

## REVENUE MONITORING REPORT - PERIOD 4 2013/14

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### 1. Summary

The report sets out the Revenue forecast for 2013/14 as at Period 4 and identifies management actions being undertaken to ensure a balanced budget at the end of this financial year.

As at Period 4 the in year savings targets have not been fully identified, reflecting the projected overspend position for the year. Each Service Area has made good progress against their savings target, however further work will be undertaken over the coming months to ensure that further saving proposals are identified and delivered in full in the current financial year.

The key issues highlighted by this report are that:

- The projected outturn is an overspend of £2.699m.
- The projected General Fund Balance as at 31 March 2014 is £9.933m.

### 2. Recommendations

It is recommended that Members:

- Note that at the end of Period 4 (2 August 2013), the full year forecast is a potential overspend of £2.699m;
- Consider the impact of this on the Council's General Fund Balance.
- Recommend to Full Council the approval of the virements relating to in-year savings of £10m to fund known budgetary pressures as outlined in Appendix 4:

	In Year Savings	Known Budgetary Pressures
Commissioning	-£2.336m	
Adult Services	-£3.023m	+£8.800m
Children's Services	-£1.556m	+£1.000m
Public Health	-£0.010m	
Resources & Support	-£3.075m	+£0.200m
	<u>-£10.000m</u>	<u>+£10.000m</u>

- Recommend to Full Council the approval of the increase in the gross revenue budget reflecting additional schools funding obtained as detailed in Paragraph 6.2.
- Approve that Shropshire Council act as accountable body for the Community Covenant Grant Scheme.

## 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)

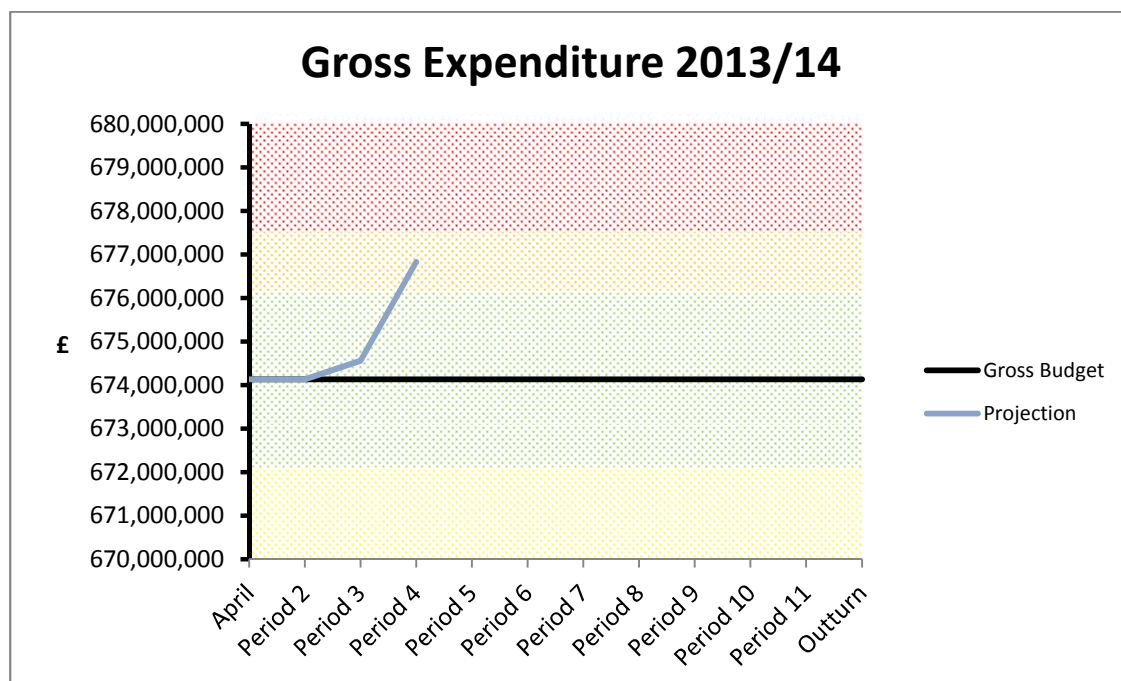
Yellow    Underspend more than 1% (or £50k if budget less than £5m)

Variances categorised as red will be reported every month 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 4, shows a potential overspend of £2.699m (0.4%) on a gross budget of £674m (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, which currently shows only the first projection as reported in this monitor. 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 4 the projected year end overspend of £2.699m is falling within the amber banding, indicating that further management action is required to identify sufficient in year savings to deliver a balanced budget.



- 6.2 During Period 4 there have been some virements affecting the gross expenditure and income budgets. The most significant increase relates to additional funding that Schools have applied for since the budget book was agreed in February, and this has now been applied to schools expenditure budgets accordingly. Further changes to schools budgets are expected during the course of the year as schools secure additional funding towards their key activities, therefore the Council's gross expenditure budget is likely to fluctuate each month.
- 6.3 The table below also reflects virements relating to in year savings targets that were agreed by each Director and Portfolio Holder in order to reallocate funding to known budgetary pressures. In accordance with Financial Rules, Cabinet are asked to recommend that Council approve the virements laid out in Appendix 4.

**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	(2,407)	123,337
Adult Services	91,826	5,777	97,603
Childrens Services	268,045	18,504	286,549
Public Health	9,760	(10)	9,750
Resources & Support	158,484	(1,593)	156,891
	653,859	20,271	674,130

Service Area	Original Budget £'000	Net Virements £000	Revised Budget £000
<b>Gross Income</b>			
Commissioning	(28,119)	73	(28,046)
Adult Services	(28,548)	0	(28,548)
Childrens Services	(206,111)	(19,071)	(225,182)
Public Health	(9,333)	0	(9,333)
Resources & Support	(150,216)	(1,273)	(151,489)
	(422,327)	(20,271)	(442,598)
<b>Net Expenditure</b>			
Commissioning	97,625	(2,334)	95,291
Adult Services	63,278	5,777	69,055
Children's Services	61,934	(567)	61,367
Public Health	427	(10)	417
Resources & Support	8,268	(2,866)	5,402
<b>TOTAL</b>	<b>231,532</b>	<b>0</b>	<b>231,532</b>

- 6.4 The projected overspend of £2.699m 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	95,291	95,291	0	Y
Adult Services	69,055	70,969	1,914	R
Childrens Services	61,367	62,146	779	A
Public Health	417	395	(22)	Y
Resources & Support	5,402	5,429	27	G
<b>TOTAL</b>	<b>231,532</b>	<b>234,231</b>	<b>2,699</b>	<b>A</b>

- 6.4. The main reason for the overspend position at Period 4 is that the in year savings targets that have been allocated to each Service Area have not been fully identified. Each service area has made good progress on identifying savings towards their target, but further work is required to ensure that further saving proposals are identified and delivered in full in the current financial year.
- 6.5. Additional service pressures are also being identified that need to be managed, and in period 4 there are two service areas with significant expenditure pressures that are RAG rated as red, and one service area with an amber rating which are detailed below in Table 3.

**Table 3: Service Areas with Significant Variations**

Service Area	Projected Variance	Brief Description
<b>Service Areas with projected Variances of Over 2% or £100k</b>		
Service Support, Marketing & Engagement	+ £138,536	Income shortfall from Print Unit partially offset by staffing savings from the restructure of the service.
Customer Care and Support Services	+£188,827	Income shortfall within Property Services and 2013/14 savings targets not fully delivered. Partially offset by compensatory savings.

Service Area	Projected Variance	Brief Description
<b>Service Areas with Projected Overspend between 1%-2% or £50k-£100k</b>		
Programme Management, Systems & Transition	+ £93,901	Costs of broadband provision not fully offset by compensatory savings.

6.6. Further details on the projected variances are provided in Appendix 2.

## 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
Release of Council Tax Subsidy underspend	(500)
Shortfall in budgetary savings	(282)
This report – projected outturn (overspend)	(2,699)
<b>Projected Balance at 31 March 2014</b>	<b>9,933</b>

7.2 The projected General Fund Balance at 31 March is significantly below the level anticipated within the Financial Strategy due to the level of the current overspend (£2.699m). While the overspend is only an early indication, and is a 0.4% variance compared to Gross Revenue Budget, this emphasises that further work is required to identify the in year savings targets for each service area to ensure that the Council's budget Strategy is not compromised.

## 8. External Funding

8.1 Shropshire Council has been asked to act as the accountable body for a Community Covenant Grant Scheme on behalf of the Community Covenant Partnership. In accordance with Financial Rules, Cabinet approval is requested to approve that Shropshire Council act as the accountable body for the scheme detailed below.

## 8.2 Community Covenant Grant Scheme

The Community Covenant Grant Scheme aims to provide financial support to projects at a local level in order to strengthen ties between the Armed Forces Community and the wider community in which they live. Applications for funding will be submitted to the Shropshire Armed Forces Community Covenant Partnership for initial assessment and then submitted to the MOD for final approval. If approved, grants can only be released to the relevant local authority who will distribute the grant accordingly and act in the role of accountable body.

The Community Covenant Partnership will be responsible for ensuring that the grant is used as originally specified and that evidence of the expenditure is retained. As accountable body Shropshire Council will need to confirm that the Partnership is meeting the terms and conditions of the grants awarded and any grant guidance issued by the MOD.

<p><b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b></p> <p>Revenue &amp; Capital Budget 2012/13 Financial Rules Revenue Monitoring Report - Period 3 2013/14</p>
<p><b>Cabinet Member (Portfolio Holder)</b> Keith Barrow - Leader</p>
<p><b>Local Member</b> All</p>
<p><b>Appendices</b> 1 – Service Area Pressures and Actions 2013/14 2 – Service Area Variances 3 – Amendments to Original Budget 2013/14 4 – In Year Saving and Known Budgetary Pressure Virements</p>

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

	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Commissioning</b>	95,291,426	95,291,364	(62)	<b>Y</b>
<b>Adult Services</b>	69,054,950	70,969,399	1,914,449	<b>R</b>
<b>Children Services</b>	61,367,114	62,145,988	778,874	<b>A</b>
<b>Public Health</b>	416,792	394,935	(21,857)	<b>Y</b>
<b>Resources &amp; Support</b>	5,401,898	5,429,022	27,124	<b>G</b>
<b>Total</b>	<b>231,532,180</b>	<b>234,230,708</b>	<b>2,698,528</b>	<b>A</b>

Detail

COMMISSIONING	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Commissioning</b>	97,627,210	95,291,364	(2,335,846)	
<b>Director of Commissioning – In Year Savings</b>	(2,335,784)	0	2,335,784	
<b>Total</b>	<b>95,291,426</b>	<b>95,291,364</b>	<b>(62)</b>	<b>Y</b>

<b>Director of Commissioning - Libraries</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	4,547,310	4,379,902	(167,408)	<b>Y</b>
There are small projected savings across most libraries and staffing savings contributing to the £167k net saving.					
<b>Director of Commissioner Total</b>		<b>4,547,310</b>	<b>4,379,902</b>	<b>(167,408)</b>	<b>Y</b>

<b>Area Commissioner North - Partnerships</b>	<b>Portfolio Holder Business Growth</b>	247,300	245,811	(1,489)	<b>Y</b>
Small projected underspend on salaries.					
<b>Area Commissioner North – Positive Activities</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding</b>	1,269,380	1,266,820	(2,560)	<b>Y</b>
Small projected underspend on salaries and delivery of activities in the South area.					
<b>Area Commissioner North – Community Action</b>	<b>Portfolio Holder Growth, Profitability and IP&amp;E</b>	1,693,200	1,689,010	(4,190)	<b>Y</b>
The forecast underspend of £35k is due to staffing savings through vacancy management. This saving has been partially offset by expenditure on local commissioning activity.					
<b>Area Commissioner North - Waste</b>	<b>Portfolio Holder Business Growth</b>	27,787,790	26,932,22	(855,668)	<b>Y</b>
A thorough review of all budgets has identified savings in Bereavement Services of £25k and Waste Services £829k. Bereavement savings relate to efficiencies gained since transferring services to external provider and Waste Savings relate to forecast tonnage efficiencies.					
<b>Area Commissioner North Total</b>		<b>30,997,670</b>	<b>30,133,763</b>	<b>(863,907)</b>	<b>Y</b>

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Area Commissioner South – Environmental Maintenance</b>	<b>Portfolio Holder Highways Transport Commissioning</b>	25,930,730	25,620,419	(310,311)	<b>Y</b>
Vacancies and reduction in overtime to the value of £310k have been identified across Street Scene and Highways personnel.					
<b>Area Commissioner South – Highways &amp; Transport</b>	<b>Portfolio Holder Highways Transport Commissioning</b>	6,126,370	6,112,257	(14,113)	<b>Y</b>
Forecast car park income is down by £530k, this has been offset by reduced expenditure on Transport Initiatives and Concessionary Fares, staffing savings, together with increased income from Highways closures and penalties.					
<b>Area Commissioner South – Passenger Transport</b>	<b>Portfolio Holder Highways Transport Commissioning</b>	782,730	731,235	(51,495)	<b>Y</b>
There are a number of planned vacancies within the service generating a saving against the budget.					
<b>Area Commissioner South – Arts</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	302,470	287,910	(14,560)	<b>Y</b>
The service is currently projecting an underspend on grants in line with 12/13 outturn.					
<b>Area Commissioner South – Sports</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	402,810	377,740	(25,070)	<b>Y</b>
Due to a vacancy and reduced hours an overall underspend of £25k is forecast.					
<b>Area Commissioner South – Leisure</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	4,528,320	4,516,775	(11,545)	<b>Y</b>
There has been unforeseen spend on repairs and maintenance at South Shropshire leisure centre, and a delay in the transfer of Lakelands leisure centre to the Lakelands school. These pressures have been offset by a rates refund of £48,000 at Bishops Castle SPARC resulting in an overall underspend of £11.5k.					
<b>Area Commissioner South Total</b>		<b>38,073,430</b>	<b>37,646,336</b>	<b>(427,094)</b>	<b>Y</b>

<b>Public Protection &amp; Enforcement – Healthier People &amp; Communities</b>	<b>Portfolio Holder Business Growth</b>	1,781,980	1,764,077	(17,903)	<b>Y</b>
The majority of this forecast underspend is due to vacancy management.					
<b>Public Protection &amp; Enforcement – Healthier &amp; Sustainable Environment</b>	<b>Portfolio Holder Business Growth</b>	1,249,770	1,210,806	(38,964)	<b>Y</b>
The forecast underspend is due to vacancies (£30k), additional decriminalised parking enforcement waiving fees (£4k) and a reduction in vehicle costs (£5k).					
<b>Public Protection &amp; Enforcement – Safer &amp; Stronger Communities</b>	<b>Portfolio Holder Business Growth</b>	1,231,170	1,206,394	(24,776)	<b>Y</b>
The service is currently forecasting an overspend on repairs and maintenance, taxi plate costs. The service is also forecasting reduced income for cycle training and gambling licences. These pressures have been offset by vacancy management and increases in external income.					
<b>Public Protection &amp; Enforcement – Public Protection Management</b>	<b>Portfolio Holder Business Growth</b>	921,030	959,746	38,716	<b>G</b>
The forecast overspend is due to redundancy costs, subscriptions and casual allowances.					
<b>Public Protection – Housing Health</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	7,641,950	7,095,896	(546,054)	<b>Y</b>
The majority of this forecast underspend is due to vacancy management within housing health.					
<b>Public Protection &amp; Enforcement Total</b>		<b>12,825,900</b>	<b>12,236,919</b>	<b>(588,981)</b>	<b>Y</b>



COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Business Growth &amp; Prosperity - Enterprise &amp; Business</b>	<b>Portfolio Holder Growth, Profitability and IP&amp;E</b>	1,453,160	1,355,227	(97,933)	<b>Y</b>
There are planned vacancies within the service 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>	2,563,610	2,547,760	(15,850)	<b>Y</b>
There are a number of areas where anticipated income will be down, however this is offset by staffing savings and careful management of expenditure budgets.					
<b>Business Growth &amp; Prosperity - Outdoor Recreation</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	2,732,350	2,701,423	(30,927)	<b>Y</b>
Staffing savings have been generated within this service.					
<b>Business Growth &amp; Prosperity - Theatre Severn</b>	<b>Portfolio Holder Leisure, Libraries, Culture, Commissioning</b>	686,930	680,230	(6,700)	<b>Y</b>
There are a number of minor variations, with a small overall underspend.					
<b>Business Growth &amp; Prosperity - Infrastructure &amp; Growth</b>	<b>Portfolio Holder Growth, Profitability and IP&amp;E</b>	(60,880)	32,727	93,607	<b>A</b>
There has been a reduction in income and increased expenditure on repairs & maintenance for Workshops. This is mitigated by planned savings in 'Enterprise and Business' (please see above).					
<b>Business Growth &amp; Prosperity - Sustainability</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	1,676,550	1,657,780	(18,770)	<b>Y</b>
Additional external income has been generated and staffing savings resulting in an £19k underspend.					
<b>Business Growth &amp; Prosperity - Development Management</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	1,163,330	1,034,661	(128,669)	<b>Y</b>
Vacancies and (net) reduced income.					
<b>Business Growth &amp; Prosperity - Planning Policy</b>	<b>Portfolio Holder Built Environment: Strategic Planning, Planning, Housing - Local Commissioner</b>	967,850	884,636	(83,214)	<b>Y</b>
The forecast underspend is due to vacancy management and reduced expenditure.					
<b>Business Growth &amp; Prosperity Total</b>		<b>11,182,900</b>	<b>10,894,444</b>	<b>(288,456)</b>	<b>Y</b>

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Adult Services	72,078,020	70,969,399	(1,108,621)	
Director of Adult Services - In Year Savings	(3,023,070)	0	3,023,070	
<b>Total</b>	<b>69,054,950</b>	<b>70,969,399</b>	<b>1,914,449</b>	<b>R</b>

<b>Social Care Operations</b>	<b>Portfolio Holder Adult Services Transformation and Safeguarding</b>	55,948,370	55,991,249	42,879	<b>G</b>
A substantial pressure continues to be seen on the demand for social care funded support. The majority of this is being seen within Long Term Support for Older People and Learning Disability residential services. Further detailed work is being undertaken to understand the demand and costs and review costs wherever possible. In year savings of £1.245m have been included.					
<b>Social Care Efficiency &amp; Approval</b>	<b>Portfolio Holder Adult Services Transformation and Safeguarding</b>	15,102,440	13,937,982	(1,164,458)	<b>Y</b>
Overall the service is expecting to underspend by £261k, this is due to day service transformation savings forecast of £549k. The savings have however been reduced in part by increases in costs on Mental Health services. Further analysis will be done in preparation for the next monitoring report to clarify this pressure. In year savings of £0.903m have been included.					
<b>Adult Services Management</b>	<b>Portfolio Holder Adult Services Transformation and Safeguarding</b>	1,027,210	1,040,168	12,958	<b>G</b>
Overspend on staffing budgets.					

CHILDRENS SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Childrens Services	62,923,450	62,145,988	(777,462)	
Director of Children's Services - In Year Savings	(1,556,336)	0	1,556,336	
<b>Total</b>	<b>61,367,114</b>	<b>62,145,988</b>	<b>778,874</b>	<b>A</b>

<b>Learning &amp; Skills</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding</b>	34,896,270	34,637,592	(258,678)	<b>Y</b>
The main areas of overspend are; Schools broadband which is expected to cost £500k with £250k being funded by Learning & Skills (L&S) and £250k funded by IT. There is also a £250k assumption on L&S proportion of LACSEG recoupment due to 5 new Academies so far in 13/14 (will increase if further schools convert). This has been offset in part by applying a £500k grant carried forward from 2012/13, £200k saving on revaluation of business rates on schools and staffing savings of £120k.					
<b>Children's Safeguarding</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services Transformation and Safeguarding</b>	28,027,180	27,508,396	(518,784)	<b>Y</b>
Safeguarding overspend of £1.7m including an in month increase of £153k in forecast cost of out of county placements. This has been offset by a £200k underspend on Youth Justice, £258k Children centre underspend, £400k Care & Wellbeing EIG carry forward, Joint Commissioning underspend £26k, supported lodging saving of £180k and staffing saving of £150k.					

CHILDRENS SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Childrens Services	62,923,450	62,145,988	(777,462)	
Director of Children's Services - In Year Savings	(1,556,336)	0	1,556,336	
<b>Total</b>	<b>61,367,114</b>	<b>62,145,988</b>	<b>778,874</b>	<b>A</b>

PUBLIC HEALTH	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Public Health	427,090	394,935	(32,155)	
Director of Public Health - In Year Savings	(10,298)	0	10,298	
<b>Total</b>	<b>416,792</b>	<b>394,935</b>	<b>(21,857)</b>	<b>Y</b>

<b>Public Health</b>	<b>Portfolio Holder Health</b>	427,090	394,935	(32,155)	<b>Y</b>
Savings have been identified from services not within ring-fenced grant funding - Emergency Planning have found £32k in year efficiencies. £10.3k of these savings are deemed on-going will be used to meet the Public Health in year savings target.					

RESOURCES & SUPPORT	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Resources & Support	8,476,410	5,429,022	(3,047,388)	
Director of Resources & Support - In Year Savings	(3,074,512)	0	3,074,512	
<b>Total</b>	<b>5,401,898</b>	<b>5,429,022</b>	<b>27,124</b>	<b>G</b>

<b>Strategy, Research &amp; Performance</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	647,590	484,514	(163,076)	<b>Y</b>
Staffing vacancies and additional income have been identified which will be used to contribute towards the in year savings for the Resources & Support.					
<b>Legal &amp; Democratic</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	1,711,200	1,476,560	(234,640)	<b>Y</b>
There is an overall saving of £102k on salaries in legal, Committee Services and the Information Governance Team. There is a further saving of £151k on member allowances. Of this £18k is being used to fund an overspend on legal involvement in childcare cases team. The balance of £235k goes towards the in year savings target for Resources & Support.					
<b>Programme Management, Systems &amp; Transition</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	799,790	893,691	93,901	<b>A</b>
The pressure on this area relates to the costs of the schools broadband service, which is currently estimated to be in the region of £250k. There are other smaller pressures on software costs and income targets totalling £16k. These pressures are being offset by staffing savings of £167k and licence cost savings of 6k reducing the overspend to £94k. Work is being undertaken to identify further savings.					
<b>Human Resources</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	42,840	(85,392)	(128,232)	<b>Y</b>
There is an overspend of £34k on the health & safety team due to internal recharge income no longer being received. This overspend is being reduced by an overall saving in HR. HR are currently being restructured with savings of £100k identified and further savings identified within HR bring the underspend to £128k.					

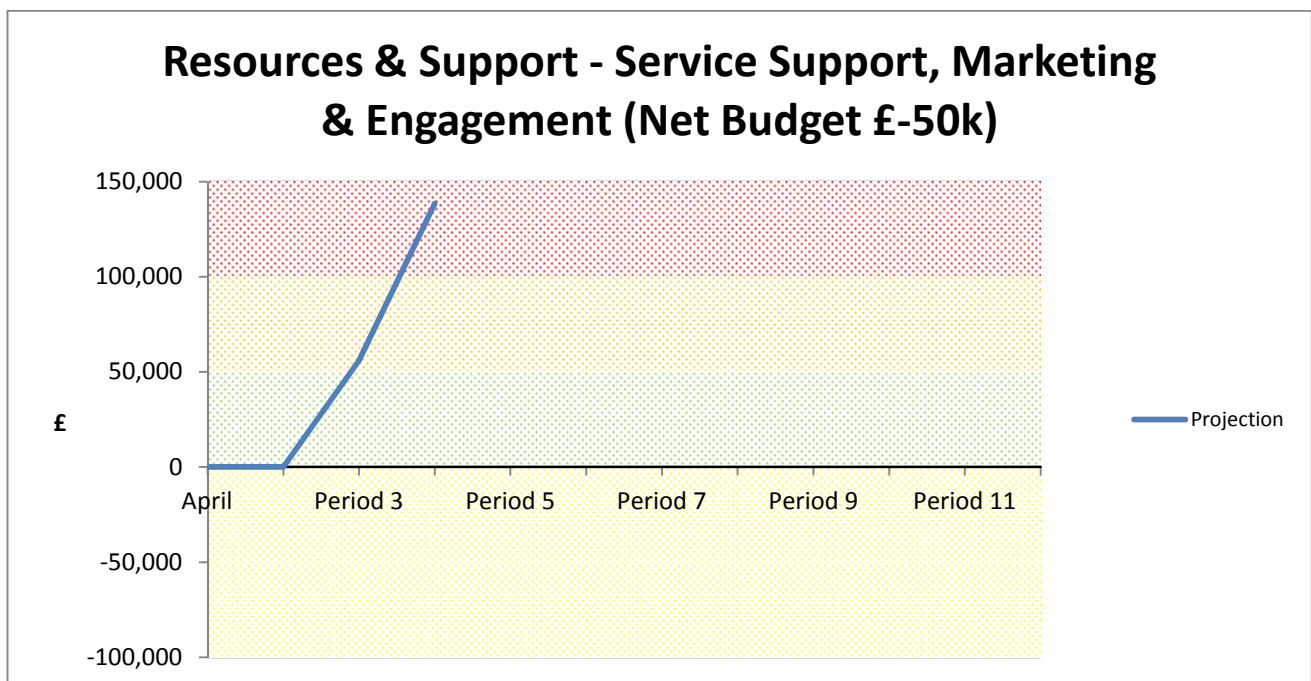
RESOURCES & SUPPORT		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Service Support, Marketing &amp; Engagement</b>	<b>Leader of the Council (Reputation Management and Communications)</b>	(49,760)	88,776	138,536	<b>R</b>
There is a £240k forecast overspend on the Print Unit due to the budgeted income target not being achieved. Work is being undertaken to redesign the service and review costs to reduce this overspend but further work is needed before the forecast can be adjusted. Further savings will also be achieved across the service to help reduce this overspend.					
<b>Customer Care and Support Services</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	6,527,370	6,716,197	188,827	<b>G</b>
The Shared Services Property Specialists income targets will not be met with only £420k of the £800k income target achievable. There is also £450k savings target yet to be achieved within Property services, to date £191k has been identified partly from staffing savings, £259k yet to be identified. This is being partially offset by staffing savings in Benefits (£89k) and Customer Services (£94k). Work is being undertaken to identify other compensatory savings within the service to bring the budget in balance.					
<b>Finance, Governance &amp; Assurance</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	(1,202,620)	(4,145,324)	(2,942,704)	<b>Y</b>
Staffing savings within Procurement (£115k), Audit (£7k), and PA's (£46k) in addition to savings proposed from the transformation budget (£400k). One off savings of £1.270m are also available from Treasury Management due to MRP savings from setting aside capital receipts during 2012/13 closedown and savings estimated on interest payable. These savings will be used to contribute towards the in year savings target for Resources & Support. Further one off savings of £973k are available due to the application of grant monies.					

**Service Area Variances 2013/14**

Variances have been categorised as follows:

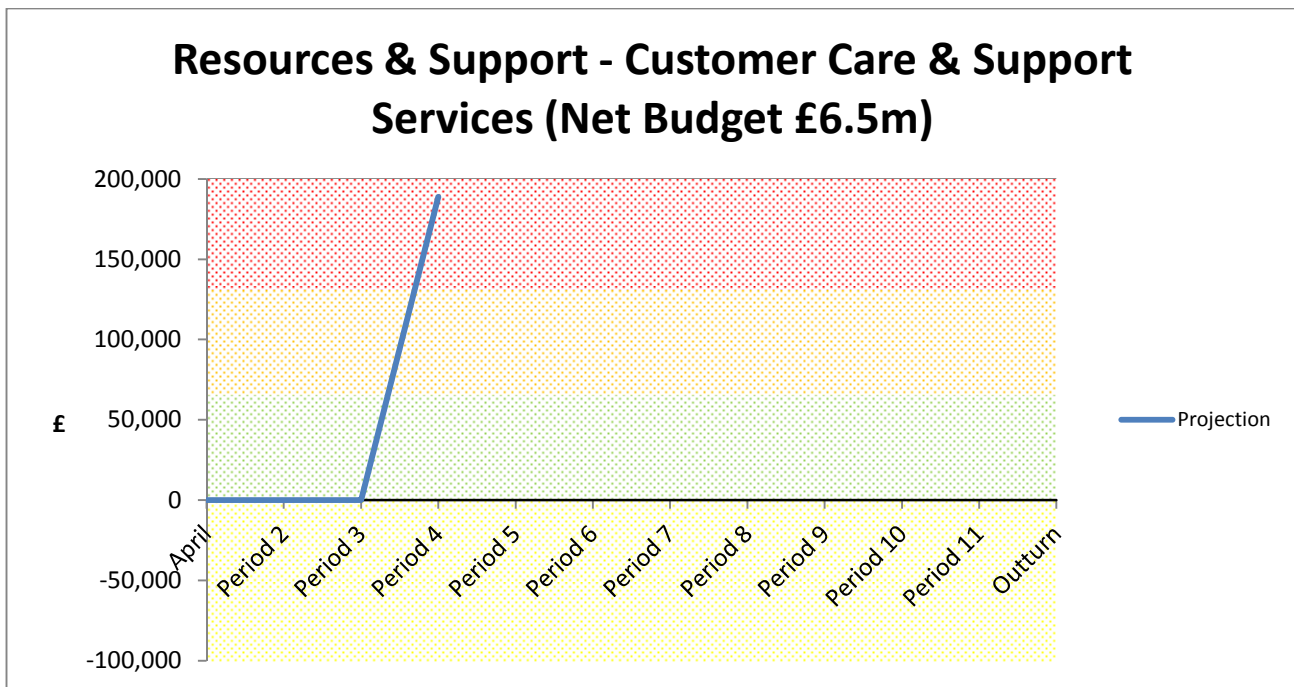
	GREEN Acceptable Variance (Not Reported)	AMBER Variance Reported in Month Identified Only	RED Reported Every Period	YELLOW Variance Reported in Month Identified Only
Net Budget less than £5m	+/- £50k	£50k - £100k	Over £100k	Under £50k
Net Budget greater than £5m	+/- 1%	1% - 2%	Over 2%	Under 1%

**Resources & Support - Service Support, Marketing & Engagement - RED**



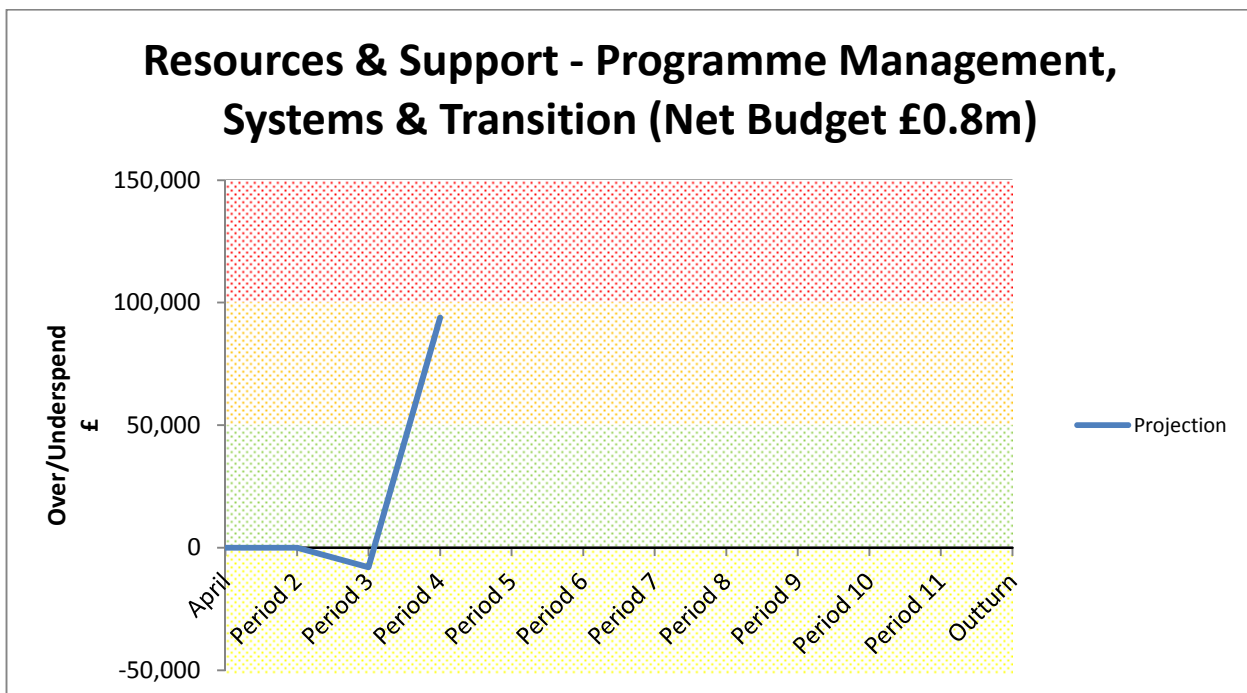
Service Support, Marketing and Engagement are projecting a net overspend of £139k. This includes a £240k shortfall in income relating to the Print Unit. Work has been ongoing to redesign the service and staffing savings are anticipated in 2013/14 to offset this shortfall in income. Further savings are also being identified across the service to help reduce this overspend.

## Resources & Support - Customer Care and Support Services- RED



Customer Care & Support are projecting an overspend of £189k due to a shortfall in income for Property Services and delays in delivering the 2013/14 base budget savings within the service. Compensatory savings have been identified across the service by holding posts vacant in other teams to reduce the budgetary pressure. Further work is being undertaken to identify other in year savings within the service to bring the budget in balance.

## Resources & Support - Programme Management, Systems & Transition- AMBER



Programme Management , Systems and Transition are projecting an overspend of £94k due to corporate broadband costs (£250k). Management action has been taken to restructure services and hold posts vacant in order to deliver savings to offset the budgetary pressure. A further review of budgets will be undertaken to try to reduce this overspend further.

**Appendix 3****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 <u>Period 3</u>	<b>231,532</b>	97,626	63,278	61,933	427	8,268
In Year Savings <u>Period 4</u>	<b>0</b>	(2,336)	5,777	(556)	(10)	(2,875)
Minor budget variations	<b>0</b>	2	0	(10)	0	8
<b>Revised Budget</b>	<b>231,532</b>	<b>95,292</b>	<b>69,055</b>	<b>61,367</b>	<b>417</b>	<b>5,401</b>



**Appendix 4****In Year Saving and Known Budgetary Pressure Virements**

	In Year Savings £	Budgetary Pressures £	Net Virement £
<b>Commissioning</b>			
Director of Commissioning - Libraries	(167,350)		(167,350)
Area Commissioner North - Partnerships	(1,490)		(1,490)
Area Commissioner North – Positive Activities	(2,560)		(2,560)
Area Commissioner North – Community Action	(4,190)		(4,190)
Area Commissioner North - Waste	(855,670)		(855,670)
Area Commissioner South – Environmental Maintenance	(310,310)		(310,310)
Area Commissioner South – Highways & Transport	(14,110)		(14,110)
Area Commissioner South – Passenger Transport	(51,500)		(51,500)
Area Commissioner South – Arts	(14,560)		(14,560)
Area Commissioner South – Sports	(25,070)		(25,070)
Area Commissioner South – Leisure	(11,550)		(11,550)
Public Protection & Enforcement – Healthier People & Communities	(17,900)		(17,900)
Public Protection & Enforcement – Healthier & Sustainable Environment	(230)		(230)
Public Protection & Enforcement – Safer & Stronger Communities	(24,780)		(24,780)
Public Protection – Housing Health	(546,050)		(546,050)
Business Growth & Prosperity - Enterprise & Business	(4,330)		(4,330)
Business Growth & Prosperity - Visitor Economy	(15,850)		(15,850)
Business Growth & Prosperity - Outdoor Recreation	(30,930)		(30,930)
Business Growth & Prosperity - Theatre Severn	(6,700)		(6,700)
Business Growth & Prosperity - Sustainability	(18,770)		(18,770)
Business Growth & Prosperity - Development Management	(128,670)		(128,670)
Business Growth & Prosperity - Planning Policy	(83,210)		(83,210)
	<b>(2,335,780)</b>	<b>0</b>	<b>(2,335,780)</b>
<b>Adult Services</b>			
Social Care Operations	(1,828,290)	8,800,000	6,971,710
Social Care Efficiency & Approval	(1,194,780)		(1,194,780)
	<b>(3,023,070)</b>	<b>8,800,000</b>	<b>5,776,930</b>
<b>Childrens Services</b>			
Learning & Skills	(872,340)		(872,340)
Children's Safeguarding	(684,000)	1,000,000	316,000
	<b>(1,556,340)</b>	<b>1,000,000</b>	<b>(556,340)</b>
<b>Public Health</b>			
Public Health	(10,300)		(10,300)
	<b>(10,300)</b>	<b>0</b>	<b>(10,300)</b>

	<b>In Year Savings £</b>	<b>Budgetary Pressures £</b>	<b>Net Virement £</b>
<b>Resources &amp; Support</b>			
Strategy, Research & Performance	(163,080)		(163,080)
Legal & Democratic	(234,640)		(234,640)
Human Resources	(128,230)		(128,230)
Customer Care and Support Services		200,000	200,000
Finance, Governance & Assurance	(2,548,560)		(2,548,560)
	<b>(3,074,510)</b>	<b>200,000</b>	<b>(2,874,510)</b>
<b>COUNCIL TOTAL</b>	<b>(10,000,000)</b>	<b>10,000,000</b>	<b>0</b>