

GENERAL FUND REVENUE ACCOUNT OUTTURN 2019/20

Portfolio	Outturn Variance £M	Forecast Variance Qtr 3 £M	Variance Movement from Qtr 3 £M
Adult Care	1.68 A	0.54 A	1.14 A
Aspiration, Children & Lifelong Learning	6.05 A	3.82 A	2.23 A
Green City & Environment	0.27 F	0.19 A	0.46 F
Healthier & Safer City	0.23 F	0.00	0.23 F
Homes & Culture	0.44 A	0.05 A	0.39 A
Leader	1.36 F	0.13 F	1.23 F
Place & Transport	0.85 A	0.08 F	0.93 A
Resources	2.01 F	0.29 F	1.72 F
Total Portfolios	5.15 A	4.10 A	1.05 A
Levies & Contributions	0.06 A	0.00	0.06 A
Capital Asset Management	0.64 F	0.09 F	0.55 F
Other Expenditure & Income	8.60 F	4.01 F	4.59 F
Net Revenue Expenditure	4.03 F	0.00	4.03 F
Draw from Balances	0.00	0.00	0.00
Council Tax	0.05 F	0.00	0.05 F
Business Rates	0.81 A	0.00	0.81 A
Non-Specific Government Grants	1.91 F	0.00	1.91 F
Total Financing	1.14 F	0.00	1.14 F
Transfer to Reserves – Year End Surplus	5.17 A	0.00	5.17 A
(SURPLUS)/DEFICIT	0.00	0.00	0.00

NB Numbers are rounded

EXPLANATIONS BY PORTFOLIO

1. ADULT CARE PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has overspent by **£1.68M** at year-end. The Portfolio outturn variance has moved adversely by **£1.14M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	1.68 A	0.54 A	1.14 A

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Long Term	2.17 A	0.64 A	1.53 A
Safeguarding Adult Mental Health and Out of Hours	0.15 F	0.05 A	0.20 F
Provider Services	0.15 A	0.02 A	0.13 A
Reablement & Hospital Discharge	0.11 F	0.02 A	0.13 F
Integrated Commissioning Unit Provider Relationships	0.20 F	0.18 F	0.02 F
Adults Services Management	0.19 F	0.00	0.19 F
Other	0.01 A	0.01 F	0.02 A
Total	1.68 A	0.54 A	1.14 A

The **SIGNIFICANT** movements between Qtr 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
Long Term	1.53 A	<p>The adverse variance is primarily due to overspending on Older Persons, Learning Disability and Physical Disability packages. The number of client care packages has increased compared with assumptions made earlier and this also includes increases in average costs for client care packages despite the rebasing of the budget in quarter 2.</p> <p>Since quarter 3 there has been a £1.52M adverse movement mainly due to an increase in high cost clients in physical disability and learning disability costs for clients in home care and receiving direct payments. Also, an additional £0.09M was provided in the bad debt provision as a consequence of the debt recovery process and clients' financial positions being adversely affected by Covid-19 at the end of the financial year. The forecast as at quarter 3 made projections for the Adults client costs and client numbers for the full financial year at that time, not for any additional subsequent client cost and package number increases in the months that followed.</p> <p>The unachieved savings targets are mainly based on reducing the numbers of client care packages. Mechanisms for implementing this reduction are still being progressed, alongside additional reviews of existing clients which may deliver additional savings in client care costs once implemented.</p>
Safeguarding Adult Mental Health and Out of Hours	0.20 F	Client numbers in the final month were less than projected. An analysis of client records for the final quarter lead to some client cost movement to Long Term care.

2. ASPIRATION, CHILDREN AND LIFELONG LEARNING PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has overspent by **£6.05M** at year-end. The Portfolio outturn variance has moved adversely by **£2.23M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	6.05 A	3.82 A	2.23 A

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Divisional Management & Legal	1.79 A	1.05 A	0.74 A
Quality Assurance Business Unit	0.09 A	0.09 A	0.00
Multi Agency Safeguarding Hub & Children in Need	1.22 A	0.45 A	0.77 A
Specialist Core Services	0.49 A	0.00	0.49 A
Looked After Children (LAC) & Provision	2.36 A	2.20 A	0.16 A
ICU – Children’s Services	0.10 F	0.07 F	0.03 F
Education – High Needs & Schools	0.36 A	0.00	0.36 A
Education – Early Years and Asset Management	0.07 A	0.10 A	0.03 F
Early Help	0.22 F	0.09 F	0.13 F
Targeted & Restorative Services	0.07 A	0.11 A	0.04 F
Other	0.08 F	0.02 F	0.06 F
Total	6.05 A	3.82 A	2.23 A

The **SIGNIFICANT** movements between Qtr 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
Divisional Management & Legal	0.74 A	The adverse movement reflects the level of increased demand throughout the service and the need to retain a number of agency staff to manage areas of the service that have been highlighted in the OFSTED inspection prior to a comprehensive review of the service.
Multi Agency Safeguarding Hub (MASH) & Children in Need (CiN)	0.77 A	The adverse movement reflects the retaining of a number of agency staff to maintain service resources whilst there is still high demand.
Specialist Core Services	0.49 A	Similar to MASH and CiN, this adverse movement reflects the retaining of agency staff that were expecting to have their contracts ended to maintain service resources.
Education – High Needs & Schools	0.36 A	There was an adverse movement due to forecast savings not being achieved across the various Education teams. There was a carry forward request not previously forecast relating to the unspent school improvement grant.

Dedicated Schools Grant (DSG)

The Dedicated Schools Grant is a ring-fenced grant and balances are carried forward each year. The DSG outturn for 2019/20 was £7.4M adverse. The High Needs Block accounted for £6.9M of this which included £1.4M overspend brought forward from the previous year and an in year adverse variance of £5.5M which had been forecast at £4.5M.

The in-year High Needs overspend was mainly due to increasing demand for High Need places, these frequently had increasing complexity of needs. Increasing numbers of placements in out-of-city settings also contributed to the over spend. In addition to the High Needs pressures there were several one-off payments not budgeted which have added to the adverse position.

The DSG overspend is planned to be repaid over the next 3 years in line with DfE guidance. The High Needs block funding has been increased by 17% from 2019/20 which equates to an increase of circa £5M. The increase will be part of a number of options to be considered in the deficit recovery planning in 2020/21.

3. GREEN CITY & ENVIRONMENT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has underspent by **£0.27M** at year-end, including a surplus of £0.11M on trading activity. The Portfolio outturn variance has moved favourably by **£0.46M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	0.27 F	0.19 A	0.46 F

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Flood Risk Management	0.14 F	0.00	0.14 F
Bereavement & Registration	0.11 A	0.17 A	0.06 F
Trees & Ecology	0.08 F	0.00	0.08 F
Licencing	0.06 A	0.00	0.06 A
Landscape Trading Area	0.11 F	0.04 A	0.15 F
Others	0.11 F	0.02 F	0.09 F
Total	0.27 F	0.19 A	0.46 F

There are no SIGNIFICANT movements between Qtr 3 and Outturn for the Portfolio.

4. HEALTHIER & SAFER CITY PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has underspent by **£0.23M** at year-end. The Portfolio outturn variance has moved favourably **£0.23M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	0.23 F	0.00	0.23 F

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Community Safety, Alcohol Related Crime, CCTV	0.09 F	0.05 F	0.04 F
Safer Communities	0.16 F	0.00	0.16 F
Other	0.02 A	0.05 A	0.03 F
Total	0.23 F	0.00	0.23 F

There are no SIGNIFICANT movements between Qtr 3 and Outturn for the Portfolio.

5. HOMES & CULTURE PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has overspent by **£0.44M** at year-end. The Portfolio outturn variance has moved adversely by **£0.39M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	0.44 A	0.05 A	0.39 A

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Leisure Contracts	0.29 A	0.00	0.29 A
Private Sector Housing	0.21 A	0.08 A	0.13 A
Others	0.06 F	0.03 F	0.03 F
Total	0.44 A	0.05 A	0.39 A

The **SIGNIFICANT** movements between Qtr 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
Leisure Contracts	0.29 A	There have been additional costs incurred through the year end contracted utility adjustment of £0.1M plus ongoing costs of £0.2M for the upkeep of St Mary's Leisure Centre following the loss of the provider.

6. LEADERS PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has underspent by **£1.36M** at year-end. The Portfolio outturn variance has moved favourably by **£1.23M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	1.36 F	0.13 F	1.23 F

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Strategic Management of the Council	0.37 F	0.06 F	0.31 F
Business Improvement	0.37 F	0.00	0.37 F
Corporate Communications	0.37 F	0.00	0.37 F
Property Services	0.21 F	0.07 F	0.14 F
Central Repairs & Maintenance	0.17 F	0.00	0.17 F
Others	0.13 A	0.00	0.13 A
Total	1.36 F	0.13 F	1.23 F

The **SIGNIFICANT** movements between Qtr 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
Strategic Management of the Council	0.31 F	The variance is due to part year savings arising from the Resource Review of the management structure. This has produced a favourable outcome in the final quarter of the year following implementation in January.

Business Improvement	0.37 F	The favourable movement includes unutilised Brexit funding of £0.22M which is proposed to be carried forward into 2020/21. There have also been staff savings within the team due to ongoing vacancies of £0.15M.
Corporate Communications	0.37 F	Savings have occurred in the social media budget from transferring services back from Capita along with reduced advertising and print services savings.

7. PLACE & TRANSPORT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has overspent by **£0.85M** at year-end. The Portfolio outturn variance has moved adversely by **£0.93M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	0.85 A	0.08 F	0.93 A

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
City Services - Commercial Services	0.21 A	0.02 A	0.19 A
City Services - District Operating Areas	0.50 A	0.19 A	0.31 A
City Services - Waste Operations	0.02 A	0.11 F	0.13 A
Parking & Itchen Bridge	0.14 A	0.03 F	0.17 A
Planning	0.21 A	0.00	0.21 A
Regulatory Services	0.23 F	0.14 F	0.09 F
Supplier Management	0.12 F	0.00	0.12 F
Other	0.12 A	0.01 F	0.13 A
Total	0.85 A	0.08 F	0.93 A

The **SIGNIFICANT** movements between Qtr 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
City Services – District Operating Areas	0.31 A	There has been high usage of overtime and temporary staff whilst the Phase 3 restructure bedded down in the last quarter of the year. There has also been increased costs for fuel and damage & repair for vehicles. Several tippers have needed major repairs, requiring external hire of replacement vehicles.
Planning	0.21 A	The number of planning applications has slowed during the year and there are fewer large schemes, which incur more significant fees, than last year. Uncertainty around Brexit has had an impact on planning applications and also the supply of builders in the local area has decreased which impacts on the level of planned works.

8. RESOURCES PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

The Portfolio has underspent by **£2.01M** at year-end. The Portfolio outturn variance has moved favourably by **£1.72M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Portfolio Outturn	2.01 F	0.29 F	1.72 F

A summary of the Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Strategic Finance & Commercialisation	0.82 F	0.35 F	0.47 F
Business Operations and Digital	0.62 F	0.00	0.62 F
Intelligence, Insight & Communications	0.35 F	0.00	0.35 F
OD Strategy, Workforce Planning & Employee Relations	0.21 F	0.06 A	0.27 F
Legal and Governance	0.01 F	0.00	0.01 F
Total	2.01 F	0.29 F	1.72 F

The **SIGNIFICANT** movements between Qtr 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
Strategic Finance & Commercialisation	0.47 F	<p>Local Taxation & Benefits £0.31M underspend, savings have incurred due to the Council Tax gainshare no longer being required, along with savings on legal expenses and staff vacancies.</p> <p>Projects & Change £0.18M underspend due to greater rechargeable staff time across the Capital and Service budgets.</p>

		<p>Further savings have been made from vacancies and lower banking fees (£0.08M).</p> <p>Centrally Apportioned Overheads, £0.10M overspend due to some areas no longer being chargeable.</p>
Business Operations and Digital	0.62 F	<p>Capita Partnership Services showed a £0.93M underspend which was due to contractual penalties on IT rollout, it is proposed to carry it forward to fund the rollout of Office 365.</p> <p>Procurement Services, additional interim staff costs of £0.30M were incurred following minimal transfer of staff from Capita. Permanent staff have now been appointed.</p>
Intelligence, Insight & Communications	0.35 F	<p>Customer Services savings from vacancies and restructure efficiencies completed in the last quarter following the return of Capita services, over and above planned savings.</p>
OD Strategy, Workforce Planning & Employee Relations	0.27 F	<p>Savings resulting from significant vacancies and restructure efficiencies, completed in the last quarter, following the return of Capita services over and above planned savings.</p>

9. NON-PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2019/20

Non-Portfolio Net Expenditure has underspent by **£9.18M** at year-end. The outturn variance has moved favourably by **£5.08M** from the position reported at quarter 3.

Financing has underspent by **£1.14M** at year end. The outturn variance has moved favourably by **£1.14M** from the position reported at quarter 3.

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Non-Portfolio Net Expenditure	9.18 F	4.10 F	5.08 F
Financing	1.14 F	0.00	1.14 F

A summary of the Non-Portfolio outturn variance and movement since the last quarter is shown in the table below:

Division / Activity	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Levies & Contributions	0.06 A	0.00	0.06 A
Capital Asset Management	0.64 F	0.09 F	0.55 F
Other Expenditure & Income	8.60 F	4.01 F	4.59 F
Total Non-Portfolio Net Expenditure	9.18 F	4.10 F	5.08 F
Council Tax	0.05 F	0.00	0.05 F
Business Rates	0.81 A	0.00	0.81 A
Non-Specific Government Grants & Other Funding	1.91 F	0.00	1.91 F
Total Financing	1.14 F	0.00	1.14 F

The **SIGNIFICANT** movements between Qtr 3 and Outturn for Non-Portfolio areas are:

Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
Capital & Asset Management	0.55 F	Reduced brokerage costs and higher return on investments than budgeted.
Other Expenditure & Income	4.59 F	Lower net spend on Housing Benefits than previously forecast and release of funds, including the contingency amount, held centrally to provide for unforeseen pressures or risks
Business Rates and Non-Specific Government Grants & Other Funding	1.10 F	<p>These two areas need to be considered together due to the inter-relationship between the share of retained business rates and S31 business rates grants.</p> <p>£0.53M of the £7.40M Covid-19 Emergency Funding Grant received in late March 2020 has been used to offset costs within services, with the remainder being carried forward into 2020/21.</p> <p>The Government distributed the 2018/19 surplus on the business rates levy account in March 2020. Southampton's share was £0.19M.</p> <p>£0.37M improvement on overall position for business rates/S31 grants due to lower contribution to the Solent Pool than budgeted.</p>