

Report to: **Cabinet**

Date: **11 March 2008**

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

Title of report: **Budget Monitoring 2007/08**

Purpose of report: **To provide an update on the 2007/08 budget monitoring position at the end of January 2008.**

RECOMMENDATIONS

Cabinet is recommended to note the latest monitoring position on the revenue, capital budgets, and the increase in revenue projected underspend.

1. Financial Appraisal

- 1.1 To update Cabinet on the overall financial position of the authority at the end of January 2008. This report provides Cabinet with the latest position and highlights changes which have taken place since the last report which was based on the end of October 2007.
- 1.2 Whilst reports to Cabinet are not made every month, Chief Officers of course, continue to monitor their budgets on a monthly basis and report to me accordingly, and I will, if necessary, report to Cabinet at any time of the financial year if circumstances necessitate this.

2. Overall Monitoring Position - Summary

Description	Projected Outturn Variance		Movement £000
	Last report £000	This report £000	
Revenue (see Para 3 below)	5,788	7,572	1,784
Capital (see Para 5 below)	3,029	8,313	5,284

Note: X = Underspend; (X) = Overspent

3. Revenue Budget

- 3.1 There has been an increase of £1.8m in the overall underspend. The main changes which make up this figure are shown in column (iv) of the attached Appendix A. Appendix B sets out the overall position and more detailed departmental information is contained in Appendix C. At this stage Chief Executive's, Children Services, Transport & Environment, and CRD are projecting underspends.
- 3.2 **Risk Management Implication** - Given the trend in previous years it is likely that the overall underspend will rise in the last 2 months of 2007/08.
- 3.3 **Money Market and Interest Earnings:** The estimate for Treasury Management continues to indicate an underspend of about £2.8m. The changes in the base rate, and higher than expected cash balances have generated additional income when compared with the original target. This is after the usual transfer to the Capital Programme Reserve and the current volatility of the market makes significant continuing changes most likely.

4. Savings including Annual Efficiency Statement (AES)

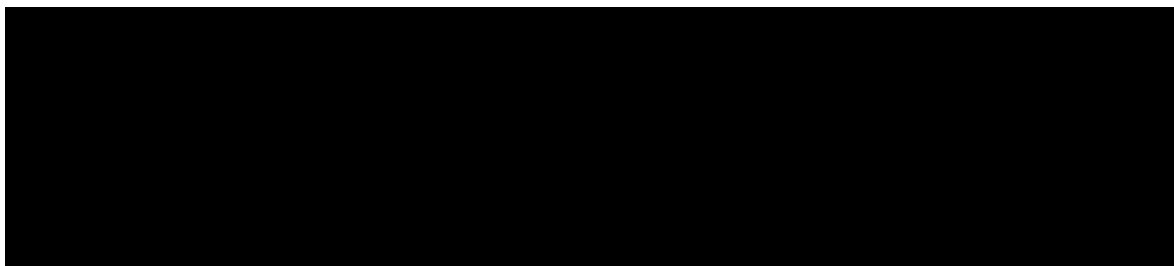
- 4.1 Appendix D sets out the latest position on all savings for 2007/08. There is a shortfall in cashable savings of about £600,000. The main reasons for the under-achievement includes; ongoing review of services which will continue into 2008/09; delay/put back of projects implementation; difficulties in achieving anticipated savings; and repositioning of some children's and families services have not delivered the expected savings.

5. Capital Programme

- 5.1 Appendix E sets out the overall position, this is compared with projects which have a full approval to start (i.e. a project initiation document (PID) has been approved). The individual schemes listed are those where there are significant variations or those of particularly high profile. The departmental financial analysis also includes details of the original and revised programmes, outturn and an analysis of the year end variation. The net variation has risen by £5.3m to £8.3m. Appendix E1 gives an analysis of this movement. £4m of this is down to changes on just 3 schemes.
- 5.2 The current forecast is a £8.3m underspend against a current approved programme for PID approved projects. Made up of the net effect of £9.2m slippage, (the main causes of which are £2.4m on the Age Well project, £1.9m on Tideway, £1.1m on Grove Park, £1.2m on NGN) offset by a forecast overspend of £0.1m and £0.8m spending in advance.
- 5.3 Departments were also asked to identify the any risks and issues that may lead to further changes to their forecast outturn before the end of the financial year. ASC identified that the Transformation Change Capacity project is still awaiting a cost and spend profile for the Care First 6 upgrade, and Children's Services noted that the costs associated to the dispute on the Hailsham project are yet to be finalised.

6. Balance Sheet Management

- 6.1 It is important that key items in the Balance Sheet, such as debtors, balances and provisions are monitored. The table below shows the Council' debtors and how the level of debtors has moved over the past 10 months.



*Note 1. ASC PCT debt is £1,261,439.68, Children's PCT is £50,125.50 and Chief Execs is £400.00.
Note 2. There is £175K of pending write-offs which should be completed by closedown.*

- 6.2 Total debtors varies considerably on a daily basis, but there is a slight deterioration in the over 5 months and we will continue to focus on this areas of debt management.

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 2007/08. The level of under spending on revenue has increased and the final outturn statement is likely to be in this region if further actions are not taken to address the level of underspend raised in Para 3 above.

SEAN NOLAN, DEPUTY CHIEF EXECUTIVE & DIRECTOR OF CORPORATE RESOURCES
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The forecast net underspend for the year total £7.6m and details are shown in Appendix 'C'. 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 October £000 (iii)	Additional Variation in January £000 (iv)	Total Variation £000 (v)	Comments (vi)
ASC	Overall projected overspend	(83)	(1)	(84)	
C Ex	PSA Reward Grant for Community Safety targets.	100	70	170	The change is mainly due to slippage in departmental projects that are funded by one-off budgets.
	Discretionary budgets	-	100	100	Aggregate of vacancy control measures and general net underspending against discretionary budgets across the whole of the department.
	Other various minor over/underspend	250	182	432	Various over/underspend items less than £100,000
CS	School rate revaluation	751	41	792	The rates budgets will be amended for future years which will help to offset pressures on the overall schools budgets
	Schools contingencies	110	-	110	The allocations for Key Stage 1 class size top ups are less than allowed for within the overall contingency figure
	Integrated Children Services	334	-	334	Agreed sum by the Schools Forum to fund a number of projects from the Schools Budget underspend.
	Home to School Transport	766	(28)	738	Contract details for remainder of the year continue to be reviewed and until all work is completed the figure is subject to variation to within an accuracy of plus/ minus £100,000.
	Connexions Funding underspend	392	(300)	92	Following award of contracts to VT Enterprise and CRI £300,000 will be set aside to cover TUPE arrangements and potential redundancies.
	Other various minor over/underspend	204	196	400	Various over/underspend items less than £100,000
	SEN – Agency Placements underspend	-	244	244	Main reason is that the potential pressures in agency placements have not materialised.
	Integrated Children's services	-	414	414	This is due to the delays in completing NEET and Invest to save projects and savings in Behaviour Support New Horizons.
	Local Area Partnership Boards			485	485

Dept (i)	Issue (ii)	Variances Highlighted up to October £000 (iii)	Additional Variation in January £000 (iv)	Total Variation £000 (v)	Comments (vi)
	Strategic Finance	-	(109)	(109)	School related redundancy is estimated to overspend, mainly resulting from the closure of St Anne's Special School.
	Music Services Management	-	(145)	(145)	This is mainly due to increased costs on concerts and courses and lower tuition fee income due to falling pupil numbers. The Music Service Management Committee will meet on the 7th March to consider the latest position.
CRD	Property Services		138	138	This is the result of vacant posts and staff turnover, income from support of capital projects and SECE contributions.
	Other various minor over/underspend	37	143	180	Various over/underspend items less than £100,000
T & E	Improved position on parking operations	157	78	235	Eastbourne Parking Scheme continues to operate under an Experimental Traffic Order following the challenge to decriminalised parking by Eastbourne Borough Council. However, restricted operations have reduced deficits further, whilst on-street takings remain at a comparable level to those received previously.
	Planning appeals/Legal challenges slippage		220	220	The major public consultation in relation to the Waste & Minerals Core Strategy & Minerals Sites Development Plan is scheduled for 2008/09. The budget provision for this activity in 2007/08 will be slipped into next year.
	Other various minor over/underspend	(30)	56	26	Various over/underspend items less than £100,000
TM	Treasury Management – Investment interest	2,800	-	2,800	Additional investment income due to market interest rates being higher than original forecast.
Forecast variations from current budget for 2007/08		5,788	1,784	7,572	

Revenue Budget Monitoring January 2007	Original Estimate +Approved Transfers	Projected Outturn	Variations to Outturn	Not Carried Forward	Carried Forward
	£000	£000	£000	£000	£000
Net Expenditure					
Adult Social Care	124,292	124,376	(84)	-	(84)
Chief Executive	18,141	17,432	709	7	702
Children's Services					
- Children's Services Authority	76,926	75,823	1,103	-	1,103
- Schools Budget	-	(2,252)	2,252	-	2,252
Corporate Resources	11,723	11,368	355	37	318
Transport & Environment	36,463	35,984	479	-	479
Waste Management	13,821	13,819	2	-	2
Departmental Total	281,366	276,550	4,816	44	4,772
Reversal of capital charges, levies, LABGI	-	(222)	222	222	-
Treasury Management, etc.	15,847	13,047	2,800	-	2,800
TOTAL FOR YEAR c/d	297,213	289,375	7,838	266	7,572

TOTAL FOR YEAR b/d	297,213	289,375	7,838
Underspend on TM to fund 07/08 1 offs	(2,700)	(2,700)	-
Further underspend c/f to next year	-	7,572	(7,572)
Total Net Expenditure	294,513	294,247	266
Transfers to / (from) Balances	-	266	(266)
NET BUDGET REQUIREMENT	294,513	294,513	-
Financed From			
Revenue Support Grant	11,720	11,720	-
Non-Domestic Rates	69,835	69,835	-
Council Tax	213,230	213,230	-
Adjustments for earlier years	(272)	(272)	-
	294,513	294,513	-

Changes since last report to Cabinet	Variations to Outturn	Not Carried Forward	Carried Forward
	£000	£000	£000
Previous report totals brought forward	6,081	293	5,788
Adult Social Care	(1)	-	(1)
Chief Executive	359	7	352
Children's Services	798	-	798
Corporate Resources	247	(34)	281
Transport & Environment	354	-	354
Treasury Management, Levies, etc.	-	-	-
This report totals carried forward	7,838	266	7,572

Balances	Planned	Projected	Variation
	£000	£000	£000
Opening	6,629	6,629	-
Added / (withdrawn) during the year	-	266	266
Closing	6,629	6,895	266

Monitoring of Balance at 31 March 2008	
	£000
Net expenditure estimate	294,513
Target balance (2.25% of net expenditure)	6,627
Projected balance (table above)	6,895
Percentage of net expenditure	2.34

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	98,636	(35,216)	63,420	98,990	(35,363)	63,627	(354)	147	(207)
Physical Disabilities	17,012	(4,410)	12,602	17,057	(4,491)	12,566	(45)	81	36
Learning Disabilities	49,682	(22,866)	26,816	49,533	(22,792)	26,741	149	(74)	75
Mental Health	16,734	(8,562)	8,172	16,671	(8,573)	8,098	63	11	74
Other Adults	6,092	(4,696)	1,396	6,218	(4,740)	1,478	(126)	44	(82)
Asylum	-	-	-	6	(6)	-	(6)	6	-
Management and Support	14,677	(3,245)	11,432	14,714	(3,327)	11,387	(37)	82	45
Service Strategy	461	(7)	454	486	(7)	479	(25)	-	(25)
Total	203,294	(79,002)	124,292	203,675	(79,299)	124,376	(381)	297	(84)

2 Cost Drivers and Unit Costs / Key Indicators

Key Indicators	2006/07 Outturn	2007/08 Estimate	Projection to March 2008	Comments																								
Reimbursements relating to Delayed Transfers of Care (DTC)	£1.100m	£1.147m	£1.147m	Funding unallocated to meet fines is being used to support developments that improve performance (see breakdown below)																								
Users pending transfer (DTC) D41	2006/07 Actual 50	2007/08 Target 25	As at Jan 2008 34	The 5 weeks of January 2008 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>1</td> <td>32</td> <td>33</td> </tr> <tr> <td>Week 2</td> <td>5</td> <td>37</td> <td>42</td> </tr> <tr> <td>Week 3</td> <td>2</td> <td>40</td> <td>42</td> </tr> <tr> <td>Week 4</td> <td>3</td> <td>31</td> <td>34</td> </tr> <tr> <td>Week 5</td> <td>5</td> <td>30</td> <td>35</td> </tr> </tbody> </table>		ASC	Non ASC	Total	Week 1	1	32	33	Week 2	5	37	42	Week 3	2	40	42	Week 4	3	31	34	Week 5	5	30	35
	ASC	Non ASC	Total																									
Week 1	1	32	33																									
Week 2	5	37	42																									
Week 3	2	40	42																									
Week 4	3	31	34																									
Week 5	5	30	35																									
BVPI53/PAFC28 – Intensive Home Care: households per	6.0	6.4	8.57	Current performance is above the target for the year, although performance is starting from a very low base compared to others.																								

Adult Social Care: Revenue Budget Analysis and Commentary

1,000 population aged 65 or over D55 – Acceptable waiting times for assessments	62.9%	80.1%	78.09%	Progress continues to be made, month by month, towards a stretched target for the year, again from a low base compared to others.
BVPI196/PAFD56 – Acceptable waiting time for care packages less than 4 weeks	79%	>80%	89.46%	The performance continues to be above the target 80%.
C51 – number of adults receiving direct payments per 100,000 of population (weighted)	60.9	81.3	118.4	Significant progress in excess of the 2007/08 target is being, with 561 Direct Payments users aged 18+ at the end of January 2008.

3 Summary of 2007/08 position

The financial position at the end of January 2008 shows an overall projected outturn for Adult Social Care of £84,000 overspent, compared to an overspend of £83,000 at the end of October 2007. The department continues to make progress towards achieving service delivery improvements to meet key performance indicator targets, as demonstrated in section 2 above. However, there remain a number of service areas where financial pressure could lead to a potential overspend position at the end of the financial year. The department continues to work to ensure that all budget pressures, where possible, are managed within the overall level of resources available and that the level of projected overspend at the end of the financial year is minimised.

4 Detailed comments on 2007/08 outturn projection

Older People

The projected overspend on Older People’s Services is £207,000 (£290,000 overspend at the end of October 2007), comprising an overspend of £355,000 on Directly Provided Services and an underspend of £148,000 on Independent Sector Care. The overspend within Directly Provided Services reflects the impact of the department’s drive to achieve key performance targets. This overspend is being managed within the overall Adult Social Care budget.

Older People’s Services includes delayed discharges as follows:

Delayed Discharge

The delayed discharges budget is projected to break-even, based on an assessment of the level of fines payable and the use of the grant to deliver service improvements.

The grant for delayed discharge this year is £1.147m. The projected level of fines payable is significantly lower than in previous years at £365,000, based on an average of 10 fines payable per day. An allocation of £304,000 has already been made to support staffing costs of

Adult Social Care: Revenue Budget Analysis and Commentary

ongoing initiatives, whilst the remaining balance of £478,000 has been allocated for further service developments to support the reduction in the level of fines payable.

Learning Disabilities

The projected underspend of £75,000 (£165,000 underspend at the end of October 2007) consists an overspend of £289,000 on the provision of Independent Sector Care and an underspend of £364,000 within Directly Provided Services, which is primarily due to the level of staff vacancies currently being experienced within all parts of the service.

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. As at 13 February 2008, the level of debt outstanding from PCTs was £1.909m (£4.688m at 15 January 2008), of which £1.761m (92%) was due within 30 days.

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 2007/08.

	2007/08 Budget			2007/08 Projected Outturn			2007/08 ESCC Liability	2007/08 PCTs' Liability
	ESCC	PCTs	Total	ESCC	PCTs	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Learning Disabilities	23,470	11,506	34,976	23,470	11,506	34,976	-	-
Integrated Community Equipment Service	1,284	1,284	2,568	1,509	1,509	3,018	225	225
Community Collaborative Rehabilitation Team*	-	-	-	-	-	-	-	-
Care for the Carers	258	238	496	258	238	496	-	-
Total	25,012	13,028	38,040	25,237	13,253	38,490	225	225

* Awaiting confirmation from Hastings and Rother PCT (as host authority) of the pooled budget for 2007/08

The additional liability within the Integrated Community Equipment Service arises from an increase in the level of activity. Both Adult Social Care and the PCTs have identified funding, in 2007/08, to support this additional expenditure.

Chief Executive's: Revenue Budget Analysis and Commentary

Chief Executive's Department

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	7,119	(2,561)	4,558	6,752	(2,561)	4,191	367	-	367
Libraries and Culture	8,575	(1,260)	7,315	8,659	(1,186)	7,473	-84	(74)	(158)
Law and Personnel	16,707	(10,439)	6,268	16,265	(10,497)	5,768	442	58	500
Total	32,401	(14,260)	18,141	31,676	(14,244)	17,432	725	(16)	709

2 Cost Drivers and Unit Costs / Key Indicators

Active Cases	2006/07	2007/08 Estimate	Actual	Comments
Number of items added to library stock	84,288		87929	The spend on library stock items is expected to come in on budget

3 Departmental Commentary

Chief Executive's Department

The budget is forecast to underspend by £709,000. This is £359,000 more than reported previously and the change since the last report is mainly due to slippage or longer timescales for delivery of projects that are funded by one-off budgets. Some of these projects are dependent upon external factors e.g. developers/partners/suppliers; others have required a longer planning or lead-in-time than originally anticipated. A summary of the position in respect of the main one off allocations are set out in the table below.

One off allocations	In outturn forecast	Change since previous report
Management Capacity allocation for customer focus work.	£27,000	£27,000
PSA Reward grant for Community Safety targets	£170,000	£70,000
Corporate e-recruitment project development	£35,000	£35,000
Customer service training in Personnel & Training	£20,000	£20,000

Chief Executive's: Revenue Budget Analysis and Commentary

New Rye library internal fit-out costs*	£40,000	£40,000
Trading Standards Under Age Sales co-ordinator#	£50,000	£25,000
Departmental e-business projects	£28,000	£28,000
Risk contingency against delivery of RP&R savings	£30,000	£20,000
Other small aggregated initiatives	£45,000	£20,000

**In expectation of plans for the new Rye library proceeding, the department carried forward this amount from last year and this has been earmarked and carried forward again.*

A recruitment exercise has not identified a suitable candidate for appointment.

Against base budgets, for the first time in several years, lower costs than budgeted of approx £60,000 have been incurred by HM Coroner on Inquiries and on post mortem and toxicology reports. The Registration Service continues to exceed income generation targets, although the overall net position of £20,000 allows for some one-off costs this year associated with the re-structuring of the service. There has been a slight recovery in income in the Library Service of £13,000. Vacancy control measures and general net underspending against discretionary budgets when aggregated across the whole of the department amount to some £100,000. Changes to managerial and support structures, planned as part of the department's RP&R targets, have produced some of the expected savings earlier than originally planned and the benefit of these earlier savings, £50,000, will be carried forward to meet capacity needs associated with the delivery of business plan targets e.g. Hastings Library.

The Forecast underspend of £7,000 as a provision for possible by-election costs will not be carried forward.

Children's Department: 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
Children and Families	64,016	(16,311)	47,705	62,907	(16,311)	46,596	1,109	0	1,109
Learning and School Effectiveness Resources	76,276	(45,605)	30,671	74,816	(45,605)	29,211	1,460	0	1,460
Schools Delegated Budgets	53,289	(54,739)	(1,450)	53,390	(55,626)	(2,236)	(101)	887	786
	224,927	(224,927)	0	224,040	(224,040)	0	887	(887)	0
Total	418,508	(341,582)	76,926	415,153	(341,582)	73,571	3,355	0	3,355

2 Cost Drivers and Unit Costs / Key Indicators

Active Cases	2006/07	2007/08 Estimate	Actual average for year to date	Comments
Education Agency Placements per annum	195	195	188	The cost per agency place can vary substantial and while the total number is slightly above the estimated figure costs are still expected to be within budget.
Education Recoupment Numbers per annum	105	105	115	Cost per recoupment can vary substantial and the reduction in numbers is not currently expected to result in an underspend.
Mainstream Social Care Agency Placements – weekly numbers	46	46	44	Cost per agency place can vary substantial and therefore changes in numbers may not impact costs.
Disability Agency Placements – weekly numbers	47	47	45	The cost per agency place can vary substantial and therefore changes in numbers may not lead impact costs.
Fostering Carers – weekly numbers	264	264	Estimated 264	Future of this cost driver under consideration in terms of value added information and as part of a cost modelling review.
Lansdowne Secure Unit total beds Charged to Other Local Authorities – weekly numbers	4.25	4.27	3.81	Although the current level of occupancy is marginally lower than budget this is not expected to continue for the rest of the year and the overall annual level is forecast to be in line with estimate.
Paid Pupil Meal Numbers per annum	2,097,067	2,178,105	2,078,354	This is based on actual numbers to the end of January

3 Schools/CSA Summary

Children's Department: Revenue Budget Analysis and Commentary

Forecast outturn variances	Schools Budget	CSA Budget	Total
	£000	£000	£000
Children and Families	661	448	1109
Learning and School Effectiveness	665	795	1460
Resources	-33	-194	-227
Planning & Performance Management	72	54	126
Schools Delegated Budgets	887	-	887
Total	2252	1103	3355
Previously reported	1359	1198	2557
Change since last report	893	-95	798

4 Departmental Commentary

The department's latest forecast shows a net under spend of £3,335,000, an increase of £798,000 over the amount expected in the October report. The Schools Budget is forecast to underspend by £2,252,000, an increase of £893,000, whilst the CSA Budget is forecast to underspend by £1,103,000, a reduction of £95,000 compared with October report.

Details of the variances are set out in the following paragraphs but while they are large it should be noted that most of the underspends are the result of one-off issues that will not reduce demands on future years' budget.

Schools Budget

The change in under spend is mainly due to the following key factors:

- (i) SEN – Agency Placements underspend £244,000. This is because potential pressures in agency placements have not materialised.
- (ii) Local Area Partnership Boards –The boards have now implemented projects which fully utilise the funding brought forward from 2006/07. Whilst the Partnership Boards continue to identify new projects it is unlikely that all of the 2007/08 funding can be allocated and used this year. Accordingly an under spend of £485,000 is being projected.
- (iii) Education Business Links – Funding has been allocated to the work placement project for two years therefore £60,000 will be carried forward into 2008/2009.

Children's Department: Revenue Budget Analysis and Commentary

- (iv) Early Years – There has been a reduction in the overspend of £110,000 because of an increase in the number of sessions for three and four years olds.
- (v) Inclusion Support Services - The underspend of £89,000 is due to deferred staff appointments and fluctuations in the availability of supply cover staff.

The above variances are in addition to previously reported material movements including:

- (vi) The Schools Forum agreed to fund a number of projects from the 2006/07 Schools Budget underspend. The funding for these projects covered both the 2007/08 and 2008/09 academic years. The 2008/09 funding needs to be carried forward. The services affected are:-
 - a) Integrated Children's services - £334,000.
 - b) Looked after Children - £57,000.
 - c) Youth Justice – Safer Communities Funding - £25,000
- (vii) Schools Rates revaluations have led to an underspend of £792,000. The first-half year's payment figures have confirmed the pattern of last year of reducing valuations and includes an additional £41,000 under spend identified since the last return. The rates budgets will be amended for future years which will help to offset pressures on the overall schools budgets.
- (viii) There is an under spend on the schools contingency as the allocations for Key Stage 1 class size top ups are some £110,000 less than allowed for within the overall contingency figure.
- (ix) Planning and Performance Management – Delay in the appointment of a Data Analyst has resulted in an underspend of £72,000.

The DSG is ring fenced for the purposes of the Schools Budget and the underspend will be carried forward and allocated in the following year.

CSA Budget

Overall the CSA Budget is expected to underspend by £1,103,000, a reduction of £95,000 from the previous report. The main changes since the last report are mainly accounted for by:

- (i) Integrated Children's services – New underspend of £414,000 have been identified due to the delays in completing NEET and Invest to save projects and savings in Behaviour Support New Horizons.

Children's Department: Revenue Budget Analysis and Commentary

- (ii) Youth Service – It is now expected to come in on target therefore reducing the underspend by £73,000.
- (iii) Connexions funding – The previously projected underspend has reduced by £300,000. Following award of contracts to VT Enterprise and CRI £300,000 will be set aside to cover TUPE arrangements and potential redundancies which will fall into the current financial year. The underspend now stands at £92,000.
- (iv) Early Years - £84,000 of LAA funding is now being used to fund the Play Development Service.
- (v) Strategic Finance – School related redundancy is estimated to overspend by £109,000 mainly resulting from the closure of St Anne's Special School.
- (vi) Strategic Finance - County Funded Supply is forecast to overspend by £60,000 because the overspend from 2006/2007 will not be fully recovered.
- (vii) An underspend of £51,000 representing Children's Services share of a refund from Zurich insurance
- (viii) An underspend of £50,000 in Grounds Maintenance non-contract related costs relating to delays in tree testing programme.
- (ix) Music Service - The full year overspend is now projected to be £145,000, an increase of £85,000 since the last report and is mainly due to increased costs on concerts and courses and lower tuition fee income due to falling pupil numbers The Music Service Management Committee will meet on the 7th March to consider the latest position and recommendations from the Head of the Music Service.

The above variances are in addition to previously reported material movements including:

- (x) Home to School Transport - Latest projections for hired transport costs indicates a small reduction in the overall underspend of £28,000, with a full year under spend of £738,000. Contract details for remainder of the year continue to be reviewed and until all work is completed the figure is subject to variation to within an accuracy of plus/ minus £100,000
- (xi) Integrated Children's Services - Underspend in staff costs due to delayed appointments £47,000, savings in services and materials £25,000 and the Mother and Baby team savings of £20,000
- (xii) Planning and Performance Management – An underspend of £56,000 has arisen as a result of slippage on the Contact Centre project. This is an increase of £21,000 on what was previously reported.
- (xiii) Union Facility Time – Current levels of activity will result in an overspend of £68,000

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	2,133	(1,014)	1,119	2,108	(1,053)	1,055	25	39	64
Finance (other)	6,903	(5,246)	1,657	6,817	(5,255)	1,562	86	9	95
Property	13,320	(8,468)	4,852	13,170	(8,457)	4,713	149	(11)	138
ICT	12,425	(9,291)	3,134	12,292	(9,179)	3,113	133	(112)	21
Miscellaneous	473	0	473	437	0	437	37	0	37
Contribution to Reserves	488	0	488	488	0	488	0	0	0
Total	35,742	(24,019)	11,723	35,312	(23,944)	11,368	430	(75)	355

2 Departmental Commentary

The monitoring of CRD revenue budget shows an underspend of £355,000 compared to an underspend of £108,000 previously reported. The underspend on 'departmental' activities which would be carried forward is £318,000. The main contributors to the overall position are:-

Audit & Performance are forecasting an underspend of £64,000 compared to an underspend of £22,000 previously reported. This is due to two projects slipping in 2008/09, expected additional income in excess of budget and staff turnover and vacancies.

Finance is forecasting an underspend of £95,000 compared to an underspend of £5,000 previously reported. This is due to staff turnover and vacant posts and an underspend on the risk management budget which will be carried forward.

Property is forecasting an underspend of £138,000 compared to an underspend of £80,000 previously reported. This is the result of vacant posts and staff turnover, income from support of capital projects (subject to variation in line with actual capital programme spending) and SECE contributions.

ICT is forecasting an underspend of £21,000 compared to an overspend of £36,000 previously reported. This is due to additional discretionary income over and above the related expenditure within the trading account and reductions on other expenditure to address the overspend.

CRD also holds a number of miscellaneous budgets which are forecasting an underspend of £37,000, (this figure has not changed).

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	4,302	(275)	4,027	4,165	(276)	3,889	137	1	138
Highways Maintenance	31,755	(8,089)	23,666	31,763	(8,118)	23,645	(8)	29	21
Traffic and Safety	6,165	(4,493)	1,672	6,330	(4,593)	1,737	(165)	100	(65)
Environment	4,188	(2,190)	1,998	4,330	(2,365)	1,965	(142)	175	33
Passenger Transport	31,030	(28,275)	2,755	30,244	(27,499)	2,745	786	(776)	10
Planning	3,530	(1,185)	2,345	3,180	(1,177)	2,003	350	(8)	342
Waste Disposal PFI	27,375	(14,722)	12,653	26,311	(13,659)	12,652	1,064	(1,063)	1
Waste Disposal non-PFI	2,030	(862)	1,168	1,937	(770)	1,167	93	(92)	1
Total	110,375	(60,091)	50,284	108,260	(58,457)	49,803	2,115	(1,634)	481

2. Cost Drivers and Unit Costs / Key Indicators

Active Cases	2006/07 £	2007/08 Projection £	Actual as at Jan £	Comments
Highways				
Energy Contract (Streetlighting/ Traffic Signals) – (Net of recharges to BHCC)	1,008,178	1,074,696	994,874	A two year contract with NPower (commenced October 06) at 5.471p/kWh, plus fixed seasonal charges, applies throughout this year. Estimated inclusive rate = £5.967p/kWh. Estimated usage: 27,479,589 kWh, with ESCC liable for 59.1% share.
Property Search Fees (from Districts)	(158,720)	(177,120)	(132,100)	Charge per fee raised from £16 to £20. 9,920 searches achieved last year; 6,605 this year to date.
Traffic & Safety				

Transport & Environment: Revenue Budget Analysis and Commentary

Road Safety Training Courses	0	(0)	0	Speed Awareness Course is (i) delayed, probably until new financial year (ii) it has now been agreed that any surplus on the scheme will be passed back to the Sussex Road Safety Partnership.
Planning				
Planning Application Fees	(81,000)	(95,000)	(80,142)	Income dependent on applications, and is proportionate to size of applications.

3. Departmental Revenue Commentary

The department is forecasting a net underspend of £481,000 compared to £127,000 in October, a movement of £354,000. The bulk of this movement relates to project slippage, with the whole of the net underspend committed in the next financial year. The table below details the major movements, which are then further explained in the following narrative.

Significant movements between October and January

General	£
Planning Appeals/ Legal Challenges: Slippage	220,000
Parking Operations	78,000
Traffic Safety Schemes	(77,000)
Landscape: Income Shortfalls	(67,000)
Environmental Self Funding Projects	54,000
Trapeze Software: Final Acceptance Payments	45,000
Phase 2 Contact Centre	28,000
Waste & Minerals Core Strategy & Minerals Sites Development Plan	24,000
Speed Awareness Scheme	(13,000)
(Other smaller movements)	<u>62,000</u>
Total	<u>354,000</u>

Transport & Environment: Revenue Budget Analysis and Commentary

Waste

Overall waste tonnages are proving lower than previously modelled. In addition, there have been significantly lower tonnages diverted for Energy Recovery at a 3rd Party facility this year than predicted due to operational issues. The effect is a reduction of some £970,000 in payments to the contractor Veolia. The required drawdown from reserve is also therefore reduced by this amount, resulting in a net nil variance for the department. Further minor changes remain a possibility as waste streams fluctuate.

Planning

The planning permission for the Energy Recovery Facility at Newhaven was issued in November 2007. A pre-action letter, was received on 20 December 2007, seeking leave to pursue a Judicial Review to overturn the permission. The Council will defend this challenge and it is likely that the majority of the costs will fall into 2008/09.

The major public consultation in relation to the Waste & Minerals Core Strategy & Minerals Sites Development Plan is scheduled for 2008/09. It is hoped that costs will be shared with Brighton and Hove City Council although this is yet to be finalised. The budget provision for this activity in 2007/08 (£90,000) will be slipped into next year

Traffic & Safety

Eastbourne Parking Scheme continues to operate under an Experimental Traffic Order following the challenge to decriminalised parking by Eastbourne Borough Council, as described in the Lead Member report of 8th February 2008. However, restricted operations (both in direct staff and through the contract with NCP) have reduced deficits further, whilst on-street takings remain at a comparable level to those received previously. The Lead Member decision to introduce extended controls in the existing Controlled Parking Zone and on part of the seafront will not have an implication until the next financial year.

Environment

The Landscape Management Group provides services both internally to the department and to external customers on a trading basis. The demand for internal work on priority projects such as the Pebsham Countryside Park has increased, reducing the capacity to secure additional income. A budget shortfall of £67,000 is now anticipated.

Externally funded projects have experienced slippage of £27,000, mainly on the Sustainable Business Partnership, whilst the “New Opportunities for Sustainable Integration” project has been redefined, leading to less Council match funding than originally anticipated.

Passenger Transport

The implementation of Trapeze (Passenger Transport) software is due to complete in March 2008. However, testing and resolution of snags will continue into April and final acceptance of the system – and associated payments of approximately £45,000 – will occur in the next financial

Transport & Environment: Revenue Budget Analysis and Commentary

year. Of the underlying £36,000 forecast overspend within Passenger Transport for this year, £30,000 is directly attributable to Trapeze project management and business process mapping. The risk of any further slippage, and its financial implications, lies in the following financial year.

Home to School Transport also continues to underspend: the latest forecast is for £729,000, slightly less than the £766,000 reported in October, due to a further 14 transport contracts commencing. The remaining risk around this figure is regarding the assumptions made for inset days in terms 3 and 4. If one inset day per school does not occur or happens at short notice (making cancellation of services impossible) it will cost an extra £40,000. No firm information regarding inset days is available. This underspend is reflected in Children's Services, the ultimate budget holders.

Highways

Streetlighting has to a large extent contained the higher than expected costs of the energy contract commenced in October 2006. However, slightly higher than forecast usage and fixed costs over the winter months means that there is a risk of some minor overspend.

A further outstanding risk within highways relates to railway bridge "possessions". Maintenance access to some Council owned structures is restricted by Network Rail; when access is offered (a "possession") the Council must take it up, as it is liable for any damage resulting from structural failure. Currently, the Council are anticipating to be granted possession to carry out £41,000 of outstanding works in this financial year, but these possessions may be cancelled at short notice, or potentially more offered. This is outside the Council's control but managed within the context of the overall highways maintenance budget.

Appendix D

Monitoring of Savings 2007/08

	Target £000	Forecast £000	Variation £000
Cashable Savings			
Adult Social Care	3,097	3,022	75
Chief Executive	179	114	65
Children's Services	1,174	850	324
Corporate Resources	302	302	0
Transport & Environment	260	244	16
A Total Cashable	5,012	4,532	480
Non-Cashable Savings			
Adult Social Care	1,043	1,043	0
Chief Executive	325	175	150
Children's Services	500	500	0
Corporate Resources	20	20	0
Transport & Environment	302	302	0
B Total Non-Cashable Savings	2,190	2,040	150
Non-AES Savings			
Adult Social Care	68	68	0
Chief Executive	240	240	0
Children's Services	782	782	0
Corporate Resources	285	285	0
Transport & Environment	765	652	113
C Total Non-AES Savings	2,140	2,027	113
D Total savings	9,342	8,599	743

Departmental Commentaries

Adult Social Care

The total Adult Social Care cashable savings target for 2007/08 is £3.097m. At 31 January 2008 it is anticipated that savings of £3.022m will be achieved.

It is currently estimated that all original savings targets will be achieved, with the exception of the review of older people directly provided services which is ongoing and will continue into 2008/09. The estimated potential savings arising from this review in 2007/08 have been realigned with the revised timescales of the project and reduced to £417,000, a reduction of £209,000. This reduction is partly offset by additional savings of £119,000, arising from the review of service users against FACS eligibility criteria, and £15,000, from the review of transport provision for service users.

Chief Executive

The department will not achieve the £15,000 saving from co-locating the personnel and training admin teams in St Mary's House Eastbourne as the moves planned for these teams have now been put back to the end of the programme (September 08). It is also unlikely that Libraries will be able to consolidate their premises before year end and achieve the majority of the £50,000 saving.

Absences have increased in quarter 3 compared to last year and this means that a reduction in savings target in the region of £150,000 is unlikely to be achieved.

The number of staff using the recruitment e-learning package is lower than planned and it is clear that the number of recruiting managers is less than expected, however the Behaviour and Diversity packages are now being used and therefore the savings target will be on track.

Improvements to job advertising has reduced the average cost of an advert and this saving is on target.

Children's Services

The majority of the efficiency savings planned by the department at the beginning of the year will be achieved. In three areas the anticipated savings have proved to be much more difficult to deliver. The Music Service is overspending, mainly as a result of lower than forecast income, and procurement efficiencies and repositioning of some children's and families services have not delivered the expected savings. Expenditure in these areas has been kept under close scrutiny during the year and alternative efficiencies sought to make up any shortfall. However, it is now clear that not all the targets will be achieved by 31 March 2008.

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 2007/08 is £1,025,000, including £260,000 cashable Annual Efficiency Savings (AES). Further £302,000 of non-cashable savings were reported in the AES.

The department is currently forecasting to meet all AES savings except with regard to increased income from land search fees within Development Control. Fees are only collated, received quarterly from the districts, and based on latest figures there will be a shortfall of £16,000 for the year. This shortfall is covered by increased Design and Inspection Fees and reduced consultancy expenditure.

With regard to other cashable savings, Transport & Environment are forecasting to achieve £652,000 of the £765,000 targeted - a shortfall of £113,000. £91,000 relates to the delayed Speed Awareness Scheme reported in October. A further £17,000 is due to a slowing in the demand for traffic counting work. There have also been delays in appointing a resource within development control to monitoring landfill sites under new government legislation; this has led to a forecast £5k shortfall against the £8k income target.

All of these shortfalls, however, are being met from other sources: in the case of traffic counts, on enumerator salaries and reduced consultancy costs; for landfill and mineral site monitoring, from increased planning fees.

Capital Programme Monitoring - End of January 2007/08

Table 1 - Payments Only

	Original Programme	Programme at Mid Term Review	Approved Variations post Mid Term Review	Revised Total Provision	Forecast 2007/08	Actual to Date	Current Month Variation
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	13,984	9,411	435	9,846	6,439	4,077	3,407
Chief Executives	615	582	-	582	378	59	204
Children's Services (excl. Schools Delegated Capital)	28,008	30,898	2,307	33,205	28,321	18,975	4,884
Corporate Resources	7,750	9,082	(554)	8,528	6,511	4,135	2,017
Transport and Environment	14,571	15,533	2,412	17,945	17,741	12,951	204
Sub - total	64,928	65,506	4,600	70,106	59,390	40,197	10,716
Schools Delegated Capital	7,739	7,801	289	8,090	8,090	7,921	-
Total	72,667	73,307	4,889	78,196	67,480	48,118	10,716

Table 2 - Income Only

	Original Programme	Programme at Mid Term Review	Approved Variations post Mid Term Review	Revised Total Provision	Forecast 2007/08	Actual to Date	Current Month Variation
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	(1,250)	(240)	(45)	(285)	(285)	(5)	-
Chief Executives	-	(13)	-	(13)	(123)	(4)	110
Children's Services (excl. Schools Delegated Capital)	(15,305)	(16,877)	(1,646)	(18,523)	(16,152)	(18,475)	(2,371)
Corporate Resources	(131)	(565)	134	(431)	(284)	-	(147)
Transport and Environment	(2,916)	(4,467)	(2,195)	(6,662)	(6,667)	(1,631)	5
Sub - total	(19,602)	(22,162)	(3,752)	(25,914)	(23,511)	(20,115)	(2,403)
Schools Delegated Capital	(7,739)	(7,801)	-	(7,801)	(7,801)	(7,801)	-
Total	(27,341)	(29,963)	(3,752)	(33,715)	(31,312)	(27,916)	(2,403)

Table 3 - Net Departmental Programmes

	Original Programme	Programme at Mid Term Review	Approved Variations post Mid Term Review	Revised Total Provision	Forecast 2007/08	Net Actual	Analysis of variation			
							Net Variation	(Over) Under Spend	Slippage to Future Years	Accelerated spend b/fwd from 2008/09
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Adult Social Care	12,734	9,171	390	9,561	6,154	4,072	3,407	-	3,554	(147)
Chief Executives	615	569	-	569	255	55	314	-	314	-
Children's Services (excl. Schools Delegated Capital)	12,703	14,021	661	14,682	12,169	500	2,513	(158)	3,132	(461)
Corporate Resources	7,619	8,517	(420)	8,097	6,227	4,135	1,870		1,870	
Transport and Environment	11,655	11,066	217	11,283	11,074	11,320	209		366	(157)
Sub - total	45,326	43,344	848	44,192	35,879	20,082	8,313	(158)	9,236	(765)
Schools Delegated Capital	-	-	289	289	289	120	-	-	-	-
Total	45,326	43,344	1,137	44,481	36,168	20,202	8,313	(158)	9,236	(765)

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

Table 4 - Capital Variations - Post Mid Term Review	Gross Amount	Resources	Net Amount	Description
Adult Social Care				
Sandbanks	52,000		52,000	DDA Contribution from CRD
Beeching Park	46,000		46,000	DDA Contribution from CRD
Conquest Centre	160,000		160,000	DDA Contribution from CRD
St. Nicholas Centre	18,000		18,000	DDA Contribution from CRD
Beeching Park	25,000	(25,000)	-	Carbon Management Initiative Funding Transfer from CRD
Sandbanks	20,000	(20,000)	-	Carbon Management Initiative Funding Transfer from CRD
Beeching Park	76,000		76,000	Building Maintenance Contribution from CRD
St. Nicholas Centre	8,000		8,000	Building Maintenance Contribution from CRD
Conquest Centre	30,000		30,000	Building Maintenance Contribution from CRD
	435,000	(45,000)	390,000	
Chief Executives				
PSA Rights of Way	1,000		1,000	Fund Overspend on PSA Rights of Way
Temporary Mortuary	(1,000)		(1,000)	Fund Overspend on PSA Rights of Way
	-	-	-	
Children's Services				
Feasibility and early works	43,000	(43,000)	-	Increase in Government Grant
Acquisition and redevelopment of Rose Cottage	1,000		1,000	Fund Overspend on Rose Cottages
Redevelopment of Old Roar	(1,000)		(1,000)	Fund Overspend on Rose Cottages
Mobile technology grant	106,000	(106,000)	-	Government Grant received
Advance of modernisation	(70,000)	70,000	-	Movement of modernisation grant
Chailey Secondary School - Additional Classroom	143,000	(143,000)	-	Movement of modernisation grant
Northiam CE Primary School	(120,000)	120,000	-	Reduction in NOF grant
Wivelsfield Primary	30,000		30,000	Carbon Management Initiative Funding Transfer from CRD
Ringmer Community College	50,000		50,000	Carbon Management Initiative Funding Transfer from CRD
Children's centres	85,000	(55,000)	30,000	Various movements between schemes
Ticehurst Primary	(30,000)		(30,000)	Grant no longer being received
Youth Development Schemes	289,000	(289,000)	-	Transfer back to schools delegated schemes
St. Mary's School, Horam	460,000		460,000	PID approved
Ringmer Community College	1,200,000	(1,200,000)	-	PID approved
Wealden secondary places phase 1 (Heathfield)	410,000		410,000	PID approved
	2,596,000	(1,646,000)	950,000	

Corporate Resources				
Sackville House Phase 2	3,000			3,000
Eastbourne Hub Project	(3,000)			(3,000)
NGN - Invest to save scheme	15,000	(15,000)		-
Ocean House 1st Floor - Invest to Save	20,000	(20,000)		-
Building maintenance and backlog reduction	50,000			50,000
Invest to Save, Energy and Water Efficiency Schemes	(50,000)			(50,000)
Eastbourne Hub Project	6,000	(6,000)		-
DDA improvements to non-school properties	(52,000)			(52,000)
DDA improvements to non-school properties	(46,000)			(46,000)
DDA improvements to non-school properties	(160,000)			(160,000)
DDA improvements to non-school properties	(18,000)			(18,000)
Carbon Management Initiative Fund	(25,000)	25,000		-
Carbon Management Initiative Fund	(20,000)	20,000		-
Invest to Save, Energy and Water Efficiency Schemes	(50,000)	50,000		-
Building maintenance and backlog reduction	(76,000)			(76,000)
Building maintenance and backlog reduction	(8,000)			(8,000)
Building maintenance and backlog reduction	(30,000)			(30,000)
Carbon Management Initiative Fund	(30,000)	30,000		-
Carbon Management Initiative Fund	(50,000)	50,000		-
Building maintenance and backlog reduction	(30,000)			(30,000)
	(554,000)	134,000		(420,000)
Transport and Environment				
Bridge Assessment Strengthening	46,000	(46,000)		-
ICT Highways Contract	18,000	(18,000)		-
Implementation of Speed Limit Guidelines	30,000			30,000
Structural maintenance	(30,000)			(30,000)
Integrated transport package	8,000			8,000
Implementation of Speed Limit Guidelines	(8,000)			(8,000)
Integrated transport package	1,691,000	(1,691,000)		-
Implementation of Speed Limit Guidelines	657,000	(440,000)		217,000
	2,412,000	(2,195,000)		217,000
Total variations	4,889,000	(3,752,000)		1,137,000

Departmental transfer from Eastbourne Hub
 Financing of Sackville house overspend
 Contact Centre Telephony income identified
 CERA to cover additional ICT staff time, server modifications and fees.
 Contribution to Beacon Completion of Ring Main works
 Contribution to Beacon Completion of Ring Main works
 CERA for canopied walkway on 5th Floor St Mark's House
 Contribution to DDA at Sandbanks within ASC
 Contribution to DDA at Beeching Park within ASC
 Contribution to DDA at Conquest Centre within ASC
 Contribution to DDA at St. Nicholas Centre within ASC
 Funding Transfer to Beeching Park within ASC
 Funding Transfer to Sandbanks within ASC
 Interreg funding not being received in CRD
 Contribution to ASC for Building Maintenance at Beeching Park
 Contribution to ASC for Building Maintenance at St Nicholas Centre
 Contribution to ASC for Building Maintenance at Conquest Centre
 Funding Transfer to Wivelsfield Primary within CS
 Funding Transfer to Ringmer 6th Form within CS
 Contribution to CS

Contribution from Eastbourne BC, for construction of foot/cycle bridge.
 CERA to cover overspending on project staff costs. Slip into 08/09
 Resurfacing A269 at the j/w B2204
 Resurfacing A269 at the j/w B2204
 Departmental transfer
 Departmental transfer
 Use of developer contributions (s106)
 PID approved

N.B. Intra department transfers are to balance the departmental programme. Those over 10% are approved via variation request.

Table 5 - Adult Social Care

Project	Original Programme	Programme at Mid Term Review	Approved Variations after Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	(Over) / under Spend	Slippage to future year	Accelerated spend
PID approved projects	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Age Well - East Sussex	6,500	3,810		3,810	1,376	1,400	2,410		2,410	
Beeching Park	580	547	122	669	510	586	83		83	
Conquest Centre	560	610	190	800	509	872	(72)			(72)
House Adaptations	408	328		328	86	403	(75)			(75)
Transformation Change Capacity	1,900	1,656		1,656	1,058	1,300	356		356	
Sandbanks	400	509	52	561	154	400	161		161	
Linden Court Phase 1	38	38		38	-	-	38		38	
Older Peoples Residential Homes	543	466	10	476	298	350	126		126	
St Nicholas Centre	364	352	26	378	35	82	296		296	
Feasibility Study for DPS	100	100		100	11	20	80		80	
Total of all other projects	1,341	755	(10)	745	36	741	4		4	
Total PID approved projects	12,734	9,171	390	9,561	4,072	6,154	3,407	-	3,554	(147)
Projects requiring PID approval										
Improving Older People's Care Home Environment	-	855		855	567	855	-			
<i>Funded by: DoH Grant</i>	-	(855)		(855)	(855)	(855)	-			
Total	12,734	9,171	390	9,561	3,784	6,154	3,407	-	3,554	(147)

Commentary

Adult Social Care is forecasting net expenditure of £6.2m against a net approved programme for PID approved projects of £9.6m. The Refurbishments to Care Homes project still requires PID approval.

Age Well - Planning permission for the site at Ridgewood Rise has been granted and so no further land purchases will be required for the Agewell project. It is not yet clear how much of the £2.4m slipped into 2008/09 will be required. The Project Manager is due to provide detailed costings for 2008/09 shortly.

Additional funding for Beeching Park from DAD, CMIF and maintenance funds has resulted in slippage on this project of £83,000.

Work to the value of £290,000 has been commissioned at the Conquest Centre to further improve its drop in centre and external areas. This work is scheduled for completion by the end of the financial year. Although additional funding has been received from CRD in respect of works relating to the Disability Discrimination Act (DDA) and Carbon Management Initiative Fund (CMIF), there is still a need to bring forward £72,000 from 2008/09.

House Adaptations planned for 2008/09 will now be completed by the end of the financial year resulting in the need to bring forward £75,000 from 2008/09.

£356,000 slippage has been identified against the Transformation Change Capacity project. The main area of slippage is against the Care First 6 upgrade project. This is the result of the department needing to agree strategic direction before a decision could be taken to go ahead with the upgrade of CF6. The current profile is likely to change further as costs and spend profile for the procurement and installation of CF6 are still to be provided and are subject to site visits.

Due to poor weather conditions progress at Sandbanks has been slower than anticipated resulting in the practical completion of the project being delayed until 14/4/08. Consequently slippage of £161,000 has been identified.

Due to the DPS review, no work will be carried out at Linden Court on either phase, resulting in slippage of £38,000.

The DPS review has meant a reduction in planned major work on ASC establishments. It is anticipated that this will result in increased demand for minor refurbishments in 2008/09 to maintain the properties at registration standard. To accommodate this £126,000 will be slipped into 2008/09 on Older People's Residential Homes project.

An unexpectedly high quotation and subsequent negotiations at St Nicholas Centre has delayed the start of the building project. This combined with additional DDA, CMIF and maintenance funding has resulted in expected slippage of £296,000.

£80,000 slippage has been identified on the Feasibility Study for DPS project as a result of revised timetables for implementing Review Board decisions.

Table 6 - Chief Executives

Project	Original Programme	Programme at Mid Term Review	Approved Variations after Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	(Over) / under Spend	Slippage to future year	Accelerated spend
PID approved projects	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
New Archive and Record Office	465	339		339	15	159	180		180	
Lewes Library		-		-	1	-	-			
Library Refurbishment programme	150	227		227	39	93	134		134	
Total of all other projects		3		3		3	-			
Total PID approved projects	615	569	-	569	55	255	314	-	314	-
Projects requiring PID approval - New Library	870			-		-	-			
Total	1,485	569	-	569	55	255	314	-	314	-

Commentary

Chief Executives is forecasting net expenditure of £255,000 against a net approved programme of £569,000.

The decision to postpone the application for Heritage Lottery Fund grant has resulted in the New Archive project being rescheduled. The design team will be appointed at the end of February and design work will commence in March, resulting in slippage of £180,000 into 2008/09.

There was a delay in obtaining planning permission for the Bexhill Library refurbishment. Resulting in work to the value of £134,000 slipping into 2008/09.

Table 7 - Children's Services

Project	Original Programme	Programme at Mid Term Review	Approved Variations after Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	(Over) / under Spend	Slippage to future year	Accelerated spend
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
PID approved projects	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Bexhill BSF	1,800	1,744		1,744	454	1,000	744		744	
<i>Grant</i>	(2,000)	(1,747)		(1,747)	(6,221)	(1,003)	(744)		(744)	
Grove Park/ Beacon	3,300	4,000	200	4,200	3,118	3,118	1,082		1,082	
<i>Grant</i>	(3,350)	(4,798)		(4,798)	(2,661)	(4,798)	0			
Tideway	5,950	5,900		5,900	1,851	4,047	1,853		1,853	
Rye Primary Schools	3,037	3,500	30	3,530	2,380	3,938	(408)			(408)
Children Centres	6,403	6,284	(30)	6,254	3,704	6,054	200		200	
<i>Grant</i>	(6,308)	(6,699)		(6,699)	(5,498)	(6,139)	(560)		(560)	
Schools Access Initiative	1,042	1,139	(200)	939	466	559	380		380	
Temporary Accommodation	725	995		995	1,038	1,038	(43)			(43)
Fostering and adoption adaptations	199	199		199	22	22	177		177	
Advance of modernisation	2,032	1,134	(70)	1,064	0	0	1,064		1,064	
Modernisation grant	(2,032)	(1,134)	70	(1,064)	0	0	(1,064)		(1,064)	
Peasmarsh CE Primary School	66	156		156	160	210	(54)	(54)		
Stafford	(304)	30		30	65	65	(35)	(35)		
Total of all other projects	2,143	3,318	661	3,979	1,622	4,058	(79)	(69)		(10)
<i>Sub total Net Expenditure</i>	12,703	14,021	661	14,682	500	12,169	2,513	(158)	3,132	(461)
Schools Delegated capital	7,739	7,801	289	8,090	7,921	8,090	0			
<i>Income</i>	(7,739)	(7,801)		(7,801)	(7,899)	(7,801)	0			
<i>Total Schools Delegated</i>	0	0	289	289	22	289	0	0	0	0
Total PID approved projects	12,703	14,021	950	14,971	522	12,458	2,513	(158)	3,132	(461)
Projects requiring PID approval	240	10	0	10	2	10	0			
Total	12,943	14,031	950	14,981	524	12,468	2,513	(158)	3,132	(461)

Commentary

Children's Services is forecasting net expenditure of £12.5m against a net approved programme of £15.0m.

The Bexhill BSF project is forecasting expenditure of £1m this financial year resulting in slippage of £744,000. This is due to the need to review both the curriculum case and accommodation requirements for the proposal. The project team are looking at trying to recover some of this slippage.

Current estimates show that the Grove Park/Beacon project will overspend by £2.1m. This has been funded as part of the mid term review and capital programme bids for 2008/09. Whilst the majority of this complex project has been completed a number of elements are still in progress and there is likely to be project slippage in 2007/08 due to delays in obtaining planning for the access road, this is estimated to be £1.1m.

The project at Tideway is running approximately eight weeks behind schedule with a slippage of £1.9m. This is mainly due to delays in the ground works and bad weather.

The Rye project is spending £408,000 in advance of 2008/09 because of good progress on site. There is a risk of an overspend of £43,000 due to a potential claim because the contractor omitted a pumping station, ways of financing this are being reviewed.

The children's centres projects show slippage of £200,000. Firming up of contract prices on the main projects in the programme has meant that some funding is now available for a number of small extra projects. There will not be time to complete these projects by 31 March 2008. The DCSF has agreed that this amount can be carried forward into 2008/09. The DCSF have already agreed to carry forward some budget relating to the Children's Centre at Rye.

manufacturer

The Schools Access Projects are slipping by £380,000. The main project slipping into 2008/09 is the lift replacement project at Uckfield which has slipped because of a dispute with the consultant and manufacturer.

The Temporary Accommodation budget has overspent by £43,000 because of the inclusion of disabled access ramps to all huts at Tideway. This overspend will be financed from the 2008/09 temporary accommodation allocation.

The Fostering and Adoption Adaptations (invest to save) budget has been slipped by £177,000, as there are no further cases where this budget will be spent before the end of this financial year.

Allocation of the advance of Modernisation grant, announced by the government in 2006/07, was delayed until a more detailed investigation of the overspending projects could be completed. Of the £2.7m available over 2007/08 and 2008/09 £898,000 has been used in 2007/08 and £893,000 in 2008/09 to meet the overspends at Chailey, Stafford, Wivelsfield and Grove Park/Beacon. To match this profile of expenditure £1.1m balance of grant in 2007/08 has been slipped in to 2008/09 leaving £865,000 unallocated in 2008/09.

Expenditure on the scheme at Peasmarsh is now estimated to be £54,000 more than was estimated at the mid term review. The final account is £24,000 higher than expected and there is a claim of £30,000 for extension of time from the contractor. These overspends are currently being investigated.

The project at Stafford has overspent by £35,000 the causes of the overspend are being investigated.

There are a number of small overspends on projects to the value of £79,000, these include Westfield (£24,000) and the redevelopment of Old Roar (£26,000) ways of financing these are being reviewed.

The dispute on the Hailsham project has been resolved in the County Council's favour. There will be some costs but they will be lower than the amount allocated in the budget. The amount is yet to be confirmed.

Table 8 - Corporate Resources Directorate

Project	Original Programme	Programme at Mid Term Review	Approved Variations after Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	(Over) / under Spend	Slippage to future year	Accelerated spend
PID approved projects	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Building Maintenance	2,670	3,091	(94)	2,997	2,214	2,956	41		41	
NGN	1,261	1,994		1,994	205	757	1,237		1,237	
Eastbourne Hub	1,248	954	(3)	951	733	940	11		11	
DDA improvements to non-school properties	680	670	(276)	394	-	203	191		191	
Disabled access to public buildings (BVPI) Improvements	450	560		560	183	446	114		114	
Replacement Financial System (CBOSS)	460	294		294	4	167	127		127	
Outstanding Payments	200	203		203	111	164	39		39	
SALIX Contract	50	34		34	3		34		34	
Microsoft Office	600	498		498	417	422	76		76	
Other Projects		219	(47)	172	265	172	-			
Total PID approved projects	7,619	8,517	(420)	8,097	4,135	6,227	1,870	-	1,870	-
Projects requiring PID approval	-	-	-	-	-	-	-	-	-	-
Total	7,619	8,517	(420)	8,097	4,135	6,227	1,870	-	1,870	-

Commentary

Corporate Resources is forecasting net expenditure of £6.2m against a net approved programme of £8.0m.

Building Maintenance is forecasting slippage of £41,000. This is due to the client putting planned work onto hold at a late stage. The associated cost of this work is greater than £41,000 but has been offset where possible by bringing forward other work.

NGN is forecasting slippage of £1.2m. This is due to two key areas in the programme. The first is due to the extended delays caused by the negotiation of the contract costs with BT Fixed Wireless Access commercials, resulting in installation not starting until 2008/09. The second is due to delays in commencing the next stages of the Voice rollout, caused by the introduction of more rigorous assessment of sites before implementation. The commercials have now been signed off for the next phase of NGN, which includes expanding the NGN to all primary and other schools across the county for the purpose of providing high-speed broadband Internet services.

The Eastbourne Hub project has slipped £11,000. This is due to a reduction in the ICT core programming costs, a result of some phone installations now not scheduled until 2008/09.

Due to staff movement there were no resources available to analyse survey works and identify replacement schemes for DDA improvements to non-school properties for a number of weeks, resulting in £191,000 slippage.

Disabled access to public buildings (BVPI) improvements programme is slipping £114,000 into 2008/09. This is because one project has failed with a lottery bid and delays in two other projects due to complex requirements being worked through. In addition there is an eight week delay for the Eastbourne Library contract due to unforeseen ground works and complications to the lift shaft that have only recently come to light.

It has been agreed to reschedule some of the CBOSS work, relating to ESS/MSS which was about to go live in November 2007, until after the upgrade of the Financial System in 2008/09. Therefore a total of £127,000 will be slipped into 2008/09.

Outstanding Payments is forecasting slippage of £39,000. Our consultants Owen Williams has informed us that for 2 projects, the final accounts will now not be agreed until next financial year.

The SALIX Project is slipping £34,000. This is the result of slower take up by schools combined with previously unforeseen complexities around setting up the processes. It is expected to be back on track by May 2008.

The Microsoft Office project is slipping £76,000. This is due to the delay in release of Microsoft SMS 2007 and also unavailability of resources to undertake the Office 2003 upgrade review.

Table 9 - Transport and Environment

Project	Original Programme	Programme at Mid Term Review	Approved Variations after Mid Term	Latest App. Programme	Actual to date	Forecast for year	Net Variation	(Over) / under Spend	Slippage to future year	Accelerated spend
PID approved projects	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Structural Maintenance	7,000	5,680	(30)	5,650	4,714	5,680	(30)			(30)
<i>Grant</i>	(1,807)	(1,807)		(1,807)	-	(1,807)	-			
Bexhill to Hastings Link Road	3,480	2,350		2,350	1,855	2,138	212	212		
Integrated Transport measures (ITM)	2,366	2,596	1,699	4,295	2,392	4,347	(52)			(52)
<i>Contributions</i>	(1,109)	(1,192)	(1,691)	(2,883)	(5)	(2,883)	-			
Bridge Assessment Strengthening		1,340		1,340	1,013	1,340	-			
Local Safety Schemes	1,000	812		812	698	853	(41)			(41)
Implementation of Speed Limit Guidelines			679	679	171	713	(34)			(34)
<i>CERA and contributions</i>			(440)	(440)		(440)				
Rationalisation of Highway Depots - Ringmer	26	128	(50)	78	23	43	35	35		
Depots - Other	49	25	(25)	-	-	-	-			
Part one claims/Planing Blight	-	117	75	192	132	165	27	27		
ICT Highways contract		301	18	319	186	227	92	92		
<i>CERA</i>			(18)	(18)		(18)	-			
Total of all other projects	650	716	-	716	141	716	-			
Total PID approved projects	11,655	11,066	217	11,283	11,320	11,074	209	-	366	(157)
Projects requiring PID approval										
Eastern Area Highways Depot	220	40		40	-	40	-			
Total	11,875	11,106	217	11,323	11,320	11,114	209	-	366	(157)

Commentary

Transport and Environment is forecasting a net expenditure of £11.1m against a net approved programme of £11.3m for PID approved Projects.

The Structural Maintenance programme is due to spend in advance of next year's programme by £30,000, mainly due to costs above estimate on a large project at Bexhill Road, Hastings.

The Bexhill Hastings Link Road is expected to slip £212,000 into 2008/09, due to slippage in the planning process. It had been anticipated that the application would be considered at a planning committee in November with a public inquiry this spring. However reviewing representations made by the Statutory Environmental Bodies and through the public consultation has taken longer than anticipated. Additional information is being assembled to inform the assessment of the application, which will not now get to committee until June at the earliest. Work on the Major Scheme Business Case to DfT has also slipped due to the revision of guidance. These slippages currently have no impact on the overall project timetable.

The Integrated Transport programme is forecasting expenditure in advance of £52,000, mainly due to an increase in unplanned costs for the Rye Harbour Road Phase 3 due to contaminated land and shallow surfaces. Expenditure budget has been increased by £1.7m due to variations for use of developer contributions to fund projects being carried out in the last quarter of the year, plus grant allocated by Hastings Borough Council for Integrated Transport work on redevelopment of the King's Road area. The actual profile of expenditure is behind that budgeted by £583,000, due to a number of large projects starting slightly later than originally programmed, namely A259 Bus Corridor, Kings Road Phase 1, Rye Harbour Road Phases 2 and 3. These will be completed this financial year.

The Local Safety Schemes programme is forecasting expenditure in advance of £41,000. This is due to anti-skid resurfacing projects being undertaken in addition to the planned programme.

The Speed Limit Implementation Programme is forecasting expenditure in advance of £34,000 due to additional costs on finalising the Westham Traffic Calming scheme.

The final payment for the Depot Rationalisation project at Ringmer of £35,000 has been slipped into 2008/09. Due to the final certification by the contractor now not anticipated this financial year.

Funds not required for Depots have been diverted to fund Part one claim/ planning blight payments. These are ongoing into future financial years, and therefore the outstanding balance of £27,000 has been slipped into 2008/09.

The ICT Highways Contract project is expected to slip £92,000 into 2008/09 due to delays with data preparation, Exor consultancy and the Transport Management Act upgrades.

As previously reported, the Eastern Area Highways Depot project still requires PID approval. As part of T&E's Change Programme (Pathway) a more fundamental review of the departments depot requirements will be undertaken. This review has been completed with a draft report being present to the Transport and Environment Management Team in February.

Capital Programme Commentary

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

	Revised Provision	Forecast 2007/08	Net Variation	(Over) / Under Spend	Slippage into future years	Accelerated expenditure b/f from 2008/09
	£000	£000	£000	£000	£000	£000
October Cabinet	43,804	40,775	3,029	(113)	3,479	(337)
January Cabinet	44,481	36,168	8,313	(158)	9,236	(765)
Change	677	(4,607)	5,284	(45)	5,757	(428)

The main causes of the net variation of £5.3m are:-

Delays at Tideway for bad weather	<u>£</u> 1.9m
Delays at Grove Park due to planning permissions	1.1m
Delays to NGN mainly due to ongoing BT negotiations	1.2m
The delayed Care First upgrade on the ASC Transformation project	0.4m
Slippage on the schools access initiative programme due to the disputed contract on the lift replacement at Uckfield	0.4m
Delays at the St Nicholas Centre for re-negotiation of cost	<u>0.3m</u>
	<u>5.3m</u>