

Month 7

Housing & City Support

Division	Budget	Forecast	Variance	Variance	Variance
	M7	Current	M4	M7	M7
	£'000	£'000	£'000	£'000	%
Director	153	133	0	- 20	-13.1%
Housing	5,072	5,240	210	168	3.3%
Customer Services	4,865	4,687	0	- 178	-3.7%
Adult Social Care	27,110	27,512	928	402	1.5%
Total	37,200	37,572	1,138	372	1.0%

* This excludes £21.639m in grant to the Section 31 partnership

Key variances

There is an overspend of £0.314m on Homelessness (Housing Strategy) compared to £0.300m at Month 4. This is being offset by underspends on staffing budgets within the division. Measures which have been implemented since Month 4 to improve levels of take up of housing benefit have been successful but were offset by increases in the overspends on bed and breakfast and leased accommodation.

Within Customer Services there is a forecast underspend of £0.134m on Concessionary Bus Fares compared to the breakeven position forecast at Month 4. This is due to the scheme operator deciding not to increase bus pass costs. Land Charges continue to anticipate a shortfall in income of £0.200m. The Revenues budget is forecast to underspend by £0.172m as a result of court costs and employee savings. Additional costs relating to the enforced upgrade of the Revenues & Benefits computer operating system (iWorld) remain at £0.160m. There are further underspendings on discretionary benefits within the Housing Benefits service and on employee budgets.

The NHS & Community Care Act Budget (Adult Social Care) is forecasting an overspend of £0.428m compared to £0.978m at Month 4. The main reason for the improvement is the transfer of £0.500m into this budget from the corporate contingency for reimbursement for delayed transfers of care. Additional expenditure on residential and nursing home fees and the expansion of home care services have resulted in a significant reduction in the numbers of delayed transfers of care. This means that the contingency could offset pressures in this way. Since Month 4 the client numbers in nursing homes and residential care have continued to decrease and the numbers receiving home care, which have the lowest unit cost, have increased. This is in line with the action plan to manage this budget.

APPENDIX 1 – Analysis of forecasts

Children, Families & Schools

Division	Budget	Forecast	Variance	Variance	Variance
	M7	Current	M4	M7	M7
	£'000	£'000	£'000	£'000	%
Director	772	788	86	16	2.1%
Strategy, Planning, Schools	86,722	86,958	920	236	0.3%
Quality, Stds, Leadership	6,783	6,871	49	88	1.3%
Community & Family	5,913	5,845	186	- 68	-1.2%
Children's Social Care	19,989	21,958	1,657	1,969	9.9%
Child Protection	- 2,472	- 2,472	0	-	0.0%
Total	117,707	119,948	2,898	2,241	1.9%

Key variances

Within the Strategy Planning and Schools division there remain a number of areas of financial pressure. The forecast overspend of £0.274m on Home to School Transport at Month 4 has reduced by £0.061m to £0.213m due to reductions in public transport costs and hired transport costs. Detailed analysis of the causes of this overspend has identified increased numbers of pupils travelling to Special Schools by taxi and has shown that the rise in costs has been mitigated as a result of the recent procurement exercise. There remains a forecast overspend of £0.104m on legal costs which are closely linked to the number of looked after children. The corporate contingency relating to £0.475m unachieved savings from the former Social Care and Health Department has been released to Children, Families & Schools which has reduced the overall overspend on this budget.

There is a forecast overspend of £1.446m on the Foster Care and Child Agency Placements Budget within the Children's Social Care Division compared to £1.207m at Month 4. The overspend on independent foster agency placements now stands at £0.386m, net of the release of £0.500m from the corporate contingency. Both the number and the cost of the placements is higher than the revised available budget. The introduction of the new payment rates for in-house foster carers has resulted in a pressure of £0.813m. Increases in the numbers of Looked After Children have meant that costs of both independent foster agency and in-house foster agency provision have increased. Agency residential placements are forecast to overspend by £0.370m compared with an underspend of £0.087m at Month 4. Placement numbers were previously over budget but this was compensated for by lower unit costs. While placement numbers have stayed approximately stable there has been a significant increase in the unit costs mainly due to one individual placement whose costs have risen to £8500 per week (£0.442m per annum). There is a small underspend on disability agency placements and secure accommodation.

APPENDIX 1 – Analysis of forecasts

The forecast overspend on employee costs of £0.5m at Month 4 spread over all divisions has reduced to £0.135m.

Corporate Services

Division	Budget	Forecast	Variance	Variance	Variance
	M7	Current	M4	M7	M7
	£'000	£'000	£'000	£'000	%
Deputy Chief Executive	359	359	0	0	0.0%
Strategy & Governance	2,825	2,760	0	- 65	-2.3%
Project & Financial Services	2,047	1,897	- 120	- 150	-7.3%
Chief Finance Officer	3,200	3,145	- 55	- 55	-1.7%
Human Resources	2,716	2,746	30	30	1.1%
Major Projects, Venues, Proc	418	484	72	66	15.8%
Property & Design	508	576	88	68	13.4%
Royal Pavillion, Lib, Mus	5,477	5,477	0	0	0.0%
Econ Dev & Regen	3,857	3,832	- 25	- 25	-0.6%
Chief Executive	178	178	0	0	0.0%
Total	21,585	21,454	- 10	- 131	-0.6%

Key variances

The underspend for Corporate Services has increased by £0.121m since Month 4. This is primarily due to the early introduction of the efficiency 2% savings identified as part of the 2004/05 budget setting process which have produced savings on employee budgets in particular. While there remain a number of pressures identified within individual service areas action has been identified within each division or across the whole Department to ensure that this underspending position can be achieved.

APPENDIX 1 – Analysis of forecasts

Environment

Division	Budget	Forecast	Variance	Variance	Variance
	M7	Current	M4	M7	M7
	£'000	£'000	£'000	£'000	%
Director	249	264	0	15	6.0%
Qual of Life, Green Spaces	8,483	9,049	640	566	6.7%
Sustainable Transport	4,361	4,233	- 143	- 128	-2.9%
City Planning	1,939	1,710	131	- 229	-11.8%
City Clean	16,339	16,663	324	324	2.0%
Public Safety	3,009	3,123	-49	114	3.8%
Total	34,380	35,042	903	662	1.9%

Key variances

The forecast overspend for Quality of Life and Green Spaces comprises a number of elements including shortfalls on sports bookings of £0.069m, golf 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. The number of penalty charge notices issued is below budget resulting in an income shortfall of £0.230m. This is due to the later than anticipated introduction of new DPE schemes and a reduction in the numbers of notices issued across existing schemes. There has been higher than budgeted income from parking fees, residents permits and parking vouchers. However this has been offset by increased contract costs and the repayment of the start up costs of the original scheme. The onstreet parking budget is forecasting additional income of £0.280m, an increase of £0.020m since Month 4. 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 at Month 4 related to costs of public inquiries. At Month 7 this has been offset by vacancy savings and overachievement of income within building control and development control services.

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.

APPENDIX 1 – Analysis of forecasts

Public Safety is a new division created since Month 4. The forecast for Month 4 has however been restated to ensure comparisons can properly be made over the period. The overspend relates to the £0.125m cost of funding 10 Police Community Support Officers for the last 6 months of 2003/04.

Communications & Democratic Services

Division	Budget	Forecast	Variance	Variance	Variance
	M7	Current	M4	M7	M7
	£'000	£'000	£'000	£'000	%
ICT	4,357	4,417	60	60	1.4%
City Marketing	1,773	1,780	6	7	0.4%
Communications	808	732	- 64	- 76	-9.4%
Members	1,324	1,309	3	- 15	-1.1%
Leadership	393	392	- 5	- 1	-0.3%
Total	8,655	8,630	0	- 25	-0.3%

Key variances

Overall Communications and Democratic Services is forecasting a small underspend. 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 this underspend can be achieved.

Centrally Managed Budgets

At Month 4 centrally managed budgets were forecast to underspend by £1.830m owing to corporate contingencies held for service pressures. Of these £1.525m have been released to departments and are now reducing their overspends. The overall underspend for centrally managed budgets is now £1.294m.

There remains an underspend of £0.355m on corporate contingencies. Housing Benefit rent allowance costs are now forecast to underspend by £0.136m and there is a small underspend on financing costs.

There are two other significant changes to the forecast for centrally managed budgets since the last quarterly forecast. The first relates to ratings refunds which the Council has been notified of. The second relates to the contract which ended in October 2001 for waste management and street cleaning with Sita. Prudent provision had been made in the council's financial statements in 2002/03 for this and the final settlement was more favourable than had been anticipated.

APPENDIX 1 – Analysis of forecasts

Housing Revenue Account

Division	Budget	Forecast	Variance	Variance	Variance
	M7	Current	M4	M7	M7
	£'000	£'000	£'000	£'000	%
Employees	6,233	6,247	- 53	14	0.2%
Premises - Repairs	9,499	9,918	0	419	4.4%
Premises - Other	1,195	1,207	0	12	1.0%
Transport & Supplies	2,033	2,164	44	131	6.4%
HB transfer payments	21,778	21,584	- 86	- 194	-0.9%
Support Services	2,626	2,626	0	0	0.0%
Capital Financing Costs	12,217	11,738	0	- 479	-3.9%
Net Expenditure	55,581	55,484	- 95	- 97	-0.2%
Dwellings rent (net)	- 34,142	- 34,168	- 78	- 26	0.1%
Other rent	- 906	- 912	- 25	- 6	0.7%
Service Charges	- 1,893	- 2,080	- 150	- 187	9.9%
Other recharges & interest	- 431	- 418	10	13	-3.0%
Grants Including Subsidy	- 18,357	- 18,163	84	194	-1.1%
Net Income	- 55,729	- 55,741	- 159	- 12	0.0%
Total	- 148	- 257	- 254	- 109	73.6%

Key variances

The repairs expenditure is now forecast to overspend by £419,000. The main area of this overspend, amounting to £ 300,000, relates to repairs expenditure on Empty Properties. The amount of repair work required to bring Empty Properties to a re-lettable standard has increased. Tenants performing inadequate DIY repairs or leaving properties in a poor state of repair have a significant impact on this expenditure and Housing Management are currently investigating the implementation of a recharge policy. It should also be noted that costs have increased on repairs to Empty Properties where there has been increased incidents of flytipping, however monitoring procedures have been put in place to address this issue. Other areas of overspend within the repairs budget relate to Responsive Repairs £92,000 and increased Service contracts costs of £55,000 which have been offset by £28,000 under spend in Programmed repairs.

There is a projected overspend of £120,000 under the supplies & services heading relates to the costs of consultants for the Stock Options Appraisal, Asbestos Survey work and increased legal costs resulting from the focus on debt collection.

There is a new underspend since Month 4 on capital financing costs of £479,000 as a result of higher than originally projected reserved capital receipts set aside to repay debt, a reduction in the average interest rate paid on council borrowing, lower credit approvals to fund the HRA capital programme and

APPENDIX 1 – Analysis of forecasts

other miscellaneous changes. The Housing Benefits and Capital Financing forecasts are linked to the government subsidy calculation. An increase in Housing benefits underspend to £194,000 is offset by a reduction in subsidy income of £194,000.