



Committee and date

Cabinet  
12 March 2014

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Item

**7**

Public

## REVENUE MONITORING REPORT - PERIOD 10 2013/14

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### 1. Summary

The report sets out the Revenue forecast for 2013/14 as at Period 10 and identifies management actions being undertaken to ensure a balanced budget at the end of this financial year.

The projected overspend at Period 10 has remained at a similar level to Period 9. Even though further savings have been identified within Business Growth & Prosperity, Adult Services and Children's Services, these have been offset by additional revenue costs incurred within Environmental Maintenance.

The key issues highlighted by this report are that:

- The projected outturn is an overspend of £1.942m.
- The projected General Fund Balance as at 31 March 2014 is £12.054m.

### 2. Recommendations

It is recommended that Members:

- A. Note that at the end of Period 10 (27 December 2013), the full year forecast is a potential overspend of £1.942m;
- 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)

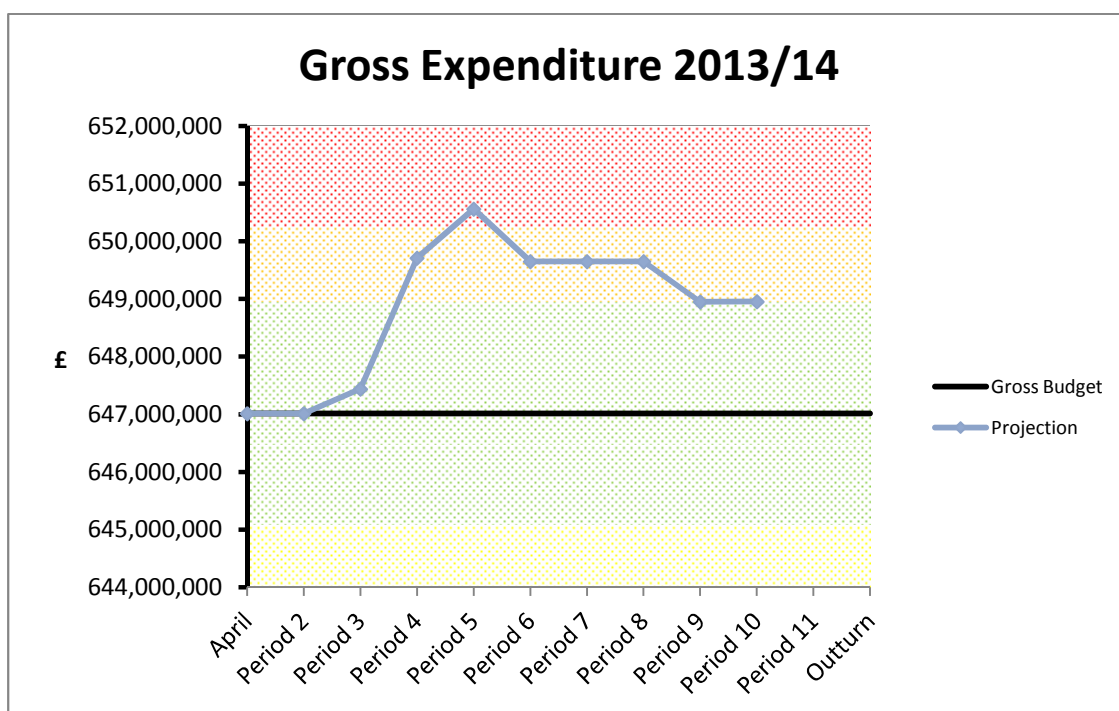
Red        Variance over 2% (or £100k if budget less than £5m)

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 £1.942m (0.30%) on a gross budget of £647m (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 10 the projected year end overspend of £1.942m is falling within the amber banding. Even though there has not been a significant change in the headline figure, there have been the following changes in individual projections:
- increased income within Business Growth & Prosperity (-£0.792m),
  - cost pressures within Environmental Maintenance (£2.334m)
  - reduced contract costs within Adult Social Care (-£0.579m)
  - funding of VR costs within Children's Services (-£0.365m)



6.2 The table below reflects the approved virements processed up to and including Period 10:

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

Service Area	Original Budget £'000	Net Virements £000	Revised Budget £000
<b>Gross Expenditure</b>			
Commissioning	125,744	(2,153)	123,591
Adult Services	91,826	6,197	98,023
Children's 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
<b>Gross Income</b>			
Commissioning	(28,119)	317	(27,802)
Adult Services	(28,548)	(90)	(28,638)
Children's 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)
<b>Net Expenditure</b>			
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
<b>TOTAL</b>	<b>231,532</b>	<b>0</b>	<b>231,532</b>

6.3 The projected overspend of £1.942m 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	95,955	166	G
Adult Services	69,385	73,574	4,189	R
Childrens Services	61,065	60,567	(498)	Y
Public Health	406	363	(43)	Y
Resources & Support	4,887	3,015	(1,872)	Y
<b>TOTAL</b>	<b>231,532</b>	<b>233,474</b>	<b>1,942</b>	<b>A</b>

- 6.4. The projected overspend at Period 10 has not changed significantly from the position reported at Period 9 however there have been significant changes in the individual projections of service areas. Additional savings have been identified within Business Growth & Prosperity, Adult Services and Children's Services. These have been offset by a significant cost pressure within Environmental Maintenance. Further details on this cost pressure are provided below.
- 6.5 On the 1<sup>st</sup> April 2012, Ringway Infrastructure Services were appointed to deliver Highways and Environmental Maintenance services across Shropshire for a contract period of between six and ten years. One of the requirements of the new contract was the introduction of electronic works ordering by Shropshire Council together with the subsequent electronic invoicing for the works by Ringway.
- 6.6 Soon after the commencement of the contract, it became apparent that Ringways' ICT systems had significant technical issues, to the extent that the basic requirements of the ordering and payment process were not being met. Problems included completed jobs not being invoiced, cancelled jobs still being invoiced for and some completed jobs receiving multiple invoices. The scale of the failure of Ringways' ICT system was so significant that it was unable to be repaired and functioning correctly until August 2013, some seventeen months after the start of the contract.
- 6.7 Since August 2013, Council officers and Ringway staff have had to methodically reconcile and cleanse the system of thousands of jobs and invoices in order to establish the correct financial position in respect of the contract to date. The most significant feature which emerged during this work was that many jobs which were actually completed in the 2012/13 financial year were not invoiced correctly until August 2013.
- 6.8 The backlog and payment of these invoices in the current financial year has meant that the Environmental Maintenance budget is now projected to overspend by the order of £1m.
- 6.9 In addition to this, a review has been performed of the highways capital programme and in particular the type of jobs completed to confirm that these are all of a capital nature. This review has involved summarising each job into specific categories i.e. potholes, footway repairs etc. and obtaining a headline description of the types of jobs performed. From these descriptions, it has

been identified that a significant proportion of jobs should potentially have been classified and charged to the revenue budget as they do not meet the definition of capital expenditure:

*“An acquisition of, construction of or an enhancement of a non-current asset (tangible and intangible).*

- 6.10 Further work will be carried out over the next two months to drill down into the detail of the individual jobs to establish the specific elements of each job, and confirm whether they can be deemed to be of a capital nature. In addition, discussions will be held with Highways Officers and Technicians to ensure that they are clear on the nature of any future jobs they commission so that they can be budgeted appropriately from both revenue and capital.
- 6.11 The potential cost pressure arising from this review is a maximum of £3.024m and this has been built into the monitoring report on a ‘worst case’ basis. This has been partially funded from releasing a revenue contribution to capital of £0.900m (which helpfully directly reduces the impact of this issue on both the revenue and capital account). In addition, it is projected that the winter maintenance budget can absorb costs of £0.929m within the current year’s budget. This would otherwise have resulted in an underspend which was projected to be added to the Severe Weather Reserve. This leaves the remaining pressure falling as an overspend of £1.195m within the Environmental Maintenance budget. The review is anticipated to be completed by mid March, focussing on the details of jobs already completed, and there is the potential for the overspend to reduce.
- 6.12 In order to mitigate this pressure and overspend, non-emergency works are being reprogrammed to April wherever possible, and therefore will fall into the next financial year. It must be stressed however that works to deal with the recent storms, flooding and potholes etc. are not affected by reprogramming and are still being prioritised as normal. Additionally, the existing Severe Weather Reserve is in place to help manage any unexpected spend before 31 March.
- 6.13 Once a final position is arrived at for the 2013/14 Financial Year, it will be necessary to consider how much of this will be ringfenced to the service for recovery from revenue budgets in 2014/15. This will be necessary for the purposes of reimbursing the lost contribution to the Severe Weather Reserve, for example.

## **7. Summary Financial Implications**

- 7.1. 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)	(1,942)
<b>Projected Balance at 31 March 2014</b>	<b>12,054</b>

- 7.2 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  
 Revenue Monitoring Report – Period 9 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	
	£	£	£	
<b>Commissioning</b>	95,789,360	95,955,215	165,855	<b>G R Y Y Y</b>
<b>Adult Services</b>	69,384,810	73,573,908	4,189,098	
<b>Children Services</b>	61,065,360	60,567,385	(497,975)	
<b>Public Health</b>	405,510	362,976	(42,534)	
<b>Resources &amp; Support</b>	4,887,140	3,015,011	(1,872,129)	
<b>Total</b>	<b>231,532,180</b>	<b>233,474,495</b>	<b>1,942,315</b>	<b>A</b>

**Detail**

<b>COMMISSIONING</b>	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Total</b>	<b>95,789,360</b>	<b>95,955,215</b>	<b>165,855</b>	<b>G</b>

<b>Director of Commissioning</b>	<b>Portfolio Holder Business Growth</b>	306,770	330,503	23,733	<b>G</b>
Includes £25,000 one-off grant payment not budgeted for within Commissioning.					
<b>Director of Commissioner Total</b>		<b>306,770</b>	<b>330,503</b>	<b>23,733</b>	<b>G</b>

<b>Local Commissioning</b>	<b>Portfolio Holder Business Growth</b>	405,790	407,297	1,507	<b>G</b>
Minor variation projected from budget as at Month 10.					
<b>Local Commissioning Total</b>		<b>405,790</b>	<b>407,297</b>	<b>1,507</b>	<b>G</b>

<b>Area Commissioner North – Positive Activities</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding</b>	1,266,820	1,291,535	24,715	<b>G</b>
In Activities for Young People there is a projected overspend on premises costs, supplies and services and redundancy costs not budgeted for.					
<b>Area Commissioner North – Community Action</b>	<b>Portfolio Holder Growth, Profitability and IP&amp;E</b>	1,646,970	1,604,024	(42,946)	<b>Y</b>
Vacancy management savings incurred in Community Working and in Broadplaces, and significant savings on supplies and services within Community Working and within the administration of LJsCs.					
<b>Area Commissioner North - Libraries</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	4,257,050	4,222,809	(34,241)	<b>G</b>
Small underspends on supplies and services and employee costs at most libraries, together with the freezing of the book fund and centrally held IT and equipment budgets has resulted in Libraries' in year savings target being met.					
<b>Area Commissioner North - Markets</b>	<b>Portfolio Holder Business Growth</b>	124,230	154,368	30,138	<b>G</b>
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	
		£	£	£	
<b>Area Commissioner North - Waste</b>	<b>Portfolio Holder Business Growth</b>	26,932,120	26,750,974	(181,146)	<b>Y</b>
The provision set aside for the year end contract reconciliation payment has reduced significantly this month, in anticipation that the year end tonnage will be within 1,000 tonnes of this year's budgeted level.					
<b>Area Commissioner North</b>	<b>Portfolio Holder Business Growth</b>	175,400	175,025	(375)	<b>Y</b>
Minor variation projected from budget as at Month 10.					
<b>Area Commissioner North Total</b>		<b>34,402,590</b>	<b>34,198,735</b>	<b>(203,855)</b>	<b>Y</b>
<b>Area Commissioner South – Environmental Maintenance</b>	<b>Portfolio Holder Highways Transport Commissioning</b>	25,400,650	27,734,492	2,333,842	<b>R</b>
Since the introduction of the Ringway contract there has been a lack of connectivity between Shropshire Council's Confirm and SAMIS systems and Ringway's IT systems. The cleansing exercise of the Confirm system and reconciliation with Ringway's systems has resulted in a number of payments in 2013/14 which relate to previous years. It has taken several months to reconcile jobs in Confirm against payments from SAMIS and orders in Ringway's systems, and consequently there has been a backlog of Payments to Ringway from the holding account that has been awaiting clearance. Therefore £1m of this overspend is a consequence of reconciling jobs between IT systems and clearing the backlog of payments. The issue of connectivity between systems has now been resolved. In addition, a review has been performed of the highways capital programme and in particular the type of jobs completed to confirm that these are all of a capital nature. This has highlighted that a significant proportion of jobs completed, should potentially have been charged to the revenue budget rather than capital. Further work will be performed to confirm this initial review, however this has highlighted potential costs to the revenue budget of £3.023m. This is partially being funded by releasing a revenue contribution to capital of £0.900m and assuming that the winter maintenance budget can absorb £0.929m of these costs, leaving a potential overspend pressure of £1.195m.					
<b>Area Commissioner South – Highways &amp; Transport</b>	<b>Portfolio Holder Highways Transport Commissioning</b>	6,046,200	5,615,044	(431,156)	<b>Y</b>
Reduced costs on 'Transport Initiatives' (Local Public Transport and Concessionary Transport) and additional income from road closures. This has been offset by costs of unbudgeted support services.					
<b>Area Commissioner South – Passenger Transport</b>	<b>Portfolio Holder Highways Transport Commissioning</b>	782,730	779,317	(3,413)	<b>Y</b>
This service has re-organised this year, with savings to be delivered in future years.					
<b>Area Commissioner South – Arts</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	302,470	301,545	(925)	<b>Y</b>
Minor variation projected from budget as at Month 10.					
<b>Area Commissioner South – Sports</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	377,740	375,531	(2,209)	<b>Y</b>
Minor variation projected from budget as at Month 10.					
<b>Area Commissioner South – Leisure</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	4,516,770	4,457,523	(59,247)	<b>Y</b>
Significant underspends are forecast against repairs and maintenance, grounds maintenance and furniture and equipment budgets across the facilities portfolio this year.					
<b>Area Commissioner South</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	219,770	217,115	(2,655)	<b>Y</b>
Minor variation projected from budget as at Month 10.					
<b>Area Commissioner South Total</b>		<b>37,646,330</b>	<b>39,480,567</b>	<b>1,834,237</b>	<b>R</b>



COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Public Protection &amp; Enforcement – Healthier People &amp; Communities</b>	<b>Portfolio Holder Business Growth</b>	1,764,080	1,718,861	(45,219)	<b>Y</b>
Savings resulting from restructure of service and VR savings. There has also been an increase in income from trader registration and animal health licenses.					
<b>Public Protection &amp; Enforcement – Healthier &amp; Sustainable Environment</b>	<b>Portfolio Holder Business Growth</b>	1,249,540	1,129,430	(120,110)	<b>Y</b>
Savings resulting from restructure of service and VR savings. There has also been an increase in projected Penalty Charge Notice income.					
<b>Public Protection &amp; Enforcement – Safer &amp; Stronger Communities</b>	<b>Portfolio Holder Business Growth</b>	1,206,390	1,144,260	(62,130)	<b>Y</b>
Savings resulting from restructure of service and VR savings.					
<b>Public Protection &amp; Enforcement – Public Protection Management</b>	<b>Portfolio Holder Business Growth</b>	921,030	1,065,916	144,886	<b>R</b>
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.					
<b>Public Protection – Housing Health</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	6,873,110	6,366,234	(506,876)	<b>Y</b>
Underspend within salaries due to vacancies within the services.					
<b>Public Protection &amp; Enforcement Total</b>		<b>12,014,150</b>	<b>11,424,701</b>	<b>(589,449)</b>	<b>Y</b>
<b>Business Growth &amp; Prosperity - Enterprise &amp; Business</b>	<b>Portfolio Holder Growth, Profitability and IP&amp;E</b>	1,060,120	935,569	(124,551)	<b>Y</b>
There are planned vacancies within the service and reduced expenditure on development activities in order to mitigate additional costs and reduced income in 'Infrastructure and Growth' (please see below).					
<b>Business Growth &amp; Prosperity - Visitor Economy</b>	<b>Portfolio Holder Business Growth</b>	2,547,760	2,556,702	8,942	<b>G</b>
A small net increase in costs as the service aims to negate reduced income and in-year saving targets.					
<b>Business Growth &amp; Prosperity - Outdoor Recreation</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	2,701,420	2,628,157	(73,263)	<b>Y</b>
Net staffing savings and the effect of the spending freeze savings.					
<b>Business Growth &amp; Prosperity - Theatre Severn</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	680,230	653,860	(26,370)	<b>Y</b>
A reduction in projected expenditure resulting from general savings and the effect of the spending freeze.					
<b>Business Growth &amp; Prosperity - Infrastructure &amp; Growth</b>	<b>Portfolio Holder Growth, Profitability and IP&amp;E</b>	58,410	194,906	136,496	<b>R</b>
Combined effect of increased expenditure on Repair and Maintenance items and reduced income from lettings. This is mitigated by planned savings in 'Enterprise and Business' (please see above).					

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Business Growth &amp; Prosperity - Sustainability</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	1,657,780	1,718,388	60,608	<b>A</b>
This includes abortive capital costs of £89,361 partially offset by staff savings, reduced expenditure, spending freeze and increased income.					
<b>Business Growth &amp; Prosperity - Development Management</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	1,034,660	159,922	(874,738)	<b>Y</b>
Increased Planning Application fee income (increased activity).					
<b>Business Growth &amp; Prosperity - Planning Policy</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	884,640	882,567	(2,073)	<b>Y</b>
Minor variation projected from budget as at Month 10.					
<b>Business Growth &amp; Prosperity – Management</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	388,710	383,341	(5,369)	<b>Y</b>
Minor variation projected from budget as at Month 10.					
<b>Business Growth &amp; Prosperity Total</b>		<b>11,013,730</b>	<b>10,113,412</b>	<b>(900,318)</b>	<b>Y</b>

ADULT SERVICES		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Total</b>		<b>69,384,810</b>	<b>73,573,908</b>	<b>4,189,098</b>	<b>R</b>

<b>Social Care Operations</b>	<b>Portfolio Holder Adult Services Transformation and Safeguarding</b>	54,120,080	58,168,885	4,048,805	<b>R</b>
The service has seen increased costs in the month associated with changing need. The impact of this has been offset by positive progress in securing Continuing Healthcare Funding.					
<b>Social Care Efficiency &amp; Approval</b>	<b>Portfolio Holder Adult Services Transformation and Safeguarding</b>	14,237,520	14,324,057	86,537	<b>G</b>
Day services transformation savings delivered and staffing reductions as a consequence of the VR programme offset a large in year savings target applied here. The projected overspend in this area has come down significantly since last period as a result of a change in assumptions around mental health contracts, an update to block contracting arrangements and a deeper understanding of in year VR impact.					
<b>Adult Services Management</b>	<b>Portfolio Holder Adult Services Transformation and Safeguarding</b>	1,027,210	1,080,966	53,756	<b>A</b>
Overspend on staffing budgets.					

CHILDRENS SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Total</b>	<b>61,065,360</b>	<b>60,567,385</b>	<b>(497,975)</b>	<b>Y</b>

<b>Learning &amp; Skills</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding</b>	34,020,050	33,172,251	(847,799)	<b>Y</b>
Transport projections have been updated to reflect anticipated savings of approximately £940,000 which has been offset by a reduction in forecast income. The teacher severance and redundancy costs incurred within Learning & Skills have now been appropriately allocated to DSG funded budgets and so has identified a further underspend of £406,000 in Period 10.					
<b>Children's Safeguarding</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding</b>	27,045,310	27,395,134	349,824	<b>A</b>
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	
	£	£	£	
<b>Total</b>	<b>405,510</b>	<b>362,976</b>	<b>(42,534)</b>	<b>Y</b>

<b>Public Health</b>	<b>Portfolio Holder Health</b>	405,510	362,976	(42,534)	<b>Y</b>
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	
	£	£	£	
<b>Total</b>	<b>4,887,140</b>	<b>3,015,011</b>	<b>(1,872,129)</b>	<b>Y</b>

<b>Strategy, Research &amp; Performance</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	481,570	348,626	(132,944)	<b>Y</b>
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. The spending freeze has delivered additional saving from across all the budgets.					
<b>Legal &amp; Democratic</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	986,390	586,935	(399,455)	<b>Y</b>
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. Further savings have now been generated due to the spending freeze across all budgets.					

RESOURCES & SUPPORT		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Programme Management, Systems &amp; Transition</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	618,030	852,714	234,684	<b>R</b>
The overspend in this service consists of pressures within IT due to the costs of the schools broadband service (£250k), additional spend on Microsoft licences (£189k) Citrix Renewal (£70k) VMWare (£69k), and Oracle (£3k). These pressures have been partially offset by VR savings and vacancies not being filled across the service.					
<b>Human Resources</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	(65,740)	(328,442)	(262,702)	<b>Y</b>
Staffing savings have been achieved which includes those from the VR programme and a restructure of the HR services. The spending freeze has delivered additional savings from across all the budgets.					
<b>Service Support, Marketing &amp; Engagement</b>	<b>Leader of the Council (Reputation Management and Communications)</b>	(47,130)	(194,066)	(146,936)	<b>Y</b>
Overspend on Print unit reducing due to service restructure, now forecast to be £179,000. Savings on staffing in Customer Care of £198,000 (unfilled vacancies and VR), Business Design of £41,000, Communication of £18,000 and £43,000 from the Web Team due to the VR programme. Other small savings across all teams on general items such as travel and equipment.					
<b>Customer Care and Support Services</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	6,832,740	6,547,105	(285,635)	<b>Y</b>
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 £730,000, however this assumes that the Council will lose funding through subsidy overpayments being higher than the lower 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 £183,000 can be delivered.					
<b>Finance, Governance &amp; Assurance</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	(3,918,720)	(4,797,861)	(879,141)	<b>Y</b>
Staffing and VR savings of £433,000 have been delivered across Finance, Procurement, Audit and the PAs. The balance of savings relate to the corporate budgets for transformation, profit share from West Mercia Energy and Treasury Management.					

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

	<b>Total £'000</b>	<b>Commiss ioning £'000</b>	<b>Adult Services £'000</b>	<b>Childrens Services £'000</b>	<b>Public Health £'000</b>	<b>Resources &amp; Support £'000</b>
Original Budget as agreed by Council	<b>231,532</b>	97,626	63,278	61,933	427	8,268
<u>Period 3</u> In Year Savings	<b>0</b>	(2,336)	5,777	(556)	(10)	(2,875)
<u>Period 4</u> Minor budget variations	<b>0</b>	2	0	(10)	0	8
<u>Period 5</u> Minor budget variations including structure changes	<b>0</b>	107	330	(302)	(11)	(123)
<u>Period 6</u> Structure Change	<b>0</b>	240	0	0	0	(240)
<u>Period 9</u> Structure Change	<b>0</b>	150	0	0	0	(150)
<u>Period 10</u> No changes	<b>0</b>	0	0	0	0	
<b>Revised Budget</b>	<b>231,532</b>	<b>95,789</b>	<b>69,385</b>	<b>61,065</b>	<b>406</b>	<b>4,887</b>