



Committee and date

Cabinet

27 July 2016

REVENUE MONITORING REPORT – QUARTER 1 2016/17

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1. Summary

The report sets out the Revenue forecast for 2016/17 as at Quarter 1 and identifies the current projections on delivery of savings included within the forecast.

2016/17 represents the third and final year of the Council's previous three year Medium Term Financial Plan running from 2014/15 to 2016/17. A new Financial Strategy is being developed with the latest draft approved by Council on 21 July 2016. The Council's new Financial Strategy is predicated on the delivery of the existing, approved savings plans of £23.1m for 2016/17. Cabinet will receive an update on a quarterly basis to monitor the Council's overall finances reviewing delivery against the proposals put forward, but also monitoring of the whole Council budget to identify any other pressures or concerns not contained within savings proposals.

This monitoring report is the first produced for this Financial Year and is based on financial information held for the first three months of the year extrapolated to year end to produce an estimated outturn position. The financial transactions resulting from the first 3 months of activity within the Council have not been fully processed at the time of writing and as the year progresses and further financial information becomes available, the quality of the estimates used within this report is expected to increase. Variances in the overall projected position for the Council will not yet reflect all management action that can be taken and are reported using a RAGY (Red, Amber, Green, Yellow) rating as explained in the background to the report. Management action that will be instigated as a result of the Q1 monitoring projections identified in this report will be reflected in the projected outturn reported within the Q2 Monitoring Report.

To aid reporting of savings delivery the Council uses a RAG (Red, Amber, Green) rating to identify a rating for the delivery of savings proposals (more details provided in the report below). As at Quarter 1, evidence currently suggests that of the £23.1m of proposals to be delivered in 2016/17, £18.8m are rated as Green – with a high degree of certainty of being delivered.

The Quarter One position indicates that £1.3m of the £23.1m savings planned are categorised as red, and further work is required within service areas to ensure that the total value of savings proposals are fully deliverable within the financial year. Furthermore additional service pressures to a net value of £1.6m are already being highlighted, which services will need to address alongside delivering their savings targets. These pressures have been partially offset by the identification of a number of

one off sources of funding that have not been committed and will instead be held to partially address the service pressures identified in year.

The key issues highlighted by this report are that:

- The projected outturn is an overspend of £1.362m which includes savings pressures of £1.333m.
- Management action will now be instigated to attempt to bring the budget back into balance but, when considering the size and complexity of the Council's overall Budget, delivery of such an outturn would still be considered a "reasonable variance", as described below.
- The projected General Fund Balance as at 31 March 2017 is £17.008m.

2. Recommendations

It is recommended that Members:

- A. Note that at the end of Quarter One (01 July 2016), the full year forecast is a potential overspend of £1.362m;
- B. Consider the impact of this on the Council's General Fund Balance.

REPORT

3. Background

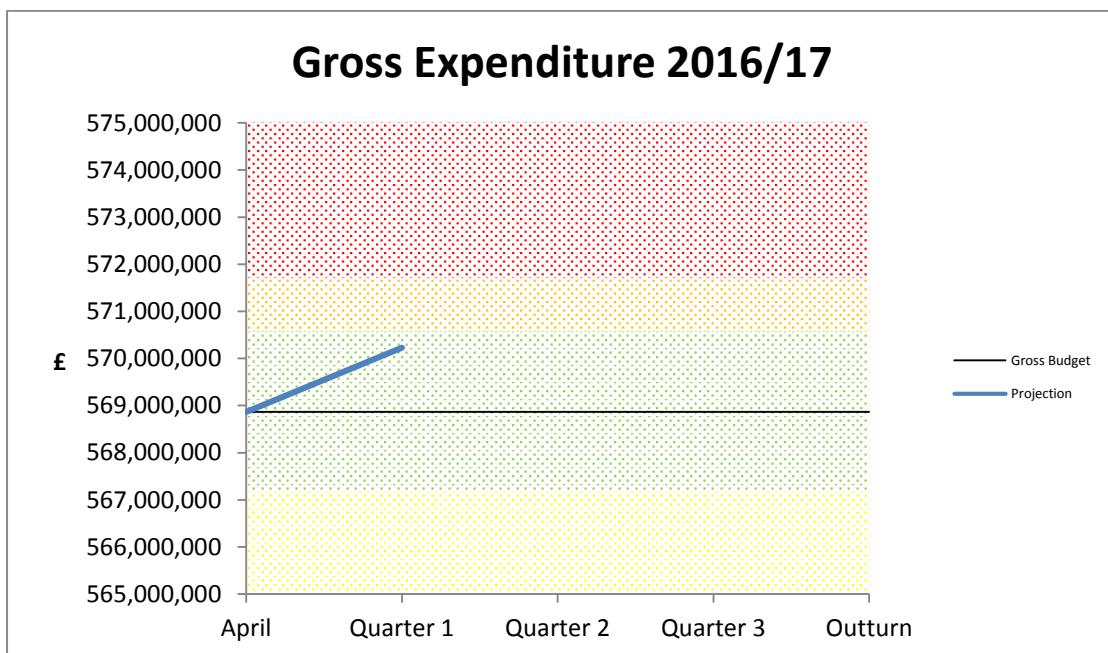
- 3.1 Revenue budget monitors are produced to report on the period from June (Period 2) to February (Period 11) of each financial year and show the anticipated year end projection. Reports are presented quarterly to Cabinet and monthly to Directors.
- 3.2 The reports track progress against the agreed budget decisions, forecast any significant variances to the budget, and enables corrective action to be taken to ensure a balanced budget at year end.
- 3.3 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 £0.05m if budget less than £5m)
Amber	Overspend between 1%-2% (or £0.05m-£0.1m if budget less than £5m)
Red	Variance over 2% (or £0.1m if budget less than £5m)
Yellow	Underspend more than 1% (or £0.05m if budget less than £5m)

- 3.4 In addition, given the level of savings proposals identified for delivery in 2016/17, this report also includes a second RAG rating, specifically relating to the delivery of savings. The ratings are as follows:
Green – Saving identified, quantified and confirmed
Amber – Saving identified but not yet confirmed
Red – Saving not achieved or unachievable

4. Monitoring 2016/17 Budget - Overall Position

- 4.1 The projected revenue forecast for the year, at Quarter 1, shows a potential overspend of £1.362m (0.24%) on a gross budget of £568.8m (net £204.5m) 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 Quarter 1 the projected year end overspend of £1.362m is falling within the green banding.



- 4.4 The projected overspend of £1.362m for 2016/17 is presented below and analysed in more detail at Appendix 1.

Table 1: 2016/17 Projected Budget Variations Analysed by Service Area

Service Area	Revised Budget £'000	Forecast Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	86,330	85,939	(391)	Y
Children's Services	50,638	52,296	1,658	R
Commissioning	81,069	80,674	(395)	Y
Public Health	1,807	2,140	333	R
Resources & Support	6,324	6,964	640	R
Corporate	(21,641)	(22,124)	(483)	Y
TOTAL	204,527	205,889	1,362	G

5. Update on Savings Delivery

- 5.1 The savings projections for 2016/17 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2016/17 financial year. The RAG ratings have been categorised as follows:

- Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year
- Amber – Savings have been identified on an ongoing basis in the current financial year, however there is no clear evidence to support the delivery as yet
- Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

The RAG ratings are updated monthly to determine progress on delivery. Details of the current assessment of savings delivery for each service area are shown in Table 2.

Table 2: Update on Delivery of 2016/17 Savings Proposals

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	0	1,838	3,348	5,186
Children's Services	1,333	245	2,254	3,832
Commissioning	0	514	5,748	6,262
Public Health	0	313	308	621
Resources & Support	0	0	2,025	2,025
Corporate	0	0	5,128	5,128
TOTAL SAVINGS	1,333	2,910	18,811	23,054

- 5.2 The figures presented above show that 82% of the 2016/17 savings target have been flagged as green with a further 13% with plans in place to be delivered. Those areas not delivered within 2016/17 have been assessed as part of the Financial Strategy to identify those areas deliverable but subject to a delay in delivery, and those areas identified as undeliverable.
- 5.3 Management have provided assurance that plans are in place to deliver the savings that have been categorised as amber, however as evidence of the delivery has not yet been identified, there is still a risk that these could cause a pressure on the outturn position for 2016/17. As the year progresses, these amber savings should gradually turn to green as the evidence does become available. However if the amber rated savings are not delivered as planned, the effect on the outturn position is shown in Table 3 below:

Table 3: Effect of Non-Delivery of Amber Savings in 2016/17

Service Area	Quarter 1 Projected Outturn £'000	Amber Savings £'000	Potential Outturn if Amber Savings not Achieved £'000
Adult Services	(391)	1,838	1,447
Children's Services	1,658	245	1,903
Commissioning	(395)	514	119
Public Health	333	313	646
Resources & Support	640	0	640
Corporate	(483)	0	(483)
TOTAL	1,362	2,910	4,272

6. Analysis of Outturn Projections including Delivery of Savings

- 6.1 The monitoring position detailed in Table 1 includes the current position on delivery of savings proposals for 2016/17 in addition to new monitoring pressures identified and one off solutions to reduce the projected overspend. Table 4 provides further analysis of the projected overspends for each service area.

Table 4: Reconciliation of Monitoring Projections to Savings Delivery

	Quarter 1 Projection £'000	Savings Pressure in 2016/17 £'000	Ongoing Monitoring Pressures Identified £'000	Ongoing Monitoring Savings Identified £'000	One Off Monitoring Pressures Identified £'000	One Off Monitoring Savings Identified £'000
Adult Business Support & Development	(116)	0	19	0	3	(138)
Contracts & Provider	152	0	94	79	0	(21)
Social Care Operations	(394)	0	691	(904)	0	(181)
Adult Services Management	(34)	0	0	0	0	(34)
Housing Health & Wellbeing	0	0	0	0	0	0
Adult Services	(391)	0	804	(825)	0	(374)
Learning & Skills	821	693	0	(31)	182	(23)
Children's Safeguarding	839	640	629	(247)	104	(287)
Children's Services Management	(2)	0	0	0	0	(2)
Children's Services	1,658	1,333	629	(278)	286	(312)
Director of Commissioning	0	0	0	0	0	0
Local Commissioning	(28)	0	0	0	0	(28)
Area Commissioning North	(181)	0	0	0	115	(296)
Area Commissioning South	66	0	500	0	113	(547)
Business Growth & Prosperity	(252)	0	60	0	54	(306)
Commissioning	(395)	0	500	0	282	(1,177)
Public Health	333	0	0	0	333	0
Public Health	333	0	0	0	333	0
Commercial Services	62	0	0	0	475	(413)
Customer Involvement	728	0	630	0	491	(393)
Finance, Governance & Assurance	0	0	0	0	0	0
Human Resources	(40)	0	0	115	43	(198)
Legal, Democratic & Strategy	(47)	0	30	0	0	(77)
SMB	(63)	0	0	0	11	(74)
Resources & Support	640	0	660	115	1,020	(1,155)
Corporate	(482)	0	0	0	18	(500)
Corporate	(482)	0	0	0	18	(500)
TOTAL	1,362	1,333	2,592	(988)	1,522	(3,518)

- 6.2 The only savings pressures not projected to be delivered in the Quarter 1 position are within Children's Services. These include savings relating to the redesign of Education Support Services, following their transfer back from

ip&e, savings within early support provision, reduction of external residential placements and savings within back office processes not being fully delivered.

- 6.3 A number of ongoing pressures are being identified within service areas including increased pressure of Care Leavers, and school transport due to extra days in this academic year, however these are being partially offset by mitigating ongoing savings that have been identified. Further work is required within service areas to find an ongoing basis for managing and funding these pressures so that further growth is not required within the financial strategy and hence an increase in the funding gap.

7. General Fund Balance

- 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 2016/17 the minimum balance required is £2.844m. The risk based target for the General Fund as calculated in the Robustness of Estimates and Adequacy of Reserves reported to Council on 25 February 2016, was £28.196m. Based on the current monitoring position, the General Fund Balance will be significantly below this target and the below the Council's policy on balances, as shown in Table 5 below:

Table 5: Projected General Fund Balance As At 31 March 2017

	(£'000)
General Fund Balances as at 1 April 2016	18,370
This report – projected outturn (overspend)	(1,362)
Projected Balance at 31 March 2017	17,008

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

Revenue & Capital Budget 2016/17

Financial Rules

Cabinet Member (Portfolio Holder)

Councillor Malcolm Pate, Leader of the Council

Local Member

All

Appendices

1 - Service Area Pressures and Actions 2016/17

2 - Amendments to Original Budget 2016/17

Appendix 1**Service Area Pressures and Actions 2016/17**Summary

	Full year			RAGY
	Budget	Forecast	Variance	
Adult Services	£ 86,330,440	£ 85,939,190	£ (391,250)	Y
Children Services	£ 50,638,040	£ 52,295,836	£ 1,657,796	R
Commissioning	£ 81,068,740	£ 80,673,834	£ (394,906)	Y
Public Health	£ 1,806,560	£ 2,139,811	£ 333,251	R
Resources & Support	£ 6,323,900	£ 6,963,985	£ 640,085	R
Corporate	£ (21,640,560)	£ (22,123,044)	£ (482,484)	Y
Total	£ 204,527,120	£ 205,889,612	£ 1,362,492	G

Detail

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
Total	£ 86,330,440	£ 85,939,190	£ (391,250)	Y

Adult Business Support & Development	Portfolio Holder Adult Services	2,843,040	2,727,365	(115,675)	Y
Forecast surplus is attributable to a combined £0.036m surplus on Community Services Training (Joint Training) and Welfare to Work (Enable) and £0.080m underspend on pay and non-pay, the main areas being the Development Team (£0.033m), Financial Assessments (£0.027m) and the Agreement and Contract team (£0.013m).					
Contracts & Provider	Portfolio Holder Adult Services	5,945,590	6,097,411	151,821	R
Overspends on Contracts and at Four Rivers, resulting from a loss of Continuing Health Care income are offset by savings in Day Services.					
Social Care Operations	Portfolio Holder Adult Services	70,832,780	70,438,959	(393,821)	Y
Significant growth has been applied to the purchasing budget for 2016/17 to meet the historical shortfall and predicted future demand. Current forecasts have been derived using the new monitoring/forecasting model which is still in development. At this stage it is anticipated that purchasing will be contained well within the current budget. We are currently updating the methods that we use to analyse the new clients seen into service, however, using old methods there have been in the region of 390 new clients since the beginning of the year adding £4.3m to projections. We continue to see a pressure on the DoLS function as the current establishment is underfunded and demand continues to outstrips resources. The DoLS funding position is the subject of a Judicial Review case currently going through the courts.					
Adult Services Management	Portfolio Holder Adult Services	2,372,670	2,339,095	(33,575)	Y
Underspend on pay £0.020m and non-pay £0.014m.					
Housing Health & Wellbeing	Portfolio Holder Planning, Housing, Regulatory Services and Environment	4,336,360	4,336,360	0	G
Housing is reporting a break even position. However, this is on the understanding that the grants/reserves held on the balance sheet for Keep Shropshire Warm (£0.041m), Pioneer Places (£0.006m) and SHIP & Community Housing Grant (£0.072m) will be treated as ringfenced allocations i.e. will be drawn down at year					

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
end to match actual spend. Currently these funds are at risk of being transferred to a central pot. However, in the event that the projects are prematurely terminated due to the removal of funds then it is anticipated that the funds would need to be returned to the relevant funder in line with the terms of the agreements. There are other reserves totalling £0.182m within Housing which are not tied to external funder requirements, namely the Supporting People reserve £0.177m (YR42I) and £0.005m (YR42G) for the funding of beetle removal. For both of these, in the absence of the reserves, alternative funding streams will be explored by Housing prior to agreeing to any significant commitment in spend.				

CHILDRENS SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	50,638,040	52,295,836	1,657,796	R

Learning & Skills	Portfolio Holder Children and Young People	22,734,370	23,555,736	821,366	R
The current monitoring position reflects unachieved savings in year totalling £0.693m. £0.430m of unachieved savings relate to delays in implementing staffing reductions in Education Support Services and redesigning back office functions. Of this £0.430m, £0.275m of unachieved savings relates to Services that have transferred back into the Council from ip&e Ltd and the original proposal had been to reduce commissioning from ip&e Ltd. Some of this £0.275m should be achieved in year but staffing structures are still being finalised. In addition to this, a £0.263m Savings target was assigned to County Training in 16/17 to reduce the Service's budget from £0.263m to £0 as the Service was due to externalise on 1st April 2016. Due to some ongoing commitments in 2016/17 this saving will not be achieved until 2017/18. Where savings targets have not been realised Service Managers are tasked with bringing forward savings from 2017/18 or identifying alternative proposal, the position should improve in-year.					
There is a one-off overspend of £0.100m forecast in relation to Home to School Transport. This is an estimate based on the additional number of "Academic Days" within 2016/17 compared to the 2015/16 financial year. A net overspend of £0.059m is accounted for by one-off monitoring pressures totalling £0.082m marginally offset by one-off underspends of £0.023m. Lastly a staffing saving has occurred in part this year, earlier than proposed resulting in an ongoing saving of £0.031m.					

Children's Safeguarding	Portfolio Holder Children and Young People	26,990,230	27,829,010	838,780	R
The current monitoring position reflects unachieved savings in year totalling £0.640m. £0.325m of this value is due to a shortfall in increased contributions towards the Council's Early Help provision from other sources where only £0.600m of the targeted £1.000m alternative funding has been secured to date. The gap of £0.075m has been found from a reduction in two Early Help contracts as well as some secondment savings. Furthermore, monitoring of the Council's external residential placements estimates that £0.300m of the targeted £1.100m Savings target is unachieved. This figure can change significantly in-year if the numbers of placements increase or decrease. The Service has managed to reduce costs in this area through ongoing careful management of placements and efficiencies have been realised through joining the Birmingham and Worcester Fostering Frameworks as well as targeting enhanced contribution from our partners in health and education which has potentially achieved an additional income totalling £0.111m. A further saving target of					

ADULT SERVICES	Full year			RAGY	
	Budget	Forecast	Variance		
	£	£	£		
£0.060m against the Commissioned Early Help budget has only been partially achieved with £0.015m slipping to 2017/18.					
An ongoing budget pressure of £0.295m within Case Management caused by Agency Staffing costs has been identified. We have put in additional temporary capacity to address high workloads of social workers. This is in line with actions agreed in the peer review action plan and therefore quality and performance. This pressure has reduced since 2015/16 and there is an assumption that all Social Worker vacancies will be recruited by September. There is also an ongoing pressure relating to Leaving Care Allowances of £0.334m within the 16+ Team.					
This is partially offset by bringing forward £0.200m of 2017/18 proposed savings that will be achieved by a restructure of Children's Centres staffing, and by some smaller in year one-off savings on contracts and vacancy management totalling £0.230m.					
Children's Services Management	Portfolio Holder Children and Young People	913,440	911,090	(2,350)	
Minor Variation from Budget as Projected at Period 3.					

COMMISSIONING	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	81,068,740	80,673,834	(394,906)	Y
Director of Commissioning	Portfolio Holder Leisure and Culture	731,510	731,515	5
Minor Variation from Budget as Projected at Period 3.				
Director of Commissioner Total	731,510	731,515	5	
Local Commissioning	Portfolio Holder Rural Services and Communities	500,230	500,203	(27)
Minor Variation from Budget as Projected at Period 3.				
Community Working	Portfolio Holder Rural Services and Communities	815,660	814,821	(839)
Minor Variation from Budget as Projected at Period 3.				
Procurement	Portfolio Holder Corporate Support	172,900	170,592	(2,308)
Minor Variation from Budget as Projected at Period 3.				
Commissioning Support	Portfolio Holder Corporate Support	4,970	(19,197)	(24,167)

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Minor Variation from Budget as Projected at Period 3.					
Local Commissioning Total		1,493,760	1,466,419	(27,341)	Y
Area Commissioner North – Positive Activities	Portfolio Holder Children and Young People	0	0	0	G
Minor Variation from Budget as Projected at Period 3.					
Area Commissioner North - Libraries	Portfolio Holder Leisure and Culture	3,638,320	3,753,530	115,210	R
Consultations on opening hours and the management and administration restructure were slightly delayed but have now taken place. Implementation of the savings will follow, with the reductions in opening hours subject to Cabinet approval on 27th July.					
Area Commissioner North - Waste	Portfolio Holder Planning, Housing, Regulatory Services and Environment	29,478,560	29,182,937	(295,623)	Y
Examination of the 2015/16 annual reconciliation has identified several areas of expenditure where the rebate due to the council is greater than originally forecast.					
Area Commissioner North	Portfolio Holder Planning, Housing, Regulatory Services and Environment	142,260	141,562	(698)	Y
Minor Variation from Budget as Projected at Period 3.					
Area Commissioner North Total		33,259,140	33,078,029	(181,111)	Y
Area Commissioner South – Environmental Maintenance	Portfolio Holder Highways & Transportation	26,687,430	26,763,292	75,862	G
In year pressures have resulted from staffing issues relating to long term sickness. One off training costs are forecast in order to try to attract a higher level of DfT funding in future years.					
Area Commissioner South – Highways & Transport	Portfolio Holder Highways & Transportation	4,004,120	3,957,201	(46,919)	Y
The current forecast was prepared prior to the news that GHA Coaches had gone into administration. Whilst there is already a considerable savings target to be delivered within Public Transport, the alternative arrangements following the collapse of GHA will, most likely, have a detrimental impact on forecast expenditure. The underspend, as currently shown in the forecast, is as a result of additional projected income within the Streetworks team (although still early in the year).					
Area Commissioner South – Passenger Transport	Portfolio Holder Highways & Transportation	643,540	643,540	0	G
Minor Variation from Budget as Projected at Period 3.					
Area Commissioner South – Leisure	Portfolio Holder Leisure and Culture	3,349,610	3,386,479	36,869	G
The majority of the variance relates to the leisure facilities that are managed in-house, where income is projected to be lower than budgeted for and the transfer of Idsall Leisure Centre to school management has been delayed.					
Area Commissioner South	Portfolio Holder Highways and Transportation	192,610	192,588	(22)	Y
Minor Variation from Budget as Projected at Period 3.					
Area Commissioner South Total		34,877,310	34,943,100	65,790	G

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Business Growth & Prosperity – Arts	Portfolio Holder Leisure and Culture	95,230	101,530	6,300	G
Minor Variation from Budget as Projected at Period 3.					
Business Growth & Prosperity – Development Management	Portfolio Holder Planning, Housing, Regulatory Services and Environment	142,600	83,311	(59,289)	Y
Although it is still very early in the year, income within Development Management is projected to be greater than the budgeted level.					
Business Growth & Prosperity – Economic Growth	Portfolio Holder Business and Economy	820,970	816,108	(4,862)	Y
Minor Variation from Budget as Projected at Period 3.					
Business Growth & Prosperity - Visitor Economy	Portfolio Holder Leisure and Culture	1,678,990	1,701,291	22,301	G
Minor Variation from Budget as Projected at Period 3.					
Business Growth & Prosperity - Outdoor Recreation	Portfolio Holder Leisure and Culture	1,523,350	1,510,793	(12,557)	Y
Minor Variation from Budget as Projected at Period 3.					
Business Growth & Prosperity - Theatre Severn	Portfolio Holder Leisure and Culture	551,420	421,733	(129,687)	Y
Although it is still very early in the year, Theatre income is projected to over-achieve the budgeted level for a further successive year.					
Business Growth & Prosperity - Infrastructure & Growth	Portfolio Holder Business and Economy	96,640	96,640	0	G
Minor Variation from Budget as Projected at Period 3.					
Business Growth & Prosperity –Planning Policy	Portfolio Holder Planning, Housing, Regulatory Services and Environment	479,770	498,811	19,041	G
Minor Variation from Budget as Projected at Period 3.					
Business Growth & Prosperity – Public Protection	Portfolio Holder Planning, Housing, Regulatory Services and Environment	5,174,920	5,081,424	(93,496)	Y
Income is projected to significantly over-achieve the budgeted level, partly due to securing new income streams.					
Business Growth & Prosperity – Management	Portfolio Holder Leisure and Culture	143,130	143,130	0	G
Minor Variation from Budget as Projected at Period 3.					
Business Growth & Prosperity Total		10,707,020	10,454,771	(252,249)	Y

PUBLIC HEALTH	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	1,806,560	2,139,811	333,251	R

Public Health	Portfolio Holder Health & Wellbeing	1,806,560	2,139,811	333,251	R
The reported £0.333m deficit is due to the impact of the removal of reserves which are at risk of being transferred to central control. Plans were in place for the full £2.1m Public Health Reserve to be committed in 2016/17 however dialogue is ongoing within the service area to establish if some of the projects can be delayed or delivered through another mechanism. The current estimate at Quarter 1 suggests an overspend of £0.333m will remain within the service as projects have already been committed to, therefore further work will continue to establish if this resulting cost pressure can be mitigated.					

RESOURCES & SUPPORT	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	6,323,900	6,963,985	640,085	R

Commercial Services	Portfolio Holder Corporate Support	3,379,050	3,440,606	61,556	A
Overspends in Commercial Services excluding Shire Services totalled £0.062m. This includes one-off unbudgeted income (£0.060m), and further staffing efficiencies (£0.116m). An underspend has been identified within Sustainability (£0.051m) because of increasing Solar PV income. Corporate Landlord has projected overspends of £0.289m which are predominantly unbudgeted expenditure items, offset by savings from the disposals of buildings (£0.187m).					
Customer Involvement	Portfolio Holder Corporate Support	(257,640)	470,551	728,191	R
There are delayed savings from within Customer Services and Face to Face of £0.228m, these are currently being offset by planned saving of (£0.195m) in relation to vacancy management across Benefits, SLA and Customer Services. Additionally there is also the loss of external income within CSC creating a further pressure of £0.099m. Savings in relation to the Credit Union Contract of £0.072m have been delayed, and alternatives are being investigated. Additional savings of (£0.079m) have been identified in relation to staffing savings across Marketing & Engagement and Service Management, which are being offset against pressures within IT Services. Budget pressures within IT Services continue to be experienced, these relate to the delayed savings expected from the Lync rollout £0.120m, and licensing pressures continue to result in an overspend £0.467m, these are partly offset by in-year savings of (£0.047m) from reduced system costs, and (£0.024m) from vacancy management and traded income. There are also pressures within the costs of the MFD Fleet £0.064m, and various budget pressures across all services of £0.024m solutions are currently being investigated.					
Finance, Governance & Assurance	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	1,698,400	1,698,810	410	G
Pressures within Revenues & Benefits (£0.100m) have been offset against reported underspends in staffing efficiencies across various teams (£0.026m). Budgets of £0.072m have also been identified as no longer required.					

RESOURCES & SUPPORT		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		6,323,900	6,963,985	640,085	R
Human Resources & Development	Portfolio Holder Corporate Support	661,410	621,077	(40,333)	Y
Staffing efficiencies of (£0.088m) have been identified across HR&D Services. A savings target of £0.115m in Employment Services is being offset by some savings due to the cancellation of BT Cloud contract (£0.013m) alongside some additional non-budgeted income. Business Design and 360 Communications Teams have contributed a further (£0.083m) predominantly through vacancy management savings.					
Legal, Democratic & Strategy	Portfolio Holder Corporate Support	527,330	480,236	(47,094)	Y
Underspends identified through vacancy management within Committee Services of (£0.031m), with a further (£0.029m) identified across Members Services. Staffing efficiencies within Legal Services of (£0.014m) have been offset against lost income of £0.030m.					
Strategic Management Board	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	315,350	252,705	(62,645)	Y
Vacancy management savings have been identified across the service of (£0.069m) this has been offset by a small overspend on subscriptions costs within the service.					

CORPORATE		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		(21,640,560)	(22,123,044)	(482,484)	Y
Corporate Budgets	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	(21,640,560)	(22,123,044)	(482,484)	Y
Within corporate budgets, a £0.377m reduction in MRP has been identified along with some staffing efficiencies (£0.045m), and increased income of £0.073m.					

Appendix 2**Amendments to Original Budget 2016/17**

	Total £'000	Adult Services £'000	Children's Services £'000	Commissi oning £'000	Public Health £'000	Resources & Support £'000	Corporate £'000
Original Budget as agreed by Council	204,527	86,330	50,535	81,082	1,807	6,294	(21,521)
<u>Quarter 1</u>							
Inflation for LETS	0	0	76	0	0	0	(76)
Realignment of Commercial Services budget	0	0	0	0	0	47	(47)
Other minor changes	0	0	27	(13)	0	(18)	4
Revised Budget	204,527	86,330	50,638	81,069	1,807	6,324	(21,640)