

Appendix 1 – Financial position 2020/21 P2

## Integrated Monitoring and Corporate Plan Report: Period 2

- At this early period, the Council is projecting a £1.359m underspend for the year, most notably in Adults (£2.115m) and Children’s (£0.719m), in part offset by a projected overspend in Neighbourhoods (£1.713m)
- Vigilance is needed given there are significant uncertainties and risks to the position as COVID-19 restrictions ease
- Adults, Childrens and Homelessness all have significant risk of increasing demand leading to additional costs
- Lower than forecast commercial income is the main driver of the Neighbourhoods overspend projection
- Corporate Plan monitoring continues to emphasise the importance of an inclusive economic recovery
- £3.370m of savings required are red-rated and a further £5.681m are amber-rated, out of total £40.7m savings

### 1. Overall MCC Financials

#### Integrated Monitoring report Period 2

#### Total Forecast Variance

	Original Budget	Revised Budget	Projected Outturn	Projected Variance
	£000	£000	£000	£000
<b>Total Available Resources</b>	<b>(637,304)</b>	<b>(656,949)</b>	<b>(657,057)</b>	<b>(108)</b>
Total Corporate Budgets	97,931	103,870	103,667	(203)
Children's Services	118,761	121,937	121,218	(719)
Adult Social Care	223,767	224,247	222,132	(2,115)
Neighbourhoods Directorate	93,267	99,872	101,585	1,713
Homelessness	27,495	27,495	27,495	0
Growth and Development*	10,580	(8,634)	(8,634)	0
Corporate Core*	65,503	88,162	88,235	73
<b>Total Directorate Budgets</b>	<b>539,373</b>	<b>553,079</b>	<b>552,031</b>	<b>(1,048)</b>
<b>Total Use of Resources</b>	<b>637,304</b>	<b>656,949</b>	<b>655,698</b>	<b>(1,251)</b>
<b>Total forecast over / (under) spend</b>	<b>0</b>	<b>0</b>	<b>(1,359)</b>	<b>(1,359)</b>

\*The large change in the net budgets of G&D and Core reflect that Facilities Management (£9.4m) and Operational Property (£6.5m) are now reported under Core.

#### Corporate Resources £0.108m overachievement

	Annual Budget	Projected Outturn	Projected Variance	Movement since last reported
	£000	£000	£000	£000
Resources Available				
Retained Business Rates	(130,562)	(130,562)	0	0
Council Tax	(176,857)	(176,857)	0	0
Other Specific Grants	(136,674)	(136,782)	(108)	0
Business Rates Grants	(25,854)	(25,854)	0	0
Dividends	(4,913)	(4,913)	0	0
Use of Reserves	(181,224)	(181,224)	0	0
<b>Total Corporate Resources</b>	<b>(656,084)</b>	<b>(656,192)</b>	<b>(108)</b>	<b>0</b>

#### Corporate Resources - Financial Headlines

- Variance: £108k grants overachievement mainly relates to the Local Council Tax Support Admin Subsidy

- The use of reserves of £181m reflects the timing of the Business Rates S31 grant for extended Retail Relief which was received in 2020/21 but is applied to offset the 2021/22 Collection Fund Deficit.
- Business Rates Collection as at the end of May is 13.3% which compares to 13.7% by this point last year and 21.8% in 2019/20. Note 37% of businesses are in receipt of 100% relief until the end of June, at which point the reliefs will reduce to 66% (national caps apply).
- Council Tax Collection at end May is 17.9% which compares to 16.6% by this point last year and 18.1% in 2019/20
- Any under or over collection of Council Tax or Business Rates will impact on 2022/23 budget because any impact on the Collection Fund is realised a year in arrears to ensure stability of funding.
- Invoices paid within 30 days 85.31% compared to a target of 95%, this is due to a combination of suppliers not sending invoices direct to the SSC and delays linked to the ongoing working arrangements.

## 2. Corporate Budgets

### Corporate Budgets £0.203m underspend

	Annual Budget	Projected Outturn	Projected Variance	Movement since last reported
Planned Use of Resources	£000	£000	£000	£000
Other Corporate Items	43,068	43,068	0	0
Contingency	4,719	4,719	0	0
Budgets to be Allocated	2,998	2,998	0	0
Levies	37,849	37,852	3	0
Historic Pension Costs	9,066	8,860	(206)	0
Transfer to Budget Smoothing Reserve	6,170	6,170	0	0
<b>Total Corporate Budgets</b>	<b>103,870</b>	<b>103,667</b>	<b>(203)</b>	<b>0</b>

#### Corporate Budgets - Financial Headlines

- Budgets are largely on track at this early stage of the financial year, with the exception being in relation to historic pension costs, which are currently forecast to underspend by £206k (2.3%) due to a reducing number of recipients.
- The approved budget included estimated pressures arising from COVID-19 costs and income shortfalls.
- All spend/income forecasts have been reviewed and it is proposed directorate budgets are reduced by £6.17m due to allowances made for expected additional COVID-19 pressures not being as high as forecast. It is proposed that the £6.17m is credited to the smoothing reserve to support next year's position, on which the outlook is uncertain.
- These proposed budget virements relate to Adults PPE £2.5m, £500k Piccadilly Triangle income, and reduced income shortfalls on Investment Estate (£2.6m), Planning and Licensing (£450k) and Legal, Coroners and Registrars (£120k),

### 3. Children's Services

#### Children's and Education Services - £0.719m underspend

	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£000	£000	£000	£000
LAC Placement	41,555	4,947	39,392	(2,163)	0
LAC Placement Services	6,641	896	6,641	0	0
Permanence and Leaving Care	14,361	2,657	15,186	825	0
Children Safeguarding Service Areas	35,911	6,254	36,355	445	0
Children's Safeguarding	98,468	14,754	97,574	(893)	0
Education Services	8,792	1,709	8,966	174	0
Home to School Transport	9,971	(246)	9,971	0	0
Targeted Youth Support Service	324	0	324	0	0
Education	19,087	1463	19,261	174	0
Children's Strategic Management and Business Support	4,383	517	4,383	0	0
<b>Total Young People (Children's and Education Services)</b>	<b>121,937</b>	<b>16,734</b>	<b>121,218</b>	<b>(719)</b>	<b>0</b>

#### Children's and Education Services - Financial Headlines

The outlook for Children's Services is uncertain with significant risks of increased demand such as more children being brought into care, as the full impact of COVID-19 becomes clearer. Whilst there has been an increase in the demand for Children's Services as lockdown measures are relaxed, the increases in the number of looked after children have not been as much as expected and this has contributed to the underspend position. The current position has also been underpinned by increasingly effective commissioning activity with improved processes through the case management system (liquid logic/controcc) and work with providers.

- The overall forecast position as at Period 2 is an underspend of **£0.719m**.
- The underspend in Looked After Children placements budgets of **£2.163m** is due to a combination of LAC placements being 76 below those budgeted for in May 2021 and average external residential unit costs being £448 pw less than budget.
- There is an overall overspend in Permanence and Leaving Care of **£0.825m**. The underlying pressure totals £1.6m in relation to supported accommodation for children, but this is offset by compensating underspends in permanence placements and by fully optimising the Unaccompanied Asylum-Seeking grant. Supported Accommodation current unit costs are significantly higher than budgeted at £1,084 per week against the budgeted costs of £701 per week with 73 placements at P2; leading to the £1.6m overspend. This is due to pressures in the market with provider increasing their charges in response to the regional increase in demand and shortage in suitable accommodation for care leavers due to take up their own tenancy.
- Overspend in Children's Safeguarding Service areas **£445k** is due to projected legal spend being greater than budget available, the pressure is due to continued use of external legal services given current level of demand for services and supply constraints.
- There has been a shortfall in school attendance penalty fines during the pandemic as schools have not been operating standard timetables, the need of pupils to self isolate and travel restrictions which have resulted in a **£174k** pressure in this area.
- The forecast outturn position reflects the achievement of £9.599m of the £12.359m 21/22 savings (77%). The shortfall is made up of £1m Multi-Agency placement savings, £1.6m Leaving Care and £160k Legal Services and is mitigated by number of LAC placement and external residential unit costs being less than budget

There are multiple factors influencing demand and activity for Children's Services such as deprivation, domestic abuse, substance misuse and adult mental health which have been heightened during the pandemic. Given this, it has been assumed the contingency £2.6m budget for managing additional demand will be fully utilised by year-end.

Dedicated Schools Grant (DSG) in 2021/22 totals £603m, of which £263m is top sliced by the Department for Education (DfE) to

pay for academy budgets. The DSG is projecting an in-year overspend of £304k, due to an increase in Out of Area placements within the High Need Block (HNB), as placements were higher than expected since April 2021. Additional high needs funding 2021/22 of £11.456m was received, of which £9.956m was allocated to meet demands in growth, and £1.500m is planned to be used towards recovery of the 2020/21 DSG deficit of £2.258m. Recovery plan was presented to School Forum, reviewing the areas of pressure within high needs to support a recovery expected 2022/23.

**Outstanding payments to providers of £1.5m** are included in the forecast.

## 4. Adult social care / Manchester Local Care Organisation

### Adult Social Care and Population Health - £2.115m underspend

	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£000	£000	£000	£000
Provider Services	28,720	5,005	31,734	3,014	0
Hospital Teams, Front door and TEC	2,891	840	2,757	(134)	0
Integrated Neighbourhood teams	45,809	4,355	40,584	(5,225)	0
Complex Services (LD, MH, Transition)	85,481	5,368	89,530	4,049	0
Commissioning MLCO	4,684	604	4,275	(409)	0
Back office, citywide support & growth	13,380	2,276	10,589	(2,791)	0
<b>Total ASC Aligned Budget MLCO</b>	<b>180,965</b>	<b>18,448</b>	<b>179,469</b>	<b>(1,496)</b>	<b>0</b>
MCC – Out of scope Population Health	41,155	82	40,574	(581)	0
MCC – Out of scope other	2,128	(375)	2,090	(38)	0
<b>Total ASC and Population Health</b>	<b>224,248</b>	<b>18,155</b>	<b>221,133</b>	<b>(2,115)</b>	<b>0</b>

The Adults position continues to carry significant financial risk from the impact of COVID-19. Considerable uncertainty remains as families and individuals assess the impact of COVID-19 and what that will mean for their individual care packages.

- The Provider Services overspend is driven by pressures in the internal supported accommodation budgets with a high level of vacancies (£2.6m) being filled by agency staff, resulting in an offsetting agency overspend of £5.2m. There is also reduced levels of Continuing Healthcare income, as 8 clients have been assessed as not meeting the threshold (£392k). These pressures are offset by underspends on Day Care and Short Breaks provision of £229k as they adjust to new COVID-19 requirements.
- There is an underspend on the Hospital Social Worker teams due to delays in recruitment of £116k. A number of posts directly supporting hospital discharge will continue to be funded via COVID-19 monies whilst demand exists. There a small underspend on the staffing budgets supporting the role out of assistive technology and Technology Enabled Care. (£18k).
- The Integrated Neighbourhood Teams budget has significant underspends on the care budgets of £5.3m. The most significant underspend is on the residential and nursing budgets for both under and over 65s which total £5m. Numbers remain low at 77% of pre COVID-19 levels, with no noticeable increase in referrals at this point in the year. The underspend allows for £3.5m of clients' costs held with the CCG, expected to transition back to MCC during the year. Staffing budgets have a £101k overspend.
- Complex services are forecast to overspend by £4m, of which £3m relates to Learning Disability packages. Progress to date on the Better Outcomes Better Lives (BOBL) programme is £300k of savings delivered against a net target for the year of £3.3m. Savings are profiled to increase over the year as roll out of strengths based working continues. There is a further pressure on personal budgets (£1.4m) due to increased numbers of packages being offered offset by an underspend on mental health budgets (£0.4m) due to reduced numbers of clients.
- The commissioning of Extracare provision has an underspend of £409k due slippage against the opening of the new schemes. The establishment of these places can be up to 70% less expensive than the cost of residential care and when this comes on stream there should be a corresponding reduction in residential care costs contributing to the services savings target.
- Back office, citywide support and growth budgets are forecasting an underspend of £2.791m. Of which, £1.951m is recurrent BOBL investment yet to be deployed, £149k is Better Care Fund monies yet to be allocated, the balance is underspend of citywide staff and support services.
- The Population Health budget is forecasting an underspend of £581k, with £270k of that being staffing related, as staff work to support COVID-19 activities with the balance being on activity based contracts.

## 5. Neighbourhoods

## 5 a. Neighbourhoods overall

### Neighbourhoods - £1.713m overspend

	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£000	£000	£000	£000
Neighbourhood Management & Support	1,120	144	1,120	0	0
Operations and Commissioning	43,046	11,049	44,935	1,889	0
Parks, Leisure, Events and Youth	9,209	2,198	9,244	35	0
Compliance and Community Safety	16,189	2,067	16,086	(103)	0
Libraries, Galleries and Culture	9,670	1,925	9,670	0	0
Neighbourhood Area Teams	2,782	435	2,674	(108)	0
Other Neighbourhood Services	455	20	455	0	0
<b>SUB TOTAL</b>	<b>82,471</b>	<b>17,838</b>	<b>84,184</b>	<b>1,713</b>	<b>0</b>
Highways	17,401	(296)	17,401	0	0
<b>SUMMARY TOTAL</b>	<b>99,872</b>	<b>17,542</b>	<b>101,585</b>	<b>1,713</b>	<b>0</b>

#### Neighbourhoods Financial Headlines

##### Overview of main variances (£1.713m overspend)

Neighbourhoods overall forecast position is showing a net £1.713m overspend, with main driver of this being reduced commercial income (£1.889m) in Operations and Commissioning. This is made up of:

- £100k net reduced advertising revenue. The small format contract has been signed and is expected to go live in August 2021, but the large format contract income is lower than forecast due to a reduction in the number of available sites. The net position is after drawing down c£0.7m from the advertising reserve to offset part year income for the small format contract.
- CCTV – Following the bringing the off street car parks back in house the CCTV monitoring contract costs have increased by £307k, work is ongoing to review the requirements to identify opportunities for reducing the contract costs.
- £276k forecast reduced off street car parking income, mainly driven by reduced season ticket sales, as people work flexibly from home. The forecast for pay on the day is anticipated to return to budget as City Centre footfall returns.
- Albert Square is not available to house the 2021 Christmas markets and if no alternative market sites are able to be identified the reduced number of stalls is forecast to provide a net under achievement of c£1m.
- School Catering provision transfers to schools from September 2021, with staff TUPE transferring over – due to timing and some residual costs of staff a pressure of £87k is forecast, this is net of £0.626m drawdown from the catering reserve.
- £133k reduced markets income (2.4%) due to lower numbers of traders at New Smithfield, Sunday Market Car Boot and Longsight market. Stallholders have reduced because of the pandemic and once the economy has re-opened work will be undertaken to try and attract new traders to the markets.
- Due to continuing increased tonnages for residual waste it is forecast that waste levy costs will be c£1m higher than the original budget. This was identified as a risk at budget setting and a waste contingency identified. The position assumes the £1m will be offset by the contingency budget, which is subject to approval.

## 5 b. Homelessness

	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£'000	£000	£000	£000
Homelessness					
Singles Accommodation	1,657	1,228	1,689	32	0

B&B's (Room only)	4,004	956	5,096	1,092	0
Families Specialist Accom.	314	123	294	-20	0
Accommodation Total	5,975	2,307	7,079	1,104	0
Floating Support Service	1,445	348	1,529	84	0
Dispersed & Temporary Accom. Management Fee	3,380	80	4,712	1,332	0
Dispersed Accom. Total	4,825	428	6,241	1,416	0
Homeless Management	567	134	613	46	0
Homeless Assessment & Cases	2,610	391	2,479	-131	0
Homelessness PRS & Move On	750	-147	790	40	0
Rough Sleepers Outreach	413	-560	332	-81	0
Tenancy Compliance	207	37	189	-18	0
Homelessness Support Total	4,547	-145	4,403	-144	0
Commissioned Services	7,791	824	7,762	-29	0
Commissioned Services Total	7,791	824	7,762	-29	0
Covid-19 Response	4,357	569	2,010	-2,347	0
Covid-19 Response Total	4,357	569	2,010	-2,347	0
<b>Total</b>	<b>27,495</b>	<b>3,983</b>	<b>27,495</b>	<b>0</b>	<b>0</b>

#### Homelessness Financial Headlines

Homelessness remains a high risk area, with significant unknowns around expected demand for services in the coming months as the impact of the eviction ban and financial support such as furlough end, is felt across the city. Current activity levels are expected to increase during the year. The reported position for P2 is breakeven, however if activity levels remained in line with May activity, the year end position would be an underspend of £1.237m.

#### Overview of main variances:

- B&B, forecast overspend of £1.092m based on current numbers, average placements per night of 277 singles and 58 families in May. There is now a dedicated workstream to stop the use of B&B for families, which will be implemented in the coming months. Current net cost of B&B provision is £88k per week.
- Dispersed accommodation and temporary accommodation management fee, forecast overspend of £1.332m based on current numbers, placements at the end of May were 1,912. This is a reduction of 67 from March with 74 properties transferring to the District Homes pilot. The aim of the pilot is for District Homes to manage 400 properties, the number of dispersed properties increased by 306 in 2020/21. The current housing subsidy loss to MCC is £157k per week.
- The above pressures are offset by and underspend of £3.584m on Covid-19 allocation, it is important to note that additional funding has been received £3.252m to fund emergency accommodation April to June (£500k) and increased allocation for Rough Sleeper Initiative (£2.752m). Funding is only confirmed for this financial year. This increased allocation is being utilised to maintain provision at Rams Lodge, an improved Private Rented Sector offer and continuation of the Protect programme, all of which are likely to be part of the long term offer to reduce the number of people becoming homeless and would have been funded from the Covid-19 investment if funding from MHCLG had not been forthcoming.
- Budget allocation has not been vired from Covid-19 underspend to cover pressures in B&B and Dispersed, as these are not the long term solutions to provide better outcomes. Based on current activity levels there is resource of £1.237m uncommitted. This resource would fund approximately 570 additional properties in Dispersed Accommodation for a 6 month period or 182 B&B places per night for the same period. Officers are working closely with both Private Rented Sector landlords and Registered Providers to minimise the impact of the eviction ban ending in Manchester.

## 5c. Housing delivery and HRA

**HRA - £6.9m underspend**

	Annual Budget	Net Actual Expenditure/ (Income)	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£000	£000	£000	£000
Housing Rents	(61,617)	(9,812)	(61,617)	0	0
Heating Income	(533)	(53)	(533)	0	0
PFI Credit	(23,374)	0	(23,374)	0	0
Other Income	(1,131)	(131)	(1,131)	0	0
Funding from General/MRR Reserves	(16,931)	0	(16,864)	67	0
<b>Total Income</b>	<b>(103,586)</b>	<b>(949)</b>	<b>(103,519)</b>	<b>67</b>	<b>0</b>
Northwards R&M & Management Fee	25,415	4,281	25,139	(276)	0
PFI Contractor Payments	32,476	3,645	32,476	0	0
Communal Heating	532	-50	532	0	0
Supervision and mgmt	5,489	883	5,502	13	0
Contribution to Bad Debts	930	0	930	0	0
Depreciation	18,435	0	18,435	0	0
Other Expenditure	1,305	73	1,305	0	0
RCCO	16,241	0	9,500	(6,741)	0
Interest Payable and similar	2,763	0	2,763	0	0
<b>Total Expenditure</b>	<b>103,586</b>	<b>8,832</b>	<b>96,582</b>	<b>(7,004)</b>	<b>0</b>
<b>Total HRA</b>	<b>0</b>	<b>7,883</b>	<b>(6,937)</b>	<b>(6,937)</b>	<b>0</b>

Movement in General/MRR Reserves	Opening Balance	Budgeted Adjustment	Forecast Closing Balance	Additional Adjustment	Revised Forecast Closing Balance
	81,115	-16,931	64,184	6,937	71,121

#### HRA Financial Headlines

- The Housing Revenue Account is forecasting to underspend by £6.9m, with £6.7m being due to reprofiling of planned capital programme works in the current financial year.
- As part of the budget setting process the repairs and maintenance budget was increased by £4m to allow for the anticipated increased costs following the retendering, but as part of implementation cost reductions were identified as part of the contract and this has reduced in year costs by £276k.
- Northwards transition into the City Council with effect from 4 July 2021, and as part of the preparation work is ongoing to set up the new budgets for operational housing, these will be reflected in the next update to Executive post transfer. this will mean that the costs of staffing and repairs will replace Northwards management fee budgets.
- The changes mean that the draw down from the HRA General Reserves will be £6.9m less than budgeted, and the HRA general reserve will be c£71.1m at year end.

## 6. Growth and Development

### Growth and Development – break even

Growth & Development	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£000	£000	£000	£000



Investment Estate	(12,630)	(805)	(12,675)	(45)	0
Manchester Creative Digital Assets (MCDA)	250	807	250	0	0
Growth & Development	164	551	164	0	0
City Centre Regeneration	1,234	289	1,230	(4)	0
Housing & Residential Growth	1,155	293	1,231	76	0
Planning, Building Control & Licensing	(680)	(207)	(707)	(27)	0
Work & Skills	1,873	36	1,873	0	0
The Community Hub	0	24	0	0	0
Manchester Adult Education Service (MAES)	0	(308)	0	0	0
Our Town Hall Project	0	517	0	0	0
<b>Total Growth &amp; Development (G &amp; D)</b>	<b>(8,634)</b>	<b>1,197</b>	<b>(8,634)</b>	<b>0</b>	<b>0</b>

#### Growth and Development - Financial Headlines

Growth & Development is currently forecasting to break even, with the main variances being as follows:

- Investment Estate underspend £45k made up of £235k staff savings (vacancies), offset by £190k reduced rental income.
- Housing & Residential Growth overspend of £76k, mainly due to reduced external income for Housing Investment Team
- Planning, Building Control & Licensing underspend of £27k, due to staffing savings.

The figures take account of one-off funding to offset COVID-19 related income shortfalls, but there is still a significant risk to income in the Investment Estate which should become clearer as restrictions are lifted

## 7. Corporate Core

### Corporate Core – £73k overspend

Chief Executives	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£'000	£000	£000	£000
Coroners and Registrars	2,323	185	2,313	(10)	0
Elections	1,492	978	1,492	0	0
Legal Services	7,081	1,997	6,911	(170)	0
Communications	3,149	475	3,149	0	0
Executive	972	135	972	0	0
Legal, Comms, Democratic Statutory Sub Total	15,017	3,770	14,873	(180)	0
Corporate Items	605	13	803	198	0
<b>Chief Executives Total</b>	<b>15,622</b>	<b>3,783</b>	<b>15,640</b>	<b>18</b>	<b>0</b>

Corporate Services	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement since last reported
	£000	£000	£000	£000	£000
Policy, Performance and Reform	13,957	2,989	13,922	(35)	0
Finance, Procurement, Commercial Govce	6,454	1,756	6,384	(70)	0
Customer Services and Transactions	17,378	7,281	17,388	10	0
ICT	13,044	3,363	12,846	(198)	0
Human Resources & OD	4,274	1,086	4,274	0	0

Audit, Risk and Resilience	1,365	16	1,365	0	0
Capital Progs, Operational Property, Facilities	16,068	6,129	16,416	348	0
<b>Corporate Services Total</b>	<b>72,540</b>	<b>22,620</b>	<b>72,595</b>	<b>55</b>	<b>0</b>
<b>Total Corporate Core</b>	<b>88,162</b>	<b>26,403</b>	<b>88,235</b>	<b>73</b>	<b>0</b>

#### Corporate Core - Financial Headlines

##### Corporate Core are forecasting a net £73k overspend, and the key variances are:--

- Legal Services charge fees to both internal and external clients, and due to increased levels of activity the fee income is forecast to be c£170k higher than budget.
- Corporate Items – the numbers of staff requesting to purchase additional annual leave continues to be low, and it is forecast that the income from the annual purchase scheme will be £198k lower than budget.
- ICT - £198k underspend mainly due to savings on employee budgets due to the timing and recruitment to vacancies
- Capital Programmes - £348k overspend due to £0.61m unachieved operational property savings, partly offset by £262k underspend on employee budgets in Operational Property (£89k) and facilities management (£173k).
- In addition to the above there is an ongoing risk that Council tax recovery from court summons may be up to £1m lower than budget. This is dependent on future court dates and the number of cases we can present. This will be retained under review and details confirmed once cases begin to go through the courts.

## 8. Savings Achievement - £3.470m high risk

	Savings Target 2021/22			
	Green	Amber	Red	Total
	£000	£000	£000	£000
Children's Services	9,599	0	2,760	12,359
Adult Social Care	10,597	1,000	0	11,597
Neighbourhoods	2,308	4,375	0	6,683
Homelessness	2,335	0	0	2,335
Growth and Development	1,414	0	610	2,024
Corporate Core	5,413	306	0	5,719
<b>Total Budget Savings</b>	<b>31,666</b>	<b>5,681</b>	<b>3,370</b>	<b>40,717</b>

#### Savings - Headlines

£40.717m approved savings, £3.370m (8.5%) are considered high risk as follows

- Children's Services - £2.760m. – £1m relates to Health contribution, £1.6m to leaving care and £160k to legal fees reduction. The underachievement is mitigated by underspends in the current financial year.
- Growth & Development - £0.610m Reduce office costs through reduced estate – linked to delayed ending of property lease.

£5.681m of savings (14%) are considered medium risk as follows:

- Adults - £1.000m – There is a concern that slippage on the start of the BOBL programme cannot be recovered in year. Slippage is estimated based on £300k having been verified to date from the number of clients packages which have been reviewed to date. Further work is underway to reprofile when future savings will be achieved.
- Neighbourhoods - £4.375m, includes £275k advertising income from new sites that is subject to planning permissions and £4.1m car parking income for the off street car parking due to the impact of Covid, and particularly around annual season ticket income
- Corporate Core -£306k staff savings in Human Resources this is pending finalisation of the HR redesign.