

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	SELF REGULATION SELECT COMMISSION
2	Date:	8th January, 2015
3	Title:	Revenue Budget Monitoring for the period ending 31st October 2014
4	Directorate:	Resources on behalf of all Directorates

5 Summary

This report was considered by Cabinet on the 17th December, 2014, and provides details of progress on the delivery of the Revenue Budget for 2014/15 based on performance for the first 7 months of this financial year. It is currently forecast that the Council will overspend against its Budget by £2.976m (+1.4%); an improvement of £129k since the last report to Cabinet in October (August monitoring report).

The current forecast outturn excludes the costs of implementing recommendations from the Jay report and the Ofsted Inspection, and the costs which will be borne by the Council in respect of the Corporate Governance Inspection.

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;
- Continuing Health Care income pressures 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 46 employees to leave the Council. Savings arising from these staff releases are reflected in the forecast outturn position.

Members are asked to note that the moratorium on non-essential spend implemented on 2nd September will continue until the end of March. This will assist with reducing the forecast 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

That Self Regulation is asked to:-

- **Note the request to Cabinet to note the current forecast outturn and the continuing financial challenge for the Council to deliver a balanced revenue budget for 2014/15.**
- **Consider the report and determine if there are any areas they wish to scrutinise further**

7.1 Proposals and Details

This report presents details of spending against budget by Directorate covering the first 7 months of the 2014/15 financial year – April 2014 to October 2014 – and forecast costs and income to 31st March 2015.

7.2 The Overall Position

Directorate/Service	Annual Budget 2014/15 £'000	Projected Outturn 2014/15 £'000	Forecast Variance after Actions (over(+)/under(-) spend) £'000	%
Children & Young People Services	43,288	47,034	+3,746	+8.7
Academy Conversions (Deficit)	0	283	+283	+100.0
Neighbourhoods & Adult Services	74,389	74,325	-64	-0.1
Environment and Development Services	48,881	48,581	-300	-0.6
Resources	11,366	11,230	-136	-1.2
Central Services	30,961	30,408	-553	-1.8
TOTAL	208,885	211,861	+2,976	+1.4
Housing Revenue Account (HRA)	82,509	81,025	-1,484	-1.8

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 (+£4.029m forecast overspend)

The forecast overspend for Children's Services is largely due to pressures within the Children & Families Safeguarding Service. A further pressure (+£283k) 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).

A review of Abbey Special School is currently taking place. This school is currently forecasting a deficit outturn for this financial year (2014/15) which may be up to £100k. Depending on the outcome of this review there may be financial implications for the Council.

The number of looked after children requiring placements at the end of October 2014 was 402, an increase of 7 since the start of the financial year.

Pressures on budgets for provision of Out of Authority Residential placements (+£2.913m) and the provision of independent Foster Care placements (+£365k) 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 of £604k 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 (-£300k forecast underspend)

The Directorate is currently forecasting an underspend of -£300k comprising pressures in Streetpride (+£130k), and Communications (+£24k), with Asset Management showing an improved position (-£168k). The Business Unit is now reporting a forecast underspend position (-£73k) as is Regeneration, Planning and Culture (-£213k). All budgets are continually being reviewed to ensure spend is of an essential nature.

The forecast underspend 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 (-£0.064m forecast underspend)

Overall the Directorate (including ring-fenced Public Health funded services) is forecasting an underspend of -£64k. Within this, Adult Services are forecasting an overspend (+£737k) and Neighbourhood Services a forecast underspend of -£684k. Commissioning, Procurement, Performance & Quality and Cohesion services are forecasting a collective underspend of (-£117k). Key Directorate pressures include budget savings from previous years not being fully achieved in respect of additional continuing health care (CHC) funding, delays on achieving budgeted savings within Learning Disability services, plus recurrent pressures on demand for Direct Payments within Older People and Physical and Sensory Disability clients.

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 (-£0.136m forecast underspend)

Overall the Directorate is forecasting an underspend of -£136k. This is predominantly in respect of reduced costs and additional income generation with HR and Payroll services.

Central Services (-£0.553m 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 (£188k).

The 2014/15 costs directly associated with the Professor Jay investigation into Child Sexual Exploitation (CSE) amount to £102k. (Costs in 2013/14 were £37k).

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

- £480k tax saving through efficient tax management; and
- £443k representing the reduced provision required to settle the South Yorkshire Trading Standards liability.

The cost of the Corporate Governance inspection, the cost of responding to Ofsted recommendations and the costs associated with responding to recommendations 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. The Council has written to Government requesting an indication of the likely costs of the CGI which will have to be borne by the Council.

7.3 Housing Revenue Account (HRA) (Forecast underspend -£1.484m)

The Housing Revenue Account is forecasting a £1.484m reduction in the transfer from reserves compared with the agreed budget. The HRA had budgeted to use £1.440m from reserves but current forecasts a contribution to reserves of £44k.

7.4 Agency, Consultancy and Non-Contractual Overtime Costs

Details of spend on Agency, Consultancy and Non-Contractual overtime costs are shown below. These costs are included within each Directorate's forecast outturn position.

Agency

Directorate	Outturn 2013/14	Cumulative to Oct. 2013	Cumulative to Oct. 2014
	£'000	£'000	£'000
Children & Young People's Services (CYPS)	830	473	591
Neighbourhoods & Adult Services (NAS)	345	257	177
Environment & Development Services (EDS)	558	449	496
Resources	134	79	73
TOTAL	1,867	1,258	1,337

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 Oct. 2013	Cumulative to Oct. 2014
	£'000	£'000	£'000
Children & Young People's Services	274	104	139
Neighbourhoods & Adult Services	71	23	0
Environment & Development Services	173	121	52
Resources	23	10	6
TOTAL	541	258	197

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

Directorate	Outturn 2013/14	Cumulative to Oct. 2013	Cumulative to Oct. 2014
	£'000	£'000	£'000
Children & Young People's Services	121	70	52
Neighbourhoods & Adult Services	377	240	122
Environment & Development Services	501	295	251
Resources	149	64	98
TOTAL	1,148	669	523

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 (£18k), Revenues and Benefits – Income collection (£69k), Town Hall – Member services/support (£9k) and Legal Services (£2k).

7.5 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.

Costs associated with implementing recommendations from the Jay Report, the recent Ofsted Inspection and the ongoing Corporate Governance Inspection are being collated and are likely to be a significant unbudgeted cost. As more detail becomes available this will be included in future budget monitoring reports to Cabinet.

The number and likely cost of CSE claims is a further, likely significant, unquantified risk at present.

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.

Should there be any financial consequence from the review of Abbey Special School, this is currently not quantified and included within the forecast outturn position.

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

Contact Name: Stuart Booth, Director of Financial Services, *ext. 22034*
Stuart.Booth@Rotherham.gov.uk

Appendix 1

Key reasons for forecast over / underspends

Children & Young People's Services (+£4.029m forecast overspend)

The key factors contributing to the forecast overspend are:

Academy Conversions - Deficits (+£283k)

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 - £+£236k (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 (-£32k)

This forecast underspend consists of an over spend on the Central Budget due to the legal costs of academy conversions (+£35k) & supplies (+£3k) offset by a forecast underspend on the pensions budget (-£70k) due to reductions in payments.

Schools and Lifelong Learning Service Wide (+£2k)

The forecast overspend is due to costs for the Yorkshire and Humber Education Challenge (+£3k) slightly offset by forecast underspends on car allowances and room hire (-£1k).

School Effectiveness (-£56k)

This forecast underspend is mainly due 4 advisors leaving the School Effectiveness Service and there being a slight delay in recruiting replacements (-£57k). The remainder of the projection (+£1k) is due to Rockingham PDC forecasting income generation slightly below their £35k income target.

Special Education Provision (+£42k)

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 (+£24k) and additional costs of SEN Complex Needs placements (+£93k). This is partially offset by forecast underspends on staff costs within the Children in Public Care Team (-£19k), additional income generation in the SEN Assessment/Admissions Team (-£17k) & on staffing due to vacancies in the Education Psychology Team (-£18k), Parent Partnership Team (-£11k) and Learning Support & Autism Team (-£10k).

Early Years Services (-£70k)

The projected underspend in this area is due to delays in recruitment & savings due to staff not being in the pension scheme within the Early Years Team (-£20k) & Children Centres (-£50k)

Integrated Youth Support (-£80k)

The forecast underspend is as a result of a reduction in the non-pay costs within the service (-£169k) due to the spend moratorium and reduced staff costs offset by a forecast overspend in Outdoor education due to under-recovery of income (+£89k).

Safeguarding, Children and Families Service Wide (-£56k)

This forecast underspend is mainly on legal fees (-£88k) due to the courts ceasing and refunding final hearing fees. This is partially reduced by costs for the previous interim Director of Safeguarding post (+£29K) and Business Support teams mainly due to 2 new posts and additional agency costs (+£3k).

Child Protection Teams (+£80k)

This forecast overspend is due to the withdrawal of the DSG funding by the Schools Forum (+£49k), reduced staff costs through vacancies (-£7k), additional agency staff costs + (£16k) and 2 new Independent Reviewing Officer Posts (+£23k) in the Safeguarding Unit slightly offset by a small projected underspend on the Children's Rights Team (-£1k).

Children in Need Social Work Teams (+£536k)

This forecast overspend is due to Agency staff costs & additional staff appointments over establishment (+£532k), partially offset by staff cost savings through vacancies (-£12k) & a forecast underspend on supplies (-£9k) within the Children in Need teams. This is to better maintain business continuity rather than having to recruit expensive agency staff to cover periods between staff leaving and new staff commencing employment in post. This area also includes a projected overspend on the Out of Hours service (+£36k), partially offset by a projected underspend on the Family Assessment Team (-£11k) due to staff not being in the pension scheme & delays to recruitment.

Looked After Children - LAC (+£3,398k)

The service is forecasting an overspend mainly due to out of authority residential placements (+£2,913k) and independent fostering placements (+£365k).

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 (+£2.913m and £0.365m 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 October		Actual Number of placements as at 31st October
	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	
Out of Authority Residential	18	3,022	21.1	3,206	25	3,245	32.4	3,318	36
<i>R1 Accommodation only</i>	U/A	U/A	U/A	U/A	U/A	U/A	11.8	2,812	14
<i>R2 Accommodation & therapy</i>	U/A	U/A	U/A	U/A	U/A	U/A	9.3	2,845	9
<i>R3 Accommodation, therapy & education</i>	U/A	U/A	U/A	U/A	U/A	U/A	9.0	3,801	12
<i>R4 Parent & Baby</i>	U/A	U/A	U/A	U/A	U/A	U/A	-	0	0
<i>Secure</i>	U/A	U/A	U/A	U/A	U/A	U/A	1.9	3,753	1
Remand	U/A	U/A	U/A	U/A	1.6	3,154	0.7	815	0
Independent Fostering Agencies	125	887	121	874	107	879	108.8	864	109
<i>Standard</i>	U/A	U/A	74.8	745	66.1	759	60.8	756	61
<i>Complex</i>	U/A	U/A	27.2	938	24	1,105	35.8	909	35
<i>Specialist</i>	U/A	U/A	19	1,287	16.9	998	12.3	1,265	13
In-house Fostering	158.8	230	162	246	165.2	261	174.2	267	170
<i>Note: U/A - This detailed breakdown was unavailable in past years</i>									

Out of Authority Residential

- The number of children in residential out of authority placements as at end of October 2014 is 36 (an increase of 5 since 31 March 2014 & an increase of 11 since 31 March 2013).
- The average number of placements has increased from 25 in 2013/14 to 32.4 in 2014/15, so far, which is an increase of 7.4 (29.8%). At an average cost of

£3,318 per week this 7.4 increase equates to a cost of £1.283m 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 £3,318 currently – an increase of 9.8%. The average number of placements in the same period has risen by 14.4 (80%) from 18 to 32.4.
- 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 £33k. At the end of October 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 October 2014 is 109 (an increase of 7 since the end of March 2014 & a reduction of 9 since 31st March 2013).
- The average cost of a placement has reduced by £23 or 2.6% since 2011/12.
- The average number of placements during the same period has decreased by 16.2 (13%).

In-house Fostering

- The number of children in in-house fostering placements as at end of October 2014 is 170 (an increase of 3 since the end of March 2014).
- The cost of a placement has risen by an average of £37 or 16% since 2011/12.
- The average number of placements during the same period has increased by 15.4 (9.7%)

The number of looked after children was 402 at end of October, an increase of 2 since the end of March 2014.

Fostering Services are forecasting an overspend on Fostering allowances (+£121k) & Residence Orders (+£62k) due to having more children placed than planned during the first part of the year (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 (-£45k) & forecast underspends on Fostering equipment (-£20k) & Family Together packages (-£16k).

Adoption Services are forecasting an overspend on Special Guardianship Orders (+£11k). This is offset with forecast underspends on allowances (-£14k) due a reduction in the number of carers, Inter Agency costs (-£123k) due to more adoptions being done in house & small underspends on the LAAC and Adoption Teams (-£1k).

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 October 2014	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 5 months £'000	Cost Avoided for the next months - assuming an IFA placement would have been used (£854 Per week) £'000
In-House Fostering	170	174	-4	264	0	0
Adoption - with means tested allowance	85	93	-8	167	0	0
Residence Orders	142	131	11	129	37	245
Special Guardianship	85	89	-4	118	0	0
					37	245

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 £245k for a 5 month period.

Other forecast overspends within this service are (+£160k) in the LAC Service due to Agency staff costs (+£92k) & posts over establishment (+£40k) & a complex Care package (+£21k), secure transport (+£20k) offset by a forecast underspend on Section 17 and 23 costs (-£13k).

Also, within in-house Residential homes there is a forecast overspend (+£31k) due to Regulation 33 requiring us to use an independent reviewer of our in house provision (+£19k) & forecast overspends on agency, long term sickness cover and a termination payment (+£30k), partially offset by under spends on staffing at St Edmunds and the cover budget at Woodview (-£18k).

Furthermore there is a Leaving Care overspend (£3k) and LAC Transport is forecasting an underspend of (-£50K).

Disability Services (-£18k)

This service is forecasting an underspend due to delays in recruitment for 2 posts within the outreach team (-£26k) partially reduced by a forecast overspend due to increased use of agency staff at Cherry Tree & Liberty residential homes (+£8k).

Environment & Development Services (-£300k forecast underspend)

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, Audit and Insurance -£168k

There are some small pressures across the Asset Management service which total **+£94k**: Health and Safety (+£47k) for costs incurred relating to the public demonstrations, and an under recovery of health and safety training income (less courses run). All Saints toilets has a pressure (+£15k) which is due to an overspend on pay caused by additional cover requirements due to the public demonstrations and a small under recovery of income against the budget. Riverside café and hospitality has a pressure (+£10k), also due to an overspend on pay budgets caused by a requirement to cover staff sickness, and an under recovery of income. Further pressures are being reported, Internal Audit (+£7k) pressure which is staffing related, and Commercial Properties (+£15k) due to reduced rental income.

These pressures are now being offset by forecast underspends which total **-£262k**. Facilities Management for all council buildings have reported a forecast saving of -£138k. Further savings are being reported from the Corporate Environment Team (-£34k) relating to lower than budgeted carbon reduction charges, and (-£16k) from the Capital Team, and (-£23k) Caretaking and (-£51k) due to lower than budgeted costs on pay and non-pay due to vacant posts and the impact of the spend moratorium.

Business Unit -£73k

The Service has declared a forecast underspend on the training budget, and this will be further scrutinised to consider if any further saving can be offered.

Communications +£24k

This pressure is due to some additional staffing costs and some additional costs on marketing events, and work is ongoing to mitigate this pressure.

Regeneration, Planning, Customer and Cultural Services -£213k

A number of smaller pressures remain within the service area, RIDO is funding a replacement IT package, and has some additional staffing costs causing a pressure (+£26k). The Contact Centre (+£27k) pressure is caused by additional staffing costs to ensure delivery of service. Contact centre management is now showing a pressure of (+£49k) due to a review of salaries that were previously capitalised that has determined that these costs no longer qualify for this treatment. The cashiers pressure (+£43k) is unchanged and is mainly due to increased charges for use of paypoint and post office collection service.

Business Centres are reporting an underspend (-£56k) due to continuing increased occupancy levels exceeding budgeted levels. Cultural Services are reporting forecast underspends; Theatres (-£4k), Boston Castle and Museums (-£10k), and Libraries and Customer Services (including Riverside and Maltby) (-£233k) which is mainly due to the non-filling of vacant posts prior to the now implemented staffing restructure, and a reduction on expected spend from the materials fund, in line with the moratorium. Building Control are reporting a -£5k forecast underspend due to an increase in applications. Planning Services have identified a small underspend due to the delaying of consultancy spend in this year (-£15k). A review of the Markets budget has identified an improved position of (-£32k) due to both reduced expenditure and additional income generation There are also several small savings amounting to (-£3k).

Streetpride +£130k

At this stage in the year the Service are reporting a pressure in **Network Management Services (+£208k)**, in the main this is due to an under recovery of income from Parking Services (+£290k) which is due to a reduction in staff parking permits income, plus, based on previous years data, the income generated is forecast to be lower than the current income budget. This is being partially mitigated by some savings in other areas (-£82k), comprising Street Lighting energy savings and staff vacancies in Network Management, Public Rights of Way and Street Lighting.

Leisure and Green Spaces are now reporting an improved position (**-£21k**). This figure comprises a forecast under-recovery of income from Allotments (+£23k), and (+£9k) from the golf course. Country Parks have a pressure (+£13k) comprising agency cover costs partially mitigated by increased income and a reduction in casual employees. Unbudgeted costs of (+£3k) have been incurred in respect of closed churchyards. The forecast position for Urban Parks (-£24k) has worsened due to increased business rates, higher electricity charges and a

loss of pitch income. Conversely Landscape Design and general management's position has improved (-£45k) due to additional income generation, a staff vacancy and the impact of a member of staff taking flexible retirement.

Community Services are reporting a pressure (**+£52k**) due to a forecast overspend on highways cleansing (+£53k), additional staffing costs (+£15k) and an (+£11k) pressure due to the need to renegotiate a new kennel contract for stray dogs as our previous provider terminated the existing contract. This is being partially offset by a forecast underspend (-£10k) on Pest Control which is due to increased income generation and an improved position on Grounds Maintenance (-£17k), due to a refund from SGM (the equipment provider) due to their late supply of plant combined with adjusted delivery team forecasts to take into account Christmas shut down.

Waste Services are reporting (**-£46k**) with Waste Collection forecasting an underspend (-£144k) mainly due to a WEEE rebate, effects of industrial action, increased income on bulky items and commercial waste. However, Waste Disposal has a pressure (+£130k) due to expected outlet not coming on line by the timetabled date, and needing to take more waste into Sheffield Energy Recovery Facility. There is also a small saving forecast on Waste PFI due to reduced professional advice required on the contract (-£32k).

A forecast underspend has been identified within the **Corporate Transport Unit (CTU) (-£73k)**, comprising a (-£43k) additional income generation which is substantially due to the street lighting capital investment currently taking place, (-£2k) depot savings on utilities and from the impact of the moratorium, (-£26k) forecast underspend on the CTU due to the spending moratorium and additional of driver training income. There is also a (-£2k) forecast underspend on Home to School Transport based on current pupil intake forecasts. The **Corporate Account** is now reporting a forecast underspend (**-£15k**) largely due to the moratorium on non-essential spend and a forecast over recovery of Highway Delivery income.

Transportation are reporting a pressure (**+£25k**) comprising (+£35k) due to maintenance costs incurred because the procurement of replacement equipment by the police has been delayed, (+£20k) due to delays on the implementation of the fibre communications invest to save proposal and (+£20k) due to more expensive terms under the Virgin Media contract. These pressures are partially mitigated by a forecast (-£38k) over-recovery of Highway Design income due to the increased volume of works being commissioned and (-£12k) savings on the Management account from a vacant post.

Neighbourhoods & Adult Services (-£0.064m forecast underspend)

Adult Services are currently forecasting an overspend of **+£0.737m**. The key underlying budget pressures include:

Adults General (-£134k)

Higher than anticipated staff turnover within Contract and Reviewing Officers is resulting in a forecast underspend of -£47k plus impact of moratorium on training budget (-£87k).

Older People (+£181k)

Forecast increase in Direct Payments (+63 clients) over budget (+£391k) and forecast overspend on independent sector residential and nursing care (+£631k) 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 (-£400k); an overall underspend on Enabling, home care and carers support (-£110k); and additional Winter Pressures funding from health (-£220k).

Learning Disabilities (+£645k)

There is a forecast overspend on Day Care (+£164k) due to specialist provision required for 7 unfunded transitional placements from Children's Services (demographic pressure) including a recurrent budget pressure on the provision of transport. 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 (+£200k) and additional costs due to staff cover within In-House Residential care (+£99k). These forecast overspends are partially mitigated by clients moving to alternative provision from residential care (-£72k) and an overall forecast underspend on Supported Living schemes due to receipt of additional funding from health (-£111k).

Mental Health (-£223k)

There is a projected underspend on the residential care budget due to 3 clients leaving care greater than budget since April (-£109k) plus additional forecast underspends within mental health day care, community support and direct payments (-£38k) including additional public health funding (-£100k) for substance misuse. These forecast savings are reduced by a +£24k forecast overspend due to lower than expected staff turnover and extra costs for night cover.

Physical & Sensory Disabilities (+£314k)

Recurrent cost pressure on Direct Payments (+£471k / 33 clients) partially reduced by forecast underspends within residential and domiciliary care (-£139k) due to reduced demand, and forecast savings within the advocacy contracts (-£18k).

Safeguarding (+£26k)

Significant increase in demand for assessments under the Deprivation of Liberty Safeguards (DoLS) is forecasting an overspend of +£200k, this is being significantly mitigated by forecast underspends due to higher than anticipated staff turnover plus additional income from health (-£174k).

Supporting People (-£74k)

Efficiency savings (reduced placement activity) on subsidy contracts have already been identified against budget (-£74k).

Neighbourhoods General Fund (-£684k)

The projected year end outturn position for Neighbourhoods shows a forecast under spend of (-£684k).

The main reasons for the forecast underspend is an anticipated (-£562k) saving on the Furnished Homes service. This is a result of continued increase in demand for the service (an additional 135 since April, a total of 3167 tenants at the end of September), cost effective procurement of furniture including refurbishment and disposal plus higher than anticipated staff turnover. In addition higher than expected staff turnover within Trading Standards (-£45k), Community Protection (-£40k) and Management and Administration (-£10k), and lower than anticipated occupancy levels within dispersed units (-£27k).

Commissioning, Policy & Performance and Procurement Services (-£117k)

Services are forecasting an overall underspend due to higher than anticipated staff turnover within Commissioning and Performance and Quality teams.

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 October 2014 is that the HRA will outturn with a contribution to working balance (reserves) of £44k; an overall reduction of -£1.484m from the original budget.

Currently forecasts show a slight underspend on Supervision and Management due to staff vacancies, underspend on Repairs and Maintenance plus additional income from dwelling rents due to fewer than anticipated Right to Buy sale at this stage.

Resources Directorate (-136k forecast underspend)

Legal Services – A forecast overspend of +£45k due to staff cost pressures and delays in achieving budget savings.

Human Resources & Payroll service is forecasting an underspend of -£171k 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 -£5k.