

Notice of Meeting

Resource Management Select Committee

Tuesday, 25th January, 2011 at 6.30 pm
in Committee Room 1 Council Offices
Market Street Newbury

Date of despatch of Agenda: Monday, 17 January 2011

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Stephen Chard on (01635) 519462
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Further information and Minutes are also available on the Council's website at
www.westberks.gov.uk



**Agenda - Resource Management Select Committee to be held on Tuesday, 25 January
2011 (continued)**

To: Councillors Jeff Brooks (Chairman), Richard Crumly, Dave Goff,
David Holtby, David Rendel and Laszlo Zverko (Vice-Chairman)

Substitutes: Councillors Jeff Beck, Tony Linden, Keith Lock and Julian Swift-Hook

**Officers and
other Invitees:** Jan Evans and Andy Walker

Agenda

Part I

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5. Community Services Directorate budget <i>Purpose: To discuss the measures being taken to manage the Directorate budget, with a particular focus on Adult Social Care.</i>	1 - 6
6. Financial Performance Report (Month 8) <i>Purpose: To inform Members of the latest financial performance of the Council.</i>	7 - 22

Andy Day
Head of Policy and Communication

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Agenda Item 5.

Title of Report:	Community Services Directorate Budget
Report to be considered by:	Resource Management Select Committee
Date of Meeting:	25 January 2011

Purpose of Report: To discuss the measures being taken to manage the Directorate budget, with a particular focus on Adult Social Care.

Recommended Action: To note the report and recommend further action as appropriate.

Resource Management Select Committee Chairman	
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Supporting Information

1. Introduction

- 1.1 Concerns were raised at recent Select Committee meetings with regard to the overspend being reported in the Community Services Directorate. This is due to pressures in Adult Social Care.
- 1.2 The report attached at Appendix A provides further detail on the main causes of the overspend within Adult Social Care and action that has been and will be taken to try and manage the situation.
- 1.3 Jan Evans, the Head of Adult Social Care, will be in attendance at the meeting to provide further information and answer questions.

Appendices

Appendix A – Report on Adult Social Care – Month 8

REPORT ON ADULT SOCIAL CARE – MONTH 8

Introduction

The Adult Social Care Service is forecasting an overspend at the year end of £2,109k as at month 8. This compares with £2,056k at month 7.

It was recognised that the 2010/11 financial year would be a challenging one for Adult Social Care budgets, based on the ability to maintain demand through the resource panel at a static level and achievement of 'best case' outcomes of negotiations with the NHS over some Continuing Health Care (CHC) cases. However, the demand management targets proved extremely challenging due to the severity of cases coming through and the slow down in death rates, leading to additional pressures of £1,080k. The CHC negotiations did not achieve best case, therefore not realising the headroom that may have helped alleviate pressures.

In addition, identified pressures on the Learning Disability transitions budget were taken as risk during the budget build process, as this budget has been a volatile one to predict in previous years. It is now known that this pressure is in the region of £356k.

Background

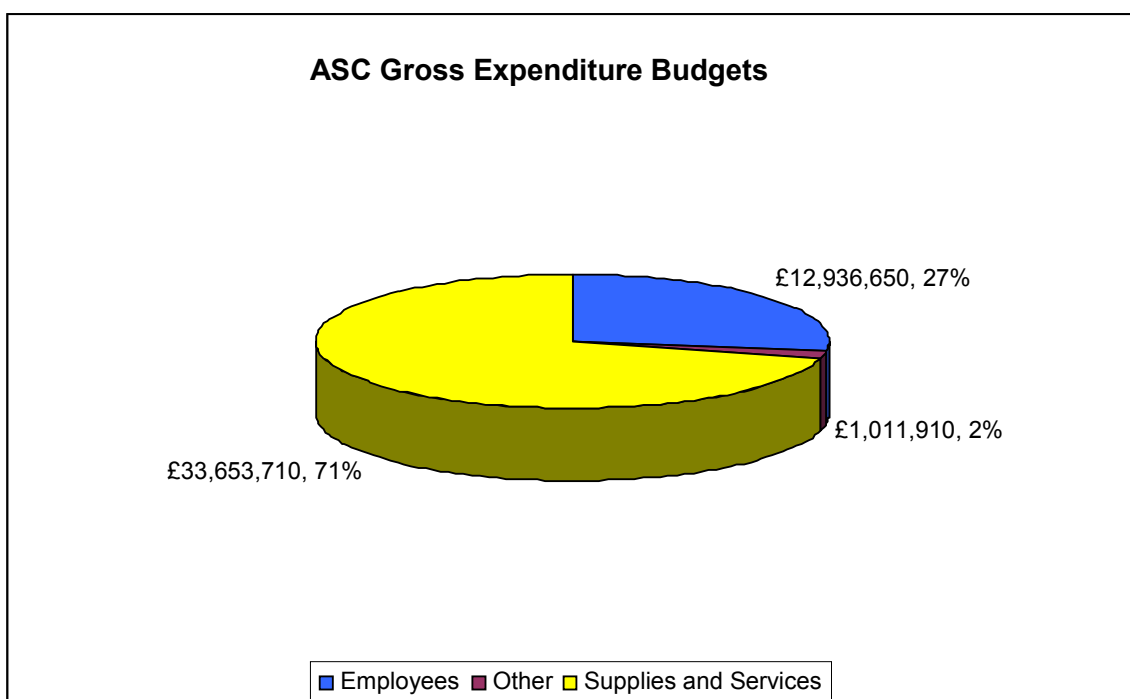
The main areas of overspend are:

- £830,000 - Demography – demand management measures have proved difficult to maintain due to the complexity of need of a number of frail and vulnerable older people requiring high levels of domiciliary care.
- Rising number of delays in hospital and emergency/safeguarding placements. Currently hold a waiting list for care home placements of 6 who are in hospital. North Hants hospital has begun fining WBC for the delays. RBH stated its intention to fine WBC but since early December our delayed transfer of care have been 5 and under, and there has been no further mention of fining. The PCT has funded 14 nursing home placements to 31.3.11 to relieve the pressure in the number of delays discharges. These costs have been built into the budget build for 2011/12.
- £240,000 – care home purchasing due to 14 capital depleters. These are people who have been previously self-funding who have used all of their own funds but still require care under our eligibility criteria. There are a further six people expected to come through over the next few months. A further 6 have been built into the budget next year plus the full year effect of those we have assumed responsibility for in 2010/11.

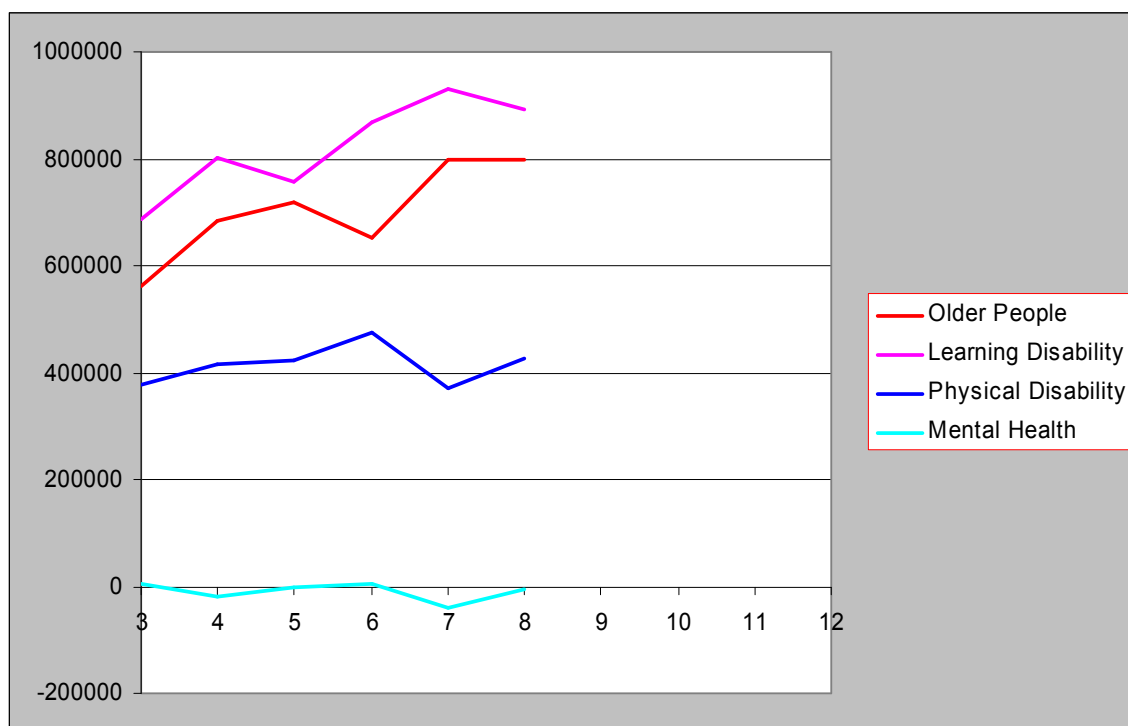
- £144,000 - Loss of Independent Living Fund (ILF) income. The ILF was set up as a national resource within the Department of Work and Pensions dedicated to the financial support of disabled people, to enable them to live in the community rather than residential care. It was announced nationally in April 2010 that from 1 May 2010, as care package costs rise and the ILF is coming under greater pressure, that in order to safeguard existing users' awards, the ILF will not be accepting any new applications for the remainder of the 2010 /11 financial year. Loss of benefits for individual care packages in West Berkshire is currently estimated as £144k.
- £356,000 - overspend on Learning Disability transition of children to Adult Services. This was taken as a risk during the budget build process as in previous years it has been a difficult and volatile budget to predict.
- £80,000 - Urgent Safeguarding placements; 2 in Older People and 2 in Learning Disability.
- £84,000 - due to reduction in Preserved Rights allocation this year.
- £240,000 - new demand in LD services due to increasing complexity of needs and young adults moving out of the parental home into supported living.

ASC Budgets

The service expenditure is split across three categories, with 71% of all expenditure in supplies and services (mainly commissioning):



This graph shows the movement in the forecasting for the four key service elements that make up the Adult Social Care service from the start of monthly forecasting on Month 3:



Next Steps

1. The Service with accountancy has modelled the in year cost pressures of the above and the growth required for 2011/12 for its budget build for next year. This growth modelling for 2011/12 includes; an increase in LD transitions for next year; demography, the loss of ILF, a further 6 capital depleters, 14 nursing home beds for delayed transfers of care.
2. A Comparative analysis of other Berkshire Local Authorities activity and expenditure to inform its commissioning activity.
3. A redesigned care management structure that offers a universal advice, information and signposting service, a service that maximises independence and provides a Personal Budget for those eligible for adult care services.

Jan Evans
Head of Service
12 January 2011

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Agenda Item 6.

Title of Report:	Financial Performance report (Month 8)
Report to be considered by:	Resource Management Select Committee
Date of Meeting:	25 January 2011

Purpose of Report: To inform members of the latest financial performance of the Council

Recommended Action: To note the report

Reason for decision to be taken: To ensure that members are fully aware of the latest financial position for the Council

Key background documentation: Papers held in Accountancy

The proposals will also help achieve the following Council Plan Theme(s):

CPT13 - Value for Money

Portfolio Member Details	
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Implications

Policy: n/a

Financial: The financial implications of the report have been detailed throughout the summary report and directorate appendices. If there are any financial implications contained within this report this section **must** be signed off by a West Berkshire Group Accountant. Please note that the report cannot be accepted by Policy and Communication unless this action has been undertaken.

Personnel: n/a

Legal/Procurement: n/a

Property: n/a

Risk Management: n/a

Equalities Impact Assessment: n/a

Executive Summary

1. Introduction

- 1.1 This is the sixth report as part of the financial reporting cycle for the 2010-11 financial year.
- 1.2 The predicted revenue over spend for the 2010-11 financial year is £1,512k. This is an increase on the previous month's forecast position of £159k. The main directorate showing a significant month on month change is the CYP Directorate, primarily due to pressures concerning the costs of looked after children in the Children's service.
- 1.3 The service area that is forecasting the majority of the overspend continues to be Adult Social Care. The current forecast for the Adult Social Care service year end position is an overspend overall of £2,109k; this is an increase of £59k on the month 6 forecast. There are a number of drivers behind the projected overspend including the ongoing impact of negotiations with the PCT, managing demand for the service, the removal of the Independent Living Fund and more 'capital depleters' (those individuals who used to be able to fund their care privately but do not have the capital to now).
- 1.4 The other Council services, and respective directorates, are all forecasting close to, or slightly below, a breakeven position for the end of the financial year.
- 1.5 The Council reports forecast net expenditure against the revised budget for the whole Council following the impact of the emergency budget and subsequent reduction to (Area Based Grant). The Council's net budget therefore stands at £118.2m.

2. Proposals

- 2.1 For the Select Committee to note this report. There are a number of management actions that have occurred in directorates to reduce the projected overspend to the forecast level reported. These are detailed further in appendices 2a to 2d, but include a number of different staffing savings due to the recruitment freeze, savings in reactive maintenance, and in home to school transport.

3. Conclusion

- 3.1 That the Select Committee notes the corporate position and considers the actions in place to reduce the overspend during the financial year.

Executive Report

1. Introduction

- 1.1 The financial performance report summarises the key financial activity and forecasts for the Council.
- 1.2 The revenue overspend position summarised in this report is a result of forecasts submitted by directorates. These forecasts are based on the projected net expenditure for the rest of the financial year and are adjusted for any management action which occurs to reduce a potential overspend position at the end of the financial year. In all directorates outside of Community Services, the projected overspends have been able to be contained close to within budget by management action.

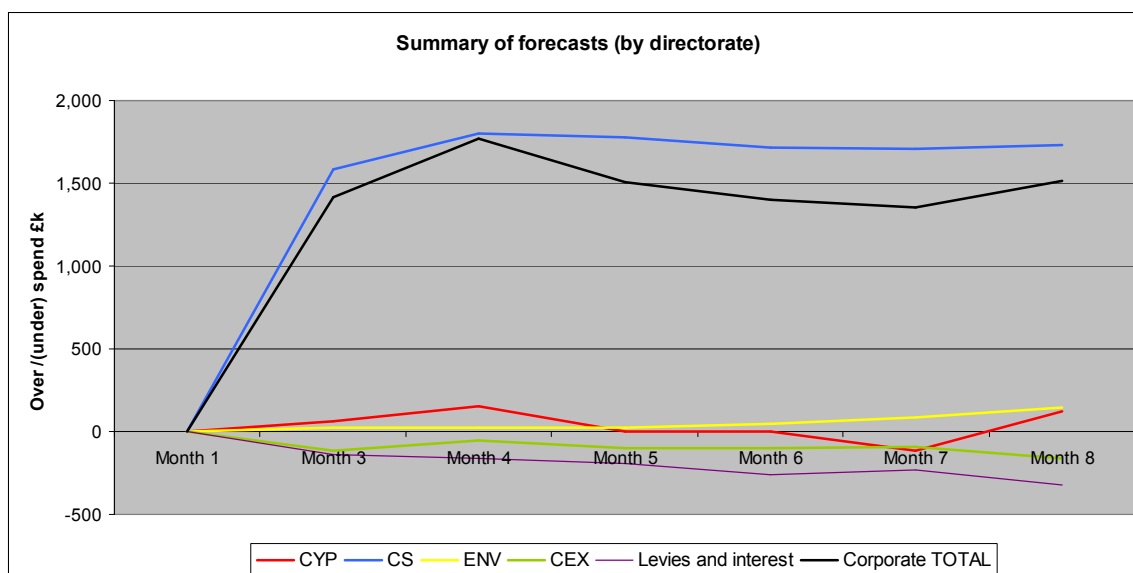
2. Summary revenue position

- 2.1 The current revenue budget forecast is showing an overspend of £1,512k. The main area of forecast overspend is the Adult Social service. All other Council services are forecasting an over or under spend within £150k of the 2010-11 budget.
- 2.2 New pressures have emerged in the 2010-11 Adult Social Care budget, including:
- (1) loss of income due to the cessation of any new grants from the Independent Living Fund and reduced commissioning from the NHS;
 - (2) urgent safeguarding placements;
 - (3) additional placement costs for young people with a learning disability in transition from Children's Services and people who were previously self funding whose capital has depleted.
- 2.3 These pressures are on top of the existing known pressures to the Adult Social Care service, including managing the demand for the service and ongoing negotiations with the PCT.
- 2.4 Together, these pressures have led to a forecast overspend of £2,108k.
- 2.5 There is redundancy cost liability of circa £320k, which has not been reported in monitoring, concerning the redundancy costs of staff funded from specific grants whose costs cannot be met from within the grant. This figure will not be finalised until towards the end of the financial year due to any potential redeployment opportunities. However, this amount will be set against the Economic Downturn Provision included in specific earmarked reserves.
- 2.6 The Council has submitted a claim to the Department for Communities and Local Government requesting the ability to capitalise these costs over a longer term period. The Council is likely to hear the results of this process early in the new year and will report this to members as soon as practicably possible.

3. Commentary on the revenue forecasts

3.1 The current position shows an overspend of £1,512k. The 2010-11 forecast at month 8 is significantly higher than those forecasts made during the same month in previous years.

3.2 The variances per directorate are highlighted on the chart below:



3.3 The forecast overspend is largely driven by the Adult Social Care service (£2.1m). Further details are provided in the directorate summary, appendix 2b to this report.

3.4 The Council is implementing International Financial Reporting Standards (IFRS) in preparation for the presentation of the 2010-11 financial statements in June 2011. The Council is reviewing the accounting treatment and implications of IFRS, particularly around the capitalisation of highways revenue expenditure. The final IFRS guidance from CIPFA has been published in December 2010, and an update will be reported in the next financial performance report to the Executive.

Appendices

Appendix 1 – Revenue summary position

Appendix 2a to 2d – Directorate summaries

Appendix 2e – Levies and Interest position

Appendix 3 – Quarter 2 Revenue summary position (table circulated at the last meeting, as previously requested)

Further Amended Replies

Description	Past Performance				Forecasted Performance							Net
					Expenditure			Income			Net	
	Cum. Budget to 30/Nov/2010 £	Cum Exp/Inc to 30/Nov/2010 £	Actual Variance to date £	Outstanding Commitment for the year £	Annual Expenditure Budget for 2010/11 £	Forecast Expenditure £	Expenditure Variance £	Annual Income Budget for 2010/11 £	Forecast Income £	Income Variance £	Net Variance £	
DEDICATED SCHOOLS GRANT	27,141,190	29,371,974	2,230,783	682,920	128,547,030	128,857,761	310,731	-129,226,530	-129,537,261	-310,731	0	-679,500
CORPORATE DIRECTOR - CYP	68,412	138,212	69,800	529	110,410	134,383	23,973	0	0	0	23,973	110,410
YOUTH SERVICES & COMMISSIONING	1,715,962	1,729,134	13,171	75,954	4,030,430	3,879,164	-151,266	-1,233,570	-1,073,708	159,862	8,596	2,796,860
EDUCATION SERVICES	5,364,804	3,355,936	-2,008,867	2,431,390	20,312,900	20,292,199	-20,701	-9,425,700	-9,416,485	9,215	-11,486	10,887,200
CHILDREN'S SERVICES	6,271,101	7,355,659	1,084,559	457,637	11,559,830	11,860,250	300,420	-1,229,850	-1,417,220	-187,370	113,050	10,329,980
CUSTOMER SERVICES	675,245	656,452	-18,793	889	1,050,280	1,030,487	-19,793	-3,940	4,573	8,513	-11,280	1,046,340
CHILDREN AND YOUNG PEOPLE DIRECTORATE	41,236,714	42,607,367	1,370,654	3,649,319	165,610,880	166,054,244	443,364	-141,119,590	-141,440,101	-320,511	122,853	24,491,290
CORPORATE DIRECTOR - CS	163,408	-148,183	-311,591	552	553,370	451,870	-101,500	-250,000	-250,000	0	-101,500	303,370
HOUSING & PERFORMANCE	4,853,020	4,966,380	113,360	85,093	8,461,650	8,329,465	-132,185	-1,188,510	-1,191,115	-2,605	-134,790	7,273,140
ADULTS SOCIAL CARE	19,667,089	23,072,844	3,405,755	424,590	46,963,140	49,198,878	2,235,738	-13,162,370	-13,289,549	-127,179	2,108,559	33,800,770
CULTURAL SERVICES	2,882,615	2,873,507	-9,108	373,570	5,310,930	5,126,199	-184,731	-783,710	-740,478	43,232	-141,499	4,527,220
COMMUNITY SERVICES DIRECTORATE	27,566,131	30,764,547	3,198,416	883,805	61,289,090	63,106,412	1,817,322	-15,384,590	-15,471,142	-86,552	1,730,770	45,904,500
CORPORATE DIRECTOR - ENV	98,591	102,176	3,585	0	147,490	138,490	-9,000	0	0	0	-9,000	147,490
HIGHWAYS & TRANSPORT	5,667,718	6,015,481	347,763	1,746,299	14,264,650	14,233,760	-30,890	-4,451,500	-4,340,450	111,050	80,160	9,813,150
PLANNING AND COUNTRYSIDE	2,262,180	2,771,984	509,804	381,441	6,432,340	6,352,350	-79,990	-2,590,170	-2,506,490	83,680	3,690	3,842,170
PROPERTY & PUBLIC PROTECTION	10,352,433	10,755,922	403,489	308,222	21,534,850	21,586,150	51,300	-3,704,300	-3,684,100	20,200	71,500	17,830,550
ENVIRONMENT DIRECTORATE	18,380,922	19,645,563	1,264,641	2,435,962	42,379,330	42,310,750	-68,580	-10,745,970	-10,531,040	214,930	146,350	31,633,360
CHIEF EXECUTIVE	360,705	345,900	-14,804	17	550,800	531,800	-19,000	0	0	0	-19,000	550,800
HUMAN RESOURCES	706,214	652,326	-53,889	113,901	1,286,540	1,291,578	5,038	-191,280	-198,394	-7,114	-2,076	1,095,260
ICT	1,666,666	1,859,233	192,567	273,864	3,697,130	3,758,530	61,400	-960,800	-1,055,590	-94,790	-33,390	2,736,330
LEGAL & ELECTORAL	566,936	706,914	139,978	5,342	1,568,280	1,597,823	29,543	-642,280	-620,670	21,610	51,153	926,000
POLICY AND COMMUNICATION	2,294,625	2,180,269	-114,357	71,342	4,396,840	4,253,301	-143,539	-626,200	-634,393	-8,193	-151,732	3,770,640
BENEFITS AND EXCHEQUER	-5,414,490	-8,288,350	-2,873,860	129,619	39,415,410	44,664,475	5,249,065	-38,120,300	-43,389,319	-5,269,019	-19,954	1,295,110
FINANCE	1,347,041	1,068,148	-278,893	722,435	4,109,190	4,092,310	-16,880	-1,753,720	-1,726,890	26,830	9,950	2,355,470
SPECIAL PROJECTS	232	152	-81	0	400	400	0	0	0	0	0	400
CHIEF EXECUTIVE'S DEPARTMENT	1,527,930	-1,475,409	-3,003,339	1,316,520	55,024,590	60,190,217	5,165,627	-42,294,580	-47,625,256	-5,330,676	-165,049	12,730,010
LEVIES AND INTEREST	1,192,254	-638,877	-1,831,131	0	3,787,570	3,620,570	-167,000	-374,620	-529,620	-155,000	-322,000	3,412,950
	89,903,951	90,903,191	999,240	8,285,605	328,091,460	335,282,193	7,190,733	-209,919,350	-215,597,159	-5,677,809	1,512,924	118,172,110

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CHILDREN AND YOUNG PEOPLE DIRECTORATE POSITION AS AT MONTH 8

Overview

CYP are forecasting £123k over spend. This is after the £219k in year ABG cut and the £200k recruitment freeze.

Overspends are currently forecast in the Corporate Directors cost centre (£23K), Children's Services (£113k) and Youth & Commissioning (£9k).

Education forecast has decreased from £89k overspend in p7 to £11k underspend in p8 due to £100k underspend re Connexions transferring from Youth and Commissioning to Education.

Customer Services is reporting savings of £11k.

The MVF for the Directorate is £688,690. MVF for is on track for Youth & Commissioning and Customer Services. Education is expected to have a shortfall of c£100k (this has been built into Education forecast), Children's Services is expected to have a shortfall of c£90k and on the Director's cost centre (£6k) there has been no staff turnover.

There has been a clear MVF strategy in place for profiling and monitoring the delivery of the MVF. Managers have been aware of the savings required and all vacancies were scrutinised by the relevant Head of Service before they were filled.

Pressures on the 2010-11 budget

Overspends in Education mainly relate to inability to meet MVF, agency staff costs within the Disabled Children's Team and the Speech and Language Therapy Team. These overspends have been offset by savings elsewhere within the Service.

The overspend within the Residential budget held by the Disabled Children's Team is the result of a child with an expensive residential school placement moving into the area. Managers are currently liaising with the Continuing Care Panel to determine whether a proportion of the costs can be met by Health.

The overspend in Children's Services which has increased from £46k in p7 to £113k in p8, relates to residential placements (Residential Care) and higher cost agency staff being employed to cover social worker vacancies and maternity leave within the Referral & Assessment, East and West Central Locality Teams. These are reduced by savings in Kinship Carers, Special Guardianship, Adoption Placements and In-house Fostering.

Progress against the recruitment freeze

There is also now a Council wide recruitment freeze, in order to deliver 10/11 in-year savings following central Government's announcements re cuts in funding.

All posts in CYP which fall vacant are scrutinised not only by Head of Service but also SMT, Director and Portfolio Holders as well as BUMP before they can be filled. A number of posts remain vacant as a result of this process. The 200k recruitment freeze target remains a challenge. At present only 29% of this target has been achieved, this pressure has been built into the Corporate Director forecast and has contributed to the increased overspend in month 8.

Management action taken to address emerging pressures

Heads of Service are looking across all budgets to find savings to meet the overspends in their area. Grants are being reviewed to see whether additional costs could be grant funded. It is difficult to reduce the pressures on Speech and Language therapy, as this is a statutory requirement and failing to meet these costs could lead to judicial review.

Risks identified

In respect of Children's Services there remains a risk to the year-end budget position regarding the financial impact of increasing numbers of Looked After Children.

The placement budgets within Children's Services overall are coming under increasing pressure as a consequence of increased numbers of looked after children and thus no vacancies within the in house fostering service. Currently both the Residential care and Independent Fostering Agencies both have an inbuilt factor of one placement each.

The Youth Services budgets are coming under increasing pressure due to the current economic climate impacting upon the service's ability to achieve income targets.

Capital summary (to be completed quarterly only)

N/A

COMMUNITY SERVICES DIRECTORATE POSITION AS AT MONTH 8

	Month 8 forecast £000
CORPORATE DIRECTOR - CS	-102
HOUSING & PERFORMANCE	-135
ADULT SOCIAL CARE	2,109
CULTURAL SERVICES	-141
Total	1,731

Director's Summary

Overview

The Month 8 position reports a forecast overspend of £1.731m, very slightly worse than last month. The overspend is entirely due to factors in adult social care: a combination of issues of which we became aware of at the beginning of year as well as newly emerging pressures.

The pressure on the Adult Social Care service is split broadly £1.3m for Older People and Physical Disability and £0.9m for Learning Disability.

Pressures on the 2010 -11 budget

It was recognised that the 2010-11 financial year would be a challenging one for Adult Social Care budgets, based on the ability to maintain demand through the resource panel at a static level and achievement of 'best case' outcomes of negotiations with the NHS over some Continuing Health Care (CHC) cases. However, the demand management targets proved extremely challenging due to the severity of cases coming through and the slow down in death rates, leading to additional pressures of £1,080k. The CHC negotiations did not achieve best case, therefore not realising the headroom that may have helped alleviate pressures.

In addition, identified pressures on the Learning Disability transitions budget were taken as risk during the budget build process, as this budget has been a volatile one to predict in previous years. It is now known that this pressure is in the region of £356k.

Emerging pressures include:

Fines for delayed transfers of care. The Royal Berkshire Hospital Foundation Trust has recently declared its intention to start fining for official delayed transfers. Previously there has been an agreement across the Berkshire West health and social care economy that acute hospitals would not fine and investments had been made by WBC in joint intermediate care teams on this basis. However, as the pressure builds up across the system, the RBHFT has decided on this course of

action and this could mean fines of £100 per patient per day. Current estimates are that this could apply to up to 6 people in any one week.

Loss of Independent Living Fund (ILF) income. The ILF was set up as a national resource within the Department of Work and Pensions dedicated to the financial support of disabled people, to enable them to live in the community rather than residential care. It was announced nationally in April 2010 that from 1 May 2010, as care package costs rise and the ILF is coming under greater pressure, that in order to safeguard existing users' awards, the ILF will not be accepting any new applications for the remainder of the 2010 -11 financial year. Loss of benefits for individual care packages in West Berkshire is currently estimated as £144k.

There has been an increase this year in the number of people who were previously self funding whose capital has depleted but who are eligible for support. In 2009/10 there were eight in total but we already have ten this year. Estimated pressure is currently £170k based on 11 capital depleters. We know that there are another four or more expected to come through the system over the next few months.

Progress against the recruitment freeze

The Directorate is on track to achieve the required saving.

Management action to address the emerging pressures

The Directorate is examining all of its budgets to identify any items which could be used to mitigate the forecast overspend. Adult Social Care continues to monitor spend at the resource allocation panel to ensure that the critical eligibility criteria is consistently applied.

Risks identified

It should be noted that the forecast position holds a large risk in that it is based on the ability to hold demand at a static level, which experience has proved to be unlikely. Therefore any additional identified in year savings may be needed in order to hold the forecast to current levels.

ENVIRONMENT DIRECTORATE POSITION AS AT MONTH 8

Corporate Director's summary:

Overview

- 1.1 The forecast revenue over spend for the Environment Directorate as a whole is £146,350 against the budget of £31.6 million. This is an increase of £63,800 from the forecast overspend at month 7.
- 1.2 The Corporate Director's budget is expected to be under spent by £9,000 because he is no longer required to make a contribution to the cost of the Director of Public Health.
- 1.3 The Highways and Transport budget is expected to be over spent by £80,160. There are significant pressures in car park income, street lighting and winter maintenance as detailed below which are being partly offset by savings from concessionary fares and highways maintenance, as well as a significant increase in income generated.
- 1.4 The Planning and Countryside service expects to overspend by £3,690. Development Control income is now expected to be £75,000 behind target and Building Control income £20,000 behind target. These pressures have been offset by reductions in spend on minerals and waste, urban design and additional vacancy savings because of the recruitment freeze.
- 1.5 The Property and Public Protection budget is expected to be over spent by £71,500. There are pressures in the running costs of West Street House and West Point, a shortfall in commercial property income, and a potential pressure relating to final energy invoices for Avonbank and Northcroft House. These pressures are being partly offset by planned reductions in expenditure and through managed vacancy savings.

Pressures on the 2010-11 budget

- 1.6 In Highways and Transport, the forecast shortfall in car park income remains at £220,000 and the estimated pressure on energy costs for street lighting remains at £110,000. The winter maintenance budget is forecast to be £175,000 overspent because of the cost of rebuilding salt stocks to a prudent recommended level and costs of snow clearance and footway treatment.
- 1.7 In Property and Public Protection, the estimated budget pressures on the running costs of West Street House and West Point have decreased to £110,000 for the current year as a result of management action, while the forecast shortfall in commercial property income is £33,000.

Progress against the recruitment freeze

- 1.8 The directorate has identified vacancy savings to contribute to meet the recruitment freeze target of £200k.

Management action taken to address emerging pressures

- 1.9 As a result of management action, the pressures in Highways and Transport will be partly offset by a planned reduction in highways maintenance of £250,000, savings from reduced demand for concessionary fares of £100,000 and lower than anticipated spend on sewage treatment works of £50,000.
- 1.10 The Head of Property and Public Protection is aiming to offset £62,000 of pressures by reducing spending on reactive maintenance, office cleaning and supplies and services and aiming to offset a further £50,000 of pressures from vacancy savings over and above the MVF and recruitment freeze targets across property services and public protection.

Risks identified

Potential risks include:

- Further pressure on car park income and planning income due to the effects of the recession
- A severe winter would put pressure on winter maintenance budgets
- An unforeseen Property maintenance issue would put pressure on the reactive maintenance budget
- Increased expenditure on the Local Development Framework following the suspension of the Examination in Public.

CORPORATE DIRECTOR'S SUMMARY: CHIEF EXECUTIVE MONTH 8

Overview

The Directorate is forecasting to be £165,000 underspent at outturn. The forecast underspend has increased by £72,000 from Month 7 due to decisions to stop expenditure in some areas of Policy and Communication and further vacancy savings.

There are a number of other pressures emerging in year but management action is in place to address these largely through reduced levels of staffing and holding back on non essential expenditure.

Pressures on the 2010-11 budget

The most significant pressure is the loss of Land Charge income (£44k). This follows a Government announcement that charging a fee for a personal search of the local land charges register is incompatible with the Environmental Information Regulations and the underlying EU Directive. The current fee has been revoked from 17th August 2010 and will therefore create an in year budget pressure.

Other pressures have arisen in Legal & Electoral. There is a £45k pressure from High Court and other cases, which may be offset by costs recovery subject to cases not being further adjourned.

There is a concern that £59k of the Budget Monitoring Panel's savings target will not be met as any vacancy savings are going towards the recruitment freeze target instead.

The CCTV project is expected to be finalised on 19th December. As a result of continuing to pay salaries and costs up to this date, there is expected to be an overspend of £35,000.

Progress against the recruitment freeze

Good progress is being made and the £200k savings target will be met.

Management action taken to address emerging pressures

New savings are being found across the Directorate to manage emerging pressures and any unmet savings. These new savings generally relate to staffing where a number of posts are being held vacant. This is largely in Policy & Communication, ICT and Finance.

Risks identified

No major risks have been identified at this point.

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2010/11 Budget Monitoring
Period 06

Appendix 1

Amended Consolidated Replies

	Past Performance				Forecasted Performance							Net
	Cum. Budget to 30/Sep/2010 £	Cum Exp/Inc to 30/Sep/2010 £	Actual Variance to date £	Outstanding Commitment for the year £	Expenditure			Income			Net	
					Annual Expenditure Budget for 2010/11 £	Forecast Expenditure £	Expenditure Variance £	Annual Income Budget for 2010/11 £	Forecast Income £	Income Variance £	Net Variance £	
DEDICATED SCHOOLS GRANT	46,539,730	42,143,856	-4,395,874	807,730	128,547,030	128,908,031	361,001	-129,226,530	-129,587,531	-361,001	0	-679,500
CORPORATE DIRECTOR - CYP	50,084	108,943	58,859	2,608	110,410	-9,470	-119,880	0	0	0	-119,880	110,410
YOUTH SERVICES & COMMISSIONING	1,680,080	1,815,598	135,518	201,278	5,707,350	5,430,715	-276,635	-1,775,090	-1,599,189	175,901	-100,734	3,932,260
EDUCATION SERVICES	3,457,054	1,882,035	-1,575,019	3,086,026	18,318,110	18,492,077	173,967	-8,884,180	-8,969,633	-85,453	88,514	9,433,930
CHILDREN'S SERVICES	4,512,077	5,873,808	1,361,731	460,280	11,555,830	11,840,304	284,474	-1,229,850	-1,382,593	-152,743	131,731	10,325,980
CUSTOMER SERVICES	493,678	508,065	14,387	822	1,050,100	1,043,993	-6,107	-3,940	2,706	6,646	539	1,046,160
CHILDREN AND YOUNG PEOPLE DIRECTORATE	56,732,703	52,332,304	-4,400,399	4,558,744	165,288,830	165,705,650	416,820	-141,119,590	-141,536,240	-416,650	170	24,169,240
CORPORATE DIRECTOR - CS	136,021	75,292	-60,730	3,214	303,370	201,870	-101,500	0	0	0	-101,500	303,370
HOUSING & PERFORMANCE	3,680,115	3,193,836	-486,279	110,053	8,476,140	8,342,035	-134,105	-1,211,370	-1,135,695	75,675	-58,430	7,264,770
ADULTS SOCIAL CARE	13,923,821	17,422,003	3,498,182	509,709	46,961,480	49,158,481	2,197,001	-13,200,230	-13,400,492	-200,262	1,996,739	33,761,250
CULTURAL SERVICES	2,137,026	2,043,356	-93,670	385,497	5,310,930	5,132,662	-178,268	-783,710	-729,215	54,495	-123,773	4,527,220
COMMUNITY SERVICES DIRECTORATE	19,876,983	22,734,487	2,857,504	1,008,474	61,051,920	62,835,048	1,783,128	-15,195,310	-15,265,402	-70,092	1,713,036	45,856,610
CORPORATE DIRECTOR - ENV	74,107	76,201	2,094	0	147,490	138,490	-9,000	0	0	0	-9,000	147,490
HIGHWAYS & TRANSPORT	4,057,790	5,190,814	1,133,024	1,625,018	14,238,180	14,204,880	-33,300	-4,448,300	-4,310,850	137,450	104,150	9,789,880
PLANNING AND COUNTRYSIDE	1,559,798	1,993,464	433,667	446,955	6,435,240	6,330,940	-104,300	-2,595,100	-2,607,100	-12,000	-116,300	3,840,140
PROPERTY & PUBLIC PROTECTION	7,476,421	8,089,163	612,743	373,650	21,571,150	21,621,350	50,200	-3,694,080	-3,674,580	19,500	69,700	17,877,070
ENVIRONMENT DIRECTORATE	13,168,116	15,349,643	2,181,527	2,445,623	42,392,060	42,295,660	-96,400	-10,737,480	-10,592,530	144,950	48,550	31,654,580
CHIEF EXECUTIVE	257,309	259,676	2,367	3	521,970	502,970	-19,000	0	0	0	-19,000	521,970
HUMAN RESOURCES	513,411	440,126	-73,285	79,025	1,279,090	1,283,030	3,940	-191,280	-200,424	-9,144	-5,204	1,087,810
ICT	1,178,928	1,400,705	221,777	237,065	3,654,360	3,671,710	17,350	-970,800	-1,019,660	-48,860	-31,510	2,683,560
LEGAL & ELECTORAL	408,913	593,873	184,961	23,187	1,570,810	1,623,145	52,335	-642,280	-626,470	15,810	68,145	928,530
POLICY AND COMMUNICATION	1,653,561	1,351,471	-302,090	192,197	4,402,040	4,254,206	-147,834	-626,200	-583,893	42,307	-105,527	3,775,840
BENEFITS AND EXCHEQUER	-4,706,020	-5,345,304	-639,284	132,533	39,418,040	44,706,069	5,288,029	-38,120,300	-43,408,329	-5,288,029	0	1,297,740
FINANCE	950,091	602,100	-347,991	42,157	4,123,920	4,014,450	-109,470	-1,753,720	-1,648,860	104,860	-4,610	2,370,200
SPECIAL PROJECTS	166	116	-50	42	400	400	0	0	0	0	0	400
CHIEF EXECUTIVE'S DEPARTMENT	256,359	-697,237	-953,596	706,209	54,970,630	60,055,980	5,085,350	-42,304,580	-47,487,636	-5,183,056	-97,706	12,666,050
CAPITAL FINANCING & MANAGEMENT	2,170,733	1,065,576	-1,105,157	0	5,649,030	5,589,030	-60,000	-374,620	-374,620	0	-60,000	5,274,410
MOVEMENT THROUGH RESERVES	-1,448,780	-1,435,507	13,273	0	-1,448,780	-1,495,570	-46,790	0	-155,000	-155,000	-201,790	-1,448,780
LEVIES AND INTEREST	721,953	-369,931	-1,091,884	0	4,200,250	4,093,460	-106,790	-374,620	-529,620	-155,000	-261,790	3,825,630
GRAND TOTAL	90,756,114	89,349,267	-1,406,847	8,719,050	327,903,690	334,985,798	7,082,108	-209,731,580	-215,411,427	-5,679,847	1,402,261	118,172,110

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