

<b>1</b>	<b>Meeting:</b>	<b>CABINET</b>
<b>2</b>	<b>Date:</b>	<b>19th March 2014</b>
<b>3</b>	<b>Title:</b>	<b>Revenue Budget Monitoring for the period ending 31st January 2014</b>
<b>4</b>	<b>Directorate:</b>	<b>Resources (for all)</b>

## **5 Summary**

This report provides details of progress on the delivery of the Revenue Budget for 2013/14 based on performance for the first 10 months of the financial year. It is currently forecast that the Council will overspend against its Budget by £1.183m (+0.5%). This represents an improvement in the forecast outturn of -£934k since the December monitoring report. The main reasons for the forecast overspend continue to be:

- The continuing service demand and cost pressures for safeguarding vulnerable children across the Borough;
- Income pressures within Environment and Development and ICT Services;
- Continuing Health Care income pressures within Adult and Children's Services;
- Additional, one-off property costs relating to the continued rationalisation of the Council's asset portfolio as part of the efficiency drive to reduce operational costs; and
- Some savings targets are currently pending delivery in full in 2013/14.

The moratorium on all except 'essential' spend has been in place since 16<sup>th</sup> October. The impact of this and the approval of 102 applications for Voluntary Early Retirement/Voluntary Severance (VER/VS) are now reflected in this monitoring report. 45 applications are also currently under consideration.

Members are asked to note that meetings continue to take place with the Clinical Commissioning Group (CCG) about concerns over access to and timely payment of Continuing Health Care income for clients with Continuing Health Care needs. An Action Plan is being developed and updates presented to a series of future meetings which will take place up to the end of the financial year. As the financial impact of these meetings becomes clearer, this will be reported through to Cabinet.

## **Recommendations**

**Cabinet is asked to note the current forecast outturn and the financial challenge presented for the Council to deliver a balanced revenue budget for 2013/14 and the actions implemented to address the forecast overspend.**

## 7.1 Proposals and Details

This report presents details of spending against budget by Directorate covering the first 10 months of the 2013/14 financial year – April 2013 to January 2014 – and forecast costs and income to 31<sup>st</sup> March 2014.

Resources Services which are currently being matrix-managed by Environment & Development Services and Neighbourhood & Adult Services are included within these respective Directorates.

## 7.2 The Overall Position

Directorate/Service	Annual Budget 2013/14	Projected Outturn 2013/14	Variance after Actions (over(+)/under(-) spend)	
	£'000	£'000	£'000	%
Children & Young People Services	46,280	47,404	+1,124	+2.4
Environment and Development Services	47,106	47,555	+449	+1.0
Neighbourhoods & Adult Services	79,053	79,177	+124	+0.2
Resources	10,577	10,860	+283	+2.7
Central Services	38,458	37,661	-797	-2.1
<b>TOTAL</b>	<b>221,474</b>	<b>222,657</b>	<b>+1,183</b>	<b>+0.5</b>
Housing Revenue Account (HRA)	73,090	71,023	-2,067	-2.8

Appendix 1 to this report provides a detailed explanation of the key areas of forecast over / underspend by Directorate. The summarised position for each Directorate is described below.

### **Children & Young People's Directorate (+£1,124k forecast overspend)**

The forecast overspend for Children's Services has improved (£128k) since the last report. (+£1.252m in the December monitoring report). The forecast overspend position is largely due to pressures within the Children & Families Safeguarding Service. The number of looked after children requiring placements at the end of January 2014 was 386, an increase of 14 since December but a reduction of 9 since the end of March 2013.

Pressures on budgets for provision of Out of Authority Residential placements (+£1.605m), remand placements (+£180k) and the provision of independent Foster Care placements (+£254k) are the main service pressures. Although the number of Looked After Children has fallen since March 2013 the cost of placements has increased as children are presenting with more complex needs. The service is looking at how they can find suitable, alternative, value for money placements to meet the needs of these young people.

The Fostering & Adoption is projecting to have 31 new adopters by the end of March 2014 which is 10 above the Invest to Save target and 13 above the number approved in 2012/13. The service is also projecting to be on target for the recruitment of new foster carers at a net gain of 21.

Forecast savings across other parts of the Directorate are helping to mitigate these key pressures. Details are shown in Appendix 1.

Children's Social Care services remain under pressure despite the services' proactive approach to drive down costs including:

- Continued operation and challenge by the Multi-Agency Support Panel
- Successful work undertaken by the Commissioning Team which has resulted in the commissioning and re-commissioning of service provider contracts with significant cost reductions/cost avoidance (£701k) to date in 2013/14.

**Environment & Development Services including Internal Audit, Asset Management, Communications & Marketing and Policy & Planning (+£449k forecast overspend)**

The Directorate is currently forecasting an overspend of +£449k largely due to pressures in Customer Services (+£119k) and Planning and Regeneration (+£280k), Streetpride (+£51k), Communications (+£1k) and Audit & Asset Management (+£58k). The Business Unit is reporting an underspend of -£60k.

The forecast overspend now includes a forecast overspend of £291k for the Winter Pressures budget. It should however be noted that in 2012/13 this budget overspent by £466k. Details of the forecast overspend are included in Appendix 1.

**Neighbourhoods and Adult Services including Commissioning, Procurement, Performance & Quality and Cohesion and Public Health +£124k forecast overspend)**

Overall the Directorate (including ring-fenced Public Health funded services) is forecasting an overspend of +£124k. Within this, Adult Services are forecasting an overspend (+£538k) and Neighbourhood services a forecast underspend of -£252k. Commissioning, Procurement, Performance & Quality and Cohesion services are forecasting a collective underspend of (-£162k). Key pressures include not achieving budgeted income levels for clients with continuing health care needs (£1.5m) and the delays in implementing the restructure within in- house residential care services.

There are also recurrent budget pressures on demand for Direct Payments (Older People, Physical & Sensory Disability clients), Older People's domiciliary care, and day care transport provision for clients with Learning Disabilities.

Public Health Services are currently forecasting a balanced outturn. (Ring-fenced funding).

The forecast position for Neighbourhoods and Adult Services is made up of a number of under and overspends, detailed in Appendix 1.

**Resources Directorate (+£283k forecast overspend)**

Overall the Directorate is forecasting an overspend of +£283k. This is largely in respect of income pressures in the ICT service (+£693k) significantly mitigated by forecast savings elsewhere in the Directorate – most notably in respect of HR &

Payroll reduced costs and increased income generation. The forecast position for Resources is made up of both forecast under and overspends, shown in Appendix 1.

### **Central Services (-£797k forecast underspend)**

In setting the 2013/14 Budget, the Council proposed a recurrent savings target of £300k in respect of renegotiating Staff Terms and Conditions. Options for progressing this saving have been considered and rejected by the Unions. This target currently remains undelivered.

When the 2012/13 budget was agreed it included a £2m savings target for Commissioning Savings. Currently £387k of that target remains to be delivered. Progress against delivery of this balance will be reported in future Cabinet budget monitoring reports.

There is currently a forecast pressure of +£374k on the Land Bank due to the need to keep vacant council owned properties secure until they are sold or demolished.

There is also a forecast pressure of £42k in respect of Statutory Costs (eg Planning Notices and key investigations).

As reported previously the unused Council Contingency Fund (-£600k) is available to mitigate budget pressures across the Council. Additionally, during the budget setting process for 2014/15 recurrent savings of £1.3m were identified in respect of revenue savings deliverable through the refinancing of capital spend originally funded by prudential borrowing. These savings are also available to support the Council in 2013/14.

### **7.3 Housing Revenue Account (HRA) (Forecast underspend -£2.067m)**

The Housing Revenue Account is forecasting a reduction in the transfer from reserves compared with the agreed budget. The HRA had budgeted to use £2.599m from reserves but current forecasts only require £532k, a reduction of -£2.067m.

### **7.4 Agency, Consultancy and Non-Contractual Overtime Costs**

The forecast outturn position includes costs in respect of Agency staff, Consultancy and non-contractual overtime. Detailed below is the analysis by Directorate, including comparisons with 2012/13 financial year:

#### **Agency**

<b>Directorate</b>	<b>Outturn 2012/13</b>	<b>Cumulative to Jan 2013</b>	<b>Cumulative to Jan 2014</b>
	£'000	£'000	£'000
Children & Young People's Services	546	404	694
Neighbourhoods & Adult Services	530	307	282
Environment & Development Services	266	171	517
Resources	194	170	144
<b>TOTAL</b>	<b>1,536</b>	<b>1,052</b>	<b>1,637</b>

Agency staff have in the main, been used as a temporary measure to help introduce more robust and sustainable reductions to the overall staff cost base. This has shown a more marked increase this year to date compared to last year as a result of meeting the demands of various reviews and restructures. These are being kept under close review. The Agency costs in the table above are significantly mitigated by budget savings from vacant posts.

Within Children's Services the increased agency costs during the year have been incurred as a result of the need to cover the Interim Director of Safeguarding, Children & Families post until permanent recruitment takes place; vacant social worker and team manager posts, and social work posts where staff are off sick or on maternity leave; and vacancies, sickness and maternity leave in residential care. The statutory responsibilities and performance and inspection regimes in children's social care mean that posts can only be left unfilled for short periods, and colleague cover for absence is not sustainable. Overall, sickness and turnover is at acceptable levels, below the council average.

Recruitment to the permanent Director post started in early January and interviews will be held early March. If a successful appointment is made, the earliest start date for the new Director is likely to be July 2014 due to notice periods.

All team manager posts were filled through recruitment in late 2013. However, the notice periods mean that start dates are up to four months after appointment. The Interim Team Manager for fostering left in early January, although this was forecast to last until February. The Team Manager for Fostering starts in late January. The Team Manager for Looked After Children starts in early March. This post is being covered by an Agency Manager at present.

Monthly recruitment of social workers has resulted in successful appointments; two vacancies were filled through the January recruitment, and February recruitment is under way. Two extra posts, over establishment, have been recruited to – these are peripatetic staff that can be used to provide cover for emergent gaps due to vacancy, sickness or maternity leave rather than using agency staff. One member of staff has transferred from the fostering team temporarily to fill a vacancy in the Looked After Children's Team from November to March 2014. There has been a reduction in the use of agency staff, but there is still a need for a small number of agency staff to cover sickness, maternity leave and the time between a social worker leaving and their replacement starting.

The use of agency staff in Adult Services has reduced compared to January 2013 levels and relates to social work vacancies and the need to maintain essential cover in some services areas, and provision of cover arrangements pending the implementation of a revised timetable, agreed with the Council, for the new staffing structure in Residential Care.

Environment and Development Services agency costs are greater compared with the cumulative spend to January last year due to cover arrangements within Waste services pending the implementation of a new structure and resourcing additional Highway Maintenance capital works. Also, seasonal Grounds Maintenance work is now undertaken by a combination of seasonally employed staff and agency workers to minimise the cost of cover arrangements.

Agency spend also exists within ICT services where Agency staff are covering a key role (Senior Network Specialist) which the service has been unable to recruit to.

## Consultancy

Directorate	Outturn 2012/13	Cumulative to Jan 2013	Cumulative to Jan 2014
	£'000	£'000	£'000
Children & Young People's Services	338	260	183
Neighbourhoods & Adult Services	0	0	47
Environment & Development Services	108	34	146
Resources	1	1	24
<b>TOTAL</b>	<b>447</b>	<b>295</b>	<b>400</b>

Consultancy spend within Children's Services for the first 10 months of 2013/14 has reduced considerably when compared with the same period last year. The consultancy expenditure predominantly relates to the School Effectiveness Service and services funded by external funding. School Effectiveness consultancy costs are funded from a combination of revenue budget, Dedicated Schools Grant (DSG) and earned income from Schools.

NAS Consultancy spend is within Neighbourhoods services and is in respect of Green Deal Housing energy advice and help to improve employment outcomes/prospects of future employment for long-term unemployed individuals. This spend is largely grant funded.

Consultancy costs within EDS predominantly relate to review of potential development sites and transportation links within the Local Development Plan.

Consultancy spend within the Resources Directorate is predominantly in respect of Legal Services associated with the investigation into sexual exploitation of children and specialist ICT Services.

## Non-Contractual Overtime

Directorate	Outturn 2012/13	Cumulative to Jan 2013	Cumulative to Jan 2014
	£'000	£'000	£'000
Children & Young People's Services	84	75	104
Neighbourhoods & Adult Services	403	330	328
Environment & Development Services	499	380	442
Resources	139	120	115
<b>TOTAL</b>	<b>1,125</b>	<b>905</b>	<b>989</b>

Children's Services overtime is largely in respect of safeguarding in residential care homes. OfSTED requirements are that, if possible, agency staff are not used to cover vacancies, hence the reliance on overtime in the short term pending newly recruited staff taking up post.

Overtime spend within Adult Services is mainly due to the need to maintain statutory staffing levels in residential, home care, day care services and social work posts and

represents cover for sickness and time delays for notice periods when recruiting to vacant posts.

Environment and Development Services overtime spend is predominantly in respect of Streetpride Services – Highways, Network Maintenance, Street Lighting, Street Cleansing and Grounds Maintenance where work is often undertaken at times to avoid inconvenience and danger to the public. Planning and Regeneration Services and Waste Management Services for sickness and holiday cover. The Environment & Development Services overtime cost to end of January also includes provision of cover within Facilities Services (+£24k).

The Resources Directorate's overtime is predominantly in respect of Revenues and Benefits associated with the service carrying a number of vacancies and significant workload pressures primarily brought about by welfare reform changes that are resulting in additional customer contact and income collection and recovery activity (£63k), maintaining ICT services (£30k), maintaining Financial systems (£1k), HR and Payroll Services (£7k), and Town Hall attendants (£14k).

## **7.5 Collection Fund**

**Council Tax:** Based on the first 10 months of 2013/14 collection rates indicate that the Council is broadly on target to achieve the budgeted level of Council Tax - £78.3m. (97% Collection Rate).

**Business Rates:** The Council is currently on target to collect the budgeted level of business rates (£34.304m) as confirmed by a mid-year return for the DCLG. (97% budgeted Collection Rate).

This would be a considerable achievement – with regard to business rates, as previously reported, there has been considerable uncertainty over the number and value of appeals - particularly those backdated to earlier years – which can have a significant impact on the level of rates collectable going forward. Details of the number and value of appeals are held by the VOA which has only recently made this information available to authorities.

## **8. Finance**

The financial issues are discussed in section 7 above.

Management actions need to be identified and implemented across all Directorates to bring projected spend in line with Budget limits by the end of March 2014.

## **9 Risks and Uncertainties**

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.

Although both Council Tax and Business Rates collection levels are currently on target there remains a risk that this could change during the final months of the year.

The current forecast assumes that costs associated with the Winter Pressures will be contained within budget. In 2012/13 these costs exceeded budget by £466k.

## **10. Policy and Performance Agenda Implications**

The delivery of the Council's Revenue Budget and Medium Term Financial Plan 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.

## **11. Background Papers and Consultation**

- November Revenue Budget Monitoring Report – Cabinet December 2013
- Revenue Budget and Council Tax for 2013/14 Report to Council 6th March 2013.
- Strategic Directors and Service Directors of the Council

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## Appendix 1

### Key reasons for forecast over / underspends

#### **Children & Young People's Services (+£1.124m forecast overspend)**

The key factors contributing to the forecast overspend are:

##### **School Effectiveness (-£23k forecast underspend)**

Rockingham PDC is currently projecting to achieve £1k of additional income over its £33k target & the School Effectiveness Service has had delays in filling vacancies resulting in a £22k underspend.

##### **Special Education Provision (-£53k forecast underspend)**

Forecast overspends on Education Welfare (+£3k) due to loss of academy income caused by a change in legislation, SEN Assessment/Admissions Team (+£22k) due to additional hours to cover sickness & additional printing and SEN Complex Needs placements (+£1k) are all offset by staff savings, some of which are from Voluntary Early Retirement/Voluntary Severance, Learning Support Service (-£14k), Children in Public Care (-£10k), Parent Partnership (-£11k) and Education Psychology Service (-£44k).

##### **Safeguarding, Children and Families Service Wide (+£60k forecast overspend)**

The forecast over spend on legal fees (+£81k) due largely to an increase in court fees notified to us in July 2013, Agency costs (+£9k) and inspection consultancy costs (+£38K) is partially offset by staff cost savings (-£68k) in Business Support.

##### **Child Protection Teams (+£44k forecast overspend)**

This forecast overspend is due to confirmation of a reduction in the DSG contribution from schools.

##### **Children in Need Social Work Teams (+£181k forecast overspend)**

This forecast overspend is in respect of Agency staff costs & additional staff appointments within the Children in Need North team & the Borough Wide team (+£155k) and a charge for call handling for the Out of Hours Team (+£46K) offset with staff cost savings from the Early Intervention teams (-£16k) & the Children in Need South team (-£4k).

##### **Looked After Children (+£1,422k forecast overspend)**

The service is forecasting an overspend mainly due to the cost of out of authority residential placements (+£1,605k), remand placements (+£180k) and independent fostering placements (+£254k). Further details of placements are below:

Placement Type	2011/12		2012/13		2013/14 as at 31 <sup>st</sup> January		
	Average No. of placements	Average Cost of Placement £ per week	Average No. of placements	Average Cost of Placement £ per week	Average No. of placements	Average Cost of Placement £ per week	Actual Number of placements
	<b>Out of Authority Residential</b>	18	3,022	21.1	3,206	24.3	3,191
<i>R1 Accommodation only</i>	U/A	U/A	U/A	U/A	U/A	U/A	8
<i>R1 Accommodation &amp; additional staffing</i>	U/A	U/A	U/A	U/A	U/A	U/A	3
<i>R2 Accommodation &amp; therapy</i>	U/A	U/A	U/A	U/A	U/A	U/A	10
<i>R3 Accommodation, therapy &amp; education</i>	U/A	U/A	U/A	U/A	U/A	U/A	5
<i>R4 Parent &amp; Baby</i>	U/A	U/A	U/A	U/A	U/A	U/A	0
<i>Secure</i>	U/A	U/A	U/A	U/A	U/A	U/A	3
<i>Remand</i>	U/A	U/A	U/A	U/A	1.7	2,873	0
<b>Independent Fostering Agencies</b>	125	887	121	874	107.5	883	105
<i>Standard</i>	U/A	U/A	74.8	745	66.7	762	63
<i>Complex</i>	U/A	U/A	27.2	938	23.3	1,177	29
<i>Specialist</i>	U/A	U/A	19	1,287	17.5	955	13
<b>In-house Fostering</b>	158.8	230	162	246	165.5	249	161

**Note:** U/A - This detailed breakdown was unavailable at the time but will be in the future

### ***Out of Authority Residential Care***

- The number of children in residential out of authority placements as at end of January 2014 is 29 (no change since December but an increase of 4 since 31 March 2013).
- Due to the increasing complexity of children's needs being admitted into residential out of authority placements & despite successful negotiations by the Commissioning team to minimise the cost of these placements, the average cost per week of these placements has increased from £3,022 in 2011/12 to £3,191 currently – an increase of 5.6%.
- The average number of placements in the same period has risen by 6.3 (35%)
- From 1 April 2013 children's remand placements are fully funded by the Local Authority & RMBC was provided with a national grant of £78k to cover these additional costs. The cost of these placements in 2013/14 so far is £258k, which shows that the grant was grossly inadequate. There are currently no remand placements.

### ***Independent Fostering Agencies***

- The number of children in Independent Foster Care as at end January 2014 is 105 (no change since December & a reduction of 8 since the end of March 2013).
- The average weekly cost of a placement has reduced by an average of £4 or 0.5% since 2011/12.
- The average number of placements during the same period has decreased by 17.5 (14%)

### ***In-house Fostering***

- The number of children in in-house fostering placements as at end of January is 161 (an increase of 13 since December & a reduction of 10 since the end of March 2013).
- The average weekly cost of a placement has risen by an average of £19 or 8% since 2011/12.
- The average number of placements during the same period has increased by 6.7 (4%)

The number of looked after children was 386 at end of January, an increase of 14 since December but a reduction of 9 since the end of March 2013.

Additional overspends in this area are (+£28k) Consultancy costs to review health care contributions towards children's continuing health care needs, (+£12k) court

ordered care package. These pressures are partially offset by projected underspends in Children's Homes (-£114k) mainly due to not staffing the Silverwood annexe, Fostering Services (-£220k) due to a forecast underspend on fostering allowances & equipment, Residence Orders & Families together placements, (-£151k) due to the re-profiling of adoption placements and the impact of this on inter-agency adoption costs & maximising grants, (-£63k) reduced use of transport for LAC children & (-£109k) in Leaving Care on accommodation costs & a reduction in the number of weekly payments.

**Disability Services (+£86k forecast overspend)**

This service is now forecasting an overspend mainly due to overtime & agency costs at Cherry Tree & Liberty residential homes due to the need to cover sickness & vacancies (+£69k), and an overspend on Direct Payments (+£88k) partially offset by forecast staff costs underspends within the Disability Team (-£71k). The forecast overspend on Direct Payments is due to providing carers to support families with children with extremely complex needs which would otherwise require Out of Authority residential placements at a much higher cost.

**Remaining CYPs Services (-£593k forecast underspend)**

The overall CYPs overspend is also partially offset by projected under spends on Pension costs (-£17k) due to a reduction in numbers receiving pension payments, (-£313k) due to ceasing non-essential spend & reallocation of funding in the Early Years' service, (-£255k) staff cost savings, ceasing non-essential spend & maximising grants in the Integrated Youth Support Service and a further contribution from the Education Catering Service (-£8k).

**Environment & Development Services (+£449k forecast overspend)**

The above forecast overspend now shows the Winter Pressures budget as +£291k overspent to the end of the financial year. In 2012/13 these costs exceeded budget by +£466k.

**Streetpride ( +£51k forecast overspend)**

Network Management is projecting a pressure of +£326k.

Network Management is now showing a projected pressure for winter maintenance (+£291k) month. Parking continues to report a pressure of (+£176k) which is mainly due to a shortfall on income recovery where income targets were inflated on Parking Services budgets by 2.5%. Other service pressures (+£4k) within Drainage. These are being offset by increased income from Streetworks and Enforcements (-£56k) and reduced Street Lighting energy costs (-£45k), and reduced costs on Highways Maintenance (-£41k) and in Public Rights of Way (-£3k).

Waste Services -£6k

Waste Management services have pressures primarily on income from sale of recyclables as a result of a general reduction in waste volumes, and from commercial waste contracts which are still less than budgeted following the downturn in economic activity. Current projections show a pressure of (+£284k), but Waste Disposal is projecting to be underspent by (-£252k) based on known changes to tipping locations, fluctuations in waste streams and an underspend of (-£38k) on the Waste PFI project.

Corporate Transport Unit is showing a forecast saving of -£278k mainly due to expected reduced costs on Home to School Transport (-£177k) and (-£49k) saving on operator

licences and receipt of operator grant payments A surplus on Stores is still anticipated - £52k as a result of the materials issued, in the main for Street Lighting schemes.

Leisure and Green Spaces +£83k.

Green Spaces position now shows a pressure +£83k; (+£34k) allotments saving proposal, +£113k Country Parks due to VAT issue (this position has potential to worsen as further VAT adjustments required for RVCP income train/playdales/watersports, (+ £9k) Sports Development late implementation of Stadium saving and (+£2k) on Landscape Design. These pressures are being partially mitigated by savings in recreational grounds (-£61k), (-£8k) on Trees & Woodlands due to increase in works and (-£6k) on LGS Management and Admin. due to a vacant post, moratorium and savings on Project Development as fewer projects than anticipated.

Across the rest of Streetpride services an improved position is being reported, -£158k partially due to increased income from current transportation and highways work which is offsetting some pressures within Community Services, mainly due to increased pressures regarding fly-tipping and a shortfall in income within grounds maintenance totalling +£84k.

### **Regeneration, Planning, Customer and Cultural Services (+£399k forecast overspend)**

At April – December +£457k overspend was reported. Budgets from Policy and Partnerships are now showing within this Service Area. The details below are the key pressures as at the end of January:

Regeneration and Planning (+£280k) :

The key pressures within Regeneration and Planning are : (+£367k) from Planning due to reduced income from planning applications, additional required spend on the Local Development Plan and a VAT payment due from previous years, resulting from an audit. Smaller pressures are reported from Markets (+£59k), and a pressure on projects has been caused by reduced grant funding (+£12k). These are being partially offset by identified savings (-£103k) from higher than expected occupancy levels at the Business Centres and further savings of (-£55k) from other areas.

Customer and Cultural Services (+£119k) :

Within Customer Services there remains an unachievable saving from 2012/13 of (+£80k) and a further (+£110k) from the 2013/14 savings proposals and further pressures within the Customer Contact Centre (+£36k), Customer Services (+£21k) and Cashiers are reporting (+£36k) due to increased charges from use of pay point and post offices for receipt of income. There are some savings across Customer Services due to release of staffing and the moratorium (-£31k).

The change in venue for celebratory services did create a financial pressure which has now been fully mitigated by some staff savings and the impact of the moratorium across Heritage Services. A further saving of (-£5k) is being shown on museum stores having vacated a site earlier than anticipated. Across Theatres and Arts there is a combined saving of (-£90k), due to some salaries savings, additional income at the Theatre. Within Library Services due to the moratorium and staff leaving under the voluntary severance scheme further savings have been declared totalling (-£38k).

All the pressures continue to be reviewed, and wherever possible, the budget holders will look to reduce any costs to mitigate the forecast overspend.

### **Business Unit -£60k**

The service are now reporting an underspend due to a decision being made to implement a reduced training programme -£43k. Further surplus is being released from staff savings -£7k, and reduced spend as a result of the moratorium across the service, -£10k.

### **Communications +£1k**

The pressures within this Service are around staffing (+£20k) within the Communications Team and some non-pay costs (+£5k) re Bridgegate. These costs are being mitigated due to additional external income for ICT Design Studio (-£10k) and Rotherham Show (-£2k), and further savings of (-£12k) due to the imposed moratorium on spend.

### **Asset Management, Audit and Insurance(+£58k)**

There are pressures across the Asset Management service: unbudgeted property disposal fees (+£37k), Land & Property income under-recovery (+£73k), operational costs of Community Buildings (+£29k), increased accommodation costs, including energy, (+£30k), and Internal Audit (+£15k). Further savings have been declared within Facilities Services (-£88k), Design and Corporate Projects (-£27k) and Emergency Planning (-£11k). Identified pressures on the Land Bank are being reported centrally.

### **Neighbourhoods & Adult Services (+£124k forecast overspend) and Public Health Services (Balanced budget)**

**Adult Services** are currently forecasting an overspend of **+£538k**. The key underlying budget pressures include:

#### **Older People (+£652k)**

Forecast over spend on In-House Residential Care due to delays in implementing the 2013/14 budget savings target (+£201k), increase in Direct Payments over budget (+£645k) and overall forecast over spend on Domiciliary Care services (+£488k) due to an increase in demand for independent sector care.

These is also a forecast overspend on independent sector residential and nursing care (+£1.155m) due less Continuing Health Care income pressures and due to lower than expected discharges than forecast (78 additional clients in placement than budgeted), this is after additional income from property charges is being received. These pressures are being partially reduced by a number of forecast underspends including: planned delays in developing dementia services (-£310k), carers breaks (-£183k) and additional income and delays in enhancements in Rothercare and equipment (-£292k). Higher than anticipated staff turnover within Assessment & Care Management and community support plus additional income from Health including funding for winter pressures (-£897k), staff vacancies within Day Care services (-£84k), additional income in Extra Care Housing (-£19k) and Transport (-£34k) plus planned delay in recruiting to vacant posts within locality services (-£18k).

#### **Learning Disabilities (+£276k)**

There is a forecast overspend on Day Care (+£208k) due to delays in implementation of the day care review including an increase in fees and charges, plus a recurrent budget pressure on transport. There is a forecast overspend in independent sector home care (+£94k) due to delays in meeting an agreed budget saving plus additional costs due to staff cover within In House Residential care (+£43k). Additional discharges from residential care is reducing the forecast overspend in independent residential and nursing

care (+£41k). High cost placements within independent day care and community support are resulting in a forecast overspend of +£52k. These forecast overspends are partially mitigated by delay's in developing Supported Living schemes plus additional funding from health (-£41k), efficiency savings on Service Level Agreements (SLA's) for advice and information (-£62k), lower than expected increase in demand for direct payments (-£27k) and planned delay in recruitment within Assessment & Care Management (-£32k).

### **Mental Health (-£487k)**

Delays in the budget savings plan to move clients into community support services together with additional demand for direct payments have been offset by additional funding from health leaving an overall underspend of £487k.

### **Physical & Sensory Disabilities (+£427k)**

Further increase in demand for Direct Payments (+10 clients) together with recurrent cost pressure (+£627k) and a continued increase in demand for domiciliary care +£212k. These pressures are being partially offset by forecast underspends within residential and nursing care, day care, provision of equipment and efficiency savings on contracts (-£412k).

### **Adults Safeguarding (-£120K)**

Forecast overspend due to lower than expected staff turnover and use of agency support offset by additional grant funding to support domestic violence.

### **Supporting People (-£104k)**

Efficiency savings on subsidy contracts have already been identified against budget (-£104k).

### **Adults General (-£106k)**

This includes the cross cutting budgets (Workforce planning and training, and corporate charges) which are forecasting an overall underspend based on the level of charges incurred last year plus savings on training budgets and additional funding to support HIV.

### **Neighbourhoods General Fund (-£252k)**

The projected year end outturn position for Neighbourhoods shows a forecast under spend of (-£252k).

The main reason for the forecast underspend is higher than expected staff turnover within Trading Standards and Licensing, savings on non-pay budgets due to the moratorium on non-essential spend plus additional grant funding and income from the Dignity contract. The overall forecast underspend includes underspends within the Members Community Leadership Fund (-£16k) and Dispersed Units Trading Account (-£43k) which are likely to be subject to a request for carry-forward at the year end.

**Commissioning, Policy & Performance** services are forecasting an underspend of -£135k mainly in respect of staff cost savings.

**Procurement Team** – a forecast underspend of -£27k in respect of staff cost savings.

### **Public Health (Balanced Budget)**

Public Health services were transferred from Health to Local Authorities on 1 April 2013. The service is funded by a ring fenced specific grant from the Department of Health. For Rotherham this is £13.790m for 2013/14 and the service is currently forecasting a balanced budget. The grant conditions allow for any underspend at the year-end to be carried forward in a Public Health Grant Reserve.

### **Housing Revenue Account (HRA)**

The overall forecast as at end January 2014 is that the HRA will outturn on budget with a planned (budgeted) use of its working balance (reserves) of £0.532m a reduction of £2.067m from the original budget.

Currently forecasts show an over-recovery of income from charges for services and facilities together with under spends on Housing Repairs, the cost of borrowing and supervision and management.

### **Resources Directorate (+£283k forecast overspend)**

**ICT Services** – A forecast overspend of +£693k due to the under-recovery of income as a result of lower than budgeted income because of reduced demand by Schools (relating to both Rotherham Grid for Learning and general IT provision); £300k and reduced spend on IT by Council services (£393k); the latter being partly as a result of the moratorium on non-essential spend.

**Legal and Democratic Services** – A forecast overspend of +£86k due to income and postage cost pressures.

**Human Resources & Payroll** are forecasting an underspend of -£304k largely in respect of staff cost savings and additional income generation.

**Revenues & Benefits** - £100k additional income from the recovery of Housing Benefit overpayments.

**Management savings** are also forecast across the service amounting to -£76k.

**Pension cost savings** of -£16k are also forecast across the Directorate.