

2017/18 Revenue Budget

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Cabinet Member: Cllr David Hall – Cabinet Member for Finance and Economic Development

Division and Local Member: All

1. Summary

- 1.1. The purpose of this report is to update members on the current Revenue Budget outturn position for the 2017/18 financial year based on the end of September (Month 6).
- 1.2. The report indicates how the Council's resources are forecast to be used to support the delivery of budgetary decisions. The Medium Term Financial Plan (MTFP) sets the funding for the County Plan and the use of those funds is then monitored throughout the year to ensure delivery of Council objectives and actions.

2. Issues for consideration / Recommendations

- 2.1. The Committee is asked to consider and comment on the current Revenue Budget outturn position for the 2017/18 financial year based on the end of September (Month 6).

3. Background

- 3.1. Last year, the main areas of overspend were in Adults and Children's services. The demands upon these services have not reduced in the early part of this financial year and are not likely to over the course of the year. The transformational work under way to improve demand management and simultaneously improve outcomes for vulnerable children and adults is well under way. The additional funding from government alongside the management action in adults is keeping this budget under control. There has been no additional funding for children services and management action is struggling to change patterns of expenditure.
- 3.2. SCC is therefore in a position where we are trying to mitigate pressures across the whole Council as well as in those core care services to off-set the overspend while transformation takes place in line with our MTFP themes as trailed in budget papers throughout last financial year.

4. Summary Forecast 2017/18 – Revenue Budgets

- 4.1. The Authority's forecast shows a projected net overspend of £9.098m (see Appendix A) when compared to the Revenue Budget. This represents 2.92% of base budget. The majority of the overspend lies in the Children's Services budgets (section 5).

- 4.2. Most other areas of the Council are within reasonable tolerance although some corporate and support budgets are under pressure (as covered in section 9).
- 4.3. The implication of this forecast is that Cabinet and the Senior Leadership Team will need to continue to exercise more stringent control in all areas of council spend to ensure the final outturn position is much lower than this.

5. Children's Services

5.1. **Children and Families Operations: (+) £13.077m: movement (+) £0.239m**

- 5.1.1 The success of the service's recruitment campaign in training Assessed and Supported Year in Employment staff to be able to undertake permanent social worker roles has led to a significant reduction of £0.841m in the pressures previously reported against staffing budgets – the overall salary pressure now standing at £3.258m against a budget of £12.376m.
- 5.1.2 The lack of capacity within the fostering and residential market has resulted in an increase in the number of external residential placements (from 46 in the first quarter to 55 currently), with the average weekly cost of external residential placements increasing from £4,163 to £4,205 in the same period. The effect of this has been to increase the projection for external placements by £0.670m, creating an overall pressure of £5.204m against a budget of £12.303m.
- 5.1.3 A revised Foster Carer Progression scheme has been introduced this quarter to increase sufficiency of foster placements within our In-house foster carer population. This should provide the skills and experience to allow us to better support children and young people with more complex needs in house and be less reliant on the (more expensive) external market. The costs of this are included in the quarter 2 projection resulting in a pressure of £0.495m, an increase of £0.213m, (50% of which relates to the revised scheme).
- 5.1.4 Costs of Care Leavers not able to be accommodated through the Pathway to Independence agreement with the YMCA, and increased volumes, is resulting in a pressure of £0.413m, a decrease of £0.136m on the previous quarter.
- 5.1.5 The innovative use of the Assistance to Families budget to prevent children coming into care has added a further pressure of £0.176m, an increase of £0.046m on the first quarter. This prevention work should however lead to lower costs elsewhere in the system.
- 5.1.6 There is a continuing dialogue with Somerset Clinical Commissioning Group and Somerset NHS Partnership Trust to secure contributions for children with complex needs, which had been agreed at the multi-agency Complex Cases Panel.
- 5.1.7 Pressures around the accommodation and welfare of Unaccompanied Asylum Seeking Children remain similar to that reported in the first quarter but still leave a pressure of £0.247m. This is being addressed

through a revised commissioning approach, closer matching needs with provision.

- 5.1.8 Transport costs, primarily associated with school and contact visits account for a further £0.202m pressure, similar to last quarter.
- 5.1.9 Financial pressures of £1.858m attributed to positive outcomes for the permanence of children and young people, (including increases in the number of Special Guardianship Orders, Adoption and Leaving Care allowances and accommodation), have resulted in an increased overspend in the quarter of £0.211m.
- 5.1.10 The number of families taking advantage of the Direct Payments scheme within the Disabilities service and the allocation of Disability Grants has resulted in a pressure of £0.401m, similar to that reported in the last quarter.
- 5.1.11 Specific activities associated with the Children and Young People's Plan, including focussed training and support have so far incurred costs of £0.375m, not previously budgeted, an increase of £0.175m from the last quarter and Business Support continues to project a £0.440m pressure, a decrease of (-) £0.028m. The Business Services review is due to report shortly.

5.2. Children and Learning Central Commissioning: (+) £2.292m: movement (+) £0.109m

- 5.2.1 The on-going pressure across transport budgets is forecast at £1.900m, an increase of £0.135m against a budget of £9.563m.
- 5.2.2 Of this overspend, Home to School transport is showing a pressure of £1.177m against a budget of £6.111m. Inflation pressures are impacting on the service, but these have been offset via managed savings and reduced school calendar days within 2017/18. In addition, much of the increase is also due to the impact of employment opportunities and pay rates offered by Hinkley Point and cross county issues, where contractual/wage variations between South Somerset and Dorset are leading to increased driver turnover. Removing occasional use transport and a pay seats policy change have been implemented. A service based on live occupancy levels, which is being piloted in the spring is also being considered to address levels of spend. A consultation is now underway in this area.
- 5.2.3 The Special Educational Needs (SEN) transport pressure is forecast at £0.723m against a budget of £3.453m, due to the on-going issue of increased placements. Inflation pressures are being offset by reduced school calendar days. The full Year implication of additional route costs following the opening of the new Mendip Free School, plus additional 19yo and over placements are also impacting on spend. Half day transport and dual placement transport in Pupil Referral Units have been removed to reduce costs.
- 5.2.4 The managed saving within Early Help is now forecast at (-) £0.523m, an increase of £0.076m. This is part of the planned underspend as detailed within the Early Help business case. The original estimate was £0.205m;

however there was an increase in carry forward and grant supporting the service. Further increases are due to vacancy savings and significant staff turnover. The service have requested this is earmarked as a carry forward to 2018/19 given reductions in grant funding, plus a potential staffing restructure and building closure delays, pending decisions to be made, following the consultation now underway.

5.2.5 The planned invest to save costs relating to posts within Children's Commissioning is forecast to be £0.202m, a decrease of £0.074m, due to vacancy savings and delayed recruitment. This will be carried forward as a managed overspend as part of the agreed business case.

5.2.6 The Somerset Education Partnership Board (SEPB) programme is now forecast as a pressure of £0.639m, an increase of £0.019m. This includes £0.186m in relation to Team around the School posts (the increase relating to a fixed term support post until the end of the Financial Year), £0.269m for School Education Partners (SEPs) and bids for match funded Raising Achievement Plans (RAPs) for the Secondary phase that have been agreed at £0.138m, with no pressure expected for the Primary phase.

5.3. Schools Budget
Children and Learning Central Commissioning: (+) £1.892m: movement (+) £0.009m

5.3.1 The Out of County Independent & Non Maintained Special Schools budget is projecting a pressure of (+) £2.234m against a budget of £10.238m, an increase of £0.314m, due to continuing and extended high cost placements into the new Academic Year and at higher than average costs, totalling £0.191m. There were also 10 new placements made during the quarter, totalling £0.328m. However, this has been partially offset by reduced estimates of £0.220m for Specialist Post 16 Institution placements. The High Needs sub group is considering plans to recover the overall overspend.

5.3.2 There was a planned increase in School contributions towards maternity costs, to recover the cost of previous year pressures and this is now forecast at (-) £0.386m, increasing the underspend by £0.104m.

5.3.2 A reduction in costs of £0.120m for the Somerset Learning Platform have been realised following the transfer of the service from Southwest One.

5.4. Schools and Early Years Providers: (-) £12.000m: movement of (+) £7.528m from the b/fwd Schools Budget of £19.528m

There is a projected reduction of £7.528m in schools balances for 2017/18 based on spend as at month 6, including budget and income yet to be allocated to individual schools. This figure takes into account schools use of reserves to balance the 2017/18 individual budget plan and the in-year conversions of academies.

6. Adult Services including Learning Disabilities

6.1. Adult Social Care Variation: (-) £1.316m underspend: movement (-) £0.782m

6.1.1 There continues to be an overall downward trend in the projected costs for Adults Social Care Operations. The Mental Health Operations budget has been moved to sit under this heading following the quarter one report. The main changes since the previous report are:

- Residential/Nursing +£0.455m
- Direct Payments -£0.232m
- Staff Costs -£0.673m
- Mental Health +£0.365m
- Home Care -£0.216m

6.1.2 Residential/Nursing
Residential, Specialised Residential Care (SRC) and Nursing placements have all increased since the quarter two report. This has led to the projected increase of £0.455m. There have been 14 new Residential placements, 17 new Nursing placements and 6 new SRC placements. 11 of the new placements made in 2017/18 are over our published fee rate.

Despite this upward trend over the past two months, the total forecast spend for 2017/18 is £40.045m which is £1.123m less than in 2016/17.

6.1.3 Home Care
Home Care delivery has reduced slightly since the previous report and as a result of this the forecast has dropped by £0.216m.

The Home First service began on 4th September changing the way that people are provided a service following discharge from hospital, and bringing health and social care services closer together to help people get home quicker. This service combined with a streamlined reablement service provides a much improved option for supporting people following discharge.

6.1.4 Direct Payments
The number of Direct Payments setup in the past two months has reduced with 908 currently in place compared to 924 at quarter one. The variation is now an underspend of £0.449m with projected spend of £8.550m. The total spend in 2016/17 was £9.449m so reducing numbers and unit cost of direct payments has had a big effect on overall spend.

6.1.5 Staffing
Salaries budgets are forecast to be underspent by £0.774m, a reduction of £0.673m since quarter one.

A recruitment exercise is under way to fill all operational vacancies; however the timeframes involved mean that projections continue to reduce for 2017/18. The majority of vacancies are due to be filled by the start of February.

The business support service restructure is due to be completed by January and the projections now take this into account.

6.1.6 Mental Health
The overspend against Mental Health now stands at £0.621m.

Increased Residential, Nursing and Direct Payments have increased the overspend by £0.146m. There have been an additional 5 Residential, 3 Nursing and 3 Direct Payments since the quarter one report.

On top of this there has been a redirection of budget (£0.203m) to commissioning to fund the new Mental Health community support service which began on 1st October.

6.2. Learning Disabilities: (+) £2.124m overspend: movement (-) £0.174m

6.2.1 The overspend is made up of £1.798m Learning Disabilities Purchased and £0.326m Discovery. The majority of the change between quarter one and quarter two is reductions to the Discovery contract forecast.

6.2.2 Adjustments have now been made to projections for both expenditure and income to reflect actual delivery up to 17th September, and against the contract within Supported Living and Residential placements this means a projected cost of £1.352m less than the original contract figure for the year.

6.2.3 The contract adjustment for Domiciliary Care has been revised to £0.550m based on actual delivery during the first six months of the contract.

6.2.4 Offsetting these changes is a reduction in the amount of income it is anticipated to be collected. We are now projecting a shortfall against the budget of £0.513m.

6.2.5 Taking all of the above into account, the overall position against the contract is an underspend of £0.288m. This has been a positive quarter as a degree of stability has been achieved across the LD expenditure lines. There is a one off pressure in year of £0.614m relating to old year costs for the Provider Service.

6.2.6 The reported position assumes achievement of £2.089m savings in year through the Reviewing to Improve Lives project. This would leave a balance of £4.089m of the MTFP saving to achieve in future years. This is shown as a pressure for 2017/18 and the results of a checkpoint review of the RTIL programme will feed into the figures next quarter.

6.2.7 The reported position takes into account a transfer of £6.158m from an equalisation reserve and £1.086m transformation investment funded from capital receipts.

6.3. Adults Commissioning: (-) £0.051m underspend: movement (+) £0.028m

6.3.1 There has been no considerable change against any of these budgets since quarter one.

6.3.2 As reported above the Mental Health operations budget that was previously sat here has now been moved to Adult Social Care operations.

- 6.3.2 The above position is net of £0.033m which will be drawn down from the Carers Earmarked Reserve to fund the Carers Support Worker post.
- 6.3.2 We estimate that £0.093m will need to be drawn down from corporate contingency to pay for the Local Assistance Scheme programme costs.

7. Public Health: (-) £0.237m underspend:

- 7.1. The Public Health budget is currently £0.237m underspent. This is a planned underspend as the service begins to make changes required to meet savings in 2018/19 and beyond. It will be requested that this underspend is moved to the Earmarked Reserve at year end to help with the savings that are required from the grant in future years.
- 7.2. Somerset Drugs and Alcohol Partnership (SDAP) is currently projected to overspend by £0.013m following a reduction in the SCC funding available of £0.150m. The service will work to reduce this variation throughout the year however any overspend will need to be drawn down from the SDAP earmarked reserve (currently £0.135m). This means the impact on the Public Health budget is nil.

8. Economic and Community Infrastructure Services (ECI): (-) £0.287m underspend: movement (-) £0.302m

- 8.1. Overall ECI services are showing an underspend of £0.287m (0.46% of the total budget) which is due to SCC's contribution to Somerset Waste Partnership which has a significant underspend of £0.854m, principally due to tonnages remaining lower than budgeted for.
- 8.2. Other services therefore are overspent by £0.567m (0.91% of the total budget). A proportion of the overspend relates to staffing budgets, these are under review with the budget holders. In addition, the services are reviewing capitalisation of salary costs as a way of reducing this, together with a review of commuted sums and balances held, and holding staff vacancies.
- 8.3. The non-provision of inflation continues to be an issue, particularly for services which are entirely externally provided.
- 8.4. Within the current forecast there are still risks around waste tonnages, concessionary fares, winter and emergency maintenance.

9. Corporate and Support Services: (+) £1.807m overspend: movement (-) £1.005m

- 9.1. There are some forecast overspends in ICT and Strategic Property totalling £1.2m. There are also some projected procurement savings that may not be achievable and we will need to find replacement projects to identify the £1.3m savings required. The forecast funding requirement for the Core Council Programme is £1.288m which will be funded from capital receipts under the new flexibilities regulations.
- 9.2. **Commercial and Business Services**

9.2.1 Commercial Procurement and Contract Management: (+) £1.222m overspend; movement (-) £0.090m

The forecast overspend arises from Third Party MTFP savings (£1.068m Third Party savings and £0.291m Third Party agency spend) currently identified as being unachievable. Work is continuing through the Strategic Opportunities Board to identify where savings will fall against this cross-cutting target. It should be noted that this MTFP saving target is a place holder, and for reporting purposes only, as the budgets sit within services and does not form part of the Commercial and Procurement budget.

The forecast underspend of £1.370m on Building Schools for the Future (BSF) will be transferred to the earmarked BSF Equalisation Reserve at year-end as planned.

9.2.2 Core Council Programme (Including Business Change) (+) £1.288m Funding Requirement; movement (+) £0.019m

The approved Core Council Programme is currently projecting a requirement of £1.288m to be funded from capital receipt flexibility.

9.2.3 Strategic Property: (+) £0.023m overspend; movement (-) £0.882m.

Costs in 2017/18 relating to the BMIS R&M schemes are forecast to result in a £0.316m overspend. £0.216m of this arises from outstanding works from the previous BMIS scheme, which couldn't be accrued. An estimated £0.100m cost has resulted from the contractor's loss of earnings and profit, and the cost of redundancies due to the reduction in school properties within the corporate R&M contract. The BMIS overspend will be requested to be written off to the BMIS earmarked reserve at quarter 3 and a further request will be made at outturn for the final treatment of the balance in this reserve.

The Corporate Repairs and Maintenance budget is projected to be overspent by £0.363m. The cost of providing the service has risen since the introduction of the single contractor. This is partly due to an increase in a higher number of assets being recorded, and being included in the contract, resulting in an increase in costs. An estimated £0.050m of this is has resulted from the contractor's loss of earnings and profit, and the cost of redundancies due to the reduction in corporate properties within the corporate R&M contract. As reported in previous years, the cost of the contract alone exceeds the current budget before taking account of any exempt works. The Repairs and Maintenance overspend will be requested to be written off to the R&M earmarked reserve at outturn.

The other service lines within Strategic Property are forecast to overspend by £0.023m in total.

Net costs have reduced by £0.203m in comparison to the previous projection. This is as a result of a £0.037m increase in rent following delays in selling County Farms, savings on Hybrid mail within Facilities Management of £0.025m, reduced costs on the Land Management account of £0.079m and further reductions in costs of £0.062m including

staff savings.

9.2.4 Strategic ICT: (+) £0.527m overspend; movement (+) £0.037m

Strategic ICT has an income budget for overhead costs that Support Services for Education (SSE) recover from their customers. These recovered amounts are then transferred to the Corporate and Support Services. However there is a projected shortfall of £0.149m for the ICT overheads in 17/18.

Despite making savings of £0.750m of revenue savings there is currently a projected overspend on staff costs of £0.257m. Work is being undertaken to fully understand the true cost of ICT following the return of the service from SWO and it is expected that the overspend will be offset against capital allocation of projects work.

The projected net costs have increased by £0.037m since the previous quarter's monitoring. ICT now have responsibility for the authority's iCasework system £0.020m plus other IT systems.

9.2.5 Finance and Performance

Finance: (+) £0.076m overspend; movement (+) £0.019m

Finance has been allocated £0.405m of the £1.281m further Corporate and Support Services MTFP savings. When offset by current vacancies in Finance, this has created an overspend on salaries of £0.042m in this financial year.

10. Non-Service Items: (-) £8.537m underspend: movement (+) £0.943m

10.1. The underspend in this area is mainly due to uncommitted contingency budget and additional s31 grant received from DCLG for the Non-Domestic Rates schemes. There is a reduction in uncommitted contingency of £0.812m as we need to set aside funds to meet the increased costs of pension fund deficit. Previously we had expected this cost to be picked up by a third party. This is subject to a current legal dispute and we cannot provide more detail at this stage.

10.2. Central Redundancies: (+) £0.145m; movement (-) £0.107m

Current estimates for the costs of central redundancies that have been arranged in 2017/18 to date come to £1.482m. An extrapolation of costs based on the remainder of the financial year in previous years suggests a further £0.662m, which will push costs over the £2.000m budget by £0.145m.

10.3. Sustainable Transformation Programme (STP): (+) £0.230m overspend; movement (+) £0.230m

It has been agreed that the costs incurred by SCC as part of the delivery of the STP will be funded from Non Service

11. Trading Units

Trading Units have a net nil budget and any underspend is described as a surplus and any overspend is described as a deficit on the trading account.

11.1. Support Services for Education: (-) £0.201m surplus; a movement of (-) £0.203M

SSE Grounds and Property Services have a reduced deficit of £0.077m due to extra projects taking place in the next 6 months and increased fee income as a result.

Education Psychology's deficit has reduced by £0.120m primarily due to increased trading income through work with North Somerset Council. Staff savings as a result of a recent restructure has also contributed to the reduction.

11.2. Dillington House: (+) £0.141m deficit; a movement of (+) £0.010m

Dillington House is currently forecasting an overspend of £0.141m which is due to a drop of income across all areas of the business. Dillington is working to increase income and review spend during the year to reduce the current forecasted overspend.

12. Aged Debt Analysis

12.1. As at the end of September 2017, the outstanding debts over 90 days old totalled £3.069m or 27.88% of gross debt outstanding. This is above the target set for reporting performance on the Performance Wheel of no more than 15% of total debt. By way of comparison, the percentage of debt over 90 days old in September 2016 was 13%. The aged debt profile is not at an acceptable level and we will need to purge this old debt quickly so that our usually excellent record on collecting over 99% of debt is maintained.

12.2. Services' total outstanding debt relating to external income on the Accounts Receivable system stood at £11.007m on 30 September 2017, (September 2016 £10.877m). Over 72.12% (£7.938m) of the total gross debt is less than 3 months old, with the remaining debt being split over the timeframes of '3-12 months old' and those 'over 12 months old', which can be seen in the table 10.3 below.

12.3.

Service	Not o/due	0-30 Days	1-3 Mths	3-12 Mths	12+ Mths	Total	Un-assigned Cash	Total (Net)
	£m	£m	£m	£m	£m	£m	£m	£m
Adults & Health Comm.	0.000	0.000	0.000	0.122	0.004	0.126	0.000	0.126
Adults & Health Ops	0.091	1.921	0.173	0.792	0.200	3.177	0.000	3.177
Business Development	0.027	0.549	0.082	0.232	0.091	0.981	0.000	0.981
Customers & Communities	0.000	0.054	0.059	0.000	0.000	0.113	0.000	0.113

Children & Family Ops	0.002	0.001	0.002	0.517	0.006	0.528	0.000	0.528
ECI Comm.	0.004	0.002	0.002	0.002	0.000	0.010	0.000	0.010
ECI Ops	1.019	0.570	2.647	0.171	0.165	4.572	0.000	4.572
Schools & Early Years	0.029	0.013	0.005	0.007	0.005	0.059	0.000	0.059
Finance & Performance	0.006	0.018	0.001	0.017	0.479	0.521	0.000	0.521
Children & Learning Comm.	0.274	0.029	0.046	0.166	0.003	0.518	0.000	0.518
LD Ops	0.017	0.000	0.001	0.044	0.038	0.100	0.000	0.100
Support Services for Education	0.045	0.205	0.065	0.008	0.000	0.293	0.000	0.293
Public Health	0.000	0.008	0.001	0.000	0.000	0.009	0.000	0.009
Total £m	1.484	3.370	3.084	2.078	0.991	11.007	0.000	11.007
Total %	13.48	30.62	28.02	18.88	9.00	100.00		

Total Debt Analysis

	Net Debt £m
September 2016	10.877
September 2017	11.007

12.4. Aged Debt – Service Commentary

Adults and Health: £1.835m

There is currently £1.213m of outstanding debt over 90 days old across all Adults services. £609k of this debt is with NHS partners relating to CHC contributions and the joint finance agreement. Discussions are ongoing with the CCG to bring these disputes to a conclusion and we anticipate the majority of the debt being cleared.

The majority of the remainder relates to outstanding debts with clients of the service who have been assessed as being able to contribute to their support. A review is currently underway to assess how likely we are to receive payment against these. A number of these have already been referred to our legal team for further action.

Children and Learning: £1.046m

Of the debt over 90 days as at quarter 2, 93% relates to invoices owed by partner health authorities for agreed contributions towards costs of children in specialist provision with therapeutic and health related support. These contributions were agreed through the Complex Cases panel and further discussions are taking place regarding the settlement of these debts. The amount owed by partner health authorities has increased compared with quarter 1 due to continued raising and ageing of these invoices.

Support Services: £1.615m

Aged debt over 90 days old totals £0.819m.

- Finance £0.495m: £0.471m of the Finance debt is a part paid invoice to SW One that is to be cancelled.
- Carbon £0.122m: this is owed to SCC from British Gas. These

will be paid by the end of October, as disputes over amounts British Gas claim they are owed have been settled.

- Property General £0.062m: these are four invoices related to rent for Broughton House. These amounts are currently in dispute.
- Property Maintenance £0.074m: these are being actively pursued by the service
- Business Client £0.015m: this is a SW One debt which is being pursued by the service.
- Other Commercial & Business Services £0.051m.

Economic and Community Infrastructure: £4.582m

Aged debt over 90 days old totals £0.338m.

- £0.125m relating to defects following utilities work and with recovery team.
- £0.077m relates to damage to Highway from oil spillage and has reached legal stage of recovery.
- £0.050m relates to Transport debt with Somerset Partnership
- £0.032m represents County Ticket debt which is being pursued by recovery team.
- £0.019m also relates to Highways damage but has been delayed by process via insurers.
- £0.012m contribution from SSDC towards A30 Highways works.
- £0.007m is small value libraries debt and partner contributions for Libraries West Partnership

Public Health: £0.009m

The debt for Public Health is less than 90 days old and not considered to be at risk of non-recovery.

Support Services for Education: £0.293m

The increase in the level of debt is due mainly to the raising of invoices sent each term to schools and academies for children attending residential course as well as services delivered through SSTEP by Support Services for Education.

The amount of debt older than 90 days is relatively low. For the majority of this debt, is with legal or agreed repayment plans are in place to recover outstanding balances.

13. Delivery Progress of 2017/18 MTFP Proposals

- 13.1.** In February 2017, the Council approved £19.506m of savings proposals and £14.332m of pressures. Many of the proposals will require significant management action to insure implementation is successful.

This section of the report provides an update of the progress towards delivery of the proposals with a RAG status showing the level of risk around delivery (Appendix B).

13.2. Savings

As all savings have been taken from service budgets at the commencement of the financial year, the real risk is that service areas will not be able to deliver the full saving and overspend.

Over 61% of the savings have been classified as having a green status, meaning service directors are confident that these savings will be delivered at the financial impact predicted in proposal documents.

A further 7% has been classified as an amber risk status, meaning that at this point in the year service directors cannot be sure they can deliver the same level of savings originally anticipated.

This leaves 32% of savings that are no longer deliverable in 2017/18. Therefore there is more work required to secure the full value of savings required.

13.3. Pressures

During the MTFP process services worked hard to limit the level of additional resources requested. Therefore the £14.332m approved should be viewed as mitigating unmanageable pressures.

14. Consultations undertaken

- 14.1.** The individual service content within this report has been considered by Service Management Teams prior to submission together with on-going briefings of Cabinet Lead Members.

15. Implications

- 15.1.** Financial implications are dealt with in the body of this report, and where decisions are required. There are no other direct implications arising from this paper.

16. Background papers

- 16.1.** County Council – 15 Feb 2017 – 2017/18 Revenue Budget and MTFP
County Council – 15 Feb 2017 – S151 Robustness and Adequacy report

Note For sight of individual background papers please contact the report author

Appendix A – Revenue Budget Monitoring – Headline Summary Table

Service	Original Base Budget	Budget Movements	Total Budget Approvals	17/18 Projection	Gross Variance Under (-) / Overspend		Transfers (to) and from Grant / Earmarked Reserves	SCC Variance Under (-) / Overspend		Planned Use of Capital Receipts Flexibility	Forecast Under (-) / Overspend	Movement from Previous Report
	£m	£m	£m	£m	£m	%	£m	£m	%	£m	£m	£m
Adults and Health - Operations	72.683	5.722	78.405	77.089	(1.316)	(1.68)	0.000	(1.316)	(1.68)		(1.316)	(0.782)
Children and Families - Operations	48.749	(1.693)	47.057	60.133	13.077	27.79	0.000	13.077	27.79		13.077	0.239
Learning Disabilities	48.183	2.488	50.671	58.953	8.282	16.34	(6.158)	2.124	4.19		2.124	(0.174)
Adults and Health - Commissioner	14.756	(7.048)	7.708	7.690	(0.018)	(0.24)	(0.033)	(0.051)	(0.66)		(0.051)	0.028
Children and Learning - Commissioning Central	18.013	3.180	21.193	25.468	4.276	20.17	(1.984)	2.292	10.81		2.292	0.109
Public Health	1.070	0.000	1.070	0.838	(0.232)	(21.70)	0.232	0.000	(0.02)		0.000	0.000
ECI Services	61.655	1.244	62.899	62.636	(0.263)	(0.42)	(0.024)	(0.287)	(0.46)		(0.287)	(0.302)
Key Services Spending	265.109	3.894	269.003	292.807	23.804	8.85	(7.967)	15.837	5.89		15.837	(0.884)
Corporate and Support Services	25.449	(1.502)	23.947	26.748	2.801	11.70	0.293	3.095	12.92	(1.288)	1.807	(1.005)
Non-Service Items (Inc Debt Charges)	21.214	(21.919)	(0.705)	(9.250)	(8.546)	(1,211.48)	0.000	(8.546)	(1,211.48)		(8.546)	0.934
Trading Units	0.000	0.000	0.000	(0.060)	(0.600)	0.00	0.060	0.000	0.00		0.000	0.000
Support Services and Corporate Spending	46.663	(23.421)	23.242	17.438	(5.804)	(24.97)	0.353	(5.451)	(23.45)	(1.288)	(6.739)	0.071
Individual Schools Budget (ISB) and Early Years Providers	0.000	19.528	19.528	7.528	(12.000)	(61.45)	12.000	0.000	0.00		0.000	0.000
SCC Total Spending	311.772	0.000	311.772	317.772	6.000	1.92	4.386	10.386	3.33	(1.288)	9.098	(0.955)

Appendix B: Savings Month 6 2017/18

	Value of Approved Saving	Red	Amber	Green
Adults and Health - Operations	764,600	184,600	50,000	530,000
Learning Disabilities - Operations	4,733,800	3,066,900	0	1,666,900
Adults and Health - Commissioner	727,000	250,000	0	477,000
Public Health	168,500	0	0	168,500
Adults and Health	6,393,900	3,501,500	50,000	2,842,400
Children and Families - Operations	18,000	18,000	0	0
Children and Learning - Commissioning Central	3,095,600	1,286,900	665,900	1,142,800
Children's	3,113,600	1,304,900	665,900	1,142,800
Somerset Waste Partnership	760,000	0	0	760,000
Highways	800,000	0	400,000	400,000
ECI Other Services	2,587,400	65,200	180,000	2,342,200
Economic and Community Infrastructure	4,147,400	65,200	580,000	3,502,200
Key Services Spending	13,654,900	4,871,600	1,295,900	7,487,400
Commercial and Business Services	5,677,600	1,359,300	0	4,318,300
Finance and Performance	173,600	0	0	173,600
Customers and Communities	0	0	0	0
Support Services	5,851,200	1,359,300	0	4,491,900
Total Services	19,506,100	6,230,900	1,295,900	11,979,300

2017/18 MTFP Savings Performance

■ 31.94% ■ 6.64% ■ 61.41%

