

Month 4

Housing & City Support

Division	Budget	Forecast	Variance	Variance	Variance
		Current	M3	M4	M4
	£'000	£'000	£'000	£'000	%
Director	153	153	0	0	0.0%
Housing	5,214	5,424	138	210	4.0%
Customer Services	4,515	4,515	140	0	0.0%
Adult Social Care	26,643	27,571	1,200	928	3.5%
Neighbourhood Services	2,834	2,785	- 21	- 49	-1.7%
Total	39,359	40,448	1,457	1,089	2.8%

* This excludes £21.586m in grant to the Section 31 partnership

Key variances

There is an overspend of £0.310m on Homelessness (Housing Strategy) which is being offset by underspends on staffing budgets within the division. This overspend is caused by a variety of factors including expenditure on preventative measures that has not yet resulted in a reduction in the number of households in bed and breakfast accommodation and in lower than expected housing benefit income.

The NHS & Community Care Act Budget (Adult Social Care) is forecasting an overspend of £0.978m. The overall overspend relates to pressures on residential and nursing home fees. The key element of the action plan in place for this budget focuses on reducing client numbers in nursing homes which have the highest unit cost and in residential homes which have the next highest unit cost in favour of expanding home care provision which has the lowest unit cost and is in line with the emerging commissioning strategy for Older People's Services. This action plan has had a positive impact since 1 April 2003 with a net reduction in clients in residential homes and clients in nursing homes and additional clients receiving homecare.

Children, Families & Schools

Division	Budget	Forecast	Variance	Variance
		Current	M4	M4
	£'000	£'000	£'000	%
Director	711	797	86	12.1%
Strategy, Planning, Schools	86,509	87,429	920	1.1%
Quality, Stds, Leadership	6,767	6,816	49	0.7%
Community & Family	5,719	5,905	186	3.3%
Children's Social Care	17,797	19,454	1,657	9.3%
Child Protection	- 643	- 643	0	0.0%
Total	116,860	119,758	2,898	2.5%

Key variances

Within the Strategy Planning and Schools division there are a number of areas of financial pressure. There is a forecast overspend of £0.274m on Home to School Transport. Further work is being undertaken to analyse the causes of this overspend particularly in the light of the anticipated savings from the procurement exercise. There is a forecast overspend of £0.104m on legal costs which are closely linked to the number of looked after children. There remains £0.475m unachieved savings from the former Social Care and Health Department.

There is a forecast overspend of £1.207m on the Foster Care and Child Agency Placements Budget within the Children's Social Care Division. The majority of this service pressure is due to the costs of implementing the new foster care payment scheme. This has yet to result in lower numbers of children placed with independent foster agencies and indeed these are still increasing. The number of residential placements is slightly higher than the budgeted provision, however, there has been turnover of the more expensive placements resulting in some reduction in the average unit cost. With this move towards less expensive residential services the projected commitment has fallen and an underspend of £0.087m.

There is a forecast overspend on employee costs of £0.5m spread over all divisions.

The key reasons for this include an increase in agency staff for social work teams, additional costs of single status, and additional posts as part of the Family Support Strategy.

It should also be noted that schools have taken one off measures to balance their budgets this year to a value of £3.5m.

Corporate Services

Division	Budget	Forecast	Variance	Variance
		Current	M4	M4
	£'000	£'000	£'000	%
Deputy Chief Executive	364	364	0	0.0%
Strategy & Governance	2,763	2,763	0	0.0%
Project & Financial Services	1,656	1,536	- 120	-7.2%
Chief Finance Officer	2,758	2,703	- 55	-2.0%
Human Resources	2,659	2,689	30	1.1%
Major Projects, Venues, Proc	405	477	72	17.8%
Property & Design	1,455	1,543	88	6.0%
Royal Pavillion, Lib, Mus	5,439	5,439	0	0.0%
Econ Dev & Regen	3,601	3,576	- 25	-0.7%
Chief Executive	169	169	0	0.0%
Total	21,269	21,259	- 10	0.0%

Key variances

Overall there is a small underspend projected for Corporate Services. While there are a number of pressures identified within individual service areas action has been identified within each division or across the whole Department to ensure a breakeven position can be achieved.

Environment

Division	Budget	Forecast	Variance	Variance
		Current	M4	M4
	£'000	£'000	£'000	%
Director	231	231	0	0.0%
Qual of Life, Green Spaces	8,740	9,380	640	7.3%
Sustainable Transport	4,355	4,212	- 143	-3.3%
City Planning	2,059	2,190	131	6.4%
City Clean	16,329	16,653	324	2.0%
Total	31,714	32,666	952	3.0%

Key variances

The forecast overspend for Quality of Life and Green Spaces comprises a number of elements including shortfalls on sports bookings of £0.075m, golf

APPENDIX 1 – Analysis of forecasts

courses of £0.128m and bus shelter income of £0.100m. There is also a projected overspend on grounds maintenance of £0.196m.

The offstreet parking budget is forecast to breakeven and the onstreet parking budget is forecasting additional income of £260,000. The overall forecast for Sustainable Transport takes into account additional expenditure on traffic modelling and highways funded from the above surpluses.

The overspend on City Planning relates to costs of public inquiries.

The overspend on City Clean relates primarily to overspends on employee budgets. This includes unachieved savings from delayed reduction in refuse collection rounds of £0.120m, refuse overtime costs £0.058m, enhanced street cleaning service £0.118m and additional costs of sorting recycling £0.044m. There is an overspend of £0.076m on transport also relating to the delayed implementation of the reduction in refuse collection rounds. Some compensating savings have been made elsewhere within the division.

Communications & Democratic Services

Division	Budget	Forecast		Variance	
		Current	M4	M4	
	£'000	£'000	£'000		%
ICT	4,083	4,143	60		1.5%
City Marketing	1,865	1,871	6		0.3%
Communications	763	699	- 64		-8.4%
Members	1,304	1,307	3		0.2%
Leadership	392	387	- 5		-1.3%
Total	8,407	8,407	0		0.0%

Key variances

Overall there Communications and Democratic Services is forecasting a breakeven position. While there are some small of pressures identified within individual service areas action has been identified within each division or across the whole Department to ensure a breakeven position can be achieved.

Centrally Managed Budgets

Centrally Managed Budgets are currently forecast to breakeven.

Housing Revenue Account

Division	Budget	Forecast		Variance	
		Current	M4	M4	M4
	£'000	£'000	£'000	£'000	%
Employees	6,233	6,180	- 53	- 53	-0.9%
Premises - Repairs	9,499	9,499	0	0	0.0%
Premises - Other	1,195	1,195	0	0	0.0%
Transport & Supplies	2,033	2,077	44	44	2.2%
HB transfer payments	21,778	21,692	- 86	- 86	-0.4%
Support Services	2,626	2,626	0	0	0.0%
Capital Financing Costs	12,217	12,217	0	0	0.0%
Net Expenditure	55,581	55,486	- 95	- 95	-0.2%
Dwellings rent (net)	- 34,142	- 34,220	- 78	- 78	0.2%
Other rent	- 906	- 931	- 25	- 25	2.8%
Service Charges	- 1,893	- 2,043	- 150	- 150	7.9%
Other recharges & interest	- 431	- 421	10	10	-2.3%
Grants Including Subsidy	- 18,357	- 18,273	84	84	-0.5%
Net Income	- 55,729	- 55,888	- 159	- 159	0.3%
Total	- 148	- 402	- 254	- 254	171.6%

Key variances

Dwellings rent income has been based on the average rental income received to date allowing for future income reductions for Right to Buy Sales. The forecast underspend represents 0.2% of the dwellings rent income budget and the amount/profile of future Right to Buy Sales may affect future forecasts.

The underspend on service charges includes £0.099m Supporting People income as higher than expected contract values have been agreed for the services provided by the HRA.

The underspend on housing benefit transfer payments is compensated for by the overspend on grants since the housing subsidy income is takes this calculation into account.