Cabinet

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Report Subject	**Monthly Budget Monitoring Report to 31 August 2015**
Meeting Date	14th October 2015
Cabinet Portfolio	Councillor John Beesley, Leader of the Council & Portfolio Holder for Resources
Corporate Lead	Ian Milner, Acting Executive Director (Finance)
Service Director	Rob Ingleton, Service Director, Strategic Finance
Status	Public
Classification Key Decision Impacts on Key Policy Framework	For information No No
Report Author	Robin Ingleton, Service Director, Strategic Finance ☎ 01202 451395 robin.ingleton@bournemouth.gov.uk
Executive Summary	This report presents the Council's performance against budget for the period 1 April 2015 to 31 August 2015.
Recommendations	**It is recommended that Cabinet:-** **a) note the contents of the report, appendices and the attached Revenue Management Statements** **b) requests all Portfolio Holders to work urgently with the Executive Team and Service Directors to identify mitigating action in response to the emerging pressures** **c) note the year to date and forecast to 31 March 2016 performance of the Bournemouth subsidiary companies**
Reasons for Recommendations	To ensure that the overall financial management and financial standing of the Council is subject to effective review.

Introduction

1 The Council has responded to the many financial challenges it has faced in recent years with the use of reserves a key feature of the Council's Financial Strategy. As expected the future financial position for Local Government is expected to be bleak with further significant and ongoing reductions in funding being made. The loss of significant funding to date has inevitably weakened the Council's financial strength and 2015/16 will probably be the first year that will see this tested to a point not seen before. The emerging pressures highlighted in this report demonstrate how tight the budget is and the limited scope there is to absorb these pressures within services.

2 The 2015/16 budget was approved by Special Council in February 2015 and presenting a balanced position was a significant challenge for the Council with further cuts in Government funding and increasing demands and pressures on services.

3 Amongst the unavoidable service pressures the Council agreed to allocate £3.2m to Children's Social Care and £1.9m to Adult Social Care. Furthermore a risk assessment of other service pressures established that there was some uncertainty whether they would occur or would be one off rather than continuing pressures. To balance these additional base budget pressures a series of planned savings, efficiencies and income generating proposals were identified to avoid the need for significant reductions in frontline services, some of which required in year decisions.

4 In order to ensure that the uncertainty regarding known and unknown risk areas were acknowledged a contingency was provided for within the budget. This contingency has now been fully applied as a result of the emerging pressures identified in this report and the risk of not ensuring a balanced outturn is therefore heightened.

5 The General Fund forecast to the year ending 31 March 2016, as at 31 August 2015, is currently forecasting an adverse position for service budgets in Adult Social Care, Children & Young People, Planning, Transport & Regulation, Environment & Regeneration and Tourism and Corporate Communications in the region of £4.0m after applying specifically earmarked contingency. This is currently being offset by some favourable variances and the remaining use of corporate contingency. However, some of these pressures were not expected and are drawing contingency earmarked for other risks.

6 Work needs to be undertaken to mitigate emerging General Fund pressures, and develop action plans wherever possible to ensure that these are addressed resulting in a balanced budget at year end and that all scheduled savings, efficiencies and income generation planned are achieved. The difficulties experienced by these services in trying to contain costs arising from increased demand and other economic factors outside their control are well understood. Nonetheless all efforts need to be made by officers in conjunction with Portfolio

Holders to mitigate the in-year position to bring the overall position in to balance by the year end. This includes action to find further efficiencies, increase income and stop or defer spend wherever possible. Those services currently forecasting a net nil position have also been asked to make every effort to achieve underspend by year end to assist the overall position of the Council throughout the remainder of the current financial year.

7 At this early stage of the financial year it is worth bearing in mind that pressures and savings can take time to emerge and therefore the forecast position for the year will change during the course of the financial year.

8 The estimated position for the General Fund as at 31 August 2015 is as set out in Table 1, which is an improved position compared to the September forecast.

9 The Housing Revenue Account is reported separately to the General Fund and is currently predicted to come under budget by £189k. A summary of the Housing Revenue Account to 31 August 2015 is included in Appendix A.

10 The Council's approved General Fund Capital Programme and Housing Revenue Account Capital Programme as at 31 August 2015 is set out in Appendix B to this report. Decisions taken by the Executive Gateway Board are summarised in paragraph 39.

Table 1: General Fund Forecast Summary as at 31 August 2015

	Original Annual Budget £000	Working Annual Budget £000	Forecast Outturn £000	Forecast Variance £000
Service Budgets				
Executive Board	161	161	161	0
Adult Social Care	48,113	50,374	50,786	412
Children & Young People	10,723	10,771	10,871	100
Children's Social Care	29,039	28,991	28,991	0
Community Learning & Commissioning	16,426	15,965	15,965	0
Housing, Parks & Bereavement	3,482	3,482	3,414	(68)
Environment & Regeneration	16,932	17,367	19,029	1,662
Planning, Transport & Regulation	4,668	4,668	6,038	1,370
Tourism & Corporate Communication	928	928	1,478	550
Customer	985	985	985	0
Legal and Democratic	1,232	1,232	1,195	(37)
Strategic Finance	6,527	6,527	6,527	0
Corporate & Commercial	489	489	489	0
Projected Service Position	**139,705**	**141,940**	**145,929**	**3,989**
Corporate Budgets				
Interest	444	444	594	150
Corporate Contingency	4,807	2,572	0	(2,572)
Other Corporate Items	(16,431)	(16,431)	(16,931)	(500)
Forecast from Bournemouth Companies	0	0	(43)	(43)
Corporate Budgets Total	**(11,180)**	**(13,415)**	**(16,380)**	**(2,965)**
Total	**128,525**	**128,525**	**129,549**	**1,024**

11 Details of all forecast variances in excess of £100k and potentially significant variances to be aware of are set out in paragraphs 12 to 30 of the report in accordance with the Council's financial reporting requirements. Favourable variances are shown in brackets.

Adult Social Care – £412k

12 This is unchanged from September's budget monitoring report. Adult Social Care is continuing to experience high demand on care packages, these were evident in 2014/15 but the service was able to offset pressures with various one-off mitigating items including the use of corporate contingency that was set aside to meet these demands.

13 Similarly for 2015/16 it was felt prudent to set aside money in contingency for these pressures and therefore these have been applied to meet the demands faced in the service.

14 Pressure on the budget position for Adult Social Care continues to be proactively managed within a challenging environment considering the significant pressure as a result of demographic change and all possible steps are being taken to ensure that increased costs are mitigated.

15 The Dorset Clinical Commissioning Group has changed the previously agreed contribution to the Council for Adult Social Care resulting in a potential £412k pressure.

16 It is important to note that with the delay in the implementation of the Care Act funding reforms the Government is now considering the future of the Care Act Implementation Grant resulting in a potential reduction. If this grant were to be reduced this would cause an in year financial pressure for ASC as currently the grant has been fully applied.

Children & Young People - £100k

17 September's budget monitoring report forecast a £123k overspend. It is very unlikely that the traded income target will be met creating a potential £100k pressure. The service is looking at alternative ways to mitigate this forecast variance even further over the remainder of the year.

Children's Social Care - £0k

18 The pressure seen in recent years on the Looked after Children (LAC) external budget in Children's Social Care is being closely monitored. Measures put into place for controlling this budget through commissioning savings and close review of individual cases indicates that the budget provision is controlled and sufficient. Based on the existing cohort of known cases there is a potential for delivering an underspend on the LAC budget, however this figure assumes no net growth in Children between now and the end of the financial year. Based on previous history and patterns of growth in LAC numbers budgets are being held back to cover potential future pressures on the LAC numbers. There has been an expected increase in the LAC numbers over the past month which is in line with the normal trend for an increase at this point in the year.

19 The service is holding a number of vacant posts at all levels to manage agency staff spend and this is being maintained below the limits set at the beginning of the financial year. Therefore the budget is currently forecast to be on target.

Environment and Regeneration - £1,662k

20 September's budget monitoring report forecast a £1,762k overspend. Significant cost pressures continue to be encountered in the waste collection service following the introduction of food waste collection. Waste disposal volumes are also increasing and the cost of disposal for certain waste streams, including recyclable materials, is higher than budgeted due to a volatile materials market.

21 Following approval of the decision to commence charging for green waste collection it is anticipated that £100k will be achieved for 2015/16. This will be reviewed closely as the impact of the decision materialises.

22 Operational changes are being implemented in the remaining part of the year to reduce service costs, in addition to the savings already envisaged within the Medium Term Financial Plan. However these will only result in part year savings.

23 Furthermore, a number of items which were risk assessed and included within Corporate Contingency have now materialised. Given this evidence they have consequently been offset by corporate contingency, this totals £435k.

24 The Service Director for Environment & Regeneration is in the process of identifying service reductions to provide alternative savings which will mitigate the current pressure. This review and the outcomes from it will be concluded by the end of October in full consultation and agreement with Portfolio Holders.

Planning, Transport & Regulation - £1,370k

25 September's budget monitoring report forecast a £1,570k overspend. The car parking and income strategy were subject to a comprehensive review, including on-street, car park and permit charges. As a result of the decision to increase charges additional income will be achieved in 2015/16 which will reduce the forecast budget shortfall. Based on current usage and income, the potential shortfall in budgeted income is now estimated to be in the region of £800k in the current year assuming an additional £200k in 2015/16 from this decision. However, forecasts are being further reviewed and any improvement will be reported to the next meeting.

26 The risk associated with the increasing costs of concessionary bus fares remains throughout 2015/16, with a current forecast of £570k over budget. In spite of no direct ability to control the demand, improved monitoring will allow earlier remedial actions to be taken if possible within other areas of the service.

Tourism & Corporate Communications - £550k

27 This is unchanged from September's budget monitoring report. Current income targets for most seafront activities are proving to be challenging. The Service is not expecting to fully achieve income targets attributed to the Waterfront site and beach huts as well as some established seafront activities. The service is continuing to work hard to maximise income and using all opportunities possible to enhance income generation.

28 In addition, the Service Director is reviewing all aspects of Tourism & Corporate Communications service delivery and will provide proposals of alternative savings and income generating activities that could mitigate the current adverse position. This will be completed by the end of October in full consultation and agreement with Portfolio Holders.

Interest – £150k

29 This is unchanged from September's budget monitoring report.

A review of Investment interest received is forecast to be £150k under achieved. The budget for investment income set in February 2015 was based on the assumption that an average 1% return would be achieved within 2015/16. The current position on interest rates is unprecedented and there was every expectation by market experts that interest rates would gradually rise from Quarter 4 in 2014 however the projection has now been pushed back to at least Quarter 2 2015. Performance remains strong in achieving the current average return of 0.84% when compared to the average seven day benchmark rate of 0.36%.

Other Corporate Items – (£500k)

30 This is unchanged from September's budget monitoring. The Bournemouth Development Company (BDC), the delivery partner for the Town Centre Vision recently announced the provisional closing accounts for the Citrus Building development. It is estimated that there will be a profit distribution in the region of £1,150k against a budget of £650k.

Housing Revenue Account (HRA) – (£189k)

31 September's budget monitoring report forecasted a £146k underspend. Appendix A presents the Housing Revenue Account for the period 1 April 2015 to the 31 August 2015. The current year-end projection is a £189k surplus.

32 Rental income is expected to be higher than budgeted due to reduced level of rental loss from void properties and new build properties. Underspend on Housing Management mainly due to some vacancies is offset by a predicted increase in maintenance costs.

Capital

33 The approved planned expenditure for 2015/16 has been revised to £57.609m in the General Fund Capital Programme following recommendations and the approval made by the Executive Gateway Board in August. This is outlined in paragraph 39.

34 The expenditure for 2015/16 is expected to be within the planned budget. There are three projects that are reporting variances as outlined in paragraphs 35 to 37.

35 The final costs for the expansion works at Jewell Academy are expected to be £200k under budget. This scheme is funded by Basic Needs Capital grant. This means that these resources will be available to be allocated towards other schemes within the schools expansion programme.

36 The projected costs for the completion of the multi use hub in Boscombe have increased as a result of additional enabling works to resolve structural issues and the removal of asbestos. The cost of the provision of mechanical and electrical services will also be higher than initially estimated. It is expected that the projected overspend of £350k can be met by using resources budgeted on other capital projects in Environment & Regeneration where projects have completed under budget. Approval will be requested for the budget changes at the Executive Gateway Board in accordance with the Council's financial regulations before being reported to Cabinet for agreement.

37 The anticipated final cost for Pier Approach phase 1 scheme is expected to exceed the planned budget by £490k, due to unforeseen underground infrastructure issues. Resources have been identified to fund this; it is proposed that £244k is redirected from other projects which have completed under budget and an additional £246k capital receipts is added to the programme. Approval will be requested for the budget changes at the Executive Gateway Board in accordance with the Council's financial regulations before being reported to Cabinet for agreement.

38 Further detail of the capital programme can be found in Appendix B to this report.

Executive Gateway Board

39 In August EGB approved a report to undertake minor repairs on Bournemouth pier and to appoint engineers to specify a test regime for a full intrusive structural assessment of the pier (£50k).

Bournemouth Subsidiary Companies

40 Information on the financial performance of the wholly owned Council companies has been added to this monitoring report to enhance the information shown of overall position for the Council.

Bournemouth Building & Maintenance Limited (BBML)

41 Bournemouth Building & Maintenance Limited (BBML) is wholly owned by Bournemouth Borough Council and trades solely with the Council.

42 Under the terms of a Commissioning Contract with the Council, BBML is responsible for delivering building works to Housing Revenue Account (HRA) properties (including planned works, responsive works, refurbishment works to empty properties and provision of photovoltaic

(PV) systems); general building works to corporate properties; Adult Social Care minor adaptations, and acting as Personnel Supplier to the Council in order that the Council can fulfil its duty to provide services to Seascape South Limited.

43 The forecast for the period ending 31 March 2016 is a surplus of £184k. This is slightly less than the target figure of £224k due to recruitment delays, a delay in completing the PV programme for the Council's housing stock, a lower volume of electrical test and inspect works being scheduled and a small potential shortfall in recovery of costs in relation to the Disabled Facilities Grant team.

Bournemouth Council Group Limited (BCGL)

44 The Bournemouth Council Group Limited's subsidiary companies are Seascape South Limited and Bournemouth Community Finance Company Limited (BCFCL).

Seascape South Limited (Seascape)

45 Seascape South Limited is wholly owned by BCGL and trades externally. Although incorporated in December 2014, Seascape was dormant until 01 April 2015.

46 During the initial trading period from 01 April to 31 July 2015, the volume of activity has been low whilst the company establishes itself. A number of activities are in hand to ensure the company has a stable base from which trade. These include the implementation of fully automated ordering and works management solution to ensure effective control over costs and charging (roll out commencing Autumn 2015). Successful recruitment of staff into BBML (as Seascape's personnel provider) is also essential for Seascape along with the appointment of a Quantity Surveyor to increase capacity to quote for additional work.

47 The current forecast is that the position for the period ending 31 March 2016 is a deficit of £31k, compared to a target surplus of £9k. However, the Board continues to be proactive and on the basis of securing additional works the position would improve by the end of the financial year.

Bournemouth Community Finance Company Limited (BCFCL)

48 As at 31 July 2015, BCFCL has awarded 20 loans to businesses within the local area at a value of £418k since it was incorporated in October 2013. At the end of July 2015 £399k is outstanding.

49 The current 2015/16 forecast is showing that BCFCL will incur costs of £110k to provide its activities. The company is currently considering its options with this initiative following the outcome of the business case presented to Cabinet on the 22 June 2015.

Impact of the Companies on the General Fund

50 A key point to note in reviewing the financial forecasts of the companies is the benefit that their existence has on the General Fund. The

companies purchase support services from the Council for which the Council levies a charge (at cost). However the cost of delivering these support services is largely met within existing resources and therefore there is a net gain to the Council's General Fund of approximately £144k for 2015/16.

51 The estimated position for the Bournemouth subsidiary companies as at 31 July 2015 is as set out in Table 2.

Table 2: Bournemouth Subsidiary Companies Forecast Summary as at 31 July 2015

	Working Annual Budget	Forecast Outturn	Forecast Variance
	£000	£000	£000
Companies			
BBML	(224)	(184)	40
Seascape	(9)	31	40
Building Maintenance Company Total	**(233)**	**(153)**	**80**
BCFCL Total	**0**	**110**	**110**
Total (Surplus) / Deficit	**(233)**	**(43)**	**190**

Consultation

52 This report and the attached statements have been prepared in consultation with Service Directors and Executive Directors, and on the basis of information provided by them.

Options

53 This report provides financial performance information, and as a result there are no alternative options to consider.

Summary of finance and resourcing implications

54 The finance and resourcing implications are as set out in the body of this report.

Summary of legal implications

55 None.

Summary of human resources implications

56 Human resource issues are considered as part of the budget and services planning process that support the allocation of Council resources.

Summary of environmental impact

57 The environmental impact of the budget allocation is considered by Service Directors and Portfolio Holders in preparing their budget and Service Plan proposals.

Summary of equalities and diversity impact

58 Equality and diversity issues are considered as part of the budget and services planning process that support the allocation of Council resources.

Summary of risk assessment

59 The effective management of the Council's Budget is fundamental to the good governance of the organisation. Failure to do so will result in inadequate financial health and wellbeing of the Council. Without addressing financial pressures the Council will not be able to develop a sustainable Medium Term Financial Plan and will not be able to effectively invest in its service priorities as identified in the Council's Corporate Plan.

60 Actual performance to the end of August 2015 suggests a number of key risk issues that will need to be kept under close review and the appropriate mitigation taken as needed during 2015/16, principally:

a sustained and increasing pressures on key areas of service, largely being driven by increased demand for services and/or from reduced income earnings. This is particularly true in areas such as Adult Social Care, Children & Young People, Children's Social Care, Community Learning & Commissioning;

b change in legislation leading to alternative ways of delivering services and the imposition of new unfunded responsibilities, or changes to cost/income that can be achieved;

c the potential impact on service budgets in delivering services during rapid change and transformation and the role of corporate funding resources in helping to manage service transition.

61 This report and the outlined actions will form part of the mitigation strategy associated with the following financial risks identified in the Council's Strategic Risk Register:

a failure to respond to the needs arising from a changing demography – pressure on resources in the current economic climate and cuts in public sector funding; changes in birth and death rates; key legislative changes affecting benefits or schools; transfer of public health function to local authorities. **(Ref: CR01)**

b failure to respond effectively to the changing national policy agenda within the local context of the town – changes in financing and cuts in public sector funding; changes in central government policy including devolving more responsibility to local

government; differences between central government and local government priorities. **(Ref: CR02)**

c failure to deliver Council ambitions – pressure on resources in the current economic climate and cuts in public sector funding; changes in central government policy including devolving more responsibility to local government; differences between central government and local government priorities; pressure from local demographics, other partners e.g. changes to health service; impact of the on-going recession. **(Ref: CR03)**

d failure to positively manage the Council's leadership role in the development of the local economy – current economic context and trends including impact on capital receipts; cuts in public sector funding; impact of the recession including increased demand for services; ability of services to meet demand; sustainability of voluntary sector; impact of welfare reform. **(Ref: CR07)**

e inability to deliver Council services due to insufficient resource funding – pressure on resources in the current economic climate and cuts in public sector funding render strategy inoperable; misalignment of budgets and priorities; failure to achieve expected capital receipts and/or variations in trading income. **(Ref: CR10)**

f failure to deliver commercial income streams which support the Council's ambitions – pressure on resources in current economic climate places reliance on new commercial income streams to support the Council's ambitions. **(Ref: CR14)**

Background papers

Report to Council 24 February 2015 entitled 'Medium Term Financial Plan 2015/16 – 2017/18 & the Budget 2015/16' Report Pack – 24-02-15

Appendices

Appendix A – Housing Revenue Account Summary 1 April 2015 – 31 August 2015

Appendix B – Capital Summary 1 April 2015 – 31 August 2015

Supporting Papers

Revenue Management Statements 1 April 2015 – 31 August 2015

Appendix A

Housing Revenue Account Summary 1 April 2015 – 31 August 2015

	Adjusted Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Income			
Rental Income	(22,571)	(22,716)	(145)
Other Income	(464)	(492)	(28)
Maintenance Income	(339)	(306)	33
Service Charges	(67)	(83)	(16)
Service Recharges Income	(844)	(844)	0
Photovoltaic Income	(640)	(640)	0
Total Income	**(24,925)**	**(25,081)**	**(156)**
Expenditure			
Director of Housing	308	331	23
Housing Management	2,970	2,932	(38)
Housing Maintenance	4,153	4,224	71
Housing Technical	1,596	1,475	(121)
Housing development	194	195	1
Service Overheads	419	465	46
Debt Management	75	75	0
Photovoltaic Maintenance	76	61	(15)
Service Recharges	688	688	0
Central Recharges	939	939	0
Depreciation	8,121	8,121	0
Total Expenditure	**19,539**	**19,506**	**(33)**
Net (surplus) / deficit for service	**(5,386)**	**(5,575)**	**(189)**
Appropriations & Other Adjustments	5,386	5,386	0
Net (income) / expenditure for the period	**0**	**(189)**	**(189)**

Appendix B

Capital Programme 2015 to 2018

General Fund	Expenditure 2015/16 April - Aug £000's	Planned Programme 2015/16 £000's	Planned Programme 2016/17 £000's	Planned Programme 2017/18 £000's	Total £000's
Adult Social Care	37	707	0	0	**707**
Children's Social Care	4	261	0	0	**261**
Children & Young People	0	176	0	0	**176**
Communities Learning & Commissioning Service					
Christ the King RC Primary - Refurbishment	811	2,297	0	0	**2,297**
Jewell Academy	0	297	0	0	**297**
Avonwood Primary - new primary provision	4,013	6,395	0	0	**6,395**
Winton Primary - Additional School Places	1,007	1,687	0	0	**1,687**
St Peter's	794	6,343	3,350	0	**9,693**
The Bishop of Winchester Academy: Main Scheme	0	276	0	0	**276**
The Bourne Academy - Main Scheme	0	146	0	0	**146**
Linwood Post 16 Training Provision	8	628	0	0	**628**
Libraries	0	379	0	0	**379**
Other Communities Learning & Commissioning Service	0	1,150	0	0	**1,150**
ICT Infrastructure Modernisation	435	2,864	770	0	**3,634**
Social Mobile and Connected World	0	600	0	0	**600**
Inward Investment	5	551	1,017	0	**1,568**
Other Corporate and Commercial	178	384	0	0	**384**
Strategic Finance	115	277	0	0	**277**
Customer Digital by Default	222	2,286	0	0	**2,286**
Other Customer	104	11	0	0	**11**
Facilities Management	134	891	669	669	**2,229**
BH Live Client	627	987	2,528	1,606	**5,121**
Heathlands Mitigation	23	594	11	0	**605**
Building Maintenance	43	699	0	0	**699**
Other Housing Landlord & Parks	509	1,687	823	781	**3,291**
Environment & Regeneration					
Big Bin Little Bin enhancement project	119	1,463	0	0	**1,463**
Strategic Waste Facility Project	28	141	13,650	0	**13,791**
Millhams CA - Drainage improvements	0	1,500	0	0	**1,500**
Street Lighting - Replacement	0	1,515	0	0	**1,515**
Other Environment & Regeneration	302	1,716	230	0	**1,946**
Planning & Transport					
Coast Protection & Beach Management	52	7,525	2,080	2,080	**11,685**
The Next Stop - Better Bus Area Fund	0	741	0	0	**741**
Planning & Transport Programme - LTP Schemes	693	3,701	3,063	3,022	**9,786**
LSTF Small bid - BESMaRT	254	476	0	0	**476**
LSTF Large bid - 3 Towns Travel	1,111	2,161	0	0	**2,161**
Other Planning & Transport	67	401	0	0	**401**
Tourism & Corporate Communications					
Seafront Strategy - Phase 1	1,394	2,456	0	0	**2,456**
Other Tourism & Corporate Communications	203	1,240	55	0	**1,295**
Total Capital - General Fund	**13,292**	**57,609**	**28,246**	**8,158**	**94,013**

Housing Revenue Account	Expenditure 2015/16 April - June £000's	Planned Programme 2015/16 £000's	Planned Programme 2016/17 £000's	Planned Programme 2017/18 £000's	Total £000's
Basic Planned Maintenance Programme	2,018	9,796	8,485	8,495	**26,776**
New Build Development	1,140	13,751	4,363	2,200	**20,314**
Total Capital - Housing Revenue Account	**3,158**	**23,547**	**12,848**	**10,695**	**47,090**

Revenue Management Statements 2015/16

1 April 2015 - 31 August 2015

Bournemouth
BOROUGH COUNCIL

MONTHLY REVENUE MANAGEMENT STATEMENT

1 April 2015 - 31 August 2015

Service Unit	ORIGINAL BUDGET 2015/16 £000	REVISED BUDGET 2015/16 £000	YEAR TO DATE BUDGET £000	YEAR TO DATE ACTUAL £000	YEAR TO DATE VARIANCE £000	PROFILED BUDGET VARIANCE %	YEAR-END FORECAST £000	YEAR-END VARIANCE £000
EXECUTIVE BOARD	161	161	492	621	129	20.8%	161	0
ADULT SOCIAL CARE	48,113	50,374	16,196	17,639	1,443	8.2%	50,786	412
CHILDREN & YOUNG PEOPLE	10,723	10,771	7,527	6,833	(694)	(10.2%)	10,871	100
CHILDREN'S SOCIAL CARE	29,039	28,991	10,209	8,965	(1,244)	(13.9%)	28,991	0
COMMUNITY LEARNING & COMMISSIONING	16,426	15,965	10,766	12,842	2,076	16.2%	15,965	0
HOUSING, PARKS & BEREAVEMENT	3,482	3,482	982	1,050	68	6.5%	3,414	(68)
ENVIRONMENT & REGENERATION	16,932	17,367	6,735	7,421	686	9.2%	19,029	1,662
PLANNING, TRANSPORT & REGULATION	4,668	4,668	1,395	2,346	951	40.5%	6,038	1,370
TOURISM & CORPORATE COMMUNICATIONS	928	928	(921)	(167)	754	451.5%	1,478	550
CUSTOMER	985	985	586	525	(61)	(11.6%)	985	0
LEGAL & DEMOCRATIC	1,232	1,232	1,499	2,031	532	26.2%	1,195	(37)
STRATEGIC FINANCE	6,527	6,527	6,781	12,708	5,927	46.6%	6,527	0
CORPORATE AND COMMERCIAL SERVICES	489	489	443	649	206	31.7%	489	0
NET COST OF SERVICES (GROSS EXPENDITURE LESS INCOME AND RECHARGES)	139,705	141,940	62,690	73,463	10,773	14.7%	145,929	3,989
INTEREST ITEMS	444	444					594	150
CORPORATE CONTINGENCY	4,807	2,572					0	(2,572)
OTHER CORPORATE ITEMS	(10,336)	(10,336)					(10,836)	(500)
GENERAL FUND - USE OF RESERVES	(6,095)	(6,095)					(6,095)	0
FORECAST FROM BOURNEMOUTH COMPANIES	0	0					(43)	(43)
BUDGET REQUIREMENT	128,525	128,525	62,690	73,463	10,773	14.7%	129,549	1,024

Revenue Management Statements 2015/16 Summary by Service Unit

EXECUTIVE BOARD	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	1,393	1,393	495	620	**125**	1,391	**(2)**
Income	(1,232)	(1,232)	(3)	1	**4**	(1,230)	**2**
Net Cost of Service	161	161	492	621	**129**	161	**0**
Appropriations	0	0	0	0	**0**	0	**0**
Net Cost to Revenue	161	161	492	621	**129**	161	**0**

Comments Of Budget Holders On Current And Forecast Positions

The current overspend is mainly due to legal costs incurred which will be covered from reserves at year end. There is a small in year pressure on salaries. The year end forecast takes account of the full year impact of the vacant Executive Director of Finance post which is not expected to be filled until later in the year. This saving mitigates pressures elsewhere and the Executive Team are forecasting a year end balanced position.

Revenue Management Statements 2015/16 Summary by Service Unit

ADULT SOCIAL CARE	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	73,763	75,525	30,482	32,383	**1,901**	76,354	**829**
Income	(25,650)	(25,151)	(14,286)	(14,744)	**(458)**	(25,568)	**(417)**
Net Cost of Service	48,113	50,374	16,196	17,639	**1,443**	50,786	**412**
Appropriations	0	0	0	0	**0**	0	**0**
Net Cost to Revenue	48,113	50,374	16,196	17,639	**1,443**	50,786	**412**

Comments Of Budget Holders On Current And Forecast Positions

Adult Social Care is continuing to experience high demand on care packages, these were evident in 2014/15 but the service was able to offset pressures with various one-off mitigating items including the use of corporate contingency that was set aside to meet these demands. Similarly for 2015/16 it was felt prudent to set aside money in contingency for these pressures and therefore these have been applied to meet the demands faced in the service.
The Dorset Clinical Commissioning Group has changed the previously agreed contribution to the Council for Adult Social Care resulting in a potential £412k pressure.

Revenue Management Statements 2015/16 Summary by Service Unit

CHILDREN & YOUNG PEOPLE	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	26,784	26,793	9,030	7,978	**(1,052)**	26,893	**100**
Income	(16,061)	(16,022)	(1,503)	(1,145)	**358**	(16,022)	**0**
Net Cost of Service	10,723	10,771	7,527	6,833	**(694)**	10,871	**100**
Appropriations	0	0	0	0	**0**	0	**0**
Net Cost to Revenue	10,723	10,771	7,527	6,833	**(694)**	10,871	**100**

Comments Of Budget Holders On Current And Forecast Positions

The current overspend is mainly due to large payments that are due to a High Needs Provider (Dedicated Schools Grant funded) which are currently under review and therefore have not been paid. It is very unlikely that the traded income target across the Children and Young Peoples service will be met creating a potential £100k pressure. The service is looking at alternative ways to mitigate this forecast variance over the remainder of the year.

Revenue Management Statements 2015/16 Summary by Service Unit

CHILDREN'S SOCIAL CARE	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	30,262	30,214	10,718	9,144	**(1,574)**	30,214	**0**
Income	(1,223)	(1,223)	(509)	(179)	**330**	(1,223)	**0**
Net Cost of Service	29,039	28,991	10,209	8,965	**(1,244)**	28,991	**0**
Appropriations			0	0	**0**	0	**0**
Net Cost to Revenue	29,039	28,991	10,209	8,965	**(1,244)**	28,991	**0**

Comments Of Budget Holders On Current And Forecast Positions

The pressure seen in recent years on the Looked After Children (LAC) external budget in Children's Social Care is being closely monitored. Measures put into place for controlling this budget through commissioning savings and close review of individual cases indicates that the budget provision is controlled and sufficient. Based on the existing cohort of known cases there is a potential for delivering an underspend on the LAC budget, however this figure assumes no net growth in Children between now and the end of the financial year. Based on previous history and patterns of growth in LAC numbers budgets are being held back to cover potential future pressures on the LAC numbers. There has been an expected increase in the LAC numbers over the past month which bears out the normal trend for an increase at this point in the year.

The service is holding a number of vacant posts at all levels to manage Agency staff spend and this is being maintained below the limits set at the beginning of the financial year. Therefore the budget is currently forecast to be on target.

Revenue Management Statements 2015/16 Summary by Service Unit

COMMUNITY LEARNING & COMMISSIONING	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	67,416	67,424	11,761	16,082	**4,321**	67,424	**0**
Income	(50,990)	(51,459)	(995)	(3,240)	**(2,245)**	(51,459)	**0**
Net Cost of Service	16,426	15,965	10,766	12,842	**2,076**	15,965	**0**
Appropriations	0	0	0	0	**0**	0	**0**
Net Cost to Revenue	16,426	15,965	10,766	12,842	**2,076**	15,965	**0**

Current reported year to date variance of £2.1m includes changes to Dedicated Schools Grant allocations (not part of General Fund) and Library PFI payments made in advance of the profiled budget reflected in the statement. The budget profiles are being reviewed and will be reflected in the next budget monitoring report which will significantly reduce the year to date variance.

Investment through Business Support into Children Social Care area of the business has contributed to an overall year end pressure of £307k. Currently this is being offset by savings in other areas of the service delivered through management of vacancies and commissioning savings. The forecast for the year end is an overall balanced budget position.

Revenue Management Statements 2015/16 Summary by Service Unit

HOUSING, PARKS & BEREAVEMENT	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	17,857	17,857	6,955	6,844	**(111)**	18,832	**975**
Income	(14,375)	(14,375)	(5,973)	(5,794)	**179**	(15,418)	**(1,043)**
Net Cost of Service	3,482	3,482	982	1,050	**68**	3,414	**(68)**
	0	0	0	0	**0**	0	**0**
Appropriations							
Net Cost to Revenue	3,482	3,482	982	1,050	**68**	3,414	**(68)**

Comments Of Budget Holders On Current And Forecast Positions

Year to date variance mainly due to delay in receiving income from private sector partner. Year end projected overachievement on Building Maintenance works will be partly offset by an overspend in Parks services. The overall year end variance is currently projected to be a £68k underspend.

Revenue Management Statements 2015/16 Summary by Service Unit

HOUSING REVENUE ACCOUNT	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Year to Date: Aug-2015 Actual £000	Year to Date: Aug-2015 Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	19,545	19,539	3,992	4,191	**199**	19,506	**(33)**
Income	(24,933)	(24,925)	(10,372)	(10,141)	**231**	(25,081)	**(156)**
Net Cost of Service	(5,388)	(5,386)	(6,380)	(5,950)	**430**	(5,575)	**(189)**
Appropriations	5,388	5,386	0	0	**0**	5,386	**0**
Net Cost to Revenue	0	0	(6,380)	(5,950)	**430**	(189)	**(189)**

Comments Of Budget Holders On Current And Forecast Positions

The year end HRA projected outturn is £189k under budget.

Rental income is expected to be higher than budgeted due to reduced level of rental loss from void properties and new build properties.

Underspend on Housing Management is mainly due to staff vacancies, this is offset by predicted increases in maintenance cost.

Revenue Management Statements 2015/16 Summary by Service Unit

ENVIRONMENT & REGENERATION	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Year to Date: Aug-2015 Actual £000	Year to Date: Aug-2015 Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	22,641	23,098	8,866	10,209	**1,343**	24,960	**1,862**
Income	(9,203)	(9,225)	(2,131)	(2,788)	**(657)**	(9,425)	**(200)**
Net Cost of Service	13,438	13,873	6,735	7,421	**686**	15,535	**1,662**
Appropriations	3,494	3,494	0	0	**0**	3,494	**0**
Net Cost to Revenue	16,932	17,367	6,735	7,421	**686**	19,029	**1,662**

Comments Of Budget Holders On Current And Forecast Positions

Previous Budget monitoring forecasted £1.762m overspend. Significant cost pressures continue to be encountered in the Waste Collection service following the introduction of food waste collection and delays to the Strategic Waste Facility project. Waste Disposal volumes are also increasing and the cost of disposal for certain waste streams, including recyclable material, is higher than budgeted due to a volatile materials market.
Following approval of the decision to commence charging for green waste collection it is anticipated that £100k will be achieved for 2015/16. This will be reviewed closely as the impact of the decision materialises and income may increase.

Operational changes are being implemented in the remaining part of the year to reduce service costs, in addition to the savings already envisaged within the Medium Term Financial Plan. These will only result in part year savings.

The Service Director for Environment & Regeneration is in the process of identifying service reductions to provide alternative savings which will mitigate the current pressure. This review and the outcomes from it will be concluded by the end of October in full consultation and agreement with portfolio holders.

Revenue Management Statements 2015/16 Summary by Service Unit

PLANNING, TRANSPORT & REGULATION	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Year to Date: Aug-2015 Actual £000	Year to Date: Aug-2015 Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	19,062	19,062	7,942	7,575	**(367)**	20,432	**1,370**
Income	(14,394)	(14,394)	(6,547)	(5,229)	**1,318**	(14,394)	**0**
Net Cost of Service	4,668	4,668	1,395	2,346	**951**	6,038	**1,370**
Appropriations	0	0	0	0	**0**	0	**0**
Net Cost to Revenue	4,668	4,668	1,395	2,346	**951**	6,038	**1,370**

Comments Of Budget Holders On Current And Forecast Positions

The parking strategy and income were subject to a comprehensive review, including on-street, car park and permit charges. Following approval of the decision to increase charges part year income will be achieved and the shortfall of income will be reduced. Based on current usage and income, the potential shortfall in budgeted income is up to £800k in the current year assuming an additional £200k in 2015/16 from this decision. However forecasts are being further reviewed and any improvement will be reported to the next meeting. The risk associated with increasing costs of concessionary bus fares remains throughout 2015/16, with a current forecast of £570k over budget. In spite of no direct ability to control the demand, improved monitoring will allow earlier remedial actions to be taken if possible within other areas of the service.

Revenue Management Statements 2015/16 Summary by Service Unit

TOURISM & CORPORATE COMMUNICATION	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Year to Date: Aug-2015 Actual £000	Year to Date: Aug-2015 Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	8,701	8,701	3,321	5,068	**1,747**	8,701	**0**
Income	(7,773)	(7,773)	(4,242)	(5,235)	**(993)**	(7,223)	**550**
Net Cost of Service	928	928	(921)	(167)	**754**	1,478	**550**
Appropriations	0	0	0	0	**0**	0	**0**
Net Cost to Revenue	928	928	(921)	(167)	**754**	1,478	**550**

Comments Of Budget Holders On Current And Forecast Positions

This is unchanged from July's Budget monitoring. Current income targets for most seafront activities are proving to be challenging. The Service is expecting not to fully achieve income targets attributed to the Waterfront site and beach huts as well as some established seafront activities. Service units are continuing to work hard to maximise income and using all opportunities possible to enhance income generation.

In addition, the Service Director is reviewing all aspects of Tourism & Corporate Communications service delivery and will provide proposals of alternative savings and income generating activities that could mitigate the current adverse position. This will be completed by the end of October in full consultation and agreement with portfolio holders.

Revenue Management Statements 2015/16 Summary by Service Unit

CUSTOMER	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	2,453	2,049	595	543	**(52)**	2,081	**32**
Income	(1,468)	(1,468)	(9)	(18)	**(9)**	(1,500)	**(32)**
Net Cost of Service	985	581	586	525	**(61)**	581	**0**
Appropriations	0	404	0	0	**0**	404	**0**
Net Cost to Revenue	985	985	586	525	**(61)**	985	**0**

Comments Of Budget Holders On Current And Forecast Positions

The underspend at the end of August relates mainly to the remaining balance of the Local Welfare Assistance Fund. All available funding is expected to be fully allocated by the end of the financial year. There are some salary pressures which are being mitigated with additional income generation. The service is projecting a year end balanced budget.

Revenue Management Statements 2015/16 Summary by Service Unit

LEGAL & DEMOCRATIC	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	6,652	6,652	2,085	2,329	**244**	6,782	**130**
Income	(5,577)	(5,577)	(586)	(298)	**288**	(5,744)	**(167)**
Net Cost of Service	1,075	1,075	1,499	2,031	**532**	1,038	**(37)**
Appropriations	157	157	0	0	**0**	157	**0**
Net Cost to Revenue	1,232	1,232	1,499	2,031	**532**	1,195	**(37)**

Comments Of Budget Holders On Current And Forecast Positions

The variance to date results from costs incurred for the running of the Mortuary and Coroners service which have not yet been recharged to partners, and also cost incurred within the Community Safety service that will be covered by income from external sources by the end of the financial year. One of the posts withing Legal Services is to be funded from corporate funds and this will not be allocated until the end of the financial year. There is a year end pressure within the service relating to the cost of the Coroner's service, but this is more than mitigated by anticipated underspends on salaries within the Head of Service and Democratic services resulting in an overall improved position of £37k underspend.

Revenue Management Statements 2015/16 Summary by Service Unit

STRATEGIC FINANCE	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	101,445	114,325	43,559	45,199	**1,640**	114,540	**215**
Income	(95,036)	(107,916)	(36,778)	(32,491)	**4,287**	(108,013)	**(97)**
Net Cost of Service	6,409	6,409	6,781	12,708	**5,927**	6,527	**118**
Appropriations	118	118	0	0	**0**	0	**(118)**
Net Cost to Revenue	6,527	6,527	6,781	12,708	**5,927**	6,527	**0**

Comments Of Budget Holders On Current And Forecast Positions

The current year variance mainly relates to the Housing Benefit subsidy grant payment which is due to be received. A review of all areas has resulted in plans to mitigate the forecast overspend identified last month resulting in a projected year end balanced position.

Revenue Management Statements 2015/16 Summary by Service Unit

CORPORATE AND COMMERCIAL	Original Budget £000	Revised Budget £000	Year to Date: Aug-2015 Budget £000	Year to Date: Aug-2015 Actual £000	Year to Date: Aug-2015 Variance £000	Year End Forecast £000	Year End Variance £000
Service Unit Total							
Expenditure	1,297	1,297	443	717	**274**	1,384	**87**
Income	(878)	(878)	0	(68)	**(68)**	(965)	**(87)**
Net Cost of Service	419	419	443	649	**206**	419	**0**
Appropriations	70	70	0	0	**0**	70	**0**
Net Cost to Revenue	489	489	443	649	**206**	489	**0**

Comments Of Budget Holders On Current And Forecast Positions

The variance to date is due to redundancy costs incurred that will be covered by the corporate redundancy fund and Business Change costs that have yet to be charged to projects. These issues will have no impact on the year end outtturn which is predicted to be balanced with the budget.