

Name of meeting: Cabinet

Date: 3rd December 2019

Title of report: Corporate Financial Monitoring Report, Quarter 2, 2019-20

Purpose of the Report

To receive information on financial monitoring for General Fund Revenue, Housing Revenue Account (HRA) and Capital Plan, as at Quarter 2 (month 6), 2019-20.

Key decision – is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key decision - is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Key decision - Yes
The Decision - Is it eligible for “call in” by Scrutiny?	Yes
Date signed off by Strategic Director & name	Rachel Spencer Henshall – 25/11/2019
Is it also signed off by the Service Director for Finance?	Eamonn Croston – 25/11/2019
Is it also signed off by the Service Director – Legal, Governance & Commissioning?	Julie Muscroft – 25/11/2019
Cabinet member portfolio - Corporate	Give name of Portfolio Holders Cllr Graham Turner

Electoral wards affected: None Ward
Councillors Consulted: None

Public or private: Public

GDPR: This report contains no information that falls within the scope of General Data Protection Regulations.

1. Summary

1.1 General Fund

1.1.1 The Council’s revised General Fund controllable (net) revenue budget for 2019-20 is **£291.5m**. The budget includes planned (net) revenue savings in-year of £10.9m.

- 1.1.2 The revised budget includes a number of planned transfers from reserves during the year, with the most significant being £3.2m from the revenue grants reserve which includes £0.8m from the Public Health reserve.
- 1.1.3 Quarter 2 forecasts reflect strong progress to delivering overall spending plans within available resources. Quarter 1 monitoring reported a relatively modest forecast overspend of £2m (equivalent to just 0.7%), and as at Quarter 2, this has reduced by a further £1.1m to a reported forecast £0.9m overspend. It is expected that this downward trend will continue and that by current year end, overall spending plans will come in within budget. The forecast overspend at Quarter 2 of £0.9m is against a revised budget at Quarter 2 of £291.5m; equivalent to 0.3%. This includes the following:
- i) forecast delivery of £7.2m planned savings against the target £10.9m ; equivalent to 66%.
 - ii) proposed transfer and roll forward of unbudgeted forecast in-year high needs pressure of £4.9m, through the Dedicated Schools Grant (DSG) funding account, within allowable Government rules;
 - ii) forecast £2.8m net underspends elsewhere.

A detailed breakdown of the planned savings can be found at Appendix 5.

- 1.1.4 The forecast revenue outturn as at Quarter 2 is summarised at Appendix 1 and also in Table 1 below.

Table 1 - Overview of 2019-20 general fund forecast revenue outturn position as at Quarter 2

	Revised Budget	Outturn Forecast	Variance
	£000	£000	£000
Children & Families	80,586	80,540	(46)
Adults & Health	102,019	102,882	863
Economy & Infrastructure	40,717	44,042	3,325
Corporate Services	33,810	34,319	509
Central Budgets	34,450	30,651	(3,799)
Grand Total	291,582	292,434	852

- 1.1.5 As noted at paragraph 1.1.3, it is expected that Strategic Directors continue to ensure as far as possible that management actions are taken between now and year end to manage down the £0.9m forecast overspend, to deliver an overall balanced position for the Council for 2019-20. Headline variances are described in more detail in sections 1.2 to 1.5 below and a summary of all key variances can also be found at Appendix 4.

1.2 Children & Families

Learning – High Needs

- 1.2.1 The Dedicated Schools Grant (DSG) High Needs funding allocation for 2019-20 is £37.0m. The forecast in-year pressure on High Needs spend in excess of the DSG funding allocation is £11.2m (equivalent to 30.26%). This pressure has been part offset from the planned release of Central Budget Minimum Revenue Provision (MRP) budget of £5m in-year and from the Social Care grant of £1.3m. The recent Budget Strategy Update Report to Cabinet and Council

reaffirmed the current Medium Term Financial Plan (MTFP) strategy to continue to release MRP over-provision budget over the medium term, but on a reducing basis.

- 1.2.2 Government's 2017 review of the National Funding Formula (NFF) acknowledged that Kirklees was underfunded in relation to existing high needs support from birth through to age 25, and identified a £7m high needs funding increase requirement (equivalent to 21% uplift against the existing high needs allocation). However, maximum annual increases have been capped at 3%, which translates to around to £1m uplift per year from 2018-19, over a seven year period. The MTFP strategy referenced in paragraph 1.2.1 above is intended to compensate for the fact that the full £7m funding requirement is only being released gradually by Government, over the 7 year period. It also takes into account a supplementary extra £250m national high needs funding announcement by Government late in 2018-19; £125m in 2018-19 and £125m 2019-20. Kirklees share of this is £1m per annum.
- 1.2.3 Net of the planned release of £5m MRP over-provision in-year and £1.3m of Social Care grant, there is still a balance of £4.9m forecast unfunded in-year pressure. Of this, £0.9m relates to additional funding required to address structural funding pressures within the Council's Special Schools provision.
- 1.2.4 The remaining £4m High Needs pressure relates to a forecast increase in the overall number of children with Education, Health and Care Plans (EHCP's) and increased levels of top up funding for children already with an EHCP.
- 1.2.5 There has already been a 44% rise in the number of EHCP's within Kirklees in the last four years (2015-2019) since the 2014 Children and Families Act was implemented (47% nationally). The rising demand and cost pressures show no sign of slowing down, with continued growth of EHCP numbers expected in future years (over 10% in each of the last three years nationally).
- 1.2.6 It is proposed at Quarter 2 that the projected unfunded High Needs pressure of £4.9m is carried forward on the balance sheet as a funding deficit against Dedicated School Grant (DSG). This is allowable under current Department for Education (DfE) DSG grant conditions. Should the deficit rolled forward comprise greater than 1% of the Council's total DSG allocation, the DfE will require the Council to agree a plan to return the DSG account to a balanced position within a specified time period (up to a maximum of three financial years). Kirklees received an overall DSG allocation of £362.65m for financial year 2019-20 so a deficit of £4.9m equates to 1.35%.
- 1.2.7 To put the above approach into context, most recently the Association of Local Authority Treasurers wrote to the Secretary of State for Education on 28th June 2019 outlining the issues facing the 152 Councils with statutory education responsibilities, in managing this additional demand, and asking Government for a further injection of funding into the system alongside a review of the Children and Families Act. Based on a survey response of 88 Authorities, the letter sets out an indicative estimate that by 2019-20, 88% of the authorities will be in a deficit high needs funding position, and that for 70% of these authorities, the accumulated deficit will be equivalent to 11% of their annual high needs allocation, and predicted to increase year on year with no additional funding from Government.
- 1.2.8 The proposals set out in paragraph 1.2.7 above would also result in an equivalent Kirklees DSG £4.9m forecast deficit carried forward equivalent to 13.3% of the Council's annual high needs funding allocation.
- 1.2.9 Government has acknowledged the extensive sectoral lobbying on this issue through Spending Review 2019 (SR2019) with a significant uplift in High Needs funding for 2020/21 of over £700m nationally. Details of this funding were released by the Department for Education (DfE) on 11th October as part of the updated policy paper on National Funding Formula for schools and high needs. The additional funding is derived through the rebalancing of weightings within the

component parts of the High Needs block formula; the impact of these changes for Kirklees in 2020-21 has been calculated as approximately £6m, based on the most recent available pupil numbers.

- 1.2.10 At the same time, the DfE also launched a formal consultation covering the requirements upon local authorities when the DSG is in deficit. The proposed changes reaffirm the Government's intention that DSG deficit should not be covered in future from general funds but that over time they should be recovered from DSG income. The proposals state that the local authority must carry forward the whole of any DSG overspend to the schools budget in future years. If implemented, the change to the conditions will take effect from the end of the current financial year and with this, the proposed £5m MRP offset and the £1.3m Social Care grant currently applied to the High Needs overspend would have to be reversed, leaving a £11.2m deficit on the DSG balance sheet. The consultation does however provide for a mechanism by which the Council could, by exception, apply to the Secretary of State for permission to use General Fund monies to fund the deficit. The details around such exceptions are vague in terms of the specific circumstances in which it would be allowed and we will seek to clarify our understanding through the consultation process.
- 1.2.11 High Needs is an area of significant and growing pressure on Council budgets nationally and officers will continue to review and update current and future year forecasts through 2019-20, informed by local and national intelligence. It is anticipated that medium term, growth pressures may be mitigated at least in part through other measures included in the Kirklees-wide High needs Strategic review, with the Council currently working on the implementation of an action plan with key education partners across the district. Medium term, the approved capital budget plans for 2019-24 include £25m to support increased District high needs specialist placement sufficiency.

Learning and Early Support

- 1.2.12 There is a forecast pressure of £0.7m on Post -16 Home to School Transport due to an increase in the number of pupils with Education Health and Care Plans (EHCP's) requiring transport. Currently there are 245 children with EHCP's using this service which is an increase of 48 from the previous year and 91 from 4 years ago. This pressure also links in to other schools transport pressures highlighted in paragraph 1.4.2 further below, and the Council is currently exploring a range of alternate approaches, working with pupils, parents, schools sector and providers, to deliver more innovative and tailored transport options while reducing overall cost pressures. An additional £1.1m has been built into base budgets going forwards as part of the recent Budget Strategy Update report to address the estimated residual ongoing pressure in this area.

Child Protection and Family Support

- 1.2.13 There are Social Care pressures of £0.9m within Child Protection and Family Support, which is funding preventative services that are successfully reducing demand. This has resulted in a projected underspend of £0.9m on demand led placement costs; with planned moves agreed to reduce External Residential Placement (ERPs) from 37 to 23 during the year and an underspend of £0.6m on staffing.

1.3 Adults and Health

- 1.3.1 Within Adults and Health there is a planned saving on independent sector home care of £0.5m, and this is anticipated to be achievable, in part due to strengths based approaches having an impact. However there is a further projected £1.5m home care underspend; mainly due to current capacity challenges in the Independent Sector Home Care market which is resulting in some re-direct of anticipated Home Care spend to self-directed support, at £1.9m.
- 1.3.2 Home care capacity measures have been implemented part-year to support providers, at an

estimated cost of £400k. This is offset by compensating funding from Better Care fund; achieved through continued flexible deployment of funding allocations in conjunction with the CCG (Clinical Commissioning Group).

- 1.3.3 The other main projected variance in Adults relates to employee costs at £1.2m. A Programme is currently being shaped around the means of achieving the 19-20 savings targets. This will involve further developing understanding around demand and growth predictions, levels of productivity and the workforce shape required to best deliver pathways. It will also enable an intelligence led approach to vacancy management.
- 1.3.4 Adults budgets include income from a number of specific adult social care grants such as Winter Pressures at £1.9m, Social Care grant at £1.2m and the Improved Better Care Fund (iBCF) totalling £15.4m . There is also funding allocated through the Better Care Fund (BCF) pooled with Health, with the Council share about £17.2m. This (along with the iBCF, and Winter Pressures grant) has national reporting conditions and joint health sign off agreements.
- 1.3.5 SR2019 announcement confirmed that all existing Social Care specific grants outlined above will roll into 2020/21 baselines. In the main, this was already assumed in the existing MTFP. An overall national increase in social care funding of £1.5bn in 2020/21 was also announced in order to 'stabilise the system'; described by the Chancellor as a down payment for more extensive reforms to 'fix' adult social care in the autumn through the much delayed release of the Adult funding green paper. Of this, £1bn funding will be allocated to Councils as a specific Social Care grant in 2020/21, which Councils have discretion to allocate either to Children's or Adults Social Care. Officers estimated a funding allocation for Kirklees in the region of £8m based on recent funding distributions, and this sum was built into the Budget Strategy Update report accordingly. Kirklees' share of the new Social Care funding has since been announced in the technical consultation paper on the 20/21 Local Government Finance Settlement at £7.85m.

1.4 Economy and Infrastructure

- 1.4.1 Within Environment there is a projected overall income shortfall of £1.1m in Car Parking. As part of 2019-20 budget, car parking charges were frozen, and have been for a number of years. This means that the income targets within the budget cannot be achieved. Parking studies have been carried out, taking into account the Council's town centre and climate change ambition, and as a result, an additional £600k has been built into updated budget plans for 2020-21 as part of the recent Budget Strategy Update Report to reflect a more realistic level of income going forward
- 1.4.3 Also within Environment there is a projected overspend of £0.7m on Schools Transport; in the main linked to special educational needs demand (links also to the Learning-High Needs Section 1.2 of the report earlier), and a £0.4m short-term pressure in Bereavement due to a revised income shortfall projection relating to the Cremator Replacement project.
- 1.4.4 There is a £0.3m projected overspend within Growth & Housing relating to declining income across Markets, linked to the Huddersfield Blueprint plans.
- 1.4.5 In order to get break clauses installed for associated proposed capital projects, new tenant leases will need to be signed for both Dewsbury and Huddersfield Markets on 1st January 2020. This involves a 40% rent reduction in Dewsbury, equating to approximately £120k per annum, and 50% in Huddersfield equating to approximately £160k per annum. This pressure has been recognised in the Budget Strategy Update Report with an additional base budget allocated to Markets from 2020/21 onwards, reflecting the full year effect of this income decline. The part year effect has been accounted for within current financial monitoring.

1.5 Corporate Strategy, Commissioning and Public Health

- 1.5.1 Within Finance, there is a projected £0.6m overspend in benefit Payments relating to homelessness. Since the introduction of the Homelessness Reduction Act in April 2018 the number of people eligible for, and being provided with, temporary accommodation in Kirklees has increased by 13%. This, along with a shortage of suitable and affordable accommodation, has resulted in temporary accommodation properties being fully utilised, which has increased the use of more expensive Bed and Breakfast (B&B) accommodation and the length of time people remain in B&B. This is far from ideal for families and individuals and also has implications for housing benefit subsidy loss. Plans to reduce the use of B&B are being explored including the provision of alternative types of temporary accommodation.
- 1.5.2 The revised budget for Public Health includes a planned transfer of £823k from the Public Health reserve in-year, approved as part of the Annual Budget report in February 2019. This resource is being used to allow continued investment in substance misuse and sexual health activities that would otherwise have been subject to savings in 2019-20.

1.6 Central Budgets

- 1.6.1 Approved Central Budgets for 2019-20 include the set aside of £2.7m minimum revenue provision (MRP) over-allocation budget, as in-year contingency. This report reflects the intended release of this contingency over-provision at Quarter 2, to part mitigate the balance of £3.7m, or 34%, of the planned £10.9m savings unlikely to be achieved by current year end (see also Appendix 5).
- 1.6.2 Further underspends within Central budgets at Quarter 2 include £0.6m from Yorkshire Purchasing Organisation (YPO) dividend income and £0.5m relating to inflation budgets not required in-year.

1.7 General Fund Reserves

- 1.7.1 The reserves position at Appendix 2 reflects the Council's reserves strategy and approach reported and approved at Budget Council on 13 February 2019 and subsequently updated as part of the 2018-19 Outturn report to Cabinet and Council in June and July 2019 respectively.
- 1.7.2 General fund reserves and balances are estimated to reduce through 2019-20 by £5.4m; from £112.5m at the start of the year to £107.1m as at 31 March 2020. The movement is made up of the Quarter 2 forecast overspend of £0.9m together with planned drawdowns in the year of £4.5m; the most significant being £3.2m from the Revenue Grants reserve, which includes £0.8m from Public Health, and £0.5m from the Rollover reserve.
- 1.7.3 The forecast reserves as at 31st March 2020, includes £9.4m relating to statutory schools reserves (which cannot be re-directed for non-school uses), leaving £10.0m general balances and £87.7m earmarked reserves.
- 1.7.4 Total forecast usable reserves at 31st March 2020, net of Public Health and statutory School reserves, is equivalent to 34% of the original 2019-20 net revenue budget of £287.1m. This represents an increase of 6% in this particular indicator, over the past 12 months, from 28%. For comparator purposes, the median percentage across the 26 metropolitan Councils on this particular indicator was 36% as at 31 March 2018.
- 1.7.5 The significance of this indicator is that it features as part of CIPFA's suite of 'financial resilience' performance indicators being developed to support officers, members and other stakeholders as an independent and objective suite of indicators that measure the relative financial sustainability and resilience of Councils, given extensive and ongoing national coverage and concern about financial sustainability across the local government sector.

- 1.7.6 Whilst forecast financial resilience reserves as at 31st March 2020 is £36.3m, which is net of the forecast Quarter 2 overspend and therefore £0.9m below the minimum financial reserves requirement recommendation by the Chief Financial Officer at least to the start of 2021-22. This recommendation was set out in the recent Budget Strategy Update report to Cabinet and Council, informed by the Council's corporate risk register. As reported earlier in this report it is expected that Strategic Directors continue to ensure as far as possible that management actions are taken between now and year end to manage down the £0.9m forecast overspend, to deliver an overall balanced position for the Council for 2019-20.
- 1.7.7 Regular monitoring and review of corporate reserves will be continue to be undertaken as part of the standard monitoring cycle through the remainder of the financial year.
- 1.7.8 Work is ongoing with regards to profiling the commitments against the Strategic Investment reserve which currently stand at £5.35m across the 2019-24 period. Current projections estimate around £1.8m per annum of expenditure for the period from 2019-20 to 2021-22 These include managing the medium term revenue impact associated with the strategic acquisitions of key assets in support of the Council's broader Blueprint agenda for the major transformation of our key Town Centres and include specifically the purchase of the Piazza, support for Dewsbury Riverside and the town centre masterplan.
- 1.7.9 Commitments against the Strategic Investment reserve will be monitored on an ongoing basis and the level of the reserve will be reviewed going forward with a potential for further resources to be provided to ensure continued support for the Council's strategic agenda.
- 1.7.10 Kirklees had been allocated £315k funding from Government to help Councils with preparations for the UK's planned withdrawal from the EU; £105k in 2018-19 and a further £210k in 2019-20. This is being held within earmarked reserves in the first instance. Any costs incurred relating to planning, for example for increasing capacity and resilience, will be monitored and funding drawn down from the reserve to cover these costs in due course. Another potential impact on service budgets is the slow release build-up of costs through changes in prices/shortages in supply etc. These costs will also be monitored as required.

1.8 Collection Fund

- 1.8.1 The Collection Fund accounts separately for council tax and business rates income and payments. At Quarter 2, there is a projected in year surplus of £1.6m; £1m with respect to Council Tax and £0.6m from Business Rates.
- 1.8.2 The projected £1m in-year surplus from council tax in part reflects a service review of student property exemptions resulting from student accommodation along with a review of collection rates and the in-year effect of new properties becoming chargeable.
- 1.8.3 The forecast Business Rates surplus relates to an anticipated reduced appeals provision requirement. This is due to a continuation of historical appeals being settled or withdrawn, alongside the new more stringent appeals system implemented from April 2017 onwards. Officers will continue to review and update appeals provision assumptions throughout the remainder of the financial year.
- 1.8.4 Taking into account the opening balance and repayments to the general fund in year, the above in-year projections result in a forecast surplus of £0.6m at 31st March 2020 for council tax; equivalent to 0.3% of Kirklees annual council tax requirement of £180m, and a forecast surplus of £2.4m for business rate, equivalent to 2.6% of planned income of £92m. These forecasts will be reviewed through the remainder of the year and will be factored in to the budget round. See also the collection fund summary at Table 2 below.

Table 2 – Collection Fund Summary

Collection Fund forecast (Council Share)	Council Tax	Business Rates	Total
	£000	£000	£000
(Surplus)/Deficit at 1st April 2019	1,621	(8,700)	(7,079)
Re-payments to/(from) General Fund 19-20	(1,179)	6,923	5,744
In year Financial Performance	(1,000)	(600)	(1,600)
(Surplus)/Deficit at 31st March 2020	(558)	(2,377)	(2,935)

North and West Yorkshire Business Rates Pool

- 1.8.5 The new North and West Yorkshire 75% Pilot arrangement began on 1st April 2019. At this stage, projected income to be retained by the pool at year end is estimated to be in the region of £7.9m. At the Joint Committee meeting on 7th October 2019, commitments of £5.79m were approved against this income, with the balance of retained income at £2.11m agreed to be apportioned between pool members based on business rates growth and population.
- 1.8.6 For the meeting, pool members were asked to submit bids explaining how they would spend their allocation to fund the pool's strategic aims locally. Kirklees' bid set out plans to use the council's estimated £199k allocation to part fund the revenue resource requirements relating to the development of Huddersfield's Cultural Quarter. This was approved in principle at the Joint Committee meeting, however it should be noted that if the pool's retained income at year end is lower than estimated, the differential would have to be paid back into the pool by individual members.
- 1.8.7 Existing 75% pilots will cease at current year end, but councils could apply to Government to be part of a 50% pool in 2020/21. The closing date was 25th October 2019 and as the pool lead, Leeds City Council submitted an application on behalf of a proposed new North and West Yorkshire 50% Pool; made up of the 2019-20 pool members, with the exception of Selby. Results of the bidding process are expected to be released as part of the Provisional Settlement announcement, expected late 2019.

1.9 Housing Revenue Account

- 1.9.1 The Council's Housing Revenue Account (HRA) accounts for all Council housing related revenue expenditure and income in a separate statutory (ring-fenced) account. The forecast revenue outturn at Quarter 2 is a surplus of £0.2m against an annual turnover budget of £92.0m in 2019-20; equivalent to just 0.3%. The surplus includes a planned re-payment to the HRA by Kirklees Neighbourhood Housing of £1.1m fee underspend rolled forward from 2018-19.
- 1.9.2 Forecast HRA reserves at 31 March 2020, net of set asides for business risks and investment needs and a minimum working balance, is £60.6m. A summary of the HRA outturn and reserves position can be found at Appendix 3. Key variances are highlighted as part of Appendix 4.

1.10 Capital

- 1.10.1 The Council's revised capital budget for 2019-20 is £105.6m. The forecast capital outturn at Quarter 2 is £102.6m; forecast £3m variance.
- 1.10.2 The quarter 2 position is summarised in Table 3 below, categorised by Council primary outcomes as set out in the Corporate Plan, which illustrates how the Council's investment proposals align with the Council's ambitions for its residents. Each primary outcome is further structured between strategic priorities, baseline work programmes and one-off projects.

Table 3 – Forecast Capital Outturn 2019-20 at Quarter 2

By Category	Revised Budget £000	Actuals to Date £000	Annual Forecast £000	Variance £000
Achieve & Aspire	12,737	4,004	12,737	0
Best Start	10	0	10	0
Independent	1,713	64	1,713	0
Sustainable Economy	55,768	18,645	54,766	(1,002)
Well	3,338	589	3,157	(181)
Safe & Cohesive	25	0	25	0
Clean & Green	1,789	556	1,704	(85)
Efficient & Effective	4,396	987	4,396	0
General Fund	79,776	24,845	78,508	(1,268)
Independent –Strategic Priorities	6,790	1,445	5,101	(1,689)
Independent - Baseline	19,024	4,021	19,024	0
Housing Revenue Account	25,814	5,466	24,125	(1,689)
Total Capital Plan	105,590	30,311	102,633	(2,957)

- 1.10.3 A more detailed breakdown of the capital outturn position including a breakdown of the budget adjustments incorporating the re-profiling exercise outcome is provided at Appendix 6, along with key variances highlighted.
- 1.10.4 Capital budgets have been reviewed under Financial Procedure Rules 3.10-3.15, in terms of re-profiling slippage into future years. In total £10.7m (£9.2m borrowing slippage, £1.6m grant slippage, (£0.1m) HRA reserves brought forward) has been re-profiled into the next financial year as shown in Appendix 7. Additional grants and section 106 monies of £1.5m have also been added to the capital plan, resulting in a net impact of £9.2m reduction in the 2019/20 budget since quarter 1 (Appendix 6).
- 1.10.5 Officers will continue to review capital budget profiles in year, including any more detailed recommendations for potential re-profiling of scheme budgets between years (allowable under Financial Procedure Rules 3.10-3.15), as part of Quarter 3 financial monitoring. Any such recommendations would reflect the growing complexities and challenges over the next 5 years in delivering to this scale of ambition.
- 1.10.6 Future capital plan updates will also be presented periodically to Council as part of the annual budget strategy update and annual budget approval reports to Cabinet and Council as a matter of course, as part of the annual planning cycle.
- 1.10.7 The overall capital funding position will also be updated for Quarter 3 monitoring, based on the actual spending to that point. It should be noted that early indicators of actual expenditure as at Quarter 2 are £3.4m ahead of last year (£30.3m for 2019-20 compared to £26.9m in 2018-19), which highlights the progress to date in delivering the capital plan.

- 1.10.8 Approval is requested for urgent works identified at Highfields to allow internal changes to meet specific client accommodation requirements for those with profound needs which will permit the Adults service to continue with current and pending placements needs. Works are estimated at £30k and it is intended this is funded from the 'Pump Prime & Commissioning Specialist Accommodation' budget line.
- 1.10.9 The Financial Outturn Report on 18th June 2019, approved £150k for additional Bereavement works. Tender prices are higher than anticipated and approval is now requested to meet the additional £20k from the flexible capital receipts activity line.

2 Information required to take a decision

- 2.1 The Appendices accompanying this report provide a more detailed breakdown of the Quarter 2 financial monitoring position, as follows:
- i) Appendix 1 sets out by service area, the forecast general fund revenue outturn position in 2019-20;
 - ii) Appendix 2 summarises the forecast general fund reserves and balances movements in-year,
 - iii) Appendix 3 summarises the forecast HRA financial position including movements in HRA reserves in-year;
 - iv) Appendix 4 highlights the more significant general fund and HRA variances across service areas;
 - v) Appendix 5 shows forecast performance against planned revenue savings at Quarter 2.
 - vi) Appendix 6 sets out by Outcome area the forecast capital outturn position in 2019-20 and the reasons for the more significant forecast capital variances across strategic priority and baseline capital schemes.

3 Implications for the Council

- 3.1 The report provides summary information on current and forecast financial performance against annual Council revenue and capital budgets, as at Quarter 2. These budgets support the overall delivery of the following Council objectives and Priorities within available resources:
- i) Early Intervention and Prevention (EIP)
 - ii) Economic Resilience (ER)
 - iii) Improving Outcomes for Children
 - iv) Reducing demand of services

3.2 Working with People

3.3 Working with Partners

3.4 Place Based working

3.5 Improving Outcomes for Children

3.6 Financial, Legal & Other Implications

- 3.6.1 The financial climate facing local government remains challenging; in particular with regard to

Councils like Kirklees that have statutory education and social care responsibilities. The number of people who require support continues to increase and the complexity of services provided to vulnerable children and adults require higher levels of resourcing, while the cost of services continues to increase.

- 3.6.2 A one-year Spending Round (SR2019) was announced on 4th September 2019, setting out proposals for Government departmental spend over the 2020/21 financial year. Government noted that the announcement was '*fast tracked*' ahead of official Office of Budget Responsibility (OBR) independent fiscal forecasts which inform the Autumn Budget statement.
- 3.6.3 Government intends to deliver a multi-year Spending Review in 2020 which "...will take into account the nature of Brexit and set out further plans for long-term reform" (HM Treasury Spending Round 2019). HM Treasury commentary here re-affirms the unpredictability regarding the outcome of the next spending review beyond SR2019, and in light of this, national funding forecast implications built into the Budget Strategy Update beyond 2020/21, remained relatively prudent.
- 3.6.4 Government also confirmed through SR2019, a delay in the implementation of a national Council 75% Business Rates Retention Scheme, incorporating a re-basing of Council funding through a National Fair Funding Review, to April 2021.
- 3.6.5 Existing approved budget plans for 2019-22 include further target savings proposals of £6.2m over the 2020-22 period. However, given the uncertainties outlined above, there is significant volatility in future years funding forecasts from 2021-22 onwards, and the Council at least needs to ensure that it achieves overall delivery of its existing planned savings over the 2019-22 period, including corrective action or alternative proposals.
- 3.6.6 Quarter 2 monitoring forecasts indicate the delivery in year of £7.2m net savings compared to planned savings of £10.9m; equivalent to 66% against target savings and an overall £0.9m projected overspend. Note that these forecasts are net of High Needs unfunded pressures now assumed to be rolled forwards on the balance sheet as a deficit against DSG.
- 3.6.7 The remaining £0.9m overspend at Quarter 2 reflects timing/non-deliverability issues in relation to a number of in-year planned savings offset in part by the release of £2.7m MRP in Central Budgets. A review of current savings deliverability was incorporated into the Budget Strategy Update report to Cabinet and Council along with the unfunded pressures highlighted at both Quarter 1 and Quarter 2.
- 3.6.8 It is expected that Strategic Directors ensure as far as possible that management actions are taken between now and year end to manage down the remaining net overspend position to a nearer overall break-even position.
- 3.6.9 The Council's refreshed reserves strategy approved in the 2019-22 budget plans and since reaffirmed in Outturn and Rollover report to Cabinet and council in June and July 2019, are directed at strengthening organisational flexibility and financial resilience over the medium to longer term in account of the continued funding uncertainty for Councils post 2020. Any projected overspend would in the first instance effectively be transferred to reserves at year end and offset by financial resilience reserves, as indicated at Appendix 2.
- 3.6.10 The collection fund financial performance reflected at Quarter 2 suggests that in the region of £2.9m can be repaid to the general fund in 2020-21. Officers will keep this under review for the remainder of the current budget round for incorporation, as appropriate, into the Annual Budget Report due to Cabinet and Council in January and February 2020 respectively.
- 3.6.11 Council officers are currently undertaking a review of the capital plan, including consideration of emerging new capital proposals not currently in view, to support the delivery of Council priority

outcomes over the medium and longer term. The outcome of this review, including a re-working of capital plan affordability and re-prioritisation, will be factored into further updated capital plan proposals through the remainder of the current budget round.

4 Consultees and their opinions

This report has been prepared by the Service Director Finance, in consultation with the Executive Team.

5 Next Steps

To present this report to Cabinet as part of the Quarterly financial monitoring reporting cycle.

6 Cabinet portfolio holders recommendations

The portfolio holder agrees with the recommendations set out in this report.

7 Officer recommendations and reasons

Having read this report and the accompanying Appendices, Cabinet are asked to:

General Fund

- 7.1 approve the roll forward of the £4.9m High Needs overspend through the DSG mechanism for the reasons set out in the narrative of this report ;
- 7.2 note the 2019-20 forecast revenue overspend of £0.9m as at quarter 2; net of the proposal set out at 7.1 above;
- 7.3 note the expectation that Strategic Directors work to identify opportunities for spending plans to be collectively brought back in line within the Council's overall budget by year end;
- 7.4 note the new leases for Huddersfield and Dewsbury Markets to allow break clauses to be installed as set out in paragraph 1.4.4;
- 7.5 note the forecast year end position on corporate reserves and balances;

Collection Fund

- 7.6 note the forecast position on the Collection Fund as at Quarter 2;
- 7.7 approve proposals for the use of LCR Business Rates Pool surplus;

HRA

- 7.8 note the Quarter 2 forecast HRA surplus at £0.2m and forecast year-end reserves position of £60.6m;

Capital

- 7.9 note the Quarter 2 forecast capital monitoring position for 2019-20;
- 7.10 approve the capital works to be undertaken at Highfields as outlined in paragraph 1.10.8.
- 7.11 approve the reprofiling across years of the capital plan as outlined in paragraph 1.10.3.
- 7.12 note the intention to further review capital budget profiles in year, as part of Quarter 3 financial monitoring.

8 Contact Officer

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Sarah Hill, Finance Manager
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9 Background papers and History of Decisions

Budget Strategy Update Report 2020-23
Quarter 1 Financial Monitoring report
Outturn and Rollover Report 2018-19
Early Closedown Review 2018-19
Annual budget report 2019-22
Budget Strategy Update Report 2019-22
Annual budget report 2018-20

10 Service Director responsible

Eamonn Croston, Service Director Finance.

Appendix 1

Corporate Revenue Budget Monitoring 2019/20 – Month 6									
	Year To Date			Annual					
Strategic Director portfolio responsibilities	Controllable Budget (Net)	Actuals	Variance	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance	Change in Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
Child Protection & Family Support	29,446	27,506	(1,940)	58,380	29	58,409	57,382	(1,027)	(519)
Learning & Early Support & Schools	19,368	22,450	3,082	21,504	673	22,177	23,158	981	39
Sub Total (Children & Families)	48,814	49,956	1,142	79,884	702	80,586	80,540	(46)	(480)
Adults Social Care Operation	31,338	32,544	1,206	33,492	293	33,785	32,192	(1,593)	(1,351)
Commissioning, Quality and Performance	34,620	34,416	(204)	60,327	3	60,330	62,826	2,496	1,207
Integration, Access & Community Plus	2,800	2,954	154	7,904	-	7,904	7,864	(40)	30
Sub Total (Adults & Health)	68,758	69,914	1,156	101,723	296	102,019	102,882	863	(114)
Growth & Housing	2,153	2,358	205	5,377	806	6,183	6,388	205	183
Economy & Skills	5,773	5,951	178	7,914	285	8,199	8,377	178	196
Environment	(760)	2,090	2,850	24,125	14	24,139	27,046	2,907	144
E&I Management	1,293	1,328	35	2,196	-	2,196	2,231	35	34
Sub Total (Economy & Infrastructure)	8,459	11,727	3,268	39,612	1,105	40,717	44,042	3,325	557
Strategy, Innovation & Planning	7,219	7,380	161	13,525	34	13,559	13,498	(61)	18
Public Health & People	2,225	1,785	(440)	3,266	1,414	4,680	4,625	(55)	(28)
Governance & Commissioning	2,625	2,628	3	6,108	139	6,247	6,250	3	(52)
Finance	27,587	28,209	622	8,407	917	9,324	9,946	622	622
Sub Total (Corporate Strategy, Commissioning & Public Health)	39,656	40,002	346	31,306	2,504	33,810	34,319	509	560
Central	9,332	9,332	-	34,555	(105)	34,450	30,651	(3,799)	(1,699)
General Fund Total	175,019	180,931	5,912	287,080	4,502	291,582	292,434	852	(1,176)

General Fund Earmarked Reserves

	As at 1st April 2019	Reserves Review 2019/20 Annual Budget Report	Revised Balance	Planned drawdown in-year	Planned contribution in-year	Unplanned use of Reserves (forecast variance)	Forecasted Reserves position as at 31st March 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statutory (School Reserves)	(9,744)		(9,744)	287	-	-	(9,457)
Earmarked							
Financial Resilience Reserves	(32,746)	(4,400)	(37,146)	-	-	852	(36,294)
Earmarked (Other)							
Rollover	(2,161)	-	(2,161)	476	(189)	-	(1,874)
Revenue Grants (various)	(15,014)	21	(14,993)	3,241	-	-	(11,752)
Stronger Families Grant	(1,817)	-	(1,817)	-	-	-	(1,817)
Insurance	(1,900)	-	(1,900)	-	-	-	(1,900)
Other	(3,912)	(120)	(4,032)	193	-	-	(3,839)
Ward Based Activity	(1,067)	(160)	(1,227)	116	-	-	(1,111)
Social Care Reserve	(2,496)	-	(2,496)	-	-	-	(2,496)
Property and Other Loans	(3,000)	-	(3,000)	-	-	-	(3,000)
Adverse Weather	(4,000)	1,000	(3,000)	-	-	-	(3,000)
Strategic Investment support	(5,400)	-	(5,400)	105	-	-	(5,295)
Waste Management	(11,000)	-	(11,000)	-	-	-	(11,000)
Mental Health		(1,400)	(1,400)	-	-	-	(1,400)
Business Rates		(2,000)	(2,000)	-	-	-	(2,000)
One Venue Development Plan	(500)	-	(500)	-	-	-	(500)
Elections		(500)	(500)	84	-	-	(416)
Total - Earmarked Other	(52,267)	(3,159)	(55,426)	4,215	(189)	-	(51,400)
Sub-total Earmarked Reserves	(85,013)	(7,559)	(92,572)	4,215	(189)	852	(87,694)
General Balances	(10,215)	-	(10,215)	-	189	-	(10,026)
Grand Total	(104,972)	(7,559)	(112,531)	4,502	-	852	(107,177)

HOUSING REVENUE ACCOUNT 2019/20 - MONTH 6

	Year to Date			Annual			Change In Variance
	Controllable Budget (Net)	Actuals	Variance	Revised Budget	Forecast	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
Repairs & Maintenance	12,362	12,563	201	23,549	23,549	0	0
Housing Management	17,929	18,627	698	34,187	34,414	227	85
Other Expenditure	540	493	(47)	27,568	27,596	28	(38)
Total Expenditure	30,831	31,683	852	85,304	85,559	255	47
Rent & Other Income	(43,817)	(42,750)	1,067	(91,999)	(91,301)	698	(7)
Revenue Contribution to Capital Funding	0	0	0	6,695	6,695	0	0
Planned transfer to HRA Reserves	0	(1,200)	(1,200)	0	(1,200)	(1,200)	0
Total	(12,986)	(12,267)	719	0	(247)	(247)	40

HRA RESERVES

	Balance at 31 March 2019	Approved Movement in Reserves	Balance at 31 March 2020
	£'000	£'000	£'000
Set aside for business risks	(4,000)		(4,000)
Forecast in Year Surplus/Deficit		(247)	(247)
Set aside to meet investment needs (as per HRA Business Plan)	(54,858)		(54,858)
Working balance	(1,500)		(1,500)
Total	(60,358)	(247)	(60,605)

Key Highlights – Child Protection & Family Support

Appendix 4

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Various	Accelerated progression/ Reinstate savings re agency usage	11,734	(548)	(668)	Substantive vacancy/ turnover savings
Various	Social Care volume inflation	20,988	(718)	(894)	Estimated underspending on demand led placement costs due to improvements in service delivery, review of high cost placements and reduced numbers of Looked After Children
Various	Other social care pressures	10,461	393	927	Estimated overspending linked primarily to service investment and delivery as part of the service improvement plan and Ofsted inspection recommendations. Also, overspending on YOT Remand and persons from abroad without UK citizenship and no recourse for public funds

Key Highlights – Learning & Early Support & Schools

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Post 16 Services	Post-16 Transport	508	251	713	Overspending on Post-16 Home to School Transport budget relating to High Needs budget
Early Support Service	Review of Early Support	5,716	(317)	(380)	One off temporary saving due to vacant posts over the period April to September
Statutory Responsibility for Education system		497	234	258	Overspending on Employee costs

Key Highlights – Adults Social Care Operation

Appendix 4 (continued)

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Assessment & Care Management	Staffing re-alignment	4,389	802	552	Multiple transformation work-streams on-going resulting in slippage in achieving savings.
Self-Directed Support – Older People	Reduced spend on independent sector home care & Apply proportional spend on direct payments.	9,489	(428)	448	Lack of capacity in the Independent Sector Home Care market is resulting in lower home care spend, and alternate spend on direct payments.
Independent Sector Residential. & Nursing – Older People	Reduction of OP Placements	20,100	(165)	(559)	Lower than anticipated activity
Independent Sector Residential. & Nursing – Physical Disabilities	Reduction of PD placements	3,003	158	335	Higher than anticipated unit costs
Contracted Services	Review of contracts	1,634	31	343	Work ongoing to identify means of achieving savings.
Self Directed Support		18	36	(1,589)	Lack of capacity in the Independent Sector Home Care market is resulting in lower home care spend, and alternate spend on direct payments.

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Self-Directed Support	Apply proportional spend on direct payments	15,702	1	412	Higher Commissioned Services activity and higher Direct Payment unit costs than anticipated. Lower health income than anticipated
Contracted Services (independent sector daycare)	Review of contracts	3,303	385	272	Work on-going to identify means of achieving savings.
Independent Sector Residential. & Nursing- Learning Disabilities	Reduction of LD Placements	21,039	(905)	(333)	Lower than anticipated activity, partially offset by higher than anticipated unit costs.
Independent Sector Residential. & Nursing- Mental Health	Reduction of MH Placements	5,334	(312)	429	Higher than anticipated activity and unit costs.
Assessment & Care Management		2,913	282	440	Mainly agency spend
Self directed support		896	-111	1,117	Lack of capacity in the Independent Sector Home Care market is resulting in lower spend. Higher Commissioned Services activity and higher Direct Payment unit costs than anticipated. Lower health income than anticipated.

Key Highlights – Environment

Appendix 4 (continued)

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Car Parking		(4,831)	1,127	1,127	Ongoing income shortfall on parking charges, due to no price increase and some loss of land.
Bereavement Services		(901)	389	389	Planned closures for cremator replacement works. Estimated shortfall for the year £433k (Dewsbury works only, Huddersfield now due to start April 2020)
Public Protection		4,582	648	704	Schools transport budget savings in previous years not achieved due to high volumes of clients linked to high needs. Service offer being reviewed.

Key Highlights – Growth & Housing

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Markets	Closure of two markets & increased income	(552)	304	304	Declining Income across all Markets - Part of Huddersfield Blueprint plans

Key Highlights - Finance

Activity Level	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Benefit Payments	(81)	637	637	Homeless subsidy costs, reduced clawback income.

Key Highlights – Central

Appendix 4 (continued)

Activity Level	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Treasury Management	12,068	-	(2,700)	Release of MRP overprovision
Inflation	479	-	(479)	Surplus inflation
General contingencies	(2,699)	-	(620)	Yorkshire Purchasing Organisation (YPO) dividend

Key Highlights - HRA

Activity Level	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Income	(91,999)	1,067	(247)	Income forecast lower than budget for rechargeable repairs, Leaseholder income, Rents and Service Charges

Planned Savings Table

Appendix 5

Reference	Service Activity	Headline Proposal	Forecast Saving	Planned Saving	Variance Month 6
			£000	£000	£000
EX CP3	Management and Regulatory	Planned reduction in Legal Disbursement charges	-387	-175	-212
EX CP4	Service Wide	Planned reduction in the use of Agency Social Workers	-531	-636	105
TOTAL CHILD PROTECTION AND FAMILY SUPPORT			-918	-811	-107
EX LE4	Education services for vulnerable children	Part of a broader strategic review of services to vulnerable children	3	-84	87
EX LE5	Early Learning	Review support to early learning (sufficiency and development	3	-300	303
TOTAL LEARNING & EARLY SUPPORT			6	-384	390
EX IN1	Access Strategy & Delivery – Library and Information Centres	Re-shape Library and Information Service	-277	-300	23
EX OC7	Access, Strategy & Delivery – Access to Services	New ways of working; customer service centres/Kirklees Direct	-130	-100	-30
EX OC8	Access Strategy & Delivery – Library and Information Centres	Organisation wide – cross-cutting savings from Place based working	-331	-300	-31
TOTAL INTEGRATION, ACCESS & COMMUNITY HUB			-738	-700	-38
EX AS1 / 2 / 10 / 12 / 13	Assessment and Care Management	Staff Realignment within Adult Social Care	-169	-740	571
EX AS3	Demand Led Services	Reduce spend on independent sector home care and apply proportional spend on direct payment	-988	-988	0
EX AS4/5	Independent Sector Residential & Nursing Placements	Reduction of older people and physical disability placements	-611	-387	-224
EX AS6	Day care and Contracted Services	Review all existing contracts	210	-133	343
EX AS7	Day care and Contracted Services	– Older People’s Independent Sector Day Services	-50	-50	0
EX AS8	Other demand led services	Community equipment	-33	-33	0
EX AS 9	Care Phones & Assistive Technology	Care Phones – Increased Income	0	-20	20
New AS1	Care Phones & Assistive Technology	Additional savings	0	-250	250
New AS2	Other demand led services	Change in bad debt provision requirement	-200	-200	0
TOTAL ADULT SOCIAL CARE OPERATION			-1,841	-2,801	960
EX CQ1	Demand led services	Apply proportionate spend on direct payments	0	-412	412
EX CQ2	Independent sector residential and nursing placements	Reduction in high cost learning disability placements	-756	-423	-333
EX CQ3	Independent sector residential and nursing placements	Mental Health Placements	362	-67	429
EX CQ4	Day care and contracted services	Review of all existing contracts	38	-234	272
TOTAL COMMISSIONING, QUALITY & PERFORMANCE			-356	-1,136	780
NEW CR2	Management & Regulatory	Increase income collection efficiency thereby reducing bad debt requirement	-4	-50	46
NEW CR3	Management & Regulatory	Increased contribution from HRA/KNH for housing management service	-1,500	-1,500	0
TOTAL ECONOMY & INFRASTRUCTURE MANAGEMENT			-1,504	-1,550	46

Reference	Service Activity	Headline Proposal	Forecast Saving	Planned Saving	Variance Month 6
			£000	£000	£000
EX CR6	Corporate Landlord	New ways of working	-200	-300	100
TOTAL ECONOMY & SKILLS			-200	-300	100
EX CR1	Transport Services	Smarter practices/efficiencies	-108	-103	-5
EX CR2	Bereavement Services	Additional income potential, 20%, through smarter marketing/product offer	10	-50	60
EX CR3	Parks & Open Spaces	Increased cost recovery on services from KNH	-25	-25	0
EX CR7	Parking	Bus lane enforcement	0	-750	750
NEW CR1	Management & Regulatory	Income generation initiatives ; 10% booking fee – town hall tickets	-43	-50	7
EX CR4	Schools Facilities Management – Catering/Assets	Meal price increase/reduced subsidy on living wage	-8	-55	47
EX CR5	Schools Facilities Management - Cleaning	Realignment to current performance	-50	-25	-25
TOTAL ENVIRONMENT			-224	-1,058	834
NEW ER1	Management & Regulatory	Reduction in the events budget	-101	-100	-1
EX ER3	Strategic Investment - Planning	Increase in Planning Fees	-47	-120	73
EX ER4	Markets	Closure of Heckmondwike & Holmfirth markets and other increase income	264	-40	304
TOTAL GROWTH & HOUSING			116	-260	376
EX CS3	Finance and Accountancy	Efficiency Savings	-180	-201	21
EX CS5	Welfare and Exchequer	More automation on back office services	-71	-50	-21
TOTAL FINANCE			-251	-251	0
EX CS2	Legal Services	Further savings to be identified	81	-122	203
TOTAL GOVERNANCE & COMMISSINING			81	-122	203
EX CS6	HD-One Financial & HR Transactional Services	Income generation	-100	-100	0
NEW CS1	Management & Regulatory	Strategy & Commissioning review	-250	-250	0
EX PI1	Sexual Health	Incorporating additional schemes into integrated sexual health services main contract	27	-100	127
EX PI3 / 4 / 5	Obesity, Physical Activity, Healthy Child	Incorporating additional schemes into healthy child programme	-132	-103	-29
EX PI2	Substance Misuse	Reducing payments in primary care and ongoing contract efficiencies	-26	-100	74
TOTAL PUBLIC HEALTH & PEOPLE			-481	-653	172
EX CS1	Transformation team	Organisation wide – cross-cutting reduction in sickness absence	-859	-859	0
TOTAL STRATEGY, INNOVATION & PLANNING			-859	-859	0
TOTAL GENERAL FUND PLANNED BUDGET SAVINGS			-7,169	-10,885	3,716

Corporate Capital Budget Monitoring 2019/20 – Month 6

Appendix 6

	Qtr 1 Budget	Budget Adjustment incl Re- profiling	Qtr 2 Revised Budget	Actuals to Date	Forecast	Variance	Variance	Change in Variance
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
General Fund								
Achieve & Aspire	16,031	(3,294)	12,737	4,004	12,737	0	0	1,399
Best Start	200	(190)	10	0	10	0	0	0
Independent	2,673	(960)	1,713	64	1,713	0	0	0
Sustainable Economy	59,746	(3,978)	55,768	18,645	54,766	(1002)	(2)	(1,002)
Well	4,029	(691)	3,338	589	3,157	(181)	(5)	(181)
Safe & Cohesive	180	(155)	25	0	25	0	0	0
Clean and Green	1,789	0	1,789	556	1,704	(85)	(5)	(85)
Efficient & Effective	4,456	(60)	4,396	987	4,396	0	0	0
GENERAL FUND TOTAL	89,104	(9,328)	79,776	24,845	78,508	(1,268)	(2)	131
Housing Revenue Account								
Strategic Priorities	6,790	0	6,790	1,445	5,101	(1,689)	(25)	(1,689)
Baseline	18,892	132	19,024	4,021	19,024	0	(0)	0
HOUSING REVENUE TOTAL	25,682	132	25,814	5,466	24,125	(1,689)	(7)	(1,689)
CAPITAL PLAN TOTAL	114,786	(9,196)	105,590	30,311	102,633	(2,957)	(3)	(1,558)

Capital Monitoring Key Highlights – Sustainable Economy

Appendix 6

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
Strategic Priorities			
Town Centre Action Plans	7,591	(525)	Underspend is in relation to Dewsbury Town Centre Action Plan - current forecast underspends are on Northgate Public Realm and Heritage Action Zone but may spend as schemes develop.
One Off Projects			
Housing Regeneration	544	(238)	S106 monies with no developed schemes yet
Sustainable Economy Total	12,878	(1,071)	

Capital Monitoring Key Highlights – Well

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
Baseline			
Play Strategy	2,622	(181)	Section 106 schemes have commenced but unlikely to fully spend this financial year
Well Total	2,622	(181)	

Capital Monitoring Key Highlights – Housing Revenue Account

Appendix 6

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
HRA Strategic Priorities			
New Build Phase - Ashbrow	990	(690)	Keepmoat have taken some time to agree revised legal documents with the Council and submit a revised planning application. The Planning application is not due to be determined until the end of October, therefore a start on site it not likely until early 2020. The spend has therefore been reduced accordingly.
Remodelling / High Rise	500	(500)	Approval process for the proposed option appraisals currently being developed.
KNH New IT System	500	(500)	Delays in signing of contract
HRA Strategic Priorities Total	1,990	(1,690)	
HRA TOTAL	1,990	(1,690)	

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund						
Achieve & Aspire						
<i>Strategic Priorities:</i>						
New Pupil Places	(300)	(700)	(500)	720	235	545
Delivery of Autistic Spectrum Disorder School	(500)	(1,650)	1,800	350	0	0
District Sufficiency - SEND	(999)	(5,001)	(3,750)	2,000	7,250	500
Libraries & Public Buildings	(350)	350	0	0	0	0
<i>One-Off Projects:</i>						
SEND Provision	(710)	710	0	0	0	0
Commissioning Option Appraisals (SEN)	(435)	435	0	0	0	0
Achieve & Aspire Total	(3,294)	(5,856)	(2,450)	3,070	7,485	1,045
Best Start						
<i>Strategic Priorities:</i>						
3x New Build Residential Children's Units	(190)	(310)	(100)	400	200	0
Best Start Total	(190)	(310)	(100)	400	200	0
Independent						
<i>Strategic Priorities:</i>						
Pump Prime & Commissioning Specialist Accommodation	(200)	200	0	0	0	0
Commissioning Option Appraisals to facilitate outcomes of Specialist Accommodation Strategy	(210)	210	0	0	0	0
Day Services Support for Vulnerable Adults	(550)	550	0	0	0	0
Independent Total	(960)	960	0	0	0	0
Sustainable Economy						
<i>Strategic Priorities:</i>						
West Yorkshire plus Transport Schemes	(591)	591	0	0	0	0
Town Centre Action Plans	3,414	(3,414)	0	0	0	0
Loans – Development Finance	(6,000)	6,000	0	0	0	0
<i>Baseline:</i>						
Corporate Landlord	(1,500)	1,500	0	0	0	0
Sustainable Economy Total	(4,677)	4,677	0	0	0	0

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Well						
<i>Baseline:</i>						
Play Strategy	(1,600)	1,600	0	0	0	0
Well Total	(1,600)	1,600	0	0	0	0
Safe & Cohesive						
<i>Strategic Priorities:</i>						
Youth Offending Team	(155)	155	0	0	0	0
Safe & Cohesive Total	(155)	155	0	0	0	0
Clean and Green	0	0	0	0	0	0
Efficient & Effective	0	0	0	0	0	0
GENERAL FUND TOTAL	(10,876)	1,226	(2,550)	3,470	7,685	1,045
Housing Revenue Account						
<i>Baseline:</i>						
Estate Improvements	3,664	(3,664)	0	0	0	0
Compliance	(3,532)	3,532	0	0	0	0
HOUSING REVENUE ACCOUNT TOTAL	132	(132)	0	0	0	0
TOTAL CAPITAL PLAN RE-PROFILED	(10,744)	1,094	(2,550)	3,470	7,685	1,045
Funding:						
Borrowing – General Fund	(9,275)	625	(2,050)	2,750	7,450	500
Grants – General Fund	(1,601)	601	(500)	720	235	545
HRA Revenue Contribution/Major Repairs Reserve	132	(132)	0	0	0	0
TOTAL FUNDING RE-PROFILED	(10,744)	1,094	(2,550)	3,470	7,685	1,045