

Summary Sheet

Overview and Scrutiny Management Board – 16 September 2016

Title

July Financial Monitoring Report 2016/17

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Judith Badger – Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

All

Executive Summary

This report sets out the financial position at the end of July and is based on actual costs and income for the first four months of the financial year and forecast costs and income for the remaining eight months of 2016/17.

The current position shows a forecast revenue overspend of £8.272m after currently identified management actions totalling £4.664m.

This forecast overspend is set against a backdrop of the Council successfully delivering savings of £117m over the last five years and having to save a further £21m in 2016/17. The majority of the savings in 2016/17 are being achieved and the position also assumes that the savings from the review of staff terms and conditions of employment agreed by Full Council in March of £1m for 2016/17 (£2m full year effect) will be delivered.

The key pressures contributing to the current forecast overspend are:

- The continuing service demand and agency staffing cost pressures for safeguarding vulnerable children across the Borough and the strengthening of Social Work and management capacity; and
- Demand pressures for Direct Payments and Managed Accounts, Residential and Domiciliary Care across all Adult client groups.

All Directorates are in the process of identifying and implementing additional management actions to further mitigate the forecast overspend and to tightly control spend until the end of March 2017.

A further report will be submitted to Cabinet in October to address the specific pressures in the demand led services and to accelerate the Council's improvement activity in order to bring spending back in line with budget as soon as possible.

There is also a significant forecast overspend (£3.9m) on the Dedicated Schools Grant (DSG) High Needs Block. This is a forecast increase of £2.9m in a four month period. The service is currently reviewing and developing an action plan and whilst this doesn't affect the Council's bottom line directly it is imperative that a recovery strategy developed in order to address this position. It is recommended that this strategy with detailed actions and milestones also be brought back to Cabinet in October.

In response to reduced Government funding, the Council needs to reduce its net spending by over £40m over the next 3 years with at least £13m of that falling in 2017/18. Should the current level of overspending continue or additional budget be required for any parts of the Council, the required overall budget reduction next year will be higher to that effect and would have to be identified from the remaining Council services. Whilst the Council holds sufficient reserves to accommodate unexpected events they are not sufficient to support ongoing service overspending. Therefore, if overspending were to continue at this level, urgent and drastic action could become necessary which would inevitably impact directly on the citizens of Rotherham.

The report includes three appendices: Appendix 1 shows the detailed reasons for forecast under and over spends by Directorate (after management actions which have/are already being implemented); Appendix 2 shows the current and forecast position against delivering budget savings for 2016/17 agreed in the 2016/17 budget setting process (the majority of which are on track for delivery) and Appendix 3 shows where agreed 2016/17 savings proposals have not been implemented. It is proposed for the latter where alternate actions have been implemented to achieve the saving, formal approval for these alternate actions is sought from Members.

It should be noted that previous financial monitoring reports have focussed on the Revenue Budget with separate reports being produced in relation to the Capital Programme. However, in order to ensure a more joined up approach to the Budget, future reports will cover both revenue and capital although some reports will be lighter touch than others in relation to Capital depending on the timing and delivery of capital schemes.

The Capital Programme is currently on target to deliver within the approved budget for 2016/17.

Recommendations

1. That the current forecast overspend after management actions of £8.272m for 2016/17 be noted. (Paragraph 3.2)

2. That the need for additional management actions to be urgently developed, agreed and implemented and for these to be documented in future Cabinet Budget Monitoring Reports be endorsed.
3. That Directorate management actions to mitigate forecast overspends be clearly and comprehensively documented, including an evaluation of the likely financial impact of these actions (quality assured by Finance Business Partners), and a detailed implementation plan be produced which is regularly reviewed by each Directorate Leadership Team.
4. That any additional actions be recommended by Cabinet which could be implemented to help manage down the current forecast overspend.
5. That a recovery strategy for the forecast overspend on the Dedicated Schools Grant High Needs Block to be brought back to Cabinet on 10th October 2016. (Paragraph 3.11)
6. That the Strategic Director of Finance & Customer Services progress the appropriate level of budget realignment in respect of the Children's residential care review, to be contained within the Looked After Children's Service. (Paragraph 3.8)
7. That approval be given to the alternate actions where these have been implemented in respect of 2016/17 approved Budget Savings (Appendix 3), noting that where they are non-recurrent the proposed method of delivering the approved saving value will be included in future budget monitoring reports for consideration and approval.
8. That a further Medium Term Financial Strategy (MTFS) update report be brought to Cabinet in October and will include a request for approval of the realignment of any savings already agreed by Council for the period 2016/17 to 2018/19 which are now proposed to be delivered via alternate means, or to a different timeline to that originally planned (budgeted). (Paragraph 2.3)
9. That the progress on delivering 2016/17 budget savings proposals agreed by Cabinet in the 2016/17 Budget Round where the majority of savings are on track for delivery be noted. (Appendix 2).
10. That approval be given to the awarding of tenders in respect of Capital Programme works (included in the Capital Strategy – approved on 2nd March 2016) as set out in paragraphs 3.34 and 3.35 of this report.

List of Appendices Included

Appendix 1 – Detailed Directorate analysis of forecast under and overspends

Appendix 2 – Forecast delivery of budget savings agreed when the 2016/17 budget was set.

Appendix 3 – 2016/17 Budget Savings Not Implemented

Background Papers

Revenue Budget and Council Tax Setting Report for 2016/17 to Council 2nd March 2016

Capital Programme Budget Setting Report - 2016/17 TO 2020/21 to Council on 2nd
March 2016
Consultation with Strategic Directors

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet and Commissioners' Decision Making Meeting – 12 September 2016

Council Approval Required
No

Exempt from the Press and Public
No

1. Recommendations

- 1.1 That the current forecast overspend after management actions of £8.272m for 2016/17 be noted. (Paragraph 3.2)
- 1.2 That the need for additional management actions to be urgently developed, agreed and implemented and for these to be documented in future Cabinet Budget Monitoring Reports be endorsed.
- 1.3 That Directorate management actions to mitigate forecast overspends be clearly and comprehensively documented, including an evaluation of the likely financial impact of these actions (quality assured by Finance Business Partners), and a detailed implementation plan be produced which is regularly reviewed by each Directorate Leadership Team.
- 1.4 That any additional actions be recommended by Cabinet which could be implemented to help manage down the current forecast overspend.
- 1.5 That a recovery strategy for the forecast overspend on the Dedicated Schools Grant High Needs Block to be brought back to Cabinet on 10th October 2016. (Paragraph 3.11)
- 1.6 That the Strategic Director of Finance & Customer Services progress the appropriate level of budget realignment in respect of the Children's residential care review, to be contained within the Looked After Children's Service. (Paragraph 3.8)
- 1.7 That approval be given to the alternate actions where these have been implemented in respect of 2016/17 approved Budget Savings (Appendix 3), noting that where they are non-recurrent the proposed method of delivering the approved saving value will be included in future budget monitoring reports for consideration and approval.
- 1.8 That a further Medium Term Financial Strategy (MTFS) update report be brought to Cabinet in October and will include a request for approval of the realignment of any savings already agreed by Council for the period 2016/17 to 2018/19 which are now proposed to be delivered via alternate means, or to a different timeline to that originally planned (budgeted). (Paragraph 2.3)
- 1.9 That the progress on delivering 2016/17 budget savings proposals agreed by Cabinet in the 2016/17 Budget Round where the majority of savings are on track for delivery be noted. (Appendix 2).
- 1.10 That approval be given to the awarding of tenders in respect of Capital Programme works (included in the Capital Strategy – approved on 2nd March 2016) as set out in paragraphs 3.34 and 3.35 of this report.

2. Background

- 2.1 As part of its performance and control framework the Council is required to produce regular reports for the Strategic Leadership Team and Cabinet to keep them informed of financial performance on a timely basis such that where necessary, actions can be agreed and implemented to bring spend in line with the approved budget for the financial year.
- 2.2 Delivery of the Council's Revenue Budget and Medium Term Financial Strategy within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy Agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.
- 2.3 Appendix 3 to this report contains details of where 2016/17 budget savings approved by Council are being delivered via alternate means to those agreed by Council when the budgets were set or where they will now be delivered to different timelines to those agreed when the budget was set. A further MTFS update report will be brought to Cabinet in October and that report will also include a request for formal approval of the realignment of any savings already agreed by Council for the period 2016/17 to 2018/19 which it is now proposed will be delivered via alternate means, or to a different timeline to that originally planned.
- 2.4 The October report will consider the investment required to resource the demand led pressures in Children's and Adults' Services.

3. Key Issues

- 3.1 Table 1 below shows the summary forecast revenue outturn position by Directorate. The table shows the forecast outturn position both before and after any management actions which have already been quantified and implemented. As Directorates agree further management actions to mitigate forecast overspends this will be incorporated within future budget monitoring reports. A more detailed analysis of the Directorate's forecast under and overspends is included in Appendix 1.
- 3.2 Progress on delivering the budget savings approved for 2016/17 are detailed in Appendix 2.

Table 1: July Cumulative - Forecast Revenue Outturn 2016/17

Directorate / Service	Annual Budget 2016/17	Forecast Outturn 2016/17	Forecast Variance (over (+) / under (-) spend) BEFORE management actions	Forecast Variance (over (+) / under (-) spend) AFTER management actions
	£'000	£'000	£'000	£'000
Children & Young People's Services	56,617	64,281	+7,664	+6,114
Adult Care & Housing	67,967	73,724	+5,757	+3,667
Regeneration & Environment Services	45,948	46,260	+312	-509
Finance & Customer Services	12,065	12,145	+80	0
Assistant Chief Executive	5,381	5,504	+123	0
Capital Financing, Levies and Central Services	10,543	10,543	0	0
Social Care Contingency Budget	1,000	0	-1,000	-1,000
TOTAL	199,521	212,457	+12,936	+8,272
Public Health (Specific Grant)	17,644	17,644	0	0
Dedicated Schools Grant (Non Delegated)	20,440	24,377	+3,937	+3,937
Housing Revenue Account (HRA)	83,584	83,093	-491	-491

The following sections (paragraphs 3.3 to 3.27) provide key reasons for the forecast level of annual under or overspend within Directorates. More detailed information is included in Appendix 1.

Children & Young People's Directorate (+£6.114m forecast overspend)

- 3.3 The July revenue full year forecast before implementing agreed management actions is £7.664 over budget. The agreed management actions will reduce this by £1.550m to £6.114m.
- 3.4 The service is facing a range of pressures largely due to the need to engage agency and interim staff for a time limited period to provide much needed capacity to both meet current service demands and improve service delivery performance on a day to day basis. The staffing budget pressure is expected to gradually reduce as new social care employees are appointed and allocated appropriate caseloads linked to the current social worker recruitment campaign. To this end a specialist recruitment team has been appointed on a temporary basis to lead on the campaign to encourage more Social Workers to work for Rotherham.
- 3.5 The other headline variations included within the projected overspend include £2.09m on Independent Fostering Placements due to there being more placements than the budgeted provision. The budget for inter-agency adoption fees and Special Guardianship Orders is currently expected to overspend by £379k due to an increase in the number of adoptions and placements with family members. The fostering allowances and leaving care budgets are forecast to overspend by £521k and, finally there are additional legal costs, the full year impact of which is estimated to be £270k, due to an increase in cases.
- 3.6 The forecast outturn also includes some non-social care variances;
- 3.6.1 £472k pressure within Education & Skills due to unbudgeted expenditure on the Virtual School; and £213k pressure on Complex Needs placements due to increasing placement numbers.
- 3.6.2 £279k pressure within Commissioning, Performance & Quality due to staff numbers in excess of budget; and
- 3.6.3 £217 forecast underspend in respect of Early Help through the management of vacancies.
- 3.7 The service has committed to implementing management actions which will partially mitigate the impact of the pressures reported above and will reduce the forecast overspend by £1.550m to £6.114m. In brief they include:
- Residential Homes review – £750k
 - Savings in Early Help from Children's Centres – £217k (see above)
 - Increasing traded income and/or reducing cost of the School Effectiveness and Inclusion Services to meet the level of demand bought back by schools and academies– £583k (this is already factored into the net £472k pressure described at 3.6.1 above.

3.8 The management actions outlined above include the use of an estimated £750k budget savings from the residential homes review. This includes savings from the closure of St. Edmunds earlier this year and potential in-year savings from a further two home closures (reported elsewhere on this agenda). Cabinet approval is sought to re-align these budget savings to mitigate cost pressures across the wider Looked after Children (LAC) budget.

3.9 The service is also currently forecasting an overspend on its Dedicated Schools Grant (DSG) High Needs Block of £3.937m. At the end of 2015/16 the outturn position showed an overall underspend of £20k on the non-delegated DSG, comprised as follows:

• Early Years Block:	£0.430m Underspend
• Schools Block	£0.598m Underspend
• High Needs Block	£1.004m Overspend
TOTAL	£0.024m Underspend

3.10 The current forecast outturn for 2016/17 shows:

• Early Years Block:	£0.000m Balanced
• Schools Block	£0.000m Balanced
• High Needs Block	£3.937m Overspend
TOTAL	£3.937m Overspend

3.11 The options for dealing with an overspend on the non-delegated DSG are for the Council to fund in full, part or not at all. Given the pressures the Council faces on its own resources it is not proposed that any of the overspend be met by the Council. Any DSG overspend carried forward at year end needs to be funded by schools in the following year or the year after that.

3.12 Childrens' Services are developing proposals for investments and savings that will be submitted to Cabinet in October to reduce demand in the medium term.

Adult Services (+£3.704m forecast overspend) and Housing (-£37k forecast underspend)

3.13 Adult Care Services are currently forecasting an overall overspend of +£5.794m for 2016/17 before mitigating actions and a forecast overspend of +£3.704m after mitigating actions. The main budget pressures continue to be in respect of Direct Payments and Managed Accounts, Residential and Domiciliary care across all client groups.

- 3.14 The main budget pressure within the Directorate continues to be the increased demand for Direct Payments and Managed Accounts (£3.1m) including the full year impact in 2016/17 of the 29% increase in clients receiving a Direct Payment in 2015/16. A task group established to review Direct Payments is still in place and continues to analyse high cost care packages to ensure they are appropriately aligned to client need and to review the processes and procedures associated with assessment to ensure they are fit for purpose. An action plan is being developed by senior managers to address the ongoing issues. This includes a review of Managed Accounts. The expected financial impact of this action plan will be reflected in future budget monitoring reports.
- 3.15 There are also pressures on the residential and nursing care budgets across all client groups as a result of an increase in the average cost of placements and lower than forecast 'Continuing Health Care' income contributions against the approved budget (forecast overspend of £2.3m across all client groups). The Assistant Director of Commissioning is providing oversight on the review of Learning Disability high cost placements which is anticipated to make significant savings. As these are quantified they will be reflected in future budget monitoring reports.
- 3.16 There is also a budget pressure in respect of the provision of Domiciliary Care across all client groups (£1m) due to an increase in the number of clients and the average cost of care packages plus a recurrent income pressure on fees and charges.
- 3.17 The above forecast overspends are being partially reduced by projected underspends within Learning Disability Day Care Services and Supported Living provision due to higher than anticipated staff turnover (-£326k) and a forecast underspend within Assessment & Care Management and Commissioning due to higher than forecast staff turnover (-£278k). The ongoing review of high cost Learning Disability placements is anticipated to deliver cost reductions of £500k during 2016/17.
- 3.18 Management actions to mitigate these increasing budget pressures are being put in place with the aim of achieving a balanced budget by the end of the financial year. These include the continued review of out of area and high cost care packages across all services to identify opportunities to reduce costs and rigorously pursue all Continuing Health Care funding applications with the Clinical Commissioning Group. Monthly Finance and Performance meetings continue to be held with senior managers to review in detail the budget forecasts and monitor demographic pressures and identify savings opportunities. Further progress continues on the delivery of the Adult Services Development Programme to improve the outcomes for service users and this is largely on track to deliver the savings approved when the 2016/17 budget was set. (See Appendix 2).
- 3.19 Neighbourhood services' latest forecast is an underspend of -£37k mainly due to the recruitment to staff vacancies being put on hold pending the outcome of a review of the Area Assembly and Community Cohesion services.

Public Health (Forecast balanced outturn)

- 3.20 The forecast outturn is to spend to budget at this stage with a minor underspend of -£5k which will be transferred to the Public Health grant reserve to meet future years' pressures. This forecast outturn takes into account the Government's 2016/17 reduction in grant funding which has largely been mitigated through the use of the balance on the Public Health grant reserve.

Regeneration and Environment Services (-£509k forecast underspend)

- 3.21 The Regeneration and Environment Directorate Management Team have reviewed the forecast outturn position following the July monitoring cycle. This has involved scrutiny of projected expenditure overspends, analysis of income assumptions and challenge from the Chief Executive and Strategic Director of Finance and Customer Services. Mitigating actions have now been agreed which will enable the Directorate to deliver an estimated underspend of £509k. The main forecast overspends within the Directorate are within Transportation (+£131k), Business Regulation (+£114k), Planning and Building Control (+£92k), Green Spaces (+£85k) and Building Design and Corporate Projects (+£82k). These forecast overspends are fully mitigated by forecast underspends in other areas; Safer Neighbourhoods (-£345k), Facilities Management (-£305k), and Rotherham Investment and Development Office (RIDO) (-£286k). Detailed information on the reasons for the forecast variances is included within Appendix 1.
- 3.22 The current forecast underspend excludes any pressure which may be incurred on the Winter Maintenance budget. This is weather dependent and is highlighted as a risk at this stage. In addition, Libraries and Customer Services have now completed a public consultation exercise to determine future service delivery options. As a result the savings assumptions have been re-profiled into 2017/18 with the result that there will be a pressure of £213k in 2016/17. This is subject to the approval of the report on the Library Strategy and future service offer which is also on this Cabinet meeting agenda. On Appendix 1 this pressure is currently shown under the 'General Management' heading, on approval of the re-profiled savings profile, the pressure will be re-allocated to the Library service.
- 3.23 Revised income assumptions in respect of Rother Valley Country Park (RVCP) will be reviewed again following the key August trading month. Income at RVCP is very much dependent on weather conditions, favourable weather in July having been reflected in a strong performance in respect of income generation.

Finance & Customer Services (forecast balanced outturn)

- 3.24 Overall the Directorate is forecasting to deliver in line with budget, after management actions. The main pressures are in respect unlikely delivery in 2016/17 of a budget saving relating to sale of data storage space (£50k) and unachievable income targets within central and planned print. These pressures will be mitigated through tightly managing spend across the across the wider Directorate.

Assistant Chief Executive (forecast balanced outturn)

- 3.25 The £123k forecast overspend before mitigating actions is largely in respect of additional staff costs within the HR and Payroll and Communications and Media teams. There is also a forecast pressure due to the loss of income within the HR and Payroll service from schools and academies, unachievable income targets in the Town Hall Catering Unit and a forecast shortfall on delivering the budgeted savings in respect of the VAT reclaim on mileage receipts. These pressures are expected to be fully mitigated by a forecast additional income from the Council's salary sacrifice schemes, reduced costs of Member Allowances and management actions agreed across the Directorate to ensure spend is contained within budget for the year. Further detail is shown in Appendix 1.

Corporate & Central Services (Forecast balanced outturn)

- 3.26 The Corporate and Central services forecast assumes the implementation of the Council approved budget saving in relation to Terms & Conditions of £1 million for 2016/17. Implementation plans are progressing but at the time of writing this saving is not secured. An update on the position will be provided in the next monitoring report.
- 3.27 It should be noted that the £1m contingency budget for social care (Adults and Children) is available and will be allocated later in the year once there is a greater degree of certainty about the level of social care pressure in each of these two Directorates and business cases to access this budget have been submitted and agreed.

Housing Revenue Account (HRA) – (Forecast -£0.491m underspend)

- 3.28 The Housing Revenue Account is a statutory ring-fenced account that the Council has to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The forecast for the HRA is a transfer to reserves of -£0.491m mainly due to an underspend within Supervision and Management (-£98k) as a result of staff vacancies pending a review of the Neighbourhoods Partnerships, lower than anticipated HRA capital financing costs (-£192k), a forecast underspend on the provision for bad debts (-£101k) and additional rental income due to more property acquisitions than budgeted plus a reduction in loss of income through void properties (-£100k).
- 3.29 **Budget Savings Not Implemented**

Details of 2016/17 Budget Savings not yet implemented are shown in Appendix 3. Cabinet is asked to note and approve where alternate actions have been implemented. Cabinet should also note that where the proposed alternate action is non-recurrent, that the proposed method of delivering the approved saving value in future years be included in future budget monitoring reports for consideration and approval.

3.30 Collection Fund

The Collection Fund is the technical term for the statutory fund into which Council Tax and Business Rates income and costs are accounted for. It is forecast that the budgeted level of Council Tax and Business Rates will both be achieved.

3.31 Capital Programme

It should be noted that at this early stage in the financial year that delivery of the Capital Programme is currently in line with the approved 2016/17 budget set by Council in its Capital Strategy on 2nd March 2016. A detailed monitoring position will be included in the next Financial Monitoring Report to Cabinet.

3.32 A recent tender exercise through the YORtender procurement portal for the Council's Internet Firewall Replacement has taken place. Following evaluation Network Integration LLP has been confirmed as the preferred bidder.

3.33 A recent tender exercise has also taken place for the Council's Network Infrastructure Refresh using the Crown Commercial Services (CCS) Framework. Following evaluation Specialist Computer Centres plc has been confirmed as the preferred bidder.

3.34 Cabinet approval is now sought to award the above two contracts at a combined value of £615,378 – the full cost of which is contained within the Capital Strategy approved by Council on 2nd March 2016.

3.35 Cabinet approval is also sought to commence the tender process for:

- The Council's Replacement Telephony System;
- An extension of the Council's 'Tech Refresh' Programme; and
- Replacement of elements of the Council's Server Equipment.

Each of the above is included in the Council's Capital Programme for 2016/17 and was contained within the Capital Strategy approved by Council on 2nd March 2016. Following the tender exercises and subsequent evaluation, Cabinet approval is sought to award the contracts to the preferred bidder(s).

4. Options considered and recommended proposal

4.1 With regard to the current forecast revenue overspend, further management actions need to be urgently developed and implemented within all of the Council's Directorates to mitigate the current forecast overspend.

5. Consultation

5.1 Budget Managers, Holders and Operators across the Council and the Strategic Leadership Team (SLT).

6. Timetable and Accountability for Implementing this Decision

6.1 Strategic Directors, Managers and Budget Holders will ensure continued close management and scrutiny of spend for the remainder of the financial year.

6.2 Financial Monitoring reports will be taken to Cabinet and Overview and Scrutiny meetings during the year. Planned Cabinet reports are:

12th September 2016

14th November 2016

9th January 2017

13th February 2017

March 2017 – Date to be determined (Estimated Outturn)

If concern around control of spending escalates, reports will be taken to Cabinet at more frequent intervals and it should be noted that a specific report will be brought to the next Cabinet.

7. Financial and Procurement Implications

7.1 Specific financial details and implications are set out with section 3 of this report.

7.2 This is within a context where the Council is experiencing a high level of overspending on the current approved budget and this position cannot be sustained going forward. There is a need to identify in excess of £40m of further savings and cost reductions over the next 3 years and any overspending on current budgets will add to that requirement. The situation is being closely monitored and a programme of budget challenge sessions have been implemented by the Chief Executive in order to ensure budget holders manage their budgets responsibly and mitigating actions are taken to retrieve the situation.

8. Legal Implications

8.1 No direct implications.

9. Human Resources Implications

9.1 No direct implications.

10. Implications for Children and Young People and Vulnerable Adults

10.1 No direct implications.

11 Equalities and Human Rights Implications

11.1 No direct implications.

12. Implications for Partners and Other Directorates

12.1 No direct implications. As management actions are developed some of these may impact Partners. Timely and effective communication will therefore be essential in these circumstances.

13. Risks and Mitigation

13.1 At a time of economic difficulty and tight financial constraints, managing spend in line with the Council's Budget is paramount. Careful scrutiny of expenditure and income across all services and close budget monitoring therefore remain a top priority if the Council is to deliver both its annual and medium term financial plans while sustaining its overall financial resilience.

13.2 Any potential further cost of CSE claims over and above that already provided for in the 2015/16 accounts or identified in-year to date is not included in this report.

13.3 Potential pressures on the winter maintenance budget arising from adverse weather are not reflected in this report.

13.4 Although both Council Tax and Business Rates collection levels are on target there is a minimal risk that this could change during the remaining months of the year.

13.5 The Council's 2016/17 Budget included a requirement to fund the first £2m of severance costs from in-year capital receipts. The forecast level of receipts for 2016/17 is circa £2.5m however the confirmed level of capital receipts for the first four months of 2016/17 is £220k.

13.6 The current forecast outturn assumes that the £1 million budget saving from changes to staff terms and conditions will be delivered in full in 2016/17. Updates to this position will be provided in subsequent budget monitoring reports.

14. Accountable Officer(s)

Pete Hudson – Chief Finance Manager

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- Judith Badger

Assistant Director of Legal Services:- Dermot Pearson

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