

Departmental CommentariesRevenue Budget MonitoringChief Executive

The department is currently forecasting an underspend of £566,000, an increase of £276,000 compared to the previous report. The underspend is mainly accounted for by re-profiling one-off items in line with progress on specific projects or as a result of compliance with funding conditions. The main items are:-

- £125,000 for the Records Office Map Digitisation Project,
- £200,000 due to re-phasing the release of Rural Regeneration funds to reflect project sponsors complying with the fund's rules,
- £60,000 on the signage programme,
- £46,000 for Community Partnership/Safety Grants
- £45,000 of the Council's contribution to the Area Investment Framework to match the delivery of the programme
- £35,000 for ICT development & e-business initiatives

The balance of £55,000 not directly attributable to one-off initiatives reflects action taken to contain previously reported overspends and includes vacancies, additional income and other aggregated under and overspends.

The most significant changes since the last reported figures are an increased reporting of vacancies (£75,000) and some further planned carry-forward of the one-off items listed above (£151,000 in total).

Corporate Resources

The budget position continues to reflect the high level of vacancies and the costs of filling them. The overall net forecast underspend is now £105,000 made up of:

Overspends	£000	£000
Staff advertising	21	
Other staff costs	10	
Charges from Avalon for the administration of travellers sites	21	
Reduction in net level of income for support services	<u>37</u>	89
Underspends		
Vacancies	-100	
Training underspend	-19	
External audit fee	-36	
Reduction in the level of consultancy costs	-10	
Retrospective rebate	-21	
Subscriptions	<u>-8</u>	-194
Overall position		<u>-105</u>

The key changes from the previous reported figures are the increased level of savings from vacancies (£40,000), a reduction in the net level of income to support services (£37,000), an increase in the level of consultancy costs (£20,000), and the identification of the underspend in training (£19,000) which will now be carried forward to 2005/06 when the training will take place.

Education and Libraries

In overall terms the department is currently forecast to underspend by around £1,623,000 an increase of £676,000 compared to the previous report. The movement is primarily due to underspends arising from delays in ICT development projects (£360,000), Libraries refurbishment programme and other projects (£183,000), and Support for the arts dance project (£35,000).

The previously reported underspend (£947,000) mainly comprises:

- o Under-spend in community colleges (£260,000) on delegated adult and youth budgets identified during a mid year review of budget plans
- o Funding for the continuation of the playlink scheme (£115,000),
- o Additional recoupment income (£115,000),
- o Lower than expected numbers of pupil free meals (£200,000),
- o Additional income from DfES for student support and staff restructurings (£50,000)
- o Delays in libraries refurbishment programme (£76,000)
- o Underspends on SLAs with central departments (£90,000)

Social Services

Adult Social Services

As previously reported, 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.

- The increased numbers of older people that were previously self-funders now needing public support.
- The level of commitment required to address delayed transfers of care from hospital, in particular home care cases.

On-going demand remains high. Action has been taken to address this issue, including vacancy control, robust management of resource allocation and restricting where possible expenditure in this financial year. However, due to the demand pressures, 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 a two year period. This will require the budget controls that have been put in place in 2004/05 being extended into next year. This 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.

The underlying pressures that caused the overspend in 2004/05 have been addressed through Reconciling Policy and Resources for next year.

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. Budget pressure in the Division is £0.6m, as previously reported.

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 and it has been agreed that the overspend will be recovered over 2005/06 and 2006/07.

Transport and Environment

The reported outturn has changed since the last report to a projected underspend of £358,000. Variations are analysed below and reflect actions taken to address previously reported overspends as well as planned underspends to support the implementation of the new highways contracts during 2005/06.

A couple of specific items worth noting are as follows:

- The County Council has submitted its response (proposed modifications) to the Inspectors report on the Waste Local Plan. The modifications are now out to public consultation until March 24. Next steps will be determined as a result of responses received. Any actions arising are likely to fall into the next financial year.
- The timetable to develop the Minerals Development Framework (which replaces the Minerals Local Plan) has slipped due wholly to the delay in the implementation of the Planning & Compulsory Purchase Act.
- Costs associated with maintaining former Landfill sites are significantly below expected levels. This is predominantly as a result of lower expenditure for the disposal of leachate. Leachate levels fluctuate particularly during the winter months in line with rainfall levels. Recent months have been drier than in previous years and consequently we have seen lower levels of leachate directly impacting on tankering costs
- Development of the next Local Transport Plan (LTP2) has progressed slower than originally anticipated. This largely reflects the requirement for each Council to produce an accessibility strategy which should inform the LTP. The guidance for completing the new strategy was received in December 2004 and Government has recognised that additional time needs to be allowed to fully incorporate the strategy into the LTP. As a result a two stage process has been introduced which allows for a provisional plan to be submitted to GOSE by 31 July 2005 with the final document being due on 31 March 2006.

	£000
Road Maintenance	(136)
Traffic & Safety	25
Waste (non-PFI costs)	(166)
Minerals Development Framework and Waste Local Plan	(50)
Development of LTP2	(70)
Other minor variations	39
Total	<u>(358)</u>

Treasury Management, Identified Risks, etc.

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

Revenue Monitoring: RisksTreasury 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

Since last reported, the estimated expenditure has reduced by £27,000. The estimated expenditure on the PSA Rights of Way project has increased by £15,000, however this is offset by increased slippage on the Hastings Registry Office scheme (£23,000) and slippage on the Assistance for Village Halls scheme (£20,000).

Corporate Resources

The department has a revised gross capital programme of £5.903m. All schemes are progressing as largely as expected with the exception of some minor slippage on the access for people with disability scheme.

Education and Libraries

The department's gross revised 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 £0.5m below the revised programme in total. There are however some variations within the programme. Slippage of £1.3m has been identified on Stafford Junior (£0.1m), Hailsham Community College (£0.2m), Lewes Library (£0.3m), High Hurstwood School (£0.1m), Catsfield Primary School (£0.3m) and Priority 1 condition work (£0.3m) which is offset by expenditure in advance on Ringmer Community College (£0.1m), Outstanding payments (£0.3m), Bishop Bell (£0.1m), Park Mead (£0.1m) and Westfield School (£0.1m).

Some further overspends totalling £0.285m over five schemes have been identified after rephasing of the budget, reasons for which are being investigated. The additional costs will be met from modernisation resources available in future years.

Social Services

The Department is forecast to spend £3.1m 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 and taking into account approved variations. In reaching this figure a sum of £0.5m has been assumed to slip into 2005/06. 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. Projected spend for the current year stands at some £20.1m with expenditure recorded to the end of January of £14.6m.

CHILDREN AND FAMILY BUDGET MONITORING PRESSURE IN 2005/06

As detailed in this months budget monitoring report, Children and Families continues to experience underlying budgetary pressures.

The main area of overspend relates to residential care, primarily children with disabilities.

There are pressures in other areas including independent fostering agency budget, but this has been contained following the successful in-house fostering strategy.

For 2005/06 it is prudent to use all additional resources available to negate these underlying pressures.

Children and Families will be receiving increases in a number of specific grants as well as £300,000 standstill pressure resources. It is recommended to use all of this money to re-balance the budget. In doing so, the Division is budgeting for a £200,000 re-payment for the overspend experienced in 2004/05. However, any additional major residential placements will require the Division to make in-year savings to achieve this payback.

The underlying trends in Children and Families remain unremitting and without strict financial discipline and good budget strategy, the overall budget pressures will return for 2006/07.

It is important that the Reconciling Policy and Resources process for 2006/07 concentrates on these aforementioned issues, particularly the underlying residential cost pressure.

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