

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Executive Director – Core Services & Service Director – Finance (Section 151)

CORPORATE FINANCIAL PERFORMANCE QUARTER ENDING 30th JUNE 2019

1. Purpose of Report

1.1 To consider the financial performance of the Authority during the first quarter ended June 2019 and assess the implications against the Council's Medium Term Financial Strategy (MTFS). The key headlines are:

- The position for Council services is a projected operational underspend of £2.579M for 2019/20;
- The position on Corporate Budgets shows an operational underspend of £1.000M;
- Although the first quarter is reporting a positive position, the Council still has some significant savings to deliver over the next 3 years within a financial climate that remains both uncertain and challenging.

2. Recommendations

2.1 It is recommended that Cabinet:

- Note the current forecast operational underspend for 2019/20 of £3.579M;
- Approve the recommended write off totalling £0.575M of historic debt (£0.510M General Fund/ £0.065M HRA) as shown at para 7.3 of this report;
- Approve the budget virements at Appendix 1;
- Note the ongoing uncertain and challenging and financial environment facing the local authorities despite the positive quarter 1 position reported for the council.

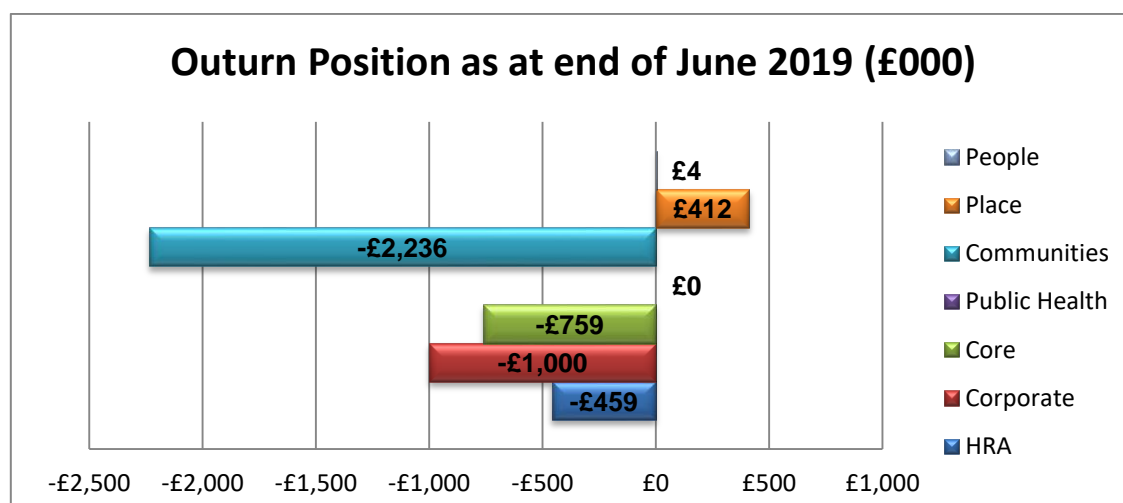
3. Overall Position to the Quarter Ending June 2019

The Council is currently reporting an overall projected underspend for 2019/20 of £3.579M. This is comprised of a forecast underspend on Directorate budgets of £2.579M, and a further £1.00M underspend on Corporate Budgets.

This position is summarised below with further detailed provided at Appendices 2 and 3.

| DIRECTORATE | Approved Net Budget 2019/20 £'000 | Projected Net Outturn 2019/20 £'000 | Forecast Deficit / (Surplus) £'000 | Adjustment for Slippage & Transfer to reserves £'000 | Operational Deficit / (Surplus) £'000 |
|----------------------------------|--|---|---|---|--|
| People | 36,553 | 36,557 | 4 | - | 4 |
| Place | 40,426 | 40,838 | 412 | - | 412 |
| Communities | 68,983 | 65,027 | (3,956) | 1,720 | (2,236) |
| Public Health | 7,409 | 5,276 | (2,133) | 2,133 | - |
| Core Services | 14,922 | 13,400 | (1,522) | 763 | (759) |
| Service Totals | 168,293 | 161,098 | (7,195) | 4,616 | (2,579) |
| Corporate / General items | 772 | (4,168) | (4,940) | 3,940 | (1,000) |
| Sub Total – Council | 169,065 | 156,930 | (12,135) | 8,556 | (3,579) |
| HRA | - | (459) | (459) | - | (459) |

- 3.1 The chart below provides an overview of the overall position which breaks down the Deficit/Surplus (-) position across Council Directorates.

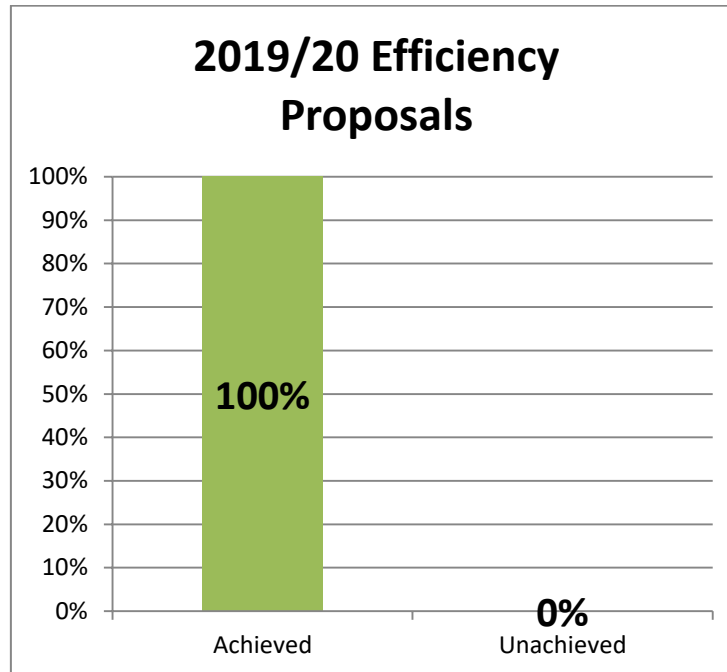


4. Delivery of 2019/20 Future Council Savings Proposals

- 4.1 The Council's 2019/20 budget is dependent on the delivery of a number of efficiency savings. These targets are reviewed on a regular basis with Budget Managers and

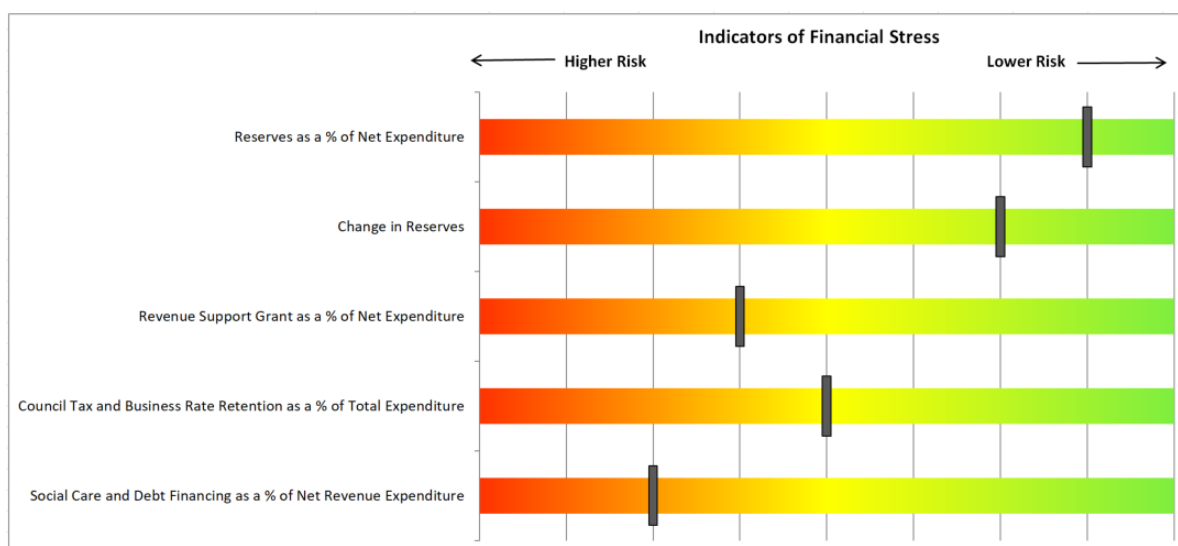
any issues are highlighted early so that recovery plans can be put in place where necessary.

- 4.2 The Q1 position is forecasting a 100% delivery rate against the target for 2019/20 of £5.765M, and thus there are no issues to highlight at this stage.



5. **CIPFA Financial Resilience results for 2018/19**

- 5.1 As part of the 2019-2021 Medium Term Financial Strategy, the S151 Officer presented a paper highlighting the Council's position in terms of its financial resilience and ability to continue to meet future financial challenges.
- 5.2 This paper demonstrated that, whilst there were some concerns over the proportionate levels of spend on social care and debt costs and the council's future ability to deliver savings from 'non protected' services, the Council continues to demonstrate financial sustainability, holding a strong and stable reserves position with a sound strategy in place to meet the immediate challenges faced by the Council.
- 5.3 The Council's financial resilience position has been updated to reflect the latest available information. The table below demonstrates a consistent trend and there are no real concerns raised by the updated position. Together with the wider control measures already in place across the organisation, the Council continues to be on a sound financial footing and has sufficient resilience in place to ensure a sustainable financial position. The major caveat to this being the continuing uncertain impact of the European Union exit negotiations on the economy, the timing and outcome of the Comprehensive Spending Review and the ultimate impact on local government funding.



- Reserves as a % of Net Expenditure:** The Council continues to hold a strong reserves position, with an average of 76% reserves as a proportion of net expenditure over the period 2014/15 to 2018/19.
- Change in Reserves:** The Council has maintained a stable position over the last 3 financial years, indicating a prudent and planned approach to the use of reserves.
- RSG as a % of Net Expenditure:** The scale shows a moderate level of risk as the Council moves towards less reliance on central government funding and increased self-sufficiency. RSG as a proportion of Net Expenditure stands at 11%, a reduction of 6% since the last reported position. This is reflective of the trend of diminishing RSG funding. However, this places more reliance on income sources that are subject to increased volatility (e.g. business rates).
- Council Tax and Business Rate Retention as a % of Net Expenditure:** There has been a gradual increase over the last 4 years in locally generated income from council tax and business rates (an increase of 8% from 34% to 42% as a proportion of net expenditure since the last reported position). This demonstrates a proactive approach to increasing the tax base through various economic strategies to attract housing and business growth across the borough.
- Social Care and Debt Financing as a % of Net Revenue Expenditure:** On average the Council incurs 72% of its revenue expenditure on these spend categories, which has decreased from an average of 77% in the last reported position. This improvement relates to a number of factors reflecting effective demand management through early help initiatives, additional external funding for social care spend and greater scrutiny of the Council's debt levels to ensure borrowing going forward is restricted to a necessary minimum.

6. **Corporate Resources**

Collection Rates

- 6.1 The Council's major sources of discretionary income are Business Rates and Council Tax. As government funding continues to reduce, the Council's financial health becomes almost completely reliant upon the collection of both Council Tax and Business Rates (as demonstrated in the financial resilience section of this report). The following table compares actual collection rates for the year against the stretch targets that were set.

| | 2018/19 Actual | 2019/20 Stretch Target | Quarter 1 | Variance Q1 to Target |
|-------------------------------------|-------------------|------------------------------|-----------|-----------------------------|
| Council Tax | 96.03% | 96.00% | 95.81% | -0.19% |
| Business Rates (local share) | 97.77% | 97.50% | 97.84% | +0.34% |

- 6.2 Council Tax collection rates are forecasted to be slightly short of the current stretched target by 0.19% in 2019/20, however there is still confidence that the target will be met by the end of the financial year. Although the current collection rate would allow the Council to meet its budgetary requirements, there is a potential to generate a further £0.1M for every 0.1% improvement in collection.
- 6.3 This continues to represent strong performance and we are closely monitoring potential risks which may impact on collection rates, including the continued rollout of Universal Credit. The Section 151 Officer will update Cabinet on this position over the financial year.
- 6.4 The Council, alongside 29 other Local Authorities and the HM Revenue and Customs (HMRC) has recently joined a pilot scheme to trial the use of data sharing powers introduced by the Digital Economy Act (2017). This scheme will allow the Council to access employer and income information held by HMRC for individuals in arrears on their council tax and apply to the courts for an attachment to earnings for monies owed. The pilot will run for 12 months. Future reports will update on the outcome of the pilot.
- 6.5 In relation to Business Rates collection, it is currently forecast that the stretch target set for 2019/20 will be exceeded by 0.34%. This is attributed to using a more targeted approach to collecting high value debts and ensuring that timely action is taken and that it is appropriately based on circumstances.
- 6.6 The Council's Capital Investment Strategy is expected to accelerate growth in jobs and businesses, resulting in an increase in both business rate and council tax yield over the period of the MTFS, though this is again caveated, dependent on the EU exit negotiations and the impact on both the national and regional economies.

Move towards 75% Business Rate Retention





- 6.7 Under the current Business Rate Retention scheme, the Council is able to retain 50% of business rates collected within the local area. Central Government had

initially indicated that this will increase to 75% by 2020. The ongoing Government leadership contest and uncertainty surrounding exit from the European Union may delay the introduction of 75% retention. However, the position remains uncertain at this stage and we continue to work towards the 2020 date.

7. Arrears Management

Total Arrears

- 7.1 The table below shows that the overall overdue debt (arrears) position at the end of June stands at £26M. This is comprised of prior years debt of £18M and new debt of £8M. There has been a reduction of £2.8M in prior year debt during this quarter reflecting the activity and initiatives in place to maximise debt recovery.

| Type of Debt | Pre-19/20 Arrears £M | 2019/20 Arrears £M | TOTAL Arrears £M | Bad Debt Provision £M | Write Offs For Approval £M |
|---|---|---|--|---|-------------------------------------|
| Opening 2019/20 Position (position as at 31.03.2019) | 20.720 | n/a | 20.720 | 11.715 | |
| Total as at end of June | 17.957 | 8.015 | 25.972 | 18.361 | *0.510M |
| MOVEMENT from Opening to June |  (2.763) |  8.015 |  5.252 |  6.646 | |

*excludes rent arrears write off

Bad Debt Provision

- 7.2 Historic debt is traditionally much more difficult to collect. To offer some protection against non-collection, the Council sets a prudent provision for bad debt (allowed for within the 2019/20 budget). The current bad debt provision as at the end of June stands at £18.4M, an increase of £6.6M from the start of the year. Although the provision has increased from the opening position, it is expected to reduce as we move through the year and more income is collected.

Write Offs

- 7.3 The S151 Officer is now also seeking approval to write off debt amounting to £0.575M which have become uneconomical to pursue. This is summarised in the table below:

| Type of Dept | Value of Write off (£M) |
|---------------------------------|----------------------------|
| Council Tax | 0.130 |
| Business Rates | 0.144 |
| Trade Debt General Fund | 0.105 |
| Trade Debt HRA | 0.017 |
| Housing Benefit Overpayment | 0.114 |
| Sub-Total | 0.510 |
| Former Tenant Rent Arrears- HRA | 0.065 |
| Total | 0.575 |

Impact on Medium Term Financial Strategy (MTFS) / Reserves

- 8.1 An updated 2019-22 MTFS forecast was approved by Full Council in February 2019. This highlighted a number of ongoing pressures and mitigations and showed a balanced position for the period 2019-2021 with a modest deficit remaining for 2021/22.

| | 2019/20 £M | 2020/21 £M | 2021/22 £M |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Revised MTFS at February 2019 | - | 0.028 | 4.857 |

- 8.2 The position does make some provision for future demands on services but largely assumes that any current service pressures, as outlined in this report, will be contained during 2019/20. To the extent that any pressures are not fully contained by services there will be a corresponding adverse ongoing impact on the updated MTFS position.
- 8.3 An updated reserves position / strategy was also included in the 2019/20 budget papers. This position is currently in the process of being updated to reflect the 2018/19 year end outturn position and other updated information which has to light in the intervening period will be presented to Cabinet in due course.
- 8.4 The current underspend reported for Q1 is predominantly as a result of increased funding contributions received for Adult Social Care, and the early delivery of future year efficiency savings as explained in more detail in Section 3 of this report. There remains continued uncertainty surrounding funding for Adult Social Care and wider Local Government. Some provision has therefore been made in the current MTFS to reflect, where possible, future pressures in relation to Adult Social Care.
- 8.5 The forecast underspend position reported as at the end of June (£3.6M) will be considered within the Council's 2019-2023 updated Reserves Strategy, of which will be presented to Cabinet in due course.
- 8.6 The current forecast 2020/21 position above is dependent on the delivery of £9.5M of efficiency proposals. The MTFS is in the process of being updated including rolling forward the forecast position to 2022/23. As part of this exercise, detailed delivery plans will be presented for approval for the 2020/21 proposed efficiencies together with proposals for addressing any future funding gaps.

Background Papers

- The Council's Medium Term Financial Strategy -2019/20 Budget Recommendations (Cab.6.2.2019/6)

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APPENDICES

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3. Detailed Budget Variances for Directorates
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5. HRA Position

SECTION 1 - Executive Director's Summary for People

Highlights

The latest 2019-20 approved budget envelope for the People Directorate is **£36.553M** and includes schools related budgets of £2.969M (mainly carry forward schools balances).

A balanced position is forecast for the financial year after adjusting for the planned use of specific Children's Social Care grant.

Quarter 1 position to the end of the quarter ending June 2019

| DIRECTORATE | Approved Net Budget 2019/20 (after Virement) | Projected Net Outturn 2019/20 | Forecast Deficit / (Surplus) | Adjustment for Slippage, Grant balances & Transfer to reserves | Operational Deficit / (Surplus) |
|--|--|--|------------------------------------|---|---------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Education, Early start & Prevention | 7,855 | 7,859 | 4 | - | 4 |
| Children Social Care & Safeguarding | 25,729 | 25,729 | - | - | - |
| Sub-Total | 33,584 | 33,588 | 4 | - | 4 |
| Schools | 2,969 | 2,969 | - | - | - |
| Total – People | 36,553 | 36,557 | 4 | - | 4 |

Key Variances

Education, Early Start & Prevention – a net overspend of £0.004M is currently forecast for the year. An explanation of the key variances are detailed below:

- **Education Welfare (underspend of £0.025M):** - The reported underspend position is due to continuing staff vacancies and turnover in the service.
- **School Evaluation (underspend (£0.061M):** - The forecast underspend is mainly due to reduced spend on externally procured professional support to schools, offset by low levels of income in the Schools Clerking Service.
- **Targeted Support Services (underspend of £0.021M):** - The forecast position is attributable to staff vacancies and turnover within Youth Services.
- **Inclusion Services (overspend of £0.122M):** - The reported overspend relates to the use of agency cover staff, which is offset by savings from slippage in recruitment to vacant posts.

Children's Social Care & Safeguarding – a balanced budget position is currently forecast for Q1 for the Business Unit and reflects the planned use of the allocated Social Care Support grant to offset anticipated cost pressures mainly relating to children in care (placement) costs. The following explains the key variances in the business unit:

- **Children in Care (overspend of £0.140M):** - The forecast overspend is mainly due to higher external residential care costs offset by reduced spend on fostering and other placement costs over the same period.
Barnsley's overall LAC population at the end of Q1 is 301, which represents a decrease of 4 since the end of March 2019. This is consistent with the LAC population guideline target of 300 assumed in the LAC sufficiency strategy. It should be noted that LAC numbers did, however, reach 311 during this quarter and demonstrates the volatility in the activity level.
External residential care costs continue to exert pressure on the LAC budget – 20 placed at the end of Q1, which is 5 more than assumed in the plan for 2019/20. The cost pressure is exacerbated by a small number of secure welfare placement commitments (non-recurrent) from last year, which have been mitigated by funding from health.
- **Safeguarding & Quality Assurance (underspend of £0.076M):** - The forecast underspend is mainly due to staff vacancies and higher than anticipated training income.
- **Other Variances (underspend of £0.064M):** - An overall net underspend is reported across a number of service areas / budgets and includes the following: Assessment & Care (accommodation / staff travel costs partially offset by staff vacancies); Leaving Care (support to care leavers - rent/accommodation costs).

Schools DSG - The latest Dedicated Schools Grant (DSG) budget for 2019/20 totals £93.714M, comprising of £73.318M delegated to schools and £20.396M retained centrally by the Council. The following outlines the forecast position for the schools' budgets:

- **Delegated DSG budgets (underspend of £1.0M)**
Comprises of elements allocated to schools through the local schools funding formula, as well as high needs and early years funding. The latest reported schools balances position showed a projected net surplus of £1.0M for the current financial year. Under the DSG grant conditions surplus balances at year end will be carried forward to the following year and earmarked for spend by schools. The forecast surplus position needs to be considered in the context of the £2.3M surplus reported for 2018/19. Whilst it is a reduction compared to last years reported balances, it should be noted that schools tend to take a prudent view in respect of budgeted surpluses at the beginning of the financial year.

The above surplus balance position includes Penistone Grammar school with a reported deficit projected for the current year. A plan has been agreed with the school to address or reduce the deficit over a set timeframe.

- ***Centrally retained DSG budgets (overspend of £4.9M)***

These comprise of schools related spend / budget retained centrally by the council and managed on behalf of schools. An overall DSG overspend of £4.9M is currently forecast across all the centrally retained budgets and mainly relates to the SEND/High needs funding block. This is a worsening position compared to the DSG budget deficit of £3.7M originally anticipated for the year. The increase in the deficit from the planned position can be explained by the following:

1. Increase in the number of placements in external independent specialist schools. Currently the projected number of pupils placed in independent schools is 173 (including expected placements in September 2019). This is an increase of 26 compared to the original budget assumption / estimate and is partly as a result of the non-delivery of additional and suitable local specialist places as planned (e.g. the decision not to proceed with the Kendray 30 place SEMH unit has impacted on numbers). The cost pressure associated with out of borough placements has also been exacerbated by the increase in overall unit placement cost (£52k compared to budget estimate of £47k), which is due to the increasing complexity of needs.
2. Exceptional top up funding to mainstream schools / academies - to provide support in managing SEN pupils with complex / challenging needs.
3. Increased payments to schools / academies with Special Resource Provision for the purchase of additional specialist school places (e.g. Hoyland Springwood) – to accommodate SEN pupils with complex needs.

Approved Savings Position

The Directorate has total approved savings of £1.124M to deliver in 2019/20. All savings have either been delivered in full or are on target to be delivered by the end of 2019/20.

Current Actions and Future Risks

The following outlines the **key actions** being undertaken to address the identified in-year budget / cost pressures in relation to children's social care and SEND:

- **Children's Social Care:** - Continue to manage placements in an effective and safe manner and ensure that costs are managed down through the following: tracking of placements by the Placement Oversight Resource Panel; implementing the action plan from the review of the fostering service; and continuation of the targeted recruitment campaign to attract in-house foster carers.
- **SEND/High needs:** - A SEND Oversight Board has been established, which adopts a 'One Council' and partnership approach to improving service experience, outcomes for children and young people and managing financial resources. The Board is responsible for the delivery of the SEND improvement plan and required outcomes as per the SEND strategy. It is also accountable for the effective use of the high needs budget / resources. The improvement plan details the actions being implemented to improve outcomes for SEND pupils as well as managing the financial pressures over the medium term.

The main **risks in future years** relate to demand-driven pressures in children services (children's social care), as well as the rising cost of supporting and meeting the needs of SEND pupils. The following summarises the key risks facing the Directorate :

- Education, Early Start, & Prevention

The business unit will continue to face challenges in future years from reductions in grant funding (e.g. Youth Justice Board), partner contributions (e.g. police & crime commissioner funding) and trading income from schools (e.g. Education Psychology, Education Welfare and Schools Governor services). Options are currently being explored to address the impact on Early Help services from the potential fallout of the Troubled Families funding.

- Schools Budgets (SEND/High Needs)

An in-year net budgetary pressure of £4.9M is currently forecast against the high needs budget in 2019/20, with work currently being undertaken on sufficiency modelling to ascertain / project future years' SEND numbers and funding implications. The impact of the Improvement Plan on managing cost pressures will be assessed. However, it is likely that there will continue to be a sustainability issue in future years. A DSG deficit recovery plan (showing how the deficit would be managed over 3 years) will be required to be submitted by the Council for any deficit greater than 1% of the total DSG funding.

- Children social care & safeguarding

The increasing pressure on the LAC placement budget, particularly in relation to residential care reflects some of the challenges facing the Council such as: finding suitable / appropriate secure welfare placements, increasing competition for limited placements both locally and within the region and difficulty in placing older children (with challenging needs) with foster carers.

The required actions / measures to manage LAC numbers over the medium term are set out in the recently reviewed LAC Sufficiency Strategy. The ongoing work to track / plan LAC placements will ensure the stability of Barnsley's LAC numbers around the 300 mark and maintain costs within affordable limits.

SECTION 2 – Executive Director’s Summary for Place

Highlights

The latest revised 2019/20 approved budget envelope for the Place Directorate is **£40.426M**. Based on current projections, the outturn for the Directorate will be £40.838M, resulting in a net forecast operational over-spend against the approved budget of **£0.412M**.

Quarter 1 position to the end of the quarter ending June 2019

| DIRECTORATE | Approved Net Budget 2019/20 (after Virement) | Projected Net Outturn 2019/20 | Forecast Deficit / (Surplus) | Adjustment for Slippage, Grant balances & Transfer to reserves | Operational Deficit / (Surplus) |
|------------------------------------|--|--|------------------------------------|---|---------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Regeneration & Culture | 12,259 | 12,259 | - | - | - |
| Environment & Transport | 28,167 | 28,579 | 412 | - | 412 |
| Total – Place | 40,426 | 40,838 | 412 | - | 412 |
| Housing Revenue A/C | 0 | (459) | (459) | - | (459) |

Key Variances

Regeneration & Culture – a break even position is forecast at the end of Quarter 1. An explanation of the key variances are detailed below:

- **Planning and Building Control (underspend of £0.033M):** - The reported underspend is due to staff vacancies and increased fee income.
- **Culture (overspend of £0.033M):** - The service continues to experience difficulties in achieving retail sales income targets which has been partially offset by staff vacancies during the first quarter of the year.

Environment & Transport – An overspend of £0.412M is forecast at the end of Quarter 1. An explanation of the key variances is detailed below:

- **Operations, Recycling, Neighbourhoods & Transport (overspend of £0.249M):** - The overspend is mainly due to slippage in the delivery of replacement mitigating efficiency proposals from previous periods– see mitigations below.
- **Highways, Engineering & Transportation Services (underspend of £0.808M):** - The service is forecasting an underspend of £0.530M assuming the continuation of the same productivity levels as in 2018/19 in line with the highways capital programme of works – predicted to continue for several years into the future. Highways Maintenance is forecasting to underspend by a further £0.252M. This includes savings on reactive maintenance (£0.066M) and from the early delivery of the 2020/21

KLOE to replace street lighting lanterns with new LEDs (£0.181M).
Highways / Engineers is forecasting an underspend of £0.026M which relates primarily to savings on staffing costs offset by a projected shortfall in fee income.

- **Commercial & Operational Services (overspend of £1.001M):** - Contracts Management / TLS (Waste Disposal) are forecasting an overspend of £0.939M. This mainly relates to the continuation of the problems encountered by the service due to the fall in the market price of recyclates and the delays in delivery of mitigating actions required to offset the increasing costs associated with the disposal contract. (see below).

Purchasing & Supplies is forecasting to overspend by £0.080M as a result of a reduction in income from the sale of surplus materials.

Bulky Waste/Bin Deliveries is overspending by £0.063M due to the increased use of agency staff and vehicle costs as a result of increasing demands for the service.
Car Parking Income is forecasting to over achieve against the income target by £0.025M. There are additional underspends of £0.056M across the structure due to staffing vacancies.

- **Bereavement Services (underspend of £0.050M):** - Underspend relates to a forecast overachievement of fee income.

Approved Savings Position

The Directorate had total approved savings of £2.217M to deliver in 2019/20. All savings have either been delivered in full or are on target to be delivered by the end of 2019/20.

Mitigations from prior years (£1.844M total target)

A number of yet to be delivered mitigations have been carried forward from previous years. Overall £1.219M of efficiencies have been delivered out of total planned mitigations of £1.844M, leaving a target for 2019/20 of £0.625M to be achieved. These are outlined below:

| Efficiency Saving | £M |
|----------------------------|---------------|
| Transfer Loading Station * | 0.300M |
| Travel Training** | 0.075M |
| Procurement Savings | 0.250M |
| TOTAL | 0.625M |

* The TLS is currently forecast to be delivered during Quarter 4 of 2019/20 generating a part year saving of 0.30M

** Travel Training is delivered in conjunction with the People Directorate

Housing Revenue Account - The Housing Revenue Account is currently forecasting an operational underspend as at the end of June of £0.459M. An explanation of the key variances are detailed below:

- It is currently anticipated that dwellings rental income will achieve approximately £0.550M more than the approved budgeted position. This is predominately as a result of lower RTB sales than anticipated within the 2019/20 HRA Business Plan. The level of rents and associated assumptions (e.g. void levels, stock levels etc.) will continue to be monitored rigorously throughout the financial year.
- The above is offset by a forecast overspend (£0.080M) in external fees charged to the HRA as a result of the ongoing PRIP 2020 contract procurement process.

Current Actions and Future Risks

Whilst the current outturn position for the Directorate shows an overspend of £0.412M, work will continue during the year with a view to delivering a balanced budget for this financial year and beyond. However there remains a number of ongoing pressures:

- The Home to School Transport budget is highlighted as a key area for concern for the service as pupil numbers and costs continue to rise. Additional budget provision of £0.759M has been provided through the MTFS this year. However, demand for this service is greatly influenced by the demands for SEND/High Needs and LAC placements within People Directorate and therefore, future cost pressures are likely to arise if demand for such placements continues to rise outside of the parameters already assumed.
- Household Waste & Recycling levels will continue to be monitored and addressed where possible. Whilst recycling remains encouraging, the income associated with this has fallen due to volatile, competitive markets. China's announcement that they may ban all waste imports by 2020 would have a significant impact on the service's future income levels and budgets. A full review will be undertaken and brought forward as part of the 2020/2021 budget setting process.
- The Winter Maintenance budget (the cost of gritting roads and snow clearance) continues to be an annual pressure. This year it has become necessary to refurbish/reinstate the 5 Ice alert stations across the borough to bring them up to specification but could result in a reduction in the number of grits required due to more accurate information being made available.
- Council Buildings programme the rationalisation of Council buildings programme is expected to deliver significant efficiencies following the closure and hand back of buildings. However, there remains the risk of significant cost pressures, potentially giving rise to an overspend within Property services should the planned programme be delayed beyond the current plan for reasons outside of the Business Units control. In addition potential unknown costs relating to the ongoing property maintenance across the estate continues to be a concern, this will be monitored and mitigated as far as possible. Finally the review of unoccupied spaces across the asset portfolio will continue, particularly in relation to the Lift Buildings and Business Centres, to ensure we are maximising the use of our assets to their full potential.
- Efficiency Savings Targets: The Directorate continues to feel the strain to deliver mitigations identified from previous slipped efficiency savings targets (£1.844M in total). £1.219M of which has successfully been delivered to date, however there is a risk that the remaining £0.625M planned to be delivered in 2019/20 may not materialise this financial year impacting on the Directorate's ability to deliver a balanced budget, placing increasing pressures on the council's wider MTFS.

The Directorate continues to work hard to bring forward necessary mitigations for all of the above pressures and concerns. A plan is currently in place to deliver a balanced budget by 2020.

SECTION 3 - Executive Director's Summary for Communities

Highlights

The latest revised 2019/20 approved budget envelope for the Communities Directorate is **£68.983M**. Total forecast net expenditure is £65.027M, resulting in a forecast underspend before earmarking's of £3.956M. Of this sum £1.720M is proposed for earmarking (*primarily relating to multi-year grant allocations and Commissioning and Ward Alliance budgets*) resulting in a net forecast operational underspend for the year of **£2.236M**.

Quarter 1 position to the end of the quarter ending June 2019

| DIRECTORATE | Approved Net Budget 2019/20 (after Virement) | Projected Net Outturn 2019/20 | Forecast Deficit / (Surplus) | Adjustment for Slippage & Transfer to reserves | Operational Deficit / (Surplus) |
|-----------------------------------|---|----------------------------------|------------------------------|--|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Adult Social Care | 48,389 | 46,358 | (2,031) | - | (2,031) |
| Provider Services | 3,513 | 2,914 | (599) | - | (599) |
| Safer, Stronger, Healthier | 8,204 | 6,487 | (1,717) | 1,720 | 3 |
| IT & Customer Services | 8,877 | 9,268 | 391 | - | 391 |
| Total – Communities | 68,983 | 65,027 | (3,956) | 1,720 | (2,236) |

Key Variances

Adult Social Care & Health – An underspend of £2.031M is currently forecast for ASC, mainly due to the early delivery of future years' efficiencies e.g. increased level of client contributions and health funding to meet care costs.

The financial position on Adult Social Care has also been impacted by the increasing level of non-recurrent Government funding e.g. improved better care fund, winter pressures funding and adult social care support grant. However, this ad-hoc one off approach to funding is unsustainable and makes it difficult to plan effectively for the long term (i.e. managing future risks relating to demography and cost of care).

The following explains the key variances for the year:

Older People aged 65+ (underspend of £1.233M)

- Increased income / contributions – the level of health funding and income from service users is forecast to be higher than budgeted for the year. The full year effect of the outcome of the financial assessments review of client contributions undertaken last year and the removal of the £150 weekly fee cap on non-residential care continues to have a positive impact on income levels.
- Reduction in direct payment costs – due to increased levels of surplus balances forecast to be clawed back from service users' Direct Payments managed accounts in accordance with funding conditions.

Working Aged Adults aged <65 (underspend of £0.700M)

- The underspend is mainly attributable to a forecast increase in the level of funding contributions from health for jointly funded care packages (for learning disabilities and mental health).

Joint Commissioning Unit (underspend of £0.098M)

- The forecast underspend has arisen mainly from staff turnover / vacancies and minor savings on commissioned contracts.

Customer Services are currently projecting an operational underspend (£0.599M) for the year. The key contributors to this position are:

- ***Schools Catering (overspend of £0.056M)*** – this position is not unexpected and has arisen as a result of a combination of loss business from school contracts along with increased food prices, the position follows a similar trend to 2018/19. As a consequence provision has been made in the councils current MTFS, to accommodate the shortfall in 2019/20.
- ***Day Opportunities (underspend £0.312M)*** – as a result of the closure of the Keresforth Centre contributing to the early delivery of 2020/21 efficiency savings along with vacancy retention across the service.
- ***ALT & Reablement (underspend £0.180M)*** – the underspend is as a result of increased income for Assisted Living Technology services (£0.079M) along with vacancy management within ALT (£0.032M) and Reablement (£0.043M).

Safer, Stronger & Healthier are projecting a broadly balanced position after allowing for slippage in expenditure to 2020/21. These earmarking's relate to:

- ***Devolved Area Councils / Ward Alliance Funding (£0.755M)*** – these represent committed but as yet unspent funding to support the delivery of a range of contracts / initiatives across Area Council's which will be expended in 2020/21.
- ***Troubled Families (£0.641M)*** – this represents external funding generated from the National Troubled Families Programme, required to support the continuation of the programme post March 2020.
- ***Grants carry forward (£0.324M)*** – this relates to grants which will be un-utilised during 2019/20 and will be spent in 2020/21 (Asylum, Migration & Integration Fund and Welfare Reform Grant).

IT & Customer Services are currently projecting an operational overspend of £0.391M for the year. The key contributors to this position are:

- Software License and Equipment Costs of £0.494M offset by vacancy management (£0.168M). Although there are some pressures in license costs and changes in contracting arrangements the overspend this year is primarily one off and associated with facilitating future efficiencies in the configuration of the service and management of software licenses.

Approved Savings Position

The Directorate has total approved savings of £1.964M to deliver in 2019/20. All savings have either been delivered in full or are on target to be delivered by the end of 2019/20.

Current Actions and Future Risks

A number of service reviews are ongoing during 2019/20 across the Communities Directorate. These reviews will ensure services continue to remain fit for purpose and that the Directorate is fully prepared to meet the efficiency requirements of 2020/21 and 2021/22.

Reviews include:

- Leading the Council's Digital First Strategy;
- Provider Services reviews including Day Opportunities, Reablement and Assisted Living Technology;
- Barnsley Schools Catering Service.

Adult social care: - Potential pressures from care providers for fee increases to meet market demands, cost of care (to address market sustainability) and the need to improve the quality of care provision continue to pose challenges in 2020/21 and beyond. This is in addition to a forecast increase in demand for services arising from projected growth in the adult population, particularly in the 65+ age group. The delay of the Government's Adult Social Care Green Paper and the continued use of non-recurrent and one-off funding (e.g. IBCF, Winter Pressures funding) makes long term planning difficult.

Healthier Communities: - The increase in the cost of Buprenorphine continues to exert pressure on the Business Unit in 2020/21. Provision has been made in the Council's medium term financial plan to address this anticipated cost increase but work is continuing to seek alternative solutions.

IT and Customer Services: - Uncertainty remains regarding the increased cost of software licenses along with changes in contracting arrangements from external suppliers. There is a risk that the increasing pressures associated with software licenses may impact on the ability to deliver the efficiency requirements for 2020/21 and 2021/22. Work is ongoing to monitor these arrangements with a view to mitigating these pressures and drive out value for money wherever possible.

SECTION 4 - Director's Summary for Public Health & Regulation

Highlights

The latest approved net budget for the Public Health Directorate is **£7.409M**. The total forecast net expenditure is £5.276M, resulting in a planned forecast underspend of **£2.133M**, which is all proposed for earmarking to support the delivery of the current 4 year Public Health plan, resulting in a balanced year-end position.

Quarter 1 position to the end of the quarter ending June 2019

| DIRECTORATE | Approved Net Budget 2019/20 (after Virement) | Projected Net Outturn 2019/20 | Forecast Deficit / (Surplus) | Adjustment for Slippage & Transfer to reserves | Operational Deficit / (Surplus) |
|--|--|--|------------------------------------|---|---------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| BU10 – Public Health & Regulation | 7,409 | 5,276 | (2,133) | 2,133 | - |

Key Variances

The forecast underspend of £2.133M comprises:

- Resources identified through the current 4 Year Plan to be carried forward in order to meet future commitments (£2.133M) - this carry forward is crucial to ensure the successful delivery of the current plan.

Approved Savings Position

The Directorate savings target of £0.189M has been fully delivered for 2019/20.

Current Actions and Future Risks

A detailed review of the configuration and commissioned contracts across the Public Health service is currently underway. This exercise is crucial to ensure the ongoing sustainability of the service, delivery of public health outcomes and contribution to the Council's efficiency agenda.

SECTION 5 - Executive Director's Statement For Core

Highlights

The latest approved budget for 2019/20 for the Core Directorate is **£14.922M**. The Directorate is forecasting an outturn of £13.399M as at the end of Quarter 1, resulting in an underspend before earmarking's of £1.523M. Of this £0.763M is proposed to be earmarked resulting in an overall forecast net operational underspend of **£0.759M** for 2019/20.

Quarter 1 Position to the end of the quarter ending June 2019

| DIRECTORATE | Approved Net Budget 2019/20 (after Virement) | Projected Net Outturn 2019/20 | Forecast Deficit / (Surplus) | Adjustment for Slippage & Transfer to reserves | Operational Deficit / (Surplus) |
|-------------------------------------|--|-------------------------------------|------------------------------------|---|---------------------------------------|
| | £'000 | £.000 | £'000 | £'000 | £'000 |
| Finance | 3,762 | 2,808 | (954) | 656 | (298) |
| Business Imp, HR & Comms | 5,698 | 5,380 | (318) | 107 | (211) |
| Legal Services | 1,112 | 1,018 | (94) | 0 | (94) |
| Elections | 802 | 703 | (98) | 0 | (98) |
| Council Governance | 3,548 | 3,490 | (58) | 0 | (58) |
| Total – Core | 14,922 | 13,399 | (1,522) | 763 | (759) |

Key Variances

An under-spend of £0.759M is forecast for 2019/20, the key variances are as follows.

Finance – underspend of (£0.298M):

- (£0.170M) Delays in recruiting to vacant posts as a result of the new staffing structure implemented in October 2018;
- (£0.128M) Overachievement of income due to the Commercial Services Trading arm exceeding targets as well as additional grant given to the Benefits and Taxation service;
- The slippage in expenditure of £0.656M is associated with the Primary PFI whole life cost model to fund expenditure in future years.

Business Improvement, HR and Communications (BIHR&C) – underspend of (£0.211M):

- There are a number of vacancies across the Business Unit, (mainly due to early achievement of 2020/21 efficiencies) which is partly offset by an underachievement of income within the Health & Safety team due to lost business with Schools and NPS;
- A sum of £0.107M will be required in 2020/21 to fund fixed term posts within the service.

Legal Services – underspend of (£0.094M):

- Vacancy management and general underspend in overheads (£0.090M);
- One off additional income received through entertainment licences and court fees as a result of an increase in the number of enforcements (£0.067M);

- Unforeseen cost pressures associated with a complex legal case £0.040M;
- High levels of a printing due to the delays in implementing the new electronic case management system £0.023M.

Elections – underspend of (£0.098M):

- A one off underspend due to costs refunded via Central Government grant relating to the European Elections.

Council Governance - underspend of (£0.058M):

- Early achievement of 2020/21 efficiencies offset by the loss of income from Sheffield City Region governance work.

Approved Savings Position

The Directorate had total approved savings of £0.270M to deliver in 2019/20. All savings have either been delivered in full or are on target to be delivered by the end of 2019/20.

Current Actions and Future Risks

- Technology -There is a common risk across the Core Directorate where there is reliance on technology to support delivery of future year efficiency savings. This risk cannot be mitigated by the Directorate alone and will be dependent on the outcome of the re-design of IT services and the ongoing work in support of the Digital First Strategy.
- Capacity and staff turnover continues to be a problem, in particular within the Finance and Legal Business Units. Finance has recently undergone a major re-design of the functions it delivers, with the revised structure operational from October 2018. This will allow delivery of 2020 efficiency targets and ensures the service is equipped to continue to support the delivery of the councils outcomes and a sustainable basis in the future. Legal Services are in the process of implementing a minor restructure to increase capacity within the key demand areas Commercial, Planning and Safeguarding to ensure the service is equipped to support the Council effectively.
- Health & Safety are reviewing income streams after the loss of SLA income from NPS and academisation. A full review of the service will be undertaken to mitigate these losses particularly in light of the transfer of the Occupational Health unit.
- The transfer of Housing Benefits to the DWP will be further delayed; however funding has been earmarked in 2019/20 to help support this transition.

SECTION 6 - Corporate Budgets

Highlights

The latest 2019-20 approved corporate budget is **£0.772M**. Corporate budgets include for example, Capital Financing, Pension costs, Insurance, Levy's etc. An underspend of **£1.000M** is currently forecast (after earmarkings) for 2019/20.

Quarter 1 position to the end of the quarter ending June 2019

| Corporate Area | Approved Net Budget 2019/20 (after Virement) | Projected Net Outturn 2019/20 | Forecast Deficit / (Surplus) | Adjustment for Slippage, Grant balances & Transfer to reserves | Operational Deficit / (Surplus) |
|---|--|-------------------------------------|------------------------------------|--|---------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital Financing | 15,164 | 14,164 | (1,000) | - | (1,000) |
| CDC | 766 | 766 | - | - | - |
| Levies | 1,887 | 1,887 | - | - | - |
| Corporate Items | (2,575) | (2,575) | - | - | - |
| Provisions | 1,194 | (2,746) | (3,940) | 3,940 | - |
| Provisions – Pension Deficit | 7,068 | 7,068 | - | - | - |
| Contributions from Balances | (22,731) | (22,731) | - | - | - |
| Total – Corporate | 772 | (4,168) | (4,940) | 3,940 | (1,000) |

Key Variances

- The capital financing budget is expected to underspend by £1.000M due to the continuing low interest rates environment. Such savings will reduce as the Council fixes more of its debt in line with the Treasury Management Strategy.
- The £3.940M earmarking mainly relates to New Homes Bonus funding which currently forms part of 2019/20 reserves strategy.

Invest to Grow Fund

- A total of £1.285M is allocated to be spent during 2019/20, with a further £0.088M planned in 2020/21;
- £0.205M (16%) has been spent to date during 2019/20, with a further £0.829M (65%) proposed to be spent within this financial year. The remaining £0.251M (19%) is expected to slip into 2020/21 due to project and recruitment delays.
- A full review of the allocated investments will be completed during the next period to consider any surplus funds or de-prioritised investments. Any surplus funding will be subject to new bids for investment via the Commercial Board.

| Invest to grow fund | Total | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | £M | £M | £M | £M | £M | £M |
| Fund allocated | 3.660 | 0.305 | 1.190 | 1.875 | 0.202 | 0.088 |
| Carry Forward | | | | (1.083) | 1.083 | |
| Total Allocation Q1 | 3.660 | 0.305 | 1.190 | 0.792 | 1.285 | 0.088 |

CORPORATE BUDGET MONITORING AS AT 30TH JUNE 2019

| | (col 1) <u>Transfers From:</u> £ | (col 2) <u>Transfers To:</u> £ | (col 3) <u>Net Effect</u> £ |
|---|--|--------------------------------------|-----------------------------------|
| <u>SECTION A - VIREMENTS FOR APPROVAL (JUNE):</u> | | | |
| Care For You | - 5,000 | - | 5,000 |
| Care For You | | 5,000 | 5,000 |
| YOT KLOE | - 102,000 | - | 102,000 |
| YOT KLOE | | 102,000 | 102,000 |
| Kloe Investment tfr | - 52,507 | - | 52,507 |
| Kloe Investment tfr | | 52,507 | 52,507 |
| Highways Re-org | - 421,036 | - | 421,036 |
| Highways Re-org | | 421,036 | 421,036 |
| Demographics Home to School Transport | - 629,000 | - | 629,000 |
| Demographics Home to School Transport | | 629,000 | 629,000 |
| Demographics SEND | - 285,000 | - | 285,000 |
| Demographics SEND | | 285,000 | 285,000 |
| Inflationary Pressures | - 280,000 | - | 280,000 |
| Inflationary Pressures | | 280,000 | 280,000 |
| CCTV Transfer | - 32,140 | - | 32,140 |
| CCTV Transfer | | 32,140 | 32,140 |
| Business Support Officer Tfr | - 294,389 | - | 294,389 |
| Business Support Officer Tfr | | 294,389 | 294,389 |
| Chief Exec Support Trf | - 42,181 | - | 42,181 |
| Chief Exec Support Trf | | 42,181 | 42,181 |
| Westgate Plaze Lease tfr | - 966,125 | - | 966,125 |
| Westgate Plaze Lease tfr | | 966,125 | 966,125 |
| Public Health NLM Commercial Fund | - 20,000 | - | 20,000 |
| Public Health NLM Commercial Fund | | 20,000 | 20,000 |
| | | | - |
| sub-total: Virements for approval | - 3,129,378 | 3,129,378 | - |
| <u>SECTION B - VIREMENTS ALREADY APPROVED BY CABINET (JUNE):</u> | | | |
| Commercial Investment Fund Tfr | - 159,000 | - | 1,709 |
| Commercial Investment fund tfr to directorates | | 159,000 | 1,709 |
| 2018/19 Earmarkings | - 22,731,404 | - | 27,171,486 |
| 2018/19 Earmarkings allocation to directorates | | 22,731,404 | 27,171,486 |
| sub-total: Virements already approved by Cabinet | - 22,890,404 | 22,890,404 | - |
| <u>SECTION C - VIREMENTS WITHIN DELEGATED POWERS (JUNE):</u> | | | |
| <u>Sub-total: Virements within powers</u> | - | - | - |
| <u>GRAND TOTAL - ALL VIREMENTS</u> | - 26,019,782 | 26,019,782 | - |

DIRECTORATE / DIVISION OF SERVICE BUDGET VARIANCES

| | | (col 1) | (col 2) | col 3 | latest (col 4) | (col 5) | (col 6) | (col 7) | (col 8) |
|---------------------------------|--|-------------------------------------|--|----------------------------------|----------------------------|-------------------------------|---------------------|---|---------------------------------------|
| | | Original Net 2019-20 Budget £ | Cumulative Approved Variations /Earmarkings April - May £ | Approved Variations June £ | Revised Net Budget £ | Forecast Outturn June £ | Variation £ | Adjustment for Slippage & Transfer to Reserves June 2019 £ | Operational Deficit / (Surplus) |
| DIRECTORATE | | | | | | | | | |
| PEOPLE | | | | | | | | | |
| BU1 | Education and Early Start Prevention (Inc. Schools) | 7,567,791 | - | 3,255,511 | 10,823,302 | 10,827,676 | 4,374 | - | 4,374 |
| BU3 | Children Assessment and Care Management | 25,720,831 | - | 8,512 | 25,729,343 | 25,729,343 | - | - | - |
| | sub-total People | 33,288,622 | - | 3,264,023 | 36,552,645 | 36,557,019 | 4,374 | - | 4,374 |
| PLACE | | | | | | | | | |
| BU4 | Regeneration & Culture | 11,878,002 | - | 381,322 | 12,259,324 | 12,259,324 | - | - | - |
| BU6 | Environment and Transport | 26,030,236 | - | 2,136,213 | 28,166,449 | 28,578,449 | 412,000 | - | 412,000 |
| | sub-total Place | 37,908,238 | - | 2,517,535 | 40,425,773 | 40,837,773 | 412,000 | - | 412,000 |
| COMMUNITIES | | | | | | | | | |
| BU2 | Adult Assessment and Care Management | 42,839,795 | - | 5,549,331 | 48,389,126 | 46,358,066 | (2,031,060) | | (2,031,060) |
| BU7 | Customer Services | 2,808,935 | - | 703,760 | 3,512,695 | 2,914,162 | (598,533) | - | (598,533) |
| BU8 | Safer Stronger & Healthier Communities | 4,225,490 | - | 3,978,336 | 8,203,826 | 6,486,571 | (1,717,255) | 1,720,000 | 2,745 |
| BU12 | IT | 8,613,534 | - | 263,495 | 8,877,029 | 9,268,128 | 391,099 | - | 391,099 |
| | sub-total Communities | 58,487,754 | - | 10,494,922 | 68,982,676 | 65,026,927 | (3,955,749) | 1,720,000 | (2,235,749) |
| PUBLIC HEALTH | | | | | | | | | |
| BU10 | Public Health & Regulation | 2,759,509 | - | 4,649,171 | 7,408,680 | 5,275,802 | (2,132,878) | 2,132,878 | - |
| | sub-total Public Health | 2,759,509 | - | 4,649,171 | 7,408,680 | 5,275,802 | (2,132,878) | 2,132,878 | - |
| CORE | | | | | | | | | |
| BU13 | Finance | 2,161,379 | - | 1,600,156 | 3,761,535 | 2,807,751 | (953,784) | 656,140 | (297,644) |
| BU15 | Business Improvement, HR & Comms | 4,845,475 | - | 852,379 | 5,697,854 | 5,379,986 | (317,868) | 107,091 | (210,777) |
| BU17 | Legal Services | 968,389 | - | 143,771 | 1,112,160 | 1,018,114 | (94,046) | - | (94,046) |
| BU18 | Elections | 696,798 | - | 104,906 | 801,704 | 703,391 | (98,313) | - | (98,313) |
| BU19 | Council Governance | 1,702,822 | - | (52,507) | 1,650,315 | 1,556,934 | (93,381) | - | (93,381) |
| | Joint Authorities | 2,051,793 | - | (153,679) | 1,898,114 | 1,933,245 | 35,131 | - | 35,131 |
| | sub-total Core | 12,426,656 | - | 2,495,026 | 14,921,682 | 13,399,421 | (1,522,261) | 763,231 | (759,030) |
| OVERALL SERVICE TOTALS | | 144,870,779 | - | 23,420,677 | 168,291,456 | 161,096,942 | (7,194,514) | 4,616,109 | (2,578,405) |
| Other Non Service Items | | | | | | | | | |
| | Capital Financing Costs | 14,397,540 | - | 766,125 | 15,163,665 | 14,163,665 | (1,000,000) | - | (1,000,000) |
| | Corporate & Democratic Core & Non Distributed Costs | 765,650 | - | - | 765,650 | 765,650 | - | - | - |
| | Levies | 1,120,529 | - | 766,495 | 1,887,024 | 1,887,024 | - | - | - |
| | Corporate Items | (2,606,048) | - | 31,288 | (2,574,760) | (2,574,760) | - | - | - |
| | Provisions | 3,447,414 | - | (2,253,181) | 1,194,233 | (2,746,042) | (3,940,275) | 3,940,275 | - |
| | Provisions - Pension Deficit | 7,068,043 | - | - | 7,068,043 | 7,068,043 | - | - | - |
| | New Homes Bonus | - | - | - | - | - | - | - | - |
| | Contribution From Reserves / Balances | - | - | (22,731,404) | (22,731,404) | (22,731,404) | - | - | - |
| | sub-total Corporate Budgets | 24,193,128 | - | (23,420,677) | 772,451 | (4,167,824) | (4,940,275) | 3,940,275 | (1,000,000) |
| OVERALL AUTHORITY BUDGET | | 169,063,907 | - | - | 169,063,907 | 156,929,118 | (12,134,789) | 8,556,384 | (3,578,405) |

DETAILED SERVICE VARIANCES @ 30th June 2019

| | ONGOING BASE BUDGET ISSUES | NON ACHIEVEMENT OF EFFICIENCY ISSUES | TOTAL - ALL BUDGETARY ISSUES | Adjustment for Slippage & Transfer to Reserves | Operational Deficit/(Surplus) |
|---|----------------------------------|---|------------------------------------|---|----------------------------------|
| SERVICE / BUDGET HEAD | June | June | June | June | June |
| PEOPLE - KEY FINANCIAL RISKS FOR 2018/19 | | | | | |
| ED People | | | | | |
| Pay and other strategic management costs | 4,874 | | 4,874 | | 4,874 |
| BU1 | | | | | |
| Inclusion Services - agency costs (SEN) offset by savings on vacant posts | 122,274 | | 122,274 | | 122,274 |
| Sufficiency - School Admission appeals panel expenses | 7,608 | | 7,608 | | 7,608 |
| Education Welfare - staffing savings | (24,911) | | (24,911) | | (24,911) |
| School Evaluation - underspend on external professional support to schools offset by lower schools clerking income | (60,789) | | (60,789) | | (60,789) |
| Targeted Youth Support - vacancy savings | (21,334) | | (21,334) | | (21,334) |
| Other Minor Variances | (23,348) | | (23,348) | | (23,348) |
| BU3 | | | | | |
| SD Management - use of social care support grant | (98,901) | | (98,901) | | (98,901) |
| Assessment & Care - LIFT accommodation & Staff travel/Mileage costs | 18,204 | | 18,204 | | 18,204 |
| Children in Care - LAC external residential care costs | 403,881 | | 403,881 | | 403,881 |
| Children in Care - LAC fostering & other placement costs | (161,751) | | (161,751) | | (161,751) |
| Children in Care - Other costs (CiC, fostering, adoptions teams) | (102,618) | | (102,618) | | (102,618) |
| Safeguarding & QA - training income & staff vacancies | (76,054) | | (76,054) | | (76,054) |
| Childrens Disability and Short Breaks | - | | - | | - |
| Leaving Care - support to care leavers (rent/accommodation costs) | 17,239 | | 17,239 | | 17,239 |
| Total - PEOPLE | 4,374 | - | 4,374 | - | 4,374 |
| PLACE - KEY FINANCIAL RISKS FOR 2018/19 | | | | | |
| BU4 | | | | | |
| Planning & Building Control - Staffing Costs | (16,000) | | (16,000) | | (16,000) |
| Planning Fee Income | | | - | | - |
| Building Control Fee Income | (13,000) | | (13,000) | | (13,000) |
| Other Miscellaneous | (4,000) | | (4,000) | | (4,000) |
| Cultural Income | 49,000 | | 49,000 | | 49,000 |
| Culture - Staffing | (25,000) | | (25,000) | | (25,000) |
| Match Funding for Creative People & Places Bid | (20,000) | | (20,000) | | (20,000) |
| Culture - Other Operating Overheads | 29,000 | | 29,000 | | 29,000 |
| BU6 | | | | | |
| Contracts Management - Waste Disposal Costs | 805,000 | | 805,000 | | 805,000 |
| Transfer Loading Station | 134,000 | | 134,000 | | 134,000 |
| Bulky Waste/Bin Deliveries | 63,000 | | 63,000 | | 63,000 |
| Purchasing & Supplies - Sale of Materials | 80,000 | | 80,000 | | 80,000 |
| Commercial & Operational Services - Savings on Staff vacancies | (56,000) | | (56,000) | | (56,000) |
| Car Parking - Fee Income | (25,000) | | (25,000) | | (25,000) |
| Construction Services | (530,000) | | (530,000) | | (530,000) |
| Highways Maintenance - Electricity Costs | (181,000) | | (181,000) | | (181,000) |
| Highways Maintenance - Reactive Maintenance | (66,000) | | (66,000) | | (66,000) |
| Highways Maintenance - Other | (5,000) | | (5,000) | | (5,000) |
| Highways & Engineering - Savings on staff/Professional fees | (170,000) | | (170,000) | | (170,000) |
| Highways Fee Income shortfall | 144,000 | | 144,000 | | 144,000 |
| Travel Training shortfall | 225,000 | | 225,000 | | 225,000 |
| Transport Consultant | 24,000 | | 24,000 | | 24,000 |
| Bereavement Services Fee Income | (50,000) | | (50,000) | | (50,000) |
| Other Miscellaneous | 20,000 | | 20,000 | | 20,000 |
| Total - PLACE | 412,000 | - | 412,000 | - | 412,000 |
| COMMUNITIES - KEY FINANCIAL RISKS FOR 2018/19 | | | | | |
| BU2 | | | | | |
| SD Management | (404) | | (404) | - | (404) |
| Older People - direct payment clawback, increased client & health contributions | (1,232,705) | | (1,232,705) | | (1,232,705) |
| Working Age Adults - increase health funding & direct payment clawback | (699,995) | | (699,995) | | (699,995) |
| Commissioning - Staffing vacancies & contract savings | (97,956) | | (97,956) | | (97,956) |
| BU7 | | | | | |
| Catering - loss of schools to external providers | 56,000 | | 56,000 | | 56,000 |
| Provider Services Management underspend relates to closing ILAH bank account balance from closure of company in 2017/18 | (172,000) | | (172,000) | | (172,000) |
| Day Services - staff vacancies & Transport underspend | (312,000) | | (312,000) | | (312,000) |
| ALT & Reablement- staff vacancies + additional income from equipment rental | (180,000) | | (180,000) | | (180,000) |
| Other<£50K each | 9,311 | | 9,311 | | 9,311 |
| BU8 | | | | | |
| Think Family - grant underspend committed to be spent and earmarked to 2020/21 | (641,000) | | (641,000) | 641,000 | - |
| Safer Barnsley - Asylum Seekers & Housing New Burdens Grant underspend committed to be spend and earmarked to 2020/21 | (324,000) | | (324,000) | 324,000 | - |
| Stronger Communities - anticipated carry forward balances on commissioning and Ward Alliance budgets | (755,000) | | (755,000) | 755,000 | - |
| Other<£50K each | 3,000 | | 3,000 | | 3,000 |
| BU12 | | | | | |
| IT & Customer Services overspend due Vacancies underspend offset by computer projects and licences oversepend | 391,000 | | 391,000 | | 391,000 |
| Total - COMMUNITIES | (3,955,749) | - | (3,955,749) | 1,720,000 | (2,235,749) |
| PUBLIC HEALTH - KEY FINANCIAL RISKS FOR 2018/19 | | | | | |
| BU10 | | | | | |
| Anticipated carry forward per 4 year plan - to meet future year costs | (2,132,878) | | (2,132,878) | 2,132,878 | - |
| Other <£50k each | | | | | |
| Total - Public Health | (2,132,878) | - | (2,132,878) | 2,132,878 | - |
| CORE - KEY FINANCIAL RISKS FOR 2018/19 | | | | | |
| BU13 | | | | | |
| Vacancies | (144,939) | | (144,939) | | (144,939) |
| Overachievement of Income | (127,609) | | (127,609) | | (127,609) |
| Various Supplies & Services | (25,096) | | (25,096) | | (25,096) |
| PFI Model | (656,140) | | (656,140) | 656,140 | - |
| BU14 | | | | | |
| Vacancies | (194,947) | | (194,947) | 49,091 | (145,856) |
| Underachieved Income (H&S) | 37,546 | | 37,546 | | 37,546 |
| BU15 | | | | | |
| Vacancies | (160,467) | | (160,467) | 58,000 | (102,467) |
| BU17 | | | | | |
| Staffing | (68,237) | | (68,237) | | (68,237) |
| Services | (22,000) | | (22,000) | | (22,000) |
| Legal Fees | 40,265 | | 40,265 | | 40,265 |
| Printing | 23,126 | | 23,126 | | 23,126 |
| Overachievement of income (Ent Licencing/fines) | (67,200) | | (67,200) | | (67,200) |
| BU18 | | | | | |
| European Elections - previous yr spend | (98,313) | | (98,313) | | (98,313) |
| BU19 | | | | | |
| Vacancies | (69,381) | | (69,381) | | (69,381) |
| Various Supplies & Services | (12,000) | | (12,000) | | (12,000) |
| Overachievement of income (Lord Lieutenant) | (12,000) | | (12,000) | | (12,000) |
| Joint Authorities | | | | | |
| Staffing | (71,600) | | (71,600) | | (71,600) |
| Services | 10,000 | | 10,000 | | 10,000 |
| Adoption Payment | 35,000 | | 35,000 | | 35,000 |
| Unfunded Activities via SLA | 61,731 | | 61,731 | | 61,731 |
| Total - Core Services | (1,522,261) | - | (1,522,261) | 763,231 | (759,030) |
| Grand Total | (7,194,514) | - | (7,194,514) | 4,616,109 | (2,578,405) |

KEY LINES OF ENQUIRY - VARIANCES AGAINST APPROVED BUDGET

| | £ Target | £ Outturn | £ Variance |
|---|------------------|------------------|---------------|
| PEOPLE | | | |
| BU1 - Education & Early Start Prevention | | | |
| BU1 E1 | 102,000 | 102,000 | - |
| BU1 E2 | 65,000 | 65,000 | - |
| BU1 E3 | 30,000 | 30,000 | - |
| BU1 E4 | 50,000 | 50,000 | - |
| BU1 E5 | 427,000 | 427,000 | - |
| BU1 E7 | 370,000 | 370,000 | - |
| BU1 E11 | 80,000 | 80,000 | - |
| | 1,124,000 | 1,124,000 | - |
| | 1,124,000 | 1,124,000 | - |

| | | | |
|-----------------------------------|------------------|------------------|----------|
| PEOPLE DIRECTORATE SUMMARY | | | |
| KLOE's on target | 1,124,000 | 1,124,000 | - |
| KLOE's delay in Delivery | - | - | - |
| KLOE's not on target | - | - | - |
| TOTAL PEOPLE KLOE's | 1,124,000 | 1,124,000 | - |

| | £ Target | £ Outturn | £ Variance |
|--------------|------------------|------------------|---------------|
| PLACE | | | |
| BU4 | | | |
| BU4 - E4 | 25,000 | 25,000 | - |
| BU4 - E5 | 11,000 | 11,000 | - |
| BU4 - E7 | 220,000 | 220,000 | - |
| BU4 - E8 | 80,000 | 80,000 | - |
| BU4 - E10 | 50,000 | 50,000 | - |
| BU11 - E4a | 47,000 | 47,000 | - |
| BU11 - E4b | 23,000 | 23,000 | - |
| | 456,000 | 456,000 | - |
| BU5 | | | |
| BU5 - E1 | 95,000 | 95,000 | - |
| BU5 - E2 | 108,000 | 108,000 | - |
| | 203,000 | 203,000 | - |
| BU6 | | | |
| BU6 - E1 | 200,000 | 200,000 | - |
| BU6 - E2 | 1,118,000 | 1,118,000 | - |
| BU6 - E7 | 240,000 | 240,000 | - |
| | 1,558,000 | 1,558,000 | - |
| | 2,217,000 | 2,217,000 | - |

| | | | |
|----------------------------------|------------------|------------------|----------|
| PLACE DIRECTORATE SUMMARY | | | |
| KLOE's on target | 2,217,000 | 2,217,000 | - |
| KLOE's delay in Delivery | - | - | - |
| KLOE's not on target | - | - | - |
| TOTAL PLACE KLOE's | 2,217,000 | 2,217,000 | - |

| | £ Target | £ Outturn | £ Variance |
|---|------------------|------------------|---------------|
| COMMUNITIES | | | |
| BU2 - Adult Assessment & Care Management | | | |
| BU2 E1 | 150,000 | 150,000 | - |
| BU2 E6 | 200,000 | 200,000 | - |
| | 350,000 | 350,000 | - |
| BU7 | | | |
| BU7 E10 | 84,070 | 84,070 | - |
| | 84,070 | 84,070 | - |
| BU8 | | | |
| BU8 E3 | 400,000 | 400,000 | - |
| BU8 E5 | 280,000 | 280,000 | - |
| BU8 E14 | 10,000 | 10,000 | - |
| | 690,000 | 690,000 | - |
| BU12 | | | |
| BU12 | 840,000 | 840,000 | - |
| | 840,000 | 840,000 | - |
| | 1,964,070 | 1,964,070 | - |

| | | | |
|--|------------------|------------------|----------|
| COMMUNITIES DIRECTORATE SUMMARY | | | |
| KLOE's on target | 1,964,070 | 1,964,070 | - |
| KLOE's with Delays | - | - | - |
| KLOE's not on target | - | - | - |
| TOTAL COMMUNITIES KLOE's | 1,964,070 | 1,964,070 | - |

£ £ £

| | Target | Outturn | Variance |
|---|---------|---------|----------|
| PUBLIC HEALTH | | | |
| BU10 | | | |
| PH E2 Review of Contracts & Commissioning | 96,000 | 96,000 | - |
| PH E3 (BU5) Various Efficiencies Regulatory Services | 40,400 | 40,400 | - |
| PH E4 (BU5) Review of Management Structure within Regulatory Services | 52,600 | 52,600 | - |
| | 189,000 | 189,000 | - |

| | | | |
|--|---------|---------|---|
| PUBLIC HEALTH DIRECTORATE SUMMARY | | | |
| <i>KLOE's on target</i> | 189,000 | 189,000 | - |
| <i>KLOE's with Delays</i> | - | - | - |
| <i>KLOE's not on target</i> | - | - | - |
| TOTAL PUBLIC HEALTH KLOE's | 189,000 | 189,000 | - |

| | £ Target | £ Outturn | £ Variance |
|---|-------------|--------------|---------------|
| CORE SERVICES | | | |
| BU11 - BU19 | | | |
| BU7 E4 Reduce Resources in Customer Feedback & Improv. Team | 31,486 | 31,486 | - |
| BU13 E1 Finance Business Unit - major restructure | 239,000 | 239,000 | - |
| | 270,486 | 270,486 | - |

| | | | |
|-----------------------------------|---------|---------|---|
| CORE SERVICES SUMMARY | | | |
| <i>KLOE's on target</i> | 270,486 | 270,486 | - |
| <i>KLOE's with Delays</i> | - | - | - |
| <i>KLOE's not on target</i> | - | - | - |
| TOTAL CORE SERVICES KLOE'S | 270,486 | 270,486 | - |

| | | | |
|-------------------------------------|-----------|-----------|------|
| OVERALL KLOE SUMMARY 2019/20 | | | |
| <i>KLOE's on target</i> | 5,764,556 | 5,764,556 | - |
| <i>KLOE's with Delays</i> | - | - | - |
| <i>KLOE's not on target</i> | - | - | - |
| | 5,764,556 | 5,764,556 | - |
| | | 100.0% | 0.0% |

| | £ Target | £ Outturn | £ Variance |
|-------------------------------------|-------------|--------------|---------------|
| Mitigations from prior years | | | |
| BU6 | | | |
| Transfer Loading Station | 300,000 | 30,000 | (270,000) |
| Travel Training - Train 50 children | 75,000 | - | (75,000) |
| Contract Procurement | 250,000 | - | (250,000) |
| | 625,000 | 30,000 | (595,000) |
| | | 5% | 95% |

| | | | |
|--|---------|--------|-----------|
| PLACE DIRECTORATE SUMMARY 2015 - 2019 Mitigations | | | |
| <i>KLOE's on target</i> | - | - | - |
| <i>KLOE's delay in Delivery</i> | 625,000 | 30,000 | (595,000) |
| <i>KLOE's not on target</i> | - | - | - |
| TOTAL PLACE KLOE's | 625,000 | 30,000 | (595,000) |

| | | | |
|-----------------------------|-----------|-----------|-----------|
| OVERALL KLOE TOTAL | | | |
| <i>KLOE's on target</i> | 5,764,556 | 5,764,556 | - |
| <i>KLOE's with Delays</i> | 625,000 | 30,000 | (595,000) |
| <i>KLOE's not on target</i> | - | - | - |
| | 6,389,556 | 5,794,556 | (595,000) |

Housing Revenue Account Position as at 30th June 2019

| | Original Budget 2019/20 £ | Forecast Outturn Jun 2019 £ | Variance (Surplus)/ Deficit £ | Earmarkings £ | Variance (Surplus)/ Deficit £ |
|--|------------------------------------|--------------------------------------|-------------------------------------|------------------|-------------------------------------|
| Income | | | | | |
| Dwellings Rent | (67,821,511) | (68,374,857) | (553,346) | - | (553,346) |
| Non Dwellings Rent | (360,560) | (360,560) | - | - | - |
| Heating Charges | (524,780) | (524,780) | - | - | - |
| Other Charges for Services & Facilities | (464,950) | (464,950) | - | - | - |
| Contributions towards Expenditure | (1,057,220) | (1,057,220) | - | - | - |
| | (70,229,021) | (70,782,367) | (553,346) | - | (553,346) |
| Expenditure | | | | | |
| Repairs & Maintenance (including fees) | 19,140,030 | 19,224,852 | 84,822 | - | 84,822 |
| Supervision and Management | 16,684,212 | 16,693,470 | 9,258 | - | 9,258 |
| HRA Share of CDC / NDC Total | 211,905 | 211,905 | - | - | - |
| Rents Rates Taxes & Other Charges | 251,175 | 251,175 | - | - | - |
| Provision for bad and doubtful debts | 2,034,645 | 2,034,645 | - | - | - |
| Depreciation & Impairment of Fixed Assets | 16,556,000 | 16,556,000 | - | - | - |
| Debt Management Costs | 96,000 | 96,000 | - | - | - |
| | 54,973,967 | 55,068,047 | 94,080 | - | 94,080 |
| Net Cost of Services | (15,255,054) | (15,714,320) | (459,266) | - | (459,266) |
| Interest Receivable | (93,097) | -93,097 | - | - | - |
| Interest Payable and similar charges | 11,113,620 | 11,113,620 | - | - | - |
| MRP | - | - | - | - | - |
| Premium Discounts | 53,274 | 53,274 | - | - | - |
| Contribution to Major Repairs Reserve | 4,181,258 | 4,181,258 | - | - | - |
| Revenue Contribution to Capital | - | - | - | - | - |
| Total (Surplus)/ Deficit for the year | - | (459,265) | (459,266) | - | (459,266) |

Key:-

No Cause for Concern
Minor Cause for Concern
Major Cause for Concern

