

OVERALL GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR
2022/23

Portfolio	Budget Quarter 1	Annual Forecast Quarter 1	Forecast Variance Quarter 1
	£M	£M	£M
Children & Learning	58.12	67.30	9.19 A
Communities& Customer Engagement	3.63	4.23	0.60 A
Economic Development	2.17	2.97	0.80 A
Finance & Change	38.37	39.56	1.19 A
Health, Adults & Leisure	81.33	83.72	2.39 A
Housing & the Green Environment	5.94	5.97	0.03 A
Leader	13.83	14.53	0.69 A
Safer City	1.27	1.31	0.04 A
Transport & District Regeneration	0.26	0.58	0.33 A
Total Portfolios	204.91	220.17	15.26 A
Levies & Contributions	0.09	0.09	0.00
Capital Asset Management	10.79	10.79	0.00
Other Expenditure & Income	(22.75)	(22.75)	0.00
Net Revenue Expenditure	193.05	208.31	15.26 A
Council Tax	(111.24)	(111.24)	0.00
Business Rates	(32.78)	(32.78)	0.00
Non-Specific Government Grants	(49.03)	(49.05)	0.02 F
Total Financing	(193.05)	(193.07)	0.02 F
(SURPLUS)/DEFICIT	0.00	15.24	15.24 A

NB Numbers are rounded

EXPLANATIONS BY PORTFOLIO

1. CHILDREN & LEARNING PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£9.19M**, which represents a percentage variance against budget of 15.8%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	9.19 A	15.8%

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

Service Area	Forecast Variance Quarter 1 £M
Divisional Management & Legal	0.21 A
Education - Home to school transport and property mgt	1.58 A
Education - Services for schools, High Needs	0.18 A
Children Looked After	5.63 A
Specialist Core Services	1.55 A
Other	0.05 A
Total	9.19 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Divisional Management & Legal	0.21 A	The adverse variance of £0.21M relates to pressures with external costs of higher court fees and experts' costs. Based on current demand levels, these pressures are not expected to reduce.
Education - Home to school transport and property mgt	1.58 A	The service is experiencing cost pressures mainly driven by the increased numbers of pupils with an Education, Health and Care Plan (EHCP) who are eligible for home to school transport. The cost pressures are for increased numbers of school escorts as well as increased transport costs. Also, since the pandemic availability of vehicles and drivers has decreased which has driven up the unit costs for transport. These pressures were previously met by additional funding during the pandemic. To mitigate the pressures the service is exploring a range of initiatives including re-procurement and the offer of independent travel training.
Children Looked After	5.63 A	<p>There are a number of demand pressures within the Children Looked After Teams' placement spend. These adverse variances against budget are detailed below:</p> <ul style="list-style-type: none"> Residential placements - £2.30M Independent Foster Carers - £1.07M SCC Foster Carers - £0.68M Special Guardianship - £0.39M Children in Care Teams - £0.78M <p>The variances are mainly due to the forecasted non achievement of savings put forward in the February 2022 budget. Placement numbers and costs are currently not reducing as planned and are now expected to be reduce at a slower pace.</p> <p>Additionally, within the Children Looked After staffing teams there is an adverse variance relating to agency staff of £0.41M. This is mainly due to increased demand within these teams. The numbers of agency staff is expected to decrease during the year as the new structures that have recently been created, manage the demand.</p>

Specialist Core Services	1.55 A	There is an adverse variance of £1.55M relating to agency staff currently in the service. The levels of demand with the service has meant that additional agency staff are required in the service teams. Additionally, a number of new permanent staff into the service are not fully case holding currently leading to a requirement for more agency as cover.
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2. COMMUNITIES & CUSTOMER ENGAGEMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.6M**, which represents a percentage variance against budget of 16.5%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.60 A	16.5%

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

Service Area	Forecast Variance Quarter 1 £M
Bereavement Services	0.60 A
Total	0.60 A

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

Service Area	Forecast Variance Qtr 1 £M	Explanation
Bereavement Services	0.60 A	The significant variance in Bereavement Services relates to energy cost increases for electricity and gas to run the Crematorium Service of £0.15M, and additional coroners costs of £0.45M expected to be incurred from Hampshire County Council as the backlog of cases are dealt with.

3. ECONOMIC DEVELOPMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.80M**, which represents a percentage variance against budget of **37.0%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.80 A	37.0%

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

Service Area	Forecast Variance Quarter 1 £M
Facilities Management	0.45 A
Property Portfolio Management	0.22 A
Planning	0.08 A
Economic Development	0.05 A
Total	0.80 A

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

Service Area	Forecast Variance Qtr 1 £M	Explanation
Facilities Management	0.45 A	The adverse variance of £0.45M is from increasing energy costs for SCC premises.
Property Portfolio Management	0.22 A	In 2021/22 the investment property income budget was reduced by £0.75M to reflect the impact of the Covid pandemic. The reduction was temporary and ramps back up by £0.25M each year, to return to pre-pandemic levels of budgeted income by 2024/25. The current forecast for investment property income

		<p>indicates the income achieved in 2022/23 will be at a similar level to 2021/22 making the ramp-up unachievable. This is partly due to profit share arrangements in the larger leases being based on prior year performance which means there is a delay in the recovery being reflected in SCC income.</p>
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4. FINANCE & CHANGE PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£1.19M**, which represents a percentage variance against budget of 3.1%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	1.19 A	3.1%

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

Service Area	Forecast Variance Quarter 1 £M
Business Development Management Team	0.01 F
Business Support	0.25 A
City Services - Management & Compliance	0.06 F
City Services - Waste Operations	0.06 F
Highways Contracts	0.37 A
IT Services	0.70 A
Total	1.19 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Business Support	0.25 A	The £0.25M savings target is forecast not to be achieved as this requires a comprehensive review of the way the Business Support function interacts with all the other Council services, which has not yet been undertaken.
Highways Contracts	0.37 A	The £0.37M adverse variance is the estimated overspend on electricity costs on the street lighting contract for the current year.
IT	0.70 A	The £0.70M adverse variance relates to the IT savings target of £0.90M where savings of £0.20M have already been identified. It is hoped that further savings can be identified during the year.

5. HEALTH, ADULTS & LEISURE PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£2.39M**, which represents a percentage variance against budget of **2.9%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	2.39 A	2.9%

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

Service Area	Forecast Variance Quarter 1 £M
Adults - Adult Services Management	0.10 F
Adults - Long Term	1.23 A
Adults - Provider Services	0.08 A
Adults - Reablement & Hospital Discharge	0.22 A
Adults - Safeguarding Adult Mental Health & Out Of Hours	0.25 A
ICU - Provider Relationships	0.65 A
ICU - System Redesign	0.06 A
Total	2.39 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Adults - Long Term	1.23 A	<p>As at Quarter 1 there is a £1.23M adverse variance due to:</p> <ul style="list-style-type: none"> • A £2.56M potential impact of the revised discharge to assess process where clients are discharged from hospital in line with the updated Covid response process. This often leads to increased average costs compared to pre Covid levels due to the early discharge plus potential lack of reablement support to ensure that clients don't require enhanced packages of care. • There is an element of reduced income relating to direct payments due to a movement in the client base for applicable charging and non achievement of savings around double handed care which have a combined adverse variance of £0.19M. • There is a forecast adverse variance of £0.06M due to a projected increase cost of Learning Disability client demand. • There is a £0.12M adverse variance due to the cost of staffing pressures for agency staff covering vacancies and overtime in the Social Wellbeing and Learning Disability teams. • These costs are partly offset by an expected recovery of Nursing Home spot rate client costs as part of the revised agreement which would be a cost of £1.7M (full year effect).
Adults - Reablement & Hospital Discharge	0.22 A	<p>As at Quarter 1 there is a £0.22M adverse variance forecast due to ongoing agency staffing pressures in the Hospital Discharge and Connect teams. This is partly, but not fully, offset by Hospital Discharge funding from the CCG/NHS and Covid Contain Outbreak Management Funding.</p>
Adults - Safeguarding Adult Mental Health & Out Of Hours	0.25 A	<p>As at Quarter 1 there is a £0.25M adverse variance forecast due to a £0.18M forecast increased expenditure for residential, nursing and direct payments. There is also a £0.07M adverse variance due to vacant posts covered by locum staff and secondees forecast to be in place until August and September 2022.</p>

ICU Provider Relationships	0.65 A	As at Quarter 1 there is a £0.65M adverse variance. This is in part due a service review that is taking place at a cost of £0.13M. There is also a £0.52M adverse variance against the Contract Review savings target due to the savings currently being viewed as not being achievable this year. All contracts are now being reviewed to identify where savings or rightsizing may help to contribute to the delivery of this saving so this position may change.
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6. HOUSING & THE GREEN ENVIRONMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.03M**, which represents a percentage variance against budget of 0.5%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.03 A	0.5%

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

Service Area	Forecast Variance Quarter 1 £M
City Services – Commercial Services	0.07 F
City Services – District Areas	0.27 A
City Services – Trees & Ecology	0.09 F
City Services - Trading areas (Fleet & Landscapes)	0.07 F
Other	0.01 F
Total	0.03 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
City Services - District Areas	0.27 A	The adverse variance in the District teams relates to the significant increase in fuel costs resulting from wholesale cost increases since February 2022, generating an adverse variance of £0.17M; and to an unachievable saving of £0.10M relating to efficiencies to be generated by solar compactor bins. The required vehicles are still on back order and are not likely to be delivered until early 2023.

7. LEADER PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.69M**, which represents a percentage variance against budget of **5.0%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.69 A	5.0%

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

Service Area	Forecast Variance Quarter 1 £M
Cultural Services	0.59 A
HR Services	0.02 A
Land Charges	0.04 A
Legal Services & Customer Relations	0.04 A
Total	0.69 A

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

Service Area	Forecast Variance Qtr 1 £M	Explanation
Cultural Services	0.59 A	<p>The adverse variation of £0.59M relates to £0.20M for the estimated impact of increasing energy costs for the city's venues and libraries; £0.17M for additional salary costs for overtime, allowances and agency which are required to run the venues and £0.03M cost of sales purchases, these costs had previously been covered by additional income but this is no longer possible due to the venues' increased income target.</p> <p>There are further pressures; £0.03M for the Commonwealth Queen's Baton relay; and £0.16M of income not being achieved, of this £0.15M relates to an events income saving from 2019/20 that is unachievable and £0.01M relates to media hire income in the libraries that is now an obsolete service.</p>

8. SAFER CITY PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.04M**, which represents a percentage variance against budget of 2.9%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.04 A	2.9%

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

Service Area	Forecast Variance Quarter 1 £M
Port Health & Trading Standards	0.04 A
Total	0.04 A

There were no SIGNIFICANT issues for the Portfolio at Quarter 1.

9. TRANSPORT & DISTRICT REGENERATION PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.33M**, which represents a percentage variance against budget of **128.4%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.33 A	128.4%

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

Service Area	Forecast Variance Quarter 1 £M
Parking & Itchen Bridge	0.34 A
Transportation	0.01 F
Total	0.33 A

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

Service Area	Forecast Variance Qtr 1 £M	Explanation
Parking & Itchen Bridge	0.34 A	The adverse variance of £0.34M reflects increases in energy costs for 2022/23 of £0.17M for electricity costs for the Multi Storey car parks and Toll Plaza, and an adverse income position for Off Street parking of £0.15M as a result of continuing working from home trends.

10. NON-PORTFOLIO EXPENDITURE & INCOME

KEY REVENUE ISSUES – QUARTER 1 2022/23

Non-Portfolio Expenditure & Income is currently forecast to have a surplus of £0.02M, which represents a percentage variance against budget of **0.01%**.

	Forecast Variance £M	% of budget
Non-Portfolio Forecast Outturn	0.02 F	0.01%

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

Service Area	Forecast Variance Quarter 1 £M
Capital Asset Management	0.00
Net Housing Benefits Payment	0.00
Other Expenditure & Income	0.00
Council Tax	0.00
Business Rates	0.00
Non-Specific Government Grants & Other Funding	0.02 F
Total	0.02 F

There were no SIGNIFICANT issues for the Non-Portfolio areas at Quarter 1.