

GENERAL FUND REVENUE ACCOUNT KEY VARIANCES AND MANAGEMENT ACTIONS

Table 1 – General Fund High Level Revenue Summary to 31 March 2020

General Fund High Level Revenue Summary	Year End Actual position				Movement in Quarter	
	2019/20 Full Year Budget £m's	Actual to 31/03/20 £m's	Variance to Budget £m's	P9 £m's	Movement in Quarter £m's	
Adult Social Care & Homelessness	65.308	64.784	(0.525)	(0.043)	(0.482)	
Public Health	11.105	11.105	0.000	0.000	0.000	
Children's Services	53.860	55.677	1.816	0.941	0.876	
Policy, Insight & Communications	1.276	1.161	(0.115)	(0.208)	0.093	
Strategy and Futures	0.240	0.224	(0.016)	(0.009)	(0.006)	
Housing and Regeneration	1.093	1.182	0.089	(0.093)	0.182	
Growth, Economy and Culture	5.288	5.015	(0.273)	(0.732)	0.459	
Environment and Property	58.389	60.106	1.718	0.081	1.637	
Resources - Retained MKC	(0.053)	(1.226)	(1.173)	(0.418)	(0.755)	
Resources - LGSS	7.599	7.620	0.021	(0.000)	0.021	
Law & Governance	1.906	2.129	0.223	0.140	0.083	
Debt financing, corporate codes	4.385	2.776	(1.609)	0.031	(1.640)	
Net Cost of Services	210.396	210.553	0.157	(0.310)	0.467	
Reversal of Depreciation	(27.434)	(27.434)	(0.000)	0.000	(0.000)	
General Fund Requirement	182.962	183.118	0.156	(0.310)	0.467	
Financing						
Council Tax	(116.740)	(116.740)	0.000	0.000	0.000	
New Homes Bonus	0.000	0.000	0.000	0.000	0.000	
NNDR	(49.620)	(49.620)	0.000	0.000	0.000	
RSG	(5.502)	(5.502)	0.000	0.000	0.000	
Public Health	(11.100)	(11.098)	0.002	0.000	0.002	
Total Financing	(182.962)	(182.960)	0.002	0.000	0.002	
Net Surplus / Deficit	(0.000)	0.158	0.158	(0.310)	0.469	

GENERAL FUND REVENUE ACCOUNT FORECAST KEY VARIANCES AND MANAGEMENT ACTIONS

Table 2 - General Fund High Level Variations

Service Area	Adult Services	Responsible Officer	Victoria Collins	Variance £m	(£0.525m)
Key Variations:					
<ul style="list-style-type: none"> There is an underspend on the Manor House contract of £0.689m. Manor House was a provision for those with Learning Disabilities, which closed some years ago, and the service users were moved to various care homes across Buckinghamshire. MKC no longer place new service users under this contract. £0.335m of this saving is permanent and has been reflected in the 20/21 budget. The remaining underspend is one-off due to reimbursement for previous financial years where MKC has overpaid on the contract. There is a £2.343m saving on care packages and placements across Adult Services; £1.274m of which relates to Older People. This is the impact of the demand management project and enhanced controls and processes that have been implemented over the last 12 months. This includes the introduction of a Financial Authorisation Board, increased frequency of reviews and utilising capacity within our internal home care service. Additional income of £0.560m from health funded service users attending the Internal Day and Short Breaks services. This is a result of implementing a full cost recovery model for Continuing Health Care funded service users. In addition, there are staffing underspends of £0.284m within the Learning Disability Internal Day Services. The overspend in Homelessness Prevention & Access is £3.672m, due to an increase in demand (1020 households compared to budgeted 670). Low supply of housing stock and slower private sector nominations have also been a contributing factor (210 Households compared to 275 budgeted). The bad debt provision has increased to £0.529m to reflect current recovery rates of temporary accommodation (TA) and housing prevention fund debts. Management Actions: A daily TA panel is now in operation – all TA and housing prevention fund requests are presented at the panel (members include the Head of Service, Finance and Legal representation). There will be some focused resource on TA debt within the debt team; however there are some restrictions impacting on the recovery plan due to the current Covid-19 guidance. 					

Service Area	Public Health	Responsible Officer	Muriel Scott	Variance £m	£0.000m
Key Variations:					
<ul style="list-style-type: none"> Public Health contributed £0.227m to the Public Health reserve in 19/20 (planned use of reserves was £0.329m). £0.084m of the underspend was a result of vacancies across Milton Keynes, Bedford Borough Council and Central Bedfordshire Council in the shared service operating model. Additionally, the substance misuse service was underspent by £0.108m due to payment by outcomes not being achieved by the current provider and fewer Detox and Rehab referrals than expected. A new provider is in place from April 2020 with a clear focus on improved performance through increasing support for vulnerable adults. There was also a reduction in some demand-based services such as Smoking services which was underspent by £0.121m (a proportion of this underspend has been put forward as a permanent saving in 2020/21). 					

Service Area	Children's Services	Responsible Officer	Mac Heath	Variance £m	£1.816m
Key Variations:					
<ul style="list-style-type: none"> In Children's Social Work service there is an overspend of £1.472m due to the following: <ul style="list-style-type: none"> There was a £0.997m overspend on staffing, mainly within the multi-agency safeguarding and statutory children's social care teams. There has been an increase in activity and a resultant need for additional staff to meet service demands. Over the year there was also need for the use of agency staff to cover maternity leave, sickness and vacant posts. There was a £0.257m overspend on legal expenses as a result of judicial reviews for unaccompanied asylum seeker children (UASC) challenging age assessments that have been completed and restrictions with court time and being able to meet the 26 week target. There was a £0.072m overspend on support costs for families with no recourse to public funds with 17 families being supported during the year. 					

- Corporate Parenting service has an overspend of **£0.211m**:
 - This is made up of £0.190m overspend on placements. LAC numbers at March 2020 were 408 down from an in-year high of 428 in December 2019. This is compared with a budgeted cohort of 385. There have been seven young people placed in remand during the year at a cost of £0.308m with a grant contribution of £0.076m. The number of permanent placements continues to increase with this being used as a better alternative for supporting young people.
 - There was a staffing overspend of £0.106m across the Corporate Parenting service as there was an increase in activity and a resultant need for additional staff to meet service demands. Over the year there was a need for the use of agency staff to cover maternity leave, sickness and vacant posts.
 - There was a £0.120m overspend on the Adoption Connects (Regional Adoption Agency) budget due to an increase in inter-agency adoption fees as a result of the increased number of adoptions made during the year.
- Libraries: there was an overspend of **£0.114m** as a result of salary costs and day to day running costs. This was funded from the library reserves in 2019/20. There is a new delivery model that will see libraries becoming part of MKC's adult learning model to deliver a balanced budget in 2020/21.
- Setting and School Effectiveness service had an underspend of **£0.172m** as a result of additional traded income and the school improvement monitoring and brokerage grant funding.
- Setting and school sufficiency and access service has an overspend of **£0.457m** as a result of increase home to school transport costs as a result of an 11% increase in pupil numbers receiving transport (1,155 pupils Sept 18 to 1,282 March 20). A number of the existing contracts are now full so additional contracts have needed to be procured.
- Social Care Grant (Ring Fenced): **£1.100m** of the social care grant funding was used to fund one off costs across Children's Services including looked after children's placement costs, traded income not achievable as service ceased to be offered, purchase of equipment and expenditure relating to 2018/19.

Service Area	Policy, Insight & Communications	Responsible Officer	Sarah Gonsalves	Variance £m	(£0.115m)
<p>Key Variations:</p> <ul style="list-style-type: none"> Pay underspends arose mainly due to vacant posts together with a pending restructure in Community Safety £0.061m as well as Performance & Systems £0.049m, and underspends on the under graduate scheme (£0.011m) due to a recent leaver. Excess income over budget under Milton Keynes intelligence (£0.042m) owing to additional street naming receipts. 					

Service Area	Housing & Regeneration	Responsible Officer	Michael Kelleher	Variance £m	£0.089m
<p>Key Variations:</p> <ul style="list-style-type: none"> Changes in usage of Drayton hostel to Somewhere Safe to Stay Hub has resulted in loss of income £0.060m under Hostels (GF), and overspend of £0.040m on unavoidable repairs to Travellers sites. 					

Service Area	Growth, Economy & Culture	Responsible Officer	Tracy Darke	Variance £m	(£0.273m)
<p>Key Variations:</p> <ul style="list-style-type: none"> Planning income was over by £0.167m, despite a change in the pricing policy for Planning Performance Agreements (PPA) from November with charges being reduced and a reduction of £0.160m income in March compared to that expected, assumed to be related to the COVID 19 lockdown. In addition there are salary vacancies within the Development Management and Development Plans Teams of £0.319m, with a full establishment expected to be in place next financial year and a favourable position of £0.106m in Land Charges due to the delay in this service being transferred to central government, a move that is expected to take place in 20/21 now. However, it has been necessary, due mainly to the nature of the leisure industry following COVID 19, to include a bad debt provision of £0.302m for which there is no budget. 					

Service Area	Environment & Property	Responsible Officer	Stuart Proffitt	Variance £m	£1.718m
Key Variations:					
<ul style="list-style-type: none"> Property – overall there is an overspend of £1.123m. However, this includes unbudgeted property debt financing costs of £0.695m which has been offset by a corresponding surplus in debt financing. The remaining £0.428m over spend is mainly due to the shortfall in income and additional costs at the Brooklands Health Centre of £0.238m. There are also additional building maintenance costs of £0.297m as the old and new contracts overlap with added one off work carried out on Civic but income in Commercial Properties and Sponsorship was better than budget by £0.120m. Patronage of concessionary fares was higher than planned resulting in an overspend of £0.112m which has been offset by the use of Bus Services Operator Grant. The car parking income is under budget by £0.632m but £0.353m is as a result of a dip in March due to COVID 19 and there is provision to offset this in the corporate area by using one off government grant funding for the impact of COVID19. There was also £0.210m income received in year for parking suspensions that relates to 20/21 and so has been carried forward. In highways, the Adoptions income is £0.569m above budget as a result of continuing housing developments and Highways Permit income is £0.233m above budget as a result of increased works requiring stopping up of the highways. In addition, there was an over provision for bad debt in 18/19 which resulted in a credit to highways of £0.112m. However, there is a net pressure of £0.947m on highways repairs due to increased pothole works carried out under the new Local Code of Practice. There was accident damage in excess of budget of £0.147m in traffic management that may be recoverable in 20/21, street lighting maintenance additional costs of £0.146m and Winter Maintenance was over by £0.157m due to increased runs in March. Work is already underway aiming to prevent this maintenance over spend position from occurring in 20/21. The Regulatory Unit was £0.344m under budget, essentially due to salary vacancies of £0.191m and income in excess of budget of £0.231m from registrations, licencing activities and one off legal income recovered. 					

Service Area	Resources - MKC	Responsible Officer	Steve Richardson	Variance £m	(£1.173m)
Key Variations:					
<ul style="list-style-type: none"> • £0.553m underspend in Revenues and Benefits due to a better recovery rate of benefits overpayments and also a reduction in housing benefit costs of £0.326m. Offsetting this is an overspend of £0.178m in Customer Services due to a pressure of £0.092m against a savings target and increased agency staffing costs to cover vacant posts. The Transformation process is now underway and Customer Services is expected to be within budget in 20/21. There was also an unallocated budget within the Print Service of £0.209m that was not used in 19/20 but will be required in 20/21 when the LGSS IT budgets are repatriated. 					

Service Area	Law & Governance	Responsible Officer	Sharon Bridglalsingh	Variance £m	£0.223m
Key Variations:					
<ul style="list-style-type: none"> • A combination of under recovery of income and over spends on subscriptions for external advice and staffing resulted in Legal Services being over by £0.137m with Democratic Services staffing costs being the remaining £0.086m. 					

Service Area	Debt Financing & Corporate Codes	Responsible Officer	Anna Rulton	Variance £m	(£1.609m)
Key Variations:					
<ul style="list-style-type: none"> • £0.695m underspend from unbudgeted debt financing charges to services. £0.330m additional interest received due the significant slippage within the Capital Programme, and £0.373m additional funding from the Government to fund Covid-19 related expenditure and loss of income. 					