

Summary Sheet

Cabinet and Commissioners' Decision Making Meeting – 14 November 2016

Title

September Financial Monitoring Report 2016/17

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

Yes

Strategic Director Approving Submission of the Report

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Ward(s) Affected

All

Executive Summary

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

The current position shows a forecast revenue overspend of £8.635m after currently identified management actions totalling £3.781m. These management actions are further detailed within recovery plans included as Appendix 2 to this report, and will enable the Council to meet the current forecast outturn position. They are not however expected to further reduce the current forecast overspend, for this to happen additional management actions/recovery plans will need to be explored and developed to further reduce the projected overspend within Children & Young People's Services and Adult Care & Housing; and additionally to further improve the balanced or forecast underspend position within the remaining Directorates.

This forecast overspend is set against a backdrop of the Council successfully delivering savings of £117m over the last five years and having to save a further £21m in 2016/17. The majority of the approved budget savings for 2016/17 are being achieved, the main exception being the £1 million saving from the review of staff terms and conditions of employment agreed by Full Council in March which will not now be delivered in the expected timescales in 2016/17. Further work is in train to bring forward options for consideration in due course as there is a further £1m to be achieved within 2017/18 (£2m full year effect).

The key pressures contributing to the current forecast overspend are:

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

All Directorates continue to identify and implement additional management actions to further mitigate the forecast overspend and to tightly control spend until the end of March 2017. A further report will be submitted to Cabinet in December updating on the progress made to address the specific pressures in the demand-led services and to accelerate the Council's improvement activity in order to bring spending further in line with budget as soon as possible.

There are a number of investment proposals outlined with the MTFS update report (elsewhere on this agenda), which subject to their approval, will help to ensure that the current year forecast outturn position can be delivered. Due to the timing of their approval, and time taken to implement, they are expected to have a limited impact on improving the current in year position. Although they are not expected to reduce the current forecast overspend any further for 2016/17, they will enable significant savings to be achieved from 2017/18.

There is also a significant forecast overspend (£4.830m) on the Dedicated Schools Grant (DSG) High Needs Block. This is a forecast increase of £3.8m in a six month period. Whilst this doesn't affect the Council's bottom line directly it is imperative that a recovery strategy is developed in order to address this position. This recovery strategy has now been produced and is detailed within this report.

In response to reduced Government funding, the Council needs to reduce its net spending by around £42m over the next 3 years with at least £13m of that falling in 2017/18. Should the current level of overspending continue or additional budget be required for any parts of the Council, the required overall budget reduction next year will be higher to that effect and would have to be identified from the remaining Council services. Whilst the Council holds sufficient reserves to accommodate unexpected events they are not sufficient to support ongoing service overspending. Therefore, if overspending were to continue at this level, urgent and drastic action could become necessary which would inevitably impact directly on the citizens of Rotherham.

Appendix 1 to this report shows the detailed reasons for forecast under and over spends by Directorate after management actions which have/are already being implemented.

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

Revenue Report Recommendations

That Cabinet:

- Notes the current forecast overspend after management actions of £8.635m for 2016/17. (Paragraph 3.1)
- Endorses the need for additional management actions to be urgently developed, agreed and implemented and for these to be documented in future Cabinet Financial Monitoring Reports.
- Require that Directorate management actions to mitigate forecast overspends are clearly and comprehensively documented, including an evaluation of the likely financial impact of these actions (quality assured by Finance Business Partners), and a detailed implementation plan is produced which is regularly reviewed by each Directorate Leadership Team.
- Note the Recovery Plans included within this report that provide a summary of the current proposed management actions, and performance against those actions currently used to help mitigate the forecast overspend
- Recommend any additional actions which could be implemented to help manage down the current forecast overspend.
- Note and approve the recovery strategy for the forecast overspend on the Dedicated Schools Grant High Needs Block. (Paragraph 3.15)
- Note that this report should be considered in conjunction with the Medium Term Financial Strategy (MTFS) update report elsewhere on this agenda.
- Note and approve Appendix 3 which details the budget savings approved by the Council in March 2016 that are now to be delivered by other means.

Capital Report Recommendations

That Cabinet:

- Notes the current forecast outturn position on the approved Capital Programme for 2016/17 and 2017-2021. (Sections 3.57 to 3.73 and Appendix 4)
- That the following projects be supported for inclusion in the Approved Capital Programme 2016/17.
 - **Area Assembly – Neighbourhood Investment - £140,000** (already approved 'in principle' by Council on 2nd March 2016).
 - **Swinton Civic Hall Refurbishment - £44,868**
 - **Replacement of Damaged Waste Bins - £150,775**
 - **Capitalisation of Cleansing Equipment - £40,000**
 - **Capitalisation of GIS Transport Software - £25,000**
- That Council be recommended to include the above schemes in the Approved Capital Programme.

- That Council be recommended to approve the changes to budgets identified in Appendix 6 for projects which are already included in the Approved Capital Programme.

List of Appendices Included

Appendix 1 – Detailed Directorate analysis of revenue forecast under and overspends

Appendix 2 – Recovery Plans (Mitigating Actions to reduce forecast overspends in CYPS and Adult Care)

Appendix 3 – Budget Savings to be delivered by alternate means to those approved in March 2016

Appendix 4 – Capital Budget Report Summary

Appendix 5 - Summary of key variances to the Capital Programme by Directorate

Appendix 6 - Summary of Budget Variations seeking Cabinet approval 2016/17 to 2020/21

Background Papers

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

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

July 2016/17 Financial Monitoring Report to Cabinet – 12th September 2016
Consultation with Strategic Directors

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Yes – Overview and Scrutiny Management Board – 18 November 2016

Council Approval Required

No

Exempt from the Press and Public

No

1. Recommendations

That Cabinet:

- 1.1 Notes the current forecast overspend after management actions of £8.635m for 2016/17. (Paragraph 3.1)
- 1.2 Endorses the need for additional management actions to be urgently developed, agreed and implemented and for these to be documented in future Cabinet Financial Monitoring Reports.
- 1.3 Require that Directorate management actions to mitigate forecast overspends are clearly and comprehensively documented, including an evaluation of the likely financial impact of these actions (quality assured by Finance Business Partners), and a detailed implementation plan is produced which is regularly reviewed by each Directorate Leadership Team.
- 1.4 Note the Recovery Plans included within this report that provide a summary of the current proposed management actions, and performance against those actions currently used to help mitigate the forecast overspend
- 1.5 Recommend any additional actions which could be implemented to help manage down the current forecast overspend.
- 1.6 Note and approve the recovery strategy for the forecast overspend on the Dedicated Schools Grant High Needs Block.(Paragraph 3.15)
- 1.7 Note that this report should be considered in conjunction with the Medium Term Financial Strategy (MTFS) update report elsewhere on this agenda.
- 1.8 Note and approve Appendix 3 which details the budget savings approved by the Council in March 2016 that are now to be delivered by other means.

Capital Report Recommendations

That Cabinet:

- Notes the current forecast outturn position on the approved Capital Programme for 2016/17 and 2017-2021. (Sections 3.57 to 3.73 and Appendix 4)
- 1.9 That the following projects be supported for inclusion in the Approved Capital Programme 2016/17.
 - Area Assembly – Neighbourhood Investment - £140,000 (already approved 'in principle' by Council on 2nd March 2016).
 - Swinton Civic Hall Refurbishment - £44,868
 - Replacement of Damaged Waste Bins - £150,775
 - Capitalisation of Cleansing Equipment - £40,000
 - Capitalisation of GIS Transport Software - £25,000
 - 1.10 That Council be recommended to include the above schemes in the Approved Capital Programme.

- 1.11 That Council be recommended to approve the changes to budgets identified in Appendix 6 for projects which are already included in the Approved Capital Programme.

2. Background

- 2.1 As part of its performance and control framework the Council is required to produce regular reports for the Strategic Leadership Team and Cabinet to keep them informed of financial performance on a timely basis such that where necessary, actions can be agreed and implemented to bring spend in line with the approved budget for the financial year.
- 2.2 Delivery of the Council's Revenue Budget and Medium Term Financial Strategy within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy Agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.
- 2.3 The MTFS Update report (elsewhere on this agenda) should be read in conjunction with this report. Subject to the report recommendations being approved, they will provide Adult Care services with the scope to engage additional short term resource to help ensure delivery of the approved savings for 2016/17 and 2017/18 and any further savings which may be required from the 2017/18 budget setting process.
- 2.4 From the September budget monitoring cycle monthly scrutiny and challenge meetings have been implemented. These involve each Directorate Management Team and the relevant Cabinet Members discussing and considering with the Cabinet Member for Finance and the Assistant Director of Finance their forecast outturn position for the year and what additional actions need to be implemented to significantly mitigate the forecast overspend. The value of any agreed actions are quantified and reflected in the reported forecast outturn position.

3. Key Issues

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

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

Directorate / Service	Annual Budget 2016/17	Forecast Outturn 2016/17	Forecast Variance (over (+) / under (-) spend) BEFORE management actions	Forecast Variance (over (+) / under (-) spend) AFTER management actions
	£'000	£'000	£'000	£'000
Children & Young People's Services	56,468	65,324	+9,713	+7,848
Adult Care & Housing	67,927	72,950	+5,023	+3,107
Regeneration & Environment Services	46,357	45,932	-425	-425
Finance & Customer Services	12,065	12,065	0	0
Assistant Chief Executive	5,381	5,381	0	0
Capital Financing, Levies and Central Services	11,323	9,428	-1,895	-1,895
TOTAL	199,521	211,080	+12,416	+8,635
Public Health (Specific Grant)	17,157	17,157	0	0
Dedicated Schools Grant (Non Delegated)	20,440	25,270	+4,830	+4,830
Housing Revenue Account (HRA)	83,584	79,872	-3,712	-3,712

The following sections (paragraphs 3.2 to 3.49) provide key reasons for the forecast level of annual revenue under or overspend within Directorates. More detailed information is included in Appendix 1.

Children & Young People's Directorate (+£7.848m forecast overspend)

- 3.2 The September revenue full year forecast is £7.848m over budget. This is a £1.061m increase in the forecast overspend since the August report to SLT for the following reasons:

- Recruitment of Newly Qualified Social Workers (£0.359m)
(N.B. this cost is subject to a bid, elsewhere on the agenda for investment which would fund this expenditure in full.)
- Additional pressure from Leaving Care Allowances (£0.266m)
- Increase in the number of Looked After Children (£0.150m)
- Additional pressure from Agency staff cover (£0.235m)
- Continuation of the CYPS Resourcing Team for a further six months on an invest to save basis to enable earlier recruitment of permanent staff into established posts, enabling a quicker release of agency staff than would otherwise have been possible (£0.050m).

3.3 There are two main areas which are contributing to the Children's Services in-year position. The strain on the placement budget and the pressure on the staffing budget. The current Looked After Children (LAC) budget would support approximately 400 placements, 48 less than Rotherham's total of 448 LAC as at 30th September 2016. There has been a requirement to engage agency social workers and team managers with the necessary experience to reverse poor performance, fill vacancies, and reduce average caseloads to a reasonable level. The staffing budget pressure will gradually reduce as new social care employees are appointed and allocated appropriate caseloads. The main areas within the Directorate that are seeing significant overspends due to these pressures are detailed below.

3.4 First Response, which includes Rotherham's Multi-Agency Safeguarding Hub (The MASH), and the Child Sexual Exploitation Team (EVOLVE) are two examples of services that have had to engage temporary staff (£1.004m) with locality social work teams (£1.241m), Safeguarding (£769k) and Social Care Management (£325k) being the other main areas of pressure within the Children's Social Care Service employee budget. These costs represent the additional cost of agency staff over the budget for the approved social care establishment.

3.5 The Children in Care Service is projecting an over spend of £3.859m. The adverse movement in the variation is due to additional staffing costs for reasons outlined above, a position accentuated for a time limited period resulting from dual working as recently appointed newly qualified social workers work alongside existing agency staff to ensure the smooth and successful transition of caseloads. There is mounting pressure on the Looked After Children (LAC) placements budget which includes the cost of Independent Fostering Placements, Out of Authority provision and Fostering Allowances. This latest position incorporates the implementation of the new foster carer payment scheme as approved by Cabinet on 12th September which will deliver better outcomes for children in care and will reduce the number of children in more expensive care settings through an 'invest to save' approach. At the end of September the number of LAC in Rotherham was 448, from 427 at 1st April 2016. The forecast to the end of March takes into account the evidence both locally and nationally and brings this figure up to an estimate of 460. If this number continues to increase then there will be a further pressure on social care budgets and a risk that the reported position will worsen before the end of the financial year.

- 3.6 In addition, the number of care proceedings is continuing to rise which means that there is an additional demand for legal work. The Council continues to use external legal counsel to assist with the workload. The in-year pressure on the CYPS Legal budget is £270k.
- 3.7 Expenditure on Leaving Care allowances has doubled over the last two years. This is due to a number of reasons including: a reduction in Supporting People funding; closure of Nelson Street as the building was not fit for purpose - meaning six placements had to be commissioned through other providers at a premium; Staying Put costs exceed the grant support we receive (£71k grant compared with £188 costs due to higher numbers and higher costs of placements); and generally there are more placements at higher costs. Remedial action is being put in place to address the rising costs and includes: reviewing placements to ensure provision is appropriate; providing lower cost accommodation for over 18's through a transitional landlord scheme and in partnership with Housing; and increasing lower cost provision via new providers.
- 3.8 The forecast outturn also includes Complex Needs placements pressure of £364k on the Special Educational Needs and Disabilities (SEND) budget, within Education and Skills, funded from mainstream Council resources and £258k with regard to reduced income assumptions within School Effectiveness.
- 3.9 The Commissioning, Performance and Quality Service are experiencing a £288k pressure due to additional Business Support Staff required to support the social work activity within Children's Social Care.

Recovery Plan (CYPS Revenue Budget)

- 3.10 The service has committed to implementing management actions which will partially mitigate the impact of the pressures reported above and will reduce the forecast overspend by £1.865m to the reported £7.848m. An update to these mitigating actions is presented at Appendix 2, however in brief they include:
- The Residential Homes review is expected to release £750k over 2016/17 to support some of the wider LAC budget pressures;
 - The School Improvement Service (SIS) had been facing a budget pressure of £600k due to the loss of grant funding. This has been mitigated through income generation and some cost reduction where possible without impacting service delivery, reducing the pressure down to £258k;
 - In-year savings in Early Help of £403k from vacancy management and a firm control over non-essential expenditure will contribute to the SIS gap above and to reducing other budget pressures in social care;
 - A spending freeze on the CYPS workforce development budget of £70k is being used to help fund the necessary spend over budget on social care business support;
 - Staffing projections include the forecast release of agency staff before the end of the financial year which will reduce cost by £300k; and

- Other mitigation of cost pressure has resulted in re-profiling expenditure; exploration and use of external funding options; and a directorate wide moratorium on non-essential spend.
- 3.11 The mitigating management actions that have been outlined above are contributing to keeping the budget pressures in the service at the current reported level; and focused across a small number of budget heads. The budgets, Children in Need and Social Care Staffing, and the reasons for the significant cost pressures have been regularly reported in Financial Monitoring reports since the Council entered its improvement phase following Intervention in 2014.
- 3.12 Children's Services has already this year reached its target savings of £1.267m from reductions in residential provision, Early Help, and School Improvement.
- 3.13 Further cost avoidance of £756k has been achieved through successful recruitment to permanent senior management and social worker positions which has enabled the release of interim staff.
- 3.14 A review of funding that we are able to retain for central services from the Dedicated Schools Grant (DSG) has identified £250k of expenditure previously being funded from the Education service revenue budgets that can be transferred to the DSG.
- 3.15 Equally, management actions have started to bear fruit in terms of a reduction in the unit cost for looked after children. Over the last year the unit cost has reduced by £86 per week. This equates to £2.057m over a full year (based on 460 placements). It is evidence that the interventions that have so far been put in place are beginning to have the desired effect from a cost perspective; and that the cost pressure this financial year could have been more severe had these actions not been taken.
- 3.16 Future recovery of the budget position is explained in detail in the Children's Services Sufficiency Strategy, part of the Council's MTFS paper elsewhere on the agenda. In-year actions will continue to be focused on maintaining, and reducing where possible, the current overall position in the context of increasing placement numbers and continued reliance, albeit at a lower number, on a significant number of agency social workers and team managers.

Dedicated Schools Grant (inc Recovery Plan)

- 3.17 The service is also currently forecasting an over spend on its Dedicated Schools Grant (DSG) High Needs Block of £4.830m. At the end of 2015/16 the outturn position showed an overall underspend of £24k on the non-delegated DSG, comprised as follows:
- Early Years Block: £0.430m Underspend
 - Schools Block: £0.598m Underspend
 - High Needs Block: £1.004m Overspend

- 3.18 The Strategic Director of Children and Young People's Service is required to provide a formal recovery strategy and action plan for the forecast overspend on the Dedicated Schools Grant High Needs Block to be brought back to Cabinet.
- 3.19 The current forecast outturn for 2016/17 is estimating a £4.830m over spend:
- Early Years Block: £0.000m Balanced
 - Schools Block: £0.000m Balanced
 - High Needs Block: £4.830m Overspend
- 3.20 The options for dealing with an over spend on the non-delegated DSG are for the Council to fund in full, part or not at all. Given the pressures the Council faces with its own resources it is not proposed that any of the overspend be met by the Council. Any DSG overspend carried forward at year end needs to be funded by schools in the following year or the year after that.
- 3.21 In order to begin to address the significant budget pressure within the High Needs Block it is useful to summarise a brief history. For almost ten years the High Needs Budget had no strategic overview or planning of provision. In summer 2015 a permanent Head of Inclusion was appointed to strategically manage provision for Special Educational Needs and Disability (SEND) and to develop a more robust response to the implementation of the SEND reforms. Since this time the following Departmental actions have been taken, or are in train:
- Restructure and reconfiguration of the presentation of the High Needs Budget to make it operationally understandable to those outside SEND and Schools Forum.
 - Setting of new 2016/17 budget with regard to under/overspends of previous year.
 - Constitution of a High Needs Budget working group chaired by Head of Inclusion with members from Schools Forum; relaunched in October 2016 with the Head of Finance for CYPS added to the membership.
 - External review of Special School funding and setting of new budgets to a consistent and agreed formula.
 - A strategy developed and implemented (including a financial element) to meeting the increasing needs of children and young people with Social Emotional and Mental Health challenges (SEMH Strategy) across Rotherham. This has included a reconfiguration of Pupil Referral Unit provision to address increasing numbers of secondary school exclusions and effect a reduction.
 - A multiagency sufficiency exercise with all SEND stakeholders (including parents, schools, LA education, health, social care, private/voluntary providers) resulting in a clearer picture of what SEND provision exists within Rotherham, where there are gaps, and ideas for development.
 - Completion of a new SEND performance dashboard to aid measuring of success and to identify pressure areas within the system.

- Identification of two major financial pressure areas on the High Needs Budget (out of authority specialist placements and rising exclusions).
 - Identification of joint funding issues between the High Needs Budget and those that sit within Social Care and Health for SEND. Now being addressed through a strategic and operational review in partnership with Health colleagues.
- 3.22 The Rotherham context is further exacerbated due to the high level of SEND, the rapid rise in Education Health and Care (EHC) Plans, and a rise in parental requests for out of authority specialist placements due to rising numbers but lack of more planned provision within Rotherham.
- 3.23 Special Educational Needs and Disability is a key work stream within the Children and Young People's Partnership Improvement Programme. It is through this programme of work that the issues with service provision and delivery – and the associated impact on the High Needs Block – will be addressed. There are ten strands within the SEND Improvement Plan but in particular the success of the following strands will be paramount in the recovery of the High Needs Budget.
- SEND 3: Develop the use of early intervention, targeted provision through a graduated response, personalised approaches and support for 'step down' from high levels of need. Joint commissioning of budgets and resources for children and young people with the most complex needs wherever practicable and advantageous to our service users.
 - SEND 4: Develop fully effective EHC assessments of need, support and planning completed within statutory timescales. Review and reshape the use of the High Needs Block to better meet needs, in partnership with Schools Forum and in line with the new Schools Funding Formula.
 - SEND 6: Review current SEN Support and graduated response practice alongside the continuous development of the Local Offer. Ensure that the local offer of provision is founded on strong partnerships and a well-trained universal workforce across Social Care, Early Years, Schools, Colleges, Police, Health and the Voluntary and Community Sector to identify and meet need in universal settings.
 - SEND 10: Implement the Joint Commissioning Strategy for SEND (Jointly planning and commissioning education, health and care services for complex cases wherever practicable and advantageous to our service users.
- 3.24 This recovery and improvement plan will not be a quick fix to the budget pressure. However closer co-operation and understanding of the issues with partners, particularly schools, will enable the Service in partnership with Finance to bring the High Needs Block back in balance over a two year period – in line with the guidance for dealing with DSG overspending budgets.

Adult Services (+£3.551m forecast overspend) and Housing (-£444k forecast underspend)

- 3.25 The service is currently forecasting an overspend of £5.023m across the two main functions of Adult Care and Housing. This is reduced to £3.107m following mitigating actions agreed by the Directorate Management Team.
- 3.26 Adult Care Services are currently forecasting an overall overspend of £5.467m for 2016/17 before mitigating actions and a forecast overspend of £3.551m after mitigating actions. The main budget pressures continue to be in respect of Direct Payments and Managed Accounts, Residential and Domiciliary care across all client groups.
- 3.27 The main budget pressure within the Directorate continues to be the increased demand for Direct Payments and Managed Accounts (£2.9m). This forecast pressure includes the full year impact in 2016/17 of the 29% increase in clients receiving a Direct Payment in 2015/16. The increase in client base is due to a mixture of demographic pressures and clients moving from a domiciliary care contract. In total this has seen 180 new clients in 2015/16, plus an additional net increase of 64 new clients since April 2016.
- 3.28 A task group established to review Direct Payments is still in place and continues to analyse high cost care packages to ensure they are appropriately aligned to client need and to review the processes and procedures associated with assessment to ensure they are fit for purpose. An action plan is being developed by senior managers to address the ongoing issues, which includes reviewing Managed Accounts and capacity within the service to carry out the reviews. The expected financial impact of this action plan will be reflected in future financial monitoring reports.
- 3.29 There are also pressures on the residential and nursing care budgets across all client groups as a result of an increase in the average cost of placements and lower than forecast 'Continuing Health Care' income contributions against the approved budget (forecast overspend of £1.9m across all client groups). The Assistant Director of Commissioning is providing oversight on the review of Learning Disability high cost placements which is anticipated to make significant savings (£1.380m). As these are quantified they will be reflected in future financial monitoring reports, £165k has been achieved to-date.
- 3.30 There is also a forecast budget pressure of £1m in respect of the provision of Domiciliary Care across all client groups due to an increase in the number of clients (56) and a 4% increase in the number of commissioned and delivered hours plus a recurrent income pressure on fees and charges (£300k).
- 3.31 The above forecast overspends are being partially reduced by projected underspends within Learning Disability Day Care Services and Supported Living provision due to higher than anticipated staff turnover (-£377k).

- 3.32 Neighbourhood services' (Housing) latest forecast is an underspend of -£444k mainly due to the recruitment to staff vacancies being put on hold pending the outcome of a review of the Area Assembly and Community Cohesion services plus additional income from the Furnished Homes scheme.

Recovery Plan

- 3.33 The demand for residential placements is reducing however budget pressures remain due to the increasing cost of care packages. However, the demand for domiciliary care and direct payments is increasing. There are also underlying budget pressures from unachieved budget savings from previous years, for example, Continuing Health Care funding and a reduction in the level of client contributions to services after financial assessment. The attached recovery plan appendix 2, shows the progress towards achieving the management actions that are reducing the forecast overspend within Adult Care and Housing. However in summary they are;
- 3.34 The continued review of out of area and high cost care packages across all services to identify opportunities to reduce costs and rigorously pursue all Continuing Health Care funding applications with the Clinical Commissioning Group. To-date a total of £174k has been achieved against management actions. Monthly Finance and Performance meetings continue to be held with senior managers to review in detail the budget forecasts, monitor demographic pressures and identify further savings opportunities and mitigate the pressures. Further progress continues on the delivery of the Adult Services Development Programme to improve the outcomes for service users and this is largely on track to deliver the 2016/17 approved savings included in the budget setting process.
- 3.35 There are investment proposals within the Medium Term Financial Strategy update that will assist the service in reducing the level of overspend however due to the timeframes for the approval and implementation of these proposals they will have greatest impact upon the new financial year. These investment proposals include additional resource for managing and delivering the major project savings included in the Adult Care Development Plan, and short-term establishment of a Brokerage Team and Direct Payments Team.

Public Health (Forecast balanced outturn)

- 3.36 The forecast outturn is to spend to budget at this stage including a small transfer to the Public Health Reserve. This forecast outturn takes into account the Government's 2016/17 reduction in grant funding which has largely been mitigated through the use of the balance on the Public Health grant reserve.

Regeneration and Environment Services (-£425k forecast underspend)

- 3.37 The Regeneration and Environment Directorate Management Team have reviewed the forecast outturn position following the September monitoring cycle.

- 3.38 The September review has led to an overall reduction in the underspend forecast by £2k to £425k. This reflects the fact that Facilities Services and School Crossing Patrol have been transferred across from CYPS during the monitoring period. This has led to a projected underspend of £165k being transferred to R&E. Offsetting this transferred underspend a number of adverse movements have occurred during the month. These include Home to School Transport, as a result of provision now having been agreed for the new academic year; the new Street Scene Manager costs being factored in from October 2016 which relate to an undelivered savings target. There is also pressure from a reduced underspend on Theatres, as a result of vacant posts being advertised to support the Pantomime production and reduced fee income generation due to a shortfall in the level of capital project work available within Transportation Services for the teams charges to be allocated against.
- 3.39 Detailed information on the key forecast variances that make up the overall underspend of £425k is provided below, however in summary, the main forecast overspends within the Directorate are within Transportation (£172k), Street Scene Services (£166k), Planning and Building Control (£100k), Green Spaces (£99k) and Community Safety and Streetscene, Corporate Accounts (£82k). These forecast overspends are fully mitigated by forecast underspends in other areas such as Facilities Management (-£313k), Safer Neighbourhoods (-£267k), Rotherham Investment and Development Office (RIDO) (-£262k), and Facilities Services (-£138k).
- 3.40 Transportation (+£172k) – There are two main reported pressures within Transportation, £151k in Highways as a result of reduced fee earning work being brought forward, and a pressure of £42k as a result of the use of agency staff for interim management cover.
- 3.41 Street Scene Services (+£166k) – Corporate Transport has a forecast overspend of £203k, principally due to Home to School Transport (+£85k), as a result of the level of provision now agreed for the new academic year and the delayed implementation of savings within the Corporate Transport Unit (+£76k). A review of the Fleet service will commence shortly, this review will provide an opportunity to identify ways to sustainably reduce underlying revenue costs, whilst preserving or improving service levels and quality standards across the Council's fleet service. The review will identify a programme of change that will deliver these objectives.
- 3.42 Planning and Building Control (+£100k) – This is a key recurring pressure on income as it is dependent on major projects coming forward in the Borough, which are largely outside of the Authority's control. Fees from the Gullivers Development and Waverley have been factored into the current forecast.
- 3.43 Facilities Management (-£313k) – This forecast underspend is largely as a result of savings from buildings being vacated and/or sold (-£265k), leading to a reduction in the costs of managing these sites. The service has also managed to reduce the final settlement for the dilapidations works at the former RBT Innovations Centre which has saved a further £42k. This has helped to offset additional costs of £42k in respect of community buildings resulting from the delay to the planned closure programme.

- 3.44 RIDO (-£262k) – The forecast saving has been brought forward by utilising available one-off grants and contributions funding from the Department of Business, Energy and Industrial Strategy (BEIS) to support the service's budget in 2016/17.
- 3.45 Safer Neighbourhoods (-£267k) – Forecast underspend on Community Protection £279k due to the service carrying a number of vacant posts, which are now to be recruited to (recruitment to be completed by January 2017) and additional income generation. This is partially reduced by an overspend (£12k) on essential maintenance and repair costs at Landfill sites.
- 3.46 The current forecast underspend excludes any pressure which may be incurred on the Winter Maintenance budget. This is weather dependent and is highlighted as a risk at this stage. In addition, Libraries and Customer Services have now completed a public consultation exercise to determine future service delivery options. As a result the budgeted savings assumptions have been re-profiled into 2017/18 with the result that there will be a pressure of £213k in 2016/17. This pressure is fully mitigated by forecast underspends across the wider Directorate.
- 3.47 Income assumptions in respect of Rother Valley Country Park (RVCP) have been reviewed following the end of the summer trading period given the largely weather dependent nature of the income generated at the Park. Although favourable weather in July and August has been reflected by a strong performance, it is not sufficient to offset the £120k income target pressure and as a result an overspend of £56k is currently being reported. This will continue to be reviewed on a monthly basis. Again this pressure is fully mitigated by forecast underspends across the wider Directorate.

Finance & Customer Services (forecast balanced outturn)

- 3.48 Overall the Directorate is forecasting to deliver in line with budget. The main pressures relate to the unlikely delivery in 2016/17 of a budget saving relating to sale of data storage space (£50k), legal staff cost pressures (£20k), a forecast overspend on statutory and planning notices (£120k) and unachievable income targets within central and planned print (£71k). These pressures will be mitigated by underspends within Electoral Services (£47k), staffing underspends within Procurement and Internal Audit from vacant posts (£81k), reduced pension charges and training budget underspends (£26k) and an underspend in Revenues and Benefits from vacant posts and maximising flexibility in the use of grant funding (£107k).

Assistant Chief Executive (forecast balanced outturn)

- 3.49 Overall the Directorate is forecasting to deliver a balanced outturn position. The details of the various forecast pressures and savings can be seen within Appendix 1, however the main forecast pressures are from increased staffing costs across the Directorate £103k, loss of traded income from Schools and Academies within the HR & Payroll service £35k, and unfunded subscription and contract costs within Communications and Media £33k.

- 3.50 These pressures are expected to be fully mitigated by staff cost savings within Policy and Partnerships £64k, additional one year funding from Local Government Association (LGA) £29k, reduced costs relating to members including Member Allowances £154k, and management actions agreed across the Directorate to ensure spend is contained within budget for the year.

Corporate & Central Services (Forecast -£1.895m underspend)

- 3.51 The Corporate and Central services forecast now assumes that a £1.895m underspend will be delivered, and will be used to help mitigate the Council's current forecast overspend. Previously a balanced outturn had been assumed. The main reasons for the change are:

- The savings in relation to changes in staff terms & conditions of £1m for 2016/17 will not be sufficiently progressed to deliver the in- year saving. This will need to be considered alongside the further £1m saving required to be delivered in 2017/18.
- The £1m contingency budget for social care (adults and children's) will be used to mitigate the in-year pressures in each of these two Directorates, with Budget virements to be processed in the coming months once an agreed split is reached. It should be noted that this is a 1 year only budget allocation.
- The capital financing budget is forecast to now underspend by £1.4m as a result of the Council being able to reschedule a market loan, changing interest rate forecasts post-Brexit Referenda, and a reduced borrowing need in year.
- Less superannuation payments to the SY Pensions Fund than budgeted creating a forecast saving of £338k this financial year.
- The Council has been informed that the cost of the ITA / Coroners levies will be less than budgeted, and a saving of £244k is forecast.
- The forecasts for the level for Education Support Grant received from the Department for Education are expected to reduce by £373k due to the increased number of schools now expecting to convert to academies by the year end. The grant is scaled back each quarter as further schools convert.

Housing Revenue Account (HRA) – (Forecast -£3.712m underspend)

- 3.52 The Housing Revenue Account is a statutory ring-fenced account that the Council has to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The forecast for the HRA is a transfer to reserves of -£3.712m mainly due to delays in the strategic acquisitions programme until 2017/18. There is also a forecast underspend in respect of lower than anticipated HRA capital financing costs (-£180k), a forecast underspend on the provision for bad debts (-£296k) and additional rental income due to more property acquisitions than budgeted plus a reduction in loss of income through void properties (-£350k).

2016/17 Savings to be delivered by other means

- 3.53 The attached Appendix 3 details a number of savings proposals from those approved by the Council in March 2016 that will now be delivered by other means. Where the original savings offered can no longer be achieved, alternative options have been found. Some of these alternatives are recurrent, others are non-recurrent. Cabinet is asked to approve these.

Collection Fund

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

Capital Programme

Background – The Capital Programme 2016/17 – 2020/21

- 3.55 The Council's Capital Strategy and Capital Programme (2016-2021) was approved by Council on the 2nd March 2016. Minute 146 below:
- 3.56 **Resolved:- That the new Capital Strategy, as presented in Appendix A and Capital Programme, as presented in Appendix B (for £279.095m in the period 2016/17 to 2020/21), which will require prudential borrowing of £53.602m to fund non-HRA schemes over the five year period, for which provision has been made in the revenue budget for the associated financing costs, be approved.**
- 3.57 Further updates to the Capital Programme were approved by the Cabinet/Commissioners Decision Making Meeting of the 11th April 2016 in relation to the Housing Investment Programme 2016/17 and the CYPS Capital Programme 2016-2018.
- 3.58 In addition, Cabinet/Commissioners Decision Making Meeting of the 11th July 2016 approved carry forwards totalling £4.363m from 2015/16 into the 2016/17 Capital Programme.

Background – The Capital Programme 2016/17 – 2020/21

- 3.59 The table below shows the current forecast outturn position for the approved Capital Programme (2016-2021) by Directorate. This is showing a forecast underspend of £3.003m in 2016/17, with the re-profiling of the majority of this expenditure into 2017/18. The majority of this underspend / re-profiling of expenditure relates to the Adult Care & Housing Directorate. The three tables below set out the 2016/17 position, the current programme for the period 2017/18 to 2020/21 and the 5 year programme by Directorate respectively. The key reasons for the underspends are identified in the Directorate commentaries below.

Directorate	Current Year (2016/17)		
	Budget	Forecast	Variance
Adult Care & Housing	34,253,761	31,572,946	-2,680,815
Children & Young Peoples Services	8,311,136	8,209,095	-102,041
Finance & Customer Services	2,909,039	2,782,334	-126,705
Regeneration & Environment	15,924,701	15,831,189	-93,512
Total	61,398,637	58,395,564	-3,003,073

Directorate	Future Years (2017/18 to 2020/21)		
	Budget	Forecast	Variance
Adult Care & Housing	36,747,000	39,330,316	2,583,316
Children & Young Peoples Services	9,971,803	10,171,803	200,000
Finance & Customer Services	621,600	621,600	0
Regeneration & Environment	9,875,906	9,969,906	94,000
Total	57,216,309	60,093,625	2,877,316

Directorate	Total (5 Years – 2016/17 to 2020/21)		
	Budget	Forecast	Variance
Adult Care & Housing	71,000,761	70,903,261	-97,500
Children & Young Peoples Serv	18,282,939	18,380,898	97,959
Finance & Customer Services	3,530,639	3,403,934	-126,705
Regeneration & Environment	25,800,607	25,801,095	488
Total	118,614,946	118,489,189	-125,757

- 3.60 Appendix 4 shows the summary Expenditure and Funding information by Directorate.

Adult Care and Housing (ACH) Capital Programme 2016/17 to 2017/18

- 3.61 The key element of the ACH programme is the Annual Housing Investment programme to maintain decency, carry out stock improvements, aids and adaptations and new stock provision, energy efficiency and environmental works to our 21,000 Council homes. These properties currently meet Rotherham decent homes plus standard and we continue to improve access and reduce CO2 emissions.

- 3.62 There have been significant national policy changes since the original Housing Investment Programme was set for 2016-17. These include a rent reduction of 1% per year for the period 2016-17 to 2019-20 and the introduction of a High Value Property Levy. As a result of these changes, there has already been a significant reduction in forecast income to the HRA. The pressures on HRA budgets will increase further once the Council has been informed from government how the High Value Property Levy will be calculated. Based on information published to date this may result in a charge of up to £3.5m per annum.
- 3.63 The policy changes in the Housing and Planning Bill and Welfare Reform Bill, will potentially also increase Right to Buy sales. Although this will generate capital receipts, over the longer term income to the HRA will reduce. This will mean there are fewer resources to invest in Council housing throughout the borough. As a result the Housing Investment Programme for 2016-17 has been reduced to reflect this. Alongside the review of capital costs the Housing Service are also embarking on a review of HRA revenue costs.
- 3.64 The Adult Care and Housing (ACH) Capital Programme 2016/17 forecast outturn is £31.573m, which represents a projected underspend of £2.681m, with a re-profiling of £2.583m of this expenditure into 2017/18. The key reasons for the underspend are detailed in Appendix 6, in particular there is a forecast underspend of £2.498m in respect of the Strategic Acquisitions programme, principally as a result of the fact that although talks are progressing with the landlord regarding the purchase of properties on the Little London estate, Maltby (£1.7m), this spend has been re-profiled into 2017/18. Requests for budget variations are shown in Appendix 6.
- 3.65 In addition, approval is sought for the Area Assembly Neighbourhood Investment Project (£140,000) to be added to the Capital Programme. This was one of the Stage 2 – Agreed in Principle projects that were part of the approved Capital Strategy. Proposals have now been developed for capital spend on public realm works, following consultation within each Area Assembly to identify the key neighbourhood issues that would benefit from small scale capital works.

Children and Young People's Services (CYPS) Capital Programme 2016/17 to 2017/18

- 3.66 The CYPS Capital Team's priorities for the available capital grant funding are;
- Schools to be kept safe, dry and warm for all pupils;
 - Sufficient pupil places for a rising population.
- 3.67 There are two main grant funding streams available, the details of which are below:

- School Condition Allocation is a grant fund that is devolved to local authorities to improve the infrastructure of the school estate in line with the local asset management plans. It places the emphasis on the local authority to prioritise essential building condition work within their school estate; which includes primary schools, secondary schools, special schools, City Learning Centres and Children's Centres. The projects which will benefit from this grant funding over the period are the capital maintenance projects. A budget is allocated each year and the individual school priorities are assessed according to need and the priority of keeping schools safe, dry and warm.
 - Basic Need grant funding enables local authorities to provide additional school places to cope with growing numbers. This grant is allocated by the Department for Education (DfE) over 3 years and is in recognition of the unprecedented increase in pupil numbers being experienced by many local authorities.
- 3.68 The CYPS programme forecast outturn for 2016/17 is £8.209m, which represents a forecast underspend of £102,000. This reflects a re-profiling of expenditure on the Foster Care Adaptations project of £200,000 into 2017/18 and 3 small overspends on projects which are highlighted in Appendix 5. The total forecast planned expenditure over the remaining year of the programme is £10.172m, which represents an increase of £200,000 from the previous budget.

Finance and Customer Services

- 3.69 The Finance and Customer Services programme 2016/17 forecast outturn is £2.782m, which represents a forecast underspend of £127,000. The total planned expenditure over the remaining year of the programme is £622,000. Projects within this Directorate relate to the Council's ICT and Digital Strategy. The underspend relates to the Liquidlogic system implementation, the budget for which is currently being reviewed as plans progress to achieve go live on the Adult's system. Projects relating to the Council's Internet Firewall Replacement and Network Infrastructure Refresh, approved by the Cabinet and Commissioners Decision making Meeting of the 12th September 2016 will be added to the next monitoring report.

Regeneration and Environment

- 3.70 The key themes for capital expenditure within the Regeneration and Environment (R&E) Directorate include:
- Investment in Highways infrastructure projects and maintenance. This includes £2m investment in 2016/17 in the Borough's unclassified roads network, as part of a programme to permanently repair 50km of the network, building on the £3m investment in 2015/16 with works being clearly targeted at maximising the improvement to the durability and condition of the network.

- Works focussed on maintaining the operational functionality of Council-owned buildings such as office spaces, schools, markets, libraries and museums. This includes works to CYPs properties (£900,000).

3.71 The R&E forecast programme outturn is £15.831m, which represents an underspend of £94,000. This underspend has been re-profiled into 2017/18. In addition, there are a number of projects, referred to in Appendix 6, for which approval is sought to add them to the Capital Programme.

Funding of the Capital Programme

3.72 The tables below show the current forecast outturn position for the funding of the approved Capital Programme by Directorate; Current Year (2016/17), 2017/18 to 2020/21 and the 5 year period in total. This reflects the forecast underspend of £3.003m in 2016/17, with the re-profiling of the majority of this expenditure into future years. The principal changes are in respect of the timing of RCCOs and Prudential Borrowing, reflecting the re-profiling of the ACH projects.

Funding Stream	Current Year (2016/17)		
	Budget	Forecast	Variance
Grants And Contributions	16,967,883	17,056,342	88,459
Major Repairs Allowance	21,059,352	21,027,579	-31,773
Prudential Borrowing	12,803,181	12,437,227	-365,954
Revenue Contribution	8,159,490	5,465,685	-2,693,805
Usable Capital Receipts	2,408,731	2,408,731	0
Total	61,398,637	58,395,564	-3,003,073

Funding Stream	Future Years (2017/18 to 2020/21)		
	Budget	Forecast	Variance
Grants And Contributions	14,597,276	14,617,276	20,000
Major Repairs Allowance	20,946,000	20,948,452	2,452
Prudential Borrowing	7,592,033	7,866,033	274,000
Revenue Contribution	12,981,000	15,561,864	2,580,864
Usable Capital Receipts	1,100,000	1,100,000	0
Total	57,216,309	60,093,625	2,877,316

Funding Stream	Total 5 Years (2016/17 to 2020/21)		
	Budget	Forecast	Variance
Grants And Contributions	31,565,159	31,673,618	108,459
Major Repairs Allowance	42,005,352	41,976,031	-29,321
Prudential Borrowing	20,395,214	20,303,260	-91,954
Revenue Contribution	21,140,490	21,027,549	-112,941
Usable Capital Receipts	3,508,731	3,508,731	0
Total	118,614,946	118,489,189	-125,757

Pipeline Projects

3.73 The following projects were approved for inclusion in the Capital Programme at the Cabinet and Commissioners' Decision Making Meeting of 10 October 2016.

- Operational Property Investment Programme 2016/17 - £324,000
- Town Centre Regeneration – Acquisition of Forge Island
- Maltby Hall Infants School Demolition - £116,877

3.74 In addition, work has progressed on a number of projects that were included in the Capital Strategy (2016-2021), in particular as part of the Stage 2 – Agreed in Principle projects, for which reports are either on this agenda or will be presented to future Cabinet and Commissioners Decision Making Meetings.

These include :

Stage 1 : Approved Capital Programme

- Delivery of the Holmes Tail Goit Pumping Station

Stage 2 : Agreed in Principle

- Town Centre Regeneration - Riverside Precinct Acquisition
- Bassingthorpe Farm Development - £385,000
- Various Critical Building Condition Works
- Maltby Library Relocation

Stage 3 – Development Pool

- Critical Building Condition Works - Wath Montgomery Square

New Projects

- Upgrading of fluorescent street lighting to LED – Final Phase (Invest to Save Project)

3.75 Work is now progressing on the development of the town centre master plan, which will inform the additional schemes being put forward for consideration in respect of the £17m funding identified for town centre regeneration.

General Fund Capital Receipts Position as at 7th October 2016

- 3.76 The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim of rationalising both its operational and non-operational asset holdings, which may contribute both to future capital receipts to support the revenue budget, using the new capital receipts flexibilities introduced from the 1st April 2016, the capital programme and generate revenue savings. Within the 2016/17 Revenue Budget, an assumption has been made that Capital Receipts of £2m will be generated in 2016/17, to fund expenditure relating to transforming Council services to generate future revenue efficiency savings. The table below provides the latest estimated General Fund capital receipts position as at 7th October 2016. There are £3.576m of brought forward uncommitted capital resources as at 1st April 2016. In addition, £17.625m of capital receipts were committed to part finance the capital expenditure plans set out in the approved Capital Strategy.

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000
Uncommitted	3,576	0	0	0	0	3,576
Completed	590	0	0	0	0	590
Low Risk	1,072	175	0	0	0	1,247
Medium Risk	1,073	240	0	1,575	41	2,929
High Risk	454	1,700	4,280	1,030	0	7,464
Maximum Total Capital Receipts	6,765	2,115	4,280	2,605	41	15,806

- 3.77 As can be seen from the table above, the Council is on track to deliver the required £2m sales in 2016/17. The completed sales in the year to date include land at Rawson Road, (Eastwood), Maltby Craggs Nursery site and 49-53 St. Ann's Road. A major receipt is expected shortly from the sale of Greasbrough Road Depot.

4. Options considered and recommended proposal

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

5. Consultation

- 5.1 Budget Managers, Holders and Operators across the Council and the Strategic Leadership Team (SLT). In addition there are now a series of monthly budget challenge meetings taking place to review the forecast positions for each Directorate before they are finalised with the aim of improving the Council's overall forecast position. These involve each Directorate Management Team, the relevant Cabinet Members, the Cabinet Member for Finance and the Assistant Director of Finance

6. Timetable and Accountability for Implementing this Decision

- 6.1 Strategic Directors, Managers and Budget Holders will ensure continued close management and scrutiny of spend for the remainder of the financial year.
- 6.2 Financial Monitoring reports will be taken to Cabinet and Overview and Scrutiny meetings during the year. Planned Cabinet reports are:

12th December 2016

9th January 2017

13th February 2017 (Estimated Outturn)

7. Financial and Procurement Implications

- 7.1 There is currently a projected overspend of £8.6m after management actions and specific financial details and implications are set out within section 3 of this report. The situation is being closely monitored and a programme of budget challenge sessions have been implemented by the Chief Executive in order to ensure that budget holders manage their budgets responsibly and mitigating actions are taken to retrieve the situation. Further direct restrictions on spend are being considered in order to reduce the overspend as much as possible by the end of the financial year. A separate report on this agenda sets out investments proposals which will help to address this overspend position over time and help to reduce the demand cost pressure.
- 7.2 There is already a need to identify £42m of further savings and cost reductions over the next 3 years and the additional investment proposed in the other report on this agenda will increase that in the medium to long term. Recognising the likely need to use reserves to fund some of this in the short term, the Council's current financial (financing) plans are being reviewed to consider a variety of options for re-profiling the current planned use of reserves and to identify any areas of spend that can be properly capitalised in order to reduce the pressure on the revenue budget. There will be choices in this regard all with different implications on the Medium Term Financial Plan and respective annual budget gaps. Proposals will be brought back to Cabinet once there is a decision in relation to the proposed investment on this agenda and when there is a clearer view of likely outturn/financial recovery for the current year. A full review of all financial planning assumptions is also underway in order to enable a clear view of the financial horizon and inform future decisions.

8. Legal Implications

- 8.1 No direct implications.

9. Human Resources Implications

- 9.1 No direct implications.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 No direct implications.

11 Equalities and Human Rights Implications

11.1 No direct implications.

12. Implications for Partners and Other Directorates

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

13. Risks and Mitigation

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

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

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

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

13.5 The Council's 2016/17 Budget included a requirement to fund the first £2m of severance costs from in-year capital receipts. The forecast level of receipts for 2016/17 is circa £3.1m however the confirmed level of capital receipts for the first six months of 2016/17 is £590k, of the remaining £2.510m still to be achieved £2.145m is viewed as being medium or low risk.

13.6 The current forecast outturn position is predicated on the delivery of management actions totalling £3.781m, split across Children & Young People's Services £1.865m and £1.916m within Adult Care & Housing. The recovery plan at Appendix 2 provides an update on current progress made in the delivery of the action plans however it should be noted that any failure to deliver upon these will result in an increased forecast overspend position.

14. Accountable Officer(s)

Pete Hudson – Chief Finance Manager

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- Judith Badger

Assistant Director of Legal Services:- Dermot Pearson

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