

Departmental CommentariesRevenue Budget MonitoringChief Executive

The department is currently forecasting an underspend of £183,000, an increase of £120,000 compared to the previous month. The underspend is mainly accounted for by a current projected overspend on PACT of £125,000, partially offset by identified compensatory one-off savings of £83,000, the £100,000 carry forward for the Records Office Map Digitisation Project, £100,000 due to re-phasing the release of Rural Regeneration funds and £50,000 due to slippage in the signage programme. Against this the Coroners budget will overspend by £25,000, continuing the trend of recent years.

The increase since the previous month relate to an increase in one-off savings of £20,000, of the re-phasing of Rural Regeneration funds of £50,000, and the £50,000 slippage in the signage programme.

The carry forward of the money for the Records Office Map Digitisation Project and the phased release of Rural Regeneration Fund investment to reflect project sponsors complying with the fund's rules allows a net underspend to be predicted but work is still underway to try to reduce further the remaining baseline overspend.

Corporate Resources

The budget position continues to reflect the high level of vacancies and the costs of filling them. The overall net forecast underspend this month is now £215,000 made up of:

Overspends	£000	£000
Staff advertising	16	
Staff regradings	10	
	<hr/>	26
Underspends		
Vacancies	-62	
External audit fee	-36	
Reduction in the level of consultancy costs	-30	
Additional internal income (net)	-61	
Retrospective rebate	-31	
Reduced level of internal charges	-12	
Subscriptions	-8	
Other minor underspends	-1	-241
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Overall position		-215

The key changes from the previous month are a reduction in print room charges (£45,000), additional savings resulting from vacancies (£29,000), additional income from retrospective rebates (£31,000), and a reduced level of internal charges (£12,000).

Education and Libraries

In overall terms the department is currently forecast to underspend by around £775,000, a decrease of £45,000 compared to the previous month. The majority of the additional spend relates to places for three olds in non-maintained settings (£70,000) due to an increase in take up of places in the autumn term. The balance is the net effect of a range of other minor savings.

The previously reported underspend (£800,000) mainly comprises:

- Under-spend in community colleges (£260,000) on delegated adult and youth budgets identified during a mid year review of budget plans

- Funding for the continuation of the playlink scheme (£115,000),
- Additional recoupment income (£115,000),
- Lower than expected numbers of pupil free meals (£200,000),
- £50,000 due to additional income from DfES for student support and staff restructurings

Social Services

Last month the Department projected an outturn overspend of £2.5m prior to implementation of corrective action. A recovery plan has been put in place which seeks to reduce this overspend. However, the effect of the agreed measures (detailed below) will occur incrementally over the coming months and at this stage it is felt prudent to continue to report a £2.5m overspend.

A summary of the projected service overspends is as follows:

Service Areas	£m
Community Care	1.5
Adult Services- Daily Living Equipment	0.2
Children and Families	0.4
Support Costs- SLAs	0.4
Total	2.5

Community care

The outturn figure of £1.5m compares with £1.7m reported last month and reflects the impact of the new control process implemented as part of the recovery programme. Control figures have been applied to home care packages from hospital and a County wide approach has been applied to the evaluation of care packages for previous self-funders to ensure consistency of approach. The impact of these changes on the Community Care commitment is being monitored on a weekly basis and further corrective action will be taken if target figures are not being met

Mainstream Pressures

Daily Living Equipment

The Department is experiencing a high level of demand for daily living equipment. Such equipment is a cost effective measure to maintain client independence and thereby reduce admissions to residential care. Thus meeting demand continues to be a priority. However, in order to reduce the budget pressure in this service, which currently amount to £200,000, it has been necessary to reduce weekly control figures by approximately 25%. The effects of this will be mitigated to some extent by revised prices for equipment negotiated under the new DLE contract.

Children and Families

The Department continues to experience budget pressure in the Children & Families Service, the main area being agency placements for which there is little budget headroom for additional placements. Budget pressure in the Division is unchanged from that reported last month of £0.4m.

Management and Support

As reported previously, increasing demand for office space and other centrally provided services, e.g. legal services, is placing increasing pressure on the Department's budget for Service Level Agreements. This pressure amounts to £400,000. In particular, the move to

leased accommodation in Eastbourne (St.Mary's and St.Mark's) has resulted in significant budget pressure.

Financial Recovery Plan

In addition to the controls over Community Care, the Department has put in place a very tight vacancy control procedure which will ensure that the only vacancies advertised and filled before the end of this year are those that are essential to the fulfilment of the Council's statutory duties. The reported budget figures above include provision for known vacancies and as decisions over posts are made the savings will be factored into the projections.

A summary of the action plan is as follows:

Budget Measures	£m	£m
<i>Mainstream Services</i>		
Vacancy control	0.8	
Other staff related measures- agency/ short term contracts	0.1	
Non staff savings	0.7	1.6
<i>Community Care</i>		
Application of control figures for home care from hospital/ centralisation of certain panel spend/revised "out of panel" approval process	0.8	
Contract Review	0.1	0.9
Total		2.5

Whilst these measures will aid the recovery in the current year, it is recognised that these are one-off resources and will not assist the longer term pressures. These pressures will be identified as part of the Reconciling Policy and Resources process and will need to be tackled by Social Services with commensurate savings over and above the level savings required to be met corporately.

Transport and Environment

The reported outturn currently shows a small under spend of £30,000 as last month. This arises mainly from staff turnover and timing differences. Budget adjustments have been made within the overall departmental totals to accommodate current pressures including and most significantly the continuation of the project to re-tender the outsourced contracts currently with Owen Williams and Colas. It is expected that these will be managed within existing resources.

Following receipt of the Inspectors report on the Waste Local Plan, a response is being prepared which will be considered by Cabinet. Subject to approval, the Council's response will be published for consultation. While this activity inevitably incurs additional expenditure it is expected that the costs can be contained within the overall budget provision available.

The budget includes one-off additional funding for three activities. Progress on each is as follows:

- Isfield Bridge (£50, 000) – The main bridge structure has been erected with only further works to build up the river banks required and this is underway
- Footways (£300,000) – The funding has been allocated between the Highway Divisions on the basis of footway length and a programme of works has being developed targeting the funding to footways, kerbing and facilities for the disabled. The full sum will be spent this year.

- LTP (£150,000) – The additional funding is enabling a much more extensive and inclusive consultation programme to inform the development of the second generation LTP. The programme of consultation has been established and will be carried out before the autumn. The funding is also covering the cost of additional research to meet new requirements this time including the need for Strategic Environmental Assessment and Accessibility Planning.

Treasury Management, Identified Risks, etc.

A variation of £1,950,000 is shown in Appendix B, after dealing contingencies and transfers to the Capital Programme Reserve.

Revenue Monitoring: Risks

Corporate Resources: Income

A large part of the income of the Property unit is reliant on delivering the capital programme. Some slippage is allowed for, but excess slippage in schemes can occur and would significantly reduce the income, resulting in an overspend. The current position on the capital programme indicates that this position is becoming less likely to give problems in the current financial year.

Treasury Management: Provision for Bad Debts

Until the end of each year it is difficult to predict what the final structure of outstanding debt will be.

As small movements in the level of debt can lead to large budget variations in the provision for bad debts, this budget remains one at risk of varying significantly from the original budget.

Capital Programme Monitoring

Chief Executive

The department has a capital programme of £403,000 including approved variations as detailed in Appendix C. There have been no changes in the department's programme this month. It is still anticipated that there will be slippage of £181,000 in relation to the Hastings Registry Office and PSA Rights of Way Schemes.

Corporate Resources

The department has a capital programme of £7.9m including adjustments relating to last year and approved variations. It is likely that some £800,000 of payments for CBOSS will slip into the early months of 2005/06. This is due to rescheduling of some of the later modules (following a review of the overall CBOSS programme) and the release of retention funds as 'snags' are cleared. All other schemes are progressing as previously reported with some slippage identified on the Access for the Disabled scheme (£93,000) and the rescheduling of St Mark's House (£640,000).

Education and Libraries

The department has a gross capital programme allocation (including delegated capital for schools) totalling £32.9m, including slippage from last year and approved variations. Included within this figure is £7.9m for schools devolved formula capital. Some £8.9m slippage has been identified on gross expenditure £1.8m of which relates to schools devolved formula capital. The main areas of slippage on the centrally managed programme are on the following schemes: Sedlescombe Primary (£0.4m), Stafford Junior (£0.3m), Tideway Community College (£0.4m), Hailsham Community College (£0.7m), Lewes Library (£0.5m), Alfriston School (£0.6m), Catsfield School (£0.2m), Wivelsfield School (£0.6m), Ringmer Community College (£0.5m),

St Michael's Primary School (£0.2m), Peasmarsh Primary School (£0.5m), Northiam School (£0.2m), Westfield School (£0.1m), Maynards Green School (£0.2m), Priority one condition work (£0.8m) and Secondary Schools specialist rooms (£0.4m).

This is partially offset by spending in advance of the anticipated profile (totalling £1.0m) due to Heathfield Community College (£0.2m), Lindfield (£0.2m), Bishop Bell (£0.3m). and N.D.S. schemes (£0.3m).

Total net overspend of £0.7m has been identified. The overspends on Wallands School and Pevensey and Westham School will be funded by rephasing some of the NDS Asset management plan money which has not yet all been allocated to specific schemes. Some other potential overspends have been identified this month and investigations are being undertaken to establish the true extent of the overspends and how these will be funded.

Social Services

The Department is forecast to spend £3m in this financial year. Of this sum, £1.4m is funded by way of scheme specific resources. As reported last month, a review of the projected spend profile of the Children's Residential Strategy has been undertaken. Planning applications in respect of Rose Cottage and Homefield Cottage (the first phase of the strategy) are projected to be submitted in November. On the basis that approval is obtained, tenders will go out in January with an anticipated start date on site of mid-April. Thus only a small element of fees will be incurred in this financial year, amounting to £40,000. Consequently additional gross expenditure provision of £420,000 has been slipped to 2005/06. All other schemes are progressing as anticipated.

Transport and Environment

The department has a capital programme of some £20m allowing for adjustments relating to 2003/04 and approved variations. The most notable variations since the programme was published are as follows:

- £4.6m summer shrinkage damage;
- £0.8m Crowborough Household Waste Site (the sum is fully recoverable from the County Council's waste disposal contractor Southdowns Waste Services Ltd.;
- £0.165m as a result of improvements in service delivery in line with LTP targets (this sum was previously withheld in the December 2003 decision from Government Office for the South East (GOSE).

Expenditure is monitored against detailed profiles for all schemes within the capital programme. At this stage some £1.4m is anticipated to slip into next financial year. This relates to two schemes in particular: Part 1 claims for land compensation in respect of the A22 New Route into Eastbourne (£0.9m) and the risk of some delays in scheme delivery within the overall LTP programme (£0.5m). These assumptions will be reflected in the mid-term review of the capital programme. This slippage is offset by an overspend of £100,000 on the A22 New Route scheme, which the department is currently investigating.