

Departmental CommentariesRevenue Budget MonitoringChief Executive

The department is currently forecasting an underspend of £290,000, an increase of £107,000 compared to the previous month. The underspend is mainly accounted for by the carrying forward of one-off allocations for specific projects including; £125,000 for the Records Office Map Digitisation Project, £150,000 due to re-phasing the release of Rural Regeneration funds to reflect project sponsors complying with the fund's rules, £50,000 due to slippage in the signage programme and £45,000 of the Council's contribution to the Area Investment Framework to match the delivery of the programme. The projected overspend on PACT of £125,000 is partially offset by identified compensatory one-off savings of £75,000 and the Coroners budget is again forecast to overspend, by £30,000, continuing the trend of recent years.

The difference since the previous month is mainly due to further re-phasing of project specific investment in the Map Digitisation expenditure, release of Rural Regeneration funds and the carry forward of the AIF contribution.

The carry forward of the money for the one-off items listed above allows a net underspend to be predicted but work continues to try to reduce further the remaining integral baseline overspend.

Corporate Resources

The budget position continues to reflect the high level of vacancies and the costs of filling them. The overall net forecast underspend this month is now £116,000 made up of:

Overspends	£000	£000
Staff advertising	21	
Other staff costs	10	
Charges from Avalon for the administration of travellers sites	21	
	<hr/>	
		52
Underspends		
Vacancies	-60	
External audit fee	-36	
Reduction in the level of consultancy costs	-30	
Retrospective rebate	-31	
Subscriptions	-8	
Other minor underspends	-3	
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		-168
Overall position		<hr/>
		-116

The key changes from the previous month are the net reduction in income to ICT services (£60,000) and increased costs for the administration of travellers' sites (£21,000).

Education and Libraries

In overall terms the department is currently forecast to underspend by around £950,000, an increase of £172,000 compared to the previous month. The majority of the additional underspend relates to delays in the refurbishment programme at Rye and Eastbourne Libraries (£76,000) and SLAs with central departments where an underspend of £90,000 is currently forecast.

The previously reported underspend (£775,000) mainly comprises:

- Under-spend in community colleges (£260,000) on delegated adult and youth budgets identified during a mid year review of budget plans

- Funding for the continuation of the playlink scheme (£115,000),
- Additional recoupment income (£115,000),
- Lower than expected numbers of pupil free meals (£200,000),
- £50,000 due to additional income from DfES for student support and staff restructurings
- Increase in take up of places for three olds in non-maintained settings (£70,000)

Social Services

Adult Social Services

Adult Social Services is projecting an overspend of £1.4m at the end of 2004/05. This results from pressures on the Community Care budget in two specific areas. First, the increased numbers of older people that were previously self-funders, but now needing public support. Secondly, the level of commitment required to address delayed transfers of care from hospital, in particular home care cases.

The action plan put into place in October to address this issue (including vacancy control, robust management of resource allocation and restricting where possible expenditure in this financial year) has not proved as effective as hoped. Although this has begun to draw back the overspend a balanced position will not be reached at the end of the financial year.

It is planned to carry forward the overspend with the deficit being recovered over the next two years. This will require the budget controls that have been put in place in 2004/05 being extended into next year. This, in conjunction with the action plan dealt with elsewhere on the agenda, will enable a balanced position to be achieved as current steps have had a positive effect on the opening position of the Community Care budget in 2005/06.

Children and Families

The Department continues to experience budget pressure in the Children & Families Service, the main area being agency placements for which there is no budget headroom for additional placements. An overspend of £0.6m is now forecast for the year-end.

Action has been taken to address this overspend, including vacancy control, robust management of resource allocation and restricting where possible expenditure in this financial year. However, demand for placements outstrips any vacancy and other savings achieved.

Again, this overspend will need to be carried forward and managed over the next two years.

Transport and Environment

The reported outturn currently shows a small overspend of £85,000. The main cost pressure and the main factor in the change from the small underspend previously forecast is the project to re-tender the outsourced contracts currently with Owen Williams and Colas. Action will be taken to ensure the budget is brought in on line.

The budget includes one-off additional funding for three activities. Progress on each is as follows:

- Isfield Bridge (£50, 000) – The new bridge was completed and opened in Autumn 2004. The budget was exceeded by just £2,000 and this has been met from the Rights of Way revenue budget.
- Footways (£300,000) – The funding has been allocated between the Highway Divisions on the basis of footway length and a programme of works has been developed targeting the funding to footways, kerbing and facilities for the disabled. The full sum will be spent this year.
- LTP (£150,000) – The additional funding is enabling a much more extensive and inclusive consultation programme to inform the development of the second generation

LTP. The programme of consultation has been established and will be carried out before the autumn. The funding is also covering the cost of additional research to meet new requirements this time including the need for Strategic Environmental Assessment and Accessibility Planning.

Treasury Management, Identified Risks, etc.

A variation of £1,950,000 is shown in Appendix B, after dealing contingencies and transfers to the Capital Programme Reserve.

Revenue Monitoring: Risks

Treasury Management: Provision for Bad Debts

Until the end of each year it is difficult to predict what the final structure of outstanding debt will be.

As small movements in the level of debt can lead to large budget variations in the provision for bad debts, this budget remains one at risk of varying significantly from the original budget.

Capital Programme Monitoring

Chief Executive's

The recent review of the department's programme has resulted in a reduction in the anticipated spend by £60K. Since the review, some slippage has been identified in respect of the PSA Rights of Way scheme (£60k) and Hastings Register Office (£62k).

Corporate Resources

The department has a revised gross capital programme of £5.903m. All schemes are progressing as expected.

Education and Libraries

The capital programme has been revised to take account of expected levels of expenditure in 2004/05 and resources have been moved into 2005/06. The department's gross capital programme allocation is now £25.8m. Included within this figure is £6.1m for schools devolved formula capital. The capital programme is currently estimated to be spending at the revised programme in total, however there are some variations within the programme. Slippage of £0.5m has been identified on Catsfield Primary School (£0.2m) and Priority 1 condition work (£0.3m) which is offset by expenditure in advance on Ringmer Community College (£0.2m), Outstanding payments (£0.2m) and Westfield School (£0.1m).

Resources still need to be found to fund further overspends identified after the rephrasing of the budget. This will be done by reprofiling future years' expenditure. There is not expected to be an overspend in 2004/05.

Social Services

The Department is forecast to spend £3m in this financial year. Of this sum, £1.6m is funded by way of scheme specific resources. No further slippage has been identified and all schemes are progressing as previously reported.

Transport and Environment

The department has a revised capital programme of some £19.6m adjusted as part of the mid-year review process. In reaching this figure a sum of £0.5m is assumed to slip from 2005/06 to

Appendix A

2006/07. Monitoring on individual schemes shows that progress to achieve the full original programme is still achievable. Including an element of slippage in the mid-year review recognises the risks associated with schemes which start during the last quarter of the year.