

Departmental Commentaries

Revenue Budget Monitoring

Chief Executive (including Libraries)

At this stage the only significant variation identified is on the Map Digitisation Project. This is scheduled over three years and £75,000 is to be spent in 2006/07.

Corporate Resources

Currently there are minor underspends on budgets where balances are not carried forward at year end totalling £21,000.

Education

Whilst at this stage the budget is reported to be on line the department is facing a number of potential financial risks which are being closely managed and could give rise to budget problems later in the year. The main areas of risk are:

- (a) growing demand and cost pressures on agency placements for both educational special needs
- (b) increasing number of referrals for the Home Tuition Support Service coupled with long term staff sickness
- (c) a national regrading of youth workers
- (d) cost of current policies on student support
- (e) establishment of the Children's Services Department

Children and Families

Based on expenditure to the end of May, the Children and Families budget is projecting an overspend of £75,000. As experienced in earlier years, there are an increasing number of court requirements relating to Parent and Child Assessments resulting in current budget pressure of £75k. This should be manageable unless the trend continues.

Demand for Agency placements continues to put significant pressure on budgets, particularly Children with Disabilities. There is little budget headroom for additional agency placements in all service areas although, as at the end of May, identified demand can be met from the available resources.

Adult Social Care

Based on expenditure to the end of May, the Department is projecting an underspend on operational mainstream services of £260,000. The continuation of vacancy control measures, in place since October 2004, continues to have an impact on provider services, primarily Older People Services (£300k) and Learning Disability Services (£100k). This underspend is partly offset by a projected overspend on Mental Health Services of £140k following a reduction in the 2005/06 Mental Health Grant allocation.

Community Care expenditure is currently projected to come in online with the budget. Although on-going demand for community care services remains high, particularly delayed transfers of care from hospital, the current control figures have been maintained. The budget does not provide resources for hospital discharge over and above the weekly allocations. Thus if demand for hospital discharges can be contained, a balanced position should be achieved.

Support service costs (e.g. Legal Services costs) are continuing to come under pressure and will need to be managed carefully during the year.

The Adult Social Care budget includes an internal savings plan of £2.7m; the resources released being directed to Community Care. To date savings of £2.2m have been achieved and the Department is on line to meet the savings target by the end of September.

Transport and Environment

There are no variations anticipated at this stage in the year against the departments £51.6m net budget. There are a number of significant activities with associated risks which may impact on the departments outturn at some stage in the year. The most notable activities include:

- Implementation of the new contract arrangements for highways and vehicle services with May Gurney and Colas respectively;
- Implementation of revised contract arrangements with Owen Williams and transfer of staff back to the County Council;
- Public and stakeholder consultation on housing distribution numbers as part of the SE Plan development process (one-off funding of £40k allocated);
- Analysing responses to proposed changes in the Waste Local Plan and reporting to Cabinet in the Autumn moving towards adoption of the plan;
- Determining controversial planning applications including Materials Recycling Facility and Household Waste Recycling Site at Maresfield, Energy from Waste Plant at Newhaven, composting facility at Whitesmith and Waste Water Treatment Works at Peacehaven;
- Continuing programme of repairs to footways and implementation of anti speeding initiatives (one-off funding of £250k allocated);

There are many external factors affecting the timing of the above activities. Any variations will be reported as they become known.

Treasury Management, Identified Risks, etc.

At this stage no variation has been identified from the 2005/06 budget.

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

At this early stage in the year there are no changes that would affect the projected outturn.

Corporate Resources

All schemes are reporting to be on schedule for the year.

Education and Libraries

The department has a gross capital programme allocation totalling £35.7m including slippage from last year. Included within this figure is £7.5m for schools devolved formula capital. At this early stage in the financial year there has already been £3.8m slippage identified on the following schemes:

- The fire at Tideway School has meant that the planned project needs to be redefined to include the reinstatement work and has led to identified slippage of £1.4m.
- The new primary school at Wivelsfield is not due to start until December 2005 and this means that there could be slippage of £0.6m.
- The exact programmes for the projects at Peacehaven Community School and the Children's Centres are still to be finalised and therefore slippage of £0.3m and £0.5m respectively has been identified on these schemes.
- Schools have up to three years to spend their annual devolved formula capital allocations but they have planned to fully utilise the 2005/06 grant in this financial year. However, based on experience of previous years there is likely to be slippage in schools' proposed spending plans and this could be in the order of £1.0m.

Children's and Adult's Social Services

The Capital Programme is presented in the format of the previous Social Services Department, pending completion of work to disaggregate the Children and Families provision. The Department is forecast to spend £3.8m in this financial year. Of this sum, £0.2m is funded by way of scheme specific resources.

New schemes within the Capital Programme for 2005/06 reflect three main investment strategies:

1. Programme of refurbishment work for Learning Disability Day Services (£0.9m)

The requirement for investment in Day Services remains a key strategic objective of Adult Services. The 2001 White Paper-Valuing People- sets ambitious targets, suggesting that day services should be modernised by 2006. Services are striving to make necessary changes to the way in which they operate by looking closely at links with other agencies, staff support and structures.

The investment will greatly enhance service delivery and the perceptions which service users, carers and staff have in the Council's commitment in this area.

2. Programme of refurbishment work for Older People Residential Homes (£0.4m)

The review of Older Peoples services identified the need to continue to provide respite and intermediate care services. There is a need for investment in these buildings to ensure that effective service delivery is retained.

In addition, a provision of £0.1m has been provided to develop, with other agencies, extra care housing. Two areas of the County do not have any extra care housing and there is a need to develop the market further in all areas. The two key factors are access to capital funding for schemes, inc. partner agencies, and land availability. Suitable sites for extra care development need to be identified.

3. Childrens Residential Accommodation Strategy

The Programme includes the following new schemes to enhance residential, provision for Children:

Dorset Road Redevelopment (£0.2m). By re-locating the service to street level access, the Department will be able to provide a service to children with restricted mobility and profound disabilities. These children are currently prevented from accessing a service because of the physical limitations of the building.

Adaptations to Carers' Homes (£0.1m). To secure high quality placements for children, carers will be able to provide additional placements and thereby avoid expensive agency placements.

Previously agreed schemes within the programme include on-going programmes of grants for house adaptations for people with disabilities (£0.4m), refurbishment work to residential units to meet registration standards (£0.1m) and the Childrens Mainstream Residential Strategy (£6.9m over 3 years-subject to grant funding).

At this point in the year work on the above schemes is at various early stages, primarily planning and design. No slippage has been identified to date.

Transport and Environment

The department has a capital programme of some £18.5m after allowing for adjustments relating to 2004/05. The most significant items in the programme are:

- In excess of 55% or £10.3m relating to schemes included the Local Transport Plan (LTP).
- £3.1m provided for Part 1 notices / planning blight in relation to the A22 New Route into Eastbourne.
- £1.7m provided for the next stages of development of the Bexhill and Hastings Link Road.
- £1.4m investment to extend Ringmer depot
- £1.2m allocated to the two Public Service Agreement (PSA) targets for highways maintenance and rights of way in the final year of the PSA.

The majority of works are now scheduled for the year and spend profiles are finalised. The most significant risk in relation to the delivery of the programme to budget this year is the implementation of the new contract arrangements with Owen Williams and May Gurney from September this year. The mobilisation and planning phase is well under way and risks are being managed.

A formal bid has been submitted to the Government Office for the South East (GOSE) seeking additional support to fund the development costs of the Bexhill and Hastings Link Road. The bid exceeds normal GOSE funding arrangements and recognises the strategic importance of the route which, it has been argued, justifies a higher level of support, more akin with the norm for trunk roads. The outcome of that bid is awaited.