

OVERALL GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR
2022/23

Portfolio	Budget Qtr 2	Annual Forecast Qtr 2	Forecast Variance Qtr 2	Forecast Variance Qtr 1	Variance Movement from Qtr 1
	£M	£M	£M	£M	£M
Children & Learning	58.60	68.03	9.43 A	9.19 A	0.24 A
Communities& Customer Engagement	5.75	6.45	0.71 A	0.65 A	0.06 A
Economic Development	3.03	4.42	1.38 A	0.80 A	0.58 A
Finance & Change	38.24	40.48	2.24 A	1.19 A	1.04 A
Health, Adults & Leisure	84.67	88.04	3.37 A	2.39 A	0.98 A
Housing & the Green Environment	8.37	8.55	0.18 A	0.03 A	0.15 A
Leader	12.53	12.78	0.26 A	0.64 A	0.38 F
Safer City	1.32	1.39	0.07 A	0.04 A	0.03 A
Transport & District Regeneration	0.83	(0.57)	1.40 F	0.33 A	1.73 F
Total Portfolios	213.34	229.57	16.23 A	15.26 A	0.97 A
Levies & Contributions	0.09	0.09	0.00	0.00	0.00
Capital Asset Management	10.79	8.19	2.60 F	0.00	2.60 F
Other Expenditure & Income	(31.17)	(31.17)	0.00	0.00	0.00
Net Revenue Expenditure	193.05	206.68	13.63 A	15.26 A	1.63 F
Council Tax	(111.24)	(111.24)	0.00	0.00	0.00
Business Rates	(32.78)	(32.78)	0.00	0.00	0.00
Non-Specific Government Grants	(49.03)	(49.05)	0.02 F	0.02 F	0.00
Total Financing	(193.05)	(193.07)	0.02 F	0.02 F	0.00
(Surplus)/Deficit	0.00	13.61	13.61 A	15.24 A	1.63 F
Further in-year savings agreed	0.00	(4.02)	4.02 F	0.00	4.02 F
(Surplus)/Deficit after in-year savings	0.00	9.59	9.59 A	15.24 A	5.65 F

NB Numbers are rounded

EXPLANATIONS BY PORTFOLIO

1. CHILDREN & LEARNING PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£9.43M**, which represents a percentage variance against budget of 16.1%. The Portfolio forecast variance has moved adversely by **£0.24M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	9.43 A	9.19 A	0.24 A	16.1

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Divisional Management & Legal	0.22 A	0.21 A	0.01 A
Education - Home to school transport and property management	1.13 A	1.58 A	0.45 F
Education - Services for schools, High Needs	0.21 A	0.18 A	0.03 A
Pathways Through Care	5.57 A	5.63 A	0.06 F
Young Peoples Service	0.10 A	0.00	0.10 A
Quality Assurance Business Unit	0.33 A	0.00	0.33 A
Safeguarding	1.81 A	1.55 A	0.26 A
Other	0.06 A	0.05 A	0.01 A
Total	9.43 A	9.19 A	0.24 A

The SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
Education - Home to school transport and property management	0.45 F	As at Quarter 2 the favourable movement of £0.45M since Quarter 1 is largely as a result of work to identify potential income due to the Council.
Quality Assurance Business Unit	0.33 A	As at Quarter 2 there is an adverse variance movement of £0.33M since Quarter 1 due to additional agency staff required in the service. This primarily relates to the need for Independent Reviewing Officers (high numbers of children in care combined with government guidance about Independent Reviewing Officer caseloads) and also Child Protection Chairs, in particular to ensure that we have sufficient capacity to chair Risk of Harm Outside the Home (ROTH) conferences. In Workforce Development there is a non-negotiable requirement to provide ring-fenced support to 17 Newly Qualified Social Workers during their first year. A business case has been submitted to convert these essential posts to fixed term contracts, at a significantly lower cost than agency staff.
Safeguarding	0.26 A	As at Quarter 2 there is an adverse variance movement of £0.26M since Quarter 1 relating to the high number of inexperienced permanent staff within the service and the need to hold agency staff whilst gradually building up their caseloads. The service now has 90% permanent staffing which is a significant improvement, but there is a need to maintain a level of experience via agency workers to ensure that children receive the service they need. Of the 17 Newly Qualified Social Workers (NQSW) across the service most were not registered until August/September. This meant that they could not hold statutory cases. In addition, there have been delays in the arrival of some South African social workers and some have not yet arrived. This has affected case holding space within the service. As case holding for South African SWs and NQSWs increases, less additional agency will be required.

2. COMMUNITIES & CUSTOMER ENGAGEMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£0.71M**, which represents a percentage variance against budget of 12.3%. The Portfolio forecast variance has moved adversely by **£0.06M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	0.71 A	0.65 A	0.06 A	12.3%

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Bereavement Service	0.65 A	0.60 A	0.05 A
Libraries	0.03 A	0.05 A	0.02 F
Stronger Communities	0.03 A	0.00	0.03 A
Other	0.00	0.00	0.00
Total	0.71 A	0.65 A	0.06 A

There were no SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio.

3. ECONOMIC DEVELOPMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£1.38M**, which represents a percentage variance against budget of 45.5%. The Portfolio forecast variance has moved adversely by **£0.58M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	1.38 A	0.80 A	0.58 A	45.5%

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Facilities Management	0.68 A	0.45 A	0.23 A
Central Repairs & Maintenance	0.24 A	0.00	0.24 A
Sustainability	0.15 A	0.00	0.15 A
Planning	0.14 A	0.08 A	0.06 A
Economic Development	0.08 A	0.05 A	0.03 A
Property Services	0.06 A	0.00	0.06 A
Property Portfolio Management	0.03 A	0.22 A	0.19 F
Total	1.38 A	0.80 A	0.58 A

The SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
Facilities Management	0.23 A	The adverse pressure is due to energy costs for administrative buildings including electricity and geothermal costs. The movement in the quarter is due to updated market rates increasing the forecast.
Central Repairs & Maintenance	0.24 A	The adverse movement in the quarter is due to the estimated revenue costs associated with the rationalisation of administrative buildings.

4. FINANCE & CHANGE PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£2.24M**, which represents a percentage variance against budget of 5.8%. The Portfolio forecast variance has moved adversely by **£1.04M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	2.24 A	1.19 A	1.04 A	5.8%

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Accounts Payable	0.15 A	0.00	0.15 A
Business Support	0.27 A	0.25 A	0.02 A
City Services - Waste Operations	0.50 F	0.06 F	0.44 F
Commercialisation	0.23 A	0.00	0.23 A
Corporate Finance	0.11 A	0.00	0.11 A
Highways Contracts	0.05 F	0.37 A	0.42 F
IT Services	0.73 A	0.70 A	0.03 A
Local Taxation & Benefits	0.90 A	0.00	0.90 A
Supplier Management	0.42 A	0.00	0.42 A
Other	0.02 F	0.07 F	0.05 A
Total	2.24 A	1.19 A	1.04 A

The SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
City Services - Waste Operations	0.44 F	The favourable movement in quarter 2 is predominately from a change in how the Fleet recharge rate for older vehicles is calculated to better reflect the whole life costs of the vehicles. There is a corresponding adverse variance in income in the Fleet Service.
Commercialisation	0.23 A	The existing Commercialisation savings target is £0.56M for this service area. Work has started to review fees and charges across all council services which is forecast to achieve additional income of £0.27M against the Commercialisation efficiency target. This is in part offset by the saving of £0.06M from the Commercialisation Manager post being vacant. The review of efficiency targets was undertaken in Q2.
Highways Contracts	0.42 F	The favourable movement in the forecast of £0.42M for this budget is as a result of the renegotiation of the PFI contract resulting in a favourable General Fund saving of £0.85M in Q2. This saving is offset by an increase in the forecast adverse position in the electricity costs budget for street lighting of £0.43M.
Local Taxation & Benefits	0.90 A	There is an estimated shortfall of £0.90M in the income budget for charges for council tax court costs. This budget will need to be reviewed as part of the forthcoming budget process. The court costs income budget was reviewed and assessed in Q2.
Supplier Management	0.42 A	There is a forecast adverse variance of £0.42M for the Supplier Management Service. The service is forecast to achieve £0.43M of their overall efficiency savings targets of £0.95M in the current financial year leaving an adverse variance of £0.52M. However, savings within the staffing budget due to staff vacancies are currently forecast to be £0.1M in the current year which reduces the overall adverse variance for the service to £0.42M. The review of efficiency targets was undertaken in Q2.

5. HEALTH, ADULTS & LEISURE PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£3.37M**, which represents a percentage adverse variance against budget of 4.0%. The Portfolio forecast variance has moved adversely by **£0.98M** from the position reported at quarter 1

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	3.37 A	2.39 A	0.98 A	4.0%

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Quarter 2 £M	Forecast Variance Quarter 1 £M	Variance Movement from Qtr 1 £M
Adults - Adult Services Management	0.32 F	0.10 F	0.22 F
Adults - Long Term	1.21 A	1.23 A	0.02 F
Adults - Provider Services	0.28 A	0.08 A	0.20 A
Adults - Reablement & Hospital Discharge	0.66 A	0.22 A	0.44 A
Adults - Safeguarding Adult Mental Health & Out Of Hours	0.88 A	0.25 A	0.63 A
ICU - Provider Relationships	0.63 A	0.65 A	0.02 F
ICU - System Redesign	0.04 A	0.06 A	0.02 F
Total	3.37 A	2.39 A	0.98 A

SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation
Adults - Safeguarding Adult Mental Health & Out of Hours	0.63 A	As at Quarter 2 there is a £0.63M adverse variance movement since Quarter 1 due to a net increase in the numbers of new clients and increase in cost of existing client packages for residential, nursing and direct payments.
Adults - Reablement & Hospital Discharge	0.44 A	As at Quarter 2 there is a £0.44M adverse variance movement since Quarter 1 due to additional costs of Discharge to Assess Care Act Assessments contract outsourced to an external provider, 50% of costs shared with the Clinical Commissioning Group.
Adults - Adult Services Management	0.22 F	As at Quarter 2 there is a £0.22M favourable variance movement since Quarter 1 due to a review of learning and development spend mainly taking into account essential spend criteria updates amounting to a £0.10M favourable variance, and a review of resources with some posts no longer being recruited to in 2022/23 amounting to a £0.12M favourable variance.
Adults - Provider Services	0.20 A	As at Quarter 2 there is a £0.20M adverse variance movement since Quarter 1 due to a forecast increase of overtime and external agency staffing at Kentish Rd and Holcroft House.

6. HOUSING & THE GREEN ENVIRONMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£0.18M**, which represents a percentage variance against budget of 2.2%. The Portfolio forecast variance has moved adversely by **£0.15M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	0.18 A	0.03 A	0.15 A	2.2%

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Air Quality Monitoring	0.08 F	0.00	0.08 F
City Services – Commercial Services	0.03 F	0.07 F	0.04 A
City Services – District Areas	0.21 A	0.27 A	0.06 F
City Services – Trees & Ecology	0.08 F	0.09 F	0.01 A
City Services – Trading areas (Fleet & Landscapes)	1.27 A	0.07 F	1.34 A
Flood Risk Management	0.08 F	0.00	0.08 F
Housing Needs	1.00 F	0.00	1.00 F
Other	0.02 F	0.01 F	0.01 F
Total	0.18 A	0.03 A	0.15 A

The SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
City Services – Trading (Fleet & Landscapes)	1.34 A	There is an adverse movement in the forecast of £1.34M for the Fleet service following a change in how older vehicles are recharged across the authority. There are favourable variances across other services and in the Housing Revenue Account to offset the adverse variance in Fleet.
Housing Needs	1.00 F	The favourable variance of £1M relates to the anticipated claim of £1M funding for the Homes for Ukraine scheme, to cover costs incurred.

7. LEADER PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£0.26M**, which represents a percentage variance against budget of **2.04%**. The Portfolio forecast variance has moved favourably by **£0.38M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	0.26 A	0.64 A	0.38 F	2.04%

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

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Cultural Services	0.31 A	0.54 A	0.23 F
Registration of Electors and Elections Costs	0.06 A	0.00	0.06 A
Strategic Management of the Council	0.15 F	0.00	0.15 F
Other	0.04 A	0.10 A	0.06 F
Total	0.26 A	0.64 A	0.38 F

The SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation
Cultural Services	0.23 F	The favourable movement in the forecast variance relates to a reduction in the pressure of staffing costs to run the venues of £0.09M as this has been offset by ongoing vacancies; £0.12M of surplus from reduced expenditure due to the essential spend only restrictions; and £0.02M reduction in the final spend on the Queen's Commonwealth Baton Relay compared to the estimate last forecast.

8. SAFER CITY PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a deficit of **£0.07M**, which represents a percentage variance against budget of 5.3%. The Portfolio forecast variance has moved adversely by **£0.03M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	0.07 A	0.04 A	0.03 A	5.3%

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Community Safety	0.08 F	0.00	0.08 F
Port Health & Trading Standards	0.21 A	0.04 A	0.17 A
Environmental Health	0.06 F	0.00	0.06 F
Total	0.07 A	0.04 A	0.03 A

There were no SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio.

9. TRANSPORT & DISTRICT REGENERATION PORTFOLIO

KEY REVENUE ISSUES – QUARTER 2 2022/23

The Portfolio is currently forecast to have a surplus of **£1.40M**, which represents a percentage variance against budget of 168.7%. The Portfolio forecast variance has moved favourably by **£1.73M** from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Portfolio Forecast Outturn	1.40 F	0.33 A	1.73 F	168.7%

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Parking & Itchen Bridge	0.24 A	0.34 A	0.10 F
Transportation	1.64 F	0.01 F	1.63 F
Total	1.40 F	0.33 A	1.73 F

The SIGNIFICANT movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
Transportation	1.63 F	<p>The movement in the forecast represents £0.18M from salary budget surpluses due to posts being budgeted at the top of the grade combined with a high level of vacancies in the School Crossing Patrol service. £0.22M relates to a surplus in funding for revenue related posts supporting the Transforming Cities Fund capital project. £0.19M relates to unbudgeted grant income and the e-scooter revenue share. £1.03M relates to a surplus due to a decline in concessionary fares as a result of slow COVID recovery, this has been offset by costs for the £1 evening bus fare and the 5 for £5 subsidies both schemes aimed at kick starting the city's economy. And £0.01M of surplus from reduced expenditure due to the essential spend only restrictions.</p>

10. NON-PORTFOLIO EXPENDITURE & INCOME

KEY REVENUE ISSUES – QUARTER 2 2022/23

Non-Portfolio budgets are currently forecast to have a surplus of **£2.62M**, which represents a percentage variance against budget of 1.2%. The forecast variance has moved favourably by £2.60M from the position reported at quarter 1.

	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Movement from Qtr 1 £M	% of budget
Non-Portfolio Forecast Outturn	2.62 F	0.02 F	2.62 F	1.2%

A summary of the Non-Portfolio budgets forecast variance and movement since quarter 1 is shown in the table below:

Service Area	Forecast Variance Qtr 2 £M	Forecast Variance Qtr 1 £M	Variance Movement from Qtr 1 £M
Levies & Contributions	0.00	0.00	0.00
Capital Asset Management	2.60 F	0.00	2.60 F
Other Expenditure & Income	0.00	0.00	0.00
Council Tax	0.00	0.00	0.00
Business Rates	0.00	0.00	0.00
Non-Specific Government Grants & Other Funding	0.02 F	0.02 F	0.00
Total	2.62 F	0.02 F	2.60 F

The SIGNIFICANT movements between quarter 1 and quarter 2 for the Non-Portfolio budgets are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
Capital Asset Management	2.60 F	Forecast reduction in capital financing costs following review of capital programme