



Committee and date
Cabinet
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Item
8
Public

REVENUE MONITORING REPORT - PERIOD 9 2013/14

Responsible Officer James Walton
Email: james.walton@shropshire.gov.uk Tel: (01743) 255011

1. Summary

The report sets out the Revenue forecast for 2013/14 as at Period 9 and identifies management actions being undertaken to ensure a balanced budget at the end of this financial year.

The projected overspend at Period 9 has reduced by £0.698m since Period 6 as a result of additional savings within Children's Services and Resources & Support. These have been offset by further increases in the Adult Social Care overspend since Period 6. The Council has introduced a spending freeze which is anticipated to deliver £0.893m of savings in the remaining three months.

The key issues highlighted by this report are that:

- The projected outturn is an overspend of £1.941m.
- The projected General Fund Balance as at 31 March 2014 is £12.055m.

2. Recommendations

It is recommended that Members:

- A. Note that at the end of Period 9 (27 December 2013), the full year forecast is a potential overspend of £1.941m;
- B. Consider the impact of this on the Council's General Fund Balance.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. Details of the potential risks affecting the balances and financial health of the Council are detailed within the report. Each projection is also RAG rated to confirm the level of risk to the Council's balances.

4. Financial Implications

- 4.1. This report considers the projected outturn position for the 2013/14 revenue budget and the implications on the level of general fund balances of any overspends or spending pressures.

5. Background

- 5.1. Revenue budget monitors are produced to report on the period from June (Period 3) to February (Period 11) of each financial year and show the anticipated year end projection.
- 5.2. The reports track progress against the agreed budget decisions, forecast any significant variances to the budget, and enable corrective action to be taken to ensure a balanced budget at year end.
- 5.3. Variances are reported on an exceptions basis depending on the total variance from budget, and the percentage change in projection in any one period.

Green Variance +/- 1% (or £50k if budget less than £5m)

Amber Overspend between 1%-2% (or £50k-£100k if budget less than £5m)

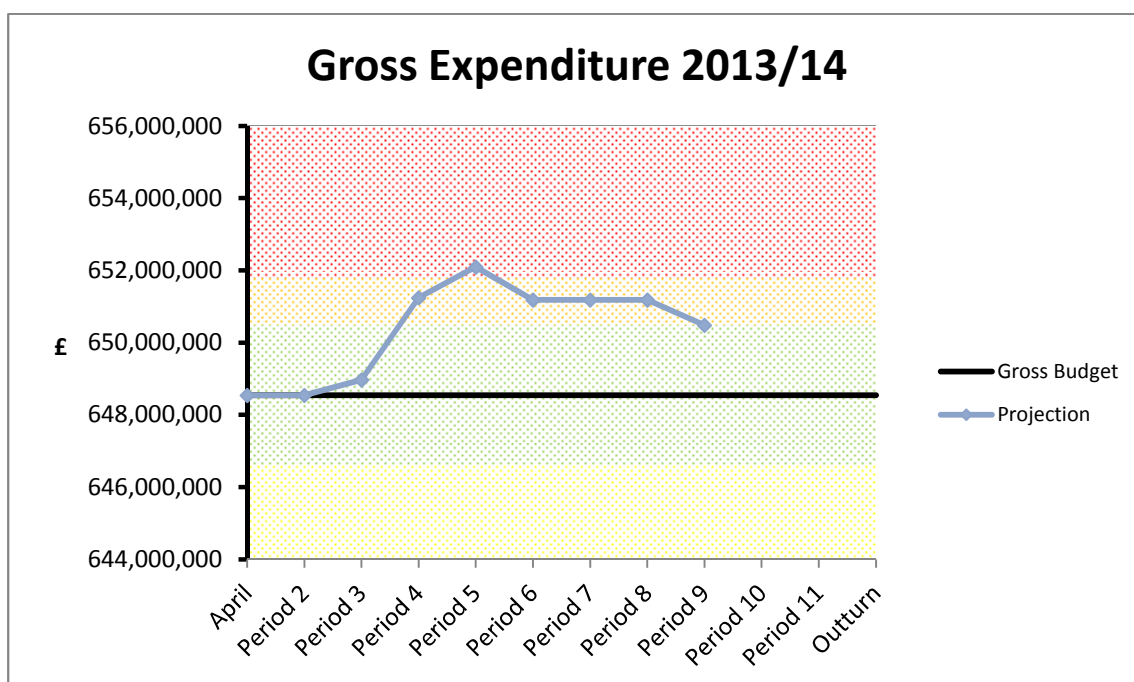
Red Variance over 2% (or £100k if budget less than £5m)

Yellow Underspend more than 1% (or £50k if budget less than £5m)

Variances categorised as red will be reported within every report whilst they remain in this category, to monitor management action taken to address the budgetary pressure. Pressures highlighted as amber or yellow will be reported when the variance first commences, and then will only be re-reported when the reported position changes by more than 1% (or £50k if budget less than £5m). Variances categorised as green will not be highlighted in the monitoring reports.

6. Monitoring 2013/14 Budget - Overall Position

- 6.1. The projected revenue forecast for the year, at Period 9, shows a potential overspend of £1.941m (0.30%) on a gross budget of £648m (net £232m) for the full year. The forecast year end position for the whole council will be revised each month and reported using the graph below. The area of the graph banded green shows the extent of variance from the budget that would be seen as reasonable given the size and complexity of the Council's budget. At Period 9 the projected year end overspend of £1.941m is falling within the amber banding, which has improved since Period 6. The net reduction of £0.698m consists of the following changes in projections:
- increased cost pressures within Adult Social Care (£1.788m),
 - net transport savings within Children's Services (-£0.395m)
 - additional savings identified within Resources & Support (-£1.189m)
 - savings to be generated from the spending freeze (-£0.893m).



6.2 The table below reflects the approved virements processed up to and including Period 9:

Table 1: 2013/14 Budget Amendments Analysed by Service Area

| Service Area | Original Budget £'000 | Net Virements £000 | Revised Budget £000 |
|--------------------------|--------------------------|-----------------------|------------------------|
| Gross Expenditure | | | |
| Commissioning | 125,744 | (2,153) | 123,591 |
| Adult Services | 91,826 | 6,197 | 98,023 |
| Childrens Services | 268,045 | (6,751) | 261,294 |
| Public Health | 9,760 | (54) | 9,706 |
| Resources & Support | 158,484 | (2,554) | 155,930 |
| | 653,859 | (5,315) | 648,544 |
| Gross Income | | | |
| Commissioning | (28,119) | 317 | (27,802) |
| Adult Services | (28,548) | (90) | (28,638) |
| Childrens Services | (206,111) | 5,882 | (200,229) |
| Public Health | (9,333) | 32 | (9,301) |
| Resources & Support | (150,216) | (826) | (151,042) |
| | (422,327) | 5,315 | (417,092) |
| Net Expenditure | | | |
| Commissioning | 97,625 | (1,836) | 95,789 |
| Adult Services | 63,278 | 6,107 | 69,385 |
| Children's Services | 61,934 | (869) | 61,065 |
| Public Health | 427 | (21) | 406 |
| Resources & Support | 8,268 | (3,381) | 4,887 |
| TOTAL | 231,532 | 0 | 231,532 |

6.3 Following the Period 6 monitoring report, the Council was notified of a reduction in the level of Dedicated School Grant due to the Council due to the recoupment of Academies. This was a total of £27m which has reduced the gross expenditure and income budgets within Children's Services.

- 6.4 The projected overspend of £1.941m for 2013/14 is presented below and analysed in more detail at Appendix 1.

Table 2: 2013/14 Projected Budget Variations Analysed by Service Area

| Service Area | Revised Budget £'000 | Forecast Outturn £'000 | (Under) / Overspend £'000 | RAGY Classification |
|---------------------|-------------------------|------------------------------|---------------------------------|------------------------|
| Commissioning | 95,789 | 94,902 | (887) | Y |
| Adult Services | 69,385 | 74,031 | 4,646 | R |
| Childrens Services | 61,065 | 60,973 | (92) | Y |
| Public Health | 406 | 364 | (42) | Y |
| Resources & Support | 4,887 | 3,203 | (1,684) | Y |
| TOTAL | 231,532 | 233,473 | 1,941 | A |

- 6.4. The projected overspend at Period 9 has reduced by £0.698m since Period 6 as a result of additional savings within Children's Services and Resources & Support. These have been offset by further increases in the Adult Social Care overspend since Period 6.
- 6.5. The budget pressures highlighted at Period 6 within the Adult Social Care budget resulted in specific resources being focussed on this area. In terms of care costs, the average overall cost per client has remained stable since Period 6; however there has been a net increase in the number of permanent placements to date. Actions to reduce the cost pressure in the remaining three months of the year have identified two distinct areas which can potentially yield savings of £0.600m. These areas include recovery work on Direct Payments and Health funding. Significant focus has been placed on improving and expediting the work of the Care Audit team in order to identify and clawback surplus direct payment funds and increasing efficiency in the service for the longer term. In terms of health funding the service is actively reviewing all of the authority's high cost cases to ensure that health funding is contributing as appropriate. Practise is also being reviewed across the service to ensure that Adult Social Care is not 'making up' for any shortfall in health provision within the community.

7. Spending Freeze

- 7.1 In response to the overspend pressures within the Revenue Budget, a spending freeze has been introduced across the Council. Managers have reviewed all uncommitted expenditure budgets and identified the following potential savings that can be delivered within the spending freeze.

Table 3: Spending Freeze Savings

| Service Area | Spending Freeze Savings (£'000) |
|---------------------|------------------------------------|
| Commissioning | (560) |
| Adult Services | (37) |
| Childrens Services | (77) |
| Public Health | |
| Resources & Support | (219) |
| TOTAL | (893) |

7.2 The savings identified above are mainly being generated from premises, transport and supplies and services budgets where budgets currently uncommitted, will not be spent in the final 3 months of the year. Decisions are also being taken in services to delay activities previously planned, such as non-essential repairs and maintenance works at Leisure Facilities.

8. Summary Financial Implications

8.1. The effect on the Council's Reserves of the forecast is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2013/14 the minimum balance required is £3.270m. The Financial Strategy, agreed by Council on 28 February 2013, anticipates a level of reserves by year end of £10.930m. The projected general fund balance as at 31 March 2014 is shown in Table 4 below:

Table 4: Projected General Fund Balance As At 31 March 2014

| | |
|---|---------------|
| | (£'000) |
| General Fund Balances as at 31 March 2013 | 6,820 |
| Budgeted contribution to General Fund Balance | 5,909 |
| Repayment of Overspend (County Training Yr3) | 417 |
| Repayment of Redundancies provided for in 2012/13 | 268 |
| Shortfall in budgetary savings | (282) |
| Release of earmarked reserves | 864 |
| This report – projected outturn (overspend) | (1,941) |
| Projected Balance at 31 March 2014 | 12,055 |

8.2 The projected General Fund Balance at 31 March is above the level anticipated within the Financial Strategy. However the risk based target for 2013/14 has recently been recalculated to be £15.547m, and the current projected balance is below this figure. Any improvement in the year end outturn as a result of management actions such as the Spending Freeze can bring the General Fund Balance more in line with the risk based target.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Revenue & Capital Budget 2012/13
 Financial Rules
 Revenue Monitoring Report - Period 3 2013/14
 Revenue Monitoring Report – Period 4 2013/14
 Revenue Monitoring Report – Period 5 2013/14
 Revenue Monitoring Report – Period 6 2013/14

Cabinet Member (Portfolio Holder)

Keith Barrow - Leader

Local Member

All

Appendices

1 – Service Area Pressures and Actions 2013/14

2 – Amendments to Original Budget 2013/14

Service Area Pressures and Actions 2013/14**Summary**

| | Full year | | | RAGY |
|--------------------------------|--------------------|--------------------|------------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Commissioning | 95,789,360 | 94,902,223 | (887,137) | Y |
| Adult Services | 69,384,810 | 74,030,577 | 4,645,767 | R |
| Children Services | 61,065,360 | 60,973,094 | (92,266) | Y |
| Public Health | 405,510 | 363,586 | (41,924) | Y |
| Resources & Support | 4,887,140 | 3,203,338 | (1,683,802) | Y |
| Total | 231,532,180 | 233,472,818 | 1,940,638 | A |

Detail

| COMMISSIONING | Full year | | | RAGY |
|---------------|-------------------|-------------------|------------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Total | 95,789,360 | 94,902,223 | (887,137) | Y |

| | | | | | |
|---|---|----------------|----------------|---------------|----------|
| Director of Commissioning | Portfolio Holder Business Growth | 306,770 | 331,704 | 24,934 | G |
| Includes £25,000 one-off grant payment not budgeted for within Commissioning. VR savings have now been allocated to service areas within Commissioning. | | | | | |
| Director of Commissioner Total | | 306,770 | 331,704 | 24,934 | G |

| | | | | | |
|--|---|----------------|----------------|---------------|----------|
| Local Commissioning | Portfolio Holder Business Growth | 253,250 | 277,240 | 23,990 | G |
| Locality Commissioning is being funded by underspends in the Central Area Commissioner's budget. | | | | | |
| Director of Commissioner Total | | 253,250 | 277,240 | 23,990 | G |

| | | | | | |
|---|---|-----------|-----------|----------|----------|
| Area Commissioner North – Positive Activities | Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding | 1,266,820 | 1,296,677 | 29,857 | G |
| In Activities for Young People there is a projected overspend on premises costs, supplies and services and redundancy costs not budgeted for. | | | | | |
| Area Commissioner North – Community Action | Portfolio Holder Growth, Profitability and IP&E | 1,646,970 | 1,622,195 | (24,775) | Y |
| Underspend of £16,000 on Broadplaces due to savings on staffing, and £5,000 underspend on LJC admin costs. | | | | | |
| Area Commissioner North - Libraries | Portfolio Holder Leisure, Libraries, Culture, Commissioning | 4,257,050 | 4,283,993 | 26,943 | G |
| Libraries have had in year savings of £143,630 applied this year plus a vacancy management saving of £23,720 to meet. Small underspends at most libraries plus a reduction to the book fund has helped to meet this target. A potential underspend on the IT budget could help to reduce the overspend. | | | | | |
| Area Commissioner North - Markets | Portfolio Holder Business Growth | 124,230 | 163,516 | 39,286 | G |
| Staff costs and various premises related costs not budgeted for. Significant one-off repairs and maintenance costs incurred this year. | | | | | |

| COMMISSIONING | | Full year | | | RAGY |
|--|---|-------------------|-------------------|-----------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Area Commissioner North - Waste | Portfolio Holder Business Growth | 26,932,120 | 26,801,331 | (130,789) | Y |
| Redundancy cost in Waste client function should be offset by forthcoming reductions to supplies and services projections. Waste contract cost centre projected to be £67,000 overspent but this includes a £300,000 provision against 1% increase in tonnage at year end that may not be required. In Bereavement Services £20,000 has been paid to terminate a lease this year in order to make future savings. There are also small overspends on grounds maintenance and repairs and maintenance. | | | | | |
| Area Commissioner North | Portfolio Holder Business Growth | 175,400 | 173,624 | (1,776) | Y |
| Minor variation projected from budget as at Month 9. | | | | | |
| Area Commissioner North Total | | 34,402,590 | 34,341,336 | (61,254) | Y |

| | | | | | |
|---|--|-------------------|-------------------|------------------|----------|
| Area Commissioner South – Environmental Maintenance | Portfolio Holder Highways Transport Commissioning | 25,400,650 | 25,657,071 | 256,421 | A |
| Progress against the 'in year' savings has been limited and so the overspend position reflects savings that have yet to be identified. | | | | | |
| Area Commissioner South – Highways & Transport | Portfolio Holder Highways Transport Commissioning | 6,046,200 | 5,638,864 | (407,336) | Y |
| Reduced expenditure on Transport Initiatives and Concessionary Fares, together with increased income from Highways closures. | | | | | |
| Area Commissioner South – Passenger Transport | Portfolio Holder Highways Transport Commissioning | 782,730 | 803,028 | 20,298 | G |
| There are revisions to the structure, however, the redundancy costs negate the 'in-year' saving. | | | | | |
| Area Commissioner South – Arts | Portfolio Holder Leisure, Libraries, Culture, Commissioning | 302,470 | 301,560 | (910) | Y |
| Minor variation projected from budget as at Month 9. | | | | | |
| Area Commissioner South – Sports | Portfolio Holder Leisure, Libraries, Culture, Commissioning | 377,740 | 377,032 | (708) | Y |
| Minor variation projected from budget as at Month 9. | | | | | |
| Area Commissioner South – Leisure | Portfolio Holder Leisure, Libraries, Culture, Commissioning | 4,516,770 | 4,485,948 | (30,822) | Y |
| Overspend represents redundancy costs that will be incurred this year. This should be offset by reductions to repairs and maintenance projections that will take place over the coming month. | | | | | |
| Area Commissioner South | Portfolio Holder Leisure, Libraries, Culture, Commissioning | 219,770 | 216,903 | (2,867) | Y |
| Minor variation projected from budget as at Month 9. | | | | | |
| Area Commissioner South Total | | 37,646,330 | 37,480,406 | (165,924) | Y |

| | | | | | |
|--|---|-----------|-----------|-----------|----------|
| Public Protection & Enforcement – Healthier People & Communities | Portfolio Holder Business Growth | 1,764,080 | 1,754,182 | (9,898) | Y |
| Savings resulting from restructure of service and VR savings. | | | | | |
| Public Protection & Enforcement – Healthier & Sustainable Environment | Portfolio Holder Business Growth | 1,249,540 | 1,144,416 | (105,124) | Y |
| Savings resulting from restructure of service and VR savings. | | | | | |

| COMMISSIONING | | Full year | | | RAGY |
|---|---|-------------------|-------------------|------------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Public Protection & Enforcement – Safer & Stronger Communities | Portfolio Holder Business Growth | 1,206,390 | 1,152,852 | (53,538) | G |
| Savings resulting from restructure of service and VR savings. | | | | | |
| Public Protection & Enforcement – Public Protection Management | Portfolio Holder Business Growth | 921,030 | 1,013,593 | 92,563 | A |
| Slight overspend within supplies and services along with projection of redundancy costs which will be a cost to the service in order to realise savings for 2014/15. | | | | | |
| Public Protection – Housing Health | Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner | 6,873,110 | 6,376,172 | (496,938) | Y |
| Underspend within salaries due to vacancies within the services. | | | | | |
| Public Protection – Joint Commissioning Unit | Portfolio Holder Business Growth | 152,540 | 124,556 | (27,984) | Y |
| Staffing savings against budget. | | | | | |
| Public Protection & Enforcement Total | | 12,166,690 | 11,565,771 | (600,919) | Y |
| Business Growth & Prosperity - Enterprise & Business | Portfolio Holder Growth, Profitability and IP&E | 1,060,120 | 934,833 | (125,287) | Y |
| There are planned vacancies within the service in order to mitigate additional costs and reduced income in 'Infrastructure and Growth' (please see below). | | | | | |
| Business Growth & Prosperity - Visitor Economy | Portfolio Holder Business Growth | 2,547,760 | 2,546,096 | (1,664) | Y |
| Minor variation projected from budget as at Month 9. | | | | | |
| Business Growth & Prosperity - Outdoor Recreation | Portfolio Holder Leisure, Libraries, Culture, Commissioning | 2,701,420 | 2,631,396 | (70,024) | Y |
| Net staffing savings | | | | | |
| Business Growth & Prosperity - Theatre Severn | Portfolio Holder Leisure, Libraries, Culture, Commissioning | 680,230 | 689,270 | 9,040 | G |
| Minor variation projected from budget as at Month 9. | | | | | |
| Business Growth & Prosperity - Infrastructure & Growth | Portfolio Holder Growth, Profitability and IP&E | 58,410 | 190,485 | 132,075 | R |
| Workshops have an increased expenditure on Repair and Maintenance items and reduced income. This is mitigated by planned savings in 'Enterprise and Business' (please see above). | | | | | |
| Business Growth & Prosperity - Sustainability | Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner | 1,657,780 | 1,794,557 | 136,777 | R |
| This includes abortive capital costs of £89,361 partially offset by staff savings, reduced expenditure and increased income. | | | | | |

| COMMISSIONING | | Full year | | | RAGY |
|--|---|-------------------|-------------------|------------------|-------------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Business Growth & Prosperity - Development Management | Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner | 1,034,660 | 857,998 | (176,662) | Y |
| Increased Planning Application fee income (increased activity) | | | | | |
| Business Growth & Prosperity - Planning Policy | Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner | 884,640 | 877,529 | (7,111) | Y |
| Minor variation projected from budget as at Month 9. | | | | | |
| Business Growth & Prosperity – Management | Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner | 388,710 | 383,602 | (5,108) | Y |
| Minor variation projected from budget as at Month 9. | | | | | |
| Business Growth & Prosperity Total | | 11,013,730 | 10,905,766 | (107,964) | Y |

| ADULT SERVICES | | Full year | | | RAGY |
|-----------------------|--|-------------------|-------------------|------------------|-------------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Total | | 69,384,810 | 74,030,577 | 4,645,767 | R |

| | | | | | |
|---|--|------------|------------|-----------|----------|
| Social Care Operations | Portfolio Holder Adult Services Transformation and Safeguarding | 54,120,080 | 58,089,406 | 3,969,326 | R |
| Whilst the average overall cost per client remains stable there has been a net increase in permanent placements to date. Action has been on-going to reduce the pressures in the Adult Social Care budget and resources are now focussed more intensively towards reducing the pressure in the remaining three months of the year. There are areas which have credible potential to yield savings in the period remaining and at this point we cautiously estimate these to be in the region of £600,000. | | | | | |
| Social Care Efficiency & Approval | Portfolio Holder Adult Services Transformation and Safeguarding | 14,237,520 | 14,902,628 | 665,108 | R |
| A large in year savings target applied here is currently offset by underspends in Mental Health and significant savings due to Day Services transformation. | | | | | |
| Adult Services Management | Portfolio Holder Adult Services Transformation and Safeguarding | 1,027,210 | 1,038,543 | 11,333 | G |
| Overspend on staffing budgets. | | | | | |

| CHILDRENS SERVICES | Full year | | | RAGY |
|--------------------|-------------------|-------------------|----------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Total | 61,065,360 | 61,446,115 | 380,755 | R |

| | | | | | |
|--|---|------------|------------|-----------|----------|
| Learning & Skills | Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding | 34,020,050 | 33,537,523 | (482,527) | Y |
| Transport projections have been updated to reflect anticipated savings of approximately £940,000 which has been offset by a reduction in forecast income and the addition of redundancy costs that are not centrally funded. | | | | | |
| Children's Safeguarding | Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding | 27,045,310 | 27,435,571 | 390,261 | A |
| Overspend of £2.6m covered by £1.5m EIG c/fwds, £200,000 YOS reserve, £500,000 Adoption Reform Grant. | | | | | |

| PUBLIC HEALTH | Full year | | | RAGY |
|---------------|----------------|----------------|-----------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Total | 405,510 | 363,586 | (41,924) | Y |

| | | | | | |
|--|--------------------------------|---------|---------|----------|----------|
| Public Health | Portfolio Holder Health | 405,510 | 363,586 | (41,924) | Y |
| Savings have been identified from services not within ring-fenced grant funding such as Emergency Planning with in year efficiencies of £42,000. | | | | | |

| RESOURCES & SUPPORT | Full year | | | RAGY |
|---------------------|------------------|------------------|--------------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Total | 4,887,140 | 3,203,338 | (1,683,802) | Y |

| | | | | | |
|---|---|---------|---------|-----------|----------|
| Strategy, Research & Performance | Portfolio Holder Resources, Finance, and Support | 481,570 | 380,178 | (101,392) | Y |
| Additional income (£49,000) has been received within the services due to employee secondments. Further staffing savings, including those from the VR programme, have delivered a further underspend against the budget. | | | | | |
| Legal & Democratic | Portfolio Holder Resources, Finance, and Support | 986,390 | 657,212 | (329,178) | Y |
| Overspend in legal services due to legal disbursements of £127,000 offset by saving of £300,000 on elections, £66,000 staffing savings and £12,000 for members printing. Additional savings across teams from various small savings due to travel, print and equipment budgets not being spent. | | | | | |

| RESOURCES & SUPPORT | | Full year | | | RAGY |
|---|---|-------------|-------------|-------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Programme Management, Systems & Transition | Portfolio Holder Resources, Finance, and Support | 618,030 | 760,925 | 142,895 | R |
| The overspend in this service consists of pressures within IT due to the costs of the schools broadband service (£250,000), additional spend on Microsoft licences (£189,000). These pressures have been partially offset by VR savings and vacancies not being filled across the service. | | | | | |
| Human Resources | Portfolio Holder Resources, Finance, and Support | (65,740) | (319,488) | (253,748) | Y |
| Staffing savings have been achieved which includes those from the VR programme and a restructure of the HR services. | | | | | |
| Service Support, Marketing & Engagement | Leader of the Council (Reputation Management and Communications) | (47,130) | (251,682) | (204,552) | Y |
| Overspend on Print unit reducing due to service restructure, now forecast to be £148,000. Savings on staffing in Customer Care of £115,000 (unfilled vacancies and VR), Business Design of £83,000, Communication of £37,000 and £56,000 from the Web Team due to the VR programme. Other small savings across all teams on general items such as travel and equipment. | | | | | |
| Customer Care and Support Services | Portfolio Holder Resources, Finance, and Support | 6,832,740 | 6,906,168 | 73,428 | A |
| Property Services have a £450,000 savings target which cannot be achieved. This has been partially offset by VR savings of £289,000 in this service. Other pressures are being experienced on Shirehall running costs and this is no longer being offset by staffing savings within Customer Contact and Business Support teams as these have transferred to Service Support, Marketing and Engagement. Additionally a further pressure of £200,000 has been identified in relation to accommodation rationalisation which cannot be achieved in 2013/14. These pressures have been offset by a saving against the Benefit Subsidy budget of £608,000, however this assumes that the Council will lose funding through subsidy overpayments being higher than the upper threshold allowed within the subsidy calculation. The calculations surrounding benefit overpayments will be reviewed over the remainder of the year to establish whether this funding will be lost, or whether an additional saving of £305,000 can be delivered. | | | | | |
| Finance, Governance & Assurance | Portfolio Holder Resources, Finance, and Support | (3,918,720) | (4,929,975) | (1,011,255) | Y |
| Staffing and VR savings of £433,000 have been delivered across Finance, Procurement, Audit and the PAs. The projection for Period 9 includes the profit share of £450,000 received from West Mercia Energy. The balance of savings relate to the corporate budgets for transformation and Treasury Management. | | | | | |

Appendix 2**Amendments to Original Budget 2013/14**

| | Total £'000 | Commiss ioning £'000 | Adult Services £'000 | Childrens Services £'000 | Public Health £'000 | Resources & Support £'000 |
|---|------------------------|-------------------------------------|-------------------------------------|---|------------------------------------|--|
| Original Budget as agreed by Council | 231,532 | 97,626 | 63,278 | 61,933 | 427 | 8,268 |
| <u>Period 3</u> In Year Savings | 0 | (2,336) | 5,777 | (556) | (10) | (2,875) |
| <u>Period 4</u> Minor budget variations | 0 | 2 | 0 | (10) | 0 | 8 |
| <u>Period 5</u> Minor budget variations including structure changes | 0 | 107 | 330 | (302) | (11) | (123) |
| <u>Period 6</u> Structure Change | | 240 | | | | (240) |
| <u>Period 9</u> Structure Change | | 150 | | | | (150) |
| Revised Budget | 231,532 | 95,789 | 69,385 | 61,065 | 406 | 4,887 |