

Month 9

Housing & City Support

Division	Budget	Forecast	Variance	Variance	Variance
	M9	Current	M7	M9	M9
	£'000	£'000	£'000	£'000	%
Director	153	138	- 20	- 15	-9.8%
Housing	5,072	5,037	168	- 35	-0.7%
Customer Services	4,865	4,612	- 178	- 253	-5.2%
Adult Social Care	27,204	27,564	402	360	1.3%
Total	37,294	37,351	372	57	0.2%

* This excludes £21.506m in grant to the Section 31 partnership

Key variances

There is an overspend of £0.158m on Homelessness (Housing Strategy) compared to £0.314m at Month 7. The main reason for this is the inclusion of £0.150m additional Housing Benefit income relating to block booked accommodation as a result of an agreement reached by Housing & City Support with the Department for Work and Pensions and the Audit Commission. This is being offset by underspends on staffing budgets within the division.

Within Customer Services there is a forecast underspend of £0.125m on Concessionary Bus Fares. This is due to the scheme operator deciding not to increase bus pass costs. Land Charges anticipate a shortfall in income of £0.220m as a result of low activity levels. The Revenues budget is forecast to underspend by £0.249m, an increase of £0.077m compared to Month 7. The overall underspend relates to court costs, car parking enforcement by bailiffs and employee savings. Additional costs relating to the enforced upgrade of the Revenues & Benefits computer operating system (iWorld) have reduced by £0.030m to £0.130m. 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 £0.576m compared to £0.428m at Month 7. The main reason for this is increased expenditure on home care costs without a corresponding decrease in residential and nursing care costs. The above figures are net of the saving on the contingency of £0.500m for reimbursement for delayed transfers of care due to the late introduction of the scheme and a saving of £0.239m on the grant for reimbursement due to significantly improved performance in this area. Savings on mainstream budgets within Adult Social Care have increased from £0.026m to £0.216m largely as the result of vacancy management savings.

Children, Families & Schools

Division	Budget	Forecast	Variance	Variance	Variance
	M9	Current	M7	M9	M9
	£'000	£'000	£'000	£'000	%
Director	772	782	16	10	1.3%
Strategy, Planning, Schools	86,723	87,120	236	397	0.5%
Quality, Stds, Leadership	6,783	6,794	88	11	0.2%
Community & Family	5,872	5,793	- 68	- 79	-1.3%
Children's Social Care	19,989	22,016	1,969	2,027	10.1%
Child Protection	- 2,472	- 2,470	0	2	-0.1%
Total	117,667	120,035	2,241	2,368	2.0%

Key variances

Within the Strategy Planning and Schools division there remain a number of areas of financial pressure. The forecast overspend of £0.213m on Home to School Transport is the same as at Month 7 as pupil numbers for the Spring Term are not yet available. 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. The forecast overspend on legal costs which are closely linked to the number of looked after children have increased slightly to £0.122m. The overspend on Educational Agency Placements has increased from £0.188m to £0.265m. This overspend includes the council share of £0.048m from three high cost placements joint funded with health and £0.076m for 19+ placements which now are funded to the end of the academic year rather than the 19th birthday.

There is a forecast overspend of £1.499m on the Foster Care and Child Agency Placements Budget within the Children's Social Care Division compared to £1.446m at Month 7. The overspend on independent foster agency placements now stands at £0.430m, 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 £0.788m. 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 £0.362m. There is a small underspend on disability agency placements and secure accommodation.

The forecast overspend on employee costs of £0.135m at Month 7 spread over all divisions has reduced to £0.019m at Month 9 as a result of vacancy management. At Month 4 this overspend had stood at £0.500m.

APPENDIX 1 – Analysis of forecasts

Corporate Services

Division	Budget	Forecast	Variance	Variance	Variance
	M9	Current	M7	M9	M9
	£'000	£'000	£'000	£'000	%
Deputy Chief Executive	359	359	0	36	-10.0%
Strategy & Governance	2,825	2,760	65	102	-3.6%
Project & Financial Services	2,047	1,897	150	273	-13.3%
Chief Finance Officer	3,200	3,145	55	119	-3.7%
Human Resources	2,716	2,746	30	36	1.3%
Major Projects, Venues, Proc	418	484	66	34	8.1%
Property & Design	508	576	68	10	2.0%
Royal Pavillion, Lib, Mus	5,477	5,477	0	0	0.0%
Econ Dev & Regen	3,857	3,832	25	54	-1.4%
Chief Executive	178	178	0	0	0.0%
Total	21,585	21,454	131	504	-0.6%

Key variances

The underspend for Corporate Services has increased by £0.373m since Month 7. This 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 and the freezing of non-essential supplies and services budgets.

Relatively high levels of staff turnover in Project & Financial Services and the Chief Finance Officer's division have further contributed through natural and enforced vacancy savings.

APPENDIX 1 – Analysis of forecasts

Environment

Division	Budget	Forecast	Variance	Variance	Variance
	M9	Current	M7	M9	M9
	£'000	£'000	£'000	£'000	%
Director	249	274	15	25	10.0%
Qual of Life, Green Spaces	8,456	8,973	566	517	6.1%
Sustainable Transport	4,546	4,348	- 128	- 198	-4.4%
City Planning	1,884	1,675	- 229	- 209	-11.1%
City Clean	16,339	16,563	324	224	1.4%
Public Safety	2,910	2,997	114	87	3.0%
Total	34,384	34,830	662	446	1.3%

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 £0.130m and bus shelter income of £0.100m. There is also a projected overspend on grounds maintenance of £0.196m. These remain unchanged since Month 7.

The onstreet 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 offstreet parking budget is forecasting additional income of £0.350m, an increase of £0.070m since Month 7. The overall forecast for Sustainable Transport takes into account additional expenditure on traffic modelling and highways funded from the above surpluses.

The underspend on City Planning includes vacancy savings and overachievement of income within building control and development control services offset by the local plan public inquiry costs.

The overspend on City Clean has reduced by £0.100m since Month 7. The overspend primarily relates to employee budgets. This includes unachieved savings from delayed reduction in refuse collection rounds of £0.070m, enhanced street cleaning service £0.042m and additional costs of sorting recycling £0.044m.

The overspend in Public Safety relates to the £0.125m cost of funding 10 Police Community Support Officers for the last 6 months of 2003/04 offset by staff vacancies.

Communications & Democratic Services

Division	Budget	Forecast	Variance	Variance	Variance
	M9	Current	M7	M9	M9
	£'000	£'000	£'000	£'000	%
ICT	4,357	4,376	60	19	0.4%
Tourism & City Marketing	1,773	1,748	7	- 25	-1.4%
Communications	809	733	- 76	- 76	-9.4%
Democratic & Leadership	1,717	1,689	- 16	- 28	-1.6%
Total	8,656	8,546	- 25	- 110	-1.3%

Key variances

The Communications and Democratic Services underspend has increased by £0.85m since Month 7. This has been achieved through tight staff and other budgetary control across all sections.

Centrally Managed Budgets

At Month 7 centrally managed budgets were forecast to underspend by £1.294m. This has improved slightly at Month 9 to £1.358m. This movement includes a numbers of changes. Housing Benefit rent allowance costs are now forecast to overspend by £0.040m compared to an underspend of £0.136m at Month 7. This is due to improved take up of Council Tax Benefits as a result of a successful campaign and a reduction in overpayments recovered in cash. An underspend of £0.129m of is now forecast on the Combined Fire Authority budget. The budget had contained a contingency of £0.360m to allow for an in-year levy for the firefighters pay award. The final position on this has recently been resolved with East Sussex County Council and the City Council's share has been agreed at £0.105m. The 2004/05 budget report elsewhere on this agenda recommends that a sum of £0.126m be allocated to the new East Sussex Fire Authority as the City Council's contribution to the establishment of a working balance. This can also be funded from this contingency. The forecast for financing costs has improved to an underspend of £0.152m due to the investment of surplus cash.

There have been no changes to the underspends reported at Month 7 for £0.250m for rating refunds that we have been notified of and £0.512m in relation

APPENDIX 1 – Analysis of forecasts

to the settlement of the termination of the Sita contract.

Housing Revenue Account

Division	Budget	Forecast	Variance	Variance
	M9	Current	M7	M9
	£'000	£'000	£'000	£'000
Employees	6,220	6,083	14	- 137
Premises - Repairs	9,593	9,890	419	297
Premises - Other	1,195	1,158	12	- 37
Transport & Supplies	2,092	2,253	131	161
HB transfer payments	22,256	22,036	- 194	- 220
Support Services	2,141	2,141	0	-
RCCO	3,818	5,418	-	1,600
Capital Financing Costs	8,301	7,822	- 479	- 479
Net Expenditure	55,616	56,801	- 97	1,185
Dwellings rent (net)	- 34,142	- 34,092	- 26	50
Other rent	- 906	- 953	- 6	- 47
Service Charges	- 1,893	- 2,059	- 187	- 166
Other recharges & interest	- 466	- 525	13	- 59
Grants Including Subsidy	- 18,357	- 19,480	194	- 1,123
Net Income	- 55,764	- 57,109	- 12	- 1,345
Total	- 148	- 308	- 109	- 160

Key variances

The forecast for employees is now showing an underspend of £0.137m mainly due to staff vacancy savings. The capital financing costs underspend remains unchanged at £0.479m.

The repairs expenditure is now forecast to overspend by £0.297m compared with £0.419m at Month 7. The main area of this overspend, amounting to £0.293m, relates to repairs expenditure on Empty Properties. The amount of repair work required to bring Empty Properties to a re-lettable standard has increased.

There is a projected overspend of £0.132m 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.

The Housing Benefits and Capital Financing forecasts are linked to the government subsidy calculation. The Housing benefits underspend of £0.220m is offset by a reduction in subsidy income of £0.220m. However the government grant subsidy entitlement calculation has been revised resulting in additional income relating to the current financial year (£0.357m) and the two previous financial years (£0.800m).

APPENDIX 1 – Analysis of forecasts

Due to the additional revenue from housing subsidy and other underspends it is proposed to increase the revenue contribution to capital by £1.600m to be put towards meeting the Decent Homes Standard in the capital programme.