

Report to: **Cabinet**

Date: **26 January 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 30 November 2008.**

RECOMMENDATIONS

The Cabinet is recommended to note the latest monitoring position on the revenue and capital budgets.

1. Financial Appraisal and Commentary

- 1.1 There are relatively few changes in the revenue forecasts since the last report and overall, an underspend is forecast. This has risen from £3.06m to £3.46m excluding Schools. This represents around 1% compared to budget.
- 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, particularly due to increases in new electricity and gas contract prices. Excluding Schools, the total pressure amounts to some £800,000 in 2008/09 of which £500,000 falls on T & E. The commentary in Appendix C shows how this will be managed. At this stage, other departments report that they will be able to manage this pressure in 2008/09. The part year impact of energy price rises falling on Schools in 2008/09 is likely to be about £1.4m.
 - A single status pay award for 2008/09 of 2.45% has been made, which will be implemented, ahead of arbitration. The implementation of 2.45% offer will result in overall salary savings of around £370,000, (including DSG related of £70,000) across all departments. There is a risk that the outcome of arbitration could reduce this saving.
 - The delay in savings in the current year from the staffing restructure within T&E.
 - Identifying measures that can be put in place to reduce exposure and minimise any impact of the current financial markets state of unprecedented turmoil and uncertainty.

1. Revenue Budget

Description	Projected Outturn		Movement £000
	October £000	This report £000	
Revenue (see para 3 below):			
Service Spend (Ex DSG Related)	1,293	1,441	148
DSG Related (i.e., Schools)	764	999	235
Treasury Management, etc.	1,770	2,022	252
	3,827	4,462	635

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:-
- The latest forecast for Home to School transport within CSA budget is an overspend of £507,000 against the budget of £10,208,500. This has increased by £65,000 from October's reported figure of £442,000. The main reason for the increase is in the cost of hired transport, with non-Further Education (FE) hired transport increasing by £104,000, partially offset by a reduction of £38,000 in the FE hired transport. Since the last forecast 16 new routes have been added, 6 of them at high cost (in excess of £90 per day).

- ASC financial position at the end of November 2008 shows an overall projected outturn underspend of £779,000, a reduction of £33,000 on the underspend of £812,000 reported for the end of October 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 because of 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 £1.6m, and the department has already identified a number of savings that offset the pressures, with a projected net underspend of £187,000 for the year, being the slippage now expected within the Waste & Minerals Core Strategy programme. Fortunately, the majority of these offsetting savings do not have an impact on service delivery
- **Money Market and Interest Earnings:** There is an underspend to date of £2.02m on the treasury management budget at month 8 which looks likely to increase further during the remainder of the financial year to about £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.

2. Implication for future years and the Medium Term Financial Plan (MTFP)

- 3.1 Ongoing issues and risks identified in Appendix C (attached) include energy prices. The energy price excess inflation in 2009/10 is currently estimated at £1.6m (excluding the impact on Schools of £2m). However, this is only the direct impact of energy purchased by the County Council and excludes any indirect impact through other costs (e.g. care contracts).
- 3.2 The Council 2009/10 budget assumes normal inflation of 2% for pay and prices, but the forward-looking indicator/prediction is that inflation will drop sharply by the end of next financial year, which might have financial impacts on the Council MTFP. The prospects for economic growth and inflation are judged to be unusually uncertain, reflecting the exceptional economic and financial factors affecting the outlook making deflation a possibility.
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. Capital Programme

- 5.1 This is a total variation of just £0.8m compared to the mid-term review (which was based on returns at the end of August). Full details are shown in appendix D. The variation shows that more will be spent than forecast in the review and this is made up of:

Variation Reason	Amount £m
Projects Overspending	(0.3)
Projects slipping from 2008/09 – 2009/10	0.4
Projects accelerating future year expenditure	(0.9)
Total	(0.8)

Discussions with departments to finance any eventual overspends are underway.

6. **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.
7. **Conclusion and Reason for Recommendation**
- 7.1 As set out above, Cabinet is asked to note the latest monitoring position on revenue and capital budgets for 2008/09.

SEAN NOLAN, DEPUTY CHIEF EXECUTIVE & DIRECTOR OF CORPORATE RESOURCES

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Appendix A

The forecast net underspend for the year total £4,462,000 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)	Variances Highlighted up to September £000 (iii)	Additional Variation in October £000 (iv)	Total Variation £000 (v)	Comments (vi)
ASC	Older People	408	132	540	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	(338)	232	(106)	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	374	(178)	196	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)	(130)	Arising primarily from a number of staff vacancies, and on the provision of Independent Sector Care.
	Other Adults	-	(112)	(112)	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	(57)	23	(34)	Various over/underspend items less than £100,000
	Total	812	(33)	779	
C Ex	Policy & Communications	50	-	50	Due to delays in appointing to LMG posts until T&E appointments have been confirmed
	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	70	65	135	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	141	8	149	Additional SLA & Registration income.
	Libraries - energy	(87)	(43)	(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
	Various (over) / underspends	120	(5)	115	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	401	125	526	
School Budget/DSG					
	Schools - rate revaluation	270	228	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.
	Learning & School Effectiveness	140	140	280	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	-	133	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	221	(133)	88	Various over/underspend items less than £100,000
	School Total	764	235	999	
CSD Budget					

Dept (i)	Issue (ii)	Variances Highlighted up to September £000 (iii)	Additional Variation in October £000 (iv)	Total Variation £000 (v)	Comments (vi)
CS	Home to School Transport	(442)	(65)	(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.
	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	-	135	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	162	70	232	Various over/underspend items less than £100,000
CSD Total		(261)	5	(256)	
CRD	Property Service	128	9	137	This is due to the recovery of an aged debt within travellers sites and vacant posts within PBU
	Various (over) / underspends	26	42	68	Various over/underspend items less than £100,000. These include a number of miscellaneous budgets which are forecasting an overspend of £56,000 mainly due to unforeseen security costs within surplus properties.
Total		154	51	205	
T & E	Highways Maintenance - energy	(409)	-	(409)	Excess inflation on energy costs in relation to street lighting and traffic signals.
	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)	-	(347)	Insufficient surpluses to fund the related transport schemes, exacerbated by the delay in the Eastbourne scheme implementation.
	Land Search Fee Income shortfall	(100)	-	(100)	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	(120)	(5)	(125)	Various projected overspend items less than £100,000
	Various underspends	1,576	5	1,581	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	-	187	
TM	Treasury Management – Investment interest	1,770	252	2,022	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		3,827	635	4,462	

2008/09 Revenue Budget Monitoring Summary

Revenue Budget Monitoring November 2008	Original Estimate +Approved Transfers	Projected Outturn	Variations to Outturn	Not Carried Forward	Carried Forward
	£000	£000	£000	£000	£000
Net Expenditure					
Adult Social Care	149,251	148,472	779	-	779
Chief Executive	18,917	18,405	512	(14)	526
Children's Services					
- Children's Services Authority	91,314	91,570	(256)	-	(256)
- Schools Budget	-	(999)	999	-	999
Corporate Resources	12,687	12,538	149	(56)	205
Transport & Environment	40,362	40,174	188	-	188
Waste Management	14,660	14,661	(1)	-	(1)
Departmental Total	327,191	324,821	2,370	(70)	2,440
Reversal of capital charges, levies, Treasury Management, etc.	(3,001)	(5,415)	2,414	392	2,022
TOTAL FOR YEAR c/d	324,190	319,406	4,784	322	4,462

TOTAL FOR YEAR b/d	324,190	319,406	4,784
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	-	4,462	(4,462)
Total Net Expenditure	314,389	314,067	322
Transfers to / (from) Balances	-	322	(322)
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	4,149	322	3,827
Adult Social Care	(33)	-	(33)
Chief Executive	125	-	125
Children's Services - Children's Services Authority	5	-	5
Children's Services - Schools Budget	235	-	235
Corporate Resources	49	(2)	51
Transport & Environment	-	-	-
Treasury Management, Levies, etc.	254	2	252
This report totals carried forward	4,784	322	4,462

Balances	Planned	Projected	Variation
	£000	£000	£000
Opening	6,996	6,753	(243)
Added / (withdrawn) during the year	79	322	243
Closing	7,075	7,075	-

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)	7,075
Percentage of net expenditure	2.25

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	101,469	(28,159)	73,310	101,097	(28,760)	72,337	372	601	973
Physical Disabilities	19,027	(2,905)	16,122	19,117	(2,889)	16,228	(90)	(16)	(106)
Learning Disabilities	48,628	(16,915)	31,713	48,592	(17,075)	31,517	36	160	196
Mental Health	17,172	(6,154)	11,018	17,267	(6,119)	11,148	(95)	(35)	(130)
Other Adults	6,406	(4,883)	1,523	6,518	(4,883)	1,635	(112)	-	(112)
Management and Support	17,405	(2,346)	15,059	17,582	(2,520)	15,062	(177)	174	(3)
Service Strategy	512	(6)	506	551	(6)	545	(39)	-	(39)
Total	210,619	(61,368)	149,251	210,724	(62,252)	148,472	(105)	884	779

2 Cost Drivers and Unit Costs / Key Indicators

	2007/08 Actual	2008/09 Target	As at November 2008	Comments																				
Users pending transfer (DTC) D41	34	28	30	The 4 weeks of November 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>2</td> <td>27</td> <td>29</td> </tr> <tr> <td>Week 2</td> <td>0</td> <td>31</td> <td>31</td> </tr> <tr> <td>Week 3</td> <td>3</td> <td>27</td> <td>30</td> </tr> <tr> <td>Week 4</td> <td>2</td> <td>16</td> <td>18</td> </tr> </tbody> </table>		ASC	Non ASC	Total	Week 1	2	27	29	Week 2	0	31	31	Week 3	3	27	30	Week 4	2	16	18
	ASC	Non ASC	Total																					
Week 1	2	27	29																					
Week 2	0	31	31																					
Week 3	3	27	30																					
Week 4	2	16	18																					
BVPI53/PAFC28 – Intensive Home Care: households per 1,000 population aged 65 or over	8.98	9.5	9.19	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%	90.8%	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%	94.0%	Performance is currently above the target of 90%.
C51 – number of adults receiving direct payments per 100,000 of population (weighted)	158.9	272.2	204.9	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 November 2008 shows an overall projected outturn underspend for Adult Social Care of £779,000, a reduction of £33,000 on the underspend of £812,000 reported for the end of October 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. The department is planning to use all its resources and will reflect revised spending profiles in the Medium Term Financial plan, within Reconciling Policy and Resources (RPR).

In 2008/09 there has been considerable inflationary pressure on purchased care services and the contractual requirements meant that an average of 3.2% had to be added to the costs of care against an allowed inflation rate of 2.5%. The pressure on providers of care continues as they are impacted by increases in the price of commodities such as energy, petrol and food. Current indications are that this pressure will have a significant impact on the cash limited budget for 2009/10 and this is being reported as part of the RPR process. Within directly provided services, the pressure on utilities expenditure is being managed within existing budgets, however, this will not be sustainable and it has been estimated that increases in gas and electricity charges will add a further pressure of £218,000 in 2009/10.

Adult Social Care: Revenue Budget Analysis and Commentary

4 Detailed comments on 2008/09 outturn projection

Older People

The projected underspend on Older People's Services is £973,000 (£833,000 underspend at the end of October 2008), comprising underspends of £965,000 within directly provided services and £8,000 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 recruitment difficulties.

Physical Disabilities

The projected overspend of £106,000 (£338,000 overspend at the end of October 2008) consists of an underspend of £12,000 within directly provided services and an overspend of £118,000 in Independent Sector, reflecting increased demand for services.

Learning Disabilities

The projected underspend of £196,000 (£374,000 underspend at the end of October 2008) is a result of an underspend of £478,000 within directly provided services, arising primarily from a number of staff vacancies, and an overspend of £282,000 on the provision of Independent Sector Care.

Mental Health

The projected overspend of £130,000 (£30,000 underspend at the end of October 2008) is a result of an underspend of £218,000 within directly provided services, arising primarily from a number of staff vacancies, and an overspend of £348,000 on the provision of Independent Sector Care.

Other Adults

The projected overspend of £112,000 (£86,000 overspend at the end of October 2008) is a result of overspends of £106,000 within directly provided services, arising primarily from the increased costs arising from safeguarding adults, and £6,000 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 November 2008, the level of debt outstanding from PCTs was £2.456m, of which £958,000 (39%) was due within 30 days and £2.312m (94%) 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	7,659	(2,414)	5,245	7,494	(2,414)	5,080	165	-	165
Libraries and Culture	8,606	(1,496)	7,110	8,684	(1,401)	7,283	(78)	(95)	(173)
Law and Personnel	17,737	(11,1754)	6,562	17,357	(11,315)	6,042	380	140	520
Total	34,002	(15,085)	18,917	33,535	(15,130)	18,405	467	45	512

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		60900	The spend on library stock items is expected to come in on budget

3 Departmental Commentary

Chief Executive's Department

The department is projecting an underspend of £512,000. This is £125,000 more than reported in the previous report.

Work has been underway scoping the potential for PAT to introduce a customer service centre, funded by a contribution from the Management Capacity Fund. An outline development has been agreed but is dependent upon acquiring specialist knowledge and is unlikely to be implemented until quarter 1 2009/10 at the earliest. These committed resources (£100,000) will therefore now be carried forward to the next financial year.

Chief Executive: Revenue Budget Analysis and Commentary

A restructuring of the Trading Standards team is underway but the timing of implementation, together with existing and known vacancies, will result in an underspend of £135,000. There is an underspend on departmental overheads including staff and other expenses £100,000. There has been an increase in Legal Services SLA income £120,000 and Registration Service income £29,000. £50,000 is due to delays in appointing to LMG posts. £107,000 of PSA Reward money has been committed to spend in 2009/10. Against this there is a £30,000 expected loss of income for the School Library Service and an increase in energy costs of £100,000, most noticeably in libraries where we have the greatest number of properties. The delay in development of 'self-service' features in SAP has meant that planned efficiencies in PAT will not be achieved £30,000. The cost of the most recent by-election is forecast to be £14,000 more than the annual provision for by-elections, reflecting the increased take-up of postal voting, and is not carried forward. The balance is made up of staff vacancies and other minor variations.

All of the department's underspend from 2007/08 has now been allocated and committed in 2008/09.

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	77,171	(11,322)	65,849	76,935	(11,322)	65,613	236	0	236
Learning and School Effectiveness	76,028	(45,718)	30,310	76,268	(45,718)	30,550	(240)	0	(240)
Resources excl DSG	65,465	(44,777)	20,688	65,318	(44,777)	20,541	147	0	147
DSG	0	(257,367)	(257,367)	0	(257,367)	(257,367)	-	-	-
Planning & Performance Management	3,141	(278)	2,863	3,029	(278)	2,751	112	0	112
Schools Delegated Budgets	229,051	(80)	228,971	228,563	(80)	228,483	488	0	488
Total	450,856	(359,542)	91,314	450,113	(359,542)	90,571	743	0	743

2. Schools/CSA Summary

Forecast outturn variances	Schools Budget	CSA Budget	Total
	£000	£000	£000
Children and Families	131	105	236
Learning and School Effectiveness	322	(562)	(240)
Resources	33	114	147
Planning & Performance Management	25	87	112
Schools Delegated Budgets	488	-	488
Total	999	(256)	743
Previously reported	764	(261)	503
Change since last report	235	5	240

3. Cost Drivers and Unit Costs / Key Indicators

Children's Services: Revenue Budget Analysis and Commentary

Active Cases	2007/08	2008/09 Estimate	Actual average for year to date	Comments
Education Agency Placements per annum	189	193	182	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	105	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	£94,039	Historically there are substantial fluctuations in the value of payments each week.
Adoption – average weekly total cost	£10,848	£11,492	£12,764	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	4.12	Average occupancy is lower than budget but occupancy is volatile and there is a risk of shortfall in full year income.

Children's Services: Revenue Budget Analysis and Commentary**4 Departmental Commentary**

The department's outturn shows a net under spend of £743,000, an increase of £240,000 from the previous report. The schools budget is under spent by £999,000 and this is offset by a £256,000 over spend on the CSA Budget. Measures to contain the CSA Budget overspend in the current financial are being investigated as a matter of urgency. If savings cannot be identified to offset the full amount, any balance will need to be carried forward and managed as part of the 2009/10 budget strategy.

Schools Budget

There is one main change this month:

- (i) School Rates – The second half year payments have been made and an additional £218,000 under spend has been identified reflecting latest property revaluations. The full year forecast under spend has increased to £498,000 and this will be adjusted in the 2009/10 schools delegated budgets.

This is in addition to variances reported previously:

- (ii) Learning & School Effectiveness
 - a. Two of the Local Area Partnership Boards have identified a 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. School Improvement partners budget is under spent by £50,000 due to late recruitment of staff.
 - d. Education Business Links full year funding for new posts provided from Schools headroom will not be fully utilised due to staff now scheduled to commence in August for the 2008 academic year. The resulting £48,000 under spend will be required in 2009/10.
 - e. The 14-19 Development Service is forecasting a £133,000 under spend as a result of the move from Standards Fund to Area Based funding (ABG). This change 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 be over a seventeen month period and the under spend will be required to fund 2009/10 expenditure.
 - f. Early Years Education Entitlement Session uptake has declined resulting in a forecast £37,000 under spend for the year.

Children's Services: Revenue Budget Analysis and Commentary

- (iii) 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.
- (iv) 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
- (v) Strategic Finance - 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 £60,000 of which £26,000 is attributable to the schools budget.

Other

- (vi) Changes in corporate energy contracts have result 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 overspend is now £256,000 a small reduction of £5,000 from previously reported, reflecting the net effect of a range of variances across the department.

The main variances are as follows:

- (i) Children & Families
 - a. Recruitment delays for the revised Connexions Service structure and general recruitment across the East of the County have resulted in an underspend of £135,000.
 - b. Across the County the expected expenditure on Family Support has decreased resulting in an under spend of £49,000.
 - c. The Child and Adolescent Mental Health Service (CAMHS) team is expected to under spend by £30,000 as a result of delays in recruitment.
 - d. The Information Advice and Guidance project is expected to underspend by £20,000 due to revised project phasing and delays in recruitment. Looked after Children Service travel costs are forecast to be £30,000 less than budgeted.
 - e. 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.

Offset by:

Children's Services: Revenue Budget Analysis and Commentary

- f. Overspend of £130,000 due to increase costs and demands for mother & baby services, special assessments and legal fees.
 - g. An over spend in adoption allowances of £77,000 now that the new means test has been fully applied.
 - h. Integrated Services - £75,000 overspend due to increases in need for Leaving Care payments, Safeguarding Children and pre school day care fees.
- (ii) Transport and Environment have advised that the outturn forecast for Home to School Transport for 2008/09 has increased by £65,000 to an over spend of £507,000. This is partially offset by an underspend of £10,000 on escorts. A number of contributing factors have been identified:
- a. Special Needs – There has been a significant increase in the number of children with special needs requiring transport to school.
 - b. Route Changes – changes in the pupil mix and breakout of one contract into a number of smaller contracts has increased the overall number of routes now operated by 51 to 670.
 - c. Contract changes – 96 contracts have increased by more than 5% due to additional mileage and to fuel price pressures.
- (iv) Planning and Performance Management – a £68,000 underspend is due to delays in filling vacancies.
- (v) Delayed recruitment of Union Officer and other vacancies (£70,000 under spend)
- (vi) 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 £60,000 of which £34,000 is attributable to the CSA budget.
- (vii) Net effect of other minor variances across the department is £53,000
- Offset by:
- (viii) Hastings Federation is predicted to overspend by £86,000 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

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	2,351	(1,072)	1,279	2,363	(1,084)	1,279	(12)	12	0
Finance (other)	12,544	(10,613)	1,931	12,482	(10,619)	1,863	62	6	68
Property	13,197	(8,525)	4,672	13,211	(8,676)	4,535	(14)	151	137
ICT	14,043	(9,969)	4,074	14,323	(10,249)	4,074	(280)	280	0
Miscellaneous	873	(142)	731	940	(153)	787	(67)	11	(56)
Total	43,008	(30,321)	12,687	43,319	(30,781)	12,538	(311)	460	149

2 Departmental Commentary

The monitoring of CRD revenue budget at the end of November 08 shows an underspend of £149,000 compared to an underspend of £100,000 as previously reported. The main contributors to the overall position are:-

Audit & Performance are forecasting a breakeven position compared to an underspend of £11,000 previously reported. This underspend is now expected to be offset by minor overspends in Procurement, Secretariat and Management & Support.

Finance is forecasting an underspend of £68,000 compared to a £15,000 underspend previously reported. This is due to staff turnover, vacancies 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 underspend £137,000 compared to a £128,000 previously reported. This is due to the payment of a 2007/08 travellers site creditor being lower (by £70,800) than the creditor provision brought forward and vacant posts within PBU. There is however a significant risk that the income generated from support of capital projects is subject to variance in line with actual capital programme spending.

ICT are currently forecasting on target however there is still a risks associated with this.

- NGN's position could fluctuate due to: (a) the risks associated with the anticipated grant being received and (b) the ability to realise the full amount of income anticipated from the rollout programme. Work is ongoing to manage this risk.

CRD also holds a number of miscellaneous budgets which are forecasting an overspend of £56,000 mainly due to unforeseen security costs within surplus properties.

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	4,930	(578)	4,352	5,021	(571)	4,450	(91)	(7)	(98)
Highways Maintenance	32,542	(7,225)	25,317	32,720	(7,542)	25,178	(178)	317	139
Traffic and Safety	7,718	(5,190)	2,528	8,046	(5,519)	2,527	(328)	329	1
Environment	3,816	(1,741)	2,075	3,847	(1,777)	2,070	(31)	36	5
Passenger Transport	32,100	(28,444)	3,656	32,607	(28,951)	3,656	(507)	507	0
Planning	3,676	(1,242)	2,434	3,496	(1,183)	2,313	180	(59)	121
Waste Disposal PFI	28,393	(15,404)	12,990	27,819	(14,492)	13,327	574	(911)	(337)
Waste Disposal non-PFI	1,853	(182)	1,670	1,845	(531)	1,314	7	349	356
	115,028	(60,006)	55,022	115,402	(60,566)	54,835	(374)	560	187

2. Cost Drivers and Unit Costs / Key Indicators

Active Cases	2007/08	2008/09 Projection	Actual as at November	Comments
	£	£	£	
Highways				
Energy Contract (Streetlighting/ Traffic Signals) – (Net of recharges to BHCC)	1,108,726	1,572,300	436,910	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)	(97,400)	(55,200)	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.
Planning				
Planning Application Fees	(93,589)	(111,500)	(85,570)	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 continues to forecast a net underspend of £187,000 for the year, representing the slippage within the Waste & Minerals Core Strategy programme as discussed in September's report.

Otherwise, the department continues to forecast to outturn on budget, with in-year savings identified to mitigate unavoidable pressures without compromise to major service delivery.

There have been no major changes in relation to pressures identified in previous reports as shown in the following table:-

Transport & Environment: In Year Pressures			
	November	October	Movement (Adverse)/ Favourable
One-off shortfall in staffing restructure savings	£600,000	£600,000	-
Street lighting energy costs	£409,000	£409,000	-
Parking scheme surplus shortfall	£347,000	£347,000	
Land Search Fee Income shortfall	£100,000	£100,000	
Other Smaller Pressures	<u>£125,000</u>	<u>£120,000</u>	<u>(£5,000)</u>
TOTAL	£1,581,000	£1,576,000	(£5,000)

Transport & Environment: Revenue Budget Analysis and Commentary

The department has continued to identify in year underspends to offset the pressures detailed above, and these are summarised in the table below:-

Transport & Environment: In Year Underspends			
	November	October	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	£50,000	£50,000	
Streetlighting Maintenance	£250,000	£250,000	
New Leachate Contract	£19,000	£19,000	
Vacancies (across department)	£89,000	£125,000	(£36,000)
VAT Refund for Bentley	£128,000		£128,000
Additional Income Identified	£76,000	£98,000	(£22,000)
Other Smaller One-Off Underspends	<u>£72,000</u>	<u>£137,000</u>	<u>(£65,000)</u>
TOTAL Underspends (matching pressures above)	£1,581,000	£1,576,000	£5,000
Total Slippage (i.e. Waste & Minerals)	<u>£187,000</u>	<u>£187,000</u>	<u>-</u>
GRAND TOTAL	£1,768,000	£1,763,000	£5,000

Transport & Environment: Revenue Budget Analysis and Commentary

The department has fortuitously received a VAT rebate, totalling approximately £128,000, relating to entry fees to the Bentley Wildfowl and Motor Museum, which was in Council ownership until 2004.

However, savings from vacancies have been scaled back by £36,000 due to the expected costs of backfill and recruitment.

The overall effect of changes is to reduce to £65,000 the further underspends required to match in-year pressures. The department remains confident that this can be achieved, as a number of projections for underspends have been very prudent and may well increase when reviewed again.

There is no firm update regarding the contractual claims from the highways maintenance contractor May Gurney as reported for October (estimated at some £0.5m).

The latest forecast for Home to School transport is an overspend of £507,000 against the budget of £10,208,500. This has increased £65,000 from October's reported figure of £442,000. The main reason for the increase is in the cost of hired transport, with non-Further Education (FE) hired transport increasing by £104,000, partially offset by a reduction of £38,000 in the FE hired transport. Since the last forecast 16 new routes have been added, 6 of them at high cost (in excess of £90 per day). The other components of the budget have had little or no change.

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	0	3,132	2,036	3,101	31
Chief Executives	722	2,270	0	2,270	810	2,270	0
Children's Services (excl. Schools Delegated Capital)	25,885	25,968	384	26,352	21,309	26,985	(633)
Corporate Resources	5,733	8,904	(55)	8,849	4,568	9,306	(457)
Transport and Environment	18,067	18,928	159	19,087	12,950	18,850	237
Sub Total	54,599	59,202	488	59,690	41,673	60,512	(822)
Schools Delegated Capital	1,000	8,381	80	8,461	5,395	8,461	0
Total	55,599	67,583	568	68,151	47,068	68,973	(822)

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)	0	(16)	(1)	(16)	0
Chief Executives	0	(1,212)	0	(1,212)	(35)	(1,212)	0
Children's Services (excl. Schools Delegated Capital)	(13,495)	(14,401)	(384)	(14,785)	(15,330)	(14,939)	154
Corporate Resources	(52)	(1,445)	0	(1,445)	(332)	(1,445)	0
Transport and Environment	(6,108)	(6,043)	(159)	(6,202)	(663)	(6,042)	(160)
Sub Total	(19,655)	(23,117)	(543)	(23,660)	(16,361)	(23,654)	(6)
Schools Delegated Capital	(607)	(7,988)	(80)	(8,068)	(5,365)	(8,068)	0
Total	(20,262)	(31,105)	(623)	(31,728)	(21,726)	(31,722)	(6)

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	2,035	3,085	31
Chief Executives	722	1,058	0	1,058	775	1,058	0
Children's Services (excl. Schools Delegated Capital)	12,390	11,567	0	11,567	5,979	12,046	(479)
Corporate Resources	5,681	7,459	(55)	7,404	4,236	7,861	(457)
Transport and Environment	11,959	12,885	0	12,885	12,287	12,808	77
Sub Total	34,944	36,085	(55)	36,030	25,312	36,858	(828)
Schools Delegated Capital	393	393	0	393	30	393	0
Total	35,337	36,478	(55)	36,423	25,342	37,251	(828)

Analysis of Forecast Variation		
Over or underspend £'000	Slippage to Future Year £'000	Accelerated Expenditure £'000
(206)	237	0
0	0	0
(14)	12	(477)
(2)	19	(474)
(93)	170	0
(315)	438	(951)
0	0	0
(315)	438	(951)

Table 4 - Post Mid Term Review Capital Variations Approved

Appendix D

Department and Project Description	Gross Expenditure	Resource	Net Expenditure	Status	Month	Comments
			-			
Adult Social Care			-			
			-			
Total Adult Social Care Variations			-			None to Date
			-			
Chief Executives			-			
			-			
Total Chief Executive Variations			-			None to Date
			-			
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 Program	(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 Provider	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
Integrated Children's System Capital Grant	155,000	(155,000)	-	Approved	November	Grant from the Department for Children, Schools & Families
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 Program	(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
Bonnors	8,000	-	8,000		November	Departmental Movement
Willingdon Trees	1,000	-	1,000		November	Departmental Movement
			-			
Total Childrens Variations	384,000	(384,000)	-			
			-			
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
Total Corporate Resource Variations	(55,000)	-	(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
Total Variations Transport and Environment	159,000	(159,000)	-			
			-			
Variations Grand Total for ESCC	568,000	(623,000)	(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	112	99	32	-	32	-
Conquest Centre	377	215	-	215	156	215	-	-	-	-
Sandbanks	40	194	-	194	194	194	-	-	-	-
Age Well - East Sussex	90	424	-	424	107	424	-	-	-	-
Transformation Change Capacity	500	733	-	733	583	939	(206)	(206)	-	-
Firstfields	295	-	-	-	68	-	-	-	-	-
Linden Court - Phase 1	-	38	-	38	60	38	-	-	-	-
Linden Court - Phase 2	570	50	-	50	6	-	50	-	50	-
Feasibility Studies for DPS	-	19	-	19	19	19	-	-	-	-
St Nicholas Centre	9	432	-	432	316	432	-	-	-	-
Pembury Road	500	-	-	-	-	-	-	-	-	-
LD Extra Care Project	350	-	-	-	-	-	-	-	-	-
Milton Court	350	350	-	350	78	195	155	-	155	-
House Adaptations for People with Disabilities	627	200	-	200	207	200	-	-	-	-
Refurbishment - Registration Standards & OP Res Homes	47	322	-	322	118	322	-	-	-	-
Other Projects	315	8	-	8	11	8	-	-	-	-
Total PID Approved Projects	4,192	3,116	-	3,116	2,035	3,085	31	(206)	237	-
Projects requiring PID approval										
ASC IT Infrastructure (Net Nil Scheme)	-	-	-	-	(158)	-	-	-	-	-
Total	4,192	3,116	-	3,116	1,878	3,085	31	(206)	237	-

Commentary

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

Beeching: Slippage of £32,000 for gardening works as seasonal planting required

Transformation Change Capacity: Any overspend will be funded from the ASC Risk Reserve. The overspend has resulted from a number of issues, including: A higher volume of complex data quality issues than expected; a change in approach from 'big bang' to 'phased implementation' so as to minimise risk and a lack of skilled resources both internally and externally

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, advised by CRD Property, regarding the building works that we 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	509	723	-	-	-	-
New Archive Facility - "The Keep" - stage 2	100	100	-	100	-	100	-	-	-	-
Bridies Tan Traveller Site	-	1,045	-	1,045	129	1,045	-	-	-	-
<i>Bridies Tan Traveller Site GOSE Grant</i>	-	(1,045)	-	(1,045)	-	(1,045)	-	-	-	-
Library Refurbishment Programme	200	235	-	235	137	235	-	-	-	-
Total PID Approved Projects	722	1,058	-	1,058	775	1,058	-	-	-	-
Projects requiring PID approval										
Newhaven Library	1,190	10	-	10	-	10	-	-	-	-
Traveller site refurbishment and additional pitches	47	47	-	47	17	47	-	-	-	-
Hastings Library	-	(650)	-	(650)	-	(650)	-	-	-	-
Total	1,959	465	-	465	792	465	-	-	-	-

Commentary

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

There are no variations since the Mid Term Review.

Latest Update:

The above figures were prepared prior to the department being informed that the £5M lottery bid for the Keep has been unsuccessful.

The 2009/10 Capital Programme has taken account of this decision.

Partners are currently assessing the alternative options available in the light of this.

Future monitoring reports will reflect the financial impact of any decision taken.

Table 7 - Children's Services

Appendix D

Net Programme

Project	Original programme	Programme at Mid Term Review	Approved variations post Mid Term Review	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										
Bexhill High BSF	9,807	3,200	-	3,200	2,117	3,200	-	-	-	-
<i>Grant</i>	(9,807)	(3,200)	-	(3,200)	(8,775)	(3,200)	-	-	-	-
Grove Park/Beacon	200	209	-	209	831	516	(307)	-	-	(307)
<i>Grant</i>	(150)	(1,353)	-	(1,353)	(468)	(1,353)	-	-	-	-
Hailsham Community College	165	6	-	6	41	6	-	-	-	-
Heathfield CC - Invest to Save	610	646	3	649	646	666	(17)	-	-	(17)
<i>CERA</i>	-	-	(3)	(3)	-	(3)	-	-	-	-
Ringmer Community College	2,395	2,840	-	2,840	2,388	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	-	2,777	2,723	2,777	-	-	-	-
<i>Grant</i>	-	(245)	-	(245)	(56)	(245)	-	-	-	-
Tideway Community School	4,215	6,615	-	6,615	7,034	6,615	-	-	-	-
Early years, children's centres and extended schools	195	817	-	817	621	817	-	-	-	-
<i>Grant</i>	(195)	(817)	-	(817)	(1,093)	(817)	-	-	-	-
Denton Island	-	1,000	-	1,000	874	1,000	-	-	-	-
Eastbourne and Hailsham	-	426	-	426	409	426	-	-	-	-
<i>Grant</i>	-	(1,426)	-	(1,426)	-	(1,426)	-	-	-	-
Harnessing Technology	-	1,318	-	1,318	-	1,318	-	-	-	-
<i>Grant</i>	-	(1,318)	-	(1,318)	(985)	(1,318)	-	-	-	-
C&F Fostering and Adoption adaptations - invest to save	264	435	-	435	128	435	-	-	-	-
Fair Play Pathfinder	-	591	-	591	-	591	-	-	-	-
<i>Grant</i>	-	(591)	-	(591)	(295)	(591)	-	-	-	-
Schools Access Initiative	885	900	12	912	424	900	12	-	12	-
<i>CERA</i>	-	-	(12)	(12)	-	(12)	-	-	-	-
Temporary Accommodation	500	361	-	361	707	534	(173)	-	-	(173)
Other Projects	1,118	1,603	-	1,603	1,966	1,628	(25)	(14)	(31)	20
<i>Sub Total Children's Services</i>	10,857	11,567	-	11,567	5,979	12,046	(479)	(14)	12	(477)
Schools Delegated Capital	1,000	8,381	80	8,461	5,395	8,461	-	-	-	-
<i>Income</i>	(607)	(7,988)	(80)	(8,068)	(5,365)	(8,068)	-	-	-	-
<i>Sub Total Net Expenditure</i>	393	393	-	393	30	393	-	-	-	-
Total PID approved projects	11,250	11,960	-	11,960	6,009	12,439	(479)	(14)	12	(477)
Projects requiring PID approval	1,115	297	-	297	58	110	187	-	187	-
Total	12,365	12,257	-	12,257	6,067	12,549	(292)	(14)	199	(477)

Commentary

Children's Services is forecasting £12.4m expenditure against a revised net approved programme of £12.0m for PID approved projects.

The Grove Park/Beacon project is spending in advance because the new access road is now going ahead in this financial year

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.

Tideway is still on course to complete by 5 February 2009. A claim from the contractor for additional costs due to extension of time, additional ground works, storm damage and the condition of the existing building has been received. The claim for additional time (£200,000) will have to be paid, the rest is being discussed with the contractor. This The funding was slipped into next financial year as overspend will fall in 2009/10. Temporary Accommodation is spending in advance due to mobiles at Tideway.

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.

A number of minor overspends on other projects are being investigated.

Table 8 - Corporate ResourcesNet 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	244	2,946	-	-	-	-
Microsoft Office	422	471	-	471	365	471	-	-	-	-
Replacement Financial System (CBOSS)	250	110	-	110	31	110	-	-	-	-
Building Maintenance and Backlog Reduction	2,250	2,394	-	2,394	2,016	2,794	(400)	-	-	(400)
DDA Improvements to Non-School Properties	680	489	(55)	434	127	439	(5)	-	-	(5)
Outstanding Payments on Completed Schemes	286	212	-	212	193	255	(43)	-	-	(43)
SALIX Contract	94	71	-	71	45	78	(7)	-	-	(7)
Improvements to Maresfield Sites	66	166	-	166	217	152	14	-	14	-
Other projects	129	600	-	600	998	616	(16)	(2)	5	(19)
Total PID Approved Projects	5,681	7,459	(55)	7,404	4,236	7,861	(457)	(2)	19	(474)
Projects requiring PID approval										
Enabling Works on Hub Buildings (Net Nil Scheme)	-	-	-	-	-	-	-	-	-	-
Total	5,681	7,459	(55)	7,404	4,236	7,861	(457)	(2)	19	(474)

Commentary

Corporate Resources is forecasting £7.9m expenditure against a net approved programme of £7.4m for PID approved projects.

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

Outstanding Payments on completed schemes have been settled earlier than expected resulting in £43K expenditure in 08/09 which was originally planned for 09/10

Resource for possible Retention payments for Maresfield Travellers sites costing up to £14k have been held over into 2009/10.

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	797	1,655	-	-	-	-
Integrated Transport - LTP plus Externally Funded	4,830	4,448	139	4,587	2,969	4,427	160	160		
<i>Developer and Borough Council Contributions Grant</i>	(2,944)	(1,990)	(119)	(2,109)	(20)	(1,949)	(160)	(160)		
LTP Structural Maintenance	8,100	6,796	(13)	6,783	5,081	6,783	-	-	-	-
Bridge Assessment Strengthening	-	1,013	-	1,013	584	1,013	-	-	-	-
ROW Network Survey	-	150	-	150	77	150	-	-	-	-
Speed Management	403	163	-	163	160	163	-	-	-	-
Local Safety Schemes & Minor Works - LTP	1,207	1,143	18	1,161	800	1,161	-	-	-	-
Eastern Area Highways Depot	180	220	-	220	1	50	170	-	170	-
Additional Highways Allocation	-	500	-	500	25	500	-	-	-	-
<i>CERA</i>	-	(500)	-	(500)	-	(500)	-	-	-	-
Other Projects	670	787	(25)	762	1,813	855	(93)	(93)		
Total PID Approved Projects	11,959	12,885	-	12,885	12,287	12,808	77	(93)	170	-
Projects requiring PID approval	-	-	-	-	-	-	-	-	-	-
Total	11,959	12,885	-	12,885	12,287	12,808	77	(93)	170	-

Commentary

A full commentary on the reasons for all Variations and actions planned to deal with them is available in Table 11 overleaf.

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

Appendix D

Transport & Environment is forecasting £12.8m expenditure against a net approved programme of £12.9m for PID approved projects. This represents a net overspend of £93,000 against the approved programme and net slippage of £170,000.

The detail in the table below summarises all specific items of overspend and slippage and details the planned action to address them.

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	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	
Total Slippage			170,000
Over Spends		£	£
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. A final remaining underspend on Ringmer Depot of £28,000 has been transferred towards this cost, and a further £65,000 of savings has been identified from the Highways budget and a capital variation request has been submitted.	-93,000	
Total Over Spends			-93,000
Actions planned to reduce overspend (to be actioned)	Commentary		
ICT Highways Contract	Contribution to capital programme to be made from Highways revenue works budget. (Not Yet Actioned)	93,000	
Current Position			-93,000
Position following revenue contribution			0

A formal request to vary the capital programme in relation to the planned action has now been made.

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	4,473	529
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	5,072	-21
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	7,162	760

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 anticipated that these savings will be achieved and potentially exceeded by £529,000. The main reasons for this position arise from the continued achievement of savings from the provision of independent sector home care services (£496,000) and the review of staffing structures within a day care facility (£33,000).

These additional savings will enable Adult Social Care to move towards the further £824,000 of savings that will be required to be achieved in order to meet the department's revised 3% cashable target of £4.768m. Work continues to identify how this additional target is to be met.

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.

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.

Balance Sheet Items

The table below shows the Council' debtors and how the level of debtors has moved over the past 7 months.

	2007/08 31/03/2008		2008/09 30/11/2008	
	£000	%	£000	%
Total debtors outstanding	14,829		8,946	
Over 5 months - note 1	588	3.96%	789	8.81%
PCT debt - note 2	5,473		2,081	
Pending write-offs and cancellations - note 3	0		206	
Provision for bad debt	247		259	

Note 1 - The over 5 months figure has increased by £42K since last month. See table below for the comparison with end of the last financial year. Work continues to focus on the recovery of these debts with departments. ASC debts continue to be very difficult, time consuming and complex to collect. To help address this, a further 35 ASC customers had direct debit payments taken this month. Around 150 clients now pay in this way. It is planned to undertake mails shots in the New Year to encourage more clients to pay in this way. FMT continue to be tasked with reviewing their debts over 5-months.

Please note that the debt over 1-year has decreased since the beginning of the financial year from £333K to £283K.

Department	31/03/2008		31/11/2008	
	Amount £000	%	Amount £000	%
Debt aged 5 - 12 months:-				
Adult & Social Care	155	61	423	84
Chief Executive	3	1	1	-
Corporate Resources	36	14	12	2
Transport & Env. (incl. SDJC)	39	15	52	10
Children Services	22	9	18	4
Sub-Total	255		506	

Debt over 1 yr. (all depts)				
Adult & Social Care	228	68	221	78
Chief Executive	1	-	-	-
Corporate Resources	23	7	23	8
Transport & Env. (incl. SDJC)	52	16	34	12
Children Services	29	9	5	2
Sub-Total	333		283	

Total	588		789	
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Note 2 - ASC PCT debt is £2,455,749.25 however in addition we are holding overpayments totalling £383,815.19 therefore together with the o/s Children's PCT of £9,209.85 and Chief Execs of £158.78, the balance re PCT is £2,081,202.69.

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

Note 4 - The bad debt provision has increased by £14k due to the increase in debt over 1-year old this month.