



Leicester
City Council

Performance and Value for Money Select Committee
Cabinet

24th March 2010
29 March 2010

REVENUE BUDGET MONITORING 2009/10 – PERIOD 9

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 third in the regular cycle of reports for the 2009/2010 financial year showing the budget issues that have arisen so far.
- 1.2 A final report will be presented to Cabinet and the Performance and Value for Money Select Committee at Outturn.

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 budget was revised to £270.9m.
- 2.2 Throughout the year, divisions have identified some specific pressures for which management action has been taken to mitigate the effect on the overall outturn position. These are:
 - 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 increased referral. The use of former departmental reserves will fund these pressures for 09/10 only. The on-going issue has been addressed as part of the 10/11 budget strategy;
 - Housing Strategy & Options – An overspend of £137.4k is forecast as a result of a shortfall in income from Supporting People Grant and through a reduction in capital projects;
 - Strategic Asset Management – 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;

- Corporate Governance – forecasting an overall overspend of £0.2m as highlighted later in the report.

Further details of 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. All divisions are working to ensure they do not overspend.
- 2.4 Savings of £1.5m resulting from the outcome of the 2009/10 pay negotiations have been taken into account in the draft 2010/11 budget.

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;

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 Change and Programme Management

6.1.1 Change and Programme Management 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 being finalised to achieve this level of reduction and it is likely that there will be an overlap with the Support Services Review. This is being offset by an increased contribution from the Partnership for the cost of Strategic Director Support.

6.2 Financial Services and Assurance & Democratic Services

6.2.1 **Financial Services** are forecast to achieve outturn at budget, despite pressures within the division largely relating to the Revenues and Benefits service (a fall in income from summons costs). £50k of extra funding provided by the Cabinet for the Benefits Improvement programme has been brought forward from 2010/11 to 2009/10.

6.2.2 **Corporate Governance** constitutes the former Legal and Democratic Services. Former Legal Services are reporting the following:

- **Legal Services** – a continued improvement in fee earner performance, additional income generated by Shared Services initiatives and a freeze on non-essential expenditure will deliver the service on budget.
- **Local Land Charges** have reported a surplus. Legislation requires us to use this to offset our unit charge for 2010/11.
- **Customer Accounts** have projected a deficit of £54.8k although will see some reduction in period 10 as a result of some miscoding adjustments.
- At the close of period 9, Legal Services project a net overspend of £75.5k.

6.2.3 Former **Democratic Services** are forecasting a net overspend of £138k. Measures are being taken to reduce further expenditure wherever possible to seek to reduce the overspend as much as possible by the financial year end. The Coroners Service, a traditional source of financial concern, has shown significant improvement since the appointment of a new coroner, who has undertaken a detailed examination of the budget and costs incurred by the service. Reductions to date indicate that the service will manage within budget. Electoral Services has incurred a significant overspend due to high levels of activity on the Annual Canvas, with persons wishing to ensure inclusion on the Register prior to a General election and also anti fraud measures with the processing of Postal Vote applications, including individual acknowledgement etc.

7. OPERATIONAL DIVISIONS

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

7.1 Access, Inclusion and Participation

- 7.1.1 The division is funded by approximately one third General Fund, one third DSG and one third other grants (predominately Sure Start) and although all three funding streams face budget management issues, the most significant in 2009/10 are on DSG and Sure Start / Early Years funding.
- 7.1.2 On the General Fund, an underspend within the Early Years service has occurred in previous years due to development of Children's Centres resulting in only part-year revenue costs. As phase 3 centres are yet to be developed, an underspend in the current year may be possible although it is currently expected that this would 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).
- 7.1.3 An overspend on the operational activities of Young People's Support is currently being reported, particularly around young people's participation. As a result of changes in guidelines by the DCSF regarding the involvement of young people in the decision making process the current estimate of costs is £75k.
- 7.1.4 This division is also responsible for delivering the proposed City Centre youth / children's hub, which is to be developed using funding from the Big Lottery "MyPlace" programme and the City Council (subject to final approvals). There is no budget for the project management and development costs being incurred in the current year, so these will be offset against one-off funding sources available to the division (including LPSA rewards monies)

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 and possible reductions in external funding.
 - c) 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 and the Council's new responsibilities from April 2010.

The expenditure and funding plans for the RAP have been reviewed (as the original TLL planned end date of August 2009 has now passed) and a new suite of projects have been established with the expected end date of August 2010.

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.
- 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 has implemented a number of mitigating actions, and is identifying further potential steps that could be taken. However, the expected overspend (in the region of £1m) can still be expected and is likely to continue into 2010/11. The use of former departmental reserves will fund these pressures for 2009/10 only and in 2010/11 it has been built into the proposed budget.

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 (such as Phase 3 Children's Centres and the "MyPlace" youth hub).
- 7.4.2 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 ahead of the submission of the Outline Business Case and MyPlace). The cost projections and proposed funding package over a five year period were approved by Cabinet in December. 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 The Criminal Records Bureau is forecasting an underspend of £130k (£97.5k DSG and £32.5k General Fund) as a result of the implementation of the independent safeguarding authority's vetting and barring scheme being delayed from October 2009 to November 2010.
- 7.5.2 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. Proposals are made in the 2010/11 budget proposals to address data capacity.
- 7.5.3 The Student Finance service is underspending by £17k from temporary contracts being discontinued, unfilled vacancies, and savings on stationary costs as future forms are now the responsibility of the successor body, ahead of the completion of the transfer out of Local Government control in 2010/2011. The underspend will not affect service provision as the tapered transfer of service commenced in 2008/09, with further budget reductions effective in 2010/11 as the local service comes to an end.

7.6 Schools and Other Schools Budgets

- 7.6.1 Some schools have reported budget difficulties and a report into primary school budget difficulties is to be commissioned, as this is an area of increasing concern.
- 7.6.2 All schools received a letter in the Autumn Term asking that they ensure that the current year's spending and budget are reviewed, and advising that action should be taken to plan to spend excessive balances. A period of formal consultation on a new scheme to control school balances is currently underway. It should be noted that the uncertainty around job evaluation is creating difficulties for schools in planning and monitoring budgets; which together with the delays to the BSF programme, are significant contributory factors to the high level of headline school balances
- 7.6.3 Pressures on the Nursery Education Grant are emerging, due to increased take-up. These can be accommodated within the provisions set aside in the Schools Budget, and the required funding will be reviewed for the 2010/11 budget.
- 7.6.4 Whilst the Schools Budget overall will be contained within available funding in 2009/10 and a number of schools have reserves to draw upon, the level of balances at individual schools and the general outlook for future years will be closely monitored.

7.7 Housing Strategy and Options

- 7.7.1 The division is forecasting an overspend of £137.5k despite taking actions to mitigate the impact of budget pressures. This is as a result of three main pressures being:
- Hostels – previous years' downward slide in income has meant expected income is less than budgeted income by approximately £321k due to reduced occupancy levels;

- Private Sector Housing – income from capital is expected to drop by about £277k as a result of a decrease in capital projects;
- Star Team – This section is facing a reduction in Supporting People income of 24% (approximately £333k). This is due to the fact that the Supporting People Team has incurred a reduction in Government Grant and hence there has been a re-evaluation of previously agreed contracts.

7.7.2 Actions to mitigate the impact of the pressures have been taken which total savings of £1,092k:

- | | |
|---|-------|
| • Efficiency savings in Star, Thorpe House, Hostels and Renewals and Grants | £523k |
| • Housing Option savings | £211k |
| • Housing Development | £80k |
| • One-off transfer from divisional reserves | £278k |

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 and a one-off legal cost. 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 underspend of £109k 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 £104k. 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 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 DWP have reiterated their intention to reclaim £1.7m of subsidy relating to 2006-07 (which is £400k more than the current provision set for that year) and have started to reclaim this by withholding £338k from the January 2010 subsidy payment to the council. The position in respect of 2007/08, for which a contingency is also held, remains outstanding.

7.11.3 Housing Benefits payments in 2008/09 are forecast at budget, and work to reduce errors (which lead to subsidy loss) are bearing fruit.

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 and ongoing issues with the waste contract.

7.12.2 The Council is close to a settlement with Biffa with regards to outstanding rebates for 2008/09. A proportion of the monies received from the waste contractor relating to rebates from previous years has been ring-fenced to deal with overspends in other divisions as highlighted below. This is instead of applying the total rebate to waste and cleansing initiatives within this division.

7.12.3 Income from Building Control is still forecast to be approximately 20% lower than the budget of £0.75m. 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 building control income shortfall.

7.12.4 Cremation income has increased in the last quarter and is now in line with the budget. There have been some additional running costs, resulting in a potential overspend of £0.1m. This will be offset by savings from delays in recruitment within Parks and Green Spaces.

7.13 Cultural Services

7.13.1 The Division is forecast to overspend by £0.75m, £0.57m of which relates to DeMontfort Hall, the balance being a combination of Sports and Arts and Museums. This overspend will be offset by one off former departmental reserves held in the Directorate and Resources Division of £0.73m leaving a net overspend of £20k.

7.13.2 DeMontfort Hall forecast outturn is an overspend of £0.57m which is an improvement on last year's overspend of £0.8m primarily because of improved performance on the summer festivals. The budget shortfall forecast in last quarter's report has increased

due to lower than forecast sales for the Christmas programme and the cancellation of High Street Musical 2 in March. Scrooge was well received with sales exceeding £0.6m, however audience levels were affected by the snow in its final week. This is being addressed in part by reducing costs and adjusting the programme and fee arrangements. This will not address all of the deficit however and the remainder will need to be found from within the Cultural Service Division's existing budget.

7.13.3 Arts and Museums have additional cost pressures totalling £80k 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 major festivals.

7.13.4 The Library Service is forecasting a small saving of £50k in staffing and running costs in support of the pressures facing other service areas.

7.13.5 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. Income to date is in line with last year but less than budget. Costs are also ahead of the budget as a result of essential purchase of additional servers for the Electronic Point of Sale system. The net impact is a forecast overspend of £70k.

7.13.6 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.

7.14 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 up to £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 £0.4m which will be offset by a centrally held budget provision of £0.3m.

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. This has been addressed in the 2010/11 budget.

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 forecasting to breakeven. The main issues relate to the shortfall in outdoor and indoor markets rental income and costs awarded against the Council for three planning application appeals.

7.16 Information and Support

7.16.1 Forecasting to achieve outturn at budget at this stage in the financial year.

7.17 Strategic Asset Management

7.17.1 Property Services are forecasting a deficit in the region of £206k. The largest proportion of this is within the Non-Operational Property portfolio and is as a result of the current economic climate. The situation will continue to be closely monitored to minimise the overall impact.

7.18 Human Resources

7.18.1 Human Resources are reporting an underspend of £61k. This is an improvement of £102k from the position at Period 7.

7.19 Capital Finance

7.19.1 Projected underspend of £35k reflecting a combination of factors. There have been large net inflows of cash into the authority, i.e. cash receipts in excess of cash expenditure. However, the interest rate earned on investments is extremely low, meaning this no longer provides the substantial one-off benefits it provided in previous years.

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 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.

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 £2.3m as at 31st March 2010.
- 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 (with allocated target savings shown in brackets):

- 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 It is projected that £0.8m of savings will be achieved in 09/10 of which £0.7m will fall in the General Fund, thereby meeting the budgeted target.

Agency staff (£0.4m)

- 10.3 Divisional Directors have been consulted and a reduction of £0.6m has been achieved. Of this amount, £0.5m will accrue to the General Fund.

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. AREA BASED GRANT

- 11.1 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 £29.5m, 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 £28.7m. In addition to this sum, an underspend of £6.5m has been brought forward from 2008/09, resulting in the budget allocation for 2009/10 of £36m.

- 11.2 Table 1 overleaf shows the grant allocation. Expenditure to period 9 amounted to £13.9m. The national ABG mid-year reallocation process resulted in an increase to funding of £1m (included in the figures above) being allocated to the Council. At this point it is uncertain how much of that will be spent during the current financial year. Consequently, expenditure against the total mid-year reallocation of £981k (net of admin and management charge) is to be confirmed. Proposals to carry forward part of this funding may be forthcoming.

- 11.3 The following values are expected to be under spent during the current year, with proposals to carry forward to 2010/11:

• Safer Leicester Partnership	£383k
• Environmental Partnership	£165k
• Working Neighbourhood Fund	<u>£11,230k</u>
Total:	£11,778k

Table 1 : ABG	2008/09 Carry Forward £'000	2009/10 Original Allocation £'000	2009/10 Additional Allocation £'000	2009/10 Annual Budget £'000
Invest in Our Children	0	11,884	93	11,977
Improving Wellbeing & Health	107	5,966	0	6,073
Investing in Skills & Enterprise	5,256	8,581	704	14,542
(Safer) Invest in Thriving, Safe Communities	255	982	20	1,256
(Stronger) Invest in Thriving Safe Communities	0	251	0	251
Planning for People not Cars / Reducing Our Carbon Footprint	0	22	165	187
Admin and Support	249	811	29	1,089
Total - ABG	5,867	28,498	1,011	35,376
Disadvantaged Area Fund (DAF)	629	-	0	629
Total	6,496	28,498	1,011	36,005

11.4 The Cabinet has approved a plan to profile the WNF funding over an extended period to meet a longer term programme.

12. SPECIFIC ITEMS FOR SELECT COMMITTEE MONITORING

12.1 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

12.2 This has been dealt with in the 2010/11 budget proposals

Agency Costs

12.3 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 has identified budget savings of £0.6m to be achieved in 09/10.

13. **EFFICIENCY SAVINGS**

13.1 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), although this has since been increased.

13.2 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.

Year	2008/09	2009/10	2010/11
Target (% of 2007/08 baseline)	3%	6%	9.4%
Leicester’s efficiency target (£m)	10.906	21.812	37.443
Leicester’s “best case” forecast savings (£m)	10.958	15.873	

13.3 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.

13.4 The efficiency target is cumulative and the target is to achieve £37m by 2010/11. This now needs some catch-up 10/11, and needs to be reflected in the new ODI and efficiency plan.

14. **FINANCIAL AND LEGAL IMPLICATIONS**

Financial Implications

14.1 This report is solely concerned with financial issues.

Legal Implications

14.2 There are no direct legal implications arising from this report.
Peter Nicholls, Director of Legal Services

15. 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	-

16. DETAILS OF CONSULTATION

16.1 All departments are consulted on revenue budget monitoring.

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Date: 28/01/2010

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 9

	Original Budget	Virements / Transfers	Revised Budget for Year	Actuals as at Period 09	Forecast Outturn	Forecast Variance over (under) spend
	£000	£000	£000	£000	£000	£000
Non-Operational Budgets						
Chief Executives	3,975.8	44.3	4,020.1	4,237.0	4,020.1	0.0
Housing Benefit Payments	527.6	0.0	527.6	395.7	527.6	0.0
Democratic Services	3,750.0	(18.3)	3,731.7	3,056.2	3,885.2	153.5
Legal Services	426.5	13.4	439.9	343.4	500.5	60.6
Financial Services	3,632.6	2,723.3	6,355.9	5,289.9	6,355.9	0.0
Legal Services_ Trading	(213.7)	(2.5)	(216.2)	93.4	(201.3)	14.9
Total Non-Operational	12,098.8	2,760.2	14,859.0	13,415.6	15,088.0	229.0
Operational Budgets						
Access, Inclusion and Participation	29,446.0	(166.9)	29,279.1	35,007.2	29,460.1	181.0
Learning Services	4,614.5	(27.3)	4,587.2	22,445.9	4,587.2	0.0
Social Care & Safeguarding	32,955.3	(276.5)	32,678.8	25,952.2	32,678.8	0.0
Strategic Planning, Commissioning & Performance	11,490.1	92.5	11,582.6	10,513.2	11,435.6	(147.0)
Transforming The Learning Environment	1,957.3	(10.7)	1,946.6	5,878.3	1,946.6	0.0
Dedicated Schools Grant (Centrally Retained Items)	(22,443.9)	0.0	(22,443.9)	0.0	(22,572.4)	(128.5)
Delegated Schools Budgets	166,716.9	0.0	166,716.9	120,182.1	166,588.4	(128.5)
Other School Specific Budgets	6,724.0	0.0	6,724.0	11,945.7	6,724.0	0.0
Dedicated Schools Grant (Schools Budgets)	(173,440.9)	0.0	(173,440.9)	0.0	(173,312.4)	128.5
Housing Strategy and Options	4,629.7	(2,884.8)	1,809.9	939.0	1,947.4	137.5
Older People Services	25,150.8	(487.0)	24,663.8	17,044.3	24,311.4	(352.4)
Community Care Services (Adults)	42,197.1	(1,277.7)	40,919.4	32,143.5	41,163.0	243.6
Safer and Stronger Communities	5,010.3	466.2	5,268.8	3,454.4	5,372.1	103.3
Directorate and Personalisation Support	9,080.2	1,124.2	10,452.0	8,307.7	10,347.8	(104.2)
Environmental Services	25,747.0	(252.2)	25,494.8	15,961.1	25,494.8	0.0
Cultural Services	15,482.1	12.8	15,494.9	14,993.7	16,244.9	750.0
Highways and Transportation	14,483.8	741.0	15,224.8	11,999.0	15,224.8	0.0
Economic Regeneration, Planning and Policy	2,584.8	(25.3)	2,559.5	2,168.3	2,559.5	0.0
Regeneration Resources and Traders	1,456.7	194.4	1,665.4	3,359.0	935.4	(730.0)
Management & Corporate _Resources	1,038.8	(202.5)	836.3	863.4	836.3	0.0
Human Resources	4,471.7	50.4	4,522.1	3,901.8	4,522.1	0.0
Information Technology	7,939.4	446.5	8,385.9	5,769.0	8,398.1	12.2
Property Services	2,448.5	179.9	2,628.4	6,025.5	2,834.7	206.3
Central Maintenance Fund	5,592.9	0.0	5,592.9	4,194.7	5,592.9	0.0
Trading Services_ Resources	(244.9)	0.0	(244.9)	2,835.4	(271.8)	(26.9)
Total Operational	225,088.2	(2,303.0)	222,904.4	365,884.4	223,049.3	144.9
Miscellaneous	15,621.0	(457.2)	15,163.8			
Capital Financing	20,014.0	0.0	20,014.0			
Total Corporate Budgets	35,635.0	(457.2)	35,177.8			
Net Recharges	(2,011.8)	0.0	(2,011.8)			
TOTAL GENERAL FUND	270,810.2	(0.0)	270,929.4			