

ANNEX A – GFRA KEY VARIANCES AND MANAGEMENT ACTIONS

Table 1 - GF High Level Revenue Summary

General Fund High Level Revenue Summary	Budget		Year to Date				Forecast	
	2020/21 Full Year Budget	2020/21 Budget to Date	2020/21 Actuals to Date	2020/21 YTD Variance	Covid 19 Spend/income loss to date	Revised Variance to date	Projection for remainder of the year Non-COVID	Forecast position - Non-COVID
Service	£m's	£m's	£m's	£m's	£m's	£m's	£m's	£m's
Adult Social Care	71.443	16.553	17.358	0.805	1.079	(0.274)	(0.427)	(0.701)
Public Health	11.650	2.464	2.464	(0.000)	0.000	(0.000)	0.000	(0.000)
Children's Services	54.525	11.051	11.056	0.005	(0.348)	0.353	0.118	0.471
Policy, Insight & Communications	1.017	0.801	0.786	(0.015)	0.056	(0.071)	(0.036)	(0.107)
Strategy and Futures	0.000	0.061	0.054	(0.007)	0.000	(0.007)	0.000	(0.007)
Housing and Regeneration	0.986	0.084	0.065	(0.020)	0.000	(0.020)	0.000	(0.020)
Growth, Economy and Culture	5.479	0.444	0.977	0.533	0.756	(0.223)	(0.301)	(0.524)
Environment and Property	58.522	11.168	14.422	3.254	3.298	(0.044)	0.449	0.405
Resources - Retained MKC	(1.512)	11.311	11.399	0.088	0.178	(0.090)	0.238	0.148
Resources - LGSS	5.436	3.497	3.497	0.000	0.000	0.000	0.000	0.000
Law & Governance	1.955	0.958	0.926	(0.032)	(0.085)	0.053	0.000	0.053
Debt financing, corporate codes	(2.877)	3.559	3.559	(0.000)	0.000	(0.000)	0.435	0.435
Net Cost of Services	206.623	61.951	66.562	4.611	4.934	(0.323)	0.476	0.153
Covid Funding	0.000	0.000	(15.756)	(15.756)	(15.756)	0.000	0.000	0.000
General Fund Requirement	206.623	61.951	50.806	(11.145)	(10.822)	(0.323)	0.476	0.153
Financing								
Council Tax	(129.205)	(30.064)	(30.064)	0.000	0.000	0.000	0.000	0.000
New Homes Bonus	(6.000)	(1.500)	(1.500)	0.000	0.000	0.000	0.000	0.000
NNDR	(54.264)	(13.566)	(13.566)	0.000	0.000	0.000	0.000	0.000
RSG	(5.592)	(1.398)	(1.398)	0.000	0.000	0.000	0.000	0.000
Public Health	(11.562)	(2.891)	(2.891)	0.000	0.000	0.000	0.000	0.000
Total Financing	(206.623)	(49.418)	(49.418)	0.000	0.000	0.000	0.000	0.000
Net Surplus / Deficit	0.000	12.533	1.388	(11.145)	(10.822)	(0.323)	0.476	0.153

GFRA FORECAST KEY VARIANCES AND MANAGEMENT ACTIONS

Table 2 - GF High Level Variations

Service Area	Adult Services	Responsible Officer	Victoria Collins	Variance £m	(£0.701m)
Key Variations:					
<p>Adult Services is forecasting an underspend of £0.701m excluding the costs of responding to the COVID-19 emergency. This is primarily made up of:</p> <ul style="list-style-type: none"> • A forecast underspend of £0.942m across the Physical Disabilities, Mental Health and Frail Elderly community care packages budgets. It was anticipated that we would look to review and invest in our offer to those with Physical Disabilities – however, the ability to progress with this review has been impacted by COVID restrictions. Part of this identified underspend will contribute towards the Social Care savings target in 2021/22. • £0.289m overspend across Homeless Prevention and Access. There is a £0.564m overspend against the Temporary Accommodation budget. This has reduced since initial estimates at the end of 2019/20 (estimated £1.5m budget shortfall based on activity in 2019/20). The average monthly number of placements into Temporary Accommodation in 2019/20 was 85. Currently we are forecasting an average of 63 placements per month in 2020/21. This is partially offset by an underspend on the Housing Prevention Fund of £0.400m, due to a reduction in the number of requests/awards and the implementation of full cost recovery for most awards through a loan agreement. The demand estimations for the year are extremely volatile and despite the management actions which have been implemented to reduce demand, there is uncertainty on the impact of COVID-19 restrictions being lifted (for example increased landlord evictions). Current predictions also require timely turnaround of void properties in order to allow move-on's from Temporary Accommodation. • It is planned to re-start Continuing Health Care (CHC) Assessments and Adult Service Financial Assessments during July to catch up the backlog of new cases in readiness to commence new client charges and CHC invoicing to the CCG from 1 August 2020. 					

Service Area	Public Health	Responsible Officer	Muriel Scott	Variance £m	£0.000m
Key Variations:					
<ul style="list-style-type: none"> The Public Health grant for 2020/21 is £11.642m. This includes an increase of £0.544m (4.7% increase) that follows successive cuts of 2.3%-2.6% year-on-year since 2016/17. Part of the increase in grant has been earmarked to fund the existing gap between committed expenditure and grant income. For period 3 the service is forecasting a contribution of £0.063m to the Public Health reserve. This is after allowing for one off expenditure totalling £0.370m to fund projects such as tackling Knife crime and improving health outcomes on regeneration estates. The Agenda for Change uplift to contracts is currently being reviewed to establish what proportion of this cost was included by providers in the re-commissioning of the majority of the services from 1 April 2020. If it is necessary to apply an uplift to the contracts it is likely to absorb a significant part, if not all of the forecast contribution to the reserve in this year. Underspends which have been forecasted are attributable to staffing vacancies across the shared service model. In addition, there is a forecast underspend of £0.100m on the 0-19 Children's commissioned contract due to a reduction on new contract costs (commenced April 2020). There is also a £0.068m underspend in the Sexual Health service and a £0.063m underspend in Health Checks due to services being put on hold during the COVID-19 emergency. 					

Service Area	Children's Services	Responsible Officer	Mac Heath	Variance £m	£0.471m
Key Variations:					
<ul style="list-style-type: none"> Children's Social Work £0.187m – legal costs for children's services are expected to overspend due to the number of cases and complexity of high cost cases. Corporate Parenting (£0.054m) – there has been a reduction in staffing due to holding off recruiting to non-essential posts. <p>Placements currently remains forecast to budget. Although the number of LAC has reduced from a peak in December 2019 at 428, reducing in April 2020 to 404 and reducing further in June 2020 to 391, indications show that the numbers have risen during July and there have been several high cost placements required. For care leavers, our current block contract provision is full and there is a lack of move on options for these young people given wider housing accommodation pressures – a focused</p>					

review of options for this cohort is being undertaken. At present the forecast remains on budget, with £0.460m allowed for in-year additional demand, however this may not be sufficient.

The impact of COVID-19 on children’s services continues to be difficult to predict at this stage and will need to be monitored. There is a concern that when children return to school, GP’s and access other professional services there is expected to be an increased demand in referrals which will impact on services and could lead to an increase in the number of looked after children and increased demand on social work staff teams.

- Home to School Transport **£0.473m** – Contract costs overspent in 2019/20, and the higher weekly costs continued into 2020/21. Therefore this resulted in a base budget pressure of circa £0.473m in 2020/21. There have been in one-off cost savings in-year due to transport not being delivered as a result of school closures, this has been reported in the Covid section of the report.
- Youth and Community **(£0.100m)** – Part year savings effect of staffing restructure within the Youth Support Team

Service Area	Policy, Insight & Communications	Responsible Officer	Sarah Gonsalves	Variance £m	(£0.107m)
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Key Variations:

- Community Safety is in the process of reorganisation to get staff working across Community Safety & MK Together Safeguarding board. As a result, some vacant posts have not yet been recruited to, resulting in pay underspends of **(£0.042m)**.
- The Corporate Partnership manager’s post was not recruited to following retirement of the manager in 2019/20, with existing staff regarded to manage Corporate Partnership budget, resulting in pay underspends in 2020/21 **(£0.048m)**.
- Pay underspends **(£0.017m)** due to vacant posts under Performance and Systems. A Performance Analyst has been appointed following a successful recruitment drive in June 2020 and expected to start in August.

Service Area	Strategy & Futures	Responsible Officer	Geoff Snelson	Variance £m	(£0.007m)
Key Variations: <ul style="list-style-type: none"> No material variation 					

Service Area	Housing & Regeneration	Responsible Officer	Michael Kelleher	Variance £m	(£0.020m)
Key Variations: <ul style="list-style-type: none"> No material variation 					

Service Area	Growth, Economy & Culture	Responsible Officer	Tracy Darke	Variance £m	(£0.524m)
Key Variations: <ul style="list-style-type: none"> There are forecast salary vacancies of £0.438m relating to vacant posts in 2 planning teams (Development Management and Development Plans) of £0.311m and the Economic Development manager post of £0.137m. The forecast is based on some of the planning posts being filled in the 2nd half of the year to enable the service to meet its statutory duties. 					

Service Area	Environment & Property	Responsible Officer	Stuart Proffitt	Variance £m	£0.405m
Key Variations: <ul style="list-style-type: none"> Whitehouse Health Centre has been built by the council and will be occupied by a health practice and other health related services. There has been a delay in agreeing the contract with the CCG and in securing other tenants in the building. As such, there is an in-year pressure of £0.410m. There are forecast salary savings of £0.426m in the Environment and Property teams, essentially in the Regulatory Unit and Transport teams due to hard to fill posts and the deletion of a head of service post. There is forecast to be an over-spend on building maintenance and repair costs of £0.200m. There is currently work being undertaken to assess the reactive works required on council owned buildings and to minimise this demand. The sale of Saxon Court has been agreed and will be finalised in the autumn of 2021. As a result, 2 long standing tenants have either left or are to leave shortly. Although there are some savings in running costs, the estimated deficit is year is £0.140m. 					

Service Area	Resources - MKC	Responsible Officer	Steve Richardson	Variance £m	£0.148m
Key Variations: <ul style="list-style-type: none"> This pressure is essentially in relation to the current programme of Customer Service transformation which has identified schemes estimated to be £0.100m short of the target. Work continues to link in with the Rapid Service Reviews to progress with these savings. 					

Service Area	Debt Financing & Corporate Items	Responsible Officer	Steve Richardson	Variance £m	£0.435m
Key Variations: <ul style="list-style-type: none"> The pay award for 2020/21 is estimated to be 0.25% higher than budgeted leading to an additional pressure of £0.228m Investment in recovery framework £0.207m 					