



Money Matters
The County Council's Revenue Financial
Position
2019/20 Quarter 2

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1. Summary Revenue Budget Monitoring Position as at 30th September 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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
ADULTS	557.245	576.252	19.007	-216.430	-223.300	-6.870	340.815	352.952	12.137	3.56%	7.130
ADULT SERVICES AND PUBLIC HEALTH & WELLBEING	8.174	8.208	0.034	-0.757	-0.914	-0.157	7.417	7.294	-0.123	-1.66%	0.098
PUBLIC HEALTH & WELLBEING	73.721	74.031	0.310	-71.972	-72.216	-0.244	1.749	1.815	0.066	3.77%	-0.102
EDUCATION AND CHILDREN'S SERVICES	237.147	244.255	7.108	-46.415	-49.988	-3.573	190.732	194.267	3.535	1.85%	1.685
GROWTH, ENVIRONMENT & PLANNING	15.408	15.546	0.138	-11.136	-10.959	0.177	4.272	4.587	0.315	7.37%	0.350
HIGHWAYS AND TRANSPORT	230.907	225.471	-5.436	-106.933	-100.929	6.004	123.974	124.542	0.568	0.46%	2.206
FINANCE	61.638	61.608	-0.030	-23.108	-23.186	-0.078	38.530	38.422	-0.108	-0.28%	-0.214
CORPORATE	33.773	34.754	0.981	-14.686	-15.743	-1.057	19.087	19.011	-0.076	-0.40%	0.089
STRATEGY AND PERFORMANCE	106.004	105.683	-0.321	-75.078	-74.231	0.847	30.926	31.452	0.526	1.70%	1.130
CHIEF EXECUTIVE SERVICES	68.483	64.265	-4.218	-23.710	-48.467	-24.757	44.773	15.798	-28.975	-64.72%	-12.878
TOTAL	1,392.500	1,410.073	17.573	-590.225	-619.933	-29.708	802.275	790.140	-12.135	-1.51%	-0.506

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 September 2019. The forecast outturn for 2019/20 is outlined in the table above, with a £12.135m underspend forecast, which by way of context is 1.51% 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 a level of support from reserves that has previously been agreed. In 2019/20 reserve funding totals £10.245m, which was authorised primarily to cover the structural funding gap. Returns on the treasury management activities of the council are forecast to significantly outperform the budget, which means that the need to call on reserves for the current year is unlikely. It should be noted however that with the uncertainty that exists in the current economic environment, future investment returns cannot be guaranteed and significant pressure remains within the budget specifically in adult's and children's social care.

The forecast is based on 6 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. It has been produced before the winter period which can lead to fluctuations in demand for services. This means that there is expected to be volatility in the forecast however 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 2 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 comparison has been made with trends in previous years. The position that is reported 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 £640,000. 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 2 continues to indicate that the vacancy factor is slightly 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 £68m to be delivered in 2019/20. The financial position at the end of quarter 2 has an assessment of 94.2% of savings rated as on track, but some potentially with issues to work through such as delays. The remaining circa 5% are the most challenging to deliver currently, and services continue to work 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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
DISABILITY (ADULTS)	33.704	33.128	-0.576	-34.549	-34.549	0.000	-0.845	-1.421	-0.576	-68.17%	-0.500
LEARNING DISABILITIES, AUTISM & MENTAL HEALTH	197.606	200.019	2.413	-24.751	-26.693	-1.942	172.855	173.326	0.471	0.27%	1.984
RESIDENTIAL & DAY CARE SERVICES FOR OLDER PEOPLE	24.735	25.985	1.250	-22.947	-23.225	-0.278	1.788	2.760	0.972	54.36%	0.743
SOCIAL CARE SERVICES (ADULTS)	301.200	317.120	15.920	-134.183	-138.833	-4.650	167.017	178.287	11.270	6.75%	4.903
TOTAL ADULTS	557.245	576.252	19.007	-216.430	-223.300	-6.870	340.815	352.952	12.137	3.56%	7.130

Adult Services – forecast overspend £12.137m

The largest elements of the overall forecast overspend across the Adult Services Directorate relate to the underachievement in Passport to Independence and Sleep-in savings.

The principle aim of the Passport to Independence programme has been to support primarily older adults to retain their independence for longer. The service has been hugely effective in supporting more people home from hospital reducing demand for residential care and helping ease the pressure on the NHS. The activity and financial impacts relating to Passport to Independence have been reviewed and projected forward, this work has highlighted that the actual duration of savings benefits and the values of weekly savings achieved are lower than originally modelled. This is commensurate with what other system partners report about responding to greater numbers and levels of complexity. This results in a savings under-delivery of £8.117m and the forecast has been reduced to reflect this.

There is also the underachievement of the sleep-ins service challenge saving which aimed to realign the rates paid for sleep in duty to more sustainable and market led levels, following the decision by cabinet in Q1 in relation to new rates being applied this results in a forecast under delivery of £4.600m for the year.

The other most significant variances within the directorate are as follows:

There are staffing and agency variances in Disability with an underspend of £576,000, Residential & Day Care Services for Older People forecasting an overspend of £972,000, and Learning Disabilities, Autism & Mental Health with an expected underspend of £1.374m

Also within Learning Disabilities, Autism & Mental Health there is additional income from joint health claims of £3.504m. The issue of joint funded packages of care is an ongoing challenge which we are working with health colleagues and service users to address. On occasion it is financially detrimental to the county council to collect this income as it creates a pressure elsewhere within the system. We are working to quantify and eliminate this risk.

There has been a significant increase in the number of adults in receipt of Telecare equipment with a cost of £1.287m, which is seen positively, but this is not as yet matched with a reduction in demand for alternative care packages. This is being evaluated in light of national benchmarking data.

Across the remainder of the directorate there are various smaller demand led pressures of £1.065m.

4. Policy, Information and Commissioning, Quality, Contracts and Safeguarding Adults Services

ADULT SERVICES AND 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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
POLICY INFO & COMMISSION AGE WELL	0.723	0.724	0.001	0.000	0.000	0.000	0.723	0.724	0.001	0.14%	0.000
POLICY INFO & COMMISSION LIVE WELL	0.872	0.823	-0.049	-0.209	-0.209	0.000	0.663	0.614	-0.049	-7.39%	0.000
SAFEGUARDING & QUALITY IMPROVEMENT SERVICES	6.579	6.661	0.082	-0.548	-0.705	-0.157	6.031	5.956	-0.075	-1.24%	0.098
Policy, Information and Commissioning, Quality, Contracts and Safeguarding Adults Services	8.174	8.208	0.034	-0.757	-0.914	-0.157	7.417	7.294	-0.123	-1.66%	0.098

Policy, Information and Commissioning, Quality, Contracts and Safeguarding Adults Services – forecast underspend £123,000

The underspend 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, this pressure is being offset by a non-recurring staff secondment and the availability of winter pressures money of £177,000.

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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
PUBLIC HEALTH & WELLBEING	0.760	0.796	0.036	-66.870	-66.872	-0.002	-66.110	-66.076	0.034	0.05%	0.063
HEALTH EQUITY WELFARE & PARTNERSHIPS	66.286	66.349	0.063	-2.275	-2.276	-0.001	64.011	64.073	0.062	0.10%	-0.145
HEALTH, SAFETY & RESILLIENCE	1.827	2.003	0.176	-1.202	-1.606	-0.404	0.625	0.397	-0.228	-36.48%	-0.101
TRADING STANDARDS & SCIENTIFIC SERVICES	4.848	4.883	0.035	-1.625	-1.462	0.163	3.223	3.421	0.198	6.14%	0.081
TOTAL PUBLIC HEALTH & WELLBEING	73.721	74.031	0.310	-71.972	-72.216	-0.244	1.749	1.815	0.066	3.77%	-0.102

Public Health and Wellbeing – forecast overspend £66,000

An overspend position is forecast across the health, equity and welfare & partnerships Team. This forecast position represents a number of variances projected across different elements of the service. A particular area of pressure £500,000 relates to sexual health contracts, as demand continues to increase on tariff based arrangements. There are also additional demand pressures on out of area recharges for sexual health of £300,000. The in-year pressures have been off-set by other service area underspends on contracts and service areas of £340,000. In addition the service is forecast to underspend on staffing by £398,000 due to vacancy levels.

Health safety & resilience is forecast to underspend by £228,000 due to overachievement of health and safety income and underspends on operational costs.

There is an overspend forecast trading standards & scientific services of £198,000 largely as a result of cost pressures in scientific services.

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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
CHILDREN SOCIAL CARE LOCALITIES	108.397	111.637	3.240	-6.671	-6.990	-0.319	101.726	104.647	2.921	2.87%	2.797
FOSTERING ADOPTION RESIDENTIAL AND YOT	33.130	35.655	2.525	-2.402	-3.120	-0.718	30.728	32.535	1.807	5.88%	0.963
SAFEGUARDING INSPEC & AUDIT	12.995	12.559	-0.436	-0.997	-0.950	0.047	11.998	11.609	-0.389	-3.24%	-0.337
CHILDREN AND FAMILY WELLBEING SERVICE	18.900	17.238	-1.662	-3.276	-4.531	-1.255	15.624	12.707	-2.917	-18.67%	-2.798
EDUCATION IMPROVEMENT 0 - 11 YEARS	14.363	13.931	-0.432	-11.142	-10.200	0.942	3.221	3.731	0.510	15.83%	0.436
EDUCATION IMPROVEMENT 11+ - 25 YEARS	4.793	4.512	-0.281	-2.316	-2.290	0.026	2.477	2.222	-0.255	-10.29%	-0.184
INCLUSION	22.181	24.856	2.675	-5.478	-5.668	-0.190	16.703	19.188	2.485	14.88%	1.048
LIBRARIES MUSEUMS CULTURE & ARCHIVES	17.919	16.552	-1.367	-9.135	-8.267	0.868	8.784	8.285	-0.499	-5.68%	-0.101
POLICY INFO & COMMISSION START WELL	1.524	5.068	3.544	-0.622	-4.136	-3.514	0.902	0.932	0.030	3.33%	0.019
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%	-0.158
TOTAL EDUCATION AND CHILDRENS SERVICES	237.147	244.255	7.108	-46.415	-49.988	-3.573	190.732	194.267	3.535	1.85%	1.685

Education and Children's Services – forecast overspend £3.535m

Children's Social Care Localities – forecast overspend £2.921m

The forecast variance includes an anticipated overspend of £3.165m 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.

Agency fostering placements are forecast to overspend by £1.600m. Placements increased from 488 in March 2018 to 524 in March 2019 but decreased to 523 placements in September 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.

There are forecast underspends within agency residential placements of £500,000 and agency remand placements of £394,000 both due to lower forecast demand.

An underspend of £1.093m is forecast within family support payments (which mainly relates to child arrangement orders 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.

There are other minor overspends across the service.

Fostering, Adoption Residential and Youth Offending Team – forecast overspend £1.807m

The service is forecasting an overspend mainly due to pressures within the residential in-house provision due to staff costs overspends of £851,000 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 of £920,000 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 £389,000

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 £2.917m

The forecast position relates to anticipated staffing underspends of £1.292m 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 by £1.253m. There are further minor underspends in aggregate £373,000 across the remainder of the service.

Education Quality and Performance – forecast overspend £255,000

Forecast underspends of £326,000 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.

Learning excellence is forecast to overspend by £503,000. This is due to a delay in delivery of savings and a decrease in income as a result of a decline in course bookings following changes to course provision locations. Despite the service having explored every alternative to deliver this saving it has not been possible to do so and as a result of this a recurrent pressure of £789,000 has been built into the MTFS as discussed in Appendix B.

There are further minor overspends of £78,000 across the remainder of the service.

Inclusion – forecast overspend £2.485m

There are overspends of £1.850m forecast in children with disabilities (CwD) placements (which includes residential and fostering placements) CwD family support £338,000 due to increases in demand, aids and adaptations £160,000, and within traded services of £77,000.

There remains a pressure of £395,000 in Lancashire break time pending the review of the short breaks offer which is due in March 2020.

Offsetting these pressures are underspends across staffing costs and operational costs of £310,000.

Libraries, Museums, Culture and Archives (LMCA) – forecast underspend £499,000

The forecast underspend relates predominantly to the library service with an underspend of £917,000 as a result of a combination of lower staffing and supplies and services expenditure. Of this £700,000 is non-recurrent.

Offsetting this are pressures of £142,000 in 2019/20 within the museums service and the conservation and collections team pending further decisions on the long term future of Queen Street Mill Museum and Helmshore Mills Textile Museum and in outdoor education which is forecast to overspend by £276,000 as a result of undelivered savings from 2017/18 and an increase in supplies and services expenditure.

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	Q1 Variance
	£m	£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%	0.000
BUSINESS GROWTH	6.106	5.748	-0.358	-4.532	-4.229	0.303	1.574	1.519	-0.055	-3.49%	-0.050
PLANNING AND ENVIRONMENT	5.169	5.499	0.330	-3.651	-3.486	0.165	1.518	2.013	0.495	32.61%	0.400
ESTATES	1.695	1.550	-0.145	-1.165	-1.206	-0.041	0.530	0.344	-0.186	-35.09%	0.000
STRATEGIC DEVELOPMENT	2.004	2.315	0.311	-1.604	-1.854	-0.250	0.400	0.461	0.061	15.25%	0.000
TOTAL GROWTH, ENVIRONMENT & PLANNING	15.408	15.546	0.138	-11.136	-10.959	0.177	4.272	4.587	0.315	7.37%	0.350

Growth, Environment and Planning Services – overspend £315,000

The overspend relates to a pressure within planning and environment due to 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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
WASTE MGT	79.147	75.793	-3.354	-13.152	-11.607	1.545	65.995	64.186	-1.809	-2.74%	-1.387
HIGHWAYS	49.250	47.902	-1.348	-39.236	-37.727	1.509	10.014	10.175	0.161	1.61%	0.513
PUBLIC & INTEGRATED TRANSPORT	78.618	79.071	0.453	-30.957	-30.078	0.879	47.661	48.993	1.332	2.79%	1.902
CUSTOMER ACCESS	5.683	5.658	-0.025	-2.364	-2.664	-0.300	3.319	2.994	-0.325	-9.79%	-0.237
DESIGN and CONSTRUCTION	18.209	17.047	-1.162	-21.224	-18.853	2.371	-3.015	-1.806	1.209	40.10%	1.415
TOTAL HIGHWAYS AND TRANSPORT	230.907	225.471	-5.436	-106.933	-100.929	6.004	123.974	124.542	0.568	0.46%	2.206

Highways and Transport – forecast overspend £568,000

Waste Management – forecast underspend £1.809m

The service is forecast to underspend due to a combination of factors. The waste service is expected to deliver an underspend of £3.233m as a result of 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. There are also lower tonnages of green waste arising.

Partly offsetting the underspends are budget pressures relating to income received for recycled waste, particularly paper and card, resulting in forecast overspends of £722,000. 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.

Highways – forecast overspend £161,000

The forecast overspend of £500,000 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 with an underspend of £339,000.

Public and Integrated Transport – Forecast overspend £1.332m

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 £1.000m and increased inflation and demand over and above what was included in the budget for taxi costs and increases in passenger numbers £700,000.

In addition there are forecast income pressures of £500,000 for the tendered public bus network. The budget for this service was increased to £3.000m 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 £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 £1.100m on concessionary travel due to lower demand. This will continue to be monitored throughout 2019/20.

Customer Access – forecast underspend £325,000

The forecast position predominantly relates to additional income.

Design and Construction – forecast Overspend £1.209m

Design and construction property is forecast to overspend by £760,000. Lower than forecast income recovery of £1.444m is expected largely due to a larger number of smaller projects which tends to require a proportionately greater staffing resource. This is partly offset by forecast underspends of £684,000 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 £449,000. 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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
BTLS	25.609	25.250	-0.359	-2.177	-1.967	0.210	23.432	23.283	-0.149	-0.64%	-0.225
LANCASHIRE PENSION FUND	0.187	0.252	0.065	-0.184	-0.252	-0.068	0.003	0.000	-0.003	-100.00%	-0.003
EXCHEQUER SERVICES	5.212	4.941	-0.271	-1.944	-2.093	-0.149	3.268	2.848	-0.420	-12.85%	-0.306
FINANCIAL MGT (DEVELOPMENT AND SCHOOLS)	2.279	2.405	0.126	-2.293	-2.324	-0.031	-0.014	0.081	0.095	-678.57%	0.105
FINANCIAL MGT (OPERATIONAL)	1.870	1.873	0.003	-0.201	-0.147	0.054	1.669	1.726	0.057	3.42%	-0.021
CORPORATE FINANCE	22.701	22.806	0.105	-15.064	-15.094	-0.030	7.637	7.712	0.075	0.98%	0.083
INTERNAL AUDIT	0.912	0.916	0.004	-0.193	-0.174	0.019	0.719	0.742	0.023	3.20%	0.022
PROCUREMENT	2.868	3.165	0.297	-1.052	-1.135	-0.083	1.816	2.030	0.214	11.78%	0.131
TOTAL FINANCE	61.638	61.608	-0.030	-23.108	-23.186	-0.078	38.530	38.422	-0.108	-0.28%	-0.214

Finance - forecast underspend £108,000.

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

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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
CORONER'S SERVICE	2.741	2.515	-0.226	-0.308	-0.259	0.049	2.433	2.256	-0.177	-7.27%	-0.144
HUMAN RESOURCES	9.885	10.716	0.831	-8.949	-9.888	-0.939	0.936	0.828	-0.108	-11.54%	-0.103
LEGAL, GOVERNANCE AND REGISTRARS	17.538	17.976	0.438	-4.585	-4.752	-0.167	12.953	13.224	0.271	2.09%	0.342
SKILLS LEARNING & DEVELOPMENT	3.609	3.547	-0.062	-0.844	-0.844	0.000	2.765	2.703	-0.062	-2.24%	-0.006
TOTAL CORPORATE SERVICES	33.773	34.754	0.981	-14.686	-15.743	-1.057	19.087	19.011	-0.076	-0.40%	0.089

Corporate Services - forecast underspend by £76,000.

The main pressure across the service relates to legal fees, which is offset by underspends anticipated within the coroner's service and human resources service mainly as a result of additional income.

10. 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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
ASSET MGT	38.516	38.290	-0.226	-31.633	-31.820	-0.187	6.883	6.470	-0.413	-6.00%	-0.065
FACILITIES MGT	60.490	60.344	-0.146	-43.043	-41.995	1.048	17.447	18.349	0.902	5.17%	1.098
CORE SYSTEMS AND BUSINESS SUPPORT	3.969	4.027	0.058	-0.327	-0.297	0.030	3.642	3.730	0.088	2.42%	0.087
PROGRAMME OFFICE	1.628	1.628	0.000	0.000	0.000	0.000	1.628	1.628	0.000	0.00%	0.010
BUSINESS INTELLIGENCE	1.401	1.394	-0.007	-0.075	-0.119	-0.044	1.326	1.275	-0.051	-3.85%	0.000
TOTAL STRATEGY AND PERFORMANCE	106.004	105.683	-0.321	-75.078	-74.231	0.847	30.926	31.452	0.526	1.70%	1.130

Strategy and Performance - forecast overspend £526,000

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 that will reduce future reactive R&M costs, an overspend of £762,000 is anticipated in 2019/20. This is offset by non-recurring underspends relating to fees not being incurred that were anticipated at the end of 2018/19 and the sale of carbon reduction credits which will yield circa £400,000.

11. 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	Q1 Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
CHIEF EXECUTIVE	3.899	3.943	0.044	-0.454	-0.444	0.010	3.445	3.499	0.054	1.57%	0.078
COMMUNICATIONS	1.135	1.181	0.046	-0.187	-0.162	0.025	0.948	1.019	0.071	7.49%	0.000
CORPORATE BUDGETS (FUNDING AND GRANTS)	2.999	1.929	-1.070	-10.245	-11.388	-1.143	-7.246	-9.459	-2.213	-30.54%	-2.213
CORPORATE BUDGETS (TREASURY MANAGEMENT)	39.066	39.713	0.647	-12.824	-36.473	-23.649	26.242	3.240	-23.002	-87.65%	-7.001
CORPORATE BUDGETS (PENSIONS & APPRENTICESHIP LEVY)	21.384	17.499	-3.885	0.000	0.000	0.000	21.384	17.499	-3.885	-18.17%	-3.742
TOTAL CHIEF EXECUTIVE SERVICES	68.483	64.265	-4.218	-23.710	-48.467	-24.757	44.773	15.798	-28.975	-64.72%	-12.878

Chief Executive Services - forecast underspend £28.975m

This relates to forecast gains across the treasury management budget £23.002m 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 £1.000m, however this will not impact on savings delivery.