

19 November 2018

## 2018/19 Revenue Budget Monitoring

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	Cabinet Member	Mandy Chilcott	05/11/18
	Opposition Spokesperson	Liz Leyshon	07/11/18
	Relevant Scrutiny Chairman	Anna Groskop	06/11/18
<b>Forward Plan Reference:</b>	FP/18/09/04		
<b>Summary:</b>	<p>This report presents the projected revenue outturn for 2018/19 based upon actual spending to the end of September 2018 and having applied the budget adjustments for the proposals for change agreed by the Cabinet in September 2018. The resultant projected outturn is £3.158m over the available budget of £317.883m. The Senior Leadership Team (SLT) is currently assessing the additional management action and mitigations required to further reduce this projected overspend.</p> <p>Meanwhile the revenue contingency of £3.400m remains largely uncommitted at this time. This means that, should the contingency not be drawn upon, the budget would be balanced overall. The projection also takes no account of the £2.5m recently allocated to Somerset County Council as additional “winter funding” for Adult Social Care. Discussions are ongoing with the Clinical Commissioning Group as to how this funding should be deployed. Neither does this report consider the impact of the recent budget announcements in regards to pothole and social care funding as further detail is awaited.</p> <p>Good progress is being made with regard to delivery of the agreed proposals for change; both those agreed in February (75% - by value - on track with plans to address a further 23%) and those agreed in September (86% on track allowing for those for which consultation with other bodies is required – 94% if agreement is given).</p>		

<p><b>Recommendations:</b></p>	<p><b>Cabinet is recommended to: -</b></p> <p>Note the projected revenue budget outturn position for 2018/19 (being an overspend of £3.158m), the current Aged Debt Analysis and the projected delivery of the Medium Term Financial Plan savings.</p> <p>Agree to a £0.057m transfer from contingencies to Corporate &amp; Support Services (Communications) as referred to in paragraph 7.12</p>
<p><b>Reasons for Recommendations:</b></p>	<p>Robust budget monitoring information is an essential ingredient of a well-run Council, and that information must be used to inform decisions about actions required to address any budget variances.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>The Medium Term Financial Plan (MTFP) sets the funding for the County Vision and the use of those funds is then monitored, via this report, throughout the year to ensure delivery of Council objectives and actions within the resources available.</p>
<p><b>Consultations and co-production undertaken:</b></p>	<p>Information and explanations have been sought from directors on individual aspects of this report and their comments are contained in the report. Due process and consultations will be carried out where needed and where indicated in the specific proposals for change.</p>
<p><b>Financial Implications:</b></p>	<p>The financial implications are identified throughout the report.</p>
<p><b>Legal Implications:</b></p>	<p>There are no legal implications arising directly from this report.</p>
<p><b>HR Implications:</b></p>	<p>There are no HR implications arising directly from this report.</p>
<p><b>Risk Implications:</b></p>	<p>The availability and use of reserves and the revenue contingency is critical in being able to manage peaks in demand and costs incurred. This report recognises the need for such reserves and contingencies and aims to adopt a reasonable approach to maintaining both.</p> <p>Our corporate risk register recognises the risk to containing our spend within budget.</p> <p>The Children's Services budget remains overspent with external placements the only area not fully funded and where there continues to be pressures. The risk of further overspends is being mitigated through detailed budget review and challenge sessions which are generating an improved understanding of the budget and hence actions which will deliver improved control of expenditure within the service.</p>
<p><b>Other Implications (including due regard implications):</b></p>	<p>As services take remedial action, including any formal decisions required to address the in-year overspend, then appropriate consideration will need to be given to the legal, HR and equalities issues, as necessary.</p>

<b>Scrutiny comments / recommendation (if any):</b>	This report will be presented to Place Scrutiny on 11 <sup>th</sup> December.
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## 1. Background

- 1.1. Over recent years, the Council has lived within its means through an estimated £143m of savings and efficiencies and through control of its revenue and capital budgets. In September 2018 the Cabinet accepted proposals for change across a range of budgets in order to address the then projected overspend for the current financial year.
- 1.2. During October various budget adjustments have been undertaken in order to give effect to the decisions made by the Cabinet in September. In addition service underspends to the end of September have been collected and applied to overspending budgets. This has made the movements in this monitoring report more complicated than usual, so effort has been committed to explain them clearly. This report projects expenditure based on the adjusted figures; the result is a projected overspend of £3.158m at the financial year end as is shown in Appendix A. At this stage no account is taken of recent announcements in regard of additional funds for social care or for potholes.
- 1.3. This report does not contain any details of **reserves**, earmarked or the General Fund, as the sums have not moved since the last report. It is still predicted that the General Fund will achieve a balance of £7.8m at the financial year end. More details in regard of reserves will be presented in the quarter 3 report, when it is predicted that there will be detail of transactions on earmarked reserves to describe.

## 2. Summary Forecast 2018/19 – Revenue Budgets

- 2.1. As indicated above, the movements this month are more complicated than usual due to the budget adjustments arising from the Cabinet decisions in September. The table shown in Appendix C provides a breakdown for the adjustments that have been made for the agreed in-year savings of £12.790m and isolates the underlying spending movements.
- Column B shows the net variances for month 5 before any adjustments were made
  - Column C shows the high-level reported adjustments
  - Column D shows the total of B and C
  - Column E shows the adjusted, reported figures for month 5
  - Column F shows the reversal of the reported adjustments to enable the correct processing of the re-alignment of the budgets
  - Column H shows the adjustments for MTFP2 savings
  - Column I shows the month 6 'business as usual' variances.
- 2.2. While the total of proposals agreed by the Cabinet is £12.790m, only £8.081m is shown in this table. This is because £0.300m and £1.014m await review by the Waste Board and by the Schools Forum respectively, so cannot be applied yet. A further £3.394m is the technical adjustment undertaken in Adults Services to counterbalance

the reversal of the previous proposal to use reserves. If and when the former two adjustments are approved then they will be applied to the budget in Children's Services, hence bringing that projected overspend down further

- 2.3. There is one saving – unpaid leave – that is being handled corporately but affects the individual service areas. Pending the outcome of the union ballot, this saving is classed as “red”, off-track, at this time. The sum total of this saving across all areas is just under £0.500m.
- 2.4. Following the actions undertaken to date, it is estimated that there will be a projected overspend of £3.158m at the end of the year (see Appendix A) when compared to the Revenue Budget, with the majority of the overspend being in the Children's Services budgets as explained in the background above. Most other service areas of the Council are being controlled within budget although some corporate and support budgets are also under pressure as described in paragraphs below
- 2.5. Given that a projected overspend remains, and there is pressure on the General Fund, then it is essential that senior officers focus closely on tight budgetary control, delivery of the proposals for change and further actions to ensure that expenditure is contained within budget. The main variances to the budget, by service area, are set out in the paragraphs below

### **3 Children's Services**

- 3.1. **Children and Families Operations: overspend £6.014m: movement (-) £5.226m**
- 3.2. Projected expenditure on external placements has increased by £0.555m since month 5 due to a number of high cost secure placements along with an unanticipated requirement to cover the costs of young people on remand who were not previously looked after. This has been offset in part by £0.144m of underspends across the service as a result of vacancies and the ongoing effort to reduce expenditure wherever possible.
- 3.3. The rebasing of budgets has reduced the overall overspend in this service area by £5.637m, with external placements the only area not fully funded.
- 3.4. **Children and Learning Central Commissioning: underspend (-£0.499m): movement (-) £4.977m**
- 3.5. The projected underspend against Getset has increased by £0.139m, mainly due to staff leaving the service earlier than anticipated, plus a reduction in building and other non-staffing costs.
- 3.6. Projected expenditure for Home to School and Special Educational Needs (SEN) transport has reduced by £0.075m since month 5. Forecast provision for routes across academic years has not being fully required.
- 3.7. Efficiencies across the service due to holding vacancies or reducing spend wherever possible total £0.174m. Achievement of MTFP savings earlier than planned has reduced projected spend by £0.193m.

- 3.8. The rebasing of budgets has reduced the overall overspend in this service area by £4.396m.

All MTFP 1 and MTFP 2 savings are being achieved and marked as green (on track) and blue (delivered) with the exception of five savings totalling £1.014m, which are under consultation with the Schools Forum with a decision due on the 7<sup>th</sup> November. Also the unpaid leave saving of £0.200m is still being considered. The result of the consultations will affect delivery of these savings.

#### 4. **Adult Services including Learning Disabilities**

##### 4.1. **Adults and Health Operations: underspend £0.001: movement (+) £1.849m**

- 4.2. The forecast position for the year across all Adults services is an underspend of £0.001m. This is an increase in projected spend from the month 5 cabinet report of £1.849m, although this increase is mainly as a result of a £1.7m budget realignment as a result of the September budget decisions.

- 4.3. In terms of the overall position, there are pressures of £4.367m against the Learning Disabilities Purchasing budget, £0.361m against Mental Health and £0.117m against Commissioning, which are offset by an underspend in Adult Social Care (£4.845m).

- 4.4. Although there is very little change to the overall variation reported (excluding technical adjustments) there have been changes across each of the services. There have been increases in variation within Learning Disabilities Purchased (+£0.322m) and Mental Health (+£0.057m), offset by decreases within Adult Social Care (-£0.346m) and increased income from the pooled budget (-£0.080m).

- 4.5. The increase against the Mental Health budget is due to an increase in the projected cost of nursing placements. This has added £0.025m to the projected overspend. There is also an increase of £0.050m for some improvements made to ICT networks in office where the Mental Health teams are based.

- 4.6. The increased underspend within Adult Social Care is as a result of a decrease in the amount of core home care provision being provided. Spend for the first 4 periods of 2018/19 is at a similar level of that in 2017/18 despite the 7.7% increase in the fee paid. There has also been a reduction in Residential placements with 5 less when compared to last month. This is continuing a trend seen throughout the year as the services reduces their use of residential beds. This trend reflects the strategy of '*Promoting independence*', reducing a reliance on bed based models of care and increased support to enable people to remain within their own homes.

- 4.7. There has been a number of changes in the Learning Disabilities Purchased budget since the previous report, leading to an increased projection. Among these changes are a transitions placement which is being jointly funded with Children's, several changes in provision which have led to increased costs and a new home care package that will cost £0.065m this year. Learning Disabilities Purchased cost continues to be an area of pressure as in previous

months which will be tracked carefully as the year progresses.

- 4.8. The planned overspend against the Discovery contract is forecast to be £3.915m, which is a reduction of £0.499m from the position reported at month 4. This will be offset by balances elsewhere in the service leading to a balanced position at year end.
- 4.9. All MTFP 1 and MTFP 2 savings are being achieved in full and marked as green and blue with the exception of the unpaid leave saving of £0.078m.
- 4.10. We estimate that £0.140m will need to be drawn down from the earmarked provision for this purpose to pay for the Local Assistance Scheme programme costs.

## **5. Public Health: underspend £0.600m: movement (-) £0.500m**

- 5.1. The Public Health budget is made up of two elements. The ring fenced Public Health Grant (£20.723m), which is projected to be fully spent, and £1.098m of Somerset County Council funding. Following a review of all spend there is a further £0.500m underspend, released from the Somerset County Council element of the funding, which can be used to assist with the overall Council overspend.

## **6. Economic and Community Infrastructure Services (ECI): underspend £0.514m: movement (-) £2.746m**

- 6.1. ECI Services are forecasting an underspend of £0.514m, which is 0.8% of the net budget. The budget forecast variance at month 5 was an underspend of £0.203m. It is important to point out that the month 5 forecast and the subsequent month 6 has been adjusted as a result of Property Services transferring to ECI. The month 6 forecast incorporates the budget adjustment of £0.516m following the Cabinet decision on 12<sup>th</sup> September.
- 6.2. The underlying movement from the month 5 position to the month 6 position, excluding the budget adjustments and transfer outlined above is +£0.205m. Within this the unpaid leave saving (£0.085m) and some MTFP2 savings that had inadvertently already been included in month 5 (£0.089m). There were various other minor over and underspends within ECI. The service are working to resolve these.

### **6.3. Use of Capital Receipts Flexibility**

The overall ECI position assumes that capital receipts flexibilities will be used for the following transformational activities totalling £0.776m:-

- Economic Development - £0.201m for project management, grant management and technical assurance for the Connecting Devon and Somerset Broadband project.
- Libraries - £0.265m for costs of transformational work.
- Registration - £0.030 to make the service more accessible electronically and to reduce administrative activity in the future.

- Property - £0.206m - for a number of development projects across the County Council's estate.
- Commissioning - £0.074 for staff undertaking transformational activities

**7. Corporate and Support Services: overspend £0.414m: movement (-) £0.066m**

**7.1. Customers & Communities overspend £0.016m: movement (+) £0.007m**

Customers and Communities are forecasting an overspend of £0.016m, due to the current consultation process for unpaid leave.

**7.2. Community Governance overspend £0.097m: movement (+) £0.039m**

Community Governance is showing an overspend of £0.097m, although this includes a budgeted contribution of £0.253m to the Elections reserve. This is transferred annually to an earmarked reserve to build up funds for the quadrennial elections. This position also includes the pressures as a result of a number of small MTFP2 savings that are not yet delivered.

**7.3. Commercial & Procurement underspend £0.052m: movement (-) £0.043m**

Commercial and Procurement is currently showing an underspend of £1.102m. This includes the Building Schools for the Future (BSF) budget, where it is planned that £1.050m will be transferred to the BSF equalisation fund at year end, to build up funds to meet these costs in the future.

**7.4. Business Support overspend £0.003m: movement (+) £0.002m**

Corporate Business Support is showing an underspend of £0.003m; the movement is due to the consultation process for unpaid leave.

**7.5. HR & OD: overspend £0.013m: movement (+) £0.013m.**

Human Resources and Organisational Development is showing an overspend of £0.013m. This is due to the consultation process for unpaid leave. All other in-year savings targets have been met by the service.

**7.6. Cross Cutting Procurement Savings: overspend £0.419m : movement (-) £0.021m**

As was reported in the Month 5 Budget Monitoring report to Cabinet in October, a number of cross-cutting procurement savings were deemed undeliverable in 2018/2019. The movement of £0.021m has been achieved through savings delivered on the stationery contract.

**7.7. Legal Services: underspend £0.055m: movement (-) £0.035m**

Legal Services (including Coroners) is showing a forecast underspend of £0.055m. The movement in the forecast is due to a reduction in the use of external legal services.

**7.8. Finance: underspend £0.007m: movement (+) £0.022m**

The adverse movement is mainly due to the consultation process for unpaid leave.

**7.9. Business Change: On-budget; movement (-) £0.000m**

Business Change is showing an adverse variance of £1.135m. As in previous years, this is a planned position within the MTFP, with this balance to be met from capital receipts flexibility.

**7.10. ICT: underspend £0.030m: movement (-) £0.062m**

The ICT budget has a favourable variation of £0.030m. The service has restructured its staffing and reduced its establishment, charged staff to capital projects and sought to delay some projects.

**7.11. Use of Capital Receipts Flexibility in Corporate and Support Services**

Corporate and Support Services are planning to set £2.537m against the flexible use of capital receipts to fund the following projects:

- ICT £1.241m for a number of projects to upgrade our systems and networks, to improve efficiency and to support the Technology and People Programme.
- Business Change £1.135m for their on-going work to support a number of transformational projects across the authority as part of the Core Council Programme.
- Community Governance £0.007m for transformational work.

Customers & Communities £0.154m for a number of transformational roles within the Service.

**7.12. Contingency Release in Corporate and Support Services**

A contingency release of £0.057m is requested for the Communications budget. An income target had been given in previous years for advertising revenue to be generated through our intranet. This has not proved possible to deliver, and an in-year release is requested ahead of a more permanent base budget adjustment in 2019/2020.

**8. Non-Service Items: underspend (-) £0.065m: movement (+) £4.386m**

**8.1.** The forecast position for Non-Service is an underspend of £0.315m. This is a reduction of £4.136m from last month's projection and is largely a result of the £4.441m budget re-alignment, for the underspend reported at month 4. In terms of the overall Non-Service position there was also a number of underspends during month 6, which were as follows:

**8.2. Investment Income: underspend (-) £0.150m**

Due to a better than expected return on investment, we are anticipating



additional income of £0.150m.

**8.3. Central Debt Charges: underspend (-) £0.154m**

Having reviewed our Minimum Revenue Provision (MRP) model, we are now anticipating a reduced MRP charge of £0.154m.

**8.4. Use of Reserves: overspend (+) £0.250m**

There are currently no plans in place to achieve the £0.250m Partnership and Integration, Exploring Regional Services (Children's Commissioning) saving identified in 2017/18. The plan was to achieve £1m savings over 4 years, but only the first year was achieved. As this saving was unallocated, it was set against reserves.

**8.5. Central Redundancies: on budget £0.000m**

The Central Redundancies budget of £2m is shown as fully committed. This is a prudent position based upon the potential number of redundancies that will be necessary as a result of the in-year savings proposals approved by Cabinet in September. It should be noted, however, that all efforts will be made to redeploy staff who are at risk into suitable vacant posts across the authority.

**9. Trading Units**

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

**9.1. Support Services for Education: Surplus £0.094m: movement (+) £0.058m**

Minor variances make up the movement of £0.089m.

**9.2. Dillington House: Deficit £0.177m: movement of (+) £0.000m**

Dillington are expecting to be close to break-even by the end of the year, with the exception of the internal capital loan repayment of £0.171m. This is in line with the agreed business case.

**10. Delivery Progress of 2018/19 MTFP Proposals**

**10.1.** In September 2018, the Council approved a further £12.790m of savings proposals to the 2018/19 revenue budget. This section of the report provides an update of the progress towards delivery of the proposals as well as the original £13.418m of savings agreed in February 2018. These savings now have four different status' showing the level of risk around delivery.

Please note that from month 7, this report will no longer show the savings agreed in February and September separately. (Appendix B).

**10.2. Savings**

The different savings status' are as follows:

- Red (controlled): This means that although the saving has been identified as being at risk of delivery, there are plans in place which means either the saving has been acknowledged as undeliverable and this is therefore a pressure or it will be replaced by a different saving.
- Red (uncontrolled): This means the saving has been identified as being at risk of delivery and plans to replace the saving have not yet been agreed.
- Green: The saving is on track for delivery.
- Blue: The saving has been delivered.

75% of the MTFP1 savings have been classified as having a green or blue status, meaning service directors are confident that these savings will be delivered by the end of the financial year or in the case of the blue savings, they have already been delivered. This is an improved position compared to previous years. This leaves 25% of savings which are 'at risk' of being delivered. Of this 25%, we have plans in place for all but 2%, and mitigations are being developed.

For MTFP2 savings agreed in September, we are reporting that 86% of these savings are either 'on track' of being delivered or have already been achieved. Most of the 'red' savings that are being reported as at risk are currently under consultation as mentioned previously in this report.

## **11. Capital and Capital Receipts Flexibilities**

- 11.1.** Since 2016 the Government has allowed local authorities to use capital receipts to fund transformation projects and consequences that would otherwise have counted against revenue funding. Somerset County Council is intending to use these flexibility and details are set out elsewhere in this report. It is anticipated that approximately £9.8m of expenditure will qualify as transformational against capital receipts funding. It is expected that there will be approximately £10.8m receipts available to support this level of expenditure and a further £0.759m of support to the capital programme; this is being closely monitored.
- 11.2.** During the autumn months, in preparation for the 2019/20 budget and MTFP, further work will be undertaken in regard of ongoing commitments against capital receipts so that the Council can agree an appropriate strategy at the time of agreeing the forward year's budget.

## **12. Aged Debt Analysis**

- 12.1.** The overall debt position shows a total gross debt of £8.748m, of which £2.020m (23.09%) is over 90 days old. This is a slight improvement over the Quarter 1 and Month 5 positions, where the proportion of debt over 90 days old was over 35% of the total debt in both cases. The position is exacerbated by a small number of large developer debts that are being actively pursued.
- 12.2.** Detailed debt information is reported to Audit Committee on a quarterly basis. In addition, a current SWAP audit is being undertaken to review our debt collection procedures, and it will inform a review and update of the current

Income Code of Practice.

12.3.

Service	Not o'due	0-30 Days	1-3 Mths	3-12 Mths	12+ Mths	Total
	£m	£m	£m	£m	£m	£m
Adults and Health - Commissioning	0.000	0.337	0.024	0.030	0.000	0.391
Adults and Health - Operations	0.079	0.396	0.405	0.876	0.236	1.992
Business Development	0.018	1.696	0.874	0.279	0.045	2.913
Customers & Communities	0.000	0.007	0.000	0.000	0.000	0.007
Children & Family - Operations	0.005	0.035	0.008	0.035	0.004	0.087
ECI - Commissioning	0.000	0.000	0.000	0.000	0.000	0.000
ECI - Operations	0.959	0.647	0.192	0.305	0.108	2.211
School & Early Years	0.026	0.044	0.004	0.008	0.008	0.089
Finance & Performance	0.004	0.058	0.007	0.020	0.004	0.093
Children & Learning - Commissioning	0.283	0.017	0.029	0.001	0.003	0.333
LD Operations	0.009	0.000	0.001	0.009	0.024	0.043
Support Services for Education	0.010	0.270	0.106	0.008	(0.00)	0.393
Public Health	0.000	0.059	0.121	0.016	0.000	0.196
<b>Total (£m)</b>	<b>1.393</b>	<b>3.565</b>	<b>1.771</b>	<b>1.587</b>	<b>0.432</b>	<b>8.748</b>
<b>Total (%)</b>	<b>15.93%</b>	<b>40.75%</b>	<b>20.24%</b>	<b>18.15%</b>	<b>4.94%</b>	<b>100.00%</b>

**Aged Debt – Service Commentary**

**12.4. Adults and Health: £2.383m**

Vacancies in the team have meant progress made on debts over the past month remains less than expected. This has now been addressed and we will begin actively focussing on debt again.

52% of the total outstanding debt is less than 3 months old and the majority of this relates to invoices raised to health partners and other government agencies (CCG, Other Local Authorities) for which we expect full payment. There has been an increase in debts that are aged between 3 months and 1 year, which will be linked to the vacancies mentioned above. Debts over 1 year old continue to be at their lowest level for a number of years although the slight increase in the past month will be addressed as a matter of priority

**12.5. Children and Learning: £0.903m**

The increase in debt is due to the raising of termly invoices within Support Services for Education for services purchased by schools and academies. Invoices have also recently been raised for home to school transport contributions from parents/carers for the Autumn and Winter terms.

The amount of debt older than 90 days is relatively low and has been referred to the debt recovery officer or agreed repayment plans are in place.

**12.6. Corporate and Support Services: £3.013m**

The total value of debts over 90 days is £0.349m. This is a number of debts mainly within Property Services which are actively being chased.

**12.7. Economic and Community Infrastructure: £2.211m**

ECI are reporting a total of £0.412m outstanding debt over 90 days old.

This comprises of 2 invoices outstanding with a developer (£0.081m), and the usual large number of smaller debts, such as for utilities under the New Roads and Street Works Act (NRSWA) (£0.214m), Scientific Services debt with a number of debtors (£0.038m) and County Ticket debts from individuals (£0.031m). The overwhelming majority of these are already being pursued by the Legal Debt Recovery team.

**12.8. Public Health: £0.196m**

The majority of this debt figure relates to one invoice for NHS England. The relevant Public Health consultant is aware of this position and is in negotiation with NHS England to get this paid as quickly as possible.

**13. The Core Council Programme (CCP)**

**13.1.** The Core Council Programme (CCP) has been under review since Q4 2017/18 in the light of strategic priorities and the financial imperative work. As a result, the primary focus of the CCP has shifted to those activities that deliver an in-year and future year's sustainable financial position. Therefore,

CCP resources have been reprioritised in order to manage the delivery of key activities to convert activity into savings to address the 2018/19 financial position and help create long-term financial sustainability. The main changes to the CCP are outlined below under Themes.

- 13.2.** Financial benefits for the CCP have also been under review as part of aligning activity to new strategic priorities. As a result, target benefits linked workstreams moving to services to deliver (see below) will be tracked through the usual financial processes as part of monthly budget monitoring and Medium Term Financial Plan (MTFP).
- 13.3.** Targeted benefits for activity remaining within the CCP are now being reset alongside the financial imperative work and will also feed the MTFP process.
- 13.4.** The Core Council Board approved the following high-priority workstreams to be descoped from the CCP and transitioned to individual service areas to either take forward and realise targeted benefits, or pause and review in the context of new strategic priorities that have been overtaken through the financial imperative work:
- Commercial and Third Party spend - Strategic Opportunities Board
  - Children's Placements
  - Business & Corporate Support Services
  - Transport
- 13.5.** The transition of this work will now align to service improvement and redesign, whilst ensuring that interdependencies with the financial imperative priorities are maintained. Closure documentation for each theme is being progressed.
- 13.6.** In addition, the Core Council Board also approved that the Economic Prosperity projects will no longer be reported through the CCP and delivery will be managed through business as usual activity within Economic & Community Infrastructure.
- 13.7.** The remaining CCP programmes and projects have been aligned to the financial imperative work:
- Family Support Services
  - Improving Children's Services
  - Modernising Adults Social Care
  - Libraries Service Review
  - Technology and People Programme

### **Financial Imperative Programme (FIP)**

- 13.8.** A programme framework has been adopted to deliver financial imperative activity. The approach has enabled accountability and leadership of key lines of enquiry (KLOEs) to deliver savings in order to achieve financial sustainability in-year and for future years. The programme of work is led by SLT as the collective body responsible for managing delivery, supported by a Financial Imperative Team (FIT) made up of SCC finance managers, project managers and specialist posts e.g. Commercial and Procurement.

**13.9.** The FIP is supporting, coordinating and monitoring the activity required to deliver financial savings. The progress of which is reported weekly through the Senior Leadership Team in order to provide assurance and confidence of delivery alongside risk mitigation and corresponding action.

#### **14. Background papers**

**14.1.** County Council – 21 Feb 2018 – 2018/19 Revenue Budget and MTFP  
County Council – 21 Feb 2018 – S151 Robustness and Adequacy report  
Cabinet – 9 July 2018 – Revenue Budget Monitoring 2018/19 Month 2  
Cabinet – 12 September 2018 – Revenue Budget Monitoring 2018/19 –  
Month 4

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## Appendix A – Revenue Budget Monitoring Month 6 – Headline Summary Table

Service	Original Base Budget	Budget Movements	Total Budget Approvals	Negative (+) Variances	Positive (-) Variances	Planned Use of Earmarked Reserves	Planned Use of Capital Receipts Flexibility	Net Variance Under (-) / Overspend		Previous Cabinet Report *	Movement from Previous Report
	£m	£m	£m	£m	£m	£m	£m	£m	%	£m	£m
Adults and Health	141.284	-7.480	133.804	8.740	-6.184	0.000	-2.557	-0.001	0.00%	-1.850	1.849
Children and Families - Operations	46.279	10.475	56.754	6.948	-0.884	0.000	-0.050	6.014	10.60%	11.240	-5.226
Children and Learning - Commissioning	19.750	5.467	25.217	0.239	-0.423	-0.197	-0.118	-0.499	-1.98%	4.478	-4.977
Public Health (SCC funding)	1.026	-0.103	0.923	0.000	-0.500	0.000	0.000	-0.500	-54.17%	-0.100	-0.400
ECI Services	62.774	2.346	65.120	4.792	-3.299	-1.231	-0.776	-0.514	-0.79%	-2.746	2.232
<b>Key Services Spending</b>	<b>271.113</b>	<b>10.705</b>	<b>281.818</b>	<b>20.719</b>	<b>-11.290</b>	<b>-1.428</b>	<b>-3.501</b>	<b>4.500</b>	<b>1.60%</b>	<b>11.022</b>	<b>-6.522</b>
Corporate and Support Services	24.078	-2.961	21.117	3.831	-2.184	1.303	-2.537	0.414	1.96%	-1.560	1.974
Non-Service Items (Inc Debt Charges)	22.692	-7.744	14.948	0.293	-0.358	0.000	0.000	-0.065	-0.43%	-4.451	4.386
Trading Units	0.000	0.000	0.000	0.534	-0.451	-0.083	0.000	0.000	0.00%	0.000	0.000
<b>Support Services and Corporate Spending</b>	<b>46.770</b>	<b>-10.705</b>	<b>36.065</b>	<b>4.658</b>	<b>-2.993</b>	<b>1.220</b>	<b>-2.537</b>	<b>0.349</b>	<b>0.97%</b>	<b>-6.011</b>	<b>6.360</b>
Updated Business Rates Receipts	0.000	0.000	0.000	0.338	-2.029	0.000	0.000	-1.691	0.00%	-1.691	0.000
<b>SCC Total Spending</b>	<b>317.883</b>	<b>0.000</b>	<b>317.883</b>	<b>25.715</b>	<b>-16.312</b>	<b>-0.208</b>	<b>-6.038</b>	<b>3.158</b>	<b>0.99%</b>	<b>3.320</b>	<b>-0.162</b>

## Appendix B: Savings Month 6 (2018/19)

Service	Value of Approved Saving MTFP1 (£)	Red (controlled)	Red (uncontrolled)	Green (on track)	Blue (delivered)	Value of Approved Saving MTFP2 (£)	Red (uncontrolled)	Green (on track)	Blue (delivered)
Adults and Health	3,206,000			1,890,120	1,315,880	3,828,000	78,000	219,900	3,530,100
Adults and Health - Commissioning	20,000				20,000	-			
Public Health (SCC funding)	107,000			107,000		-			
<b>Adults and Health</b>	<b>3,333,000</b>	-	-	<b>1,997,120</b>	<b>1,335,880</b>	<b>3,828,000</b>	<b>78,000</b>	<b>219,900</b>	<b>3,530,100</b>
Children and Families - Operations	1,451,400	381,400		887,000	183,000	480,000		424,000	56,000
Children and Learning - Commissioning Central	1,697,000	1,186,700			510,300	1,654,100	1,214,000	440,100	
<b>Children's</b>	<b>3,148,400</b>	<b>1,568,100</b>	-	<b>887,000</b>	<b>693,300</b>	<b>2,134,100</b>	<b>1,214,000</b>	<b>864,100</b>	<b>56,000</b>
ECI Other Services	1,307,500			650,000	657,500	3,838,200	385,000	1,937,000	1,516,200
<b>Economic and Community Infrastructure</b>	<b>1,307,500</b>	-	-	<b>650,000</b>	<b>657,500</b>	<b>3,838,200</b>	<b>385,000</b>	<b>1,937,000</b>	<b>1,516,200</b>
<b>Key Service Spending</b>	<b>7,788,900</b>	<b>1,568,100</b>	-	<b>3,534,120</b>	<b>2,686,680</b>	<b>9,800,300</b>	<b>1,677,000</b>	<b>3,021,000</b>	<b>5,102,300</b>
Corporate and Support Services	4,128,800	1,481,100	250,000	115,500	2,282,200	793,600	115,428	483,072	195,100
<b>Corporate and Support Services</b>	<b>4,128,800</b>	<b>1,481,100</b>	<b>250,000</b>	<b>115,500</b>	<b>2,282,200</b>	<b>793,600</b>	<b>115,428</b>	<b>483,072</b>	<b>195,100</b>
<b>Total Services</b>	<b>11,917,700</b>	<b>3,049,200</b>	<b>250,000</b>	<b>3,649,620</b>	<b>4,968,880</b>	<b>10,593,900</b>	<b>1,792,428</b>	<b>3,504,072</b>	<b>5,297,400</b>
<b>Non-Service</b>	1,500,000				1,500,000	2,196,000			2,196,000
<b>Total Non-Service</b>	<b>1,500,000</b>	-	-	-	<b>1,500,000</b>	<b>2,196,000</b>	-	-	<b>2,196,000</b>
<b>TOTAL</b>	<b>13,417,700</b>	<b>3,049,200</b>	<b>250,000</b>	<b>3,649,620</b>	<b>6,468,880</b>	<b>12,789,900</b>	<b>1,792,428</b>	<b>3,504,072</b>	<b>7,493,400</b>
<b>Percentage</b>		<b>23%</b>	<b>2%</b>	<b>27%</b>	<b>48%</b>		<b>14%</b>	<b>27%</b>	<b>59%</b>



## Appendix C: Further Analysis of Month 6

A	B	C	D	E	F	G	H	I	J	K	L
Service	Month 5 Net Variance (Service Report)	Month 5 Adjustments (MTFP2 Savings)	Total	Month 5 Cabinet Report	Reversal of Month 5 Adjustments	Move property mth 5 Variation	Re-alignment of Budgets (Based on Mnt.4)	Month 6 Movements	Total	Net Variance Reported (Mnt.6)	check
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adults and Health	-1.494	-0.356	-1.850	-1.850	0.356	0.000	1.700	-0.207	0.001	-0.001	0.000
Children and Families - Operations	11.445	-0.205	11.240	11.240	0.205	0.000	-5.842	0.411	6.014	6.014	0.000
Children and Learning - Commissioning	5.877	-1.399	4.478	4.478	1.399	0.000	-5.795	-0.581	0.499	-0.499	0.000
Public Health (SCC funding)	-0.100	0.000	-0.100	-0.100	0.000	0.000	0.100	-0.500	0.500	-0.500	0.000
ECI Services	-0.168	-2.578	-2.746	-2.746	2.578	-0.035	-0.516	0.205	0.514	-0.514	0.000
<b>Key Services Spending</b>	<b>15.560</b>	<b>-4.538</b>	<b>11.022</b>	<b>11.022</b>	<b>4.538</b>	<b>-0.035</b>	<b>-10.353</b>	<b>-0.672</b>	<b>4.500</b>	<b>4.500</b>	
Corporate and Support Services	1.615	-3.175	-1.560	-1.560	3.175	0.035	-1.170	-0.066	0.414	0.414	0.000
Non-Service Items (Inc Debt Charges)	-3.451	-1.000	-4.451	-4.451	1.000	0.000	3.441	-0.055	0.065	-0.065	0.000
Trading Units	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Support Services and Corporate Spending</b>	<b>-1.836</b>	<b>-4.175</b>	<b>-6.011</b>	<b>-6.011</b>	<b>4.175</b>	<b>0.035</b>	<b>2.271</b>	<b>-0.121</b>	<b>0.349</b>	<b>0.349</b>	
Updated Business Rates Receipts	-1.691	0.000	-1.691	-1.691	0.000	0.000	0.000	0.000	1.691	-1.691	0.000
<b>SCC Total Spending</b>	<b>12.033</b>	<b>-8.713</b>	<b>3.320</b>	<b>3.320</b>	<b>8.713</b>	<b>0.000</b>	<b>-8.082</b>	<b>-0.793</b>	<b>3.158</b>	<b>3.158</b>	<b>0.000</b>