

COMMUNITIES, CULTURE & LEISURE PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.49M** at year-end, which represents a percentage over spend against budget of **7.4%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view.

Table P1 Communities Culture & Leisure Forecast Outturn

	£M	%
Communities, Culture & Leisure	0.49 A	7.4
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variances are shown in the table below:

Table P2 Communities, Culture & Leisure Significant Variances

Division / Service Activity	Forecast Variance Month 3 £M	Ref.
Leisure Client	0.11 A	COMM 1
Gallery & Museums	0.19 A	COMM 2
Prevention & Inclusion	0.17 A	COMM 3
Other	0.02 A	
	0.49 A	

The SIGNIFICANT issues for the Portfolio are:

COMM 1 – Leisure Client (forecast adverse variance £0.11M)

Contractual utility inflation is due on the Active Nation contract.

Forecast Range £0.15M adverse to £0.10M adverse

Under the contract with Active Nation to run the Council's sports provision, the Council bears the risk of cost inflation on utilities over and above the Consumer Price Index. For 2015/16 this is currently forecast to be £0.10M adverse. Additional budget may be sought from the Risk Fund when the cost forecast is more certain. There is also a forecast £0.05M adverse variance on an approved savings proposal to review Leisure contracts. This is partially offset by lower inflation on the Sport & Recreation and Guildhall contract payments.

COMM 2 – Gallery & Museums (forecast adverse variance £0.19M)

There is a shortfall in venue income due to lower visitor numbers than anticipated.

Forecast Range £0.25M adverse to £0.15M adverse

There is a forecast shortfall in income of £0.20M for SeaCity and £0.03M for Tudor House based upon the visitor numbers for the first three month being lower than budgeted. Additional budget has been sought from the Risk Fund to cover the SeaCity income shortfall. The adverse variance in income is partially offset by forecast savings of £0.03M on the cost of utilities at SeaCity.

COMM 3 – Prevention & Inclusion Service (forecast adverse variance £0.17M)

The cost of children held in secure accommodation by court order pending release or conviction.

Forecast Range £0.25M adverse to £0.10M adverse

The individual cost of the accommodation is dictated by the Ministry of Justice and the number of incarcerated children and the type of accommodation used is dictated by the courts. Additional budget may be sought from the Risk Fund when the cost forecast is more certain.

EDUCATION AND CHILDREN'S SOCIAL CARE PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£5.84M** at year-end, which represents a percentage over spend against budget of **15.0%**. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

Table P3 Education and Children's Social Care Forecast Outturn

	Forecast Variance £M	%
Education and Children's Social Care	5.84 A	15.0
Potential Carry Forward Requests	0.00	

A summary of the monthly movements in the Portfolio forecast variance, are shown in the table P4:

Table P4 Education and Children's Social Care Significant Variances

Division / Service Activity	Forecast Variance Month 3 £M	Ref.
Looked after Children & Provision	4.07 A	E&CSC1
Specialist Core Services	0.70 A	E&CSC2
Divisional Management and Legal	0.48 A	E&CSC3
MASH & Early Help	0.29 A	E&CSC4
Education – Early Years and Asset Management	0.15 A	E&CSC5
Other	0.63 A	
	5.84 A	

The SIGNIFICANT issues for the Portfolio are:

E&CSC 1 – Looked after Children and Provision (forecast adverse variance £4.07M)

There are significant numbers of children in care above the budgeted level, in particular, with fostering and residential placements with external providers.

Forecast Range £5.50M adverse to £2.5M adverse

The increasing number of children requiring specialist support packages has led to a forecast overspend of £0.69M on residential placements. These placements can cost up to £785 per day, and, therefore, a small increase in the number of children requiring such intensive support can have a significant impact on the financial position. Placements are only used therefore, as a last resort measure, and as such are difficult to predict with any certainty.

The forecast overspend of £2.80M on fostering has mainly arisen as a result of an increase in placements from Independent Fostering Agencies (IFA's) (forecast overspend of £1.81M) and SCC foster carers (forecast overspend of £0.81M) than originally anticipated. IFA placements tend to cost between 2 and 3 times as much as an SCC foster placement. The need to use additional IFA placements has continued to increase and is as a result of a need to ensure SCC foster carers meet regulations and the complex needs of individual children.

There were 31 adoption agency placements that commenced during the last quarter of 2014-15. The ongoing financial liability for these placements has led to a net forecast overspend of £0.46M. The cost of these adoption placements is mitigated by avoiding the recurring cost of foster care fees.

The table P5 outlines the activity levels for 2015/16:

Table P5 Looked After Children Activity Levels

Service	Daily Rate Range	Children Numbers					
		Budget	Budget	Actual	Actual	Actual	Year End
		Apr 15	Mar 16	Apr 2015	May 2015	Jun 2015	
Fostering up to 18	£22 - £91	285	254	322	328	330	342
Independent Fostering Agencies (IFA)	£85 - £275	134	109	154	160	164	159
IFA Parent and Baby Placements	£176 - £324	6	6	6	6	5	6
Inter Agency Fostering Placements	£58 - £127	1	1	0	0	0	0
Supported Placements or Rent	£9 - £54	5	5	5	5	5	5
Residential - Independent Sector	£129 - £785	12	12	13	15	14	17
Civil Secure Accommodation	£713 - £820	1	1	2	2	2	0
Sub-total: Children in Care		444	388	502	516	520	529
Residential (Not Looked After)	£108 - £333	4	4	1	1	1	1
Supported Placements or Rent (Not Looked After)	£9 - £54	1	1	5	5	7	4
Over 18's	£8 - £236	32	56	44	44	45	70
Adoption Allowances	£3 - £38	95	95	88	88	88	102
Special Guardianship Allowances	£2 - £44	115	115	102	102	103	104
Residence Order Allowances	£7 - £22	13	13	14	14	14	14
Total		704	672	756	770	778	824

Figures for CIC exclude disability placements, UASC's and children placed at nil cost (e.g., with parents)

E&CSC 2 – Specialist Core Services (forecast adverse variance £0.70M)

Agency staff have been employed to cover increasing caseloads and there is an inability to recruit and retain experienced social workers.

Forecast Range £1.25M adverse to £0.25M adverse

The need for agency social workers covering vacant posts within the Protection and Court team was envisaged to be minimal in 2015/16. However, the level of vacancies has been higher than anticipated, and agency cover has increased from 12 in month 2 to the current level of 15. It is envisaged that the need for agency cover will reduce, but at a slower pace than originally intended, (reaching its lowest point of 6 vacant posts covered by agency staff from 1st January 2016 until 31st March 2016). Agency social workers cost on average twice as much as a permanent social worker.

In addition, increasing caseload numbers have led to a need for interim social workers over establishment. There are currently 5 social workers above establishment, which will be required for longer than originally anticipated but are forecast to reduce over time with 2 social workers over establishment anticipated from January 2016 onwards.

E&CSC 3 – Divisional Management and Legal (forecast adverse variance £0.48M)

The over spend on this budget is due to the additional cost of Legal Services relating to the placement of children looked after, combined with an increase in demand for translation services and an unlikelihood of achieving the procurement savings target

Forecast Range £0.75M adverse to £0.00M adverse

Demand for translation services increased significantly in 2014/15, leading to an over spend of £0.12M. It is envisaged that demand will continue to exceed the budget in 2015/16 leading to a forecast over spend of £0.11M.

A pressure has arisen as the portfolio is unlikely to achieve the Council's agreed procurement saving of £0.15M. Managers are considering how this saving can be achieved.

The provision for agency social workers has increased by £0.10M to take account of the anticipated need for additional social work resource over and above the position accounted for within team budgets.

E&CSC 4 – MASH & Early Help (forecast adverse variance £0.29M)

Agency staff have been employed to cover increasing demands on the Early Help Service.

Forecast Range £0.50M adverse to £0.00M adverse

An increase in the demand for the Early Help service has led to the need to recruit additional social workers and assistant team managers over the established structure. It is envisaged that this additional support will be required on a short term basis.

E&CSC 5 – Early Years & Asset Management (forecast adverse variance £0.15M)

The adverse variance primarily relates to Home to Schools Transport for Special Schools due to increased demand partially offset by favourable variances against 3 & 4 Year Old Child Care, Asset Management & Capital Strategy due to staff vacancies and IT Business Support due to extra income received from broadband charges.

Forecast Range £0.80M adverse to £0 adverse

Home to school transport for children attending special schools is currently forecast to overspend by £258k, due to the impact of continuing increase in school transport numbers and costs at special schools. It is expected that the number of places for Springwell children at Sholing Start Point may increase by 16 from September 2015, which will result in a further increase in overspend. At this stage any additional cost has not been included in the forecast on the assumption that the personal budgets scheme would generate some savings to offset a proportion of these costs.

E&CSC 6 – Quality Assurance (forecast adverse variance £0.14M)

The increasing number of children in care has resulted in an increase in the statutory work undertaken by the Independent Reviewing Officers team.

Forecast Range £0.25M adverse to £0.00M adverse

The increase in statutory work has led to a need for additional capacity within the Independent Reviewing Officers team. As a result, unbudgeted interim independent reviewing officer cover is required on a temporary basis during 2015/16.

Table P6 Summary of Risk Fund items included within the Portfolio budget as at Month 3

Service Activity	£M
City Catering	0.36
Total Budget allocated from Risk Fund	0.36

ENVIRONMENT & TRANSPORT PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.51M** at year-end, which represents a percentage over spend against budget of **2.2%**. The forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view.

Table P7 Environment & Transport Forecast Outturn

	£M	%
Environment & Transport	0.51 A	2.2
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variances are shown in the table below:

Table P8 Environment & Transport Significant Variances

Division / Service Activity	Forecast Variance Month 3 £M	Ref.
Domestic Waste Collection	0.49 A	E&T 1
E&T Contracts Management	0.28 F	E&T 2
Off-Street Parking	0.15 A	E&T 3
Other	0.15 A	
	0.51 A	

The **SIGNIFICANT** issues for the Portfolio are:

E&T 1 – Domestic Waste Collection (forecast adverse variance £0.49M)

There is a forecast adverse variance on employee costs.

Forecast Range £0.60M adverse to £0.40M adverse

The Domestic Waste Collection service is forecast to be £0.32M adverse, due to the additional agency costs required to cover front line staff sickness absences and a forecast inability to make vacancy management targets. The budgeted base level of sickness absence assumed that a 5% sickness rate could be achieved. The current sickness rate of 8 - 9%, which has been brought down from 12%, is in line with the national average for the waste industry. Service managers are actively working with HR to reduce the level of absences requiring temporary agency cover arrangements.

In addition, the forecast income from the sale of Dry Mixed Recyclables is adverse by £0.08M, due to the fall in demand and price. Service managers are continuing to encourage residents to recycle more, as this also reduces the cost of disposal. There are also additional bin storage costs of £0.05M and additional fleet leasing costs of £0.04M.

E&T 2 – E&T Contracts Management (forecast favourable variance £0.28M)

There are forecast savings on contracts indexation and on street lighting energy costs.

Forecast Range £0.30M favourable to £0.20M favourable

There are forecast savings on the PFI Street Lighting contract sum of £0.11M, due to savings on contract indexation and deductions. The street lighting energy costs are also forecast to be £0.08M favourable, due to forecast lower power consumption. There is a forecast under spend on the Highways Service Partnership contract, due to savings of £0.04M on contract indexation and an agreed reduction of £0.02M in the contract sum to reflect the shortened payment terms. Also, there are forecast savings on the CityWatch contract of £0.02M and an additional third Party income share of £0.02M relating to 2014/15.

E&T 3 – Off-Street Parking (forecast adverse variance £0.15M)

There is a forecast adverse variance due to lower income.

Forecast Range £0.40M adverse to £0.10M adverse

Off-Street Parking income is forecast to be lower than budget by £0.15M, based on the level of income received in quarter 1. This account will continue to be monitored closely and, in particular, an analysis will be undertaken of the impact of the changes to staff car parking implemented in June 2015.

FINANCE PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to underspend by **£0.13M** at year-end, which represents a percentage variance against budget of **0.4%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

Table P9 Finance Forecast Outturn

	Forecast Variance £M	%
Finance	0.13F	0.4
Potential Carry Forward Requests	0	

A summary of the Portfolio forecast variances are shown in the table below:

Table P10 Finance Significant Variances

Service Activity	Forecast Variance Month 3 £M	Ref.
Partnership	0.19F	FIN 1
Other	0.06A	
Portfolio Total	0.13 F	

The **SIGNIFICANT** issues for the Portfolio are:

FIN 1 Partnership (forecast favourable variance £0.19M)

Saving against assumed annual contract uplift / service credits.

Forecast range not applicable

A favourable variance of £0.13M has arisen against the Capita contract as the actual annual contract uplift is lower than the percentage increase assumed when the budgets were approved for the year. This revised base has now been reflected in both current and future year's budgets. In addition one-off service credits totalling £0.06M have been received to date as part of the contract performance measurements.

HEALTH & ADULT SOCIAL CARE PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£2.94M** at year-end, which represents a percentage over spend against budget of **5.1%**. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

Table P11 Health & Adult Social Care Forecast Outturn

	Forecast Variance £M	%
Health & Adult Social Care	2.94 A	5.1
Potential Carry Forward Requests	0	

A summary of the significant variances in the Portfolio are shown in the table P12:

Table P12 Health and Adult Social Care Significant Variances

Division / Service Activity	Forecast Variance Month 3 £M	Ref.
Long Term Care	2.32 A	H&ASC 1
Provider Services	0.69 A	H&ASC 2
ICU Provider Relationships	0.41 F	H&ASC 3
ICU System Design	0.23 F	H&ASC 4
Reablement	0.20 A	H&ASC 5
Other	0.37 A	
	2.94 A	

The **SIGNIFICANT** issues for the Portfolio are:

H&ASC 1 – Long Term (forecast adverse variance £2.32M).

The volume of care provision that caused an over spend in 2014/15 for this service activity has continued into 2015/16. In addition there will be slippage in the achievement of savings agreed in both February 2014 and February 2015 for reductions in volume of care.

Forecast range £2.0M adverse to £3.5M adverse

The budget for externally purchased care for Older Persons and clients with either a Physical Disability or Learning Disability is forecast to over spend by £2.32M. It is forecast that the actions to achieve the approved 2014/15 & 2015/16 savings will achieve £1.24M of the required £4.35M, leaving a pressure of £3.12M. This is offset in part from the £0.10M delayed transfer of care grant received in 2015/16 and a favourable variance of £0.07M from reductions in activity within Learning Disability Domiciliary Care due to client reductions within the scheme for former locally based hospital unit clients. In addition the underlying pressure brought into 2015/16 from 2014/15 is currently forecast lower than the funding of £2.4M agreed at council in February 2015 by £0.60M.

The forecast savings of £1.24M have been achieved from the new Domiciliary Care Rates, which are now included within the new framework arrangement, (£0.42M). Furthermore the saving of £0.61M from the review of above standard rate package savings will also be fully achieved. To achieve the overall shortfall in savings for this service activity an action plan is currently being produced by the Management Team.

H&ASC 2 – Provider Services (forecast adverse variance £0.69M)

The delay in the final outcome of the Kentish Road and Southampton Day Services review has created an adverse variance.

Forecast range £0.1M adverse to £1.0M adverse

The final outcome of the review of Kentish Road and Southampton Day Services will go to Cabinet in September. The associated saving for these services (£0.37M) is unlikely to be achieved. In addition due to the number of clients that have already moved from these services to packages with external providers at an additional cost there is a further pressure of £0.05M. At the same time the costs of the internal provision has not significantly reduced.

Within Providers services there are agency and casual staff pressures offset in part by vacant posts which together account for a forecast over spend of £0.27M.

H&ASC 3 – ICU Provider Relationships (forecast favourable variance £0.41M).

The retender of the Supporting People contract has generated a saving

Forecast range £0.1M favourable to £0.7M favourable

The retender of the Supporting People contract has created an additional saving of £0.41M above the already agreed savings target. Further savings of £0.02M are due to staff vacancies and £0.06M on voluntary contracts. These savings have been reduced by the Joint Equipment Store forecast overspend of £0.08M due to demand pressures that have been continued from 2014/15.

H&ASC 4 - ICU System Design (forecast favourable variance £0.23M).

Savings created from reduction in contract costs and decommissioning costs

Forecast range £0.1M favourable to £1.0M favourable

The budget for decommissioning and transition, £0.11M, is not essential this year and is being held along with other contract savings of £0.03M to offset other pressures within the Portfolio. A favourable variance has arisen due to income of £0.09M, which was not anticipated to be received in year.

H&ASC 5 - Reablement (forecast adverse variance £0.20M).

The review of rehabilitation and reablement services saving is unlikely to be achieved

Forecast range £0.1M adverse to £1.0M adverse

It is anticipated that the Rehab and Reablement saving will not be achieved in full and that there will be a shortfall of £0.20M due to the delays whilst the proposals are fully considered and consulted.

H&ASC 6 – Adult Services Management (forecast adverse variance £0.22M).

Agency Saving Target forecast not to be achieved

Forecast range £0.1M adverse to £0.5M adverse

Currently there is not a plan to achieve the agency saving of £0.22M that was agreed by Council in February 2015. The Management Team are now looking at ways this saving target can be reached.

H&ASC 7 – Care Act funding £1.70M. Nil Variance

It is anticipated that the grant funding for the Care Act will be fully utilised in paying for additional activity. Should any of the required activity be able to be met within existing resources this will be reported during the year.

HOUSING AND SUSTAINABILITY PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.01M** at year end, which represents a percentage variance against budget of **0.6%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view.

Table P12 Housing and Sustainability Forecast Outturn

	£M	%
Housing & Sustainability	0.01 A	0.6
Potential Carry Forward Requests	0.00	

There are no SIGNIFICANT issues for the Portfolio at this stage.

LEADERS PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to break-even at year-end, which represents a percentage variance against budget of 0.0%. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

There are no SIGNIFICANT issues for the Portfolio at this stage.