

## ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

<b>1</b>	<b>Meeting:</b>	<b>CABINET</b>
<b>2</b>	<b>Date:</b>	<b>15<sup>th</sup> October 2014</b>
<b>3</b>	<b>Title:</b>	<b>Revenue Budget Monitoring for the period ending 31st August 2014</b>
<b>4</b>	<b>Directorate:</b>	<b>Resources on behalf of all Directorates</b>

### **5 Summary**

This report provides details of progress on the delivery of the Revenue Budget for 2014/15 based on performance for the first 5 months of this financial year. It is currently forecast that the Council will overspend against its Budget by £3.105m (+1.5%).

The main reasons for the forecast overspend are:

- The continuing service demand and cost pressures for safeguarding vulnerable children across the Borough;
- Cost pressures arising from some schools converting to academies;
- Income pressures within Environment and Development Services and ICT; and
- Demand pressures for Direct Payments within Older People and Physical and Sensory Disability clients.

Following Cabinet's approval to provide a window of opportunity for Voluntary Early Retirement/ Voluntary Severance (VER/VS) permission has been given for 44 employees to leave the Council and decisions regarding 34 applications are pending. Savings arising from these staff releases are reflected in the forecast outturn position.

Members are asked to note that on 2<sup>nd</sup> September the Chief Executive used his delegated authority (Cabinet Minute C24 6/8/14) to implement a moratorium on non-essential spend. This will assist with reducing the forecast overspend.

There are a small number of historic, recurrent budget pressures across the Council. Approval is requested within this report (section 7.4) for a permanent budget virement (realignment of budget) to address these.

Revenue staff savings from the day of industrial action (10<sup>th</sup> July) amounted to £86k. Cabinet is asked to support a recommendation that these savings be utilised to reduce staff cost pressures contained within Appendix 1 which are part of the overall forecast Council overspend.

Continued close management of spend remains essential if the Council is to deliver a balanced outturn and preserve its successful track record in managing both its in year financial performance and its overall financial resilience.

## **Recommendations**

**Cabinet is asked to:**

- **Note the current forecast outturn and the continuing financial challenge for the Council to deliver a balanced revenue budget for 2014/15;**
- **Approve the Budget Virements proposed at section 7.4 of this report; and**
- **Approve use of the revenue savings from the day of industrial action to contribute to reducing staff cost pressures within the overall forecast Council overspend.**

## 7.1 Proposals and Details

This report presents details of spending against budget by Directorate covering the first 5 months of the 2014/15 financial year – April 2014 to August 2014 – and forecast costs and income to 31<sup>st</sup> March 2015.

## 7.2 The Overall Position

Directorate/Service	Annual Budget 2014/15	Projected Outturn 2014/15	Forecast Variance after Actions (over(+)/under(-) spend) £'000	%
	£'000	£'000		
Children & Young People Services	43,163	45,863	+2,700	+6.3
Academy Conversions (Deficit)	0	147	+147	+100.0
Neighbourhoods & Adult Services	73,472	75,001	+1,529	+2.1
Environment and Development Services	44,923	45,142	+219	+0.5
ICT	2,551	3,251	+700	+27.4
Resources	11,336	11,242	-94	-0.8
Central Services	33,440	31,344	-2,096	-6.3
<b>TOTAL</b>	<b>208,885</b>	<b>211,990</b>	<b>+3,105</b>	<b>+1.5</b>
Housing Revenue Account (HRA)	82,509	82,876	-633	-0.8

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 (+£2.847m forecast overspend)**

The forecast overspend for Children's Services is largely due to pressures within the Children & Families Safeguarding Service. A further pressure (+£147k) relates to schools whose finances are in deficit when they convert to be a sponsored academy leaving the Council responsible for funding their accrued deficit. (Rawmarsh School: A Sports College and Swinton Brookfield Primary School).

The number of looked after children requiring placements at the end of August 2014 was 404, an increase of 9 since the start of the financial year.

Pressures on budgets for provision of Out of Authority Residential placements (+£2.528m) and the provision of independent Foster Care placements (+£221k) are the main service pressures. 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, increased value for money placements to meet the needs of these young people.

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 (£454k) to date in 2014/15.

Children's services continue to look for ways to reduce spend.

**Environment & Development Services including Internal Audit, Asset Management, Communications & Marketing and Policy & Planning (+£219k forecast overspend)**

The Directorate is currently forecasting an overspend of +£219k due to pressures in Streetpride (+£276k), Planning, Regeneration and Customer Services (+£42k) and Communications (+£6k) with Asset Management showing an improved position (-£105k) The Business Unit is reporting a balanced budget at this stage in the financial year. All budgets are continually being reviewed to ensure spend is of an essential nature.

The forecast overspend assumes that the Winter Pressures budget is sufficient to contain costs incurred over the Winter months (2014/15). It should however be noted this budget overspent by +£139k in the mild Winter of 2013/14.

**Neighbourhoods and Adult Services including Public Health, Commissioning, Procurement, Performance & Quality and Cohesion (+£1.529m forecast overspend)**

Overall the Directorate (including ring-fenced Public Health funded services) is forecasting an overspend of +£1.529m. Within this, Adult Services are forecasting an overspend (+£1.270m) and Neighbourhood Services a forecast underspend of -£101k. Commissioning, Procurement, Performance & Quality and Cohesion services are forecasting a collective overspend of (+£360k). Key Directorate pressures include budget savings from previous years not being fully achieved in respect of additional continuing health care (CHC) funding plus recurrent pressures on demand for Direct Payments within Older People and Physical and Sensory Disability clients.

There is also a recurrent budget pressure within Commissioning in respect of a previous years' undelivered corporate savings target. It is proposed that this budget pressure is addressed through a permanent budget virement – see section 7.4 of this report.

Public Health Services (ring-fenced funding) are currently forecasting a balanced Outturn.

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

**Resources Directorate including ICT (+£0.606m forecast overspend)**

Overall the Directorate is forecasting an overspend of +£0.606m. This is predominantly in respect of income pressures within the ICT service (+£700k) partially offset by additional income generation with HR and Payroll services.

### **Central Services (-£2.096m forecast underspend)**

There are currently two key pressures within Central Services. Rotherham's share of the pension deficit in respect of winding down Local Government Yorkshire & Humber (LGYH) (£80k) and Rotherham's share of the costs for the Economic Regeneration Team within the Sheffield City Region Combined Authority (£147k).

Forecast savings within Central Services offset the above pressures and significantly contribute to the wider directorate pressures:

- £1.4m forecast underspend against the budget set aside for VER/VS (See Section 7.4 below);
- £480k tax saving through efficient tax management; and
- £443k representing the reduced provision required to settle the South Yorkshire Trading Standards liability.

Costs associated with the investigation into Child Sexual Exploitation (CSE) and the cost of inspections following the publication of the Jay Report are being collated and will be included in a future revenue monitoring report. The Council will initially be looking to contain these costs and any other potential liabilities within the Council's overall Budget. If this proves not to be possible, then the use of the Council's Working Balance will be required.

### **7.3 Housing Revenue Account (HRA) (Forecast underspend -£633k)**

The Housing Revenue Account is forecasting a £633k reduction in the transfer from reserves compared with the agreed budget. The HRA had budgeted to use £1.440m from reserves but current forecasts only require £0.807m, a reduction of £633k.

### **7.4 Proposed Virement (Budget realignment)**

It is proposed that the £1.4m forecast underspend on the VER/VS budget be vired in accordance with Financial Regulation A Section 2A and Guidance Note 11 of the Council's Constitution to realign the following recurrent budget pressures:

- £700k recurrent ICT income pressure due to the renegotiated prices charged to Schools for the Rotherham Grid for Learning and a number of schools leaving the service (£387k) and recurrent unachievable income targets due to reduced headcount across the Council and reduced customer ICT development spend (£313k). It should be noted that this income pressure exists despite a significant reduction in staff and other related costs within the ICT service over the last 3 years;
- £97k to address the forecast recurrent income pressure in Parking Services due to the likely impact of the new Tesco store;
- £437k to address the non-delivery of the corporate commissioning savings target set in previous years. Members should note that current directorate commissioning savings targets are being delivered; and
- £166k to address a previous years' unrealisable income targets associated with proposed Housing related Customer services developments.

Additionally, Cabinet is asked to formally approve virement of the uncommitted balance of the Central Services Local Investment Budget (£120k) to provide additional support services for victims, families and those affected by Child Sexual Exploitation as announced by the Leader of the Council.

## 7.5 Agency, Consultancy and Non-Contractual Overtime Costs

As requested by the Self-Regulation Select Commission (18<sup>th</sup> Sept 2014) details of spend on Agency, Consultancy and Non-Contractual overtime costs are now reinstated within the revenue budget monitoring report as below:

### Agency

Directorate	Outturn 2013/14	Cumulative to August 2013	Cumulative to August 2014
	£'000	£'000	£'000
Children & Young People's Services (CYPS)	830	306	409
Neighbourhoods & Adult Services (NAS)	345	223	115
Environment & Development Services (EDS)	558	306	323
Resources	134	36	7
<b>TOTAL</b>	<b>1,867</b>	<b>871</b>	<b>854</b>

### Main reasons for spend:

CYPS: Cover for post of Interim Director of Safeguarding post; cover for vacant and long term sick Social Work posts and employment of an interim Service Manager to oversee improvement in the LAC service.

NAS: Residential Care and Assessment & Care Management Social work Teams to maintain statutory levels of service, including cover for vacancies and sickness.

EDS: Cover for holidays and sickness absence mainly within Streetpride services.

Resources: Staff cover in Legal Services

### Consultancy

Directorate	Outturn 2013/14	Cumulative to August 2013	Cumulative to August 2014
	£'000	£'000	£'000
Children & Young People's Services	274	91	87
Neighbourhoods & Adult Services	71	0	0
Environment & Development Services	173	67	35
Resources	23	4	4
<b>TOTAL</b>	<b>541</b>	<b>162</b>	<b>126</b>

### **Main reasons for spend:**

CYPS: School Effectiveness Service which is predominantly grant funded and Special Education Needs & Disabilities (SEND) reform which is specific grant funded.

EDS: Local Development Plan, Waste PFI, Transportation and Countryside Operations.

Resources: Specialist ICT Support.

### **Non-Contractual Overtime**

<b>Directorate</b>	<b>Outturn 2013/14</b>	<b>Cumulative to August 2013</b>	<b>Cumulative to August 2014</b>
	£'000	£'000	£'000
Children & Young People's Services	121	43	32
Neighbourhoods & Adult Services	377	166	86
Environment & Development Services	501	220	176
Resources	149	41	74
<b>TOTAL</b>	<b>1,148</b>	<b>470</b>	<b>368</b>

### **Main reasons for spend:**

CYPS: Provision of staff cover, mainly within residential units.

NAS: Maintaining statutory staffing levels in residential, home care, day care services and social work posts and represents cover for sickness and delays in recruiting to vacant posts.

EDS: Maintaining Streetpride services, facilities services, caretaking and cleaning.

Resources: ICT – Business Continuity (£13k), Revenues and Benefits – Income collection (£52k), Town Hall – Member services/support (£7k) and Legal Services (£2k).

## **7.6 Collection Fund**

At this stage of the financial year it is forecast that the budgeted level of Council Tax and Business Rates will both be achieved.

## **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 2015.

## **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 remaining months of the year.

The current forecast assumes that costs associated with the Winter Pressures will be contained within budget. In 2013/14 these costs exceeded budget by £139k.

## **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**

- Revenue Budget and Council Tax for 2014/15 Report to Council 5th March 2014.
- 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 (+£2.847m forecast overspend)**

The key factors contributing to the forecast overspend are:

##### **Academy Conversions - Deficits (+£147k)**

The forecast over spend is due to provisions for the forecast deficit positions on the following schools when they convert to become a sponsored academy in 2014/15:

Rawmarsh School: a Sports College - £100k (This is in addition to the £300k provided for in the 2013/14 accounts); and

Swinton Brookfield - £47k (This is in addition to the £39k provided for in the 2013/14 accounts).

##### **Directorate Wide Services (-£37k)**

This forecast underspend consists of an over spend on the Central Budget due to the legal costs of academy conversions (+£16k) & supplies (+£3k) offset by a forecast underspend on the pensions budget (-£56k) due to reductions in payments.

##### **School Effectiveness (-£22k)**

This forecast underspend is mainly due 4 advisors leaving the School Effectiveness Service and there being a slight delay in recruiting replacements (-£20k). The remainder of the projection (-£2k) is due to Rockingham PDC forecasting income generation in excess of their £35k income target.

##### **Special Education Provision (-£149k)**

The forecast under recovery of income in the Education Welfare Team is due to a change in legislation which no longer allows them to charge Academies for such services (+£31k) is offset by forecast underspends on SEN Complex Needs placements (-£121k), Children in Public Care Team (-£8k), additional income generation in the SEN Assessment/Admissions Team (-£28k) & on staffing due to vacancies in the Education Psychology Team (-£15k) and Learning Support & Autism Team (-£8k).

##### **Safeguarding, Children and Families Service Wide (+£33k)**

This forecast overspend is mainly on legal fees (+£57k) due to an increase in the number of cases going to court and agency costs for the Interim Director of Safeguarding post (+£28k). These forecast overspends are partially offset by a forecast underspend in Business Support teams due to additional income from NHS, a member of staff taking voluntary redundancy & some staff opting out of the pension scheme (-£52k).

##### **Children in Need Social Work Teams (+£63k)**

This forecast overspend is due to Agency staff costs & additional staff appointments over establishment within the Children in Need teams to better maintain business continuity rather than having to take on agency staff to cover periods between staff leaving and new staff commencing employment.

##### **Looked After Children - LAC (+£2,869k)**

The service is forecasting an overspend mainly due to out of authority residential placements (+£2,528k) and independent fostering placements (+£221k). This is partially offset by a forecast underspend on the Remand placements budget (-£34k).

The Adoption Reform Grant that was first received in 2013/14 was reduced by £746k in

2014/15. This grant significantly mitigated LAC budget pressures in 2013/14 on a temporary basis.

The service overspent in 2013/14 (£1.617m) and due to the increased number and forecast length and complexity of placements, the forecast overspend is currently expected to increase to the extent above (£2.528m and £0.221m respectively).

To help mitigate these pressures the service, alongside the Commissioning team are conducting a review of placements.

Further details of placements are below:

Placement Type	2011/12		2012/13		2013/14		2014/15 as at 31st August		Actual Number of placements as at 31st August
	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	Average No. of placements	Average Cost of Placement £ per week	
<b>Out of Authority Residential</b>	18	3,022	21.1	3,206	25	3,245	31.6	3,160	32
<i>R1 Accommodation only</i>	U/A	U/A	U/A	U/A	U/A	U/A	11.4	2,808	12
<i>R2 Accommodation &amp; therapy</i>	U/A	U/A	U/A	U/A	U/A	U/A	9.3	2,845	9
<i>R3 Accommodation, therapy &amp; education</i>	U/A	U/A	U/A	U/A	U/A	U/A	8.7	3,938	10
<i>R4 Parent &amp; Baby</i>	U/A	U/A	U/A	U/A	U/A	U/A	0	0	0
<i>Secure</i>	U/A	U/A	U/A	U/A	U/A	U/A	2.3	3,282	1
<b>Remand</b>	U/A	U/A	U/A	U/A	1.6	3,154	0.8	450	0
<b>Independent Fostering Agencies</b>	125	887	121	874	107	879	103	885	102
<i>Standard</i>	U/A	U/A	74.8	745	66.1	759	60	746	60
<i>Complex</i>	U/A	U/A	27.2	938	24	1,105	30.8	1,035	31
<i>Specialist</i>	U/A	U/A	19	1,287	16.9	998	12.3	1,178	11
<b>In-house Fostering</b>	158.8	230	162	246	165.2	261	185.2	266	181

*Note:* U/A - This detailed breakdown was unavailable in past years

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

- The number of children in residential out of authority placements as at end of August 2014 is 32 (an increase of 1 since 31 March 2014 & an increase of 7 since 31 March 2013).
- The average number of placements has increased from 25 in 2013/14 to 31.6 in 2014/15, so far, which is an increase of 6.6 (26.4%). At an average cost of £3,160 per week this 6.6 increase equates to a cost of £1.085m per annum.
- Due to the increasing complexity of children's needs that are going 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 £3,160 currently – an increase of 4.6%. However, as shown in the table above, the current average cost per placement is less than the 2013/14 average of £3,245 – a reduction of -2.6%.
- The average number of placements in the same period has risen by 13.6 (75.6%) from 18 to 31.6.
- From 1 April 2013 children's remand placements were fully funded by the Local Authority & RMBC received a national grant of £78k in 2013/14 to cover these additional costs. The allocation for 2014/15 has been reduced to £53k. The cost of these placements in 2014/15 so far is £19k. At the end of August 2014 there were no remand placements (a reduction of 2 since 31 March 2014).

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

- The number of children in Independent foster Care as at end August 2014 is 102 (no change since the end of March 2014 & a reduction of 16 since 31<sup>st</sup> March 2013).
- The average cost of a placement has reduced by £2 or 0.2% since 2011/12.
- The average number of placements during the same period has decreased by

18 (14.9%).

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

- The number of children in in-house fostering placements as at end of August 2014 is 181 (an increase of 14 since the end of March 2014).
- The cost of a placement has risen by an average of £36 or 15.7% since 2011/12.
- The average number of placements during the same period has increased by 26.4 (16.6%)

The number of looked after children was 404 at end of August, a reduction of 4 since the end of March 2014.

Fostering Services are forecasting an overspend on Fostering allowances (£164k) & Residence Orders (£58k) due to having more children placed than planned (see table below) & also due to some placements costing more than the budgeted average. This is partially offset by forecast staffing savings in the Fostering team (-£43k) & forecast underspends on Fostering equipment (-£10k) & Family Together packages (-£15k).

Adoption Services are forecasting an overspend on Special Guardianship Orders (£25k) & a small overspend on allowances (£7k) due to some placements costing more than the budgeted average. These are offset with under spends on the Inter Agency costs (-£135k) due to more adoptions being done in house & small underspends on the LAAC Team (-£1k) & the Adoption Team (-£6k).

The table below shows the current placements numbers compared to the plan used when budget setting for 2014/15:

Placement Type	Actual No. of placements as at 31st August 14	Planned No. by this stage of the year	No. of placements above plan	Average Cost per week used for budget setting £	Total Approximate Additional Cost for the next 7 months £'000	Cost Avoided for the next months - assuming an IFA placement would have been used (£854 Per week) £'000
In-House Fostering	181	171	10	264	79	177
Adoption - with means tested allowance	85	90	-5	167	0	0
Residence Orders	135	130	5	129	19	109
Special Guardianship	85	87	-2	118	0	0
					<b>99</b>	<b>286</b>

Although these additional placements are contributing to the service overspend, the table shows that if these placements had instead resulted in Independent Fostering placements, this would have cost RMBC an additional £286k for a 7 month period.

Other forecast overspends within this service are (£100k) in the LAC Service due to Agency costs posts over establishment of £80k & a complex Care package £20k & (£10k) within in-house Residential homes due to Regulation 33 requiring us to use an independent reviewer for our in house provision.

### **Disability Services (-£57k)**

This service is forecasting an underspend due to delays in recruitment for 2 posts within the outreach team (-£23k) & reduced use of the cover budgets at Cherry Tree & Liberty residential homes (-£34k).

### **Environment & Development Services (+£219k forecast overspend)**

The above forecast overspend assumes that the Winter Pressures budget is sufficient to contain costs incurred over the Winter period – in the mild Winter last year the costs exceeded budget by +£139k.

### **Asset Management (-£105k)**

The service is now forecasting an underspend on the various budgets. There are some small pressures across the service: Health and Safety (+£8k) for unfunded costs relating to the recent town centre protest marches; Internal Audit (+£6k) staffing costs; a forecast under-recovery of income (+£10k) for All Saints toilets, staffing costs and income under-recovery at Riverside café and hospitality (+£5k); and closure costs in excess of budget for CENT (+£2k).

There are a number of underspends which have contributed to the improved Asset Management forecast outturn, Community Buildings (-£35k) due to additional rental income and (-£59k) reduced expenditure from Facilities Management of all council buildings. The Corporate Environment Team and Capital Team are forecasting an underspend of (-£42k) relating to capacity within the carbon reduction commitment budget.

### **Business Unit (£0k)**

The Business Unit is currently forecasting a balanced outturn.

### **Communications (+£6k)**

The forecast overspend represents staff cost pressures within the Communications Team.

### **Regeneration, Planning, Customer and Cultural Services (+£42k forecast overspend)**

Whilst there are still some pressures within this service area, the current overspend is an improved position, and staff are working to reduce current pressures. Markets are forecasting an overspend of (+£30k) due to expected repairs costs on deteriorating buildings, and Customer Services (+£121k) mainly due to a delay in delivery of savings and unbudgeted staffing costs as the Service has needed to use temporary staff to meet service demands. The Arts budget has a pressure of (+£12k), due to part year unfunded staffing costs. RIDO is funding a replacement ICT package, and has some staffing cost pressures (+£22k).

These overspends are being partially offset the following forecast underspends:- Business Centres due to increased occupancy levels (-£31k); Cultural Services from Theatres (-£14k); Boston Castle and Museums (-£13k); and Libraries (-£64k) mainly due to the non-filling of vacant posts prior to the now implemented staffing restructure. Building Control (-£8k), due to an increase on applications. Planning Services have identified a small underspend due to the delaying of consultancy spend in this year (-£13k).

### **Streetpride (+£276k forecast overspend)**

Network Management are forecasting a pressure **+£292k**, of which (+£387k) is related to Parking due to reduced forecast income from parking permits and furthermore, the impact of Tesco opening later this year. (See proposed virement – section 7.4). This is being partially mitigated by some savings in other areas (-£95k), mainly from Street Lighting energy savings.

Waste Services are reporting a forecast underspend **-£20k**. Waste collection is forecasting

an underspend of (-£156k), mainly due to WEEE rebate income, and increased income from bulky items and commercial waste, whereas waste disposal is reporting a forecast pressure (+£160k) due to the availability of the waste disposal treatment centre at Runcorn not coming on line when expected, the waste PFI is expected to be slightly underspent (-£24k).

Leisure and Green Spaces are reporting a forecast pressure of **+£8k**, mainly due to an under-recovery of income from allotments and green spaces (+£32k), other smaller pressures total (+£10k), which are being mitigated by some savings from Urban Parks, Landscape Design and general management (-£34k).

Community Services are reporting a pressure of **+£69k**, due to a forecast overspend on cleansing highways (+£53k), staffing costs (+£15k) and a pressure due to the need to renegotiate a new kennel contract for stray dogs as our previous provider terminated the existing contract (+£11k). These pressures are partially offset by a forecast underspend on Pest Control Services due to increased income (-£10k).

Corporate Transport Unit is showing a forecast underspend due to the spend moratorium (-£52k) and further moratorium savings across the wider Streetpride service (-£21k).

### **Neighbourhoods & Adult Services (+£1.529m forecast overspend)**

**Adult Services** are currently forecasting an overspend of **+£1.270m**. The key underlying budget pressures include:

#### **Adults General (-£31k)**

Higher than anticipated staff turnover with Contract and Reviewing Officers is resulting in a forecast underspend of -£31k.

#### **Older People (+£484k)**

Forecast increase in Direct Payments (+13 clients) over budget (+£418k) and forecast overspend on independent sector residential and nursing care (+£764k) due to recurrent pressure on meeting savings target from previous years in respect of additional continuing health care income, this is after additional income from property charges being received. These forecast pressures are being partially reduced by a number of forecast underspends including: savings on maintenance contracts and energy costs in the Rothercare service (-£111k); higher than anticipated staff turnover within Assessment & Care Management and community support; additional non-recurrent income from Health (-£245k); an overall underspend on Enabling and home care (-£122k); and additional Winter Pressures funding from health (-£220k) agreed in July.

#### **Learning Disabilities (+£813k)**

There is a forecast overspend on Day Care (+£193k) due to specialist provision required for 7 unfunded transitional placements from Children's Services (demographic pressure) plus a recurrent budget pressure on the provision of transport (+£172k). There is also now a forecast pressure due to the delay in the reconfiguration of residential care to supported living by RDASH (+£365k). Further forecast overspends due to a delay in meeting an agreed budget saving for employment and leisure services (+£222k) and additional costs due to staff cover within In House Residential care (+£63k). These forecast overspends are partially mitigated by clients leaving care in excess of budget from residential care (-£101k) and an overall forecast underspend on Supported Living schemes due to receipt of additional funding from health (-£101k).

### **Mental Health (-£211k)**

There is a projected underspend on the residential care budget due to 4 clients leaving care greater than budget since April (-£110k) plus additional forecast underspends within mental health day care, community support and direct payments (-£31k) including additional public health funding (-£100k) for substance misuse. These savings are reduced by a +£30k overspend due to lower than expected staff turnover and extra costs for night cover.

### **Physical & Sensory Disabilities (+£267k)**

Recurrent cost pressure on Direct Payments (+£439k / 55 clients) partially reduced by forecast underspends within residential and domiciliary care (-£154k) and forecast savings within the advocacy contracts (-£18k).

### **Supporting People (-£52k)**

Efficiency savings (reduced placement activity) on subsidy contracts have already been identified against budget (-£52k).

### **Neighbourhoods General Fund (-£101k)**

The projected year end outturn position for Neighbourhoods shows a forecast under spend of (-£101k).

The main reasons for the forecast underspend is higher than expected staff turnover within Trading Standards (-£41k) and Furnished Homes (-£37k) and dispersed units due to lower than anticipated occupancy levels (-£23k).

### **Commissioning, Policy & Performance and Procurement Services (+£360k)**

Services are forecasting an overall overspend due to a undelivered recurrent budget saving target for commissioning. (See section 7.4 of this report).

### **Public Health (Forecast Balanced outturn)**

This service is funded by a ring fenced specific grant from the Department of Health. For Rotherham this is £14.176m for 2014/15. The service is currently forecasting a balanced outturn.

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

The overall forecast as at end August 2014 is that the HRA will outturn with a use of its working balance (reserves) of £0.807m; a reduction of -£633k from the original budget.

Currently forecasts show a slight underspend on Supervision and Management due to staff vacancies plus additional income from dwelling rents due to fewer than anticipated Right to Buy sales.

### **Resources Directorate (+606k forecast overspend)**

**ICT** – The service is currently forecasting a pressure of +£700k. This relates to a forecast under-recovery of income due to reduced spend across the Council. This report includes a proposed virement to address this recurrent pressure (See section 7.4).

**Legal Services** – A forecast overspend of +£113k due to staff cost pressures and delays in achieving budget savings.

**Human Resources & Payroll** are forecasting an underspend of -£190k largely in respect of additional income generation and reduced staff costs.

**Financial Services** (including Revenues & Benefits) is currently forecasting a small -£5k underspend on its staffing budget.

**Management savings** are also forecast across the service amounting to -£12k.