



Money Matters
The County Council's Revenue Financial
Position
2019/20 Quarter 1

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1. Summary Revenue Budget Monitoring Position as at 30th June 2019

Service Area	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
ADULTS	556.062	561.842	5.780	-214.778	-213.428	1.350	341.284	348.414	7.130	2.09%
ADULT SERVICES AND PUBLIC HEALTH & WELLBEING	7.734	7.819	0.085	-0.757	-0.744	0.013	6.977	7.075	0.098	1.40%
PUBLIC HEALTH & WELLBEING	73.862	73.868	0.006	-71.972	-72.079	-0.107	1.890	1.789	-0.101	-5.34%
EDUCATION AND CHILDREN'S SERVICES	256.405	261.139	4.734	-78.280	-80.712	-2.432	178.125	180.427	2.302	1.29%
GROWTH, ENVIRONMENT & PLANNING	14.106	13.956	-0.150	-9.824	-9.324	0.500	4.282	4.632	0.350	8.17%
HIGHWAYS AND TRANSPORT	243.674	238.892	-4.782	-110.041	-103.232	6.809	133.633	135.660	2.027	1.52%
FINANCE	61.695	61.598	-0.097	-23.318	-23.436	-0.118	38.377	38.162	-0.215	-0.56%
CORPORATE	33.646	33.527	-0.119	-14.615	-14.407	0.208	19.031	19.120	0.089	0.47%
STRATEGY AND PERFORMANCE	73.448	74.316	0.868	-39.519	-39.696	-0.177	33.929	34.620	0.691	2.04%
CHIEF EXECUTIVE SERVICES	65.854	64.352	-1.502	-21.105	-32.480	-11.375	44.749	31.872	-12.877	-28.78%
TOTAL	1,386.486	1,391.309	4.823	-584.209	-589.538	-5.329	802.277	801.771	-0.506	-0.06%

2. Executive Summary

This report provides an update to cabinet on the county council's 2019/20 revenue financial position as at the end of June 2019. The forecast outturn for 2019/20 is outlined in the table above, with a £0.506m underspend forecast, which by way of context is 0.06% of the county council's net budget.

The narrative within this report provides details of key variances and the progress towards the achievement of savings. The revenue position includes significant levels of support from reserves that have previously been agreed. In 2019/20 reserve funding totals £10.245m, primarily covering the structural funding gap, and if this support had not been available then forecast expenditure would have exceeded forecast income by £9.739m.

It is important to recognise that this forecast is very early in the financial year and based on 3 months of actual expenditure and income, combined with budget holder knowledge of anticipated activity over the rest of the year and trends from previous years. This means that there is expected to be volatility in the forecast and evidence from prior years indicates that officers are generally prudent in their forecasts at this point in the year.

In order to complete the forecast position at the end of Quarter 1 a detailed analysis of year to date income and expenditure has taken place for each service area in conjunction with a review of activity data and comparing this to trends in previous years. The position that is reported currently reflects our most robust forecast at this stage. However, there are some volatile, primarily demand led, service areas that could see their forecast fluctuate both positively and negatively during the rest of the financial year. Areas such as recycle income, concessionary travel, treasury management, adult social care and children's social care are areas that are particularly closely monitored as fluctuations across these areas are most likely to materially impact the forecast position.

As part of the forecast above, analysis is also completed of some key cross cutting areas within service budgets, particular analysis is undertaken on staffing budgets as they represent approximately half of the council's net budget. Staffing budgets are currently forecast to underspend by c£1.2m. Services such as Mental Health and the Children, Family and Wellbeing Service currently have relatively high levels of vacancies but continue to undertake recruitment campaigns during 2019/20 and therefore their underspends are not expected to be recurrent. The staffing budgets this year contain savings relating to a vacancy factor and also terms and conditions. The information available at Quarter 1 continues to indicate that the vacancy factor is higher than expected reducing forecast staff costs and offsetting the terms and conditions saving in relation to unpaid annual leave, sickness levels and agency spend, which is not delivering at the anticipated rate. This position will continue to be kept under close review during the year.

The savings that have been agreed to date are also closely monitored, with a total of c£68m to be delivered in 2019/20. The financial position at the end of quarter 1 has maintained the position of 95% of savings rated as on track, but some potentially with issues to work through such as delays. The remaining 5% are the most challenging to deliver currently, but services are working hard to deliver those savings and are regularly reporting progress. In some cases due to changing circumstances some savings have been declared undeliverable and are built back into the budget within the medium term financial strategy from 2020/21 (Appendix B).

3. Adult Services

ADULTS	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
DISABILITY (adults)	30.558	30.058	-0.500	-31.787	-31.787	0.000	-1.229	-1.729	-0.500	-40.68%
Learning Disabilities, Autism & Mental Health	198.227	200.373	2.146	-24.876	-25.038	-0.162	173.351	175.335	1.984	1.14%
OLDER PEOPLE	24.795	25.765	0.970	-22.947	-23.174	-0.227	1.848	2.591	0.743	40.21%
SOCIAL CARE SERVICES (adults)	302.482	305.645	3.163	-135.168	-133.430	1.738	167.314	172.215	4.901	2.93%
TOTAL ADULTS	556.062	561.841	5.779	-214.778	-213.429	1.349	341.284	348.412	7.130	2.09%

Adult Services – forecast overspend £7.130m

The largest element of the overall forecast overspend across Adult Services relates to the underachievement of the sleep-ins service challenge saving following the recent decision by cabinet in relation to new rates being applied, with the main impact (£4m) being on the Learning Disabilities service. In addition overspends are forecast across physical support commissioned services (£2.5m) based on expenditure and income to date combined with work to monitor the significant service challenge savings for 2019/20. There are also forecast overspends across prevention services, primarily telecare, (£1.4m) and staffing budgets (£600,000). At this stage in the financial year assumptions have been made that generally reflect that savings will be delivered. This is a significant risk across this budget and as the financial year progresses we will be able to monitor more accurately the delivery of savings.

There is an overall overspend across our Learning Disability, Autism and Mental Health services including social work and in-house care support teams. As outlined above the main reason for the overspend in this area related to the changes to the delivery of the significant saving relating to sleep-in rates. Offsetting this pressure are a number of forecast underspends such as staff turnover and delays in recruitment particularly in mental health (but also within the learning disability service to a smaller extent), however this has not impacted on quality ratings with all provision rated good or outstanding. In addition across mental health there are lower than forecast placement numbers which are suppressing costs overall in social work teams. It should be noted that the service is forecast to overachieve on income targets based on the levels generated to date.

In contrast the older people and physical disability services, including social work teams and in house care provision, has an overall overspend although it is supporting significantly higher numbers of people. The financial challenge in the in house service concerns occupancy levels which are below target and the necessity of covering staff absences and work is underway to improve attendance levels and establish a casual pool of employees. In addition, residential placements are forecasting a pressure at this stage in the financial year, this is as a result of the current number of placements being greater than assumed within the budget as this is an area where significant levels of savings are expected to be achieved. However, demand for nursing placements is lower than 2018/19 levels, although a continuing increase in placement costs are putting some pressure on the budget. It must be noted that the level of residential and nursing placements are often more costly when compared to other care packages such as domiciliary care, in addition alternative placements to residential care often provide better outcomes for the service user.

Domiciliary care and direct payments continue to be an area of demand pressure, which could be seen during 2018/19. However we would expect to see increased demand in this area and reduced residential admissions as a result of the passport to independence strategy and subsequent savings that were agreed.

4. Adult Services and Public Health & Wellbeing

ADULT SERVICES AND PUBLIC HEALTH & WELLBEING	Approved Expenditure Budget	Expenditure Forecast Outturn	Expenditure Forecast Outturn Variance	Approved Income Budget	Income Forecast Outturn	Income Forecast Outturn Variance	Approved Net Budget	Net Forecast Outturn	Net Forecast Outturn Variance	Net Forecast Outturn Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
POLICY INFO & COMMISSION AGE WELL	0.462	0.462	0.000	0.000	0.000	0.000	0.462	0.462	0.000	0.00%
POLICY INFO & COMMISSION LIVE WELL	0.730	0.730	0.000	-0.209	-0.209	0.000	0.521	0.521	0.000	0.00%
PATIENT SAFETY & QUALITY IMPROVEMENT	6.542	6.627	0.085	-0.548	-0.535	0.013	5.994	6.092	0.098	1.63%
TOTAL ADULT SERVICES AND PUBLIC HEALTH & WELLBEING	7.734	7.819	0.085	-0.757	-0.744	0.013	6.977	7.075	0.098	1.40%

Adult Services and Public Health & Wellbeing – forecast overspend £98,000

The overspend position is due to an increased volume of referrals into the safeguarding enquiry service via Multi Agency Safeguarding Hub (MASH) which resulted in some additional temporary resource costs to clear the backlog whilst more fundamental changes are made to service processes.

5. Public Health & Wellbeing

PUBLIC HEALTH & WELLBEING	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
PUBLIC HEALTH & WELLBEING	0.746	0.811	0.065	-66.870	-66.872	-0.002	-66.124	-66.061	0.063	0.10%
HEALTH EQUITY WELFARE & PARTNERSHIPS	66.401	66.257	-0.144	-2.275	-2.275	0.000	64.126	63.982	-0.144	-0.22%
Health, Safety & Resilience	1.827	1.946	0.119	-1.202	-1.422	-0.220	0.625	0.524	-0.101	-16.16%
TRADING STANDARDS & SCIENTIFIC SERVICES	4.888	4.854	-0.034	-1.625	-1.510	0.115	3.263	3.344	0.081	2.48%
TOTAL PUBLIC HEALTH & WELLBEING	73.862	73.868	0.006	-71.972	-72.079	-0.107	1.890	1.789	-0.101	-5.34%

Public Health and Wellbeing – forecast underspend £101,000

An underspend position is forecast across the Health, Equity and Welfare & Partnerships Team, however this forecast position represents a number of variances projected across different elements of the service. A particular area of pressure relates to sexual health contracts, as demand continues to increase on tariff based arrangements (£316,000). There are also additional demand pressures on out of area recharges for sexual health (c£300,000). The in-year pressures have been off-set by other service area underspends on contracts and service areas of £419,000. In addition the service is forecast to underspend on staffing by £341,000 due to vacancy levels.

Health Safety & Resilience is forecast to underspend by £101,000 due to overachievement of health and safety income and underspends on operational costs.

6. Education and Children's Services

EDUCATION AND CHILDREN'S SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
CHILDREN SOCIAL CARE LOCALITIES	108.417	111.482	3.065	-6.671	-6.939	-0.268	101.746	104.543	2.797	2.75%
FOSTERING ADOPTION RESIDENTIAL AND YOT	33.510	35.211	1.701	-2.623	-3.361	-0.738	30.887	31.850	0.963	3.12%
SAFEGUARDING INSPEC & AUDIT	12.922	12.616	-0.306	-0.997	-1.028	-0.031	11.925	11.588	-0.337	-2.83%
CHILDREN AND FAMILY WELLBEING SERVICE	19.004	17.689	-1.315	-3.376	-4.859	-1.483	15.628	12.830	-2.798	-17.90%
EDUCATION QUALITY & PERFORMANCE	15.437	14.930	-0.507	-8.668	-8.546	0.122	6.769	6.384	-0.385	-5.69%
LEARNING SERVICES & SKILLS	40.236	38.864	-1.372	-45.470	-42.945	2.525	-5.234	-4.081	1.153	22.03%
INCLUSION	22.187	22.834	0.647	-5.477	-5.076	0.401	16.710	17.758	1.048	6.27%
POLICY INFO & COMMISSION START WELL	1.747	5.266	3.519	-0.622	-4.122	-3.500	1.125	1.144	0.019	1.69%
EDUCATION & CHILDREN'S SERVICES CENTRAL COSTS	2.945	2.247	-0.698	-4.376	-3.836	0.540	-1.431	-1.589	-0.158	-11.04%
TOTAL EDUCATION & CHILDREN'S SERVICES	256.405	261.139	4.734	-78.280	-80.712	-2.432	178.125	180.427	2.302	1.29%

Children's Social Care Localities – forecast overspend £2.797m

The forecast variance includes an anticipated overspend of £1.821m related to staffing. The service continues to experience issues with recruitment and retention which results in posts being temporarily filled with agency staff (at extra cost). This position includes the cost of work undertaken by external providers. The service are working hard towards filling these vacancies to reduce this pressure within the financial year.

The most significant overspend relates to agency fostering placements which are forecast to overspend by £2.500m. Placements increased from 488 in March 2018 to 524 in March 2019 and increased again to 538 placements in June 2019. Work is continuing as part of the Children's Services Finance Monitoring Board to review numbers of placements, to estimate likely future demand, including the achievement of agreed savings, in order to identify the impact of this on the County Council's budget.

An underspend of £1.273m is forecast within family support payments (which mainly relates to Child Arrangement Order's and regular payments). Special Guardianship Orders (SGOs) continue to increase however, it is forecast that this will be contained within the budget for 2019/20.

Fostering, Adoption Residential and Youth Offending Team – forecast overspend £963,000

The service is forecasting an overspend mainly due to pressures within the residential in-house provision due to staff costs overspends resulting from an increase in complex placements, the use of casual staff to support outreach/edge of care services and welfare checks. In addition the fostering service is forecasting an overspend relating to fostering allowances as a result of increases in placement numbers. These pressures are offset by smaller underspends across other elements of the service.

Safeguarding, Inspection and Audit (SIA) – forecast underspend £337,000

The service is forecasting underspends relating to staff costs across the service as a result of vacancies which are slightly offset by smaller overspends on operational costs within the service.

Children Family and Wellbeing Service (CFW) – forecast underspend £2.798m

The forecast position relates to anticipated staffing underspends due to continuing levels of staff vacancies over and above the vacancy factor level. However, the staffing levels mean the service is having to adapt their level of service delivery accordingly. In

addition, in the final year of the troubled families programme the service expect to significantly over achieve the budgeted level of income they receive due to payment by results.

Education Quality and Performance – forecast underspend £385,000

Forecast underspends of £382,000 relate to CLA work placements based on levels of expenditure in 2018/19. This represents early delivery of savings which are due to be made from 2020/21. There are also forecast underspends across other elements of the service which are offset by an under achievement of income across teams.

Learning and Skills Service – forecast negative variance (overspend) £1.153m

The forecast position represents a forecast contribution to corporate overheads of £4.080m in 2019/20. The negative variance is due to the following:

- School Catering is forecast to overspend by £438,000 in 2019/20 due to increases in food costs.
- Outdoor Education is forecast to overspend by £149,000. This relates to undeliverable savings from 2017/18 and an increase in supplies and services expenditure.
- Learning Excellence is forecast to overspend by £521,000 largely due to a decrease in income through the decline of course bookings from schools as a result of the closure changes to the location of courses provided. The service is working towards mitigating against this through use of other venues.

Inclusion – forecast overspend £1.048m

An overspend of £875,000 is forecast predominantly due to Children with Disabilities (CwD) placements (which includes residential and fostering placements) and CWD family support due to increases in demand. There are smaller overspends also forecast across aids and adaptations, and within the traded services element of the service. Offsetting these pressures are underspends across staffing costs and operational costs.

Education and Children's Services Central Costs – forecast underspend £158,000

The forecast underspend mainly relates to Premature Retirement Costs (PRC) for schools based staff.

7. Growth, Environment and Planning Services

GROWTH, ENVIRONMENT & PLANNING	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
LEP COORDINATION	0.434	0.434	0.000	-0.184	-0.184	0.000	0.250	0.250	0.000	0.00%
BUSINESS GROWTH	5.848	5.798	-0.050	-4.271	-4.271	0.000	1.577	1.527	-0.050	-3.17%
PLANNING AND ENVIRONMENT	5.169	5.069	-0.100	-3.651	-3.151	0.500	1.518	1.918	0.400	26.35%
ESTATES	1.700	1.700	0.000	-1.164	-1.164	0.000	0.536	0.536	0.000	0.00%
STRATEGIC DEVELOPMENT	0.956	0.956	0.000	-0.554	-0.554	0.000	0.402	0.402	0.000	0.00%
TOTAL GROWTH, ENVIRONMENT & PLANNING	14.107	13.957	-0.150	-9.824	-9.324	0.500	4.283	4.633	0.350	8.17%

The overspend above relates to a pressure within planning and environment due an income shortfall from capital on a highways scheme. This is however offset by some smaller staff underspends across the service.

8. Highways and Transport

HIGHWAYS AND TRANSPORT	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
WASTE MGT	79.147	76.149	-2.998	-13.152	-11.541	1.611	65.995	64.608	-1.387	-2.10%
LIBRARIES, MUSEUMS, CULTURE & ARCHIVES	13.254	12.841	-0.413	-3.396	-3.162	0.234	9.858	9.679	-0.179	-1.82%
HIGHWAYS	49.272	47.425	-1.847	-39.236	-36.876	2.360	10.036	10.549	0.513	5.11%
PUBLIC & INTEGRATED TRANSPORT	78.477	79.965	1.488	-30.799	-30.385	0.414	47.678	49.580	1.902	3.99%
CUSTOMER ACCESS	5.274	5.408	0.134	-2.200	-2.571	-0.371	3.074	2.837	-0.237	-7.71%
DESIGN and CONSTRUCTION	18.250	17.104	-1.146	-21.258	-18.697	2.561	-3.008	-1.593	1.415	47.04%
TOTAL HIGHWAYS AND TRANSPORT	243.674	238.892	-4.782	-110.041	-103.232	6.809	133.633	135.660	2.027	1.52%

Waste Management – Forecast underspend £1.387m

The service is forecast to underspend by £1.387m due to a combination of factors, the costs of waste disposal with lower than budgeted waste arisings and waste being diverted from landfill at lower than budgeted prices, partly due to the use of our own fleet of vehicles to transport waste. Waste arisings are currently forecast to be low but this may change and will continue to be monitored throughout the financial year. Further forecast underspends of £173,000 relate to green waste and lower tonnages.

Partly offsetting the underspends are budget pressures relating to income received for recycled waste, particularly paper and card, resulting in forecast overspends of £906,000. These markets are volatile so the position is likely to be subject to change throughout the financial year. In addition, a pressure of £702,000 is forecast due to increased insurance costs for the waste sites.

Libraries, Museums, Culture and Archives (LMCA) – Forecast underspend £179,000

The forecast underspend predominantly relates to the library service and a combination of lower staffing and supplies and services expenditure.

Highways – Forecast overspend £513,000

The forecast overspend predominantly relates to plant utilisation. This was a significant pressure in 2018/19 and steps have been taken to reduce this including the sale of some plant that was not sufficiently utilised.

There are also a number of demand led income budgets within highways that relate to developer and utility companies activities. Forecast income for these activities tend to be subject to change during the financial year, however, the current expectation is that they will outturn close to budget.

Public and Integrated Transport – Forecast overspend £1.902m

The main overspending area within the service relates to transport costs particularly for children with special educational needs. This is a combination of delayed delivery of savings relating to independent travel training (c£1.000m) and increased inflation and demand over and above what was included in the budget for taxi costs and increases in passenger numbers (c£600,000).

In addition there are forecast income pressures of c£500,000 for the tendered public bus network. The budget for this service was increased to £3m in 2018/19 with additional routes being introduced, however, fare income is lower than originally anticipated. Work

is ongoing to review services to bring spend within budget. A further income pressure of c£200,000 is forecast for bus stations. Departure charges are, however, due to rise incrementally over the next 3 years which will reduce this pressure over time.

The above is partly offset by forecast underspends of c£400,000 on concessionary travel due to lower demand. This will continue to be monitored throughout 2019/20.

Customer Access – Forecast underspend £237,000

The forecast position predominantly relates to additional income.

Design and Construction – Forecast Overspend £1.415m

Design and Construction property is forecast to overspend by £1.030m. Lower than forecast income recovery of £1.445m is expected largely due to a larger number of smaller projects which tends to require a proportionately greater staffing resource. The above is partly offset by forecast underspends of £415,000 on staffing and agency costs. Depending on levels of work the service flexes staffing resource, particularly reliance on agency staff, but the mix of projects being delivered in 2019/20 means the staffing underspend is significantly lower than reduced income levels.

Design and Construction highways is forecast to overspend by £385,000. There are currently several vacancies so whilst there is a significant staffing underspend there is a greater under recovery of income since this is an income generating service.

9. Finance

FINANCE	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
BTLS	25.609	25.212	-0.397	-2.177	-2.005	0.172	23.432	23.207	-0.225	-0.96%
LANCASHIRE PENSION FUND	0.187	0.252	0.065	-0.184	-0.252	-0.068	0.003	0.000	-0.003	-
EXCHEQUER SERVICES	5.182	5.020	-0.162	-1.944	-2.088	-0.144	3.238	2.932	-0.306	-9.45%
FINANCIAL MGT (DEVELOPMENT AND SCHOOLS)	2.280	2.438	0.158	-2.293	-2.346	-0.053	-0.013	0.092	0.105	-
FINANCIAL MGT (OPERATIONAL)	1.862	1.853	-0.009	-0.192	-0.204	-0.012	1.670	1.649	-0.021	-1.26%
CORPORATE FINANCE	22.640	22.753	0.113	-15.064	-15.095	-0.031	7.576	7.658	0.082	1.08%
INTERNAL AUDIT	0.912	0.916	0.004	-0.193	-0.175	0.018	0.719	0.741	0.022	3.06%
PROCUREMENT	3.023	3.154	0.131	-1.271	-1.271	0.000	1.752	1.883	0.131	7.48%
TOTAL FINANCE	61.695	61.598	-0.097	-23.318	-23.436	-0.118	38.377	38.162	-0.215	-0.56%

Finance services are forecast to underspend by £215,000.

The forecast underspend is predominantly due to underspends reported within the BTLS budget due to reduced operational costs. In addition there are forecast underspends across several services, particularly exchequer services, in relation to employee costs. A further underspend is forecast within exchequer services as a result of the expected over achievement of savings. The underspends are offset by staffing pressures across financial management (development and schools) and procurement.

10. Corporate Services

CORPORATE SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
CORONER'S SERVICE	2.717	2.568	-0.149	-0.284	-0.279	0.005	2.433	2.289	-0.144	-5.92%
HUMAN RESOURCES	9.861	9.488	-0.373	-8.949	-8.679	0.270	0.912	0.809	-0.103	-11.29%
LEGAL, GOVERNANCE AND REGISTRARS	17.454	17.863	0.409	-4.538	-4.605	-0.067	12.916	13.258	0.342	2.65%
SKILLS LEARNING & DEVELOPMENT	3.614	3.608	-0.006	-0.844	-0.844	0.000	2.770	2.764	-0.006	-0.22%
TOTAL CORPORATE SERVICES	33.646	33.527	-0.119	-14.615	-14.407	0.208	19.031	19.120	0.089	0.47%

Corporate services are forecast to overspend by £89,000. The main pressure across the service relates to legal fees, which is offset by underspends anticipated within the coroners service and human resources service mainly as a result of additional income.

11. Strategy and Performance

STRATEGY AND PERFORMANCE	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
ASSET MGT	38.516	38.638	0.122	-31.633	-31.820	-0.187	6.883	6.818	-0.065	-0.94%
FACILITIES MGT	28.043	28.722	0.679	-7.484	-7.504	-0.020	20.559	21.218	0.659	3.21%
CORE SYSTEMS AND BUSINESS SUPPORT	3.970	4.027	0.057	-0.327	-0.297	0.030	3.643	3.730	0.087	2.39%
PROGRAMME OFFICE	1.565	1.575	0.010	0.000	0.000	0.000	1.565	1.575	0.010	0.64%
BUSINESS INTELLIGENCE	1.354	1.354	0.000	-0.075	-0.075	0.000	1.279	1.279	0.000	0.00%
TOTAL STRATEGY AND PERFORMANCE	73.448	74.316	0.868	-39.519	-39.696	-0.177	33.929	34.620	0.691	2.04%

The strategy and performance service is forecast to overspend by £691,000 in 2019/20. This mainly relates to the operational property budget for repairs and maintenance which was reduced in 2018/19 by £750,000 and a further £750,000 in 2019/20. Whilst work is underway to carry out condition surveys on properties in order to develop a programme of planned works which will reduce future reactive R&M costs, an overspend of £983,000 is anticipated in 2019/20. This is offset by a non-recurring underspend of fees not being incurred that were anticipated at the end of 2018/19.

12. Chief Executive Services

CHIEF EXECUTIVE SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
CHIEF EXECUTIVE	3.748	4.058	0.310	-0.213	-0.444	-0.231	3.535	3.614	0.079	2.23%
COMMUNICATIONS	1.135	1.135	0.000	-0.187	-0.187	0.000	0.948	0.948	0.000	0.00%
CORPORATE BUDGETS (FUNDING AND GRANTS)	2.884	1.803	-1.081	-10.245	-11.377	-1.132	-7.361	-9.574	-2.213	-30.06%
CORPORATE BUDGETS (TREASURY MANAGEMENT)	36.703	39.714	3.011	-10.460	-20.472	-10.012	26.243	19.242	-7.001	-26.68%
CORPORATE BUDGETS (PENSIONS & APPRENTICESHIP LEVY)	21.384	17.642	-3.742	0.000	0.000	0.000	21.384	17.642	-3.742	-17.50%
TOTAL CHIEF EXECUTIVE SERVICES	65.854	64.352	-1.502	-21.105	-32.480	-11.375	44.749	31.872	-12.877	-28.78%

Chief Executive Services are forecast to underspend by £12.877m in 2019/20. This relates to forecast gains across the treasury management budget (£7.000m) primarily as a result of extra income received through the continuing volatility in the price of Gilts and other bonds enabling sales to be made which have generated a significant surplus. Further savings are due to the final year of the pension prepayment and additional income from a surplus on the collection fund. In addition the budget for investment to support the service challenge savings delivery is forecasting an underspend of £1m, however this will not impact on savings delivery.