movement from Quarter 2 £M
Bereavement Services	0.48 A	0.46 A	0.02 A
Port Health & Trading Standards	0.15 A	0.15 A	0.00
Registration Services	0.41 A	0.45 A	0.04 F
Stronger Communities	0.20 A	0.04 A	0.16 A
Total	1.23 A	1.10 A	0.13 A

There were no SIGNIFICANT COVID-19 pressures movements between Quarter 2 and Quarter 3 for the Portfolio.