



Leicester
City Council

Performance and Value for Money Select Committee
Cabinet

9th December 2009
14th December 2009

REVENUE BUDGET MONITORING 2009/10 – PERIOD 6

Report of the Chief Finance Officer

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to show a summary position comparing spending with the budget. The report is the second in the regular cycle of reports for the 2009/2010 financial year showing the budget issues that have arisen so far.
- 1.2 Further reports will be presented to Strategic Management Board, Cabinet and the Performance and Value for Money Select Committee at Period 9 and Outturn. Monthly reports will be presented to the Operational Board.

2. SUMMARY

- 2.1 The General Fund budget set for the financial year 2009/2010 was £270.8m. Together with the sums carried forward from 2008/2009 of £0.1m, the revised budget is now £270.9m. Half way through the year, 65% of the revised budgets of divisions has been spent.
- 2.2 It is apparent that certain divisions are facing some specific pressures resulting in a forecast overspend of £1.9m. In particular
 - Social Care and Safeguarding – This division is facing significant pressures of up to £1m. This is due to a recent legal judgement relating to responsibilities for homeless 16 and 17 year olds, together with continuing pressures from 2008/09. The use of former departmental reserves will fund these pressures for 09/10 only;
 - Housing Strategy & Options – An overspend of £0.8m (before corrective action) is forecast as a result of a shortfall in income from Supporting People and through a reduction in capital projects;
 - Older People and Community Care – An overspend of £0.3m is forecast against an overall budget of £66m, before corrective action;

- Property Services – An under-recovery of income of approximately £0.2m as a result of the current economic climate and its' effect on the authority's investment property portfolio;
- Access, Inclusion & Participation - An overspend of £0.4m is predicted following an updated forecast increase in take up of free early years education provision in the private, voluntary and independent sectors. There is however, provision within the schools block which will fund this issue.

Further details on the divisional budgetary pressures are provided at Section 6 and 7 of this report.

- 2.3 There are a small number of underspends which can be used to mitigate some of the problems identified above. However firm proposals are now essential in order to achieve an outturn at budget.
- 2.4 Capital financing is one of the most volatile budgets within the council and in recent years has delivered significant savings. However, as a consequence of the current economic conditions, for the first time in a number of years, this budget is forecasting an outturn very close to budget.
- 2.5 Savings are expected following the final outcome of the 2009/10 pay negotiations. It is proposed that these will be claw back from divisions and used to deal with corporate budget pressures.

3. RECOMMENDATIONS

3.1 CABINET is recommended to:

- a) Note the changes made to the original approved budget for 2009/10;
- b) Note the expenditure to date and the budgetary issues which have emerged so far this year;
- c) Note the proposals put forward to ensure that spending is contained within the Divisional budgets;
- d) Note the progress made so far towards achieving the efficiency target;
- e) Approve additional expenditure of up to £1m to facilitate the split of housing and revenues systems; such expenditure is expected to be recovered as discussed in paragraph 6.2.3.

3.2 The Performance and Value for Money Select Committee is asked to consider the overall position presented within this report and make any observations it sees fit.

4. BUDGET FOR 2009/10

- 4.1 The General Fund budget for the financial year 2008/09 is **£270.8m**. After adding the approved carried forward amounts from 2007/08 (**£0.1m**) the budget for the year is now **£270.9m**.
- 4.2 Each Divisional Director is required by Finance Procedure Rules to ensure that services are delivered within budget, and has the responsibility for monitoring their

budgets within the guidelines provided by the Chief Finance Officer.

- 4.3 Divisional Directors are responsible for their controllable budgets. These include employee costs, running costs and income. 'Indirect expenditure' or 'below the line charges' are the responsibility of the service provider with the cost of those services being included in the providers' controllable budgets.

5. SUMMARY OF PROJECTIONS

- 5.1 The results of the monitoring of the budgets are summarised in Appendix A. Significant budgetary issues are outlined within Sections 6 and 7 below.

6. NON-OPERATIONAL DIVISIONS

The budgetary issues, which have emerged to date, are as follows:

6.1 Chief Executive's Office

- 6.1.1 The Chief Executive's Office is predicting an outturn at budget. However contained within this are some budget issues. The Leicester Partnership approved a reduced level of top-slice from the Area Based Grant which provides funding for the Partnership Team. Proposals are yet to be finalised to achieve this level of reduction and it is likely that there will be an overlap with the Support Services Review.

6.2 Financial Services

- 6.2.1 Financial Services are forecast to achieve outturn at budget, despite pressures within the division relating to vacancy cover, additional support in Exchequer Services to pay invoices and the implementation of new financial systems.
- 6.2.2 The council currently operates a fully integrated housing benefits, council tax, business rates and housing (options, allocations and rents) system. The purchase of the system by Capita from IBS has resulted in a decision by the Competition Commission that this reduces competition. As such, the revenues and benefits element of the system will be sold to Civica. The council can then no longer operate the system on a fully integrated basis and to implement this split we are required to purchase additional software licences, undertake significant implementation costs and acquire additional software.
- 6.2.3 At this stage the project could cost up to £1m (including legal costs). The Competition Commission requires that such costs are reimbursed by Capita although such spend is at risk until formal agreement with Capita is reached.

6.3 Legal and Democratic Services

- 6.3.1 Democratic Services are forecasting a net overspend of £60k reflecting a delay in implementing the 09/10 revenue strategy. Measures will be taken to ensure a balanced budget can be delivered. Furthermore, the Coroners Service has consistently overspent in previous years. However a new coroner has been appointed who is undertaking a detailed examination of the budget and costs incurred by the service. Reductions to date indicate that the service will manage within budget but

this also remains an area of risk.

6.3.2 Legal Services forecast outturn at budget.

7. OPERATIONAL DIVISIONS

The budgetary issues, which have emerged to date, are as follows:

7.1 Access, Inclusion and Participation

7.1.1 The most significant budgetary pressure facing the division relates to the Nursery Education Grant budget. An overspend of £0.4m is predicted following an updated forecast increase in take up of free early years education provision in the private, voluntary and independent sectors. At this stage of the year it is anticipated that this can be contained within the overall Dedicated Schools Grant budget.

7.1.2 Early Years has underspent in prior years as the Children's Centres have been developed, resulting in only part-year revenue costs. An underspend in the current year is possible, as phase 3 centres are yet to be developed; however, an underspend may not be available to support any General Fund pressures, as current expectation is that it will be required to support the development of the former Mayfield Family Centre as a phase 3 Children's Centre (as approved by Cabinet on 3rd August 2009).

7.2 Learning Services

7.2.1 This Division is facing a number of budgetary pressures, including:-

- a) A divisional organisational review, which could result in some one off costs of implementation;
- b) Raising Achievement Plan (RAP) - embedding initiatives, pressure to maintain school improvement, support to specific schools and reviews of school structures.
- c) Possible reductions in external funding which are a combination of time-limited additional funding coming to an end although the associated expenditures will continue to be incurred for some months hence, and a possible claw back of £1.1m of external funding.
- d) There are also pressures from services traded with schools and preparing for the 16-19 changes ahead of the planned abolition of the Learning and Skills Council.

The expenditure and funding plans for the RAP have been reviewed, as the original TLL planned end date of August 2009 has now passed.

7.3 Social Care and Safeguarding

7.3.1 The pressures on this Division, expected to be in the region of £1m, include those that emerged during the last financial year and which could be considerably higher than last year, together with new pressures. The key issues carried over from 2008/09 are the additional costs of external staff cover for vacancies and absences (although this is reducing), continued pressure from Looked after Children placements both with foster carers and in residential placements, and the impact on

safeguarding services of national events such as the Baby P case in light of heightened public expectations and the findings of the Laming Enquiry.

- 7.3.2 A more recent and very significant pressure relates to a legal judgement which has realigned the housing responsibilities for homeless 16 and 17 year olds. This has resulted in local children's services having a duty to accommodate children in need. Furthermore, where a 16 or 17 year old young person presents as homeless and is assessed as requiring accommodation, in all but a few exceptional cases these young people will become Looked After Children, with all that this entails. The young people are generally not eligible for Housing Benefit, which would previously have met all or some of their temporary accommodation costs
- 7.3.3 The full implications of the judgement are still being assessed, but it is clear that the additional costs will be significant and could amount to up to £0.2m in the current year with a much higher increase in future years as the full effect is felt. There is no budget provision for these costs.
- 7.3.4 Since the budget was set, the County Council has announced its intention to withdraw from the joint Safeguarding Board arrangements, and therefore arrangements are being made to set up a Board for the City. The cost implications of this are unclear at this stage.
- 7.3.5 The Divisional Director is working upon a report which will show the mitigating actions that have been / are being implemented, and further potential steps that could be taken. Former departmental reserves will be used to offset any remaining overspend in 09/10.

7.4 Transforming the Learning Environment

- 7.4.1 This Division has responsibility for delivering Building Schools for the Future, the Primary Capital Programme and other major change projects. There are currently a high number of external agency staff covering posts pending finalisation and recruitment to a permanent structure, and also providing shorter-term support to manage the demands of the current workload (such as detailed planning work for BSF and MyPlace). The cost projections and proposed funding package over a five year period will be reported to Cabinet in November. It is expected that the current year costs will be contained within the available resources, as set out in the Cabinet report.

7.5 Strategic Planning, Commissioning and Performance

- 7.5.1 Increased demand for support services to assist service improvement across Children services, including growth in grant funded services, has resulted in budget shortfalls in some areas e.g. data management. These are being reviewed, although no significant budgetary impact is expected in the current year.

7.6 Schools Budgets

- 7.6.1 An increasing number of primary schools are reporting budget difficulties and there are issues at specific secondary schools. A report into primary school budget difficulties is to be commissioned in the Autumn Term, as this is an area of increasing concern. As reported above, pressures on the Nursery Education Grant are emerging. Whilst the Schools budget overall is expected to be contained within

available funding in 2009/10 and a number of schools have reserves to draw upon, the outlook for future years will be monitored closely.

7.7 Housing Strategy and Options

7.7.1 The division is forecasting an overspend of £0.8m. This is as a result of three main pressures being:

- Hostels - a 24% reduction in income is expected due to a reduction in unit prices which the Supporting People Board are prepared to meet through Supporting People grant, and a continuation in the downward slide in income;
- Private Sector Housing – income from capital is expected to drop as a result of a decrease in capital projects;
- Star Team – as with Hostels, the reduction in supporting people income of 24% will significantly affect income in this area.

7.8 Safer and Stronger Communities

7.8.1 The Safer and Stronger Communities Division is forecasting pressures of £0.1m. This is mainly as a result of last year's overspend which has been brought forward to the current year. It is holding a number of vacancies to address the position and will soon begin a review of the Youth Offending Service.

7.9 Older People's Services and Community Care Services (Adults)

7.9.1 On a combined budget of £66m, an overspend of £0.3m is forecast. The position is, however, highly volatile in both areas and final outturn is dependent in part on the two divisions' ability to realise their budget savings and successfully manage the transformation agenda. A Performance and Monitoring Board has been set up to ensure the required savings are achieved. There are early signs that the divisions are making progress on achieving agency savings.

7.10 Personalisation and Business Support

7.10.1 The Personalisation and Business Support Division is forecast to underspend by £0.5m. The division is holding posts vacant in anticipation of the on-going staffing review.

7.11 Housing Benefit Payments

7.11.1 The cost of housing benefit payments (£134m) is almost entirely met by government grant. There are a number of risks and uncertainties that can affect this volatile budget including:

- Grant claw back by the DWP arising from the finalising of the 2007/08 grant claim (although a provision has already been made which should be sufficient to meet any claw back);
- Issues and variations relating to the 2008/09 grant claim which is presently subject to audit; and
- Overpayments/overpayment recoveries, to the extent that these exceed budget.

7.11.2 The subsidy claim for 2006/07 is currently being finalised with a possible adverse variance of £0.4m. At this stage it is anticipated that this will be offset by a reduction in the provision made for later years' claims.

7.12 Environmental Services

7.12.1 The Division is forecasting to remain within budget for the year. The main financial areas of concern remain the level of building control income, the ongoing issues with the waste contract and signs of a possible shortfall in bereavement services income.

7.12.2 There remain pressures regarding our waste collection service in relation to the liability for land fill tax on the "FLOC" waste stream. This could mean a landfill tax liability for 09/10 of approximately £0.8m. Discussions are ongoing with the contractor.

7.12.3 Budgeted income for Building Control is £0.7m. Income levels have deteriorated in the last quarter and if this trend continues a shortfall of £0.1m, (13%) is forecast. The domestic market is showing signs of some increase in activity but the income per job is low. There has been a significant increase in the number of large and small competitors offering building control services and tenders for large jobs are increasingly difficult to win. Cutting back all non essential supplies and services, limiting staff costs and higher than budgeted licensing income will offset the £0.1m income shortfall.

7.12.4 The number of cremations is down nearly 9% compared to the equivalent period last year. The forecast income shortfall together with additional running costs results in a potential overspend of £0.1m. This will be offset by savings from delays in recruitment.

7.12.5 Monies received from the waste contractor relating to performance rebates from previous years have been ring-fenced in part to deal with overspends in other divisions as highlighted below. This is instead of applying the total rebate to waste and cleansing projects within this division.

7.13 Cultural Services

7.13.1 The Division is currently addressing a potential budget shortfall of up to £350k with the two main areas of concern being DeMontfort Hall and Sports both of which are particularly exposed to the fluctuations in externally generated income as a result of the recession.

7.13.2 DeMontfort Hall indoor show sales are ahead of the comparable period last year, however we are now moving into the crucial autumn and winter season which account for over 70% of annual sales. The current forecast for indoor shows indicates overall annual growth of around 13% compared with last year with sales of £3.6m. The Christmas show is Scrooge and the annual sales, as always, are heavily dependant on this being a successful run generating some 22% of indoor show income. Sales for Blood Brothers in November were very good.

7.13.3 In terms of the outdoor programme the Big Session festival was successful with the

event selling out on the Saturday. Total sales were ahead of budget by 16% at £146k and the event met its net expenditure budget. Summer Sundae also went well with sales 10% ahead of budget at £560k.

7.13.4 The overall position for the hall suggests a potential shortfall of up to £0.3m.

7.13.5 Arts and Museums have additional cost pressures totalling £0.1m including additional refurbishment costs of the New Walk Museum shop and café area following a ceiling collapse, energy costs related to 08/09 and additional essential spend on the Caribbean Carnival and Diwali. Savings of £70k have been identified within the division. The Libraries service is able to provide the balance of the savings required for Arts and Museums by delaying filling vacant posts.

7.13.6 Income at Leisure centres was affected last year as the economic situation worsened and this was seen in particular with cancellations of gym membership renewals. There has been a further deterioration in income during the last quarter and the current forecast shortfall is £175k. Staffing costs are also running ahead of the budget. Controls are in place to restrict staffing costs and non essential supplies and services and other running costs have been cut.

7.13.7 As agreed in the budget for 09/10 surplus funds within the Environmental services division will be used to pay the service charge and rates bill totalling £189k for the vacant Haymarket theatre which will be used for the Myplace hub in due course.

7.13.8 The division is still quantifying the potential costs savings and any additional income in order to offset the overall forecast shortfall of up to £350k which is a combination of the DeMontfort Hall shortfall and residual shortfall in Sports.

7.14 Highways and Transport

7.14.1 The Division is still forecasting to remain within budget for the year. However there are a number of issues which continue from 2008/09 being concerns over concessionary fare costs and the reduction in on street parking income.

7.14.2 Appeals from the bus companies for increased compensation for the additional costs of carrying concessionary fare passengers amount to a potential annual cost of £0.5m. Adjudication is not likely to take place until the financial year end. Further growth in concessionary fare journeys this year together with high fare increases (in excess of 16%) have meant that the reimbursement to bus companies is forecast to exceed the Highways and Transport budget by £340k. This is mostly offset by a centrally held budget provision of £300k.

7.14.3 On-street parking income from fees and fines of £3.4m is down significantly compared to the budget and this follows the pattern seen in late 2008/09. The income from on-street parking was being used to fund a number of areas particularly subsidised bus routes and the increased costs associated with concessionary fares. The reduction in income is a trend which means that the division forecasts a funding shortfall of £1.3m.

7.14.4 The division has identified savings of approximately £0.6m for 09/10. These involve deleting vacant posts, cuts in all non essential running costs, cuts to external

consultancy budgets, ensuring that all relevant costs are charged to capital schemes and restrictions to overtime. If the concessionary fares appeal is lost by the Council the total budget shortfall for the division after netting off the savings discussed above, amounts to £1.3m which will be funded from one off monies within the Environmental services division.

7.15 Planning and Economic Development

7.15.1 Planning and Economic development are currently addressing budget shortfalls of up to £0.3m mainly as a result of reductions in outdoor and indoor markets rental income and costs awarded against the Council for three planning application appeals.

7.16 Information Technology Services

7.16.1 The I.T Service is forecasting to achieve outturn at budget.

7.17 Property Services

7.17.1 Property Services are forecasting a deficit of £0.2m. The largest proportion of this is within the Non-Operational Property portfolio and is as a result of the current economic climate. This is an improvement on the overspend previously reported and the situation will continue to be closely monitored to minimise the overall impact.

7.18 Human Resources

7.18.1 A divisional budget review is in progress which aims to address residual budget issues arising from a previous review and subsequent organisational change. The division previously reported an overspend of £0.4m and an improved position of £0.2m overspend is currently predicted. The completion of the budget review aims to bring outturn in at budget.

8. CORPORATE BUDGETS

8.1 This budget (£36m) includes a number of items that are not within the controllable budgets of any corporate directors. Capital financing (£20m) is by far the largest element of the budget but it also includes bank charges, audit fees, levies, and contributions towards job evaluation, together with other miscellaneous expenditure.

8.2 Unlike previous years, when the capital financing budget has delivered significant savings, the forecast position at this early stage of the year is close to budget.

8.3 There has been an increase in cases of claims for hardship business rate relief, which will result in an overspend of £0.1m. Other small savings across corporate budgets will offset this for 2009/10.

8.4 The council has received a final allocation of Local Authority Business Growth Incentive Grant of £0.26m for 2009/10.

9. HOUSING REVENUE ACCOUNT

- 9.1 The HRA has a planned deficit of £1.8m. As a direct result of multiple and prolonged reductions in short-term interest rates the amount of interest the HRA can expect to receive on its cash balances and is significantly reduced and will result in an overspend in the region of £0.4m. HRA balances are therefore forecast to be £2.4m as at 31st March 2009.
- 9.2 This forecast position includes a significant reduction in forecast income from dwelling rents of £1.9m. This is as a result of the government allowing reduced rent increases (averaging 2.85%) as opposed the 5.9% in the original formula. This has been offset by a reduction in negative subsidy.

10. SERVICE IMPROVEMENT PROJECTS – QUICK WINS

- 10.1 The service improvement projects included within the 09/10 budget total expected savings of £1.1m (before allowing for savings that will be achieved by areas other than the general fund). These projects are:

- 1) Agency staff (£0.4m)
- 2) Vehicle utilisation & grey fleet (£0.2m)
- 3) Facilities management (£0.3m)
- 4) IT procurement & printer rationalisation (£0.2m)

- 10.2 A shortfall in the region of £0.3m is anticipated in 09/10. This is largely due to implementation timescales and the need to establish robust proposals to support the original business cases and undertake consultation where appropriate. Any under achievement will offset the savings made from the reduced pay award (see Section 11 below). Progress on achieving these savings is set out in more detail below:

Agency staff (£0.4m)

- 10.3 Analysis is currently being undertaken identifying areas within the organisation which will benefit from a move to (a) reduce agency staff usage and recruit permanent staff instead, and (b) review the current contractual arrangements, i.e. rates, reflecting the current economic climate. The full saving is expected to be achieved in 09/10 however to achieve this on an on-going basis will require some review of our existing HR policies.

Vehicle utilisation & grey fleet (£0.2m)

- 10.4 The first major step being taken in this area is that of the realignment of the essential user policy and mileage payments to Council staff, including a review of car parking in the city centre. This review will include payments for parking where staff do not qualify for essential car user allowances and therefore cannot make a case for requiring a car parking space. Negotiations are underway with Unions to correct discrepancies with current practice and it is expected that in a full year the target saving will be achieved. It is estimated that the target saving of £0.2k will not be achieved in 09/10.

Facilities management (£0.3m)

- 10.5 Structural changes within the organisation have delayed the ability to implement the major original proposals of this project and as such any structural changes relating to facilities management are being considered within the support services transformation programme. To date savings of £38k have been identified which includes savings relating to catering, and further work is being undertaken in relation to cleaning contracts. In addition, principles to support new modern working practices have been developed and work will now take place to look at how these can help us in achieving better utilisation of space. It is not expected that the full level of savings can be achieved this year.

IT procurement & printer rationalisation (£0.2m)

- 10.6 Proposals for more efficient printer usage and rationalising the use/location/type of machines have been developed and agreed. In addition, consideration is being given to the amalgamation of bulk printing facilities which should generate economies of scale. Overall the savings target for 09/10 is expected to be achieved.

11. PAY AWARD

- 11.1 Pay award negotiations are such that a saving of £1.5m from the budgeted provision in 09/10 is expected. It has been previously agreed by Cabinet that this saving is clawed back from divisional budgets in 09/10 and set-aside to fund potential budget pressures.

12. AREA BASED GRANT

- 12.1 The Area Based Grant (ABG) is being used to support achievement of service outcomes in the local area agreement, which has been negotiated between Leicester Partnership and the Government. In 2009/10 the City Council will receive £28.5m, of which the Leicester Partnership has agreed an allocation of £0.8m towards management and administration. This has resulted in a net allocation to delivery groups of £27.7m. In addition to this sum, the underspend of £6.5m has been brought forward from 2008/09, resulting in the budget allocation for 2009/10 of £35.1m.
- 12.2 The following table shows the grant allocation. Expenditure to Period 6 amounted to £9.1m. All delivery groups except the Safer Leicester Partnership are forecasting outturn at budget. The Safer Leicester Partnership is anticipating a planned underspend of £0.1m.

Table 1 : ABG	Annual Allocation £'000	Carry Forward £'000	Annual Budget £'000
Children and Young People's	11,884	-	11,884
Safer Leicester	982	255	1,237
Stronger Communities	251	-	251
Leicester Health and Wellbeing	5,966	107	6,073
Economic Development (WNF)	8,581	5,256	13,838
Environment	22	-	22
Admin and Support	812	249	1,061
Total - ABG	28,498	5,867	34,365
Disadvantaged Area Fund (DAF)*	-	629	629
Total	28,498	6,496	34,994

13. SPECIFIC ITEMS FOR SELECT COMMITTEE MONITORING

- 13.1 The Overview and Scrutiny Management Board, at its meeting on the 4th February 2009, resolved that the Select Committee be asked to monitor on a quarterly basis specific items. These related to agency costs and the savings built into the Adults Budget for 2010/11 and beyond.

Adults Savings – 2010/11 and Beyond

- 13.2 The Social Care Divisions are setting up a Budget Performance and Monitoring Board to oversee the achievement of all savings, including 'future year efficiencies' budget allocation in 2010/11 of £1.5m rising to £2.5m in 2011/12. The efficiency programme will be developed to align with the transformation programme's 'target operating model' which describes the framework within which social care will be delivered following the implementation of the government's personalisation agenda. There will be a focus on improving commissioning in order to achieve services which are better value for money, identifying other efficiency opportunities through benchmarking and re-engineering processes to improve efficiency and reduce cost.

Agency Costs

- 13.3 As part of the delivery of the agency service improvement project (see 10.3 above), the current position regarding expenditure on agency staff is being analysed. At the equivalent point in 2008/09 a total of £9.6m had been spent on agency staff. This year, for the same period spend is £9.3m. The work being undertaken as part of the aforementioned project should reduce agency expenditure for the remainder of the year by between £0.4m and £1m.

14. EFFICIENCY SAVINGS

- 14.1 From April 2008 all Councils are required to report the value of cash-releasing value for money gains that they have achieved as one of the 198 indicators in the new national indicator set. The original expectation that local government should achieve at least 3% per annum cash releasing value for money gains over the spending review period 2008/09 to 2010/11 (CSR 07). However a budget announcement in March 2009 by the government indicated that from 2010/11 this target will increase to 4% - which has been reflected below.
- 14.2 Although the expectation to deliver 3% cashable savings each year is a national target, as part of Leicester's local area agreement, a local efficiency target has been negotiated with government as one of the targets within the LAA. Leicester City's estimated share of the target is detailed below, together with the cumulative forecast savings for 2009/10. The forecast saving includes a significant carry forward from 2007/08.

Year	2008/09	2009/10	2010/11
Target (% of 2007/08 baseline)	3%	6%	9.4%
Leicester's cumulative expected gains (£m)	10.906	21.812	37.443
Leicester's "best case" forecast savings (£m)	11.097	15.873	

- 14.3 The above table sets out **forecast savings of £15.9m against a target of £21.8m.** This is a best case forecast and assumes that all savings within the efficiency plan for 2009/10 are delivered, with the exception of the shortfall relating to service improvement quick wins, identified at paragraph 10.2 above.
- 14.4 The efficiency target is cumulative and the target is to achieve £37m by 2010/11. This now needs some catch-up 10/11, and it is imperative that the Council plans these savings if they are to be achieved.

15. FINANCIAL AND LEGAL IMPLICATIONS

Financial Implications

- 15.1 This report is solely concerned with financial issues.

Legal Implications

- 15.2 There are no direct legal implications arising from this report. Peter Nicholls, Director of Legal Services, has been consulted in the preparation of this report.

16. OTHER IMPLICATIONS

Other implications	Yes/No	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable and Environmental	No	-
Crime and Disorder	No	-
Human Rights Act	No	-
Elderly/People on Low Income	No	-

17. DETAILS OF CONSULTATION

17.1 All departments are consulted on revenue budget monitoring.

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Date: 29/10/2009

MARK NOBLE
CHIEF FINANCE OFFICER

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

GENERAL FUND REVENUE BUDGET MONITORING SUMMARY 2009/10 – PERIOD 6

	Original Budget	Carry forwards	Virements / Transfers	Revised Budget for Year	Forecast Outturn to Period 06	Forecast Variance over (under) spend
	£000	£000	£000	£000	£000	£000
Non-Operational Budgets						
Chief Executives	3,975.8	0.0	0.0	3,975.8	3,975.8	0.0
Housing Benefit Payments	527.6	0.0	0.0	527.6	527.6	0.0
Democratic Services	3,750.0	0.0	0.0	3,750.0	3,807.6	57.6
Legal Services	426.5	0.0	18.6	445.1	455.7	10.6
Financial Services	3,632.6	0.0	(104.9)	3,527.7	3,527.7	0.0
Legal Services_ Trading	(213.7)	0.0	0.0	(213.7)	(150.1)	63.6
Total Non-Operational	12,098.8	0.0	(86.3)	12,012.5	12,144.3	131.8
Operational Budgets						
Access, Inclusion and Participation	29,446.0	0.0	0.0	29,446.0	29,663.0	217.0
Learning Services	4,614.5	0.0	0.0	4,614.5	4,614.5	0.0
Social Care & Safeguarding	32,955.3	0.0	(124.4)	32,830.9	33,770.9	940.0
Strategic Planning, Commissioning & Performance	11,490.1	0.0	124.4	11,614.5	11,594.5	(20.0)
Transforming The Learning Environment	1,957.3	0.0	0.0	1,957.3	1,957.3	0.0
Schools budgets (in aggregate)	(22,443.9)	0.0	0.0	(22,443.9)	(22,763.9)	(320.0)
Housing Strategy and Options	4,629.7	65.0	0.0	4,694.7	5,554.5	859.8
Older People Services	25,150.8	0.0	(373.2)	24,777.6	24,751.1	(26.5)
Community Care Services (Adults)	42,197.1	0.0	(825.2)	41,371.9	41,692.7	320.8
Safer and Stronger Communities	5,010.3	(207.7)	170.0	4,972.6	5,109.2	136.6
Directorate and Personalisation Support	9,080.2	247.6	1,198.4	10,526.2	10,062.6	(463.6)
Environmental Services	25,747.0	0.0	0.0	25,747.0	25,747.0	0.0
Cultural Services	15,482.1	0.0	0.0	15,482.1	15,482.1	0.0
Highways and Transportation	14,483.8	0.0	0.0	14,483.8	14,483.8	0.0
Economic Regeneration, Planning and Policy	2,584.8	0.0	0.0	2,584.8	2,584.8	0.0
Regeneration Resources and Traders	1,456.7	14.3	0.0	1,471.0	1,471.0	0.0
Management & Corporate_ Resources	1,038.8	0.0	(29.3)	1,009.5	1,009.5	0.0
Human Resources	4,471.7	0.0	0.0	4,471.7	4,471.7	0.0
Information Technology	7,939.4	0.0	115.6	8,055.0	8,055.0	0.0
Property Services	2,448.5	0.0	0.0	2,448.5	2,681.5	233.0
Central Maintenance Fund	5,592.9	0.0	0.0	5,592.9	5,592.9	0.0
Trading Services_ Resources	(244.9)	0.0	0.0	(244.9)	(245.1)	(0.2)
Total Operational	225,088.2	119.2	256.3	225,463.7	227,340.6	1,876.9
Miscellaneous	15,621.0	0.0	0.0			
Capital Financing	20,014.0	0.0	0.0			
Total Corporate Budgets	35,635.0	0.0	(170.0)			
Net Recharges	(2,011.8)	0.0	0.0			

* before corrective action