

## DERBYSHIRE COUNTY COUNCIL

## AUDIT COMMITTEE

4 February 2020

## Report of the Director of Finance &amp; ICT

## BUDGET MONITORING 2019-20 (as at 31 October 2019)

**1 Purpose of the Report**

To provide Members with the Revenue Budget position for 2019-20 as at 31 October 2019.

**2 Information and Analysis**

The report summarises the controllable budget position by Cabinet Member Portfolio as at 31 October 2019. This report has been considered at Cabinet and will be considered at Council in accordance with the Budget Monitoring Policy and Financial Regulations.

The projected outturn compared to controllable budget is summarised below. This includes the use of one-off funding to support the Highways, Transport and Infrastructure and Young People portfolios. It also allows for the transfer of £5.000m additional Business Rates Relief Grant into an Earmarked Reserve as approved at the Cabinet Meeting of 21 November 2019.

	Budget	Forecast Actuals	Projected Outturn
	£m	£m	£m
Adult Care	249.954	248.287	(1.667)
Corporate Services	47.755	45.544	(2.211)
Economic Development and Regeneration	0.701	0.616	(0.085)
Health and Communities (exc. Public Health)	1.848	1.730	(0.118)
Highways, Transport and Infrastructure	79.843	79.058	(0.785)
Strategic Leadership, Culture and Tourism	12.825	12.569	(0.256)
Young People	110.503	116.208	5.705
<b>Total Portfolio Outturn</b>	<b>503.429</b>	<b>504.012</b>	<b>0.583</b>
Interest and Dividend Income			(0.597)
Debt Charges			(0.621)
Risk Management			(4.535)
Levies and Precepts			0.000
Corporate Adjustments			0.680
<b>Total</b>			<b>(4.490)</b>

A summary of the individual portfolio positions is detailed below.

## Adult Care

There is a projected year-end underspend of £1.667m. The main variances are:

Purchased Services, £4.768m overspend – relates to an increase in the cost of complex care packages and a reduction in Continuing Health Care funding.

Unallocated Budgets, £2.145m underspend – relates to budgets awaiting allocation during the year.

Health Funding, £1.807m underspend – relates to Winter Pressures grant funding which has now been allocated and had not been budgeted for originally.

Commissioning and Service Delivery, £0.959m underspend – due to vacancy control and new posts in the Management Team and Transformation Service being filled later than originally budgeted.

Assistive Technology and Equipment, £0.702m underspend – more targeted issuing has ensured that only the most appropriate equipment is supplied, saving on the procurement of less suitable equipment.

Due to the high projected underspend on the portfolio and the estimated increase in Better Care Fund grant income in addition to this, £5.000m of base budget has been transferred from Adult Care to the Risk Management budget.

The budget savings target for 2019-20 is £5.732m. Of this target, £6.083m is expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Adult Social Care Precept and Improved Better Care Fund - £12.439m, to cover the additional cost of independent sector fees, the pay award relating to staff working in Adult Care and to address the equitable allocation of budgets across the eight districts.
- Transformational Care Programme - £0.456m, to move 24 clients from long stay hospitals to social care provision in line with the independent living agenda.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

## Corporate Services

There is a projected year-end underspend of £2.211m. The main variances are:

Human Resources, £0.618m underspend – due to vacancy control. Departmental Human Resource functions are currently being centralised. Holding vacancies will assist in managing a planned restructure of the function as a whole which is expected to deliver significant savings in 2020-21 and 2021-22.

Finance and ICT, £0.525m underspend - due to vacancy control. This will assist in managing a planned restructure aiming to deliver significant savings over the three years from 2020-21.

Strategic Management, £0.345m underspend - relates to savings arising from previous restructures of senior management.

A budget savings target for 2019-20 of £1.367m has been allocated. Of this target, £1.229m of savings initiatives have been identified, all of which are expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Legal Services - £0.300m (one-off), to support the high levels of demand for the service
- ICT Strategy - £0.200m, to ensure that ICT is aligned with the needs of the business and delivery of the Enterprising Council programme.
- Enterprising Council - £0.150m (one-off), to support transformational change.
- Learning Management System - £0.083m (one-off), to manage the replacement of the Council's Learning Management system.
- HR SAP Development - £0.045m (one-off), to support the HR SAP Development team to generate financial savings.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

## **Economic Development and Regeneration**

There is a projected year-end underspend of £0.085m. The main variances are:

Economic Development, £0.126m underspend – Part of the budget for the Enhanced Enterprise and Investment Service is set aside to lever in external funding. Suitable projects which deliver sufficient value for money have not yet been identified and recruitment to posts within the service is not yet complete, so this budget is not currently forecast to be spent.

Employment and skills, £0.075m overspend – relates to salary overspend, resulting from a budget deficit when the Head of Employment and Skills post was established.

No budget savings target has been allocated to this portfolio for 2019-20.

No additional funding has been provided to this portfolio in the 2019-20 budget.

It is possible that demand from businesses for additional relief and support with trading arrangements will increase as a result of the process of the United Kingdom's departure from the European Union. It has not been possible to quantify the scale of the resources required to provide this support or the potential impact on the portfolio's outturn position.

### **Health and Communities**

The Health and Communities portfolio includes the Public Health budget of £39.477m, which is fully funded by the ring-fenced Public Health Grant for 2019-20. The forecast year-end position for the portfolio is an underspend of £0.056m. However, excluding Public Health, the portfolio is forecast to underspend by £0.118m. The main variances are:

Trading Standards, £0.173m underspend – progress towards future planned savings for the period to 2022 and one-off funding yet to be committed to support older people in respect of scams and doorstep crime.

A budget savings target of £0.157m has been allocated for 2019-20. A total of £0.206m of savings initiatives have been identified, of which it is anticipated that £0.206m will be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the following growth items:

- Coroners - £0.270m, to establish new posts and increase daily fees to Assistant Coroners.
- Trading Standards (Older People Support) - £0.048m (one-off), to provide a programme to increase awareness and reduce instances of fraudulent activity against older people.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

### **Highways, Transport and Infrastructure**

The Highways, Transport and Infrastructure portfolio is forecast to overspend by £1.215m, against a total budget of £77.843m. However, after the allocation of £2.000m of one-off funding from the Budget Management Earmarked Reserve, the portfolio is projected to underspend by £0.785m. Funding has been set aside in the Budget Management Earmarked Reserve for the

purpose of meeting the shortfall in the Economy, Transport and Environment department's identified savings target. The intention is to allocate £2.000m of savings to Highways Maintenance in a future financial year, but the 2019-20 Highways budget remains the same as last financial year because of the use of this funding from reserves. Use of the reserve for this purpose was approved in the Revenue Budget reported to Council on 6 February 2019.

Before the allocation of the reserve funding detailed above, the main variances are:

Unallocated Budget Savings, £5.250m overspend – savings targets not yet allocated to specific services.

Planning and Development, £1.778m underspend – mainly due to additional inspection fee income, paid to the Council by building developers, under Section 38 and 278 of the Highways Act (1980). The high levels of fee income reflect the present state of the local economy and the large number of developments currently underway.

Winter Maintenance, £1.777m overspend – of the £1.473m budget for the winter service, £1.189m had already been spent by the end of October 2019. Further expenditure of £2.061m is forecast for the remainder of the year. The Winter Service budget does not provide for more than a mild winter, so the Council is reliant on using contingency reserves for additional costs incurred as a result of a moderate or severe winter.

Highways Maintenance, £1.869m underspend – due to staff costs being allocated to capital budgets rather than revenue. The underspend is also due to vacancies; however, these will reduce as the new Highways staff structure is filled.

Waste Management, £1.647m underspend – lower than expected waste tonnages and savings under the service continuity arrangements.

Costs of £0.567m were incurred in response to the Toddbrook Reservoir incident at Whaley Bridge, predominantly by the Highways Maintenance service. The Highways and Maintenance service costs of £0.547m have been funded from the General Reserve. Use of the General Reserve for this purpose has been reflected in the forecasts above.

The budget savings target for 2019-20 is £2.609m, with a further £3.321m target brought forward from previous years. Of this total target of £5.930m, £0.680m is expected to be achieved by the end of the financial year, with the expected base budget overspend being met from one-off funding, as explained above. Therefore there is currently a £5.250m forecast shortfall in achievement of budget savings, however the multi-year savings programme to 2023-24 does allow for some slippage to be covered by prior years' underspends, still delivering the savings target in total.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Waste Management - £1.500m, to cover the increased cost of delivering the waste treatment and disposal contracts across Derbyshire and increased cost of recycling credits.
- Highways Maintenance - £1.000m (one-off), to provide a co-ordinated programme of maintenance improvements.
- Public Transport - £0.500m, to maintain reasonable levels of public transport accessibility across Derbyshire.
- Water Body £0.100m (one-off), to enable the Council to meet its obligations to manage its water bodies under new regulations
- HS2 Co-ordination Officer £0.064m (one-off), to support representation of the Council's interests as the HS2 route is developed.
- Street Lighting Energy - £0.048m (one-off), to meet inflationary increases to the cost of street lighting energy.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

Any additional costs incurred from the identified risks will be met from the Budget Management earmarked reserve, the Economy, Transport and Environment Prior Year underspends earmarked reserve and the Winter Maintenance earmarked reserve, therefore none of these issues are expected to impact on the overall budget position for 2019-20.

### **Strategic Leadership, Culture and Tourism**

A year-end underspend of £0.256m is projected. The main variances are:

Policy and Research, £0.176m underspend – due to vacancy control and reduced running costs.

Call Derbyshire, £0.134m underspend – due to vacancy control and staff turnover.

Heritage, £0.063m overspend – the Environmental Studies Service has been allocated a savings target which has yet to be achieved.

Tourism and Twinning, £0.057m underspend – reduced expenditure on tourism related activities.

The budget savings target for 2019-20 is £0.515m, with a further £0.159m target brought forward from previous years. All of this total target of £0.674m is expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the following items:

- Community Managed Libraries - £0.742m (one-off), to fund the commitment to introduce community managed libraries.
- Thriving Communities - £0.368m, to focus on radically reshaping demand, unlocking community potential and creating an alliance for work and skills.
- Enterprising Council - £0.094m, to support transformational change.

There are no significant risks expected to impact on the portfolio's outturn position.

## Young People

The Young People portfolio is forecast to overspend by £7.087m, against a total budget of £109.121m. However, after the allocation of £1.382m of one-off funding from the Budget Management Earmarked Reserve, the portfolio is projected to overspend by £5.705m. Funding has been set aside in the Budget Management Earmarked Reserve for the purpose of meeting the shortfall in the Children's Services department's identified savings target. The intention is to allocate £1.382m of savings to Children's Services budgets in a future financial year, but the 2019-20 budgets have not been reduced by this amount because of the use of this funding from reserves. Use of the reserve for this purpose was approved in the revenue budget reported to Council on 6 February 2019.

However, it should be noted that the eventual overspend could be as high as £8.500m depending on the continued trend in the rate of placements for children in care.

The forecast outturn position includes £6.756m of Dedicated Schools Grant income, as a contribution to the cost of supporting Early Help services and children with additional needs. Income from this source is not guaranteed to continue at the same level in future years.

Before the allocation of the reserve funding detailed above, the main variances are:

Placements for Children in Care, £5.060m overspend – placement numbers have continued to rise steadily over the last six months. There are currently more placements required than can be funded from the allocated budget. The forecast overspend has increased since August due to new placements.

Unallocated Budget, £2.946m underspend – this represents budget released as a result of changes to the Early Help offer. It is being held to cover an anticipated £1.767m of grant income which the government has signalled will be withdrawn in 2020-21. In the interim it will help offset some of the portfolio's underspend against its current budget.

Home to School Transport, £1.316m overspend – an increase in the number of journeys provided to children with Special Educational Needs (SEN) and an increase in the cost of those journeys, driven by economic factors and the need to provide more specialised vehicles.

Children’s Safeguarding Services, £1.027m overspend – reliance on more expensive agency social workers to meet an increasing caseload. The number of children with child protection plans is impacting on that team’s staff costs. Also, payments to support families without recourse to public funds, short term support associated with Universal Credit and the cost of accommodating children whilst court proceedings are concluded has increased the pressure on budgets to support children and families in need.

Education Support Services, £0.883m overspend – an increase in the number of children with SEN driving demand for the Psychology and the Planning and Assessment teams. Also, a growing number of children who are electively home educated is increasing the cost to the Council undertaking its statutory duties in respect of these children.

Support to Children with Disabilities, £0.832m overspend – increasing demand for support and complexity of some individuals’ needs.

Early Help and Preventative Services, £0.769m overspend – a shortfall in contributions from schools towards the Early Help offer.

Pensions Payable to Former Staff, £0.206m overspend – enhanced pension obligations payable to staff who left during the early 1990s.

A savings target of £3.013m has been allocated for 2019-20. Savings initiatives totalling £3.013m have been identified, of which £2.323m are expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Placement Demand Pressures - £3.000m plus one-off funding of £5.000m, to support the increase in the demand for placements and the increasing complexity of children and young peoples’ needs.
- Social Worker Recruitment - £1.300m plus one-off funding of £2.600m, as part of a four year recruitment plan to increase the number of social workers to ensure caseloads are at a healthy working level consistent with good practice.
- Home to School Transport (SEN) - £1.450m, to support the increased cost of transporting children and young people to school, pupil referral units or alternative provision when they have been excluded from mainstream schools.
- Increase in Special Guardianship Placements - £1.097m, to ensure the budget is sufficient to meet the current level of costs payable to those who have parental responsibility under a special guardianship order.



- Children in Care Legal Proceedings - £1.050m (one-off), reflecting the greater number of court proceedings and the increased use of external legal firms to present cases.
- Children's Homes - £0.450m, to provide additional staffing required to meet the needs of children and young people placed in homes.
- Care Leavers - £0.402m (one-off), to meet the cost of additional statutory duties towards care leavers.
- SEND Assessment and Planning - £0.275m, to provide additional staffing.
- Mobile Working - £0.260m (one-off), to develop solutions to enable more flexible working with the aim of achieving cost benefits and improvements to the timeliness of information.
- Complex Case Pooled Budget - £0.250m (one-off), contingency for the Council's contribution to the pooled budget reflecting the increasing levels of expenditure in recent years.
- Child Protection - £0.105m (one-off), to fund the cost of staff needed to respond to an increased number of children on protection plans. Staff will be reduced if the number of children on plans reduces.
- Children's Participation - £0.080m (one-off), to fund a delay to a planned budget reduction to the support provided to children and young people to participate in decision making. The service is seeking to identify alternative savings options.
- Foster Carers - £0.060m, to cover the inflationary increase to foster carer allowances from April 2019.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

### **Dedicated Schools Grant**

The Dedicated Schools Grant (DSG) is a ring-fenced grant comprising four individual blocks: Schools Block, High Needs Block (HNB), Early Years Block and Central Block. Allocations of the blocks are governed by the Schools and Early Years Finance Regulations. Any underspend or overspend on the grant is carried forward to future years within the accumulated balance of the DSG Earmarked Reserve.

After utilising available balances from the DSG reserve, it is anticipated that 2019-20 HNB expenditure will exceed the allocated grant income by £2.739m. This has increased since the last forecast because of the number of increasingly complex placements with independent and non-maintained providers. It is anticipated that surpluses in other blocks will offset the HNB deficit, bringing the overall balance on the DSG reserve to carry forward to 2020-21 to nil. However, there are commitments to be paid out to new schools over the next five years from these other blocks. Therefore, it is important that the HNB deficit is recovered before these commitments fall due. These deficits accumulate in the DSG reserve.

On 4 September 2019, in the Spending Review 2019, the Government announced an additional £700m of High Needs Funding for special educational needs. The Department for Education intends to distribute this between authorities based on the HNB within the DSG over the coming three years. It is anticipated that this additional funding will enable balanced spending plans to be set in the financial years to 2022-23, including recovery of the 2019-20 HNB deficit. Any remaining overall deficit on the DSG reserve would have to be funded by earmarking that amount from the General Reserve.

## Summary

A Council portfolio overspend of £0.583m is forecast, after the use of £3.382m of Earmarked Reserves to support the Highways, Transport and Infrastructure and Young People portfolios. Any underspends in 2019-20 will be used to manage the budget in 2020-21.

Interest and Dividends received on balances is estimated to underspend by £0.597m, assuming that returns on the Council's investments in pooled funds remain robust and that these investments are held for all of the financial year. The interest base rate is currently 0.75%, however, the Council utilises a range of investments to maximise its income.

The Debt Charges budget is projected to underspend by £0.621m. This is based on forecast interest payments, anticipated Capital Financing Requirement (CFR), a Minimum Revenue Provision (MRP) of 2.5% in keeping with the policy reported to Cabinet on 22 November 2016 and a £4.500m one-off reduction in the Council's Capital Adjustment Account Reserve. This reduction is made on the basis that the amounts set aside to repay debt over the last ten years are well in excess of what is required to ensure the Council can repay its debts.

The Risk Management Budget is forecast to underspend by £4.535m. This includes a virement of £5.000m of budget from the Adult Care portfolio. In 2019-20 a contingency amount of £1.000m was budgeted for burdens associated with complying with the new General Data Protection Regulations (GDPR). Use of this contingency amount is controlled by the Deputy Director of Legal Services. To date, £0.316m of this funding has been awarded to departments. Further awards in the remainder of the financial year are anticipated and additional costs required to comply with GDPR are anticipated to be incurred in 2020-21, therefore it is proposed to establish an earmarked reserve for £0.684m to carry forward any residual balance of this funding.

Corporate Adjustments are forecast to overspend by £0.680m. This is based on a prudent allowance for potential credit losses on the Council's non-rated investments.

Details of the Council's Earmarked Reserves balances as at 31 October 2019 are set out in Appendix One. In addition to these balances, £5.000m of

additional Business Rates Relief grant funding received will be transferred to a newly established Business Rates Relief Earmarked Reserve and £1.015m will be released from Earmarked Reserves to the General Reserve as approved by Cabinet on 21 November 2019.

A summary of the expected achievement of budget savings targets is provided at Appendix Three. The budget savings target for 2019-20 is £13.393m, with a further £3.480m target brought forward from previous years. The savings initiatives identified to meet this target currently fall short by £5.362m, therefore further proposals will need to be brought forward to ensure the Council continues to balance its budget. Of this total target of £16.873m, £11.145m is expected to be achieved by the end of the financial year. Therefore, there is a £5.728m forecast shortfall in achievement of budget savings. The resulting base budget overspend is offset to some extent by one-off underspends or is being met from one-off funding from earmarked reserves.

The age profile of debts owed to the Council and the value of debts written off is disclosed in Appendix Four. This information is collected on a departmental rather than a portfolio basis.

A forecast of the Council's General Reserve balance for the period 2019-20 to 2023-24 is detailed in Appendix Five. The forecast shows that the level of General Reserve is expected to be between 2% to 9% of the Council's Net Budget Requirement in the medium term. The majority of chief financial officers consider 3% to 5% of a council's net spending to be a prudent level of risk based reserves.

### **3 Financial Considerations**

As set out above.

### **4 Other Considerations**

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

### **5 Background Papers**

Papers held in Technical Section, Finance & ICT, Room 137, County Hall.

### **6 Officer's Recommendations**

That Audit Committee:

8.1 Notes the 2019-20 budget monitoring position as at 31 October 2019.

- 8.2 Notes the establishment of a GDPR Compliance Earmarked Reserve and a contribution of £0.684m from the Contingency budget into this reserve.

PETER HANDFORD

Director of Finance & ICT

## Earmarked Reserves as at 31 October 2019

<b>Adult Care</b>	<b>£m</b>
Older People's Housing Strategy	30.000
Other reserves	0.033
<b>Total Adult Care</b>	<b>30.033</b>
<b>Corporate Services</b>	
Loan Modification Gains	28.440
Insurance and Risk Management	20.069
Budget Management	19.626
Revenue Contributions to Capital	16.591
Planned Building Maintenance	5.932
Business Rates Strategic Investment Fund	4.889
Business Rates Pool	4.716
Prior Year Underspends	3.879
Computer Purchasing	3.615
Uninsured Financial Loss	3.500
Property Insurance Maintenance Pool	2.837
Property DLO	2.503
Change Management	2.311
PFI Reserves	1.981
Community Priorities Programme	1.025
Other reserves	4.047
<b>Total Corporate Services</b>	<b>125.961</b>
<b>Economic Development and Regeneration</b>	
D2 Growth Fund	0.200
Markham Environment Centre	0.114
Skills Training	0.101
Other reserves	0.391
<b>Total Economic Development and Regeneration</b>	<b>0.806</b>
<b>Health and Communities</b>	
Domestic Abuse	2.060
S256/External Funding	0.254
Other reserves	0.349
<b>Total Health and Communities</b>	<b>2.663</b>
<b>Highways, Transport and Infrastructure</b>	
Prior Year Underspends	10.713
Winter Maintenance	2.000
Road Safety Public Service Agreement (PSA)	1.182
Waste Recycling Initiatives	0.598

<b>APPENDIX 1</b>	<b>Public</b>
IT Reserve	0.559
Derby and Derbyshire Road Safety Partnership Reserve	0.500
Other reserves	1.254
<b>Total Highways, Transport and Infrastructure</b>	<b>16.806</b>
<b>Strategic Leadership, Culture and Tourism</b>	
Policy and Research	1.044
Community Managed Libraries	0.742
Derbyshire Challenge Fund	0.466
Library Restructure	0.429
Derwent Valley Mills World Heritage Site	0.193
Other reserves	0.590
<b>Total Strategic Leadership, Culture and Tourism</b>	<b>3.464</b>
<b>Young People</b>	
Tackling Troubled Families	4.083
Standards Fund (Schools)	1.170
Childrens Services IT Systems	0.746
School Rates Refunds	0.721
Youth Activity Grants	0.330
Foster Carer Adaptations	0.326
Other reserves	0.578
<b>Total Young People</b>	<b>7.954</b>
<b>Total Portfolio Earmarked Reserves</b>	<b>187.687</b>
<b>Schools</b>	
Schools Balances	25.776
Dedicated Schools Grant (DSG)	3.561
<b>Total balances held for and on behalf of schools</b>	<b>29.337</b>
<b>Public Health Grant</b>	<b>7.601</b>

Service	Risk	Sensitivity* £m	Likelihood (1 = Low, 5 = High)
*Sensitivity represents the potential negative impact on the outturn position should the event occur.			
<b>Debt Charges</b>			
Interest Payments	<p>If the Council needed to take out extra borrowing to fund additional capital expenditure, such as that associated with the purchase of the Waste Treatment Plant at Sinfin, this would impact on its annual interest payments.</p> <p>For example, an additional £30.000m of borrowing, from the Public Works Loans Board, repayable on maturity in 40 years, would cost an additional £0.951m each year at the current rate of 3.17%. If this borrowing were taken out in January 2019, the 3 month impact on the budget would be £0.238m.</p>	0.238	3
Minimum Revenue Provision	<p>An additional £30.000m of borrowing, from the Public Works Loans Board, repayable on maturity in 40 years would require an additional £0.750m to be provided each year for repayment of the debt.</p> <p>If this borrowing were taken out in January 2019, the 3 month impact on the budget would be £0.188m.</p>	0.188	3
<b>Adult Care</b>			
None	No single risks over £0.500m	-	-
<b>Corporate Services</b>			
County Property	Loss of key personnel due to uncertainty over a review planned to be implemented from January 2020. Potential net loss of income.	0.200	3

Service	Risk	Sensitivity* £m	Likelihood (1 = Low, 5 = High)
<b>Health and Communities</b>			
Coroners	National shortage of Pathologists may impact by increasing fees	0.090	5
<b>Highways, Transport and Infrastructure</b>			
Highways and Countryside	Failure of assets such as roads, pavements, bridges, retaining walls, street lighting columns, safety fencing, gullies, countryside assets, canals, reservoirs.	1.500	4
Winter Maintenance	Impact of a severe winter.	1.500	4
Street Lighting Energy and Maintenance	Further energy price increases, or further slippage in implementation of the LED programme.	0.300	2
Flooding and/or extreme weather	Emergency response procedures are in place to minimise the impacts of these emergencies. However there is the potential subsequent costs of remedial activities.	1.000	3
Waste Management	Costs associated with resolving the future of the Waste Treatment Plant at Sinfin, including the possibility that some of these costs may not be considered capital in nature.	3.000	5
<b>Young People</b>			
Placements	Increased number of children requiring placements.	1.500	4
Social Care services	Increase in number of referrals meeting social care thresholds.  Inability to recruit and retain sufficiently experienced social workers.	0.200  1.000	4  5
Department wide	Data security breaches resulting in fines.	0.500	3
Multi-Agency Teams	Not meeting targets for Troubled Families data collection resulting in loss of income	0.300	3



## APPENDIX 3

## Budget Savings Monitoring 2019-20

Portfolio	Budget Savings Targets			Savings Initiatives Identified			Target not Identified	Actual Savings Forecast	Savings Shortfall
	Not yet achieved Brought Forward			Still to be Achieved			(Shortfall)/ Additional Identified Savings	Forecast to be achieved by Financial Year End	Actual (Shortfall)/ Additional Achievement of Savings Target
	Prior Year £m	Current Year £m	Total Target £m	Prior Year £m	Current Year £m	Total Identified £m	£m	£m	£m
AC	0.000	5.732	<b>5.732</b>	0.000	5.732	<b>5.732</b>	0.000	6.083	0.351
CS	0.000	1.367	<b>1.367</b>	0.000	1.229	<b>1.229</b>	(0.138)	1.179	(0.188)
EDR	0.000	0.000	<b>0.000</b>	0.000	0.000	<b>0.000</b>	0.000	0.000	0.000
HC	0.000	0.157	<b>0.157</b>	0.000	0.206	<b>0.206</b>	0.049	0.206	0.049
HTI	3.321	2.609	<b>5.930</b>	0.000	0.680	<b>0.680</b>	(5.250)	0.680	(5.250)
SLCT	0.159	0.515	<b>0.674</b>	0.159	0.542	<b>0.701</b>	0.027	0.674	0.000
YP	0.000	3.013	<b>3.013</b>	0.000	3.013	<b>3.013</b>	0.000	2.323	(0.690)
<b>Total</b>	<b>3.480</b>	<b>13.393</b>	<b>16.873</b>	<b>0.159</b>	<b>11.402</b>	<b>11.561</b>	<b>(5.312)</b>	<b>11.145</b>	<b>(5.728)</b>

AC = Adult Care ; CS = Corporate Services ; EDR = Economic Development and Regeneration ; HC = Health and Communities; HTI = Highways, Transport and Infrastructure ; SLCT = Strategic Leadership, Culture and Tourism ; YP = Young People

**Age profile of debt, relating to income receivable, at 31 October 2019**

<b>0 - 30 Days £m</b>	<b>31 - 365 Days £m</b>	<b>1 - 2 Years £m</b>	<b>2 - 3 Years £m</b>	<b>3 - 4 Years £m</b>	<b>Over 4 Years £m</b>	<b>Total £m</b>
<b>Adult Care</b>						
1.561	6.132	1.111	0.849	0.303	0.611	<b>10.567</b>
14.8%	58.0%	10.5%	8.0%	2.9%	5.8%	<b>100.0%</b>
<b>Children's Services</b>						
1.036	0.832	0.053	0.059	0.008	0.018	<b>2.006</b>
51.6%	41.5%	2.6%	2.9%	0.4%	0.9%	<b>100.0%</b>
<b>Economy, Transport and Environment</b>						
1.521	3.795	0.447	0.045	0.017	0.013	<b>5.838</b>
26.1%	65.0%	7.7%	0.8%	0.3%	0.2%	<b>100.0%</b>
<b>Commissioning, Communities and Policy</b>						
5.492	1.876	0.273	0.089	0.024	0.175	<b>7.929</b>
69.3%	23.7%	3.4%	1.1%	0.3%	2.2%	<b>100.0%</b>
<b>All Departments</b>						
9.610	12.635	1.884	1.042	0.352	0.817	<b>26.340</b>
36.5%	48.0%	7.2%	4.0%	1.3%	3.1%	<b>100.0%</b>

**The value of debt written off in the 12 months up to 31 October 2019**

<b>Department</b>	<b>£m</b>
Adult Care	0.764
Children's Services	0.031
Economy, Transport and Environment	0.014
Commissioning, Communities and Policy	0.057
<b>All Departments</b>	<b>0.866</b>

## APPENDIX 5

**General Reserves Forecast**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Opening Balance</b>	<b>64.570</b>	<b>42.686</b>	<b>26.880</b>	<b>22.144</b>	<b>15.494</b>
Forecast Contributions	12.610	2.500	2.500	2.500	2.500
Forecast Use	(34.494)	(18.306)	(7.236)	(9.150)	(4.150)
<b>Forecast Closing Balance</b>	<b>42.686</b>	<b>26.880</b>	<b>22.144</b>	<b>15.494</b>	<b>13.844</b>
<b>Net Budget Requirement (NBR)</b>	<b>521.292</b>	<b>560.211</b>	<b>553.604</b>	<b>566.550</b>	<b>581.160</b>
<i>As Forecast in the Five Year Financial Plan in the Revenue Budget Report 23 January 2020</i>					
<b>General Reserve Balance as % of NBR</b>	<b>8.19%</b>	<b>4.80%</b>	<b>4.00%</b>	<b>2.73%</b>	<b>2.38%</b>