

Report to: **Cabinet**

Date: **10 March 2009**

By: **Deputy Chief Executive & Director of Corporate Resources**

Title of report: **Budget Monitoring 2008/09**

Purpose of report: **To provide an update on the 2008/09 budget monitoring position as at 31 January 2009.**

RECOMMENDATIONS

- 1. Cabinet is recommended to note the latest monitoring position on the revenue and capital budgets.**

1. Financial Appraisal and Commentary

- 1.1 Service underspend is now forecast to be £3.1m or 0.9% at year-end. This is a rise of £1.6m. In addition, treasury management underspends of £3m are shown and have been incorporated into the Council's budget plans for next year. There is also underspends of £1.9m on specific schools grants related activities, which is not available for other services.
- 1.2 This report highlights variations and risks of a material nature, which potentially would have an impact on the overall financial position of the Council. Ongoing issues includes:
- Excess inflation – as shown in Appendix C, departments report that they will be able to manage this pressure in 2008/09.
 - A single status pay award for 2008/09 of 2.45% has been made, which will be implemented, while the Council await the outcome of arbitration.
 - The recent exceptional weather conditions have put an additional pressure on the Highways Maintenance budget. It is estimated that total expenditure will be in the region of £1.8m against the annual budget of approximately £1m with usage of reserves to cover the shortfall. The Council will be exposed to the risk of insufficient funds to deal with another harsh winter next year.
 - Other budget pressures within Transport and Environment department.
 - The developing 'recession' effects.

2. Revenue Budget

Description	Projected Outturn		Movement £000
	November £000	This report £000	
Revenue (see para 2.1 below):			
Service Spend (excl DSG Related)	1,441	3,047	1,606
Treasury Management, etc.	2,022	3,000	978
Total (excl DSG Related)	3,463	6,047	2,584
DSG Related (i.e., Schools)	999	1,933	934
Total (incl DSG Related)	4,462	7,980	3,518

Note: X = Underspend; (X) = Overspend

- 2.1 The changes in predicted outturn since the last report are shown in appendix A, with further detail in Appendices B and C. The most significant items and movements are:-
- Children Services, main changes since the last report includes General Sure Start Grant savings of £509,000 being the outcome of a review of the planned use of these grants in 2008/09 with expenditure plans adjusted for the last quarter; a projected under spend of £203,000 within the County Funded Supply insurance, which will be used to offset contributions from schools for 2009/10; and an under spend of £250,000 has been identified as a result of the difficulties being experienced across the department in recruiting appropriate qualified staff.

- The schools budget underspend increase of £934,000 from last report is due to National challenge schools reporting an earmarked under spend of £500,000, £152,000 on Academies which will be needed in 2009/10 to continue project direction & management, and £176,000 on Schools Contingency – Terms 3 and 4 payments.
- Chief Executive Department underspend has increased by £228,000. Whilst there are no individual amounts of a substantial nature, vacancies and extended recruitment timescales have arisen in; the Safer Communities team; the Policy team; and support staff reorganisation. Student Support team staff have been successfully redeployed within the Council earlier than originally anticipated and there has been a greater take-up in online applications.
- ASC financial position at the end of January 2009 shows an overall projected outturn underspend of £802,000, an increase of £23,000 on the underspend of £779,000 reported for the end of November 2008, which arises primarily due to slippage of costs within the Agewell PFI Project budget (£425,000) and on the provision of older people's services. This intended underspending has been highlighted before and is part of the strategy to manage future risks and service changes, particularly the Putting People First programme.
- Within Transport and Environment, there are major pressures including timing shortfall in staffing restructure savings, increased Street lighting energy costs, lower Land Search Fee Income, and lower Parking scheme surpluses. The pressures amount to some £1.7m, and the department has already identified a number of savings that offset the pressures, and in the main, these offsetting savings do not have an impact on service delivery. The department is forecasting a net underspend of £616,000 for the year, being the slippage (£187,000) now expected within the Waste & Minerals Core Strategy programme, and the remainder (£300,000) of the budget allocations received towards the costs of challenges to controversial planning decisions.
- **Money Market and Interest Earnings:** this report now includes all of the projected underspend on the treasury management budget, which will be £3m by the end of the year. This is after the projected transfer to reserve balances of those miscellaneous budgets that are likely to underspend. The Cabinet on 26 January 2009 allocated this underspend for one-off purposes in 2009/10.

3. Capital Programme

- 3.1 The latest forecast of capital spend for 2008/09 is £35.4m net compared with a programme of £36.6m net. The variance is £1.2m underspend compared with the £0.8m overspend reported in November. The main cause of the shift is slippage of £1.2m on the Next Generation Network (NGN). A more detailed commentary is set out in Appendix D1 & D2.

4. **Savings including Annual Efficiency Statement (AES)** – Appendix E sets out the savings for 2008/09. Although there is a slight under-achievement of the cashable savings target reported at this stage, this will be regularly reviewed and updates will be given in the next budget monitoring report to Cabinet.

5. **Balance Sheet Management** - It is important that key items in the Balance Sheet, such as debtors, balances and provisions are monitored – details are set out in Appendix F, showing an increase in debt over 5 months old of £293,000 and a consequential increase in the provision of bad debts of £45,000.

6. Conclusion and Reason for Recommendation

- 6.1 As set out above, Cabinet is asked to note the latest monitoring position on revenue and capital budgets for 2008/09.

Appendix A

The forecast net underspend for the year total £7,980,000 and details are shown in Appendix 'B'. Individual managers are well aware of the need to bring under/overspends within the target balance (2.25%) of net expenditure. The table below shows the current forecast compared to those reported to last Cabinet. The forecast net underspend consists of:

Dept (i)	Issue (ii)	Variations Highlighted up to November £000 (iii)	Additional Variation in January £000 (iv)	Total Variation £000 (v)	Comments (vi)
ASC	Older People	540	79	619	Underspend within directly provided services and on the provision of Independent Sector Care.
	Age Well PFI	425	-	425	The underspend relates to slippage in the Age Well PFI budget, this funding will be carried forward and required in 2009/10. The latest variation is due to higher than anticipated expenditure on professional legal advice
	Physical Disabilities	(106)	(155)	(261)	The projected overspend relates to directly provided services and in Independent Sector, reflecting increased demand for services. The reduction in projected overspend is due to a revised assessment of the annual contract commitment for service users within independent sector care, representing 2.6% of total net budget available.
	Learning Disabilities	196	(172)	24	This is within directly provided services, arising primarily from a number of staff vacancies, and a slight overspend on the provision of Independent Sector Care.
	Mental Health	(130)	248	118	Net underspend as a result of a number of staff vacancies, specific contract variations, and an overspend on the provision of Independent Sector Care.
	Other Adults	(112)	(47)	(159)	The projected overspend is a result of overspends within directly provided services, arising primarily from the increased costs arising from safeguarding adults, and on the provision of Independent Sector Care.
	Various (over) / underspends	(34)	70	36	Various over/underspend items less than £100,000
	Total	779	23	802	
C Ex	Policy & Communications	50	-	50	Due to delays in appointing to LMG posts.
	PAT - Customer Service Centre	100	-	100	Work has been underway scoping the potential for PAT to introduce a customer service centre, funded by a contribution from the Management Capacity Fund, and is unlikely to be implemented until quarter 1 2009/10 at the earliest
	Trading Standards	135	(20)	115	Due to restructuring of the Trading Standards team together with existing and known vacancies.
	PSA Reward money	107	-	107	PSA Reward money that has now been committed to spend in 2009/10.
	Legal Services	149	5	154	Additional SLA & Registration income.
	Libraries - energy	(130)	-	(130)	There is expected loss of income for the School Library Service and an increase in energy costs, most noticeably in libraries where we have the greatest number of properties
	Staff Vacancies	-	98	98	The main changes are due to vacancies in the Community Safety Caddie budget, the National Indicator Set post funded by management capacity, reorganisation of support to the Lord Lieutenant, and other general vacancies
	Various (over) / underspends	115	145	260	Various over/underspend items less than £100,000. These includes the cost of the most recent by-election, which is forecast to be £14,000 more than the annual provision for by-elections, reflecting the increased take-up of postal voting.
Total	526	228	754		
CS	School Budget/DSG				
	Schools - rate revaluation	498	-	498	The second half year payments have been made and the full year forecast under spend has increased, which will be adjusted in the 2009/10 schools delegated budgets.
	National challenge schools	-	500	500	Reporting an earmarked under spend, awaiting the outcome of the DCSF judgement on National Challenge provision.
	Academies	-	152	152	An under spend which will be needed in 2009/10 to continue project direction and management
	Schools Contingency	-	176	176	Terms 3 and 4 payments which have been made to Newly Qualified teachers are much lower than previously projected.
	Learning & School Effectiveness	280	111	391	This is primarily due to delays in recruiting staff and the deferral to 2009/10 of work to be carried out by consultants.
	14-19 Development Service	133	(23)	110	14-19 Development Service is underspent as a result of the move from Standards Fund to Area Based Fund and the impact of delayed recruitment.
	Various (over) / underspends	88	18	106	Various over/underspend items less than £100,000
	School Total	999	934	1,933	
	CSD Budget				
Home to School Transport	(507)	-	(507)	A number of contributing factors includes; a significant increase in the number of children with special needs requiring transport to school; changes in route and in the pupil mix; and contract variation due to additional mileage and fuel price pressures.	
General Sure Start Grant	-	509	509	The 2009/10 departmental budget strategy includes use of specific grants to fund activities previously funded from CSA core budget in order to live within the cash limit. A review has been undertaken recently of the planned use of these grants in 2008/09 and expenditure plans adjusted for the last quarter in order to achieve the required savings in the current year instead.	

Dept (i)	Issue (ii)	Variances Highlighted up to November £000 (iii)	Additional Variation in January £000 (iv)	Total Variation £000 (v)	Comments (vi)
	County Funded Supply insurance Scheme	-	203	203	The call on the budget to cover teacher absences has also been much lower than in previous years and gives rise to a projected under spend this financial year. Under the terms of the scheme this surplus will be used to offset contributions from schools for 2009/10.
	Staff recruitment	-	250	250	Across the whole department difficulties are being experienced in recruiting appropriately qualified staff. This has resulted in the need to re-advertise posts which will not be filled in this financial year. An under spend has been identified across a range of teams.
	CSA budget	-	135	135	A review of the planned use of the 2007/08 carry forward has identified an amount where firm commitments had not been made. No new commitments have been identified as it is unlikely spend could be completed before the end of the financial year.
	The Hastings Federation	(86)	-	(86)	The Hastings Federation is predicted to overspend due to the front loading of payments in the first year of the three year Ninestyles project.
	Contract management	100	-	100	Amount that has been identified, which will not be paid to NCH for additional Family resource Centre services as they have not fully delivered on all aspects of the contract at the present time.
	Connexions Service	135	5	140	Recruitment for the revised Connexions Service structure and general recruitment across the East of the County have resulted in an increase of the previously report underspend.
	Mother & Baby services	(130)	-	(130)	Revised estimates for mother & baby services, special assessments and legal fees.
	Various (over) / underspends	232	(172)	60	Various over/underspend items less than £100,000
	CSD Total	(256)	930	674	
CRD	Property Service	137	(148)	(11)	This is made up of an underspend due to the payment of a 2007/08 travellers site creditor being lower than the creditor provision brought forward and vacant posts within Property Business Unit. This is offset by lower income from the support of capital projects which has been reported as a risk in previous reports.
	Finance	68	59	127	This underspend is due to staff turnover and vacancies, two projects which are now scheduled for the next financial year and the realisation of a planned underspend which is earmarked as a contingency to carry forward against pressures in 2009/10.
	Various (over) / underspends	-	85	85	Various over/underspend items less than £100,000. These include a number of miscellaneous budgets which are forecasting an underspend of £55,000 mainly due to the revision of the income due from a retrospective rebate settlement from British Gas
	Total	205	(4)	201	
T & E	Highways Maintenance - energy	(409)	61	(348)	Excess inflation on energy costs in relation to street lighting and traffic signals.
	Planning Appeals Allocation	-	300	300	The granting of some of these permissions, most notably Peacehaven Waste Water Treatment Works, has taken longer than originally anticipated: permission including legal agreement, was not given until October 2008. The remaining budget allocation for such challenges will be carried forward to the new financial year as there are is still some risk of challenge.
	Staff restructuring	(600)	-	(600)	Shortfall against forecast savings due to pension augmentation, salary protection, handover arrangements and delay in phase 2 implementation.
	Parking Schemes	(347)	31	(316)	Insufficient surpluses to fund the related transport schemes, exacerbated by the delay in the Eastbourne scheme implementation.
	Land Search Fee Income shortfall	(100)	(5)	(105)	The depressed housing market has led to a sharp reduction in the number of land search requests received from District Councils
	Waste & Minerals Core Strategy programme	187	-	187	Being the slippage now expected due to revised Government guidance for core strategies requiring a new "Options Testing Dialogue" stage, which means that the major bulk of consultation is now scheduled for July 2009.
	Other Smaller Pressures	(125)	(64)	(189)	Various projected overspend items less than £100,000
	Various underspends	1,581	106	1,687	Includes unallocated underspend from 2007/08 b/f arising from additional income, one-off reduced provision for winter maintenance, additional highways supervision income, lower cost of abandoned vehicle contract, VAT rebate, and other miscellaneous savings. In addition, a proportion of the street lighting maintenance budget will be used to off-set increased energy costs resulting in reduced maintenance activity.
	Total	187	429	616	
TM	Treasury Management – Investment interest	2,022	978	3,000	Roll out of contingency. This is after the projected transfer to reserve balances of those miscellaneous budgets that are likely to underspend.
	Forecast variations from current budget for 2008/09	4,462	3,518	7,980	

2008/09 Revenue Budget Monitoring Summary

Revenue Budget Monitoring January 2009	Original Estimate +Approved Transfers	Projected Outturn	Variations to Outturn	Not Carried Forward	Carried Forward
	£000	£000	£000	£000	£000
Net Expenditure					
Adult Social Care	149,227	148,425	802	-	802
Chief Executive	18,876	18,136	740	(14)	754
Children's Services					
- Children's Services Authority	91,518	90,844	674	-	674
- Schools Budget	-	(1,933)	1,933	-	1,933
Corporate Resources	12,622	12,366	256	55	201
Transport & Environment	40,271	39,617	654	-	654
Waste Management	14,660	14,698	(38)	-	(38)
Departmental Total	327,174	322,153	5,021	41	4,980
Reversal of capital charges, levies, Treasury Management, etc.	(2,984)	(6,376)	3,392	392	3,000
TOTAL FOR YEAR c/d	324,190	315,777	8,413	433	7,980

TOTAL FOR YEAR b/d	324,190	315,777	8,413
Underspend b/f from previous year	(6,772)	(6,772)	-
Underspend on TM to fund 08/09 1 offs	(3,029)	(3,029)	-
Further underspend c/f to next year	-	7,980	(7,980)
Total Net Expenditure	314,389	313,956	433
Transfers to / (from) Balances	-	433	(433)
NET BUDGET REQUIREMENT	314,389	314,389	-
Financed From			
Revenue Support Grant	11,460	11,460	-
Non-Domestic Rates	82,321	82,321	-
Council Tax	222,688	222,688	-
Adjustments for earlier years	(2,080)	(2,080)	-
	314,389	314,389	-

Changes since last report to Cabinet	Variations to Outturn	Not Carried Forward	Carried Forward
	£000	£000	£000
Previous report totals brought forward	4,784	322	4,462
Adult Social Care	23	-	23
Chief Executive	228	-	228
Children's Services - Children's Services Authority	930	-	930
Children's Services - Schools Budget	934	-	934
Corporate Resources	107	111	(4)
Transport & Environment	429	-	429
Treasury Management, Levies, etc.	978	-	978
This report totals carried forward	8,413	433	7,980

Balances	Planned	Projected	Variation
	£000	£000	£000
Opening	6,996	6,753	(243)
Added / (withdrawn) during the year	79	433	354
Closing	7,075	7,186	111

Monitoring of Balance at 31 March 2008	
	£000
Net expenditure estimate	314,389
Target balance (2.25% of net expenditure)	7,075
Projected balance (table above)	7,186
Percentage of net expenditure	2.29

Adult Social Care: Revenue Budget Analysis and Commentary

1 Financial Analysis

	Original Budget and Agreed Transfers			Latest Outturn Prediction			Variation		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Older People	101,737	(28,347)	73,390	101,207	(28,861)	72,346	530	514	1,044
Physical Disabilities	19,182	(2,905)	16,277	19,433	(2,895)	16,538	(251)	(10)	(261)
Learning Disabilities	48,659	(16,915)	31,744	48,644	(16,924)	31,720	15	9	24
Mental Health	17,232	(6,154)	11,078	17,038	(6,078)	10,960	194	(76)	118
Other Adults	6,416	(4,883)	1,533	6,575	(4,883)	1,692	(159)	-	(159)
Management and Support	16,887	(2,188)	14,699	17,004	(2,378)	14,626	(117)	190	73
Service Strategy	512	(6)	506	549	(6)	543	(37)	-	(37)
Total	210,625	(61,398)	149,227	210,450	(62,025)	148,425	175	627	802

2 Cost Drivers and Unit Costs / Key Indicators

	2007/08 Actual	2008/09 Target	As at January 2009	Comments																				
Users pending transfer (DTC) D41	34	28	30	The 4 weeks of January show the breakdown of DTC between ASC and Non ASC responsibility as follows: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>ASC</th> <th>Non ASC</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Week 1</td> <td>7</td> <td>18</td> <td>25</td> </tr> <tr> <td>Week 2</td> <td>5</td> <td>29</td> <td>34</td> </tr> <tr> <td>Week 3</td> <td>9</td> <td>31</td> <td>40</td> </tr> <tr> <td>Week 4</td> <td>3</td> <td>51</td> <td>54</td> </tr> </tbody> </table>		ASC	Non ASC	Total	Week 1	7	18	25	Week 2	5	29	34	Week 3	9	31	40	Week 4	3	51	54
	ASC	Non ASC	Total																					
Week 1	7	18	25																					
Week 2	5	29	34																					
Week 3	9	31	40																					
Week 4	3	51	54																					
BVPI53/PAFC28 – Intensive Home Care: households per 1,000 population aged 65 or over	8.98	9.5	8.82	Performance is currently below the target of 9.5. However, our projected outturn for 2008/09 (taken from a sample week in September) is 9.6.																				

Adult Social Care: Revenue Budget Analysis and Commentary

D55B55 – Acceptable waiting times for assessments	81.1%	85.1%	92.07%	The significant improvement achieved in 2007/08 is being maintained such that the target of 85.1% has been exceeded.
BVPI196/PAFD56 – Acceptable waiting time for care packages less than 4 weeks	90.2%	>90%	92.95%	Performance is currently above the target of 90%.
C51 – number of adults receiving direct payments per 100,000 of population (weighted)	158.9	216	214.4	Progress towards the stretched 2008/09 target is being made.

Note: The Performance Assessment Framework (PAF), including the indicators above, has been replaced by the National Indicator Set (NIS). However, it has been decided locally to continue to monitor these key indicators in order to measure continued improvement.

3 Summary of 2008/09 position

The financial position at the end of January 2009 shows an overall projected outturn underspend for Adult Social Care of £802,000, an increase of £23,000 on the underspend of £779,000 reported for the end of November 2008. The main reason for the underspend is slippage in the Agewell PFI budget of £425,000 (see Older People below), this funding will be carried forward and required in 2009/10. In addition, the projected underspend recognises that the department is engaged in significant service developments and the recommissioning of services, which requires medium term financial planning that addresses the need to modernise and takes account of when additional cost pressures will be experienced. The national “Putting People First” agenda will require, by 2011, a radical change in the way the department supports individuals to access services. The department will receive Adult Social Care Reform Grant funding in excess of £5m to support this transformation but significant resources will be required to change the pattern of service delivery.

4 Detailed comments on 2008/09 outturn projection

Older People

The projected underspend on Older People’s Services is £1.044m (£973,000 underspend at the end of November 2008), comprising underspends of £981,000 within directly provided services and £63,000 on the provision of Independent Sector Care.

The underspend within directly provided services continues to arise from the slippage of costs within the Agewell PFI Project budget of £425,000, together with operational budget variations, including those arising from staff vacancies due to continuing recruitment difficulties.

Adult Social Care: Revenue Budget Analysis and Commentary

Physical Disabilities

The projected overspend of £261,000 (£106,000 overspend at the end of November 2008) consists of an underspend of £87,000 within directly provided services and an overspend of £348,000 in Independent Sector Care, reflecting increased demand for services, which support the policy steer of helping people to live at home.

Learning Disabilities

The projected underspend of £24,000 (£196,000 underspend at the end of November 2008) is a result of an underspend of £270,000 within directly provided services, arising primarily from a number of staff vacancies, and an overspend of £246,000 on the provision of Independent Sector Care.

Mental Health

The projected underspend of £118,000 (£130,000 overspend at the end of November 2008) is a result of an underspend of £394,000 within directly provided services, arising primarily from a number of staff vacancies and specific contract variations, and an overspend of £276,000 on the provision of Independent Sector Care.

Other Adults

The projected overspend of £159,000 (£112,000 overspend at the end of November 2008) is a result of overspends of £130,000 within directly provided services, arising primarily from the increased costs arising from safeguarding adults, and £29,000 on the provision of Independent Sector Care.

Transactions with Primary Care Trusts

In the course of its business, the Department has a close financial relationship with Primary Care Trusts (PCTs), to which it makes charges for pooled budgets (as shown below), grants and other items. At the end of January 2009, the level of debt outstanding from PCTs was £7.828m, of which £2.967m (38%) was due within 30 days and £5.301m (68%) was due within 60 days.

Adult Social Care: Revenue Budget Analysis and Commentary

Pooled Budgets

There are currently four pooled budgets within Adult Social Care, as summarised below. This table shows that currently there is no projected overspend for the County Council in 2008/09.

	2008/09 Budget			2008/09 Projected Outturn			2008/09 ESCC Liability	2008/09 PCTs' Liability
	ESCC	PCTs	Total	ESCC	PCTs	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Learning Disabilities*	24,057	11,794	35,851	24,057	11,794	35,851	-	-
Integrated Community Equipment Service	1,509	1,508	3,017	1,509	1,508	3,017	-	-
Community Collaborative Rehabilitation Team**	-	-	-	-	-	-	-	-
Care for the Carers	337	244	581	337	244	581	-	-
Total	25,903	13,546	39,449	25,903	13,546	39,449	-	-

* PCT contribution is an estimate as awaiting confirmation of formula based increase.

** Awaiting confirmation from Hastings and Rother PCT (as host authority) of the pooled budget for 2008/09.

Chief Executive: Revenue Budget Analysis and Commentary

1 Financial Analysis

	Original Budget and Agreed Transfers			Latest Outturn Prediction			Variation		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy and Communications	7,458	(2,262)	5,196	7,118	(2,262)	4,856	340	-	340
Libraries and Culture	8,608	(1,496)	7,112	8,675	(1,426)	7,249	(67)	(70)	(137)
Law and Personnel	17,787	(11,219)	6,568	17,396	(11,365)	6,031	391	146	537
Total	33,853	(14,977)	18,876	33,189	(15,053)	18,136	664	76	740

2 Cost Drivers and Unit Costs / Key Indicators

Active Cases	2007/08	2008/09 Estimate	Actual	Comments
Number of items added to library stock	110238		75156	The spend on library stock items is expected to come in on budget

3. Departmental Commentary

The department is projecting an underspend of £740,000. This is £228,000 more than reported in the previous report.

Whilst there are no individual amounts of a substantial nature, the main changes are; £31,000 due to vacancies in the Safer Communities team Caddie budget, £25,000 due to not being able to recruit to the National Indicator Set post funded by management capacity, £27,000 as a result of an assumed successful bid to the central redundancy fund, £27,000 due to earlier than expected redeployment of staff and increases in take up in Student Support on-line applications, £20,000 due to revised timetables for accommodation moves at County Hall whilst external works are completed, £16,000 vacancies arising from support staff reorganisation.

A number of aggregated smaller variances account for the balance of £82,000 including such items as; delays in communications projects; reduced variable SLA hours used by the Web Team; slightly lower than expected costs of long inquests for the Coroner Service; modest increase in Legal Services income; and other vacancies and general underspending; investment by Trading Standards in accommodating the revised team structure at St Mary's House.

Children's Services: Revenue Budget Analysis and Commentary

1 Financial Analysis

	Original Budget and Agreed Transfers			Outturn Forecast			Variation		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children and Families	77,360	(11,322)	66,038	76,824	(11,322)	65,502	536	0	536
Learning and School Effectiveness	76,065	(45,718)	30,347	75,395	(45,718)	29,677	670	0	670
Resources excl DSG	65,114	(44,777)	20,337	64,558	(44,777)	19,781	556	0	556
DSG	0	(257,367)	(257,367)	0	(257,367)	(257,367)	0	0	0
Planning & Performance Management	3,141	(278)	2,863	2,967	(278)	2,689	174	0	174
Schools Delegated Budgets	229,380	(80)	229,300	228,709	(80)	228,629	671	0	671
Total	451,060	(359,542)	91,518	448,453	(359,542)	88,911	2607	0	2607

2. Schools/CSA Summary

Forecast outturn variances	Schools Budget	CSA Budget	Total
	£000	£000	£000
Children and Families	193	343	536
Learning and School Effectiveness	986	(316)	670
Resources	58	498	556
Planning & Performance Management	25	149	174
Schools Delegated Budgets	671	-	671
Total	1933	674	2607
Previously reported	999	(256)	743
Change since last report	934	930	1864

Children's Services: Revenue Budget Analysis and Commentary

3. Cost Drivers and Unit Costs / Key Indicators

Active Cases	2007/08	2008/09 Estimate	Actual average for year to date	Comments
Education Agency Placements per annum	189	193	184	There are always fluctuations with both the numbers and cost of placements. Therefore although the actual number of placements has decreased it is expected that expenditure will be in line with budget.
Education Recoupment Numbers per annum	117	86	107	Although the actual number of cases has increased it is expected that expenditure will be in line with budget because the average cost has decreased.
Disability Agency Placements – weekly numbers	42	35	35	Current indications are that expenditure is in line with budget expectations.
Fostering – average weekly total cost	£89,455	£92,245	£92,746	Historically there are substantial fluctuations in the value of payments each week.
Adoption – average weekly total cost	£10,848	£11,492	£12,837	The rise in average weekly cost is primarily due to the impact of the new means test
Lansdowne Secure Unit total beds Charged to Other Local Authorities – weekly numbers	3.77	4.25	4.20	Average occupancy is lower than budget but occupancy is volatile and there is a risk of shortfall in full year income.

4 Departmental Commentary

The department's estimated outturn shows a net under spend of £2,607,000 an increase of £1,864,000 from the previous report. The schools budget is under spent by £1,933,000 and the CSA Budget £674,000 under spent.

The main reasons for the variance are explained in the relevant Schools and CSA commentaries below:

Children's Services: Revenue Budget Analysis and Commentary**Schools Budget**

The schools budget is under spent by £1,933,000 an increase of £934,000 from last report. The main changes are:

- National challenge schools are reporting an earmarked under spend of £500,000 awaiting the outcome of the DCSF judgement on National Challenge provision.
- An under spend of £152,000 on Academies which will be needed in 2009/10 to continue project direction and management.
- Schools Contingency – Terms 3 and 4 payments which have been made to Newly Qualified teachers are much lower than previously projected leading to an under spend of £176,000.
- Substance Misuse Service – delays in setting up a new service will mean allocated funding will be carried forward to 2009/10 giving rise to a £40,000 under spend in 2008/9.
- Net effect of other minor under spends £66,000

This is in addition to the previously reported under spend of £999,000:

- (i) Learning & School Effectiveness
 - a. Local Area Partnership Boards have identified a revised combined under spend of £87,000, primarily due to delays in recruiting staff and the deferral to 2009/10 of work to be carried out by consultants.
 - b. Education Business Links Project under spend of £58,000. This project spans two academic years and the under spend will be required to fund project worker salaries in 2009/10.
 - c. The 14-19 Development Service have revised their forecast under spend to £110,000 as a result of the move from Standards Fund to Area Based funding (ABG). This has resulted in a change of the profile funding pattern from a seventeen month period to a financial year. However the expenditure is still planned to cover these cores services over a seventeen month period and the under spend will be required to fund 2009/10 expenditure.
- (ii) Children's & Families - funding provided by the Schools Forum in 2007/08 for projects of more than one academic year duration in Integrated Services and Looked after Children will result in an under spend of £57,000 in 2008/09. This will be required to fund completion of the projects for the period April to July 2009.
- (iii) Planning & Performance Management - delays in recruitment of a Schools data analyst now planned to be recruited in 2009/10, give rise to an under spend of £25,000

Children's Services: Revenue Budget Analysis and Commentary

- (iv) School rates – Now the second half year payments have been made the full year forecast under spend has increased to £498,000.
- (v) Net effect of other minor under spends - £164,000
- (vi) Changes in corporate energy contracts have resulted in higher prices which will cause significant pressure on schools budgets. £243,000 of the 2007/08 under spend on the Schools Budget has been allocated to schools to relieve some of this pressure.

CSA Budget

The overall forecast under spend this month is £674,000 a change of £930,000 from the previously reported over spend of £256,000.

The main changes this month are:

- General Sure Start Grant – The 2009/10 departmental budget strategy includes use of specific grants to fund activities previously funded from CSA core budget in order to live within the cash limit. A review has been undertaken recently of the planned use of these grants in 2008/09 and expenditure plans adjusted for the last quarter in order to achieve the required savings of £509,000 in the current year instead.
- County Funded Supply insurance Scheme – The call on the budget to cover teacher absences has also been much lower than in previous years and gives rise to a projected under spend of £203,000 this financial year. Under the terms of the scheme this surplus will be used to offset contributions from schools for 2009/10.
- Staff recruitment – across the whole department difficulties are being experienced in recruiting appropriately qualified staff. This has resulted in the need to re-advertise posts which will not be filled in this financial year. An under spend of £250,000 has been identified across a range of teams.
- Because of the previously reported overspend on the CSA budget a review of the planned use of the 2007/08 carry forward has identified £135,000 where firm commitments had not been made. Although an overall under spend is now predicted for the CSA budget, no new commitments have been identified as it is unlikely spend could be completed before the end of the financial year.
- Recent discussions on accommodation costs have identified a shortfall in funding of £141,000 for charges in respect of corporate offices.

Children's Services: Revenue Budget Analysis and Commentary

This is in addition to the previously reported over spend of £256,000:

- (i) Children & Families
 - a. Recruitment delays for the revised Connexions Service structure and general recruitment across the East of the County have resulted in a forecast under spend of £140,000.
 - b. The Child and Adolescent Mental Health Service (CAMHS) team are now forecasting to be on budget having previously forecast an under spend of £50,000.
 - c. Contract management arrangements have identified that £100,000 will not be paid to NCH for additional Family Resource Centre services as they have not fully delivered on all aspects of the contract at the present time.
 - d. An under spend of £225,000 is expected because of estimated staffing vacancies.

Offset by:

- e. An over spend of £130,000 due to increase costs and demands for mother & baby services, special assessments and legal fees.
 - f. An over spend in adoption allowances of £72,000 now that the new means test has been fully applied and £73,000 on fostering due to revised estimates on fostering allowances.
- (iv) The forecast for Home to School Transport remains an overspend of £507,000 against the budget of £10,208,500. There have been minor, balancing, changes to elements of this budget, but no change overall. Work continues to identify efficiencies in operations wherever possible.
 - (v) Planning and Performance Management – a £80,000 underspend is largely due to delays in filling vacancies.
 - (vi) Delayed recruitment of Union Officer and other vacancies (£70,000 under spend)
 - (vii) As a result of the decision to terminate the contract for an agency accountant post earlier than originally planned and delays in project work, the budget is now expected to be under spent by £95,000.
 - (viii) Net effect of other minor variance across the department is a net under spend of £189,000

Offset by:

- (ix) Hastings Federation is now predicted to overspend by £61,000 due to front end loading payments in the first year of the three year Ninestiles contract. The total cost over the life of the contract is expected to be within budget.

Corporate Resources Directorate: Revenue Budget Analysis and Commentary

1. Financial Analysis

Financial Analysis	Original Budget and Agreed Transfers			Latest Outturn Prediction			Variation		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Audit & Performance & Training	2,340	(1,072)	1,268	2,328	(1,095)	1,233	12	23	35
Finance (other)	12,564	(10,601)	1,963	12,437	(10,601)	1,836	127	0	127
Property	13,090	(8,525)	4,565	13,222	(8,646)	4,576	(132)	121	(11)
ICT	14,187	(10,092)	4,095	14,487	(10,442)	4,045	(300)	350	50
Miscellaneous	873	(142)	731	890	(214)	676	(17)	72	55
Total	43,054	(30,432)	12,622	43,364	(30,998)	12,366	(310)	566	256

2 Departmental Commentary

The monitoring of CRD revenue budget at the end of January 09 shows an underspend of £256,000 compared to an underspend of £149,000 reported in November. The main contributors to the overall position are:-

Audit & Performance are forecasting a £35,000 underspend compared to the breakeven position previously reported. This is due to lower than anticipated audit fees and training costs.

Finance is forecasting an underspend of £127,000 compared to the £68,000 underspend previously reported. This underspend is due to staff turnover and vacancies, two projects which are now scheduled for the next financial year and the realisation of a planned underspend which is earmarked as a contingency to carry forward against pressures in 2009/10.

Property is forecasting an overspend of £11,000 compared to a £137,000 underspend previously reported. This is made up of an underspend due to the payment of a 2007/08 travellers site creditor being lower than the creditor provision brought forward and vacant posts within Property Business Unit. This is offset by lower income from the support of capital projects which has been reported as a risk in previous reports.

ICT are reporting an underspend of £50,000 compared to a breakeven position previously reported. This is due to an identification of a contract saving, increase in discretionary income due to higher than anticipated demand for ICT services, offset by a reduction in the printroom surplus income.

CRD also holds a number of miscellaneous budgets which are forecasting an underspend of £55,000 compared to a previously reported overspend of £56,000. This movement is mainly due to the revision of the income due from a retrospective rebate settlement from British Gas.

Transport & Environment: Revenue Budget Analysis and Commentary

1. Financial Analysis

	Original Budget and Agreed Transfers			Latest Outturn Prediction			Variation		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Management and Support	5,086	(578)	4,508	5,153	(619)	4,534	(67)	41	(26)
Highways Maintenance	32,294	(7,216)	25,078	32,746	(7,865)	24,881	(452)	649	197
Traffic and Safety	7,683	(5,190)	2,493	7,523	(5,137)	2,386	160	(53)	107
Environment	3,816	(1,741)	2,075	4,021	(1,897)	2,124	(205)	156	(49)
Passenger Transport	32,100	(28,444)	3,656	18,115	(14,459)	3,656	13,985	(13,985)	0
Planning	3,661	(1,200)	2,461	3,103	(1,067)	2,036	558	(133)	425
Waste Disposal PFI	28,393	(15,404)	12,990	28,375	(15,039)	13,336	19	(365)	(346)
Waste Disposal non-PFI	1,853	(182)	1,670	1,528	(166)	1,362	325	(16)	308
	114,886	(59,955)	54,931	100,564	(46,249)	54,315	14,322	(13,706)	616

2. Cost Drivers and Unit Costs / Key Indicators

Active Cases	2007/08	2008/09 Projection	Actual as at January	Comments
	£	£	£	
Highways				
Energy Contract (Streetlighting/ Traffic Signals) – (Net of recharges to BHCC)	1,108,726	1,571,300	1,032,396	A two year contract with NPower (commenced October 06) at 5.497p/kWh, plus fixed seasonal charges, applies until end Sept. The new contract with E.On let from October has increased the all inclusive rate to 10.999p/kWh, which increases the net cost to ESCC by £409,000 in 2008/09.
Property Search Fees (from Districts)	(168,040)	(87,920)	(71,560)	Charge per fee of £20. 8402 searches achieved last year. i.e. 2,100 per quarter. 1 st quarter this year = 1,705 and 2 nd quarter = 1,055, 3 rd = 818.
Planning				
Planning Application Fees	(93,589)	(115,000)	(110,382)	Income dependent on applications, and is proportionate to size of applications, although 23% increase in fees for 2008/09.

Transport & Environment: Revenue Budget Analysis and Commentary

3. Departmental Revenue Commentary

Transport & Environment is now forecasting a net underspend of £616,000 for the year, a further £430,000 underspend compared to that reported in November 2008. This relates to slippage of expenditure as follows:-

- a. The Department has a base budget allocation for the cost of challenges to planning decisions. The granting of some of these permissions, most notably Peacehaven Waste Water Treatment Works, has taken longer than originally anticipated: permission including legal agreement, was not given until October 2008. The remaining budget allocation of some £300,000 for such challenges will be carried forward to the new financial year as there is still some risk of challenge.
- b. The budget for 2008/09 includes a new base allocation of £75,000 to be put towards schemes to help economic regeneration / development. This year the sum was due to be used to resurface and repair Diplock's Way, Hailsham. This work has been delayed because initial plans to carry out joint work with Southern Water were eventually abandoned. These funds will now be carried forward to undertake the resurfacing works, estimated at £110,000, in the new financial year.
- c. We are committed to making improvements in our departmental customer focus through a project funded from the management capacity fund. The project start was delayed while we undertook some research work around the council and the majority of spend on the project will now take place next financial year. The £40,000 allocated to the project will be carried forward.
- d. The Research and Information Team have received £15,000 additional funds for the corporate branding of the East Sussex in Figures website, but this work cannot be scheduled until the new year and the funds will be carried forwards accordingly.

The recent exceptional weather conditions have put an additional pressure on the Highways Maintenance budget.. The winter maintenance service has performed well over this period, undertaking over 50 gritting runs in comparison to the budgeted 30, and has maintained sufficient salt stocks for the coming weeks should the exceptional weather continue. As a consequence, however, it is estimated that total expenditure will be in the region of £1.8m against the annual budget of approximately £1m. Reserves of £875,000 held will be just sufficient to cover this additional spend, but replenishment of these reserves will be an additional pressure in future years. The Council is also exposed to the risk of insufficient funds to deal with another harsh winter next year.

In addition, the recent bad weather has caused a significant rise in the number of pot holes on the roads around the County. A package of measures to repair these quickly has been put in place, at an estimated cost of £230,000. This has been funded from existing highways resources and £90,000 of insurance funding. However, a dry period of weather is required to allow these repairs to be carried out.

Changes to the pressures reported previously are shown in the following table:-

Transport & Environment: Revenue Budget Analysis and Commentary

Transport & Environment: In Year Pressures			
	January	November	Movement (Adverse)/ Favourable
One-off shortfall in staffing restructure savings	£600,000	£600,000	-
Street lighting energy costs	£348,000	£409,000	£61,000
Parking scheme shortfall	£316,000	£347,000	£31,000
Land Search Fee Income shortfall	£105,000	£100,000	(£5,000)
Common Roots Project	£46,000	-	(£46,000)
Data Monitoring	£90,000	£62,000	(£28,000)
Other Smaller Pressures	<u>£192,000</u>	<u>£63,000</u>	<u>(£129,000)-</u>
TOTAL	£1,697,000	£1,581,000	(£116,000)

The most significant movements reported above are in relation the Common Roots of European Culture INTERREG IIIA project which was completed at the end of September 2008, a reduction in the shortfall expected from parking schemes, and a reduction in estimated streetlighting energy costs.

Of the total Common Roots of European Culture project budget of £599,000, East Sussex budgeted to contribute £160,000. However, after commencement of the project, a clarification of the rules regarding the claiming of overheads costs reduced the amount eligible from the expected 70% of staff costs to 26%. Following completion of the final claim, the project stands at £46,000 overspent, £30,000 of which is due to the issue regarding overheads, £16,000 due to a number of higher than anticipated costs through the course of the project. The project has delivered all its major objectives.

Parking schemes surpluses are projected to fall short of estimates by £316,000, an improvement of approximately £31,000 on November's forecast. This is in the main due to the extended Eastbourne scheme performing somewhat better than projected since commencing on October 20th 2008.

Transport & Environment: Revenue Budget Analysis and Commentary

Initial invoices for the first two months of the new energy contract with E.On have been received, and suggest a previous over-estimate of costs for the year of approximately £61,000. These changes in projections are based on the amount of daylight hours and the extent of the lighting network.

The underspends identified to offset the pressures detailed above are unchanged from November, and are summarised in the table below:-

Transport & Environment: In Year Underspends			
	January	November	Movement
2007/08 Underspend brought forward	£433,000	£433,000	-
Highways Supervision Income (mainly one-off for the year)	£68,000	£68,000	-
Passenger Services Concessionary Fare Reimbursement Increases	£46,000	£46,000	-
Waste Non-PFI contract savings (New Abandoned Vehicles Contract)	£50,000	£50,000	-
Reduced Winter Maintenance Provision	£300,000	£300,000	-
Depots Underspend	£58,000	£50,000	£8,000
Streetlighting Maintenance	£250,000	£250,000	-
New Leachate Contract	-	£19,000	(£19,000)
Vacancies (across department)	£89,000	£89,000	-
VAT Refund for Bentley	£128,000	£128,000	-
Additional Income Identified	£76,000	£76,000	-
Other Smaller One-Off Underspends	<u>£199,000</u>	<u>£72,000</u>	<u>£127,000</u>
TOTAL Underspends (matching pressures above)	£1,697,000	£1,581,000	£116,000
Planning Appeals Allocation Slippage	£300,000	-	£300,000

Transport & Environment: Revenue Budget Analysis and Commentary

Economic Development Slippage	£75,000	=	£75,000
Customer care Slippage	£40,000	-	£40,000
East Sussex In Figures Slippage	£15,000	=	£15,000
Waste & Minerals Slippage	<u>£187,000</u>	<u>£187,000</u>	<u>-</u>
GRAND TOTAL	£2,314,000	£1,768,000	£546,000

Regarding the contractual claims from the highways maintenance contractor May Gurney reported in October 2008, further dialogue has reduced the disputed figure to a final position of approximately £50,000. This will be reimbursed by alterations in future contractor rates. These alterations can be managed within the budget overall with minimal effect on delivery.

The forecast for Home to School Transport remains at £507,000 underspend against the budget of £10,208,500. There have been minor, balancing, changes to elements of this budget, but no change overall. Work continues to identify efficiencies in operations wherever possible. This overspend is reported within the Children's Services section of this report.

Capital Monitoring: January overview and analysis of movement since November

The table below shows the current forecast compared to those last reported to Cabinet:

Month/ Report	Approved Revised Provision	Forecast Net Expenditure 2008/09	Variation	(Over) /Under Spend	Slippage into 2009/10	Accelerated Expenditure B/fwd from 2009/10
	£'000	£'000	£'000	£'000	£'000	£'000
Nov Cabinet	36,423	37,251	(828)	(315)	438	(951)
Jan Cabinet	36,598	35,370	1,228	(641)	2,857	(988)
Change	175	(1,881)	2056	(326)	2,419	(37)

Full details for all schemes can be found in Appendix D2.

The main causes of the net variation of £1.2M are:

Adult Social Care

- o £0.2M Slippage on Milton Court

Children Services

- o £0.4M accelerated expenditure on Grove Park / Beacon and Temporary Accommodation projects
- o £0.2M overspend on Tideway Community School
- o £0.5M slippage on Fostering and Adoption Adaptations and Disabled Children Carer Homes adaptations

Corporate Resources

- o £1.2 M slippage on the Next Generation Network
- o £0.4M accelerated expenditure on Building Maintenance Projects

Transport and Environment

- o £0.3M overspend on Integrated Transport
- o £0.2M slippage on Speed Management
- o £0.2M slippage on Eastern Highways Depot

Management action is in place to ensure that forecast overspending is managed within the existing programme.

Table 1 - Expenditure Only

Department	Original Programme £'000	Programme at Mid Term Review £'000	Approved variations post MTR £'000	Revised Total Provision £'000	Actual to Date £'000	Forecast 2008/09 £'000	Forecast Variation £'000
Adult Social Care	4,192	3,132	302	3,434	2,158	3,170	264
Chief Executives	722	2,270	160	2,430	833	1,812	618
Children's Services (excl. Schools Delegated Capital)	25,885	25,968	653	26,621	19,681	27,604	(983)
Corporate Resources	5,908	9,079	(106)	8,973	5,250	7,827	1,146
Transport and Environment	18,067	18,928	224	19,152	13,069	18,737	415
Sub Total	54,774	59,377	1,233	60,610	40,991	59,150	1,460
Schools Delegated Capital	1,000	8,381	80	8,461	7,275	8,461	0
Total	55,774	67,758	1,313	69,071	48,266	67,611	1,460

Table 2 - Income Only

Department	Original Programme £'000	Programme at Mid Term Review £'000	Approved variations post MTR £'000	Revised Total Provision £'000	Actual to Date £'000	Forecast 2008/09 £'000	Forecast Variation £'000
Adult Social Care	0	(16)	(302)	(318)	(1)	(318)	0
Chief Executives	0	(1,212)	(160)	(1,372)	(35)	(867)	(505)
Children's Services (excl. Schools Delegated Capital)	(15,028)	(14,401)	(653)	(15,054)	(20,652)	(15,797)	743
Corporate Resources	(52)	(1,445)	51	(1,394)	(360)	(1,394)	0
Transport and Environment	(6,108)	(6,043)	(224)	(6,267)	(710)	(5,797)	(470)
Sub Total	(21,188)	(23,117)	(1,288)	(24,405)	(21,758)	(24,173)	(232)
Schools Delegated Capital	(607)	(7,988)	(80)	(8,068)	(7,469)	(8,068)	0
Total	(21,795)	(31,105)	(1,368)	(32,473)	(29,227)	(32,241)	(232)

Table 3 - Net Departmental Programmes

N.B. All figures above are net of external contributions, Government grants and SCA's

Department	Original Programme £'000	Programme at Mid Term Review £'000	Approved variations post MTR £'000	Revised Total Provision £'000	Net Actual to Date £'000	Forecast 2008/09 £'000	Forecast Variation £'000
Adult Social Care	4,192	3,116	0	3,116	2,156	2,852	264
Chief Executives	722	1,058	0	1,058	798	945	113
Children's Services (excl. Schools Delegated Capital)	10,857	11,567	0	11,567	(971)	11,807	(240)
Corporate Resources	5,856	7,634	(55)	7,579	4,890	6,433	1,146
Transport and Environment	11,959	12,885	0	12,885	12,359	12,940	(55)
Sub Total	33,586	36,260	(55)	36,205	19,232	34,977	1,228
Schools Delegated Capital	393	393	0	393	(194)	393	0
Total	33,979	36,653	(55)	36,598	19,038	35,370	1,228

Analysis of Forecast Variation		
(Over) or underspend £'000	Slippage to Future Year £'000	Accelerated Expenditure £'000
0	265	(1)
(3)	116	0
(244)	526	(522)
(12)	1,595	(437)
(382)	355	(28)
(641)	2,857	(988)
0	0	0
(641)	2,857	(988)

Okay

Table 4 - Post Mid Term Review Capital Variations Approved

Department and Project Description	Gross Expenditure	Resource	Net Expenditure	Status	Month	Comments
Adult Social Care						
Beeching Park	2,300	(2,300)	-	Approved	January	Transfer from Sustainable Building Design for Capital Projects (CPT 2.6e)
Transformation Change Capacity	300,000	(300,000)	-	Approved	January	CERA contribution funded from Risk Reserve
Total Adult Social Care Variations	302,300	(302,300)	-			
Chief Executives						
Library Refurbishment Programme	120,000	(120,000)	-	Approved	January	CERA Contribution
Bridies Tan Traveller's Site	40,000	(40,000)	-	Approved	January	Transfer from Sustainable Building Design for Capital Projects (CPT 2.6e)
New Archive Facility - "The Keep" - Stage 2	(100,000)	-	(100,000)		January	Departmental Movement
New Archive and Record Office	100,000	-	100,000		January	Departmental Movement
Total Chief Executive Variations	160,000	(160,000)	-			
Childrens Services						
Sorrel Drive	26,000	(26,000)	-	Approved	August	CERA Contribution
Heathfield CC - Invest to Save	3,000	(3,000)	-	Approved	August	CERA Contribution
Schools Access Initiative	12,000	(12,000)	-	Approved	August	CERA Contribution
Children Centres and Extended Schools Programme	(59,000)	-	(59,000)		October	Departmental Movement
Willingdon Trees CC	15,000	-	15,000		October	Departmental Movement
Maintenance	38,000	-	38,000		October	Departmental Movement
Childcare Places	6,000	-	6,000		October	Departmental Movement
High Hurstwood CE Primary School	37,000	(37,000)	-		October	Departmental Movement
Northiam CE Primary School	1,000	(1,000)	-		October	Departmental Movement
Mobile Technology Grant	59,000	(59,000)	-	Approved	November	Grant from the Department for Children, Schools & Families
ISPP Information System for Parents and Providers	32,000	(32,000)	-	Approved	November	Grant from the Department for Children, Schools & Families
St Mary's School Horam - Invest to Save	59,000	(59,000)	-	Approved	November	CERA Contribution
Sorrell Drive	2,000	-	2,000		November	Departmental Movement
Feasibility and Early Works	(2,000)	-	(2,000)		November	Departmental Movement
Children Centres and Extended Schools Programme	(63,000)	-	(63,000)		November	Departmental Movement
Willingdon Trees CC	9,000	-	9,000		November	Departmental Movement
Hastings and St Leonards	18,000	-	18,000		November	Departmental Movement
Manor Close	5,000	-	5,000		November	Departmental Movement
Ringmer CC	7,000	-	7,000		November	Departmental Movement
Ticehurst	10,000	-	10,000		November	Departmental Movement
Beacon	5,000	-	5,000		November	Departmental Movement
Bonnars	8,000	-	8,000		November	Departmental Movement
Willingdon Trees	1,000	-	1,000		November	Departmental Movement
Integrated Children's System Capital Grant	155,000	(155,000)	-	Approved	November	Grant from the Department for Children, Schools & Families
Post 16 Basic Need - Lindfield School	39,000	(39,000)	-	Approved	December	Schools Contribution of DFC to central schemes
Freda Gardham	12,000	(12,000)	-	Approved	December	Schools Contribution of DFC to central schemes
Tilling Green	44,000	(44,000)	-	Approved	December	Schools Contribution of DFC to central schemes
Hawkes Farm	84,000	(84,000)	-	Approved	December	Schools Contribution of DFC to central schemes
Children Centres and Extended Schools Programme	(6,000)	-	(6,000)		January	Departmental Movement
Willingdon Trees	1,000	-	1,000		January	Departmental Movement
Pells School - New Childrens Centre	1,000	-	1,000		January	Departmental Movement
Shinewater Childrens Centre - Extension	2,000	-	2,000		January	Departmental Movement
Willingdon Trees Childrens Centre - Extension	2,000	-	2,000		January	Departmental Movement
Heathfield CC	25,000	(25,000)	-	Approved	January	Transfer from Sustainable Building Design for Capital Projects (CPT 2.6e)
Hawkes Farm	15,000	(15,000)	-	Approved	January	Transfer from Sustainable Building Design for Capital Projects (CPT 2.6e)
Rye Primary School	50,000	(50,000)	-	Approved	January	Transfer from Sustainable Building Design for Capital Projects (CPT 2.6e)
Northiam Sports Hall	(50,000)	-	(50,000)	Approved	January	Departmental Movement
Whitehouse/Marshlands	50,000	-	50,000	Approved	January	Departmental Movement
Children Centres and Extended Schools Programme	(29,000)	-	(29,000)		January	Departmental Movement
Pells School - New Childrens Centre	5,000	-	5,000		January	Departmental Movement
Pevensey and Westham	5,000	-	5,000		January	Departmental Movement
Shinewater Childrens Centre - Extension	1,000	-	1,000		January	Departmental Movement
Sedlescombe PS - New Modular Building	3,000	-	3,000		January	Departmental Movement
Willingdon Trees Childrens Centre - Extension	1,000	-	1,000		January	Departmental Movement
Manor Close	2,000	-	2,000		January	Departmental Movement
Northiam School - Replace Mobile Buidling	4,000	-	4,000		January	Departmental Movement
Ringmer CC	2,000	-	2,000		January	Departmental Movement
Ticehurst	2,000	-	2,000		January	Departmental Movement
Beacon	2,000	-	2,000		January	Departmental Movement
Bonnars	2,000	-	2,000		January	Departmental Movement
Tideway	400,000	-	400,000		January	Transfer from Schools Access Initiative
Schools Access Initiative	(400,000)	-	(400,000)		January	Transfer to Tideway
Total Childrens Variations	653,000	(653,000)	-			
Schools Delegated Capital						
Hazel Court	80,000	(80,000)	-	Approved	November	Transfer of for move of ASD class
Total Variations Schools Delegated Capital	80,000	(80,000)	-			
Corporate Resources						
DDA Improvements to Non-School Properties	(55,000)	-	(55,000)	Approved	November	Transfer to Elm Court Youth Centre Replacement
Disabled Access to Public Buildings (BVPI) Improvements	80,600	(80,600)	-	Approved	November	CERA Contribution
Sustainable Building Design for Capital Projects (CPT 2.6e)	(25,000)	25,000	-	Approved	January	Transfer to Heathfield CC CSD
Sustainable Building Design for Capital Projects (CPT 2.6e)	(15,000)	15,000	-	Approved	January	Transfer to Hawke's Farm School CSD
Sustainable Building Design for Capital Projects (CPT 2.6e)	(2,300)	2,300	-	Approved	January	Transfer to Beeching Park ASC
Sustainable Building Design for Capital Projects (CPT 2.6e)	(50,000)	50,000	-	Approved	January	Transfer to Rye Primary School CSD
Sustainable Building Design for Capital Projects (CPT 2.6e)	(40,000)	40,000	-	Approved	January	Transfer to Bridies Tan CED
Sustainable Building Design for Capital Projects (CPT 2.6e)	(2,000)	2,000	-	Approved	January	Transfer to Maresfield Traveller's Sites
Improvements to Maresfield Traveller's Sites	2,000	(2,000)	-	Approved	January	Transfer from Sustainable Building Design for Capital Projects (CPT 2.6e)
Total Corporate Resource Variations	(106,700)	51,700	(55,000)			
Transport and Environment						
Local Safety Schemes & Minor Works - LTP	13,000	-	13,000		October	Departmental Movement
LTP Structural Maintenance	(13,000)	-	(13,000)		October	Departmental Movement
Integrated Transport - LTP plus Externally Funded	20,000	(20,000)	-	Approved	November	CERA contribution for Seaford to Bishopsgate Rail Bridge Missing Link
ICT Highways Contract	15,000	(15,000)	-	Approved	November	CERA for additional costs in relation to Traffic Management Act update
ICT Highways Contract	47,000	-	47,000	Approved	November	Transfer For final contractor payment and fees
Rationalisation of Highway Depots - Ringmer	(47,000)	-	(47,000)	Approved	November	Transfer to ICT Highways Contract
Integrated Transport - LTP plus Externally Funded	35,000	(35,000)	-	Approved	November	Contribution from Hastings Borough Council parking surpluses
Integrated Transport - LTP plus Externally Funded	84,000	(84,000)	-	Approved	November	Developer Contribution
Local Safety Schemes	5,000	(5,000)	-		November	Departmental Movement
ICT Highways Contract	65,000	(65,000)	-	Approved	December	CERA Contribution
Total Variations Transport and Environment	224,000	(224,000)	-			
Variations Grand Total for ESCC	1,312,600	(1,367,600)	(55,000)			

Table 5 - Adult Social Care

Net Programme

Project	Original Programme	Programme at Mid Term Review	Approved Variations post Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	Analysis of variation		
								(Over) / under Spend	Slippage to future year	Accelerated spend
								£000	£000	£000
PID approved projects										
Beeching Park	122	131	-	131	53	97	34	-	34	-
Conquest Centre	377	215	-	215	133	215	-	-	-	-
Sandbanks	40	194	-	194	170	194	-	-	-	-
Age Well - East Sussex	90	424	-	424	137	424	-	-	-	-
Transformation Change Capacity	500	733	-	733	669	707	26	-	26	-
Firstfields	295	-	-	-	-	-	-	-	-	-
Linden Court - Phase 1	-	38	-	38	-	38	-	-	-	-
Linden Court - Phase 2	570	50	-	50	5	-	50	-	50	-
Feasibility Studies for DPS	-	19	-	19	20	20	(1)	-	-	(1)
St Nicholas Centre	9	432	-	432	376	432	-	-	-	-
Pembury Road	500	-	-	-	-	-	-	-	-	-
LD Extra Care Project	350	-	-	-	-	-	-	-	-	-
Milton Court	350	350	-	350	179	195	155	-	155	-
House Adaptations for People with Disabilities	627	200	-	200	214	200	-	-	-	-
Refurbishment - Registration Standards & OP Res Homes	47	322	-	322	200	322	-	-	-	-
Other Projects	315	8	-	8	3	8	-	-	-	-
Total PID Approved Projects	4,192	3,116	-	3,116	2,156	2,852	264	-	265	(1)
Projects requiring PID approval										
ASC IT Infrastructure (Net Nil Scheme)	-	-	-	-	(157)	-	-	-	-	-
Total	4,192	3,116	-	3,116	2,000	2,852	264	-	265	(1)

Commentary

Adult Social Care is forecasting £2.9m expenditure against a net approved programme of £3.1m for PID approved projects.

Beeching: Slippage of £34,000 for gardening works as seasonal planting required.

The overspend previously reported on the Transformation Change Capacity project has been funded from the Risk Reserve in Adult Social Care

Linden Court: The Directly Provided Services (DPS) review led to a delay on commencing work and thus resulted in slippage of £50,000 into 2009/2010.

Milton: Slippage of £155,000 due to revised payment schedules for the building works that have now started.

Table 6 - Chief Executives

Net Programme

Project	Original Programme	Programme at Mid Term Review	Approved Variations post Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	Analysis of variation		
	(Over) / under Spend	Slippage to future year	Accelerated spend							
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
PID approved projects										
New Archive and Record Office	422	723	-	723	392	726	(3)	(3)	-	-
New Archive Facility - "The Keep" - stage 2	100	100	-	100	-	46	54	-	54	-
Bridies Tan Traveller Site	-	1,045	40	1,085	249	580	505	-	505	-
<i>Bridies Tan Traveller Site GOSE Grant</i>	-	(1,045)	(40)	(1,085)	-	(580)	(505)	-	(505)	-
Library Refurbishment Programme	200	235	-	235	157	173	62	-	62	-
Total PID Approved Projects	722	1,058	-	1,058	798	945	113	(3)	116	-
Projects requiring PID approval										
Newhaven Library	1,190	10	-	10	-	10	-	-	-	-
Traveller site refurbishment and additional pitches	47	47	-	47	34	-	47	-	47	-
Hastings Library	-	(650)	-	(650)	-	(650)	-	-	-	-
Total	1,959	465	-	465	832	305	160	(3)	163	-

Commentary

The Chief Exec Department is projecting £0.9m spend against a programme of £1.1m for PID approved projects.

The recent decision by the Heritage Lottery not to grant funds for the new archive building, has necessitated a review of the project and all spending has been put on hold.

Installation of self service facilities within Lewes Library will now need some building adaptation and the purchase of the RFID machines has therefore been delayed.

Whilst small in net terms due to the matching grant of £1.1M some of the works at Bridies Tan travellers site have slipped to 2009/10 due to the discovery of uncharted utilities leading to a delay in groundwork.

Net Programme

Project	Original programme	Programme at Mid Term Review	Approved variations post Mid Term	Latest App. programme	Actual to date	Forecast for year	Net variation	Analysis of variation		
								(Over) / under spend	Slippage to future year	Accelerated spend
								£000	£000	£000
PID approved projects										
Bexhill High BSF	9,807	3,200	-	3,200	1,888	3,920	(720)	-	-	-
<i>Grant</i>	(9,807)	(3,200)	-	(3,200)	(13,144)	(3,920)	720	-	-	-
Grove Park/Beacon	200	209	-	209	395	450	(241)	-	-	(241)
<i>Grant</i>	(150)	(1,353)	-	(1,353)	(693)	(1,353)	-	-	-	-
Hailsham Community College	165	6	-	6	6	6	-	-	-	-
Heathfield CC - Invest to Save	610	646	28	674	681	681	(7)	(7)	-	-
<i>CERA</i>	-	-	(28)	(28)	-	(28)	-	-	-	-
Ringmer Community College	2,395	2,840	-	2,840	2,595	2,840	-	-	-	-
<i>Learning Skills and Council Grant</i>	(2,395)	(3,227)	-	(3,227)	(3,258)	(3,258)	31	-	31	-
Rye Area Primary School	3,050	2,777	106	2,883	2,509	2,883	-	-	-	-
<i>Grant</i>	-	(245)	(106)	(351)	-	(351)	-	-	-	-
Tideway Community School	4,215	6,615	400	7,015	6,180	7,215	(200)	(200)	-	-
Early years, children's centres and extended schools	195	817	-	817	248	817	-	-	-	-
<i>Grant</i>	(195)	(817)	-	(817)	(1,269)	(817)	-	-	-	-
Denton Island	-	1,000	-	1,000	1,040	1,000	-	-	-	-
Eastbourne and Hailsham	-	426	-	426	424	426	-	-	-	-
<i>Grant</i>	-	(1,426)	-	(1,426)	-	(1,426)	-	-	-	-
Harnessing Technology	-	1,318	-	1,318	381	1,318	-	-	-	-
<i>Grant</i>	-	(1,318)	-	(1,318)	(1,477)	(1,318)	-	-	-	-
C&F Fostering and Adoption adaptations - invest to save	264	435	-	435	128	140	295	-	295	-
House Adaptions for Disabled Children's Carers Homes	148	228	-	228	31	40	188	-	188	-
Fair Play Pathfinder	-	591	-	591	82	591	-	-	-	-
<i>Grant</i>	-	(591)	-	(591)	(295)	(591)	-	-	-	-
Schools Access Initiative	885	900	(388)	512	446	500	12	-	12	-
<i>CERA</i>	-	-	(12)	(12)	-	(12)	-	-	-	-
Temporary Accommodation	500	361	-	361	608	608	(247)	-	-	(247)
Other Projects	970	1,375	-	1,375	1,523	1,446	(71)	(37)	-	(34)
<i>Sub Total Children's Services</i>	10,857	11,567	-	11,567	(971)	11,807	(240)	(244)	526	(522)
Schools Delegated Capital	1,000	8,381	80	8,461	7,275	8,461	-	-	-	-
<i>Income</i>	(607)	(7,988)	(80)	(8,068)	(7,469)	(8,068)	-	-	-	-
<i>Sub Total Net Expenditure</i>	393	393	-	393	(194)	393	-	-	-	-
Total PID approved projects	11,250	11,960	-	11,960	(1,165)	12,200	(240)	(244)	526	(522)
Projects requiring PID approval	1,115	297	55	352	50	57	295	-	295	-
Total	12,365	12,257	55	12,312	(1,115)	12,257	55	(244)	821	(522)

Commentary

Children's Services is forecasting £11.8m expenditure against a revised net approved programme of £12m. Since November the forecast for Gross Expenditure has increased by £0.6M. Income has increased by £0.8M resulting in a reduction of £0.2M to forecast Net Expenditure

The Bexhill High BSF is spending in advance of expectations for 2008/09 as good progress has been made on the ground works. The Grove Park/Beacon project is spending in advance because the new access road is now going ahead in this financial year

£200,000 overspend is now reflected against the Tideway project in 2008/9, reflecting the additional costs claimed by the contractor due to the extension of time, additional ground works, storm damage and the condition of existing buildings. It is expected that further additional costs will be incurred in the final stage of the project which relate to the last phase of demolition works and additional emergency vehicle access requirements. The latter costs will be incurred in 2009/10. Temporary accommodation is spending in advance due to additional mobiles at Tideway.

The Fostering and Adoption Adaptations and House Adaptations for Disabled Carers budgets have both been slipped as there are no further cases where these budgets will be spent in 2008/09.

Although the dispute on the Hailsham project has been resolved the contractor is not responding to the draft final account. The funding was slipped into next financial year as part of the mid term review.

Risks identified for Non PID Approved Projects:

Despite extensive value engineering the pre tender estimate for the project at Barcombe shows a potential overspend of £80,000. It is hoped this will be reduced when tenders are received. Further investigation of the project specification is being carried out and we are having discussions with the school to review affordability.

Following discussions with the Sussex FA and football association we have decided to slip the Hillcrest pitch project in to the next financial year until more details of the new academy's site requirements are fully understood.

Table 8 - Corporate Resources

Net Programme

Project	Original Programme	Programme at Mid Term Review	Approved Variations post Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	Analysis of variation		
								(Over) / under Spend	Slippage to future year	Accelerated spend
								£000	£000	£000
PID approved projects										
NGN - Invest to Save Scheme & NGN Contingency	1,504	2,946	-	2,946	907	1,788	1,158	-	1,158	-
Microsoft Office	422	471	-	471	399	408	63	-	63	-
Replacement Financial System (CBOSS)	250	110	-	110	(2)	60	50	-	50	-
Building Maintenance and Backlog Reduction	2,250	2,394	-	2,394	2,206	2,794	(400)	-	-	(400)
DDA Improvements to Non-School Properties	680	489	(55)	434	110	152	282	-	282	-
Outstanding Payments on Completed Schemes	286	212	-	212	153	214	(2)	-	-	(2)
SALIX Contract	94	71	-	71	18	78	(7)	-	-	(7)
Improvements to Maresfield Traveller's Sites	66	166	-	166	205	150	16	-	16	-
Sustainable Building Design for Capital Projects (CPT)	-	-	-	-	-	(21)	21	-	21	-
Information Security - Data in Transit	-	-	-	-	-	10	(10)	-	-	(10)
ICT Network Resilience	-	-	-	-	-	18	(18)	-	-	(18)
Other Projects	304	775	-	775	894	782	(7)	(12)	5	-
Total PID Approved Projects	5,856	7,634	(55)	7,579	4,890	6,433	1,146	(12)	1,595	(437)
Projects requiring PID approval	-	-	-	-	-	-	-	-	-	-
Total	5,856	7,634	(55)	7,579	4,890	6,433	1,146	(12)	1,595	(437)

Commentary

Corporate Resources are forecasting net expenditure of £6.4M against an approved budget of £7.6M
This comprises £0.4m of Expenditure in Advance offset by £1.6m of slippage

As previously reported actual costs for Building Maintenance projects in 08/09 have been 30 to 40% higher than originally budgeted.
This will result in accelerated expenditure of £400K

Several projects have identified reasons for delaying expenditure and this will mean slippage into 2009/10 and these are detailed below:

A major review of The Next Generation Network project has been carried out and this has identified slippage into 2009/10 of £1.2M

The main causes of this are in two elements Schools £0.5M and Voice £0.6M

Schools: Third Party permission delays at hub sites that provide connections to Primary schools have delayed implementation at 57 schools which are expected to complete in 2009/10.

Voice: Recently completed technical reviews for a number of planned sites have identified that they are not yet ready for voice integration. Business cases will need to be reviewed in the light of this, so again now expected to slip into 2009/10.

The Microsoft Office project has identified that licences scheduled for 08/09 will not now be required until 2009/10 (60k)

CBOSS Financial System - the knock of impact of the recent upgrade has meant that a number of initiatives planned for this year will not be delivered until 2009/10 (£50K)

DDA Improvements to Non School Properties slippage has increased due to delays identified in some projects.(£282K)

Table 9 - Transport & Environment

Net Programme

Project	Original Programme	Programme at Mid Term Review	Approved Variations post Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	Analysis of variation		
								(Over) / under Spend	Slippage to future year	Accelerated spend
								£000	£000	£000
PID approved projects										
Bexhill & Hastings Link Road - Pre Approval	1,013	1,655	-	1,655	720	1,677	(22)	(22)	-	-
Integrated Transport - LTP plus Externally Funded	4,830	4,448	139	4,587	3,534	4,727	(140)	(300)	160	-
<i>Developer and Borough Council Contributions</i>	(2,944)	(1,990)	(119)	(2,109)	(20)	(1,949)	(160)	-	(160)	-
<i>Grant</i>	(1,500)	(1,500)	-	(1,500)	-	(1,500)	-	-	-	-
LTP Structural Maintenance	8,100	6,796	(13)	6,783	5,733	6,833	(50)	(50)	-	-
Bridge Assessment Strengthening	-	1,013	-	1,013	491	1,013	-	-	-	-
ROW Network Survey	-	150	-	150	109	150	-	-	-	-
Speed Management	493	403	-	403	170	218	185	-	185	-
<i>SSRP and Parish Council Contributions</i>	(90)	(90)	-	(90)	-	(80)	(10)	(10)	-	-
<i>CERA Contributions</i>	-	(150)	-	(150)	-	(150)	-	-	-	-
Local Safety Schemes & Minor Works - LTP	1,207	1,143	18	1,161	907	1,161	-	-	-	-
Eastern Area Highways Depot	180	220	-	220	1	50	170	-	170	-
Additional Highways Allocation	-	500	-	500	254	500	-	-	-	-
<i>CERA</i>	-	(500)	-	(500)	-	(500)	-	-	-	-
Cuilfail Tunnel	1,300	1,300	-	1,300	156	1,000	300	-	300	-
<i>Grant</i>	(1,300)	(1,300)	-	(1,300)	(87)	(1,000)	(300)	-	(300)	-
Other Projects	670	787	(25)	762	391	790	(28)	-	-	(28)
Total PID Approved Projects	11,959	12,885	-	12,885	12,359	12,940	(55)	(382)	355	(28)
Projects requiring PID approval	-	-	-	-	-	-	-	-	-	-
Total	11,959	12,885	-	12,885	12,359	12,940	(55)	(382)	355	(28)

Commentary

A full commentary on the reasons for all Variations and actions planned to deal with them is available in Table 10 overleaf.

Table 10 - Transport and Environment - Further Detail on Slippage , Overspends and Actions

Transport & Environment is forecasting £12.9m expenditure against a net approved programme of £12.9m for PID approved projects. The overall variation is just £55,000 which comprises a net overspend of £410,000 against the approved programme and net slippage of £355,000.

It is projected that £300,00 of expenditure on the Cuilfail Tunnel will slip into 2009/10 due a delay in the Contractor starting on site and not progressing as well as expected. This will be offset by grant payments of £300,000 being deferred into 2009/10.

There is a projected overspend on LTP Structural Maintenance of £50,000 which is to cover a number of contractual claims associated with changes to highway legislation and amended/new taxation of highway maintenance materials. The claims were backdated from the commencement of the term maintenance contract in September 2005.

There is also a projected slippage of £185,000 on Speed Management due to a delay in identifying projects and detailed proposals, objections received from members of the public following consultation and weather conditions.

Management actions have been identified below to show how the identified overspends will be dealt with. For Integrated transport , the link road and LTP Structural maintenance it has not been possible to identify compensating reductions in 08/09 and as a consequence 09/10 budgets have been reduced to fund the overspend carried forward from 08/09.

Slippage	Commentary	£	£
Integrated Transport	The scheme to introduce a bus lane on Eastbourne seafront has been deferred at the request of the planning committee following a number of objections received from the public. If this issue is resolved, however, there may be some expenditure on design towards the end of the financial year. This scheme is funded from deposits held in relation to the development at Sovereign Harbour.	160,000	
Integrated Transport	The Eastbourne Seaside Bus Lane slippage - contributions also deferred.	-160,000	
Eastern Area Highways Depot project - Cripps Corner	Redevelopment of Cripps Corner - A PID for Phase I of the Eastern Area Highways Depot for the redevelopment of Cripps Corner is now expected to incur £50,000 in 2008/09 instead of £75,000 as previously reported. The remaining £170,000 will slip into 2009/10.	170,000	
Cuilfail Tunnel	Please see comments above.	300,000	
Cuilfail Tunnel	Cuilfail Tunnel slippage - grant from DfT also deferred.	-300,000	
Speed Management	Please see comments above.	185,000	
Total Slippage			355,000
Overspends			
ICT Highways Contract	Projected outturn for Cosy implementation £289,000, increased costs due to substantial changes to the system required to comply with the requirements of the revised Traffic Management Act.	-28,000	
Bexhill to Hastings Link Road	The Grounds Investigations Team are currently on site and due to poor weather conditions and also uncertainty relating to cost for the Public Inquiry an overspend of £22,000 is projected.	-22,000	
LTP Structural Maintenance	Please see comments above.	-50,000	
Integrated Transport	An overspend of £300,000 is projected within Integrated Transport Management due to additional unforeseen costs for the following 4 projects:- A259 Bus Corridor - unforeseen costs associated with construction of bus lane and associated junction modifications in addition to an overpayment from Brighton and Hove in 2007/08 that has reduced their contribution in this financial year; Living Cliffe - unforeseen costs and works associated with delays to accommodate installation of gas main; Eastbourne Parking - additional consultants costs associated with their preparation of traffic orders for new controls and cost of external legal advice and Rye Harbour Road cycle facility - additional costs associated with drainage works.	-300,000	
Speed Management	This relates to an overestimate of contributions from Parish Councils.	-10,000	
Total Overspend			-410,000
CURRENT UNDER/(OVER) SPEND			-55,000
Actions planned to reduce overspend (to be actioned)			
ICT Highways Contract	A final remaining underspend on Ringmer Depot of £28,000 has been transferred towards this cost.	28,000	
Integrated Transport	The 2009/10 budget for Integrated Transport Management has been reduced by £300,000. Officers' are currently looking into various options to mitigate this overspend and to ensure that it does not happen in future years.	300,000	
Bexhill to Hastings Link Road	The 2009/10 budget for the Bexhill to Hastings Link Road has been reduced by £22,000.	22,000	
LTP Structural Maintenance	The 2009/10 budget for LTP Structural Maintenance has been reduced by £50,000.	50,000	
Planned Actions			400,000
NET REMAINING UNDER/(OVER) SPEND			345,000

The Department of Transport has recently announced a new capital grant which will be made available to those Authorities who make successful bids in relation to Asset Management work. Notification will not be received until around March 2009 and the grant which we receive, if successful, could be as much as £200,000 and this would give rise to a late underspend. Should this happen the funding will be carried forward to 2009/10.

Monitoring of Savings 2008/09

	Target	Forecast	Variation
	£000	£000	£000
Cashable Savings			
Adult Social Care	3,944	4,192	248
Chief Executive	186	186	0
Children's Services	134	134	0
Corporate Resources	111	111	0
Transport & Environment	718	168	-550
A Total Cashable - AES Savings	5,093	4,791	-302
Income Generation			
Adult Social Care	14	14	0
Chief Executive	142	142	0
Children's Services	92	92	0
Corporate Resources	10	10	0
Transport & Environment	41	12	-29
B Total Non-Cashable Savings	299	270	-29
All Other Savings			
Adult Social Care	0	810	810
Chief Executive	80	80	0
Children's Services	556	556	0
Corporate Resources	162	162	0
Transport & Environment	212	212	0
C Total Non-AES Savings	1,010	1,820	810
D Total savings	6,402	6,881	479

Departmental Commentaries**Adult Social Care**

The total Adult Social Care cashable savings target, per budget, for 2008/09 is £3.944m. At this stage, it is projected that these savings will be achieved and potentially exceeded by £248,000. The main reasons for this position arise from the continued achievement of savings from the provision of independent sector home care services (£537,000) and the review of staffing structures within a day care facility (£33,000). Although the review of service activity and development of better procurement is continuing to deliver savings, £982,000 to date, it is projected that savings of £1.6m will be achieved, a reduction of £322,000 on the original target of £1.922m.

Chief Executive

Monitoring to date indicates that the department will achieve all of their targeted savings.

Children's Services

Monitoring to date indicates that the department will achieve all of their targeted savings.

Corporate Resources

Monitoring to date indicates that the department will achieve all of their targeted savings.

Transport and Environment

The Transport & Environment Department's total cash savings requirement for 2008/09 is £971,000, including £718,000 cashable Annual Efficiency Savings (AES) and further £253,000 of other cashable savings. There total deficit against cashable savings is £579,000: £550,000 for efficiency, £29,000 for other.

Regarding cashable efficiency savings, the department is currently forecasting a likely shortfall against the part year saving through departmental restructure for 2008/09 of £600,000. This is due to one off pension augmentation costs, salary protection requirements, handover arrangements and also the delay of Phase 2 of the restructure (affecting non-managerial staff) until next financial year, given the implications for single status. However, savings in arrangements for removal of abandoned vehicles have produce a saving £50,000 in excess of that predicted, giving a net cashable efficiency deficit of £550,000.

For other cashable savings, there is a shortfall of £29,000 for traffic survey income, caused in part by the economic downturn.

Balance Sheet Items

The table below shows the Council' debtors and how the level of debtors has moved over the past 10 months.

	2007/08 31/03/2008		2008/09 31/01/2009	
	£000	%	£000	%
Total debtors outstanding	14,829		15,432	
Over 5 months - <i>note 1</i>	588	3.96%	881	5.71%
PCT debt - <i>note 2</i>	5,473		7,583	
Pending write-offs and cancellations - <i>note 3</i>	0		116	
Provision for bad debt - <i>note 4</i>	247		292	

Note 1 - The over 5 months figure has increased by £15K since last month. See table below for the comparison with end of the last financial year. The increase since 31/03/08 is mainly in the ASC area and so Richard Hemsley has tasked Rita Stone and Richard Grout with reviewing these cases. ASC debts continue to be very difficult, time consuming and complex to collect. Work is continuing to convert ASC clients to paying by direct debit. Mails shots will continue to be actioned during February to encourage more clients to pay by direct debit.

Please note that the debt over 1-year has also increased, up £108K since last month, the majority of this is a CRD debt for £98K, which is being pursued with/by the Legal Team.

Department	31/03/2008		31/01/2009	
	Amount £000	%	Amount £000	%
Debt aged 5 - 12 months:-				
Adult & Social Care	155	61	282	59
Chief Executive	3	1	1	-
Corporate Resources	36	14	151	32
Transport & Env. (<i>incl. SDJC</i>)	39	15	36	8
Children Services	22	9	9	2
Sub-Total	255		479	

Debt over 1 yr. (<i>all depts</i>)				
Adult & Social Care	228	68	325	81
Chief Executive	1	-	-	-
Corporate Resources	23	7	29	7
Transport & Env. (<i>incl. SDJC</i>)	52	16	36	9
Children Services	29	9	11	3
Sub-Total	333		401	

Total	588		880	
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Note 2 - ASC PCT debt is £8,530,361.82 however in addition we are holding overpayments totalling £1,069,501.24 therefore together with the o/s Children's PCT of £121,799.70, the balance re PCT is £7,583,010.28.

Note 3 - This represents debts which are awaiting write-off and cancellation authorisation. Write-off of debts over £2,500 are approved annually by the Lead Member.

Note 4 - The bad debt provision has increased by £39k due in part to the increase in debt over 1-year old this month.