

Departmental CommentariesRevenue Budget MonitoringChief Executive

The department is forecasting an underspend of £903,000, an increase of £337,000 compared to the last report to Cabinet. The majority of the underspend is 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, amounting to £648,000 in total, are:-

- £145,000 for the 3-year investment in the Records Office Map Digitisation Project,
- £200,000 re-phasing the release of Rural Regeneration funds to reflect project sponsors complying with the fund's rules,
- £81,000 on the signage programme,
- £67,000 for Community Partnership/Safety grants to ensure compliance with award guidance,
- £86,000 of the Council's contribution to Area Investment Framework, Interreg and other projects to match the delivery of the programme,
- £69,000 for the implementation of departmental e-business initiatives,

The remaining net underspend of £255,000 includes recruitment and vacancy management, and reflects action to contain previously reported overspends in Personnel & Training and the Coroners Service.

The key changes from the previous report include:-

- A reduced charge for expected re-organisation and associated support costs - £97,000
- An increase in the aggregated carry-forward of one-off underspends and project slippage, including those listed above - £137,000
- Additional net income from the Registration Service - £49,000
- A reduction in the number and cost of Best Value and Scrutiny reviews in the latter part of the year - £40,000

Corporate Resources

The estimated outturn position continues to reflect the high level of vacancies and the costs of filling them. The overall net forecast underspend is now £313,000 (compared to £105,000 in January). The largest changes are due to year end accounting entries for out of date cheques (£83,000) and unidentified income (£33,000), and to building maintenance work slipping slightly into 2005/06. The latest position is:

Overspends	£000	£000
Staff advertising	43	
Other staff costs	10	
Charges from Avalon for the administration of travellers sites	63	
Reduction in net level of income for support services	158	
		274
Underspends		
Vacancies	-139	
Impact of year end adjustments for outdated cheques and unallocated income	-116	
Training underspend	-4	
External audit fee	-36	
Reduction in the level of consultancy costs	-6	

Appendix A

Retrospective rebate	-21	
Underspend within building maintenance budget (including county accommodation)	-167	
Underspend in compensation pension payments	-13	
Coast protection interest payments	-13	
Additional rent income from Sackville house	-52	
Subscriptions	-8	
Other	-12	-587

Overall position -313

The major changes since the January report are:

- An underspend on the building maintenance (£167,000) due to minor slippage on budgets of £4,870,500 which will be carried forward to 2005/06.
- Impact of year end adjustments for outdated cheques and unallocated income (£116,000) written back.
- Increased rental income from Sackville House (£52,000)

This is offset by a reduction in internal income (£135,000).

Education and Libraries

The department expects to be underspent by £1,879,000, an increase of £256,000 compared to the January figure reported. The movement is primarily due to the following underspends

- lower than anticipated price increases on home to school transport contracts (£75,000),
- delay in agreeing the ICT refurbishment programme within the Peacehaven PFI project (£100,000),
- a net claw back of pupil retention funding from schools because of permanently excluded pupils (£95,000)
- the identification of over claiming for places for three and four year olds which came to light as part of a recent review of this area (£77,000) and
- lower than planned net expenditure on Music services (£105,000), particularly in respect of the Academy and concerts and courses, reflecting firm management action taken to address overspending in previous years

offset by:

- better than anticipated progress on the libraries refurbishment (£49,000) and ICT development projects (£71,000)
- a reduction in the forecast underspend in community colleges on delegated adult and youth budgets (£63,000)
- Other items totalling £13,000.

The previously reported under spend (£1,623,000) 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 in 2005/06 (£115,000),
- additional recoupment income (£115,000),
- lower than expected numbers of pupil free meals (£200,000),
- additional income from DfES for student support and staff restructurings (£50,000)

- re-phasing of libraries refurbishment programme (£285,000)
- Support for Arts dance project (£35,000)
- Planned re-phasing of ICT development projects (£416,000)
- school rates (£58,000)
- various minor over and underspends (£89,000)

Social Services

The total overspend is £1.67m – see Appendix B.

Adult Social Services

Based on provisional outturn figures, the Adult Social Services budget is overspent by £990,000. This compares with a projected overspend, identified as part of the January budget monitoring report, of £1.4m. On-going demand for community care services remains high and, in particular, delayed transfers of care from hospital placed significant pressure on the budget.

Adopting a County wide approach to the evaluation of care packages for previous self-funders and a revised out-of panel process have, as part of a package of control measures, resulted in the overspend on Community Care being £400,000 less than estimated. This reduction has also helped to reduce the on-going commitment pressures in 2005/06.

It is planned to carry forward the overspend with the deficit being recovered over a two year period. The budget controls that were in place in 2004/05 are continuing in the current year. These should enable a balanced position to be achieved.

Children and Families

Based on provisional outturn figures, the Children and Families budget is overspend by £677,000. This compares with a projected overspend, identified as part of the January budget monitoring report, of £600,000. The main area of budget pressure was, and continues to be, agency placements for which there is little budget headroom for additional placements.

A recovery plan was in place during the year which sought to address the overspend. Measures included vacancy control, robust management of resource allocation and restricting expenditure where possible. However, demand for placements outstripped vacancies held and other savings achieved.

It is planned to carry forward this overspend with the deficit being recovered over a two year period. Whilst the underlying pressures remaining in 2005/06, the budget has been set to deliver a balanced position by the year end.

Transport and Environment

The department has underspent by £642,000 against a total final budget of £50.2m. This equates to a variance of slightly less than 1.3% although a greater variance than predicted in January. The last report to Cabinet identified anticipated under spends in the order of £358,000 as shown below:

Appendix A

	£000	£000
Overspends		
Traffic & Safety – implementation of schemes	25	
Other minor variations	39	64
		<hr/>
Underspends		
* Road Maintenance (predicted end January)	-136	
Waste non-PFI costs	-166	
Minerals Development Framework & Waste Local Plan	-50	
Development of LTP2	-70	-422
		<hr/>
Overall position		-358

The key changes since the last report are as follows:

	£000	£000
Overspends		
Waste non-PFI costs	168	
* Road Maintenance (reduction against earlier prediction)	77	245
		<hr/>
Underspends		
Road Safety – Accident Remedial Projects	-130	
Countryside Management	-81	
South East Plan and Data Observatory Project	-41	
Plant hire / fleet provision	-128	
Development of LTP2	-12	
Minerals Development Framework & Waste Local Plan	-102	
Other minor variations	-35	-529
		<hr/>
Overall position		-284

The majority of the late movements relate to timing differences in the delivery of projects which were experienced during the last quarter. For example accident remedial projects, South East Plan work, the Data Observatory Project (joint project with Chief Executives department), Minerals Development Framework, Waste Local Plan and LTP2. These sums will be carried forward to fund those commitments in 2005/06.

Throughout the year the department has been planning an underspend against on road maintenance in order to provide flexibility during the implementation of the new contract arrangements in 2005/06. An underspend has been achieved although slightly less than originally anticipated.

Lastly, the underspend against the provision of plant hire / fleet cars will be carried forward to assist with the establishment of the spare vehicle fleet under the new contract arrangements from 1 September 2005.

Treasury Management, Identified Risks, etc.

There is a net underspend of £1,959,000 after allowing for transfers to reserves and contingencies, etc, and this is in line with previous reports to Cabinet.

Capital Programme Monitoring

Chief Executive's

Expenditure on the PSA Rights of Way project has slipped a further £35,000. The £15,000 underspend on the Village Halls project has been transferred to meet expenditure on Travellers sites although this will be spent next financial year..

Corporate Resources

The department has a revised gross capital programme of £7.030m. Slippage has been identified in two key areas:

- Building maintenance where several key projects have been delayed (£380,000)
- CBOSS scheme where some developments have been rescheduled and retentions higher than originally estimated (total £684,000)

Education and Libraries

The department's gross revised capital programme allocation is now £26.1m. Included within this figure is £6.1m for schools devolved formula capital. The capital programme is currently estimated to be spending at £0.6m below the revised programme in total. There are however some variations within the programme. Slippage of £2.6m has been identified on schemes including Hailsham Community College (£0.3m), Lewes Library (£0.3m), Uckfield Community Technology College (£0.3m), Disabled access at Heathfield Community College (£0.1m), Space for Sports and Arts projects (£0.1m), Catsfield Primary School (£0.5m), Wivlesfield replacement Primary School (£0.1m), Punnetts Town Primary School (£0.1m), St Michael's Primary School (£0.1m), Northiam Primary School (£0.1m), Secondary Specialist Schools (£0.1m), Priority 1 condition work (£0.2m) and youth service disabled access (£0.1m) which is offset by expenditure in advance on Ringmer Community College (£0.3m), outstanding payments (£0.3m), Bishop Bell (£0.1m) and Park Mead School (£0.1m).

Resources to fund overspends of £0.8m in 2005/06 have been identified by utilising future years modernisation funding.

Social Services

The Department is forecast to spend £3.15m in this financial year. Of this sum, £1.6m is funded by way of scheme specific resources. Only minor slippage has been identified and all schemes are progressing largely as previously reported.

Transport and Environment

The department had a final gross capital programme allocation of £20m for 2004/05. The final outturn shows a gross actual expenditure figure of £21.4m. The allocation was reduced by £0.5m during the mid-term review and would otherwise have remained at £20.6m. The reduction at that time recognised the risk of project delivery in the last quarter of the year. The final outturn demonstrates the robust project and programme management arrangements in place within the department which allows for schemes to be substituted if difficulties are encountered which would result in timing differences. The difference of £1.4m against the final budget allocation represents schemes progressing ahead of schedule (rather than over spending) and will be funded from the allocation against these schemes in 2005/06.