



Revenue and Capital Budget Monitoring & Forecast Outturn 2020-21

Exception Report

July 2020-21

By Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford
Corporate Director of Finance, Zena Cooke
Corporate Directors

To Cabinet – 21 September 2020

Unrestricted

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1 Introduction

This report provides the budget monitoring position up to 31 July 2020-21 for both Revenue and Capital budgets, including the Covid-19 forecast.

1.2 This report is based on July actuals and is therefore prior to the budget amendment. This is a budget monitoring position before the impact of the budget amendment which was taken to County Council on 10th September 2020, and therefore some over and underspends will be affected by changes to the budget that will be implemented in October.

1.3 The Revenue forecast is an overspend of £7.9m excluding Covid-19. This is a decrease of £6.7m from the previous reported forecast. The largest variance is +£6.7m in CYPE, with overspends also forecast in ASCH of +£2.8m, and S&CS of +1.7m. GET and FI&U are forecasting underspends of -£1.4m and -£1.9m respectively.

The Revenue forecast is an overspend of £24.5m if Covid-19 future risks are included. The Covid-19 related variance including future risks is +£16.6m.

1.4 The Capital forecast is an underspend of £121.6m excluding Covid-19. The forecast underspend has increased by £73.6m from the previous reported forecast. The underspend is made up of -£0.6m real and -£121.0m rephasing variance. This represents 27.1% of the capital budget. The largest real variance is -£1.6m in CYPE, with overspends forecast in ASCH (+£0.2m) and GET (+£0.9m).

The major rephasing variances are -£57.7m in S&CS, -£41.3m in GET and -£21.0m in CYPE.

1.5 Schools' Delegated Budgets are reporting a £30.6m overspend. The overspend position of +£30.6m reflects the impact of high demand and high cost per child of High Needs Placements.

2 Recommendations

Cabinet is asked to:

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| 2.1 | Note the forecast Revenue and Capital monitoring position as at July 2020 | The forecast overspend on the Revenue budget as at July 2020 does not include the changes in the amended budget approved by County Council on 10 th September. The next detailed budget monitoring report as at the end of September will reflect the amended budget. Progress on the delivery off the savings and management action will be set out in the September report. |
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3 Revenue & Capital Positions

Revenue Variance +£7.9m overspend
Capital Variance -£121.6m underspend

Revenue Variance

Directorate	Revenue Budget £m	Variance excl. Covid-19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Adult Social Care & Health	399.2	+2.8	29.7	+32.5
Children, Young People & Education	273.5	+6.7	9.5	+16.2
Growth, Environment & Transport	180.3	-1.4	10.9	+9.5
Strategic & Corporate Services	87.3	+1.7	8.0	+9.7
Financing Items & Unallocated	157.5	-1.9	9.3	+7.4
	1,097.8	+7.9	67.4	+75.3
Removal of underspends not included in MHCLG return			20.4	+20.4
Additional Covid-19 risks identified in MHCLG return			4.3	+4.3
Covid-19 Financial Support Grant			-75.5	-75.5
			16.6	+24.5
Schools' Delegated Budgets	0.0	+30.6	0.0	+30.6
	1,097.8	+38.5	+16.6	+55.1

Capital Variance

Directorate	Capital Budget £m	Variance excl. Covid-19 £m	Real Variance £m	Rephasing Variance £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Adult Social Care & Health	4.2	-0.7	0.2	-0.9	0.0	-0.7
Children, Young People & Education	154.3	-22.6	-1.6	-21.0	4.4	-18.2
Growth, Environment & Transport	218.5	-40.5	0.9	-41.3	0.1	-40.4
Strategic & Corporate Services	71.5	-57.8	0.0	-57.7	0.0	-57.8
	448.6	-121.6	-0.6	-121.0	4.5	-117.1

Covid-19 Forecasts (19-20 and 20-21)

	ASCH £m	CYPE £m	GET £m	S&CS £m	FI&U £m	Total £m
Actual spend in 2019-20	0.1	0.4	1.0	0.2		1.7
Revenue Forecasts						
Actual spend	8.2	11.1	3.5	9.4		32.2
Underspends	-1.5	-8.7	-7.6	-2.4	-0.2	-20.4
Loss of income	0.3	1.8	10.2	0.8	7.5	20.6
Unrealised savings	3.4	1.3	0.3		2.0	7.0
One off payments to the market	19.2	0.3	0.2			19.7
Payments for undelivered variable fee services	0.1	3.7	4.3	0.2		8.3
Revenue Forecast spend in 2020-21	29.7	9.5	10.9	8.0	9.3	67.4
Capital Forecasts						
Actual spend		4.4	0.1			4.5
Total Covid-19 Position (19-20 and 20-21)	29.8	14.3	12.0	8.2	9.3	73.6
Removal of underspends not included in MHCLG return	1.5	8.7	7.6	2.4	0.2	20.4
Removal of capital forecast not included in MHCLG return		-4.4	-0.1			-4.5
Additional Covid-19 risks identified in MHCLG return						4.3
Total Covid-19 related spend						93.8
Less Covid-19 Financial Support Grant						-77.2
Revenue shortfall						16.6
Capital shortfall						4.5