



Committee and date

Cabinet  
29 July 2015  
12.30 pm

Item

8

## REVENUE MONITORING REPORT – QUARTER 1 2015/16

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### 1. Summary

The report sets out the Revenue forecast for 2015/16 as at Quarter 1 and identifies the current projections on delivery of savings included within the forecast.

2015/16 represents the second year of the Council's latest three year Medium Term Financial Plan running from 2014/15 to 2016/17. Over this period the Council has identified a funding gap of £80m, with £28.4m of this due to be found in the 2015/16 Financial Year. 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. 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 are reported using a RAGY (Red, Amber, Green, Yellow) rating as explained in the background to the 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 £28.4m of proposals to be delivered in 2015/16, £13m are rated as Green – with a high degree of certainty of being delivered.

The Quarter One position indicates that £6.4m of the £28.4m 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 a number of additional service pressures of £5.6m are already being highlighted, which services will need to address alongside delivering their savings targets. These pressures have been 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 £5.023m which includes savings pressures of £6.416m.
- The projected General Fund Balance as at 31 March 2016 is £10.592m.

## 2. Recommendations

It is recommended that Members:

- A. Note that at the end of Quarter One (26 June 2015), the full year forecast is a potential overspend of £5.023m;
- B. Consider the impact of this on the Council's General Fund Balance.
- C. Approve that Shropshire Council act as accountable body for the new Technical Assistance programme.

## 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 2015/16, 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

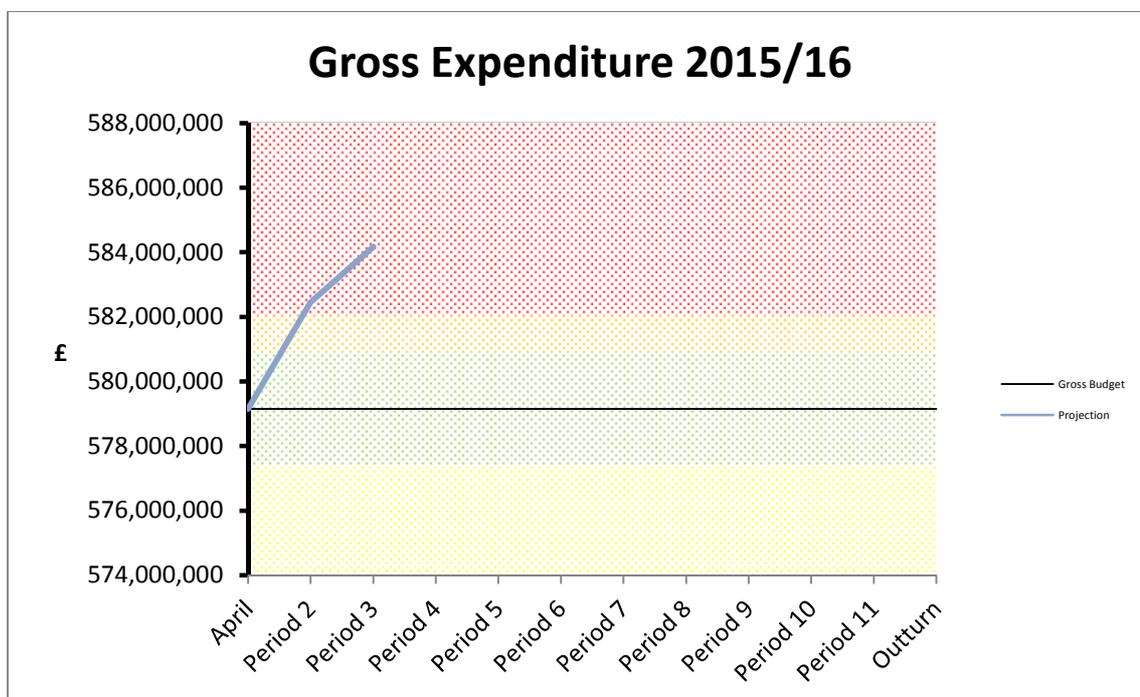
Amber – Saving identified but not yet confirmed

Red – Saving not achieved or unachievable

### 4. Monitoring 2015/16 Budget - Overall Position

4.1 The projected revenue forecast for the year, at Quarter 1, shows a potential overspend of £5.023m (0.87%) on a gross budget of £579.2m (net £215.8m)

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 £5.023m is falling within the red banding.



- 4.4 The projected overspend of £5.023m for 2015/16 is presented below and analysed in more detail at Appendix 1.

**Table 1: 2015/16 Projected Budget Variations Analysed by Service Area**

Service Area	Revised Budget £'000	Forecast Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	70,410	74,347	3,937	R
Children's Services	54,922	54,922	0	G
Commissioning	81,992	82,618	626	G
Public Health	1,973	1,946	(27)	Y
Resources & Support	7,925	8,316	391	R
Corporate	(1,379)	(1,283)	96	A
<b>TOTAL</b>	<b>215,843</b>	<b>220,866</b>	<b>5,023</b>	<b>R</b>

## 5. Update on Savings Delivery

- 5.1 The savings projections for 2015/16 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2015/16 financial year. The RAGE 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 2015/16 Savings Proposals**

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	3,483	5,089	5,397	13,969
Children's Services	0	1,853	1,185	3,038
Commissioning	909	1,698	2,899	5,506
Public Health	27	42	31	100
Resources & Support	837	365	691	1,893
Corporate	1,161	0	2,775	3,936
<b>TOTAL SAVINGS</b>	<b>6,417</b>	<b>9,047</b>	<b>12,978</b>	<b>28,442</b>

- 5.2 The figures presented above show that 46% of the 2015/16 savings target have been flagged as green with a further 32% with plans in place to be delivered. Those areas not delivered within 2015/16 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 2015/16. 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 2015/16**

Service Area	Quarter 1 Projected Outturn £'000	Amber Savings £'000	Potential Outturn if Amber Savings not Achieved £'000
Adult Services	3,937	5,089	9,026
Children's Services	0	1,853	1,853
Commissioning	626	1,698	2,324
Public Health	(27)	42	15
Resources & Support	391	365	756
Corporate	96	0	96
<b>TOTAL</b>	<b>5,023</b>	<b>9,047</b>	<b>14,070</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 2015/16 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 2015/16 £'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	(416)	0	29	0	15	(460)
Contracts & Provider	270	187	0	0	0	(457)
Social Care Operations	4,519	2,462	2,357	(300)	0	0
Adult Services Management	28	0	0	0	28	0
Housing Health & Wellbeing	76	833	0	0	0	(757)
<b>Adult Services</b>	<b>3,937</b>	<b>3,482</b>	<b>2,386</b>	<b>(300)</b>	<b>43</b>	<b>(1,674)</b>
Learning & Skills	0	0	914	0	0	(914)
Children's Safeguarding	0	0	0	0	0	0
<b>Children's Services</b>	<b>0</b>	<b>0</b>	<b>914</b>	<b>0</b>	<b>0</b>	<b>(914)</b>
Director of Commissioning	1	75	0	0	1	(75)
Local Commissioning	(13)	0	0	0	2	(15)
Area Commissioning North	168	480	0	0	125	(437)
Area Commissioning South	397	354	1,540	0	29	(1,526)
Business Growth & Prosperity	72	0	60	0	68	(55)
<b>Commissioning</b>	<b>626</b>	<b>909</b>	<b>1,600</b>	<b>0</b>	<b>225</b>	<b>(2,108)</b>
Public Health	(27)	27	0	0	0	(54)
<b>Public Health</b>	<b>(27)</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(54)</b>
Commercial Services	(5)	0	0	0	60	(65)
Customer Involvement	424	422	581	0	1,277	(1,856)
Finance, Governance & Assurance	(79)	269	0	0	244	(592)
Human Resources	83	49	3	0	90	(59)
Legal, Democratic & Strategy	35	97	0	0	130	(192)
SMB	(67)	0	0	0	0	(67)
<b>Resources &amp; Support</b>	<b>391</b>	<b>837</b>	<b>584</b>	<b>0</b>	<b>1,801</b>	<b>(2,831)</b>
Corporate	96	1,161	141	0	0	(1,206)
<b>Corporate</b>	<b>96</b>	<b>1,161</b>	<b>141</b>	<b>0</b>	<b>0</b>	<b>(1,206)</b>
<b>TOTAL</b>	<b>5,023</b>	<b>6,416</b>	<b>5,625</b>	<b>(300)</b>	<b>2,069</b>	<b>(8,787)</b>

6.2 **Adult Services** – The red savings identified within Adult Services relate mainly to contract savings particularly within care placements, QICS PFI contract savings and the Bethpage contract as well as other minor contract savings within the service. Savings relating to the P2P Model of service delivery have also been categorised as red and the delivery of savings relating to the redesign

of Housing Services are also likely to slip until 2016/17. Ongoing pressures have been identified of £2.386m within Adult Services which relates to the purchasing pressure as a result of new additional clients entering the care system in the first 3 months of the financial year.

**Children's Services** – The reduction in Education Services Grant has been identified as an ongoing monitoring pressure. This is being funded in 2015/16 through the proposed use of other grant monies and staffing savings within Education Improvement.

**Commissioning** – The savings pressures in Commissioning relate to the review and redesign of the waste function including the Veolia contract (£0.373m), redesign of the Environmental Maintenance function (£0.263m), redesign of the Libraries service (£0.180m) and the review of joint use leisure facilities (£0.091m). Also ongoing monitoring pressures of £1.6m have been identified within the service relating to budget pressures within Environmental Maintenance of £0.9m and increasing costs of concessionary fares and bus subsidies of £0.6m. The balance relates to pressure on income achievement within the workshops rentals. These pressures have been offset within the 2015/16 projected outturn by a £1.163m contribution from the Severe Weather Reserve. A one off contract saving within waste (£0.434m) and other underspends across service areas are helping to fund the non-achievement of savings on a one off basis for 2015/16.

**Resources & Support** – Savings have been categorised as red in relation to the delivery of the asset rationalisation programme and the savings in IT Services relating to the Lync telephony rollout, the Equitrack implementation and the WAN contract savings. Ongoing pressures have also been identified in relation to IT licensing costs for software. The Microsoft agreement has recently been revised to broaden its scope and this has generated an additional ongoing budget pressure rather than a saving. There is also a one off pressure relating to additional costs for the WAN contract. The corporate WAN contract dual running period was initially anticipated to run until the end of June 2015, however this has now had to be extended and potentially needs to run until the end of December. The reasons for this extended dual running period are problems and delays in getting the BT WAN installed at all Council sites. These costs that have been identified within IT Services are being funded by a one off contribution from the Resources Efficiency Reserve (£1.5m) which contains earmarked money for IT Services development. This delay reduces the amount of redevelopment funding for IT.

**Corporate** – Efficiency savings of 7.5% were anticipated across corporate budgets in 2015/16 as a result of a redesign of Council services and a reduction in the support needed for frontline services. Without significant change to, or reduction in, many frontline services, proposals to deliver these savings have not yet identified. This is being funded on a one off basis within 2015/16 by identifying alternative corporate budgets that have been held but can be uncommitted whilst redesign is completed.

## 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 2015/16 the minimum balance required is £2.896m. The Financial Strategy, agreed by Council on 26 February 2015, anticipates a level of reserves by year end of £14.9m. 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 2016**

	(£'000)
General Fund Balances as at 1 April 2015	15,206
Budgeted contribution to General Fund Balance	409
This report – projected outturn (overspend)	(5,023)
<b>Projected Balance at 31 March 2016</b>	<b>10,592</b>

## 8. External Funding

### 8.1 Technical Assistance

8.1.1 There is significant ERDF funding allocated within the Marches European Structural and Investment Fund Strategy up to 2020 (£12,469,269 More Developed and £43,446,842 Transition). Shropshire and Telford and Wrekin has been designated a Transition Area (alongside Stoke and Staffordshire). Transition Area status will enable Shropshire to benefit from more funding coming into the area. To enable the Marches to be prepared to apply for and manage the ERDF funding, Shropshire Council, on behalf of the Marches LEP, has submitted an Outline Application to DCLG for a Marches Technical Assistance project with Shropshire Council acting as the Accountable Body. The project will provide dedicated ERDF support at a local level by raising awareness of ERDF opportunities and assisting organisations to develop compliant successful ERDF projects which meet the Marches European Structural and Investment Fund Priorities and ERDF Operational Programme requirements, minimising risk, irregularities and potential claw back. The funding is dependent on a number of deliverables within the scheme, and should the project not deliver to the level required, there is a risk of clawback that Shropshire Council would have to repay as the accountable body.

8.1.2 A Marches Technical Assistant (TA) service will be established to ensure effective delivery of the Marches ESIF priorities and ERDF funding. Three new posts will be created (1 TA Team Leader and 2 TA Officers) from 1 January 2016 to 31 December 2018. The new posts will be part of a wider TA Service with additional capacity from staff of the three Local Authorities. The new posts will be hosted and based within Shropshire Council, with hot desks in each LA to ensure effective working. The posts will be part funded by ERDF grant with the remaining funding being provided by the Local Authorities. The outline

application includes an allocation of funding to contribute towards the cost of Finance and HR support to the project.

8.1.3 It is anticipated that DCLG will appraise the Outline Application by end July 2015. Subject to approval, DCLG will invite a Full Application to be submitted in the forthcoming months.

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

Revenue & Capital Budget 2015/16  
Financial Rules

**Appendices**

- 1 - Service Area Pressures and Actions 2015/16
- 2 - Amendments to Original Budget 2015/16

**Service Area Pressures and Actions 2015/16**Summary

	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Adult Services</b>	70,409,670	74,347,182	3,937,512	<b>R</b>
<b>Children Services</b>	54,922,000	54,921,865	(135)	<b>G</b>
<b>Commissioning</b>	81,992,290	82,618,406	626,116	<b>G</b>
<b>Public Health</b>	1,972,530	1,945,120	(27,410)	<b>Y</b>
<b>Resources &amp; Support</b>	7,924,950	8,316,562	391,612	<b>R</b>
<b>Corporate</b>	(1,378,880)	(1,283,054)	95,826	<b>A</b>
<b>Total</b>	<b>215,842,560</b>	<b>220,866,081</b>	<b>5,023,521</b>	<b>R</b>

Detail

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Total</b>	<b>70,409,670</b>	<b>74,347,182</b>	<b>3,937,512</b>	<b>R</b>

<b>Adult Business Support &amp; Development</b>	<b>Portfolio Holder Adult Services and Local Commissioning (South)</b>	1,484,650	1,069,046	(415,604)	<b>Y</b>
Current underspend within training and grant income held here to offset pressures in the purchasing budgets.					
<b>Contracts &amp; Provider</b>	<b>Portfolio Holder Adult Services and Local Commissioning (South)</b>	7,158,520	6,888,756	(269,764)	<b>Y</b>
The underspends in internally provided services are kept under continual review and used flexibly as in house services are redesigned and recommissioned to meet the changing needs of service users.					
<b>Social Care Operations</b>	<b>Portfolio Holder Adult Services and Local Commissioning (South)</b>	55,086,660	59,605,416	4,518,756	<b>R</b>
The purchasing element of this budget is overspending by £3.7m as at period 3, £1.09m of new pressure was added in P3 by 115 new clients entering the system and increased needs requiring additional support for a number of clients already in receipt of funding. An in depth analysis is being carried out to both ensure the source of these new clients and to validate if this trend risks continuing in line with recent experiences of increased needs and urgent care system pressures. There are also other pressures arising as a result of legislative changes around Deprivation of Liberty Safeguards (DOLs) and the impact of the transfer of Independent Living Fund to local administration. A £300,000 contribution from ASC reserves has been notionally applied at this point in the year to assist with managing this pressure. This will be reviewed as the year progresses.					
<b>Adult Services Management</b>	<b>Portfolio Holder Adult Services and Local Commissioning (South)</b>	2,190,420	2,218,526	28,106	<b>G</b>
No significant variance to report.					
<b>Housing Health &amp; Wellbeing</b>	<b>Portfolio Holder Adult Services and Local Commissioning (South)</b>	4,489,420	4,565,438	76,018	<b>A</b>
Some slippage on savings plans that whilst in place will be late in delivery.					

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	

CHILDRENS SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Total</b>	<b>54,922,000</b>	<b>54,921,865</b>	<b>(135)</b>	<b>G</b>

<b>Learning &amp; Skills</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services, Transformation and Safeguarding</b>	26,237,700	26,237,700	0	<b>G</b>
No variation from budget projected as at Quarter 1, after applying a one off allocation from reserves of £0.552m to support the £1.36m reduction in Education Services Grant.					
<b>Children's Safeguarding</b>	<b>Deputy Leader of the Council; Portfolio Holder Children's Services, Transformation and Safeguarding</b>	28,684,300	28,684,165	(135)	<b>Y</b>
Minor variation from budget projected as at Quarter 1.					

COMMISSIONING	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Total</b>	<b>81,992,290</b>	<b>82,618,406</b>	<b>626,116</b>	<b>G</b>

<b>Director of Commissioning</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	636,840	637,375	535	<b>G</b>
Minor variation from budget projected as at Quarter 1.					
<b>Director of Commissioner Total</b>		<b>636,840</b>	<b>637,375</b>	<b>535</b>	<b>G</b>

<b>Local Commissioning</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	298,790	300,842	2,052	<b>G</b>
Minor variation from budget projected as at Quarter 1.					
<b>Community Action</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	851,730	838,743	(12,987)	<b>Y</b>
Minor variation from budget projected as at Quarter 1.					
<b>LJC Locality Commissioning</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	158,430	156,832	(1,598)	<b>Y</b>

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Minor variation from budget projected as at Quarter 1.					
<b>Local Commissioning Total</b>		<b>1,308,950</b>	<b>1,296,417</b>	<b>(12,533)</b>	<b>Y</b>
<b>Area Commissioner North – Positive Activities</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	487,750	540,989	53,239	<b>A</b>
The start date for new provision is now later than originally planned (September 2015 rather than April 2015). In order to cover interim Positive Activities staffing and direct delivery costs, LJC pro-rata allocations have been made for 2015/16. The infrastructure support budget has also been reduced for 2015/16 in order to reflect the revised start date of the infrastructure contract. However, it is forecast that not all interim costs will be offset by these two budget amendments.					
<b>Area Commissioner North - Libraries</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	4,059,790	4,158,014	98,224	<b>A</b>
Local discussions and negotiations around transfer of smaller libraries to community organisations have been underway for some time now and different models are beginning to develop, however this work has taken longer than originally anticipated. It is hoped that six libraries will transfer to community organisations within 2015/16, however until these transfers take place there is little scope to make savings.					
<b>Area Commissioner North - Markets</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	57,220	54,893	(2,327)	<b>Y</b>
Minor variation from budget projected as at Quarter 1.					
<b>Area Commissioner North - Waste</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	26,597,260	26,613,135	15,875	<b>G</b>
Minor variation from budget projected as at Quarter 1.					
<b>Area Commissioner North</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	240,560	243,748	3,188	<b>G</b>
Minor variation from budget projected as at Quarter 1.					
<b>Area Commissioner North Total</b>		<b>31,442,580</b>	<b>31,610,779</b>	<b>168,199</b>	<b>G</b>
<b>Area Commissioner South – Environmental Maintenance</b>	<b>Portfolio Holder Highways &amp; Transport</b>	27,344,970	27,374,146	29,176	<b>G</b>
There are a couple of areas of concern that are under further investigation surrounding the Ringway contract which may result in additional expenditure, however have not been included at this time.					
<b>Area Commissioner South – Highways &amp; Transport</b>	<b>Portfolio Holder Highways &amp; Transport</b>	5,081,710	5,463,851	382,141	<b>R</b>
It is anticipated that with current policy there will be an overspend in subsidised bus services and concessionary fares.					
<b>Area Commissioner South – Passenger Transport</b>	<b>Portfolio Holder Highways &amp; Transport</b>	808,110	795,210	(12,900)	<b>Y</b>
Minor variation from budget projected as at Quarter 1.					
<b>Area Commissioner South – Leisure</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	3,371,430	3,371,722	292	<b>G</b>
Minor variation from budget projected as at Quarter 1.					

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
<b>Area Commissioner South</b>	<b>Portfolio Holder Adult Services and Commissioning (South)</b>	317,640	316,388	(1,252)	<b>Y</b>
Minor variation from budget projected as at Quarter 1.					
<b>Area Commissioner South Total</b>		<b>36,923,860</b>	<b>37,321,317</b>	<b>397,457</b>	<b>A</b>

<b>Business Growth &amp; Prosperity – Arts</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	194,740	194,740	0	<b>G</b>
No variation from budget projected as at Quarter 1.					
<b>Business Growth &amp; Prosperity - Enterprise &amp; Business</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	823,110	824,605	1,495	<b>G</b>
Minor variation from budget projected as at Quarter 1.					
<b>Business Growth &amp; Prosperity - Visitor Economy</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	1,830,220	1,851,114	20,894	<b>G</b>
Minor variation from budget projected as at Quarter 1.					
<b>Business Growth &amp; Prosperity - Outdoor Recreation</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	1,657,110	1,692,519	35,409	<b>G</b>
There are a number of minor variations plus difficulty delivering all savings targets within this service area.					
<b>Business Growth &amp; Prosperity - Theatre Severn</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	592,470	602,309	9,839	<b>G</b>
Minor variation from budget projected as at Quarter 1.					
<b>Business Growth &amp; Prosperity - Infrastructure &amp; Growth</b>	<b>Portfolio Holder Business Growth, ip&amp;e and Commissioning (North)</b>	151,430	193,401	41,971	<b>G</b>
Income from lettings remains challenging resulting in a projected overspend.					
<b>Business Growth &amp; Prosperity – Strategic Planning</b>	<b>Portfolio Holder Planning, Housing and Commissioning (Central)</b>	818,870	788,927	(29,943)	<b>Y</b>
There are a number of minor variations mainly within staffing budgets.					
<b>Business Growth &amp; Prosperity – Regulatory Services</b>	<b>Portfolio Holder Planning, Housing and Commissioning (Central)</b>	5,113,430	5,108,022	(5,408)	<b>Y</b>
Minor variation from budget projected as at Quarter 1.					
<b>Business Growth &amp; Prosperity – Management</b>	<b>Portfolio Holder Planning, Housing and Commissioning (Central)</b>	498,680	496,881	(1,799)	<b>Y</b>
Minor variation from budget projected as at Quarter 1.					
<b>Business Growth &amp; Prosperity Total</b>		<b>11,680,060</b>	<b>11,752,518</b>	<b>72,458</b>	<b>G</b>

<b>COMMISSIONING</b>	<b>Full year</b>			<b>RAGY</b>
	Budget	Forecast	Variance	
	£	£	£	

PUBLIC HEALTH	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Total</b>	<b>1,972,530</b>	<b>1,945,120</b>	<b>(27,410)</b>	<b>Y</b>

Public Health	Portfolio Holder Health	1,972,530	1,945,120	(27,410)	Y
No significant variance to report.					

RESOURCES & SUPPORT	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
<b>Total</b>	<b>7,924,950</b>	<b>8,316,562</b>	<b>391,612</b>	<b>R</b>

Commercial Services	Portfolio Holder Resources, Finance, and Support	5,008,230	5,003,304	(4,926)	Y
Minor variation from budget projected as at Quarter 1.					
Customer Involvement	Portfolio Holder Resources, Finance, and Support	753,070	1,177,150	424,080	R

It has been identified early in the year that there is a reduction in external income earned by the Customer Service Centre relating to the contract for services provided to ST&RH, this has generated an overspend of £0.109m. Savings targets of £0.074m have been identified as unachievable in full and solutions are being investigated. Additionally IT Services have delayed savings of £0.310m in relation to the rollout of Lync and telecoms, a part year saving should be achievable and this is being progressed. The saving of £0.062m relating to implementation of Equitrack has not been achieved in 2015/16, but is due to be rolled out by 2016/17. The corporate WAN contract dual running period initially anticipated to run until the end of June 2015, has had to be extended and may now need to run until the end of December. The reasons for this extended dual running period are problems and delays in getting the BT WAN installed at all Council sites, this has resulted in an unbudgeted cost of £1m. Additional budget pressures have also been identified in relation to the council's licensing requirement in 15/16 resulting in a projected overspend of £0.5m as a result of a broadening of the Microsoft agreement in place and transition costs as the Council moves to new software systems. These additional costs relating to the WAN contract and the software licensing costs are being funded in 2015/16 with a contribution from the Resources Efficiency Reserve (£1.5m) which includes specific money set aside for IT development. This delay reduces the amount of redevelopment funding for IT. The historic overspend in Print and Mail services is being addressed in 2015/16 by a service redesign and the projected overspend in year is forecast to be £0.017m, this will be resolved fully by 2016/17. Savings have been identified of £0.130m from staffing reductions across customer involvement to offset some of the overspends.

Finance, Governance & Assurance	Portfolio Holder Resources, Finance, and Support	1,402,590	1,323,941	(78,649)	Y
An overspend has been identified within the Revenues and Benefits teams, a staffing restructure has recently taken place in order to address this issue in the future and the current overspend is being reviewed with the aim to reduce this in year. The forecast overspend resulting partly from grant reductions has been resolved in year by the reallocation of base budget of £0.170m no longer considered to be required, and additional in year vacancy management savings of £0.050m in Financial Advice. There are currently £0.269m of unachieved savings in 2015/16, these are planned to be achieved by 2016/17. Savings of £0.329m have been identified					

<b>RESOURCES &amp; SUPPORT</b>		<b>Full year</b>			<b>RAGY</b>
		Budget	Forecast	Variance	
		£	£	£	
<b>Total</b>		<b>7,924,950</b>	<b>8,316,562</b>	<b>391,612</b>	<b>R</b>
across various teams within FG&A and these have come from vacancy management and reduced planned spending on software and supplies and services.					
<b>Human Resources &amp; Development</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	74,430	157,793	83,363	<b>A</b>
Some additional costs have been projected in relation to the Northgate ResourceLink contract extension. There is also a shortfall in income projected in First Aid, Occupational Health and HR Advice. These unfavourable variances are partly offset by minor in-year vacancy management savings. Furthermore, there is an unachieved saving in 15/16 of £0.049m identified.					
<b>Legal, Democratic &amp; Strategy</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	686,630	721,172	34,542	<b>G</b>
An underspend of £0.058m has been identified on Members Allowances. Other smaller savings relating to restructures and staffing vacancies have been identified within the Strategic Planning Team. This has been offset however by an unachieved saving in 2015/16 of £0.097m but this is expected to be achieved by 2016/17.					
<b>Strategic Management Board</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	0	(66,798)	(66,798)	<b>Y</b>
The forecast underspend relates to an additional income stream of £0.062m that has been identified following the budget setting process.					

<b>CORPORATE</b>		<b>Full year</b>			<b>RAGY</b>
		Budget	Forecast	Variance	
		£	£	£	
<b>Total</b>		<b>(1,378,880)</b>	<b>(1,283,054)</b>	<b>95,826</b>	<b>A</b>

<b>Corporate Budgets</b>	<b>Portfolio Holder Resources, Finance, and Support</b>	(1,378,880)	(1,283,054)	95,826	<b>A</b>
There are currently £1.160m of unachieved savings in 2015/16, these are planned to be achieved by 2016/17 and have been temporarily funded by identifying alternative corporate budgets that have been held but can be uncommitted in the current financial year. The other overspend in corporate budgets is in relation to the QICS PFI contract costing more than budget resulting in an overspend of £0.116m, additional overspends are due to ongoing non-distributable costs and added years pensions costs. These overspends have partly been offset by savings across various budget headings relating mainly to staffing recharges.					

**Appendix 2****Amendments to Original Budget 2015/16**

	<b>Total £'000</b>	<b>Adult Services £'000</b>	<b>Children's Services £'000</b>	<b>Commissi oning £'000</b>	<b>Public Health £'000</b>	<b>Resources &amp; Support £'000</b>	<b>Corporate £'000</b>
Original Budget as agreed by Council	<b>215,842</b>	70,410	54,893	82,190	1,934	7,766	(1,350)
<u>Quarter 1</u>							
Youth Centre Facility budgets	<b>0</b>	0	0	(267)	0	267	0
Other minor structure changes	<b>0</b>	0	29	0	39	(68)	0
IT post to Regulatory Services	<b>0</b>	0	0	40	0	(40)	0
Shrewsbury Town Council Contract Budget	<b>0</b>	0	0	29	0	0	(29)
<b>Revised Budget</b>	<b>215,842</b>	<b>70,410</b>	<b>54,922</b>	<b>81,992</b>	<b>1,973</b>	<b>7,925</b>	<b>(1,379)</b>