

COMMENTARY:

The overall position against the budget for the current year is a forecast pressure of £1m against the net budget of £150.3m (0.7%). This is an improvement against the Q1 forecast of £1.2m (0.8%)

The key potential cost pressures are:

Children's Social Care £1.5m- mainly related to the cost of care packages

Adult Social Care £525,000 - This relates mainly to two items, reviews of care packages projecting a shortfall of £347k due to the net impact of growth in new high cost packages therefore reducing the savings that are being made. The other item being the reconfiguration of the Mental Health Wellbeing Centres and Mobile Nights Service £179k which has slipped in its delivery programme due to a lengthy consultation stage with full stakeholder involvement but which is still anticipated to deliver the full saving but in the next financial year.

Highways PFI £482,000. In total by 2021/22 it is planned that the annual total saving on the contract will be £2m a year, with £1m being profiled in the current financial year.(£0.5m in the previous year). Negotiations are still on-going and the council still remains on track to achieve the overall £2m target with the remainder of this (£0.5m) being realised in 2021/22. However, the savings thus far have not been realised exactly to time, this means that there is a budget shortfall in the current year but which will remedy itself in the next financial year, the council will then be working towards agreeing the final £0.5m to be in place for the 2021/22 financial year.

Crematorium & Cemetery charges £145,000 - the saving was based on price increases on the same level of burials and cremations as in the previous year. The forecast income is based on the profile of how income was received last year, which shows that numbers of burials and cremations are down compared to the same time last year. However, the activity in the current year is unlikely to exactly follow the same pattern and therefore the forecast is likely to change as the year progresses and may return to target.

The key underspending relates to :

Treasury management savings £2m

The Budget Savings Strategy Monitoring Report (below) is a report only on those savings proposals identified in the Budget Report to 2019 Council. It does not reflect other savings forecast to be achieved (described above) as part of the management of the council budget as a whole.

The forecast position is that the original savings plan is not achieved by approximately £1.3m against the target of £5.5m. This should be set in the context of the Council already achieving £82m of savings since 2011/12 and naturally savings become more difficult to deliver in each future year as savings are achieved and budgets reduce. The Council's Medium Term Financial Strategy (MTFS) seeks to smooth out savings targets to enable a more measured and planned approach to be taken. This can only be facilitated if there are sufficient council contingencies and reserves. The MTFS has built sufficient financial resilience to allow the council to plan for savings that have a reasonable chance of being delivered and accepting that there will be the risk that some will not be delivered or delivered in expected timescales.

The Administration and Directors continue to exercise rigorous financial restraint over all of its activities, managing the forecast overspend down from £1.2m at Q1 to £1.0m at Q2, and will endeavour to deliver a balance budget by the year end. The Council has sufficient financial resilience and financial discipline to manage the current forecast overspend position.

PROGRESS ON BUDGET SAVINGS STRATEGY 2019-20

Month **September**

Portfolio/Description	Savings Ref	Total Target Amount	Profiled Target @	Amount Achieved to Date	Variance to Profile	Total Still to Achieve	Forecast Savings @ Year End	Forecast Variance @ Year End	Previous Month Status	Current Status
			September							
		£	£	£	£	£	£	£		
ADULT SOCIAL CARE,PUBLIC HEALTH & HOUSING NEEDS										
Community equipment contract - Red Cross	1	68,700	68,700	68,700	0	0	68,700	0	B	B
Healthwatch & Health Complaints Advocacy contract	2	6,800	6,800	6,800	0	0	6,800	0	B	B
Voluntary & Community Sector Infrastructure contract	3	10,000	10,000	10,000	0	0	10,000	0	B	B
Review of 1 Hour home support packages	4	253,300	156,586	0	-156,586	253,300	96,714	156,586	R	R
FYE of non-residential care charging policy	5	255,700	255,700	255,700	0	0	255,700	0	B	B
Reconfig of Mental Health Day Centres	6	142,700	104,281	0	-104,281	142,700	38,419	104,281	R	R
Internal Mobile Nights Service	7	102,000	74,538	0	-74,538	102,000	27,462	74,538	R	R
Ongoing review of all care packages	8	1,000,000	730,768	499,431	-231,337	500,569	809,597	190,403	R	R
Adelaide & Gouldings day care charges	9	20,800	7,564	5,831	-1,733	14,969	20,800	0	G	G
Internal LD Homes - Supported Living	10	160,500	48,850	108,818	59,968	51,682	160,500	0	A	G
Deputyship income - increase in activity levels	11	50,000	50,000	50,000	0	0	50,000	0	B	B
		2,070,500	1,513,787	1,005,280	-508,507	1,065,220	1,544,692	525,808		
CHILDREN'S SERVICES										
Reduction in legal fees of land transfers - maintained schools converting to academies	12	20,000	20,000	20,000	0	0	20,000	0	B	B
Home to School Transport contract reduction	13	73,000	73,000	73,000	0	0	73,000	0	B	B
Education Welfare - additional income	14	30,000	30,000	30,000	0	0	30,000	0	B	B
Careers Service - removal of council subsidy	15	25,000	25,000	25,000	0	0	25,000	0	G	B
Complaints independent report writing	16	10,000	10,000	10,000	0	0	10,000	0	B	B
Management restructure implemented Feb 18	17	53,000	53,000	53,000	0	0	53,000	0	B	B
Fostering team efficiencies	18	25,000	25,000	25,000	0	0	25,000	0	B	B
YMCA Young Carers contract reduction	19	10,000	10,000	10,000	0	0	10,000	0	B	B
Family Centre - contract review	20	116,000	116,000	116,000	0	0	116,000	0	B	B
Early Intervention Teams - review structure	21	150,000	150,000	150,000	0	0	150,000	0	B	B
Early Help case management system	22	3,500	3,500	3,500	0	0	3,500	0	B	B
		515,500	515,500	515,500	0	0	515,500	0		
COMMUNITY SAFETY & PUBLIC PROTECTION										
Regulatory Services - review structure	23	10,000	0	0	0	10,000	10,000	0	G	G
Crematorium & Cemetery Charges 5% increase	24	180,000	94,400	17,500	-76,900	162,500	35,000	145,000	A	A
Registration Charges 5% increase	25	5,000	2,900	2,500	-400	2,500	5,000	0	A	G
PPE Contract - provided in-house	26	80,000	80,000	80,000	0	0	80,000	0	B	B
		275,000	177,300	100,000	-77,300	175,000	130,000	145,000		

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ENVIRONMENT & HERITAGE										
Leisure Centre income - current activity and prices	27	150,000	73,800	75,000	1,200	75,000	150,000	0	A	G
Leisure Centre income - Heights extension impact	28	104,000	51,800	52,000	200	52,000	104,000	0	A	G
Shanklin Lift fees - uplift from £1.50 to £2.00 return	29	10,000	9,200	0	-9,200	10,000	0	10,000	A	A
Beach Huts - additional income	30	10,400	10,400	0	-10,400	10,400	0	10,400	A	A
		274,400	145,200	127,000	-18,200	147,400	254,000	20,400		
INFRASTRUCTURE & TRANSPORT										
Parking Permits charging - 10% increase	31	44,800	25,000	22,400	-2,600	22,400	44,800	0	G	G
£1 overnight charge - on-street & off-street	32	147,500	94,800	73,750	-21,050	73,750	147,500	0	G	G
Visitor Permits - reduce discount	33	13,300	9,000	11,438	2,438	1,862	13,300	0	G	G
Comprehensive review of PFI Contract	34	1,000,000	0	0	0	1,000,000	518,000	482,000	R	R
		1,205,600	128,800	107,588	-21,212	1,098,012	723,600	482,000		
PLANNING & HOUSING RENEWAL										
Pre Planning Advice Service income	35	39,000	0	0	0	39,000	9,000	30,000	R	R
Planning conditions charging	36	15,700	0	0	0	15,700	0	15,700	R	R
Extension of scope of HMO legislation - income	37	25,000	12,498	14,995	2,497	10,005	25,000	0	G	G
		79,700	12,498	14,995	2,497	64,705	34,000	45,700		
PROCUREMENT, WASTE MANAGEMENT, PROJECTS & FORWARD PLANNING										
Green Waste Service - increased participation	38	10,000	10,000	0	-10,000	10,000	10,000	0	G	G
Reduction in waste volumes - reduced disposal cost	39	100,000	0	0	0	100,000	100,000	0	G	G
Annual booklet & calendar sent out with CT leaflet	40	20,000	0	0	0	20,000	0	20,000	R	R
		130,000	10,000	0	-10,000	130,000	110,000	20,000		
REGENERATION & BUSINESS DEVELOPMENT										
Lease of units 1-4 at BAE site	41	33,000	16,500	32,422	15,922	578	33,000	0	G	G
		33,000	16,500	32,422	15,922	578	33,000	0		
RESOURCES										
Enterprise House - termination of lease	42	30,600	0	0	0	30,600	30,600	0	G	G
Seaclose - lease to other parties	43	55,800	55,800	0	-55,800	55,800	0	55,800	R	R
99 Artic Road - Lease to UKSA	44	19,000	10,792	15,542	4,750	3,458	19,000	0	G	G
County Hall - lease of CAB, Guildhall - rental from Newport & Carisbrooke Parish Council	45	15,000	0	4,706	4,706	10,294	15,000	0	G	G
Income from leases - rent reviews	46	20,000	10,000	10,000	0	10,000	20,000	0	G	G
L&D budget rationalisation	47	10,000	4,998	833	-4,165	9,167	10,000	0	G	G
L&D external marketing of programmes	48	5,000	2,502	417	-2,085	4,583	5,000	0	G	G
L&D - rationalisation of social care training	49	5,000	2,502	417	-2,085	4,583	5,000	0	G	G
Rationalisation of staff related expenditure	50	5,000	3,000	3,000	0	2,000	5,000	0	G	G
Tax related savings - VAT and National insurance	51	410,900	205,452	205,452	0	205,448	410,900	0	G	G

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Vacancy Management savings within Business Centre	52	20,000	10,002	10,002	0	9,998	20,000	0	G	G
Commercial property acquisitions - income	53	300,000	150,000	150,000	0	150,000	300,000	0	G	G
New Internal Audit contract efficiency savings	54	20,000	10,002	10,002	0	9,998	20,000	0	G	G
		916,300	465,050	410,371	-54,679	505,929	860,500	55,800		
TOTAL		5,500,000	2,984,635	2,313,157	-671,479	3,186,843	4,205,292	1,294,708		

Key:

Achieved

On Target to be Achieved

At Risk of not being Achieved

Unlikely to be Achieved

B
G
A
R