

## FINANCIAL MONITORING REPORT – QUARTER 1 2018/19

**Responsible Officer** James Walton

Email: james.walton@shropshire.gov.uk

Tel: (01743) 255011

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### 1. Summary

- 1.1 The report sets out the projected revenue expenditure for the whole of 2018/19 as at Quarter 1, and for capital sets out the expenditure up to the end of period Quarter 1. For capital, any budget increases and decreases and any re-profiling of budgets between 2018/19 and future years are also set out for decision making.
- 1.2 The revenue monitoring within this report is based on financial information held for the first three months of the year, extrapolated to year end to produce an estimated outturn position. As the year progresses and further financial information becomes available, the quality of the estimates used within this report are expected to increase.
- 1.3 Variances in the overall projected position for the Council do not yet reflect all management action that can be taken. Management action 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.
- 1.4 The report identifies the current projections on delivery of revenue savings included within the forecast. 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 detail is provided in the report below). As at Quarter 1, evidence suggests that of the £15.541m of proposals to be delivered in 2018/19, £7.751m are rated as green – with a high degree of certainty of being delivered.
- 1.5 The Quarter 1 position indicates that £2.559m of the £15.541m savings planned are categorised as red, and further work is required within service areas to ensure that the total value of savings proposals is fully deliverable within the financial year. Furthermore, additional ongoing service pressures totalling a net value of £7.188m are already being highlighted, which services will need to address alongside delivering their savings. These pressures have been partially offset by the identification of a number of one off savings in year.
- 1.6 The key issues highlighted by this report are that:
  - The projected revenue outturn is an overspend of £6.790m.

- The projected General Fund balance as at 31 March 2019 is £8.521m, which is significantly below the recommended level.
- Management action is required to attempt to bring the budget back into balance, as far as possible. As described below, the variance is currently projected within the 'red zone' and thus above what would be considered a 'reasonable' variance.
- The projected capital outturn is £80.872m, in line with the current budget. This follows a net budget increase of £8.938m in Quarter 1.
- Current capital expenditure of £5.431m, representing 7% of the budget at Quarter 1, with 25% of the year elapsed.

## 2. Recommendations

It is recommended that Members:

- A. Note that at the end of Quarter 1 (30 June 2017), the full year revenue forecast is a potential overspend of £6.790m;
- B. Consider the impact of this on the Council's General Fund balance.
- C. Note that a budget virement as detailed in Appendix 2 that has taken place at period 3 to allocate pay award funding that had not been distributed at budget setting, due to the value of the pay award not having been agreed at that time.

## REPORT

### 3. Background

- 3.1 Budget monitoring reports are produced monthly for Directors, and quarterly for Cabinet, reporting on the period from June (period 2) to February (period 11) of each financial year, highlighting the anticipated year end projection. As in 2017/18, reports for Directors will not be produced at the end of period 4 or period 8 of 2018/19. This will allow the Finance Team to focus on a number of value added activities, particularly Digital Transformation.
- 3.2 The monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling on Capital), forecast any significant variances to the budget, and enable corrective action to be taken to attempt to ensure a balanced budget at year end.
- 3.3 Revenue variances are reported on an exception 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 2018/19, 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

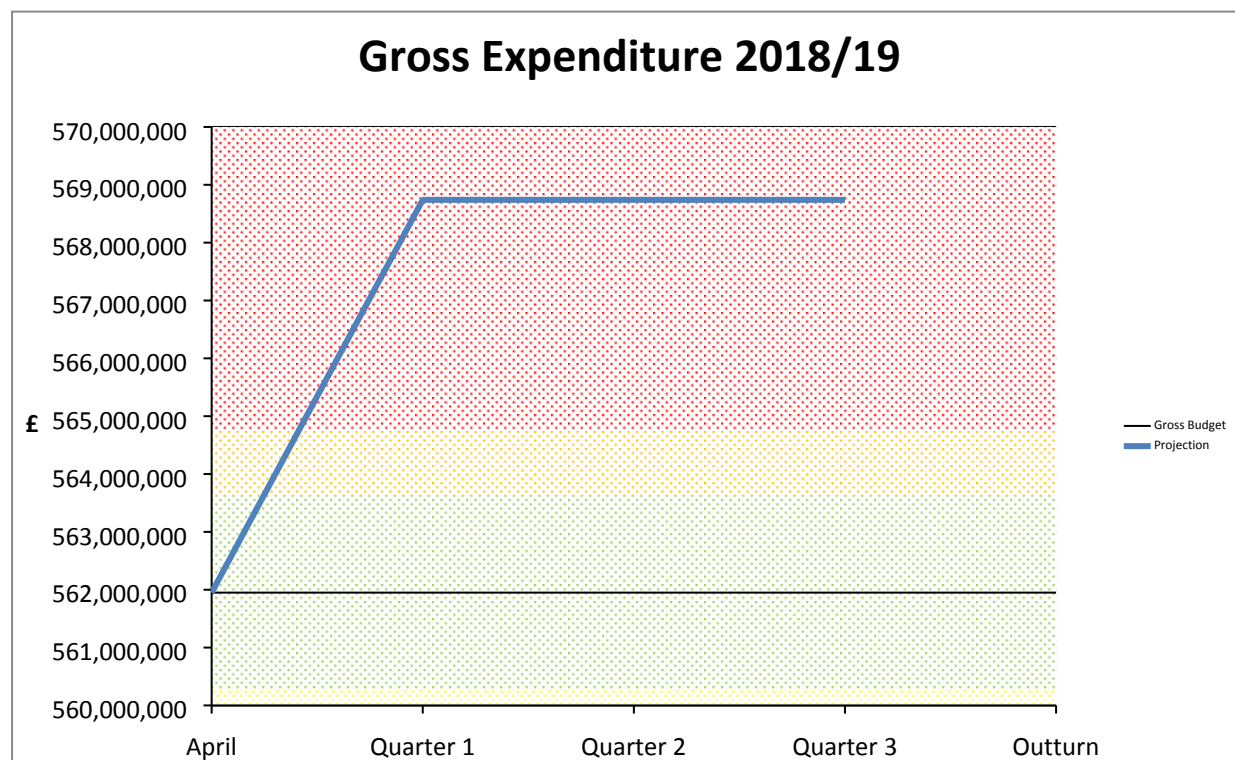
Red – Saving not achieved or unachievable

- 3.5 Capital schemes are also reported on an exception basis, based on being delivered within budget and the expectation of being delivered within scheme timeframe.

#### 4. Revenue Monitoring 2018/19 Budget - Overall Position

- 4.1 The projected revenue forecast for the year at Quarter 1, shows a potential overspend of £6.790m (1.21%) on a gross budget of £561.950m (net £208.768m). The forecast year end position for the Council is revised each Quarter (monthly for Directors) 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. However, at Quarter 1 the projected year end overspend of £6.790m is falling within the red (danger zone) banding as shown in Graph 1 below.

**Graph 1: Projected Outturn Variance to Gross Budget**



- 4.2 The projected overspend of £4.718m for 2018/19 is presented below and analysed in more detail within Appendix 1.

**Table 1: 2018/19 Projected Budget Variations Analysed by Service Area**

Service Area	Revised Budget £'000	Forecast Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	97,995	98,993	998	A
Children's Services	49,673	52,798	3,125	R
Commercial Services	1,176	1,825	649	R
Corporate Budgets	(28,963)	(29,230)	(268)	Y
Finance, Governance & Assurance	1,984	2,370	386	R
Legal & Democratic Services	597	548	(49)	Y
Place	81,613	83,161	1,548	A
Public Health	4,984	5,021	37	G
Strategic Management Board	6	(23)	(29)	Y
Workforce & Transformation	(297)	96	393	R
<b>Total</b>	<b>208,768</b>	<b>215,558</b>	<b>6,790</b>	<b>R</b>

## 5. Update on Savings Delivery

- 5.1 The savings projections for 2018/19 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2018/19 financial year. 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. These are reflected as unachieved within this monitoring report.
- 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. The projected outturn within this report assumes these savings will be delivered (see 4.3 below).
- 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.

**Table 2: Update on Delivery of 2018/19 Savings Proposals**

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	-	337	566	902
Children's Services	1,058	196	389	1,643
Commercial Services	500	2,871	-	3,371
Corporate Budgets	286	214	-	500
Finance, Governance and Assurance	-	200	1,200	1,400
Legal and Democratic Services	-	-	182	182
Place	75	500	5,191	5,766
Public Health	141	193	223	557
Strategic Management Board	-	-	-	-
Workforce and Transformation	499	721	-	1,220
<b>Total Savings</b>	<b>2,559</b>	<b>5,231</b>	<b>7,751</b>	<b>15,541</b>

- 5.2 The figures presented above show that 50% of the 2018/19 savings required have been rated as green with a further 34% with plans in place to be delivered (rated amber). Paragraph 6.2 below provides further detail on the red savings.
- 5.3 Managers 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 savings could impact on the outturn position for 2018/19. As the year progresses, these amber savings should gradually turn to green as the evidence becomes available. However, if the amber rated savings are not delivered as planned, the effect on the outturn position is shown in Table 3 below.
- 5.4 Non-delivery of the amber rated savings would result in a projected outturn of £573.971m, which would fall within the critical zone within Graph 1, representing expenditure over £570.000m

**Table 3: Effect of Non-Delivery of Amber Savings in 2018/19**

	Quarter 1 Projected Variance £'000	Amber Savings £'000	Potential Outturn if Amber Savings not Achieved £'000
Adult Services	998	337	1,335
Children's Services	3,125	196	3,321
Commercial Services	649	2,871	3,520
Corporate Budgets	(268)	214	(54)
Finance, Governance & Assurance	386	200	586
Legal & Democratic Services	(49)	-	(49)
Place	1,548	500	2,048
Public Health	37	193	230
Strategic Management Board	(29)	-	(29)
Workforce & Transformation	393	721	1,114
<b>Total</b>	<b>6,790</b>	<b>5,231</b>	<b>12,021</b>

## 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 2018/19 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	Savings Pressure in 2018/19	Ongoing Monitoring Pressures Identified	Ongoing Monitoring Savings Identified	One Off Monitoring Pressures Identified	One Off Monitoring Savings Identified
	£000	£000	£000	£000	£000	£000
Adult Services Business Support & Development	(210)					(210)
Provider Services	(136)				31	(167)
Social Care Operations	1,331		2,655		338	(1,662)
Adult Services Management	15				15	
Housing Services	(2)				48	(50)
<b>Adult Services</b>	998	-	2,655	-	432	(2,089)
Learning & Skills	734	628	161		46	(100)
Children's Social Care & Safeguarding	2,024	430	1,712		1,201	(1,319)
Early Help, Partnerships and Commissioning	369		532	(111)	4	(56)
Children's Services Management	(3)					(3)
Central DSG	(0)					
<b>Children's Services</b>	3,125	1,058	2,406	(111)	1,250	(1,478)
Corporate Landlord	34		409		116	(491)
Strategic Asset Management	(7)				23	(30)
Property Services	159		290			(130)
Shire Services	(0)	75				(75)
Head of Commercial Services	462	425	37			
<b>Commercial Services</b>	649	500	736	-	139	(726)
Corporate Budgets	(268)	286	2,071	(2,267)		(358)
<b>Corporate Budgets</b>	(268)	286	2,071	(2,267)	-	(358)
Finance, Governance & Assurance	374		568		112	(306)
Commissioning Development & Procurement	12		16			(4)
<b>Finance, Governance and Assurance</b>	386	-	584	-	112	(310)
Legal & Democratic Services	(49)					(49)
<b>Legal and Democratic Services</b>	(49)	-	-	-	-	(49)
Director of Place	(51)					(51)
Economic Growth	398				407	(9)
Infrastructure & Communities	1,201	75	580	(50)	1,897	(1,301)
<b>Place</b>	1,548	75	580	(50)	2,304	(1,361)

Public Health - Ring Fenced	0					
Public Health - Non Ring Fenced	37	141	132	-	33	(268)
<b>Public Health</b>	37	141	132	-	33	(268)
Strategic Management Board	(29)					(29)
<b>Strategic Management Board</b>	(29)	-	-	-	-	(29)
Technology & Communications	(73)		95			(168)
ICT Digital Transformation	499	499				
Human Resources & Development	(30)					(30)
Information, Intelligence & Insight	(2)					(2)
<b>Workforce and Transformation</b>	393	499	95	-	-	(200)
<b>TOTAL</b>	<b>6,790</b>	<b>2,559</b>	<b>9,259</b>	<b>(2,428)</b>	<b>4,270</b>	<b>(6,869)</b>

6.2 The 2018/19 savings projected not to be delivered within the Quarter 1 position relate to:

- Reduced provision of home to school transport, a proportion of the current restructure saving within Learning and Skills, and reduced costs of safeguarding placements, within Children's Services
- Efficiencies within administrative buildings, and innovation within Shire Services, within Commercial Services
- Increased treasury management income within Corporate Budgets
- Review of environmental maintenance grants, within Place
- Reduced maintenance of closed churchyards and reduced posts within Regulatory Services, within Public Health
- Redesign of the Council's single front door, and the voluntary redundancy programme, within Workforce and Transformation.

More detail on these is provided within the relevant service sections of Appendix 1.

6.3 A number of ongoing pressures have been identified within service areas, some of which relate to savings unachieved within 2017/18. Total unachieved savings of £1.720m have been carried forward from 2017/18, of which £0.258m have been highlighted as ongoing pressures, with no forthcoming plans of delivering the corresponding savings. These relate to energy initiatives, CCTV provision and Revenues and Benefits. £1.462m savings carried forward from 2017/18 have been assumed to be delivered within 2018/19. These relate to Early Help hubs, home to school transport, car parking revenue, Council-wide grey fleet savings and redesign within Technology and Communications.

6.4 Other ongoing pressures include:

- increased purchasing pressures and a projected reduction in joint funded placement income from Shropshire CCG, within adult social care;
- loss of income, notably Dedicated Schools Grant, within Learning and Skills
- increased numbers and complexity of residential and foster placements within Children's Safeguarding
- increased agency costs within Children's Safeguarding
- increased property costs within Corporate Landlord

- reduced income within Property Services
- agency staff and postage costs within Revenues and Benefits
- increased costs of concessionary fares
- increased street lighting energy costs
- reduction in SLA income, and unfunded expenditure relating to Credit Union, within Technology and Communications

Some ongoing savings have been identified to mitigate these pressures, but these equate to approximately 34% of the level of the pressures. 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, leading to an increase in the funding gap.

6.5 At the meeting of Cabinet and Directors on 9<sup>th</sup> July the forecast revenue outturn position of the Council for 2018/19 was discussed. Directors provided assurances in the following areas:

- A proportion of the £0.165m saving relating to promotion of independent travel training and SEN personal budgets would be delivered in year. This was estimated to be approximately £0.074m.
- A proportion of the £0.500m saving relating to rationalisation of office accommodation would be delivered in year. This was estimated to be approximately £0.075m - £0.080m.
- A proportion of the £0.500m saving relating to redesign of the Council's 'single front door' would be delivered in year. This was estimated to be approximately £0.330m.
- A proportion of the £0.500m saving relating to the voluntary redundancy programme would be delivered in year. This was estimated to be approximately £0.171m.
- The forecast overspend within the Revenues and Benefits service area would reduce by approximately £0.250m by year end.

Within the projected revenue outturn at Quarter 1, it has been assumed that the required management action to deliver these in year savings will take place as stated.

## **7. General Fund Balance**

7.1. The effect on the Council's reserves of the outturn forecast is detailed below. The Council's policy on reserve balances is to have a General Fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2018/19 the minimum balance required would therefore be £2.810m, although this is no longer considered to be an acceptable guide.

7.2. The more appropriate risk based target balance for the General Fund, as calculated in the Robustness of Estimates and Adequacy of Reserves 2017-23, reported to Council on 14<sup>th</sup> February 2018, is £17.081m in 2018/19, rising to £18.830m in 2019/20 and to £40.037m by 2022/23. These figures were significantly increased within the review, reflecting the remaining funding gap in these years as set out in the Financial Strategy, and the significant level of risk associated with the uncertainty over a number of funding sources that have not yet been confirmed as part of the multi-year settlement that the Council has

signed up to. At the time of the report it was noted that the projected balance of the General Fund would be below £17.081m during 2018/19.

- 7.3. Based on the current monitoring position the General Fund balance will be significantly below the required target, as shown in table 5 below.

**Table 5: Projected General Fund Balance as at 31 March 2019**

	£'000
General Fund Balance as at 31 March 2018	15,311
This Report – Projected Outturn Under/(Over)spend	(6,790)
<b>Projected Balance at 31 March 2019</b>	<b>8,521</b>

- 7.4 The outturn position reflects the part year effect of the Pay Award that was agreed by Council on 17<sup>th</sup> May 2018. Cabinet have agreed some potential savings that would be used to fund the Pay Award, but these have not been included as yet as these have not been consulted on, and Council has not formally agreed these. Therefore the General Fund Balance projected above should increase once the savings proposals have been formally agreed, and this pressure is resolved. The revised projected General Fund Balance once the savings for the Pay Award have been reflected is £10.592m

## **8. Movement in Capital Programme for 2018/19**

- 8.1 The capital budget for 2018/19 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over a number of years. In Quarter 1 there has been a net budget increase of £8.938m for 2018/19, compared to the position reported at Outturn 2017/18. Table 6 summarises the overall movement, between that already approved, changes for Quarter 1 and the programme financing.

**Table 6: Revised Capital Programme Quarter 1 2018/19**

Service Area	Agreed Capital Programme - Council 22/02/18 £	Slippage & Budget Changes Approved To Outturn 2017/18 £	Quarter 1 Budget Changes To Be Approved £	Revised 2018/19 Capital Programme Period 2 £
<b>General Fund</b>				
Place & Enterprise	31,151,398	8,099,623	5,665,164	44,916,185
Adult Services	1,509,968	2,855,358	2,974,155	7,339,481
Public Health	300,000	144,792	1,800	446,592
Childrens Services	9,210,167	1,002,421	266,655	10,479,243
Resources & Support	6,060,200	98,759	0	6,158,959
<b>Total General Fund</b>	<b>48,231,733</b>	<b>12,200,953</b>	<b>8,907,774</b>	<b>69,340,460</b>
Housing Revenue Account	5,166,075	6,335,724	30,000	11,531,799
<b>Total Approved Budget</b>	<b>53,397,808</b>	<b>18,536,677</b>	<b>8,937,774</b>	<b>80,872,259</b>
<b>Financing</b>				
Self Financed Prudential Borrowing	8,197,000	25,761	(1,000,000)	7,222,761
Government Grants	28,969,300	6,008,274	6,761,454	41,739,028
Other Grants	2,541	9,703	6,532	18,776
Other Contributions	207,699	297,779	1,361,461	1,866,939
Revenue Contributions to Capital	0	3,878,387	1,247,145	5,125,532
Major Repairs Allowance	4,526,210	1,944,474	0	6,470,684
Corporate Resources (expectation - Capital Receipts only)	11,495,058	6,372,299	561,182	18,428,539
<b>Total Confirmed Funding</b>	<b>53,397,808</b>	<b>18,536,677</b>	<b>8,937,774</b>	<b>80,872,259</b>

8.2 Within the financing of the Capital Programme £5.125m is funded from revenue contributions. The major areas of revenue contributions to capital are the £1.216m approved towards essential repairs in relation to the Corporate Landlord estate and £3.876m in ringfenced HRA monies to new build schemes and undertake major housing stock repairs.

8.3 Full details of all budget changes are provided in Appendix 3 to this report. Significant budget changes across the life of the programme in Quarter 1 are:

#### Budget Increases

- Announcement of MHCLG Disabled Facilities Grant (DFG) of £2.974m.
- Confirmation of the Department of Transport Highways Maintenance Block incentive element funding allocation of £2.787m.
- Confirmation of £1.300m Section 106 Developer Contributions funding in the capital programme.
- Increase of £1.247m in revenue contributions to capital funding.
- Increase in capital receipts funding of £0.411m.
- Department for Education Condition grant has increased by £0.229m. The initial allocation in the capital programme was only provisional and final allocations have now been announced.

#### Budget Decreases

- Replacement of £1.000m self-financed Prudential Borrowing with Government Grant.
- Reduction in Environment Agency confirmed funding for Flood Defence & Water Management schemes of £0.100m.

#### Budget Re-profiling

- **Place & Enterprise:** re-profiling of £0.200m to 2019/20 in relation to the Shifnal Flood & Water Management scheme.

- **Place & Enterprise:** re-profiling of £1.221m from 2019/20 to 2018/19 to reflect current expected expenditure profiles and LEP grant claim profiling.

## 9. Actual versus Planned Expenditure to Date

- 9.1 The actual capital expenditure at Quarter 1 is £5.431m, which represents 7% of the revised capital budget at Quarter 1, 25% of the year. This is slightly low in comparison to the total budget, but in line with the average expenditure percentage at this period in previous years. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out-turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.
- 9.2 The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: Place & Enterprise 8% (budget £44.916m), Adult Social Care 6% (budget £7.339m), Public Health 8% (budget £0.446m), Resources & Support 3% (budget £6.159m), Children's Services 7% (budget £10.479m), HRA Major Repairs & New Build Programme 5% (budget £11.532m).

## 10. Capital Receipts Position

- 10.1. The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. Table 7 below, summarises the current allocated and projected capital receipt position across 2018/19 to 2020/21. A RAG analysis has been included for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are where they are highly likely to be completed by the end of the financial year, amber are where they are achievable but challenging and thus there is a risk of slippage, and red are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in this financial year as there may be delays between exchanging contracts and completing.

**Table 7: Projected capital receipts position**

Detail	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Corporate Resources Allocated in Capital Programme	18,428,539	1,801,850	114,288	-
Capital Receipts used to finance redundancy costs				
To be allocated from Ring Fenced Receipts	8,374,376	4,239,688	2,157,456	-
<b>Total Commitments</b>	<b>26,802,915</b>	<b>6,041,538</b>	<b>2,271,744</b>	<b>-</b>
<b>Capital Receipts in hand/projected:</b>				
Brought Forward in hand	20,857,133	(2,317,776)	(7,309,314)	
Generated 2018/19YTD	858,994	-	-	-
Projected - 'Green'	2,769,013	1,050,000	-	-
<b>Total in hand/projected</b>	<b>24,485,139</b>	<b>(1,267,776)</b>	<b>(7,309,314)</b>	<b>-</b>
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	2,317,776	7,309,314	9,581,058	-
Further Assets Being Considered for Disposal	10,821,165	4,670,000	-	-

- 10.2. Capital receipts of £20,857m were brought forward from 2017/18 and £0.859m has been generated to date in 2018/19. A further £2.769m is currently projected as 'Green' for 2018/19, which mainly relates to the sale of one Smallholding to an existing tenant; and a forecast receipt from the sale of land in Shrewsbury. Based on the current programme and capital receipts in hand and projected as Green, there are insufficient receipts generated to finance the capital programme for 2018/19; the shortfall being £2.318m which may need to be financed from Prudential Borrowing if it cannot be addressed in year.
- 10.3. There is an urgent pressure to progress the disposals programmed for the current and future years, to ensure that they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved through the Capital Investment Board or if the Council further utilises the new flexibilities around the use of capital receipts for transformational revenue purposes over the 2-year period to 2018/19.
- 10.4. It is important that work progresses, to minimise the funding shortfall. Failure to generate the required level of capital receipts will result in the need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year revenue costs that are not budgeted for in the revenue financial strategy.

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

Financial Strategy 2018/19-2022/23  
Financial Rules

**Appendices**

1. Service Area Pressures and Actions 2018/19
2. Amendments to Original Revenue Budget 2018/19
3. Capital Budget and Expenditure 2018/19

## Appendix 1

**Service Area Pressures and Actions 2018/19**Summary

Directorate	Budget £	Forecast £	Variance £	RAGBY
Adult Services	97,994,850	98,992,681	997,831	A
Children's Services	49,673,280	52,798,070	3,124,790	R
Commercial Services	1,176,260	1,825,062	648,802	R
Corporate Budgets	(28,962,600)	(29,230,488)	(267,888)	Y
Finance, Governance & Assurance	1,984,300	2,370,339	386,039	R
Legal & Democratic Services	597,190	548,356	(48,834)	Y
Place	81,613,130	83,161,214	1,548,084	A
Public Health	4,983,710	5,020,983	37,273	G
Strategic Management Board	5,780	(23,700)	(29,480)	Y
Workforce & Transformation	(297,450)	95,654	393,104	R
<b>TOTAL</b>	<b>208,768,450</b>	<b>215,558,171</b>	<b>6,789,721</b>	<b>R</b>

Detail

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	97,994,850	98,992,681	£997,831	A

<b>Adult Services Business Support &amp; Development</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	3,375,430	3,165,037	(210,393)	Y
<p>There is a projected underspend within Business Support and Development of (£0.210m) which is largely due to a number of managed variances across the service. These are not sustainable beyond the short-term, but are not expected to impact on service delivery in 2018/19. A summary of the major variances are as follows:</p> <ul style="list-style-type: none"> <li>• (£0.080m) projected underspend on Business Support staffing and costs associated with the posts, due to delays in appointing to vacant posts</li> <li>• (£0.096m) projected underspend on Joint Training and the Professional Development Unit</li> <li>• (£0.033m) projected underspend/increased contract income on Welfare to Work initiatives</li> </ul>					
<b>Provider Services</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	5,280,270	5,143,902	(136,368)	Y
<p>There is a projected underspend within Provider Services of £0.136m which is due to a number of variances across the service which are not sustainable beyond the short-term, but which are not expected to impact on service delivery in 2018/19. The major variances are as follows:</p> <ul style="list-style-type: none"> <li>• (£0.021m) projected underspend relating to the Crowmoor contract</li> <li>• (£0.045m) projected underspend relating to various contract costs</li> <li>• (£0.100m) projected underspend across all Day Services due to an in year management restructure, vacancies and variances in working budgets such as transport recharges, office costs, equipment and furniture replacement.</li> <li>• £0.031m projected overspend relating to Four Rivers Nursing Home, due to higher than budgeted staff costs, including agency, and reduced Continuing Health Care and Free Nursing Care income.</li> </ul>					

<b>Social Care Operations</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	82,038,080	83,369,266	1,331,186	A
<p>An overspend of £1.331m is forecast within the Social Care Operations section of Adult Services. To date in 2018/19 we have seen approximately 485 new clients since 1st April, costing in the region of £4.761m for this financial year. Some of this additional cost has been offset by people leaving the system and through the review of existing care packages to reduce care where suitable. There are concerns around the actions of the Clinical Commissioning Group (CCG) particularly around the removal of discharge to assess beds from the market and also around Continuing Health Care.</p> <p>The major variances are:</p> <ul style="list-style-type: none"> <li>• £1.449m projected overspend on the net cost of purchasing. The purchasing projections are breaching the 2017 growth model assumptions and this will need to be addressed going forward. Small percentage differences in numbers and cost have a large impact on the outturn position.</li> <li>• £0.016m projected overspend within Assistive Services, which includes occupational therapy equipment</li> <li>• (£0.052m) projected underspend on transport costs there may be adjustment with Day Services regarding TMO recharges</li> <li>• £0.120m projected overspend on property costs related to Supported living properties</li> <li>• (£0.209m) projected underspend on staffing due to delays in appointing to a number of staff vacancies, this has been offset against some agency costs</li> <li>• £0.012m projected overspend within Integrated Community Services (ICS)*, as a result of pressures from increasing numbers of patients being discharged from hospital requiring re-ablement. Changes are being made to the ICS operating model in order to make it sustainable in the long-term.</li> </ul> <p>*ICS is the team that facilitates hospital discharge and admission avoidance.</p>					
<b>Adult Services Management</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	2,742,760	2,758,187	15,427	G
Minor variation from budget at Quarter 1.					
<b>Housing Services</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	4,558,310	4,556,289	(2,021)	Y
Minor variation from budget at Quarter 1.					

<b>CHILDREN'S SERVICES</b>	<b>Full year</b>			<b>RAGY</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	
	£	£	£	
Total	49,673,280	52,798,070	3,124,790	R

<b>Learning &amp; Skills</b>	<b>Portfolio Holder Children's &amp; Young People</b>	19,680,610	20,415,031	734,421	R
<p>The latest monitoring position reflects unachieved 2018/19 savings of £0.628m. £0.590m relates to the Home to School Transport budget where the 2018/19 savings target is subject to a home to school transport policy review. A paper is being drafted to present various savings opportunities, their value and timeline for their achievement given that some strategies will require extensive consultation and a Cabinet decision. Some strategies, if implemented would need to be on a phased approach.</p> <p>The remaining £0.038m relates to a £0.116m savings target against Learning and Skills Business Support where a staffing restructure has realised £0.078m of the proposed savings in year, with the remaining £0.038m expected to be achieved in 2019/20 at the latest.</p> <p>As well as unachieved savings targets, Learning and Skills' forecast overspend results from reductions in Central Government grants. Although some growth was built into the 2018/19 budget to negate for most of the loss of grant, £0.150m remains as an ongoing pressure and relates specifically to the loss of Dedicated Schools Grant funding. This was a direct result of a baselining exercise undertaken by the Department for Education to remove any Dedicated Schools Grant funding that did not meet strict criteria that constitutes a historic spending commitment, but that fund statutory functions that the Council is required to undertake.</p> <p>There is also an ongoing budget pressure in Governor Services. Reduced SLA income is anticipated and there is likely to be a downward trend in income as the demand for traditional Governor support services has started</p>					

to reduce as schools have federated under one governing body, while others join multi-academy trusts (MATs). This shortfall in income has been largely managed in year through one-off vacancy management savings while the service reviews its offer to schools. The net forecast overspend or ongoing pressure is £0.011m.

The cost pressures above are partially offset by one-off underspends totalling £0.055m where services are carrying temporary vacancies.

<b>Children's Social Care &amp; Safeguarding</b>	<b>Portfolio Holder Children's &amp; Young People</b>	27,199,570	29,223,441	2,023,871	R
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A projected unachieved 2018/19 savings targets around reductions to external placement costs accounts for £0.430m of the £2.024m projected overspend. There are several strategies in place to deliver these savings.

Firstly, Children's Safeguarding are committed to increasing foster placement sufficiency so that the Council can care for more looked after children within a family environment. This is not only in the best interests of the majority of looked after children but will lead to significant financial savings. The aim is to increase the pool of foster carers and look to identify and support foster carers with looking after more complex children. This will reduce demand for expensive residential provision. To enable this to happen increased capacity is required in the Children's Placement Service to enable the recruitment of more carers and retain and support current carers. A business case has been approved and a recruitment campaign has started. In addition to this, a strategy to develop additional in-house residential provision is being explored with a view that internal provision could deliver savings through supporting a few of the most complex children at a lower cost than the market rate. Due to the longer term nature of these strategies, it is anticipated that the £0.430m will not be achieved in this financial year.

Although there is a view within the service that these strategies will deliver significant savings, there are some external risk factors that may impact on these savings being achieved. These include on-going placement disruption for our most complex young people resulting in children moving from foster placements to high cost residential placements and a continued high number of children coming into care through care proceedings.

Further, to the unachieved saving relating to placement costs, there is a forecast ongoing monitoring pressure of £1.222m relating to external residential care and all foster care placements. The service is satisfied that the children and young people coming into the care of Shropshire Council in this financial year are children that need to be in the care system. The service has experienced increasing complexity of Shropshire's looked after children. This is reflecting the national picture with all Local Authorities reporting increasingly complex children. There is a continued drive to reduce higher cost residential placements for children where it is appropriate and this will have a positive impact on the budget. It is notable that this is a volatile area where costs can change significantly in year. This has been evident in this first quarter of the financial years where the £1.222m ongoing pressure has increased by £0.708m from £0.514m at the end of Period 2. This large increase results from 5 new high cost residential placements starting between mid-June and early July increasing the projected expenditure by £0.700m. In addition to these 5 new placements, 2 placements have been disrupted, resulting in the children moving into higher cost residential placements costing an additional £0.313m. At the same time, the service are continuing to transfer children from high cost residential placements to lower cost placements where appropriate. 2 placements have either stepped down to lower cost placements or ended since the end of period 2 resulting in a saving of £0.297m. Despite the increasing costs overall, the average weekly cost has reduced overall demonstrating that officers are striving to reduce the cost per placement where appropriate.

There is an on-going budget pressure of £0.370m caused by agency staffing costs in the social work teams. This pressure has continued from previous years. It is necessary to ensure that children who are looked after, on a Child Protection Plan or in need of a plan are adequately supported in line with statutory timescales and this will dictate that any sickness, maternity or temporary vacancy must be covered in the interim through agency staff. There is also a heavy reliance on agency social workers due to challenges in recruiting to vacant posts. To address this issue the service has appointed 11 ASYE (assessed and supported year in employment) social workers to start from September. Albeit not immediately, this should reduce this cost pressure by the end of the financial year as these staff can be given caseloads currently being covered by more expensive agency staff.

The issues of rising demand for high cost residential placements and cost pressures from agency social workers are not local to Shropshire and are reflected nationally.

<b>Early Help, Partnerships and Commissioning</b>	<b>Portfolio Holder Children's &amp; Young People</b>	2,356,270	2,725,450	369,180	R
The projected overspend in Early Help is the result of an unachieved saving around Early Help Family Hubs that has carried forward from previous years. An Early Help Family Hubs report was approved by Cabinet on 17th January proposing to consult formally with the public, key stakeholders and staff on a new delivery model for Early Help Services. The proposed delivery model will deliver the outstanding savings totalling in Early Help by March 2019, consequently this forecast overspend is being categorised as a one-off monitoring pressure.					
<b>Children's Services Management</b>	<b>Portfolio Holder Children's &amp; Young People</b>	426,180	423,499	(2,681)	Y
Minor variation from budget at Quarter 1.					
<b>Central DSG</b>	<b>Portfolio Holder Children's &amp; Young People</b>	10,650	10,650	0	Y
Minor variation from budget at Quarter 1.					

<b>COMMERCIAL SERVICES</b>	<b>Full year</b>			<b>RAGY</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	
	£	£	£	
Total	1,176,260	1,825,062	648,802	R

<b>Corporate Landlord</b>	<b>Portfolio Holder Corporate Support</b>	3,280,870	3,314,748	33,878	G
Corporate Landlord has a projected overspend of £0.034m, consisting of a number of compensating variances. Rents and service charges are projected to be over budget by £0.103m. This is mainly within the Adult Social Care buildings where there has historically been a budget shortfall. Utilities and cleaning are projected to be over budget by £0.041m and £0.039m respectively, due to price increases above those budgeted for. The student accommodation at Mardol House continues to create a budget pressure, projected at £0.127m. Offsetting these are (£0.150m) received as backdated rates contributions from third parties and (£0.147m) income variance to budget. A number of properties have had new rental and service charge income identified and a large portion of this variance is backdated payments received.					
<b>Strategic Asset Management</b>	<b>Portfolio Holder Corporate Support</b>	(2,142,080)	(2,148,689)	(6,609)	Y
Minor variation from budget at Quarter 1					
<b>Property Services</b>	<b>Portfolio Holder Economic Growth</b>	20,690	179,925	159,235	R
An anticipated income shortfall of £0.290m has been identified based on knowledge of works planned for this financial year and comparing with income in previous years. The service area will continue to look for commercial opportunities to bridge this gap, whilst monitoring their resources in accordance with this. The service is holding a number of vacancies which total (£0.117m) and which will partially offset the income pressure.					
<b>Shire Services</b>	<b>Portfolio Holder Corporate Support</b>	262,450	262,450	0	Y
No variation from budget at Quarter 1					
<b>Head of Commercial Services</b>	<b>Portfolio Holder Economy &amp; Growth</b>	(245,670)	216,628	462,298	R

£0.425m of this projected overspend is part of a £0.500m saving that will not be achieved in this financial year. The saving in question involves rationalisation of some of our administrative buildings, but the practicalities of doing this has led to a delay in any possible implementation. A further pressure of £0.035m has been identified in order to recruit to a key post that has not been budgeted for. This is part of a wider restructure that is yet to be finalised across the whole of Commercial Services.

CORPORATE BUDGETS	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	(28,962,600)	(29,230,488)	(267,888)	Y

Corporate Budgets	Portfolio Holder Finance	(28,962,600)	(29,230,488)	(267,888)	Y
<p>An underspend has been identified within Corporate Budgets due to corporate pension budgets that will be uncommitted during the year (£1.066m), and corporate inflation that was budgeted but is no longer required (£1.450m). This has been offset by the part year costs of the pay award (£2.071m) that was agreed by Council on 17<sup>th</sup> May 2018. Once the pay award has been implemented, accurate projections will be able to be included for each Directorate, but until that time, the pressure will be shown against Corporate Budgets. There is also an overspend of £0.286m has been identified relating to partially unachieved savings targets for Treasury Management. Work is ongoing to identify how the remaining target can be met.</p> <p>In year savings of (£0.068m) have been identified relating to non-distributable costs, and (£0.039m) relating to reduced expenditure on staffing.</p>					

FINANCE, GOVERNANCE & ASSURANCE	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	1,984,300	2,370,339	386,039	R

Finance, Governance & Assurance	Portfolio Holder Finance	1,794,220	2,168,094	373,874	R
<p>The primary reason for the projected overspend within Finance, Governance &amp; Assurance is an anticipated overspend of £0.415m within Revenues &amp; Benefits. This service area has historic savings targets of £0.443m which are anticipated to remain unrealised. A reliance on agency staff creates a further pressure of £0.094m. These staff are essential for ensuring claims are completed on time and preventing the council from losing its subsidy. Plans are progressing to recruit and train apprentices, which will increase the pool of skilled staff within the council and reduce the reliance on agency staff. Additional income totalling (£0.148m) has been identified for this financial year that partly offset the pressures listed above.</p> <p>The Finance function has an anticipated over-spend of £0.041m, due to a one-off software pressure that has occurred as a result of digital transformation and the move to the ERP. It is expected that this overspend will be managed by reducing other controllable budgets within the service area.</p> <p>Audit and Treasury have projected underspends of (£0.052m) and (£0.036m) respectively, owing to vacancy management and control of supplies and services budgets.</p>					
Commissioning Development & Procurement	Portfolio Holder Corporate Support	190,080	202,245	12,165	G
Minor variation from budget at Quarter 1					

LEGAL & DEMOCRATIC SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	597,190	548,356	(48,834)	Y

Legal & Democratic Services	Portfolio Holder Corporate Support	597,190	548,356	(48,834)	Y
In year savings have been identified of (£0.027m) relating to general legal disbursement costs, and (£0.023m) has been secured in additional income from providing election services to another local authority.					

PLACE	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	81,613,130	83,161,214	1,548,084	A

Director of Place	Portfolio Holder Communities	618,240	567,138	(51,102)	Y
The post has been vacant since the departure of the previous post holder in April, leading to an underspend against the budget. The recruitment process is underway and it is envisaged that a replacement will be in post before the end of the calendar year.					
Director of Place Total		618,240	567,138	(51,102)	Y

Planning Services	Portfolio Holder Planning & Regulatory Services	1,269,980	1,669,791	399,811	R
To date, we have seen reduced income from land charges/searches, as a result of receiving fewer applications. In addition, at present there is reduced income from planning applications, however, further analysis in this area indicates that this is due to a small drop in large, high value applications. Overall application numbers and enforcement caseloads are actually higher than anticipated.					
Economic Growth	Portfolio Holder Economy & Growth	876,450	867,582	(8,868)	Y
Minor variation from budget at Quarter 1					
Broadband	Portfolio Holder Economy & Growth	234,640	234,640	0	G
No variation from budget at Quarter 1					
Planning Policy	Portfolio Holder Planning & Regulatory Services	463,940	470,642	6,702	G
Minor variation from budget at Quarter 1					
Head of Economic Growth	Portfolio Holder Economy & Growth	143,890	144,362	472	G
Minor variation from budget at Quarter 1					
Economic Growth Total		2,988,900	3,387,017	398,117	R

<b>Head of Infrastructure &amp; Communities</b>	<b>Portfolio Holder Communities</b>	187,370	187,106	(264)	Y
Minor variation from budget at Quarter 1					
<b>Arts</b>	<b>Portfolio Holder Culture &amp; Leisure</b>	81,530	85,081	3,551	G
Minor variation from budget at Quarter 1					
<b>Community Enablement</b>	<b>Portfolio Holder Communities</b>	927,230	838,913	(88,317)	Y
The underspend is due to a number of post-holders who have left through the voluntary redundancy programme and therefore will not be replaced.					
<b>Environmental Maintenance</b>	<b>Portfolio Holder Highways &amp; Transport</b>	25,180,960	26,133,683	952,723	R
As a consequence of the severe and prolonged winter, there are a significant number of potholes/defects to be rectified. It is envisaged that it will take most of the summer months to clear the backlog before additional numbers of gangs can be reduced to the contracted number. In addition, the increase in the cost of street lighting electricity has been greater than anticipated. Finally, the Financial Strategy saving to end the Town and Parish Council Environmental Maintenance Grants is being projected as partly unachievable following the re-instatement of £0.075m of the grants.					
<b>Highways &amp; Transport</b>	<b>Portfolio Holder Highways and Transport</b>	5,767,510	6,446,430	678,920	R
There are variances expected as the anticipated additional income from car parking will only be realised as the strategy is rolled out and income is received. The 'Grey Fleet' (Casual Car user allowance) saving has now had initial trials and will be fully rolled out, however the full saving will only be delivered from when the scheme is fully implemented. Finally there are additional costs anticipated in relation to the concessionary fares reimbursements to bus operators.					
<b>Outdoor Partnerships</b>	<b>Portfolio Holder Culture and Leisure</b>	1,337,770	1,328,033	(9,737)	Y
Minor variation from budget at Quarter 1					
<b>Shropshire Hills AONB</b>	<b>Portfolio Holder Culture &amp; Leisure</b>	60,960	60,960	0	G
No variation from budget at Quarter 1					
<b>Leisure</b>	<b>Portfolio Holder Culture &amp; Leisure</b>	3,321,570	3,451,423	129,853	R
Overspends include consultancy related to updating the Sports Pitches Strategy (required every 10 years), negotiations to fund fitness equipment prior to the transfer of one of our in-house facilities, and contributions to other bodies to try to ensure the sustainability of contracted leisure facilities. Overspends also include reduced income and higher than anticipated staffing costs at our in-house leisure facilities.					
<b>Libraries</b>	<b>Portfolio Holder Culture &amp; Leisure</b>	3,936,700	4,935,069	(1,631)	Y
Minor variation from budget at Quarter 1					
<b>Locality Commissioning</b>	<b>Portfolio Holder Communities</b>	282,830	232,380	(50,450)	Y
A recent Cabinet decision has led to a reduction in the budget (£0.043m) for youth commissioning from 2018/19. Further underspends have been identified on the room hire budget for youth activities.					
<b>Theatre Services</b>	<b>Portfolio Holder Culture &amp; Leisure</b>	314,160	190,028	(124,132)	Y
Although very early in the year, sales at this point indicate a very positive start for the Theatre.					
<b>Museums and Archives</b>	<b>Portfolio Holder Culture &amp; Leisure</b>	1,762,940	1,749,543	(13,397)	Y

Minor variation from budget at Quarter 1					
<b>Waste Management</b>	<b>Portfolio Holder Planning and Regulatory Services</b>	34,717,230	34,423,696	(293,534)	Y
An underspend in relation to the PFI contract is anticipated, due to the estimated landfill tonnage being lower than budgeted for.					
<b>Culture and Heritage Manager</b>	<b>Portfolio Holder Culture &amp; Leisure</b>	127,230	144,714	17,484	G
Minor variation from budget at Quarter 1					
<b>Infrastructure &amp; Communities Total</b>		<b>78,005,990</b>	<b>79,207,059</b>	<b>1,201,069</b>	<b>A</b>

<b>PUBLIC HEALTH</b>	<b>Full year</b>			<b>RAGY</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	
	£	£	£	
Total	4,983,710	5,020,983	37,273	G

<b>Coroners &amp; Bereavement Services</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	199,490	224,398	24,908	G
Minor variation from budget at Quarter 1.					
<b>Multi Agency</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	888,410	1,032,943	144,533	R
<p>Overall an overspend of £0.145m is projected due to a number of variances across the service. The major variances are:</p> <ul style="list-style-type: none"> <li>• £0.021m projected overspend on the Healthy Child Development Programme as a result of a change in management structure whereby the previous postholder was funded from the Public Health ring fenced grant.</li> <li>• £0.112m overspend in Community Safety, which is as a result of unachieved savings. The service is looking at ways of claiming funding towards the cost of management posts and other delivery models in order to try to achieve the required savings.</li> </ul> <p>The Links/Healthwatch service which aims to give patients, services users, carers and the wider public a say in the way that health and social care services are run has achieved savings of £0.068m; all contributions from the Council base budget have been withdrawn and the service is now funded purely from external funding.</p> <p>Savings of £0.039m on Targeted Mental Health in Schools and the Healthy Child Development Programme have been achieved through the removal of vacant posts and the reduction in scheme budgets.</p>					
<b>Public Health – Ring Fenced</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	38,290	38,290	0	G
<p>Officers within the ring fenced element of Public Health are working on a number of savings initiatives in order to bring the overall cost of the ring fenced services to within available funds in future years. These savings initiatives include increased income generation within the Help to Change service and the roll out of commercial activities such as Health TV. Currently there is a requirement for reserves to cover core budget of £0.207m in 2018/19 but the expectation is that the service will be entirely funded by grant income in 2019/20. The Public Health Grant has been cut by 2.6% in 2018/19 and is expected to be reduced by a further 2.6% in 2019/20.</p>					
<b>Trading Standards and Licensing</b>	<b>Portfolio Holder Planning &amp; Regulatory Services</b>	765,250	634,547	(130,703)	Y
An underspend of £0.131m is projected due to a number of vacant posts within the service; plans are in place to appoint to the vacant posts and therefore the underspend variance is not sustainable beyond the short term.					
<b>Regulatory Services</b>	<b>Portfolio Holder Planning &amp; Regulatory Services</b>	2,879,930	2,897,675	17,745	G
Minor variation from budget at Quarter 1.					

<b>Registrars</b>	<b>Portfolio Holder Health &amp; Adult Social Care</b>	212,340	193,130	(19,210)	Y
Minor variation from budget at Quarter 1.					

<b>STRATEGIC MANAGEMENT BOARD</b>	<b>Full year</b>			<b>RAGY</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	
	£	£	£	
Total	5,780	(23,700)	(29,480)	Y

<b>Strategic Management Board</b>	<b>Leader of the Council</b>	5,780	(23,700)	(29,480)	Y
In year vacancy management savings have been achieved within the Personal Assistants team of (£0.025m).					

WORKFORCE & TRANSFORMATION		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		(297,450)	95,654	393,104	R
<b>Technology &amp; Communications</b>	<b>Portfolio Holder Corporate Support</b>	235,330	162,038	(73,292)	Y
<p>The restructure within Customer Access has been completed and has achieved the savings target of £0.263m. Additional efficiencies have been identified on a one-off basis of £0.120m from vacancy management and (£0.026m) reduction in estimated use of agency staff, which will offset known in year pressures relating to loss of external income of £0.040m and unachieved historic savings targets of £0.055m.</p> <p>Blueprint has been able to fully repay its invest to save loans in the previous financial year. This has resulted in additional income generation, and currently a small surplus is being forecast of (£0.012m).</p>					
<b>ICT Digital Transformation</b>	<b>Portfolio Holder Corporate Support</b>	(586,920)	(87,800)	499,120	R
<p>The savings target of £1.000m relating to Digital Transformation is expected to be partly achieved in year. Currently £0.501m has potentially been identified as achievable, and work is being undertaken to identify how the remaining target can be achieved.</p>					
<b>Human Resources &amp; Development</b>	<b>Portfolio Holder Corporate Support</b>	43,790	13,371	(30,419)	Y
<p>In year savings of (£0.029m) relating to vacancy management across teams has been achieved, alongside additional income generation for Occupation Health Services of (£0.009m).</p>					
<b>Information, Intelligence &amp; Insight</b>	<b>Portfolio Holder Corporate Support</b>	10,350	8,045	(2,305)	Y
<p>Minor variation from budget at Quarter 1</p>					

**Appendix 2: Amendments to Original Revenue Budget 2018/19**

	Total	Adult Services	Children's Services	Commercial Services	Corporate Budgets	Finance, Governance and Assurance	Legal and Demographic Services	Place	Public Health	Strategic Management Board	Workforce and Transformation
<b>Original Budget as Agreed by Council</b>	<b>208,768</b>	97,846	49,628	1,021	(28,223)	1,917	579	81,500	4,888	0	(388)
<b>Quarter 1</b>											
Additional 1% pay award budget allocation	0	153	151	32	(740)	68	18	155	67	6	91
Movement of premises budgets between service areas and Corporate Landlord	0	(5)	(106)	123				(12)			
Transfer of posts between Highways and Transport and Trading Standards and Licensing	0							(30)	30		
<b>Revised Budget</b>	<b>208,768</b>	<b>97,995</b>	<b>49,673</b>	<b>1,176</b>	<b>(28,963)</b>	<b>1,984</b>	<b>597</b>	<b>81,613</b>	<b>4,984</b>	<b>6</b>	<b>(297)</b>

**Details of virements over £500,000, reported to Cabinet for information**

Quarter 1:

A budget virement has taken place at Quarter 1 to allocate pay award funding that had not been distributed at budget setting, due to the value of the pay award not having been agreed at that time. A 1% pay award had been assumed at budget setting, but the increase to 2% has meant that £0.740m has been vired from Corporate Budgets at period 3 and distributed across service areas in order to fund employees' increase in pay. A further £0.201m will be vired from Corporate Budgets to service areas at period 4 to fund the increase in salaries costs relating to employees on SCP 19 and below, who have been awarded a pay increase of between 3.7% and 9.2%

**Details of virements over £140,000 and below £500,000, reported to Cabinet for information**

Quarter 1: None

**Proposed virements between £500,000 and £1m for Cabinet approval**

Quarter 1: None.