BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Director of Finance, Assets and Information Technology

CORPORATE FINANCIAL PERFORMANCE – QUARTER ENDING 31st DECEMBER 2016

1. Purpose of Report

1.1 To consider the financial performance of the Authority during the quarter ended December 2016 and assess the implications against the Council's Medium Term Financial Strategy (MTFS). The key headlines are:

- The position for Council services is a projected operational overspend of £8.3M in 2016/17;
- The overall position for the Council including Corporate budgets is a projected operational underspend of £18.7M in 2016/17;
- After allowing for grant fall out and other non-recurrent savings there is an underlying overspend of £1.0M that will materialise in 2017/18 without corrective action;
- The position on agreed savings is 83.60% against target (including undelivered 2015/16 KLOE's) amounting to an adverse variance of approximately £1.790M.
- The potential impact of the monitoring position on the Council's MTFS is shown at paragraph 7.

2. Recommendations

2.1 It is recommended that Cabinet:

- Request that Executive Directors/ Directors (where appropriate) provide detailed plans on how their forecast overspends will be brought back into line with existing budgets on a recurrent basis;
- Note that there will continue to be overspends on Place's 2017/18 budget to reflect the non delivery of existing of 2015-17 KLOE's that will not be fully corrected before the year end;
- Approve the write off of £2.5M of historic bad debts as shown at paragraph 6.3,
- Approve the budget virements at Appendix 1;
- Note the potential impact of the Quarter 3 monitoring position on the Council's MTFS at paragraph 7 and request a further report on the demographic pressures to determine how this will be reflected in the Council's MTFS in future;

- Note the updated reserves position as outlined at paragraph 8.2, which will be transferred to strategic reserves at year end when the final position is known; and
- Approve the further Invest to Grow schemes totalling £1.105M provided at Section 8.

3. Overall Position to the Quarter Ending December 2016

3.1 The table below provides the monitoring position for the Council as at the end of December broken down between the 'in year' operational position for 2016/17 and the FYE 2017/18 position taking into account one-off funding and non-recurrent savings dropping out as well as the assumptions that have already been factored into the Council's 2017-2020 Medium Term Financial Strategy.

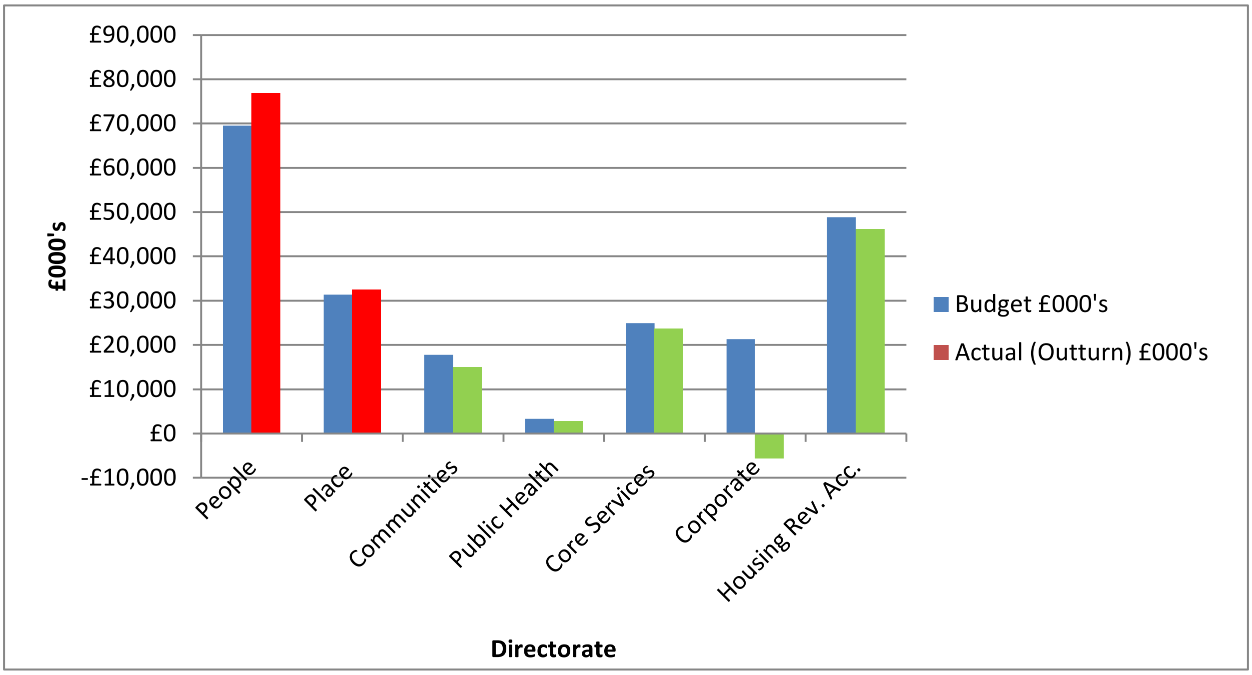
3.2 There is a projected overspend on Directorate budgets of £8.3M in 2016/17, mostly relating to anticipated social care pressures. This is offset by an anticipated underspend on Corporate Budgets of £27.0M mostly relating to the previously reported change in debt accounting. This gives an overall Council underspend of £18.7M.

3.3 The major part of this underspend is one-off in nature and and after allowing for the assumptions currently built into the Council's 2017-2020 MTFS, there will be an unplanned overspend of approximately £1.0M in 2017/18 unless corrective actions are put into place to rectify this situation.

DIRECTORATE	Approved Gross Expenditure Budget 2016/17 (after Virements) £'000	Approved Gross Income Budget 2016/17 £'000	Approved Net Budget 2016/17 £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) * £'000
People	215,086	(145,577)	69,509	76,896	7,387	125	7,512	800
Place	72,113	(40,752)	31,361	32,549	1,188	255	1,443	183
Communities	35,881	(18,098)	17,783	14,950	(2,833)	2,259	(574)	-
Public Health	9,261	(5,914)	3,347	2,796	(551)	551	-	-
Core Services	169,695	(144,762)	24,933	23,723	(1,209)	1081	(127)	-
Service Totals	**502,036**	**(355,103)**	**146,933**	**150,914**	**3,982**	**4,271**	**8,254**	**983**
Corporate / General Items	40,765	(19,422)	21,343	(5,635)	(26,978)	0	**(26,978)**	-
Sub Total – Council	**542,801**	**(374,525)**	**168,276**	**145,279**	**(22,996)**	**4,271**	**(18,724)**	**983**
Housing Revenue Account			48,822	45,638	(3,184)	2,740	(444)	-

3.4 The chart below provides an overview of the overall position for the Council which breaks down the budget against actuals for People, Place, Communities, Public Health, Core Services and Corporate budgets.

Summary Directorate Position – Budget v Actual



4. Delivery of 2016/17 Future Council Savings Proposals

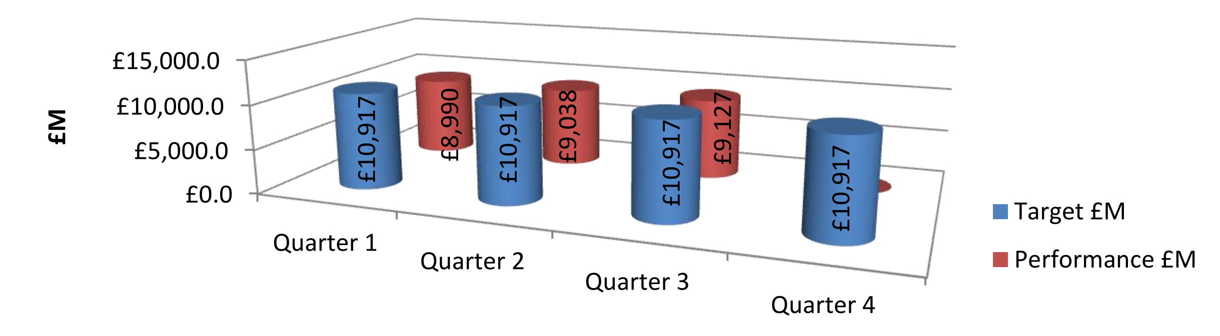
4.1 The Council's 2016/17 budget is dependent upon the delivery of its budgeted savings proposals. The 2016/17 approved savings target is £10.917M (including undelivered KLOE's carried forward from 2015/16). Directorates are currently reporting an 83.6% delivery against target at the end of the 3rd quarter, resulting in an adverse variance of £1.790M as shown below :-

2016/17 KLOE's only	Directorate	Quarter 1 £M	Quarter 2 £M	Quarter 3 £M
Waste PFI savings/HWRC	Place	0.350	0.110	0.200
Creation of transfer loading station	Place	0.140	0.140	0.140
Highways Materials	Place	-	-	0.240
Travel Traiining	Place	0.200	0.200	0.060
Additional income generation from selling recycled materials	Place	0.120	0.120	0
Contract management savings e.g. surface dressing, grit	Place	0.114	0.114	0
Culture – fees & charges	Place	-	0.050	0.050
Other proposals	Place	0.012	0.104	0.059
Sub Total Place		**0.936**	**0.838**	**0.749**
Customer Services – council interaction	Communities	0.051	0.051	0.051
Safer Barnsley restructure	Communities	-	0.050	0.050
Sub Total Communities		**0.051**	**0.101**	**0.101**
Sub Total 2016/17 KLOE's		**0.987**	**0.939**	**0.850**

2015/16 KLOE's	Directorate	Quarter 1 £M	Quarter 2 £M	Quarter 3 £M
Waste PFI savings/HWRC **2015/16**	Place	0.300	0.300	0.300
Travel Training **2015/16**	Place	0.140	0.140	0.140
Total Place		**0.440**	**0.440**	**0.440**
Cease provision of med Checks in peoples homes **2015/16**	People	0.200	0.200	0.200
Reduction in residential care beds **2015/16**	People	0.300	0.300	0.300
Total People		**0.500**	**0.500**	**0.500**
Sub Total 2015/16 KLOE's		**0.940**	**0.940**	**0.940**
Grand Total		**1.927**	**1.879**	**1.790**

4.2 The following chart summarises the Quarter 3 savings position against target for 2016/17:

Overall Position for Approved Savings –third quarter



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Target £M	£10,917	£10,917	£10,917	£10,917
Performance £M	£8,990	£9,038	£9,127	

5. <u>Corporate Resources</u>

5.1 The Council's major sources of discretionary income are Business Rates and Council Tax. The Council's financial health is therefore almost completely reliant upon the collection of both Council Tax and Business Rates. The following table shows the estimated collection rates for Quarter 3 compared to the stretch targets that have been set:

	2015/16 Actual	2016/17 Stretch Target	Quarter 2	Quarter 3	Variance (Q3 to stretch target)
Council Tax	96.01%	96.4%	96.11%	96.4%	0.00%
Business Rates (local share)	97.08%	97.4%	97.06%	97.59%	0.19%

5.2 Current Council Tax collection rates have improved from Quarter 2 and are forecast to achieve the stretch target in 2016/17. This collection rate would allow the Council to meet its budget requirements and there is potential to generate a further £0.1M for every 0.1% improvement in collection.

5.3 It is estimated that the Council Tax collection rate (on current projections) will outstrip 2015/16 performance which previously benchmarked 2nd in its comparator cohort. The service is currently working on new initiatives to improve collection rates for maximum LCTS recipients and has opened up previous unused remedies for those that won't pay e.g committals and bankruptcy.

5.4 Business Rate collection is also forecasting to achieve its stretch target which is due to a more robust timetable of action; the targeted approach we are currently being taken to collect high value debts and utilising specialist solicitors to pursue the collection of unpaid business rates in year.

5.5 However business rate income remains volatile due to a number of issues outside of the Council's direct control (e.g appeals, reliefs, business failures etc). These issues continue to be monitored and any significant changes that impact on the collection rates / levels will be reported into a future Cabinet.

5.7 It is hoped that the Council's 2020 plans and investment to accelerate growth in jobs and businesses will result in increased business rate yield over the period of the MTFS. However, there are also a number of other issues on the horizon that could potentially impact on the levels of business rates collected namely:-

<u>Business Rate Revaluation</u>

The rateable values of business premises are typically reviewed and adjusted by the Valuation Office every 5 years (the last revaluation took place in 2010). A draft list of revised rateable values was made available in September 2016 which will come into effect from April 2017. For many businesses in the Borough this will mean a change in their bill, however any loss of business rates income to the Council (as a result of the revaluation) will be compensated by Government.

<u>100% Business Rate Retention</u>

Under the current Business Rate Retention scheme, the Council is able to retain 50% of business rates collected from within the area. The Chancellor announced in his 2015 Autumn Statement that by 2020 all Local Authorities will be able to retain 100% of business rates collected. The implications of this are currently being assessed but it will be clearly critical that we have the right people, processes and systems in place to effectively manage these resources moving forward. Moreover, although the SCR pilot bid has been delayed, there is still the potential for this to be resubmitted in order to pilot 100% retention across the region from 2018/19 onwards.

Brexit

Following the move to 100% retention of business rates, the Council will become more exposed to fluctuations in tax revenue resulting from economic downturns. Whilst it is still early to determine what the economic impact of the vote to leave Europe will be, economists are still largely indicating that it will create a negative impact on economic growth, particularly in the short term.

Arrears Management

6.1 Bearing in mind the uncertain economic climate, it has become more important than ever to manage the Council's debtors effectively. It is equally important to recognise that the overall debt position is constantly changing as debt moves through the various stages of recovery and new debts are raised.

6.2 The table below shows that the overall overdue debt position at December was £26.2M. This is comprised of old debt of £17.0M and new year debt of £9.2M. Some £2.63M of old debt has been collected during this quarter which is encouraging.

6.3 Arrears for the current year debt is showing an increase of 1.17M compared to Q2. This is largely result of the creation of new trade and housing benefit overpayment debt raised during the period.

6.3 Historic debt is traditionally much more difficult to collect and this quarterly improvement indicates that the measures being introduced to improve debt recovery are starting to have an effect. Nevertheless, it remains good financial management to provide for non-recovery of some of these debts and the current provision for bad debts stands at £15.4M. The Director of Finance, Assets and Information Technology is now also seeking approval to write off historic debt amounting to £2.52M which have become uneconomical to pursue. This is summarised in the table below:

Type of Debt	Pre-16/17 Arrears £M	2016/17 Arrears £M	TOTAL Arrears £M	Bad Debt Provision £M	Write Offs For Approval £M
Opening 2016/17 Position (position as at 31 March 16)	33.773	n/a	3.773	15.523	
Position as at end of Sept	22.198	8.024	30.222	17.940	1.591
Position as at end of Dec	17.054	9.193	26.247	15.414	2.519
MOVEMENT	⇩ (5.144)	⇧ 1.169	⇩ (3.975)	⇩ (2.526)	

7. Impact on MTFS

7.1 The updated MTFS for the period 2017-2020 reflects the position that was presented to Cabinet in February. However, this report has highlighted other pressures that may impact on the forecast particularly around demographic demands. To the extent that the MTFS has set aside a contingency in 2017/18 for these type of issues, there is no further impact at this stage. However further work is required to firm up the position in relation to addressing future demographic pressures and it is recommended that a further report is submitted into Cabinet in the near future.

	2017/18	2018/19	2019/20	TOTAL
Approved MTFS (Cabinet Feb)	£0.0M	+£0.3M	-£1.0M	-£0.7M
Underlying implications of Q3 monitoring	-	-	-	-
Revised MTFS position if uncorrected	**+£0.0M**	**+£0.3M**	**-£1.0M**	**-£0.7M**

8. Impact on the Council's Reserves Strategy

8.1 The updated reserves strategy reported into Cabinet in February as part of the 2017/18 budget papers identified overall available reserves (capital and revenue) to support investment opportunities linked to achieving the Council's 2020 outcomes and / or as a temporary bridging strategy for the funding gaps identified in the MTFS.

8.2 The overall reserves position included 'banked' reserves of £20.9m brought forward from previous years as well as anticipated additional reserves generated during the year from reported underspends which at quarter 2 stood at £18.2m. The updated quarter 3 report is now forecasting a £18.7m underspend which adds a further £0.5m to the previously reported position. It should be noted that the underspend in 2016/17 is a one-off situation as any ongoing savings have been built into the updated MTFS for 2017/18 and beyond. The updated position is summarised in the table below:-

	2016/17	2017/18	TOTAL
Revised position as at end of 2015/16	£20.9M	-	£20.9M
2016/17 underspend as projected at Q1	£15.1M	-	£15.1M
2016/17 underspend as projected at Q2 (change from Q1)	£3.1M	-	£3.1M
2016/17 underspend as projected at Q3 (change from Q2)	£0.5M	-	£0.5M
Revised Total	**£39.6M**	**-**	**£39.6M**

8.3 The above position reflects the revised available revenue reserves. The overall reserves strategy highlighted the total available combined reserves (including capital) at £63M. The position above would add another £0.5m to the overall total.

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SECTION 1 – EXECUTIVE DIRECTOR'S STATEMENT FOR PEOPLE

Executive Director's Statement

i. Overview

The latest revised 2016-17 approved budget envelope for the People Directorate is £69.5M and includes schools balances (£4.7m) brought forward from 2015/16. Based on current projections, the Directorate is anticipating a net operational overspend of **£7.5M** in the current financial year. The FYE position in 2017/18 shows an additional cost pressure of £0.8m compared to the provision already built into the MTFS.

The projected overspend is mainly attributable to ongoing recurrent pressures on Looked After Children placement costs and demographic pressures on Adult Social Care (i.e. Older People, Disabilities and Mental Health). It should be noted that the Care Act grant (£1.8M) and additional CCG funding (£0.7M) that were used to mitigate Adult social care pressures in 2015/16 are no longer available.

The key significant variances across the People Directorate are explained below.

Quarter 3 position to the end of the quarter ending December 2016

DIRECTORATE	Approved Net Budget 2016/17 £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage & Transfer to Reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) * £'000
Education, Early start & Prevention	13,931	13,706	-224	90	-135	-
Adult Social Care & Health	35,472	38,910	3,438	35	3,473	180
Children Social Care & Safeguarding	19,842	23,936	4,094	-	4,094	620
ED People	264	343	79	-	79	-
Total – People	**69,509**	**76,896**	**7,387**	**125**	**7,512**	**800**

ii. Key Variances

Education, Early Start & Prevention

An overall planned budget surplus **-£135k** (non-recurrent) is currently forecast for the Education, Early Start & Prevention Business Unit after adjusting for the anticipated slippage of the high needs strategic review grant recently allocated by the DfE. It is anticipated that this grant would be carried forward and applied in 2017/18. The planned budget surplus is to help mitigate budget pressures in other parts of the Directorate. The following are the key budget variances projected for the year:

- Commissioning, Partnership & Governance (-£104k) – an underspend has been forecast for the service due to one-off savings from commissioned short breaks contracts although this has been partly offset by unachieved budgeted income from Governor Clerking activities with schools.

- Inclusion Services (+£139k) – the forecast cost pressure represents the increased cost of the interim management cover arrangements in place as well as agreed maternity cover within the team. These arrangements are required to provide necessary management oversight and capacity to meet statutory responsibilities associated with rising number of SEN assessments/reviews and the move to Education, Health & Care plans (EHCP).

- Early Start Services & Family Centres (-£90k) – projected underspend mainly attributable to staff turnover across the service area and reduced forecast spend on a number of family centres.

- Other Variances (-£79k) – comprised of a number of variances mainly in the following service areas: Targeted Youth Support Service; Sufficiency; and school improvement.

Adult Social Care & Health

An overall net financial risk of **+£3.473M** is currently projected for the Adult Social Care & Health Business Unit. This is an increase of £0.4m compared against the reported position for Q2, and is mainly due to an increase in the forecast spend on care provision for Older People, although offset by a reduction in spend on people with Disabilities.

The forecast cost pressure is mainly attributable to recurrent demographic pressures associated with cost of care packages for Older People and people with Disabilities and Mental Health. The projected forecast takes into account the additional council tax precept funding of £1.5m incorporated into the budget in 2016/17, which has mainly been used in mitigating the impact of the uplift in fee rates to care providers (residential / nursing and domiciliary care as agreed by the Council).

An explanation of the key financial risks / pressures faced by the Business Unit are outlined below:-

- Assessment & Care (Older People) – (+£2,340k) – this projected overspend is a recurrent pressure and relates to the increased cost of provision (care packages) for older people receiving care / supported by the Council. The increasse in the reported position when compared to Q2 equates to £0.3m (after adjusting for the the budget transfer and realignment of BCF income from Older People to Disabilities). It should be noted that element of the budgetary pressure is attributable to the ongoing effect of the non-achievement of the planned reduction in the number of OP in residential care (efficiency target in 2015/16).

  Whilst the overall number of Older People (aged 65+) in receipt of care and supported by the Council has reduced slightly when compared to 2015/16, it should be noted that there is noticeable rise in the number of people in residential / nursing care over the last 12 months. It should be noted that the admission rates is still expected to meet the corporate performance target, which aims to bring our performance in line with the national average. The objective is to reduce the rate of admissions, at a time when the over 65 population is increasing.

	Q1 15-16	Q2 15-16	Q3 15-16	Q4 15-16	Q1 16-17	Q2 16-17	Q3 16-17
RES/NUR	862	872	875	880	891	902	896
COMM	1171	1144	1119	1125	1159	1161	1107

Despite the reduction in overall numbers, the increase in residential / nursing care clients and particularly high cost care packages is the main contributory factor for the rise in the cost pressure (although this is offset by reducing cost of community based support provision). The number of high cost placements in care / nursing homes, where 1-1 supervision is required to manage challenging behaviours is increasing – a consequence of the ageing population and people living longer. The increased number of these high cost placements (net of the anticipated contribution from health) is exerting pressure on the Older People care cost budget.

- Assessment & Care (Disabilities) (+£791k) – this forecast overspend reflects the ongoing recurrent demographic pressures within learning and physical disabilities purchasing budgets. The reported pressure is consistent with Q2 after accounting for the budget transfer and realigment of the BCF funding £0.3m between Older People and Learning Disabilities budgets. The number of people with disabilities supported in residential care has remained stable over the year, with a slight fall in numbers supported in the community.

	Q1 15-16	Q2 15-16	Q3 15-16	Q4 15-16	Q1 16-17	Q2 16-17	Q3 16-17
RES/NUR	74	75	79	80	80	80	79
COMM	512	525	528	527	531	529	518

The cost pressure is recurrent from 2015/16 and reflects the increased cost iof meeting the complex and multipled needs of people with disabilities including young people with disabilities transitioning into Adults services, particularly young people with autism and challenging behaviour requiring intensive support.

- Assessment & Care (Mental Health) (+£444k) – this forecast position reflects ongoing pressure against the care budgets due to a small but steady increase in the number of high cost care placements (full year effects of last year placements plus new admissions). It should be noted that efforts are continuing in reviewing these high cost placements (through the use of the care funding calculator) to ensure value for money as well as maximising funding contributions from health towards care costs e.g. s117 funding.

	Q1 15-16	Q2 15-16	Q3 15-16	Q4 15-16	Q1 16-17	Q2 16-17	Q3 16-17
RES/NUR	25	24	25	26	25	25	27
COMM	38	40	43	65	65	63	67

- Deprivation Of Liberty Safeguards (DOLS) (+£529k) – a financial cost pressure is currently forecast in relation to DOLS – due to the fall out of non-recurrent grant funding available in 2015/16. The forecast cost pressure reflects the anticipated approved increase in staffing capacity (Best Interest Assessors and business support) to deal with the current backlog and expected increase in the number of reviews / assessments to be undertaken. There are significant pressures in this area including a rising numbers of applications as well as more demand for paid representatives and more Court of Protection challenges to DOLs authorisations. It is envisaged that this requirement would be funded from currently uncommitted BCF (Care Act) monies – see paragraph below.

- Uncommitted BCF funding (-£585k) – total Better Care Funding assumed within the overall revenue budget for Adult Social Care for 2016/17 is £9.5m (same level as in 2015/16). Included within this allocation is £700k to cover ongoing commitments of the new burdens under the Care Act, of which a significant proportion is currently uncommitted and has been set aside to cover the funding requirement for DOLS.

- Commissioning Unit (-£46k) – a forecast underspend is currently projected due to staff vacancies within the Unit offset by increased commissioned contract costs.

Children's Social Care & Safeguarding

A net financial risk of **£4.094M** is projected for the Children Assessment and Care Management Business Unit (an increase of £0.3m compared to the reported position for Q2), which is mainly attributable to the following:

- Children in Care (+£3.264M) – this net overall financial pressure for the Children in Care service is mainly attributable to Looked After Children (LAC) placement costs after adjusting for a number of underspends e.g. Newsome Ave respite home. The latest pressure represents an overall increase of £0.2m when compared to the Q2 position. The current cost pressure (based on the existing LAC numbers across all provision types e.g. residential care homes, foster carers, independent fostering agencies, etc.) exceeds the estimate assumed in the refreshed sufficiency strategy and in the Council's MTFS i.e. £2.9m. The period to 31st December has seen some fluctuation in the numbers of children coming into care, however it appears to have stabilised at around 300 (LAC number as at the end of December is 292 compared to 301 at Q2). The latest LAC number is consistent with the average number for the year (290) assumed in the revised placement strategy and reflects concerted actions to manage numbers in an effective manner. It should be noted that Barnsley's LAC numbers remain significantly below those for our statistical neighbours and the Y&H regional average. However, the picture nationally is one of increasing demand on children social services, with increased numbers of children on protection plans and a rise in the number of children going into care.

  The table below shows the movement in the LAC placement costs (managed through the placement & sufficiency strategy). This specifically relates to fostering and residential numbers within the overall total LAC population of 292 referred to above:-

	Plan	Q1	Q2	Q3
LAC nos. - fostering / residential	251	249	260	237
Fostering placements £m	6.0	5.6	6.5	6.2
Residential care placements £m	2.5	2.7	2.8	3.2
Other placements £m	3.6	3.4	3.3	3.3
Forecast LAC costs (£M)	**12.1**	**11.7**	**12.6**	**12.7**

The following are the key performance issues in relation to the above and the position as set out in the sufficiency strategy:

1. Overall LAC number has reduced, and is particularly evident in the number of placements in external independent fostering agencies which has reduced from 106 at Q2 to 89.

2. Whilst the overall number of Out of Authority LAC residential care appears to be reducing compared to Q2, the proportion / number of very expensive high cost residential placements is increasing. This is reflective of the complex / multiple needs of some of the young people being looked after. For example the change in LAC forecast costs can be partly explained by one secured accommodation placement.

3. The increased use of Independent Fostering Agencies (IFAs) as opposed to in-house foster carers still continues to be an issue (compared to the targets assumed in the sufficiency strategy) and a contributory factor to the overall increase in projected LAC costs.

4. The strategy assumes circa 60% of the LAC population would be placed in BMBC foster carers (corporate indicator); actual performance for Q3 stands at 43% and reflects the continued under-performance in the recruitment of new foster carers. In contrast, the actual number of placements in external fostering agencies is twice as many as originally forecast in the strategy. Assuming the target number for in-house foster carers in relation to IFA placements was achieved, the cost pressure against the placement budget is estimated at £2.8m – which is within the £2.9m allowed for within the Council's MTFS.

- Assessment & Care - Legal Fees (+£466k) – a forecast recurrent pressure is anticipated in Assessment & Care due to increased legal costs – a consequence of the increase in LAC numbers and in legal proceedings necessary to safeguard children. The latest projections is a worsening position compared to Q2 (+£115k) as the anticipated cost reductions from the actions put in place by the Council's Legal Services are not materialising as expected. Legal Services have reconfigured the child care legal team and revised the approach to the management of that team to ensure that more advocacy is delivered in house. The expectation is that this would significantly reduce the cost of Counsel's fees to Children's Social Care and Safeguarding by 50% over a two year period (25%+ within this plan period). The introduction of a framework agreement will ensure that where it is necessary to outsource legal work, the client will benefit from a transparent process that will deliver best value for money.
- Assessment & Care – Other Costs (+£220k) – an overspend is currently forecast across the main Assessment & Care district teams due to increased staff travelling expenses; use of agency staff to cover vacancies / absences; and accommodation costs (related to the occupation of LIFT PFI funded buildings).
- Leaving Care costs (+£255k) - an overspend is currently reported due to increased costs (s24 payments, supported accommodation, etc.) for care leavers and young people presenting as homeless. This is a recurrent cost and is reflective of the final year reported positon for 2015/16.
- Other cost variances (-£109k) – comprised of forecast underspends in Education Welfare service (staff vacancy savings) and Children Disability & Short Breaks service (increased contribution from the Health service towards care packages).

Schools

The revised approved schools budget for 2016/17 totals **£109.4M**, comprised of actual Dedicated Schools Grant funding of £108.4M (as confirmed by DfE in Nov 2016) and the Council's base budget contribution of £1.0M. The above excludes budgets relating to schools that have converted to academies (35 schools in total). The budget delegated directly to maintained schools to manage is £94.7m, with the balance i.e. £14.7m managed centrally by the Council on behalf of schools. The above excludes the carry forward of £4.7m (inclusive of ICT refresh funding) from 2015/16 and other grant funding to schools such as pupil premium grant, post 16 funding, etc.

<u>Delegated schools' budgets</u>:

Total funding delegated to maintained schools for the year is **£94.7m** and comprises of elements allocated to individual schools through the local schools funding formula, as well as high needs and early years funding. Latest financial submissions from all schools showed a forecast surplus balance of **£1.2m** for the current financial year (made up of £1.3m for primary schools and a deficit balance of -£0.1m for secondary schools).

The above reported surplus position needs to be considered in the context of the £2.9m adjusted surplus position reported at year end 2015-16 (after adjusting for ICT lifecycle refresh funding devolved to secondary schools). It shows a marked reduction in forecast surplus balance position for schools, and is reflective of the increasing financial challenges faced by schools such as pension and national insurance costs and the use of carry forward balances to mitigate these pressures.

The above position includes the following schools with forecast reported deficits – Penistone Grammar school (-£416k); Thurlstone Primary (-£13k); Hunningley Primary (-£41k); Doncaster Road Primary (-£16k); Hoylandswaine Primary (-£35k); and Springvale Primary (-£10k). These schools with the exception of Doncaster Road and Hunningley Primary schools have planned deficits and have agreed recovery plans in place to manage the deficits over a set timeframe. Financial support has been provided to these schools from the DSG contingency fund to meet any severance or redundancy costs that have arisen as part of implementing the action plan.

<u>Centrally retained schools budget</u>

There are a number of DSG budgets/ funding **(£14.7m** in total) that are managed centrally by the Council where it is cost-effective to do so as opposed to delegating them to schools directly. The nature of expenditure that can be charged against centrally retained DSG is regulated by statute (School Finance Regulations), whilst the decision making responsibility rests with the Schools' Forum.

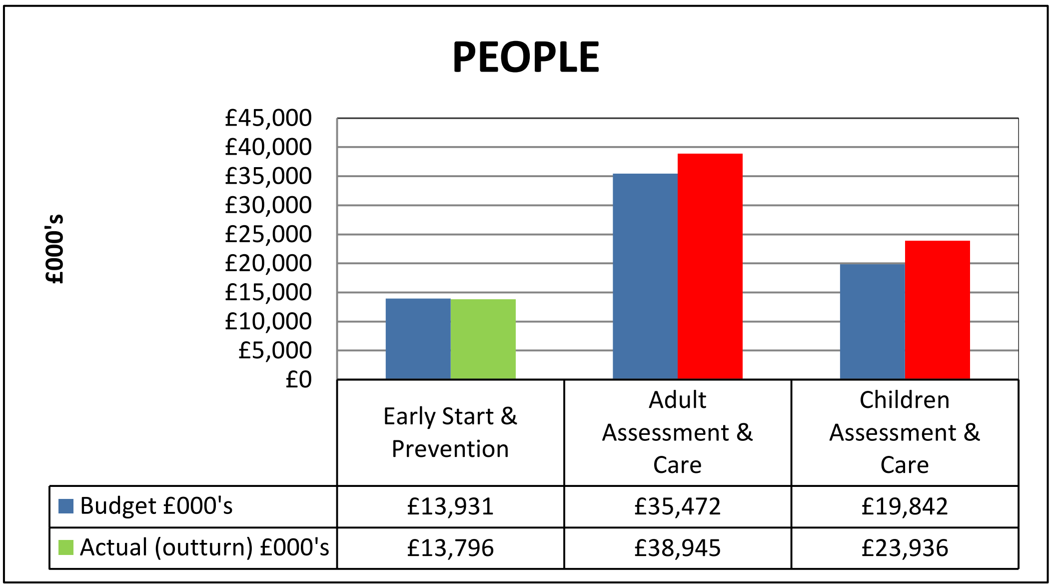
A net cost pressure of £2.1m (£1.7m reported in Q2) is currently anticipated within the centrally retained DSG budgets. The following are the main cost pressures within the centrally retained budgets;

- <u>Out of authority SEN placements (+£1.7m)</u> - a forecast risk is anticipated against the out of authority SEN placements budget and is a significant increase from the cost pressure reported in 2015/16 (£0.6M). The increased cost pressure is a consequence of the increasing number of high needs pupils / learners that are being placed in external specialist mainly due to lack of specialist places within the authority or in some cases the complex / challenging needs presented can only be met in particular specialist institutions;

- Increased number of SEN pupils – a financial pressure of +£0.4m is anticipated in the high needs block due to the increasing number of SEN pupils (£256k) and exceptional funding decisions (£200k) for additional support to mainstream / special schools for challenging SEN pupils (and to prevent more expensive out of authority specialist placements). These include payments made to the following schools, Darton College, Royston Meadstead Academy and Greenacre Special Academy;

The DSG grant conditions outline the procedures that could be adopted at year end in the event of an overspend or underspend on central DSG spend. In the event of an overspend on the central expenditure component of the schools' budget, the local authority is allowed to carry forward all the overspend to the following year or the year after that (unless it chooses to fund such overspend from its general resources). Any carry forward will represent the first call on DSG resources in the following year (subject to approval of the Schools Forum).

Directorate Position – Budget v Actual



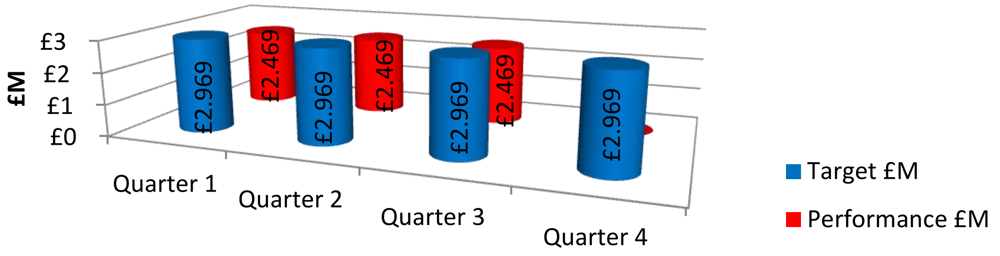
iii. Approved savings position

The approved 2016/17 savings target for PEOPLE directorate totals £2.469M, and excludes undelivered savings carried forward from 2015/16 totalling £0.500M. The gives a revised savings target of £2.969M comprised of the following.

- Reconfiguration of Early Childhood Provision £2M;
- Reconfiguration of Integrated Adolescent Support Service £150k;
- Contract management related savings (e.g. Young carers, short breaks) £119k;
- Independent Living at Home reduction in contract value £200k
- Undelivered savings from 2015/16 made up of: reduction in residential care beds (£300k) and cessation of medication checks in homecare provision (£200k)

All 2016/17 approved savings proposals are on target for full delivery in the year, with the exception of the undelivered carry forward savings from 2015/16.

Forecast Efficiency – Performance v Target



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Target £M	£2.969	£2.969	£2.969	£2.969
Performance £M	£2.469	£2.469	£2.469	

iv. Corrective Actions

The following outlines the key actions being undertaken by the Directorate to address the identified pressures on a recurrent basis:

Children Assessment & Care

- Work is ongoing in legal services aimed at reducing the use of external counsel for advocacy and thereby reducing legal fees on LAC and children safeguarding work.

Children in Care – LAC costs

- There are numerous strands of activity underway to try and relieve some of the pressure associated with the above overspend before the end of the financial year:

  (a) A Placement Sufficiency, Oversight and Resource Panel has been set up and in operation. It meets on a weekly basis to track and monitor placements across both in-house and external, including Care Leavers.

  (b) A review of Fostering Services has been undertaken by an external consultant to look at all processes related to recruitment and retention of Foster Carers. The review will provide a list of key recommendations and actions, particularly in improving the number of in-house foster carers.

  (c) Targeted recruitment campaign, designed in partnership with colleagues from our Communications team and Communities Directorate, to attract Long Term Foster Carers, particularly those willing to take adolescent placements.

  (d) Continued work within the early help strategy and action plan for the Borough, to assist in further reducing the demand for statutory intervention and the costs of care.

  (e) Continuing to work with neighbouring local authorities and as part of the newly established Yorkshire and The Humber Adoption Consortium with a view to developing a Regional Adoption Agency, in response to central government policy and which will aim to improve resources, capacity, skills and placements that could benefit children and young people, in Barnsley. The Sufficiency & Placement strategy has recently been refreshed and now reflects latest projections on growth in LAC numbers and cost.

. Adult Social Care & Health

- Reviewing team - a reviewing team consisting of 2 experienced social worker/health practitioners and 4 assistant social care practitioners has been established to review care packages. Latest data indicates 112 reviews have been completed since June/July 2016 with efficiencies identified against a number of care packages.

- Maximisation of health funding / contribution to care costs. This involves ensuring that all health funded clients in relation to continuing health contributions and s117 funding are identified in a timely manner and the correct level of contributions reflected against their care plans.

- Continue with the review (that commenced in 2015/16) of expensive MH residential placements using the Care Funding Calculator (CFC), with a view of negotiating down placement fees with providers.

- Resource Allocation Panels in relation to Older People, Disabilities and Mental Health will continue to be held on a regular basis to consider all high cost packages of care and placements to provide checks and challenge to ensure the support to be provided is both appropriate and cost effective.

- Monthly meetings are in place with finance and the service along with managers who have budgetary responsibility to monitor expenditure in this area.

iv. Future Outlook

The main risks in 2016/17 and for future years mainly relate to demand-driven pressures. The following summarises the future outlook for the directorate going forward:

Education, Early Start, & Prevention

The main pressures for the Business Unit in 2017/18 mainly relate to a fall in government grant funding, particularly the Education Services Grant (ESG) and the Youth Justice Board (YJB) funding. It should be noted that the anticipated cessation of ESG funding has been addressed by the Council through the MTFS process.

Adult Social Care & Health

A net recurrent cost pressure of £4.8m is currently forecast for 2017/18, and reflects forecast increase in recurrent demographic pressures across the main client groups i.e. Older People, people with Disabilities and Mental Health (increasing client numbers and cost of care packages) and the ongoing impact of the introduction of the national living wage. This forecast cost pressure has already been reflected within the Council's Medium Term Financial Plans (2020 Council). In the interim, efforts are continuing within the Directorate to manage down these pressures and includes a number of 'invest to improve' proposals that have been put forward (e.g. creation of the reviewing team) to help in identifying efficiencies and managing demand.

Children social care & safeguarding

A FYE recurrent cost pressure of £3.6m is currently forecast for 2017/18, which is mainly attributable to the LAC placement and care leavers costs. This is an increase of £0.6m compared to the cost pressure assumed in the Council's MTFS and outlined in the refreshed Placement Strategy.

SECTION 2 – EXECUTIVE DIRECTOR'S STATEMENT FOR PLACE

Executive Director's Statement

i. Overview

The latest revised 2016-17 approved budget envelope for the Place Directorate is £31.361M. The Directorate is forecasting a net operational overspend of **£1.443M** in the current financial year. This position is a slight improvement (-£0.073M) when compared to to the reported postion at the end of Quarter 2 (£1.516M).

Moving forwards it is expected that the Directorate will have an ongoing budget pressure of £0.633M (of which £0.450M has already been considered as part of the ongoing MTFS, with £0.183M to be considered as part of the wider work around Council demographic pressures).

It should be noted however that the pressure as at the end of 2017/18 will be greater than £0.633M albeit temporarily due to the exact timing of proposed mitigations being unknown at this stage. A further report will update on this postion in due course.

Quarter 3 Position to the end of the quarter ending December 2016

DIRECTORATE	Approved Net Budget 2016/17 (after Virements) £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage, Grant balances & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) * £'000
Executive Director	143	143	-		0	-
Economic Regeneration	2,786	2,497	(289)	210	(79)	-
Culture, Housing & Regulation	1,560	1,515	(45)	45	0	-
Environment & Transport	26,872	28,394	1,522	-	1,522	183
Total – Place	**31,361**	**32,549**	**1,188**	**255**	**1,443**	**183**
Housing Revenue Account	48,822	45,638	(3,184)	2,740	(444)	-

ii. Key Variances

There are a number of contributing factors that have resulted in this position. The key variances by Business Unit are set out below:

Economic Regeneration

Economic Regeneration is currently forecasting an Operational Underspend of -£0.079M at the end of the financial year. This is after adjusting for the earmarking of £0.200M in contributions from the South Yorkshire Combined Authority towards the SY Broadband Demand Stimulation Project and £0.010M of Neighbourhood Planning Grant. The key issues and variances are highlighted below:

- Employment & Skills
  The service began the financial year facing cost pressures of around £0.261M as a result of costs associated with running the authority's Resource Centres and the

increased costs of accommodation following the move to Wellington House. To mitigate this pressure the service has held a number of vacancies during the year together with identifying new funding streams. There remains a shortfall of £0.033M which is expected to be contained by the end of the financial year.

- Building Control (-£0.064M)
  Fee income receipts during the third quarter have continued to improve resulting in a projected surplus of -£0.034M at the end of the financial year. In addition, a number of posts have been held vacant (-£0.030M).

- Development Management (£0.020M)
  The budget for Planning application fees was increased by £50k in 2016/17 as part of the Future Council savings proposals. Fee income during June and July dropped significantly and although income levels have since improved an income shortfall for the year of around £0.049M is considered likely. This shortfall will be partly offset by staff turnover and other minor savings (-£0.029M).

- Planning Policy
  Work on the Authority's Neighbourhood plans will not now take place until 2017/18. The grant received from Government (-£0.010M) to enable this work to be carried out will therefore need to be earmarked for use in the next financial year.

- Economic Development
  The service is forecasting an underspend of -£0.200M which relates to contributions from the South Yorkshire Combined Authority towards the implementation of the South Yorkshire Broadband project. This funding is required in future years as match to a successful ERDF grant application and will therefore be earmarked as part of the Final Accounts Process.

- Technical Refresh Budget and other savings (-£0.035M)
  A retendering process for IT hardware is currently being progressed by Information Services meaning the Business Unit's refresh programme will not be completed during the year. An earmarking will therefore be requested.

Culture, Housing & Regulation

Culture, Housing & Regulation is currently projecting a breakeven position at the end of the year. The key issues within the service are highlighted below:-

- Culture & the Visitor Economy (£0.111M)
  Cultural Services are currently anticipating a shortfall in income of £0.161M which reflects the difficulties the service faces in generating commercial income together with a one-off adjustment to the value of stock taken at the end of 2015/16. Every effort will be made during the final quarter of the year to improve this position with a number of events already planned. The income position will continue to be closely monitored and be partly offset by vacancy management (-£0.050M). However, it has become increasingly evident that current income targets are not realistically achieveable and will represent a permanent cost pressure on the service moving forwards . During Quarter 4, work will therefore be undertaken to find alternative savings from within the Business Unit to permanently offset the commerial income target. The service has however secured grant funding and contributions from third parties in excess of £0.1M including for the Hear my Voice Project and the Collections and Cannon Hall

- Regulatory Services (-£0.077M)
  Regulatory Services is currently forecasting a shortfall in fees and licensing income and other minor overspends totalling £0.040M. This reflects a £0.019M improvement on the position reported at the end of quarter 2. This shortfall is however offset by vacancy managment (-£0.117M). In addition an underspend of -£0.045M is expected against the Public Health grant allocation however its is propsoed to earmark this underspend to fund the continuation of the the illicit tobacco position within the service.

- Housing & Energy (-£0.029M)
  The service is forecasting an underspend of -£0.029M in 2016/17. Staff vacancy savings -£0.059M will be partly offset by a corresponding reduction in the recharge income from the HRA (£0.018M) and a small overspend in overheads (£0.012M).

Environment & Transport
The quarter 2 position for Environment & Transport identified cost pressures of £2.469M which were offset by in year mitigating actions totalling -£0.953M, resulting in a net forecast outturn for the service of £1.516M. During Quarter 3 additional cost pressures totalling £0.076M have arisen, due in part, to the continued fall in the national market for recycled glass and the increasing demand for Home to School Transport. The total cost pressure now stands at £2.545M. This cost pressure is as a result of:

- Non delivery of 2015-2017 efficiencies £1.090M
- Service Pressures £0.822M
- Demographic Pressures £0.633M

However, the Service is forecasting to deliver mitigating savings totalling -£1.023M (explained below), an additional £0.070M on the Quarter 2 position . The projected budget shortfall at the end of Quarter 3 is therefore £1.522M.

The key variances and corrective action proposals are highlighted below:

- Transport (£0.676M) – This overspend is as a result of an increased demand for Home to School Transport (£0.366M), other cost pressures within the service (£0.100M) toegther with the non-delivery of efficency savings associated with Travel Training (£0.210M).Since April 2015 there has been a 34% increase in the number of children accessing transport (from 392 to 524) and demand continues to grow.

  As mentioned in previous quarterly reports, a Task and Finish group has been established with participants from across the Council. Four key work streams are focusing on; i. reducing present operating costs to mitigate the forecast overspend; ii re-procurement of a new framework; iii re-writing the present Home to School Transport Policy; and iv. Collaborating with the ongoing transport review with SYPTE.

  Specifically the group is focused on reducing demand for expensive taxi's and escorts; challenging and educating schools about what journeys are reimbursable; reviewing all existing routes to aggregate and reduce the numbers; and seeking to travel train a cohort of children. Unfortunately, the savings achieved to date have been limited due to a lack of support from key stakeholders (parents and schools) resulting in pressure to re-instate journeys.

  To counter this the transport policy is currently out to consultation with a new policy to be implemented from 1st April 2017. This will complement a new procurement framework that will seek to increase competition, reduce the number of journeys and reduce costs per route thus providing a more sustainable service.

- Fleet (-£0.090M)
  This underspend is due to a projected saving on operating lease rentals (-£0.154M) resulting from the decision to purchase 15 of the old refuse collection vehicles last year. Replacement vehicles for the ones that are at the end of their useful lives will not be delivered until 2017/18.

- Construction (£0.190M) – The current outturn is due to an estimated reduction in the income that will be achieved during the year.

- Transportation & Design (-£0.210M) – There is an underspend on staffing costs within the serice as a result of staff turnover (-£0.273M). This has been partially offset by reduced fee income (£0.055).

- Highways Maintenance (-£0.089M) This underspend primarily relates to forecast savings on electricity charges following the completion by the Council of an asset register of the new LED street lights. However this is awaiting verification by Npower.

- Highways ,Engineering & Transportation Management (-£0.363M) – This underspend relates primarily to a forecast saving on the Council's contribution to the My Card scheme (-£0.197M) due to lower usage of the card and the grant received from Central Government towards the cost of the zero fares policy (-£0.100M). In addition, savings have been achieved on the vacant Head of Service post (-£0.039M).

- Contracts Management (£1.312M) - This overspend is due in part to a shortfall in the income from the sale of recyclable materials (£0.466M). This is as a direct consequence of a number of factors;
  - the recycling income target has been increased (by £200k) over the last 2 years based on market prices being received at that time;
  - the forecast tonnage of the key income generating stream (kerbside collected paper) continues to decline annually; and
  - national and global commodities prices for glass, metals, plastics, have been suppressed throughout this financial year resulting in lower sale prices for the authority. Recent negotiations regarding the renewal of the contract for the removal of these materials suggest that moving forward the Council will be required to pay a fee of £25 per tonne for the removal of this waste rather than deriving an income from its sale. It should be noted however that this fee remains cheaper than disposing of the waste and also contributes to the Authority meeting its recycling targets.

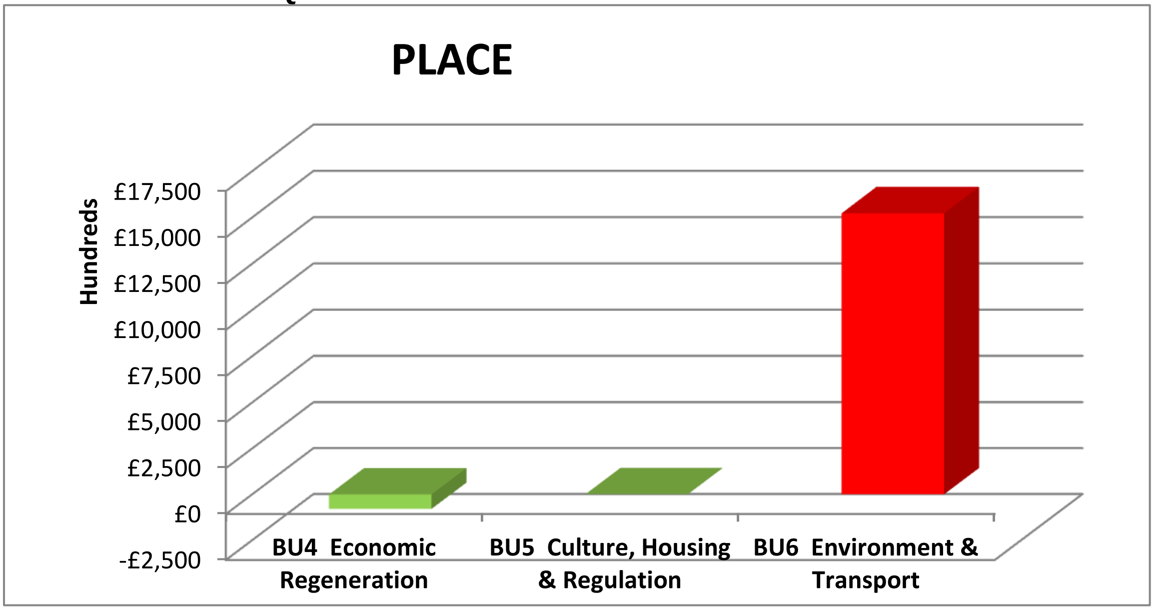
  The outturn also includes £0.160M additional cost of leasing an increasing number of replacement wheeled bins. Whilst the number of leased bins is expected to fall over time it is anticipated that the cost of the existing bins in circulation will continue at this level for the short to medium term.

  In addition, an increase in waste disposal costs has resulted in the non delivery of £0.500M of the Waste PFI contract efficiency savings proposal this year. Delays in the delivery of the transfer loading station have also resulted in a further budget shortfall of £0.140M. Finally, there are also a number of other minor overspends in the service totalling £0.046M.

- Neighbourhood Services (£0.002M) – Although forecasting a balanced postion the service is forecasting a significant shortfall in internal and external income (0.235M). This in the main is as a result of a reduction in the environmental work commissioned by Berneslai Homes (£0.170M). This cost pressure is currently being managed by the service by freezing vacancies (-£0.158M) and from savings on materials due to the reduction in workload (-0.053M).

- Waste Collection (-£0.074M) – This underspend primarily relates to additional income generated by the service from special collections and wheeled bin deliveries. (-£0.112M). This saving is partially offset by the additional cost of vehicle repairs. A combination of other minor cost pressures totalling £0.168M bring the projected Operational Deficit for the Service to £1.522M.

Directorate Position – Quarter 3 Outturn



Housing Revenue Account

The latest forecast outturn shows a net improvement of £0.444M in the financial position compared to the approved revised HRA budget.

The major variations are outlined below:-

Reduced Costs/Increased Income

- £0.200M reduced forecast in repairs expenditure, however this is subject to fluctuation due to demand and winter weather conditions.

- £0.250K reduction in impairment charges based upon latest forecasts from the Council's Asset Management section.

- Lower than anticipated contribution of £0.005M to Enforcement & Community Safety.

- £0.050M increase in Renewable Heating Incentive income above the budget estimates.

Increased Costs/Reduced Income

- £0.012M lower than forecast income from Services Charges, mainly due to the review of the Furnished Tenants Scheme.
- Due to mild weather conditions district heating income has reduced by £0.030M.
- £0.010M reduction in garage and garage sites income as a result of lower demand for garages, reduction in the number of sites and the redevelopment of Hudsons Haven.
- Reduced income of £0.010M from tenants rechargeable repairs compared to budget estimates.

Revenue Contributions to Capital

At this update £2.740M of the planned revenue contribution to capital, has been carried forward in the HRA working balance to fund commitments on the 5 year approved programme. This is mainly due to slippage on capital schemes with RCCO funding sources.

Overview

The latest forecast outturn show an improvement of £0.444M in the financial position. This sum if realised will be available to support the 30 year Self Financing Business Plan.

iii. Approved savings position

The Directorate savings target totals £2.668M for 2016/17 with undelivered savings carried forward from 2015/16 totalling £0.440M giving a revised saving target of £3.128M. The current position is that £1.189M is currently not on target to be delivered during the financial year. Key variances include ;

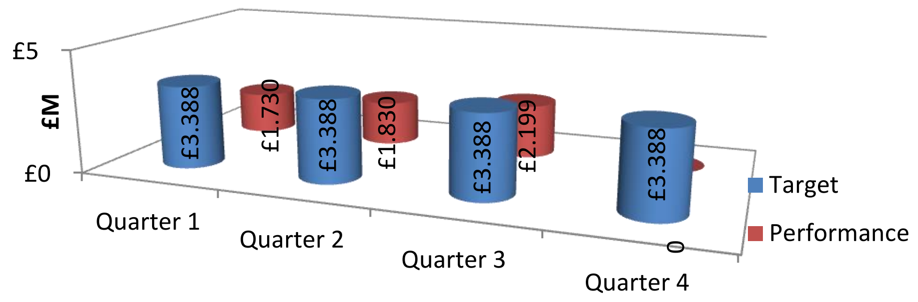
Waste PFI - £0.500M
The original saving was £0.600M over 2 years was based on opportunities to increase income from the sale of spare capacity in the facility (0.400M) and other VFM opportunities. The current position is that tonnages have not reduced to the expected levels and therefore costs to date have not reduced with only a £0.100M loyalty payment contributing to the KLOE target. The service will continue to work with partners to persue savings through the contract.

Travel Training - £0.200M
The original saving of £0.225M was based on training 150 clients to travel to care providers independantly. Currently only 11 clients have been trained.

Transfer Station - £0.140M
This saving was based on the provision of facilities to transfer waste more efficiently resulting in savings on transport costs, income from recycling more highways waste and potentially sale of the service to commercial waste businesses. Delays have been experienced due to site investigation works. Invest to grow funding for feasibility and project management costs has since been approved. A business case is being prepared to identify accurate construction costs and realistic annual savings. It is expected that the station will be delivered during 2017/18 with savings exceeding the original £0.140M target.

Highways Materials - £0.240M
The service is currently working with procurement and with partners across other South Yorkshire Authorities to achieve savings through bulk buying etc.

Forecast Efficiency – Performance v Target



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Target	£3.388	£3.388	£3.388	£3.388
Performance	£1.730	£1.830	£2.199	

iv. Corrective Action

As highlighted the Directorate is forecasting an overspend of £2.545M as at the end of Qtr 3. To mitigate this, a number of alternative proposals and mitigating initiatives have or are in the process of being implemented. These can be summarised as follows:

Summary of Mitigations to Place Quarter 3 Outturn

	£M
Undelivered 2015-2017 Efficiencies	**1.189**
Service Pressures	**0.723**
Demographic Pressure	**0.633**
	2.545
2016/17 In Year Mitigations	
Transport – Stricter enforcement of existing transport policy	-0.040
Car Parking – review of fees and charges policy	TBD
Vacancy Management/Staff Turnover	-0.769
Replacement Efficiency Savings Proposals	-0.083
Highways Maintenance – Reduction in costs	-0.131
Total in-year mitigations	**-1.023**
Quarter 3 Revised Reporting position (after mitigations)	**1.522**
Further Mitigations (exact timing unknown as yet)	
Delayed implementation of Efficiencies	-0.561
Other Mitigations incl:	-0.328

- Invest to Grow Initiatives/Service Improvements	
- Review of Car Parking	
2017/18 Total Mitigations	**-0.889**
Ongoing Cost Pressure	**0.633**

Ongoing Cost Pressure	
Transport increased client numbers	0.366
Waste Collection & Disposal Costs	0.267
Ongoing Cost Pressure	**0.633**
Considered as part of the MTFS	-0.450
For consideration as part of the wider review of demographic pressures for the Council	**0.183**

<u>v. Future Outlook</u>

Whilst the Directorate is forecasting an in-year deficit of £1.443M. This includes the delay in the delivery of previously approved efficiencies. Plans remain to deliver these where possible. However, as mentioned, work is also continuing to permanently mitigate any ongoing cost pressure moving forwards with the directorate identifying a number of opportunities to reduce cost/increase income. These include options around car parking, invest to grow initiatives, reviewing all fees and charges in line with the commercial market and wider service re-engineering options. Further details on this will be presented to cabinet in due course.

However, there remains a number of pressures that continue to cause concern. In particular the service is experiencing increased demographic pressures as as result of the continued increase in users of the Home to School Transport service together with an increase in Waste Collection and Disposal Costs due to housing growth. Whilst these pressures have been considered within the Council's Medium Term Financial Strategy to date they will continue to be monitoried with any further increases being considered alongside other demographic pressures of the Council as part of the ongoing work in this area.

In addition there remains volatility of the recylable materials market which the service will continue to monitor.

Finally it is forecast that there will be a shortfall in the rental income received for the business units at the new R-Evolution industrial development at Junction 36 which the Council holds under a 25 year lease as part of the PIF initiative. This is as a result of delays in the securing tenants for all the units. An estimated budget shortfall in 2017/18 of around £0.080M is currently forecast due to the rent free periods and incentives offered under the terms of the agreements. As previously agreed by Cabinet, any shortfall in letting income for these units will represent an additional cost pressure against the Authority's Medium Term Financial Strategy.

SECTION 3 – EXECUTIVE DIRECTOR'S STATEMENT FOR COMMUNITIES

Executive Director's Statement

i. Overview

The total net budget for the Directorate is £17.783M. Based on the financial results achieved to date (Quarter 3) and forecast activity for Quarter 4 a net expenditure position for the year of £14.950M is estimated. The result is a forecast underspend before earmarking's of £2.833M. Of this £2.259M is proposed for earmarking, resulting in an estimated operational underspend of £0.574M for 2016/17.

Quarter 3 Position to the end of the quarter ending 31 December 2016

DIRECTORATE	Approved Net Budget 2016/17 (after Virements) £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) * £'000
Customer Services	9,057	8,809	(248)	-	(248)	-
Safer, Stronger, Healthier	8,726	6,141	(2,585)	2,259	(326)	-
Total – Communities	**17,783**	**14,950**	**(2,833)**	**2,259**	**(574)**	**-**

The latest (Q3) forecast underspend represents an increase of just over £0.400m when compared to the Q2 forecast (£0.162m). This is mainly as a result of:

- Increasing underspends on staffing largely due to a combination of vacancy retention and increasing staff turnover linked to reorganisation and review factors.
- Increasing contract efficiencies, primarily Supporting People where an increased contract saving of £0.147m is now expected – as compared to the £0.076m in Q2.

ii. Key Variances

Customer Services

Customer Services are currently projecting an operational underspend of £0.248M for 2016/17. The positon being based on the following:-

- Customer Services – an overspend of £0.043M – this relates to lower than forecast income within the Contact Centre and Customer Services. This has arisen due to a downturn in multimedia income, library fines and income from Registrars.

- Staffing – an underspend of £0.291M – the Customer Services Business Unit has had to manage a range of staffing pressures throughout the year with Day Services, Catering and Customer Services & Development teams all retaining significant levels of vacancies.

  Of most significance however are the staffing pressures being felt within Supported Living where, conversely, an overspend for the year of £0.179M is currently estimated.

  The pressures in Supported Living can be largely attributed to the imminent outsourcing of the function; this has resulted in a growing requirement to engage agency staff to cover increasing levels of staff absence.

Mitigations to address these issues continue to be considered with commissioners in the People Directorate.

Safer, Stronger & Healthier Communities(SSH)

The Business Unit is currently projecting an operational underspend of £0.326M after earmarkings. This is primarily due to:-

- SSH Part Year Vacancies (£0.105M) underspend – this underspend is associated with part year vacancies and is non-recurrent.

- Contract Savings (£0.147M) underspend – representing a saving on the Supporting People contract.

- Other Savings (£0.074m) underspend – comprising savings on B&B and temporary accommodation costs from the Housing & Welfare budget (£0.060M) along with the early completion of the Lets Grow scheme resulting in a saving (£0.014M).

The service has proposed ear-markings of £2.259M comprising the following areas:

- Think Family £0.790M – this position reflects the longer term nature of the programme and funding which is linked to multiyear financial forecasts. Any unutilised resources will therefore be earmarked and carried forward into future financial years for the ongoing delivery of the programme.

- Local Welfare Assistance Scheme £0.331M – Government funding for the provision of this scheme ended in 2014/15. It was agreed that the balance of funding would be carried forward into subsequent years to maintain provision pending the outcome of a wider review of welfare. This will be implemented in full from 2017/18.

- Community Health Improvement £0.026M – this represents slippage in spend against Public Health funding allocated to support the Public Health Practitioner position. The service wishes to earmark the balance of the slippage to contribute towards the Samaritan & Bereavement Counselling service for an additional 12 months, at which point the contribution will be reviewed within the whole Be Well Barnsley contract.

- Commissioning & Market Development £0.094M – this represents the balance of unspent CCG funding - £0.020M, relating to Alcohol training which will be continued into 17/18 plus an £0.074M underspend of salaries and agency staff. This relates to the amount required for 12 months to fund a consultant to look into pricing/contract strategies for contracts under review within the Communities Directorate.

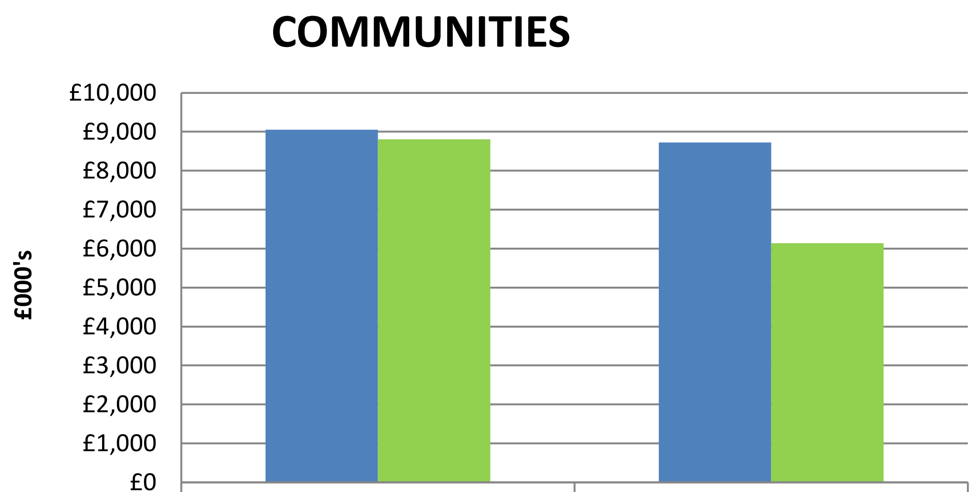
- Stronger Communities £0.025M – this is the balance of unspent CCG funding relating to the Good Gyms Programme which will continue into 2017/18.

- Safer Communities £0.029M – this represents the balance of unspent earmarking from 2015/16 for the temporary (12 month) position of a licensing officer £0.017M. The earmarking has arisen due to delays in appointing to the positon. In subsequent years this post will either terminate or become self-financing via the introduction of a Rented Property Licensing Scheme – subject to the scheme being ratified by the DCLG and approved by Cabinet. The balance of the earmarking (£0.012M) will be used to fund a Legal Caseload Worker to carry on work relating to fixed penalty notices.

- Devolved Area Council / Ward Alliance Funding £0.792M – comprising the balance of devolved funding that has been fully committed but not yet spent. It was previously agreed that any balances would be earmarked and carried forward into subsequent years. The balances held have been reducing year on year.

- ED Communities £0.172M – this relates to Transformation funding that is committed against specific projects in 2017/18.

Directorate Position – Budget v Actual (FYE)



	Customer Services	Safer, Stronger and Healthier Communities
Budget £000's	£9,057	£8,726
Actual (Outturn) £000's	£8,809	£6,141

iii. Approved Savings

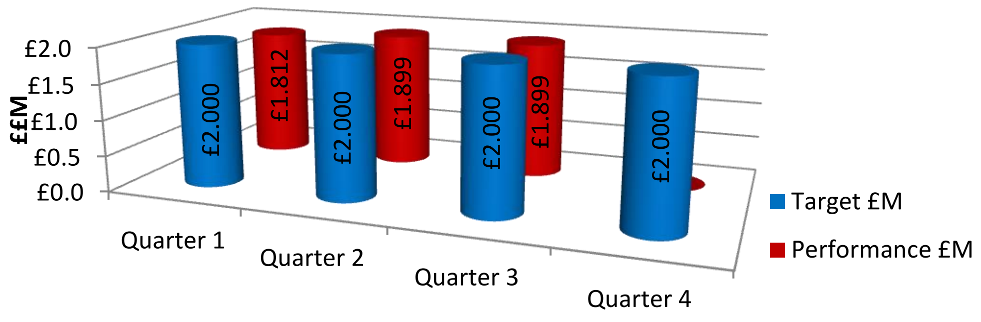
The Directorate had total approved savings of £2M to deliver in 2016/17.

Whilst there has been a delay in the delivery of COM 3 – Customer Service Interaction (£0.051M) this will be mitigated by vacancy retention within the Customer Services Development service.

There is also a delay in delivery of COM11 – Review of Health Improvement (£0.137M). This is due to the implementation of Safer Barnsley restructure (£0.050M) being moved to April 2017. This should however be mitigated by vacancy retention and the achievement of contract savings of £0.087M by Healthier Communities.

All other savings have either all been delivered in full or are on target to be delivered by the end of 2016/17.

Forecast Efficiency – Performance v Target



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Target £M	£2.000	£2.000	£2.000	£2.000
Performance £M	£1.812	£1.899	£1.899	£0.000

iv. Corrective Action

As indicated above, Supported Living represents the most significant area for a potential overspend. This is being closely monitored and work is ongoing to contain overspends as far as possible until the service TUPE transfers to other providers.

The above aside, there are currently no major corrective actions required in relation to the financial forecasts outlined in this report.

v. Future Outlook

There is an expectation that the Directorate will take all necessary measures to ensure that it operates within its approved resource envelope on an ongoing basis.

It should be noted however that the following represents an ongoing financial risk that will continue to be closely monitored.

Independent Living at Home (ILAH) estimated trading deficit for 2016/17 of £0.445M –whilst £0.330M has been already earmarked to support a significant proportion of the ILAH deficit, based on the company's latest outturn, a further £0.115M may be required to fund the balance of deficits incurred in 2016/17.

To address its current and ongoing financial pressures ILAH has recently undergone a comprehensive business review

This has led to the Company being restructured, resulting in a reduction in operating costs and a more effective and customer focused structure. It is anticipated that these amendments will help to significantly reduce the trading deficit in 2017/18 – the latest draft budget estimates the deficit reducing to around £0.300M.

Despite an improving trading position the underlying deficit will need to be addressed. As part of this process it will be necessary to work closely with Adult's Joint Commissioning Team to establish the Commissioning intent for these services, and arrive at an agreed financial arrangement.

A report setting out the outcome of the review and future options for the company is being compiled and will be submitted to Cabinet for consideration.

SECTION 4 – EXECUTIVE DIRECTOR'S STATEMENT FOR PUBLIC HEALTH

Executive Director's Statement

i. Overview

The total net budget for the Directorate is £3.347M and the total forecast net expenditure for 2016/17 is £2.796M. The result is a forecast underspend for the year of £0.551M.

The underspend is to be proposed for earmarking as it is fully committed against future year requirements.

Quarter 3 Position to the end of the quarter ending December 2016

DIRECTORATE	Approved Net Budget 2016/17 (after Virements) £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) £'000
BU10 – Healthcare & Partnerships	3,347	2,796	(551)	551	-	-
	3,347	**2,796**	**(551)**	**551**	-	-

ii. Key Variances

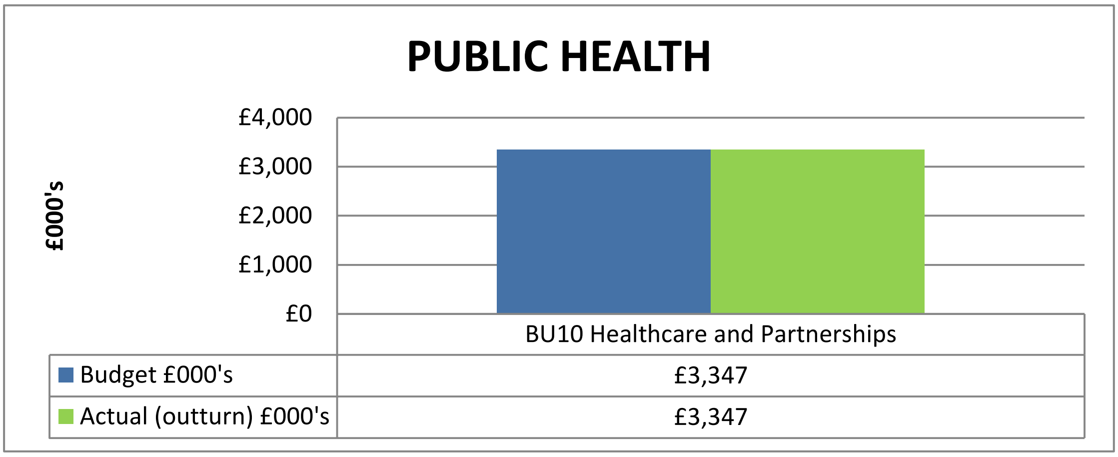
As indicated above there is a forecast under spend of £0.551M for the current year. This is a planned underspend intrinsic to the fulfilment of the Public Health 4 year plan - the intention being to carry the underspend forward into future years to meet identified commitments.

The 0-19 Years Healthy Child Programme transferred from SWYPFT to BMBC on the 1st October 2016. Costs incurred as a result of the transfer created a one off pressure of £0.259M – this has been successfully accommodated within Public Health's overall financial envelope.

Whilst there is currently a degree of uncertainty over the future year expenditure levels for the 0-19 provision, options around service delivery are being considered in order to ensure operating costs fall within the available resource envelope.

The service has also undertaken a one off project relating to the creation of a Smoke Free Generation which has been funded from current ear markings of £0.007M and there is an initial pressure of £0.017M on the Long Acting Reversible Contraception project, again these have been subsumed within the overall in year plan.

Directorate Position – Budget v Actual



<u>iii. Approved Savings</u>

The Directorate has no approved savings to deliver in 2016/17.

<u>iv. Corrective Action</u>

There are no current major corrective actions required in relation to the financial forecasts for the current financial year.

<u>v. Future Outlook</u>

The current 4 year plan currently has a balanced position but the service is fully aware that government funding can change and will consider how this might be addressed across all service areas funded through Public Health grant.

SECTION 5 – DIRECTOR'S STATEMENT FOR LEGAL & GOVERNANCE

Director's Statement

i. Overview

The latest total net budget for 2016/17 for Legal and Governance is £3.186M. The latest total projected outturn forecast as at the end of quarter 3 is £3.149M, resulting in a total net under spend for the service of £0.037M.

Quarter 3 Position to the end of the quarter ending 31st December 2016

DIRECTORATE	Approved Net Budget 2016/17 (after Virements) £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (16/17) £'000
Legal Services	1,106	1,116	10	-	10	-
Elections	507	479	(28)	-	(28)	
Council Governance	1,573	1,554	(19)	-	(19)	-
Total – Legal	**3,186**	**3,149**	**(37)**	**-**	**(37)**	-

ii. Key Variances

Legal

Legal services are projecting an over spend of £0.010M for 2016/17 as a result of an in year restructure implemented from January 2017 to attract the right calibre of staff and negate the use of locums. The early implementation of the new structure has resulted some cost pressures in the final quarter of the year; however the restructure allows savings targets to be achieved from April 2017.

There are also some significant cost pressures against printing and postage which need to be managed going forward, the service are in the process of exploring the potential to utilise an electronic court bundling system to reduce such spend.

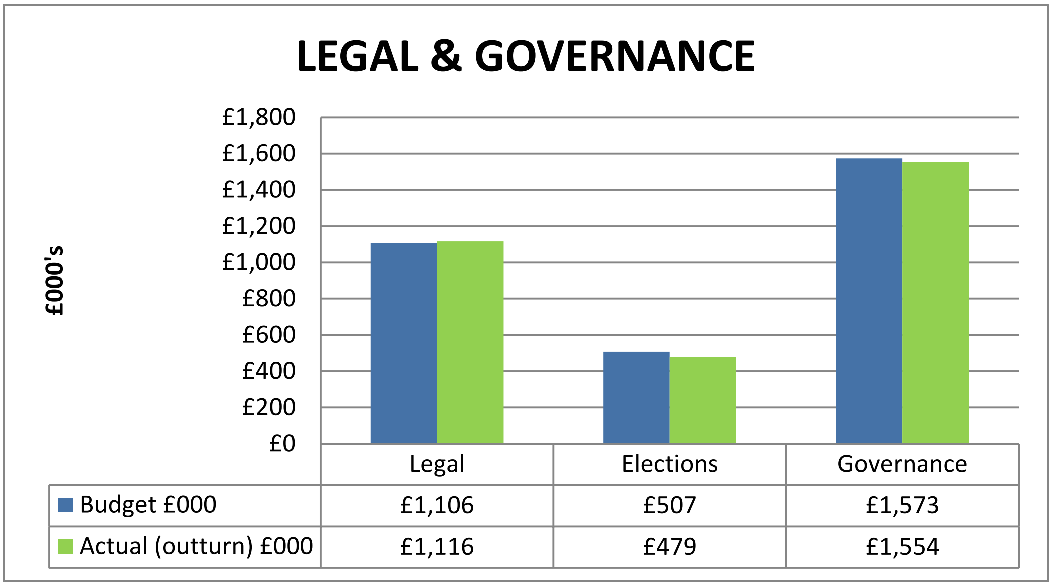
Elections

Elections are projecting an under spend of £0.028M for 2016/17, which is largely related to overachievement of the final Parliamentary election and the lower than expected salary costs due to the grade of newly established posts.

Council Governance

Council governance is forecasting an under spend of £0.019 due to current vacancies and the restructure in support of the Lord Lieutenancy service.

Directorate Position – Budget v Actual



	Legal	Elections	Governance
Budget £000	£1,106	£507	£1,573
Actual (outturn) £000	£1,116	£479	£1,554

<u>iii. Approved Savings</u>

The Directorate has no approved savings to deliver in 2016/17.

<u>iv. Corrective Action</u>

There are no major corrective actions required in relation to financial forecasts for 2016/17; any minor pressures will be managed across the financial position for the overall Directorate.

<u>v. Future Outlook</u>

The Directorate has identified a number of specific pressures moving into 2017/18, these will be addressed in full as part of the council's wider 4 year planning from 2017/18 onwards.

<u>Elections</u>

- Staffing requirements associated with the Annual Write Out (Canvass) process and registration requirements leading up to elections £0.077M;
- Additional Printing and Postage costs associated with the Annual Write Out (Canvass) process £0.030M.

These costs have been mitigated in 2016/17 through electoral claims; however the full additional cost pressure of £0.107M has been considered as part of the 2017/18 budget process.

<u>Legal Services</u>

- The staffing pressures associated with high levels of commercial and related advice and significant increases in resource around child protection work is likely to place an ongoing annual financial pressure of £0.108M over the next few years as referred to above. A further restructure of the service has been implemented which will meet future council saving targets. Some of the increased costs associated with child protection should result in reduced costs of Legal Counsel charges passed to 'People' Directorate. All of the above has been addressed as part of the Councils 4 year financial plan.

SECTION 6 – EXECUTIVE DIRECTOR'S STATEMENT FOR FINANCE, ASSETS & IT

Director's Statement

i. Overview

The latest total net budget for 2016/17 for the Directorate is £15.384M. The total projected outturn forecast as at quarter 3 is £14.779M, resulting in a total under-spend, before earmarking's of £0.605M for the year. Of this £0.793M is proposed for earmarking resulting in an overall operational over spend for the year of £0.188M. This is non-recurrent so the FYE position for the Directorate is break-even.

Quarter 3 Position to the end of the quarter ending 31st December 2016

DIRECTORATE	Approved Net Budget 2016/17 (after Virements) £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) * £'000
Assets	4,907	5,093	186	194	380	-
Information Technology	5,661	5,758	97	-	97	-
Finance	4,816	3,928	(888)	599	(289)	-
Total	**15,384**	**14,779**	**(605)**	**793**	**188**	

*Reflects non re-current savings

ii. Key Variances

Assets

Assets are currently forecasting an operational over spend for the year after earmarking's of £0.380M, the key variances associated with this are:

- Building Services £0.346M - Financial pressures associated within the running of the Council's assets portfolio, namely repairs and maintenance and the earlier than anticipated closure of units within the Met Centre. Losses of such rents are built into the Council's medium term financial plans from 2017/18. Corrective action is being investigated to address the other ongoing pressures within this service area.

- Strategic Assets £0.071M – loss of rental income associated with the Carlton Depot.

- Various Other (-£0.231M) – the above key pressures are mitigated by underspends across the directorate as a result of vacancies, overachievement of Renewable Heat Incentive income from feed in tariffs, and increased profit share associated with the Norse contract.

The earmarking of £0.194M is in relation to underspends against Building Schools for the Future, which contributes to the affordability of the whole life cost model.

Information Technology

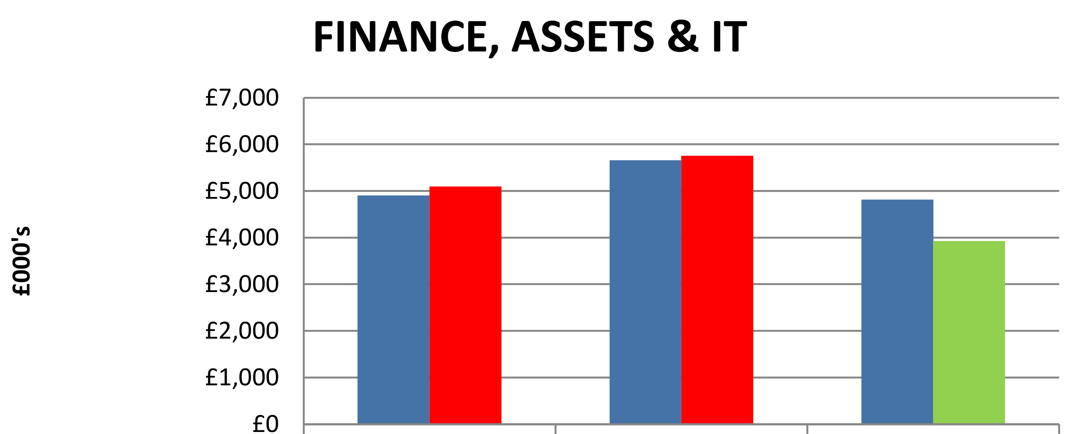
Information Technology are currently forecasting an over spend of £0.097M. This is largely associated with increased costs for computer hardware and contractors £0.293M due to greater investment being required for the data centre. This is mitigated by savings against vacancies and the filling of vacant posts over the next quarter of £0.196M.

Finance

Finance are currently forecasting an underspend of £0.888M, as a result of high staff turnover and vacant posts pending a restructure to support the Business Unit's 2020 plan together with delays in the transfer of Housing Benefits to the DWP.

It is proposed to earmark £0.599M of the underspend to manage the impact of the reduction in Council Tax and Housing Benefit administration grant and the transition of Housing Benefit to the DWP.

Directorate Position – Budget v Actual

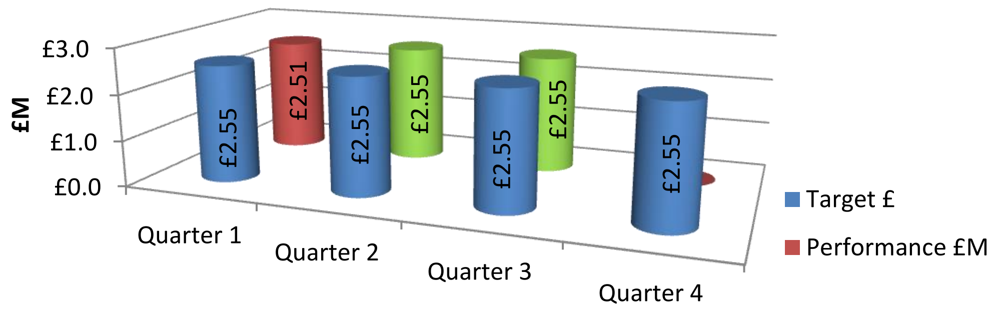


	Assets	IT	Finance
Budget £000's	£4,907	£5,661	£4,816
Actual (outturn) £000's	£5,093	£5,758	£3,928

iii. Approved Savings

The Directorate had total approved savings of £2.554M to deliver in 2016/17. All savings have either all been delivered in full or are on target to be delivered by the end of 2016/17.

Forecast Efficiency – Performance v Target



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Target £	£2.554	£2.554	£2.554	£2.554
Performance £M	£2.505	£2.554	£2.554	

iv. Corrective Action

There are no major corrective actions required in relation to the financial forecasts for the current financial year.

The Directorate is expecting to deliver against its approved savings target position for 2016/17.

v. Future Outlook

A detailed review is being finalised across the Council's portfolio of properties to consider the costs of operating the various properties and the income levels where these are subject to rental charges.

In terms of managing our assets we need to maximise growth and regeneration opportunities by continuing to dispose of surplus assets but also look to acquire new assets where these better support our corporate priorities, which will be addressed as part of the Council's Asset Management Strategy.

A key aspect here will be the Government's One Public Estate agenda, which looks to bring Partners together to develop ideas that make better use of public assets.

There is a risk that the current transfer of housing benefit functions to the DWP will have a financial impact in the future with a potential reduction in grant funding for administration of the scheme that is in effect used to fund the whole Benefits and Taxation team, not just the administration of housing benefit. Funding is proposed to be earmarked as outlined above to assist with the financial impact and any implementation requirements in the first year.

There are no further adverse issues within the Directorate that will impact on the future year financial position.

SECTION 7 –DIRECTOR'S STATEMENT FOR HR, PERFORMANCE & COMMUNICATIONS

Director's Statement

i. Overview

The total net budget for 2016/17 for the Directorate is £6.097M. Total forecast net expenditure is £5.530M resulting in a projected outturn forecast as at the end of quarter 3 before earmarking's of £0.567M. Of this sum £0.289M is proposed for earmarking resulting in a total net underspend for the year of £0.278M.

Quarter 3 Position to the end of the quarter ending December 2016

DIRECTORATE	Approved Net Budget 2016/17 (after Virements) £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) £'000
Human Resources	3,134	3,007	(127)	121	(6)	-
Performance	2,470	2,111	(359)	168	(191)	-
Communications	493	412	(81)	-	(81)	-
Total - HR	**6,097**	**5,530**	**(567)**	**289**	**(278)**	**-**

ii. Key Variances

Human Resources

The Business Unit is forecasting an overall under spend for the year of £0.006M after proposed earmarkings. This relates to part year vacancies across the service as a result of staff turnover and the time taken to fill vacant posts.

The service has proposed earmarkings of £0.121M comprising:

- Business Advisory £0.044M – The service wishes to utilise the in year underspend to further develop E-Forms to assist the service's drive towards online capabilities.

- Pay Reward & Organisational Governance - £0.019M – Underspend to be utilised for invest to save online technologies.

- Recruitment & Safeguarding - £0.058M - Represents the balance of an unspent ear marking from 2015/16 for the system replacement (EBULK) commitment.

Performance

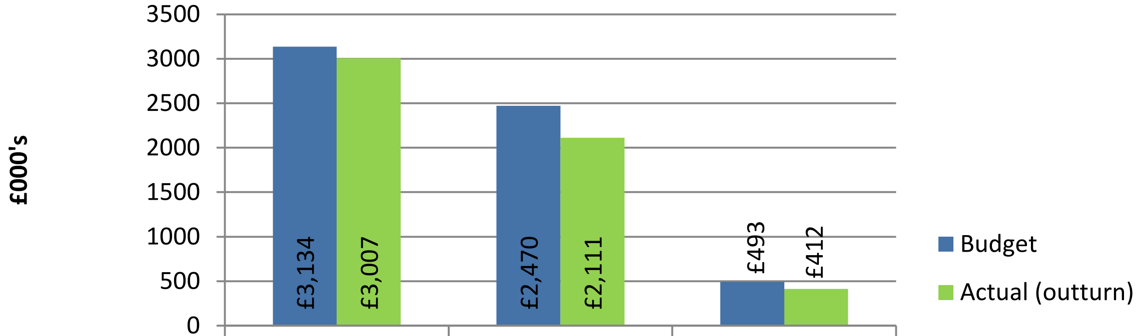
The Business Unit is forecasting an overall underspend for the year of £0.191M after proposed ear markings. This is largely related to part year vacancies across the service as a result of staff turnover and the time taken to fill vacant posts.

The service has proposed earmarkings of £0.168M which is funding required for future year commitments against the corporate training and leadership programme.

Communications

The Business Unit is forecasting an overall under spend for the year of £0.081M after proposed ear markings. This is largely related to part year vacancies across the service as a result of staff turnover and the time taken to fill vacant posts as well as early implementation of the 2017/18 KLOE restructure.

Directorate Position – Budget v Actual

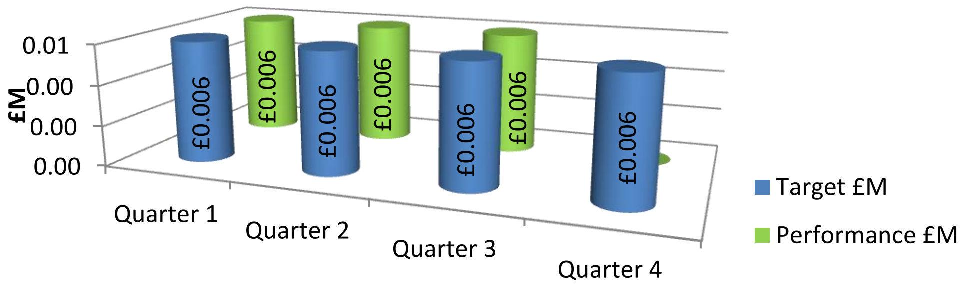


	Human Resources	Performance	Communications
Budget	3134	2470	493
Actual (outturn)	3007	2111	412

iii. Approved Savings

The Directorate had total approved savings of £0.006M to deliver in 2016/17. These have all been delivered in full.

Forecast Efficiency – Performance v Target



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Target £M	£0.006	£0.006	£0.006	£0.006
Performance £M	£0.006	£0.006	£0.006	

iii. Corrective Action

There are no major corrective actions required in relation to the financial forecasts for the current financial year.

iv. Future Outlook

There are no adverse issues within the Directorate that will impact on the future year financial position.

SECTION 8 - Commentary on Corporate/ Authority Wide Budgets

i. Overview

The total net budget for Corporate items is £21.342M broken down as follows:-

Quarter 3 Position to the end of the quarter ending December 2016.

BUDGET	Approved Net Budget 2016/17 (after Virements) £'000	Projected Net Outturn 2016/17 £'000	Forecast Deficit / Surplus (-) £'000	Adjustment for Slippage, Grant balances & Transfer to reserves £'000	Operational Deficit / Surplus (-) £'000	FYE (17/18) £'000
Capital Financing	38,054	21,382	(16,672)	0-	(16,672)	0-
CDC	766	766	0-	0-	0-	0-
Levies	1,098	1,098	0-	0-	0-	0-
Corporate Items	(2,757)	(2,757)	0-	0-	0-	0-
Provisions	10,267	(39)	(10,306)	0-	(10,306)	0-
Provisions – Pension Deficit	7,668	7,668	0-	0-	0-	0-
Contributions from Balances	(33,754)	(33,754)	0-	0-	0-	**0-**
Total – Corporate Budgets	**21,342**	**(5,636)**	**(26,978)**	**0-**	**(26,978)**	0-

ii. Key Variances

Capital Financing (-£16.7m)

It is currently forecast that the operational Capital Financing budget will underspend in 2016/17 by £2.2M as a result of being able to take advantage of low interest rates and short term borrowing.

However in addition to this and as previously reported to Cabinet, the Council changed its MRP policy during 2015/16. It was estimated that this would release a £14.5M saving during 2016/17. This estimate remains accurate and will contribute to corporate reserves but only in 2016/17. Any ongoing savings relating to MRP beyond 2016/17 have already been factored into the MTFS.

Other One-off Corporate Items & Grants (-£10.3m)

The Council received confirmation of the New Homes Bonus (NHB) to be awarded in 2016/17 which totals £6.7M. However this funding will fall significantly in future. The Government has concluded a review of NHB and have indicated that our future allocations over the next 3 years are likely to reduce by upto £3.0m.

Finally there is forecast to be an underspend against Corporate Budgets of £3.0M, this relates to a base budget review which amongst other things released a sum relating to downsizing costs which are now funded through one-offs. This saving is one year only and has already been factored into the Council's MTFS from 2017/18 onwards.

Debt Collection & Management

Bearing in mind the uncertain economic climate, it has become more important than ever to manage the Council's debtors effectively. It is equally important to recognise that the overall debt position is constantly changing as debt moves through the various stages of recovery and new debts are raised.

The table below shows that the overall overdue debt position at December was £26.2M. This is comprised of old debt of £17.0M and new year debt of £9.2M. Some £2.63M of old debt has been collected during this quarter which is encouraging.

Arrears for the current year debt is showing an increase of 1.17M compared to Q2. This is largely result of the creation of new trade and housing benefit overpayment debt raised during the period.

Historic debt is traditionally much more difficult to collect and this quarterly improvement indicates that the measures being introduced to improve debt recovery are starting to have an effect. Nevertheless, it remains good financial management to provide for non-recovery of some of these debts and the current provision for bad debts stands at £15.4M. The Director of Finance, Assets and Information Technology is now also seeking approval to write off historic debt amounting to £2.52M which have become uneconomical to pursue. This is summarised in the table below:

Type of Debt	Pre-16/17 Arrears £M	2016/17 Arrears £M	TOTAL Arrears £M	Bad Debt Provision £M	Write Offs For Approval £M
Opening 2016/17 Position (position as at 31 March 16)	33.773	n/a	3.773	15.523	
Position as at end of Sept	22.198	8.024	30.222	17.940	1.591
Total as at end of Dec	17.054	9.193	26.247	15.414	2.519
MOVEMENT	(5.144)	1.169	(3.975)	(2.526)	

<u>iv. Future Outlook</u>
The Council will continue to monitor corporate resources and seek to implement proactive actions to minimise future costs.

<u>v. Other Items</u>
External Trading
During 2015/16 the Council set up a number of subsidiary companies for the purposes of trading with the wider external marketplace. The narrative below details the Quarter 3 position:-

<u>BMBC Services Ltd</u>
BMBC Services Ltd continues to project a forecast year end profit after tax of £0.260M. The position with regards the company's main customers (schools) continues to be monitored. The Board are currently considering issuing a dividend on the back of the reported financial performance.

<u>ILAH Barnsley Ltd</u>
Independent Living at Home (ILAH) estimated trading deficit £0.445M – the ILAH company continues to face some significant financial pressures. A service review is currently being undertaken to consider the options for cost reductions and a report setting out the future options for the company is currently being compiled.Whilst £0.330M has been earmarked to support a significant proportion of the ILAH deficit, based on the company's latest outturn a further £0.150M may be required in 2016/17.
A number of options are currently being considered including action around restructuring and/or

alternative delivery methods.

£3 Million Invest to Grow Fund

As part of the 2015/16 final accounts process, Members approved the earmarking of a £3M invest to improve fund. As at Quarter 2 a total of £1.710M had been aproved by members. Further schemes totalling £1.105M have now been put forward by services/SMT which are subject to Cabinet approval. These include £0.351M of future years costs relating to schemes previously approved by members together with the new schemes listed below. This leaves approximately £0.2M remaining of the £3M fund. It is proposed that the remaining resources be held as a contingency to be reviewed in the context of the overall progress of the programme of funding at the end of quarter 1 2017/18.

Proposal Theme	Investment £
Review of Support Pathways for Vulnerable Adolescents	180,000
Introduction of Family Group Conferencing	110,800
TOTAL PEOPLE	**290,800**
Tour de Yorkshire Stage holding costs	50,000
Highways Marketing to residents (drop crossings etc)	50,000
Invest to improve MOT services provided	40,000
Purchase of Events Infrastructure & Equipment (mobile stage, seating and PA system)	147,000
Waste Transfer Station (year 2 costs)	25,000
Transport Review (year 2 Project management)	25,000
Asset Tagging (year 2 costs)	30,000
Private Drain Clearance (year 2 costs)	40,000
TOTAL PLACE	**407,000**
Digital Champions (year 2 cost)	75,118
Reconfiguration of Staff across safer & Healthier access functions (year 2 cost)	44,538
Public Service Hub (year 2 cost)	35,000
All Age Early Help (year 2 cost)	35,000
Young Person Housing Transition worker (year 2 cost)	28,000
TOTAL COMMUNITIES	**217,656**
Community based approach to tackle problem drinking (Alcohol)	50,000
TOTAL PUBLIC HEALTH	**50,000**
System Trainers for TED and ERICA	62,792
TOTAL CORE (HR/ PERFORMANCE & COMMUNICATIONS)	**62,792**
Case Management System in Legal Services	77,000
TOTAL CORE (LEGAL)	**77,000**
TOTAL	**1,105,248**