Leicester
City Council

Performance and Value For Money Select Committee **8th December 2010**
Cabinet **13th December 2010**

REVENUE BUDGET MONITORING 2010/11 – 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 2010/2011 financial year showing the budget issues that have arisen so far.

1.2 Further reports will be presented Cabinet and the Performance and Value for Money Select Committee at Period 9 and Outturn.

2. SUMMARY

2.1 The General Fund budget set for the financial year 2010/2011 was £276.4m. Together with the sums carried forward from 2009/2010 of £0.4m, the revised budget is now £276.8m.

2.2 It is apparent that certain divisions are facing some specific pressures resulting in a forecast overspend of £2.3m. In particular:

- Social Care and Safeguarding – An overspend of over £435k is forecast from continuing and increasing pressures including a rise in the number of children entering care;

- Planning and Commissioning – This division is facing a number of pressures of which the most significant is within Home to School Transport leading to an overall forecast overspend of £624k;

- Housing Strategy and Options – An overspend of £366k is forecast due to a number of pressures of which the most significant is a 24% reduction in ABG grant;

- Adult Care – Pressures primarily within commissioning budgets caused by growth in service user need have resulted in the division forecasting an overall overspend of £324k;

- Strategic Asset Management – Predominately as a result of pressures continuing from 2009/10 the division is forecasting an overspend of £237k.

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

3. RECOMMENDATIONS

3.1 **CABINET** is recommended to:

a) Note the changes made to the original approved budget for 2010/11;
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) Approve the creation of new reserves set out in paragraph 11.

4. BUDGET FOR 2010/11

4.1 The General Fund budget for the financial year 2010/11 is **£276.4m**. After adding the approved carried forward amounts from 2009/10 (**£0.4m**) the budget for the year is now **£276.8m**.

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 The Change and Programme Management division is predicting an outturn within budget despite some budget issues for the Partnership Team and ongoing support service reviews.

6.2 Financial Services

6.2.1 Despite pressures including the need to cover vacant posts whilst the finance review progresses the division is forecasting to achieve outturn at budget.

6.3 Corporate Governance Division (incorporating Legal & Democratic Services)

6.3.1 The Corporate Governance division is currently facing uncertainty in many areas such as, the possibility of costs in relation to the election of a Mayor and uncertainty arising from Communications and Marketing.
Despite these pressures the Director hopes to deliver a balanced budget at outturn.

6.4 Housing Benefit Payments

6.4.1 Spend at budget is currently forecast. The key issues in respect of housing benefit are the extent to which the Council is efficient at minimising overpayments, and the extent to which the DWP seeks grant clawback due to errors found at audit. At present, three years grant claims remain to be finalised by DWP, and appropriate provisions for clawback have been made. The Council's performance in respect to overpayments (which are to some extent inevitable with such a complex system) is improving.

7. OPERATIONAL DIVISIONS

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

7.1 Access, Inclusion and Participation

7.1.1 The Early Prevention service has under-spent in prior years as the Children's Centres have been developed, resulting in only part-year revenue costs. An under-spend in the current year is expected but will need to be quantified as expenditure is analysed further into the year and the costs of the restructured service are confirmed. The Head of Service has signalled a potential saving of £300k at this stage, although this may in part be required to effect savings requirements on the 0-12 and 13-19 reviews.

7.1.2 In addition to this potential saving, the service is forecasting a general fund underspend of £219k along with a further £149k underspend in Young Peoples Support primarily from vacancies and use of ABG funding.

7.2 Learning Environment

7.2.1 This Division is responsible for major investment programmes. Its remit also includes maintaining former school and other sites until they can be disposed of. At present there are a number of vacant premises which cannot be disposed of (due to the downturn in property values) and which need to be maintained, including Queensmead and Ashfield Schools, and the Cherryleas Centre, creating additional cost pressure to the Division. The budget overspent by £92k in 2009/10.

7.2.2 A number of external agency staff and consultants are covering posts pending recruitment to a permanent structure, although these are reducing. These external people are also providing shorter-term support to manage the current demands. The TLE Clientside cost projections and proposed funding package over a five year period were approved by Cabinet in November 2009. It is expected that the current year costs will be contained within the available resources, as set out in the Cabinet report. However, factors such as the Strategic Asset Management review and the extensive work required to progress BSF may impact on the projected costs. The recently announced national targets to reduce BSF costs may require further work to re-scope the remaining schemes, which would (in the short term at least) add to the clientside costs. Any in-year spending requirement over and above the costs projected in November 2009 will reduce the funding available for future years and the longer term forecasts will therefore be kept under review.

7.3 Learning Services

7.3.1 A number of cost pressures are affecting the Division including; mainstreaming initiatives developed through the Raising Achievement Plan (RAP), pressure to maintain school improvement, support to specific schools, reviews of school structures, Special Educational Needs (SEN) costs, the expiration of external funding and continued use of external consultants pending permanent recruitment and in the light of workloads.

7.3.2 The expenditure and funding plans for the RAP have been reviewed and a new suite of projects have been established with the expected end date of August 2011 for those funded by Dedicated Schools Grant (DSG).

7.3.3 The Division will not be materially affected by the Government’s recent decision to cut back Area based Grant (ABG) allocations in 2010/11, due to the proposals agreed by Council on 16th August. However, a number of other national in-year funding reductions need to be managed.

7.4 Social Care and Safeguarding

7.4.1 £0.94m was added to the 2010/11 Social Care and Safeguarding division budget in recognition of increased costs associated with work pressures during the course of 2009/10.

7.4.2 These were primarily in the areas of externally commissioned placements, legal costs and support and placement costs relating to Fostering and Adoption. This addition allowed the Division to ‘stand still’ with regard to the 2009/10 pressures.

7.4.3 Currently, in 2010/11, the Division is facing further budgetary pressures totalling £0.435m. This is in the light of continuing and increasing pressures including a rise in the number of children entering care – the division recorded its highest number of children in care for seven years in August (499). This number has now reduced slightly but remains very volatile and the overall numbers of children coming into care this year is likely to be the highest for the last 6 years. We have also recorded our highest ever number of children in Interim Care Proceedings (Court) (121) a figure that continues to increase. There is continuing pressure on placements both internally in terms of falling numbers of Foster Parents and more support required for those remaining and an increased number of external placements which whilst numerically small (3-4 more than the original 40), are prohibitively expensive.

7.4.4 Whilst the cost centres associated with children in care are essentially demand led, a range of actions are being taken to mitigate and minimise the costs, though these are medium to long term savings. This includes:

- Targeted project work to appropriately and safely move children out of the care system and reduce the numbers of children in care.

- Review of how the Council provides supervised contact arrangements for children in care in order to increase efficiencies and the quality of the service, including targeted recruitment campaigns to reduce dependency on agency staff.

- A project examining the nature of care proceedings work, with the aim of trying to reduce the length of time care proceedings take to both reduce costs and move children onto permanency with less delay.

- Review of transport arrangement eligibility criteria in order to reduce costs and increase efficiencies.

- Continued recruitment of newly qualified social workers in Fieldwork in order to reduce dependency on agency social workers, noting that to date this has proven to be a very successful strategy.

7.5 Planning and Commissioning

7.5.1 Home to School Transport over-spent by £600k in 2009/10. This has been an on-going problem for a number of years. Given the historical trend of this budget and the current levels of expenditure it is anticipated that a significant overspend of circa £600k can again be expected. The Strategic Director has commissioned a report from the Director of Planning and Commissioning to review how cost reductions could be achieved. Transport costs are driven by eligibility criteria; the application of these to commissioning decisions by services, and how the provision is arranged with Operational Transport.

7.5.2 The Criminal Records Bureau (CRB) budget is currently forecasting a £103k under-spend, as it appears that the CRB registration process for centrally employed staff will not now take place due to policy changes at national level.

7.5.3 The transfer of the Student Awards Service to the Student Loans Company is scheduled to conclude in February 2011. Staff are being assisted to develop wider skills and will be placed on the redeployment register at the appropriate time; however given the economic and employment climate, significant redundancy costs for up to 8 staff may be incurred towards the end of the year.

7.5.4 City Catering anticipate costs arising from Job Evaluation (JE) of approximately £600k per annum. There is an earmarked one-off provision of £500k to help with the costs, but the impact of JE on the Service in future years will be significant, as the resultant cost increase may make some parts of the service unviable.

7.6 Other Investing in Our Children Services issues

7.6.1 **Services Traded with Schools** - Although partly addressed in the 2010/11 Departmental Revenue Strategy (DRS), the Services Traded with Schools budget continues to be under pressure. Work is on-going to try and close this gap by highlighting where and how new services can be traded and where current charges can be increased. A report on progress across a range of services is being prepared for the Leadership Team. Close monitoring of the budget will take place as the year progresses.

7.6.2 **2010/11 Budget Savings** - A number of savings in the 2010/11 budget may not be delivered in part or in full and will either need to be covered by related services or will result in an overspend; for example, efficiencies on staff accommodation and a consistent charging policy for pre and after-School provision.

7.6.3 **Grant Reductions** – The Council has been informed of a number of revenue and capital grant reductions in the current financial year. Measures are in place to manage these, and Divisions will seek to maintain the best provision available with the remaining funds.

7.6.4 **Further Budget Reductions** - There will be further budget reductions, for example from the vacancies within the scope of support service reviews and corporate efficiency programmes such as the agency fee on longer-term agency staff and procurement initiatives.

7.7 Housing Strategy and Options

7.7.1 The Division is forecasting an overspend of £0.366m in period 6. The division is looking at ways of reducing the overspend arising from the main pressure areas:

- **Hostels** (no overspend) – A predicted overspend of £118k has been balanced by one-off savings made up of the withholding of staff recruitment (£70k) and the suspension of planned purchase of fixtures and fittings (£48k). This inherent problem remains and will be addressed as part of the budget setting process for 2011/12.
- **Star Team** (£406k overspend) – This overspend will also be addressed as part of the budget setting process for 2011/12.
- **Private Sector Housing** (£77k overspend) – This inherent problem will be addressed in 2011/12 through the budget setting process and through a staffing review.
- **Misc. Service Provision** (£150k overspend) – Actions are being taken to mitigate this.
- **Policy Management and Support** (£195 overspend) – Actions are being taken to mitigate this.
- **Housing Options** (£369k underspend) – This service is expecting to under-spend by £369k following the suspension of staff recruitment and is expected to be revisited in the 2011/12 budget setting process.
- **Development Team** (£84k underspend) – As a result of deferring staff recruitment, this team is expecting to underspend and will also be revisited in the 2011/12 budget setting process.
- **Alarms / Sheltered Housing** (£9k underspend) – is expecting a very small under-spend due to savings in running costs.

The Service Director is continuing to explore opportunities for reducing the overspend.

7.8 Safer and Stronger Communities

7.8.1 The Safer & Stronger Communities Division is currently forecasting pressures of £25.5k on a net budget of £5.4m. The overspend is in the main due to service review costs. It is anticipated that this overspend may be brought down through lower building costs later in the financial year.

7.9 Adult Social Care Divisions

7.9.1 The Adult Social Care Divisions are currently forecasting pressures of £0.3m on a net budget of £76.9m. The bulk of these pressures is within commissioning budgets and caused by growth in service user need. An overspend of £800k is forecast within the Learning Disabilities Service where some expensive new packages have been required; including a recent single package of £170k per annum. There has also been a significant rise in the demand for homecare and this is forecast to cost £800k more this year than last year.

7.9.2 The Strategic Director for Adult Social Care has launched a number of initiatives to reduce expenditure and envisages being able to bring the Divisions in on budget over the course of the year. These include the ongoing work of the Efficiency Board to identify all possible opportunities for making efficiency savings, an organisational review to reduce staffing costs and the setting up of a Quality Assurance Panel to oversee the allocation of care packages. A training programme for staff is being drawn up to ensure packages are allocated consistently and appropriately. A Learning Disability Recovery Plan is also being drawn up to bring the service in line with budgeted expenditure and will include the application of the Care Funding Calculator (CFC) to reduce package sizes, and working with the Primary Care Trust to get efficiency savings from the Leicestershire Partnership Trust. The Learning Disability Recovery Plan has been drawn up and application of some of the initiatives mentioned above, e.g. application of CFC, has resulted in-year savings of £142k. Further initiative identified to reduce expenditure is to make better use of facilities/buildings.

7.9.3 Discussions took place on the 13th September 2010 with the Executive Director NHS Leicester on the current arrangements for continuing health care funding, the impact of ASC transformation on joint funded packages and a requirement for a whole system change to effectively manage the costs of CHC to the health and social care community. A significant risk factor is both the NHS and Adult Social Care have identified CHC as an area for efficiency and this could result in cost shunting between organisations. A joint approach has been agreed between ASC and the NHS with dedicated project management support. This approach will provide a framework to re negotiate the current risk sharing agreement in place for Learning Disabilities; agree aligned provider rates for care between the NHS and ASC and review the overarching governance arrangements supporting CHC.

7.10 Environmental Services

7.10.1 The division is forecasting to remain within its net revenue budget of £26.2m. There are no new significant items which have arisen since the last report.

7.10.2 As reported last time the building control income budget of £0.75m continues to be unsustainable given the current economic climate and the increased level of competition from the private sector. An annual income target of £0.5m is more realistic and this will be addressed as part of the budget savings for 2011/12. For 2010/11 the year end shortfall in income will be managed by staffing savings within building control section and other savings within the division.

7.10.3 Biffa service costs have increased by 6.1% as this is based on RPI in April compared to the budgeted Council inflation for non pay costs of 1%. This results in an un-budgeted increase of £0.6m in 2010/11. The volume of waste processed is likely to be less than the contract and the associated volume rebate for costs not incurred by Biffa will be used to offset the increase in their charges.

7.10.4 Income generated by landscape services and the trees and woodlands services is being affected by restrictions in user department's revenue and capital budgets, including highways maintenance and play area budgets. Potential other income sources and cost savings should ensure that the services remain viable for 2010/11.

7.11 <u>Cultural Services</u>

7.11.1 Cultural Services is forecasting to remain within its net revenue budget of £15.54m excluding De Montfort Hall. The issue with De Montfort Hall's required subsidy in 2010/11 is being dealt with in a December cabinet report.

7.11.2 The other area of concern is in Sports. Income from sports centres and golf courses is £0.16m less than the equivalent period last year and there is likely to be a shortfall at the year end compared to the budget. Savings are being made in staffing and running costs in order to limit the overall budget impact.

7.12 <u>Regeneration, Highways and Transport</u>

7.12.1 The division is forecasting to remain within the net budget of £14.89m for 2010/11. As indicated at period 4 the significant issues facing the division include the reduction in the integrated transport capital funding in 2010/11, preparing the division for future reductions in the capital programme from 2011/12, the uncertainty over concessionary fare costs, the level of subsidy required for the Enderby park and ride service and the decline in off street car parking income.

7.12.2 It is now clear that the Enderby park and ride service user numbers are likely to remain lower than anticipated in the medium term despite increased promotional activity. The subsidy required is forecast to be approximately £0.7m in 2010/11 of which the City Council's share is £0.35m. The business plan assumed growth in useage over a 3 year period such that no net subsidy was required after 3 years of operation. The impact of more cheap temporary car parks and the slowdown of the economy are not helping demand for the park and ride service. Discussions are taking place with the County as to how to proceed with the service and what the implications are for the Birstall park and ride service.

7.12.3 Competition from these cheaper car parks continues to have an impact on the City Council's own off street car park income. Income generated at Newarke Street and Haymarket, the two main car parks, is down nearly 19% compared to budget. If this trend continues the full year budget shortfall would be £0.3m. The ongoing additional un-budgeted costs of Enderby and the shortfall in car park income will continue to be a problem into 2011/12.

7.12.4 We are currently projecting a shortfall in chargeable fees to capital projects of £0.5m in 2010/11 as a result of the in year cut to the integrated transport block funding. The Comprehensive Spending Review indicates reductions of approximately 30% in this funding from 2011/12 onwards, although the exact phasing is unclear. We will not know the exact allocation of the integrated transport block funding until December. A 30% cut in 2011/12 would mean the shortfall in chargeable fees would rise to £1.5m. Such a reduction in fees would require a significant reduction in design and supervision staff.

7.12.5 There are two other sources of capital funding. The first is the new local sustainable transport fund for which Leicester has been invited to bid for. The fund will be for transport interventions that support economic growth, reduce carbon emissions, improve air quality and reduce congestion.
The second fund is for major capital schemes (formerly known as the Regional Funding Allocation). Leicester has previously made an application of £69m for the new City Centre Bus station.
Whilst both of these funds would provide a source of capital fees, reducing the shortfall of £1.5m mentioned in (1.7) above, there will still be a budget shortfall for 2011/12. Once again this will need to be a call on the budget savings proposals from 2011/12 onwards.

7.12.6 The integrated transport block funded capital schemes were last reviewed following the emergency budget in June. As a result of over-spends on the Humberstone Road bus corridor scheme and variations in the progress of other schemes the current total forecast expenditure for this programme is £0.5m higher than the 2010/11 allocation. The programme is currently under review again to ensure expenditure this year is more in line with the allocation. Any overspend this year would be funded by next year's allocation. Revising this year's programme may result in the capital fee shortfall of £0.5m mentioned in (1.6) above increasing.

7.12.7 The number of concessionary fare journeys is still increasing year on year. The increase in the first 5 months is 21%. There have been no significant fare increases this year. An increase in average fares of 1% results in an increased concessionary fare cost of £90k. As in previous years we are awaiting the outcome of bus company appeals to the DfT for additional running costs. The outcome of these appeals is usually not known until the year end. The deadline for appeals against our reduction in reimbursement rates has passed and no appeals were made. It is only as a result of this reduction that, in spite of the increased usage, we are not forecasting at this stage to exceed our existing total budget of £9m for concessionary fares in 2010/11.

7.12.8 The division will commence a series of small staffing reviews to address the reduced level of design and supervision work which is likely for the foreseeable future.

7.13 Planning and Economic Development

7.13.1 Planning and Economic Development is forecasting to remain within its net revenue budget of £2.6m. There have been no significant changes since the last report.

7.13.2 Planning income is still ahead of budget but this is mainly due to the £125k fee for the Ashton Green development. There remains no sign of an increase in the general level of activity compared with 2009.

7.13.3 As indicated in the last report, planning appeal costs totalling £227k have been awarded against the Council related to Tudor Road, Spencefield Lane and Vicarage lane.

7.13.4 The Phoenix Square business centre is now operating at the target 30% occupancy with 6 of the 22 units occupied.

7.13.5 The more established LCB depot is currently 96% occupied, ahead of target. The Leicester Business centre is being refurbished and this will have an impact on rental income although this been allowed for in the budget.

7.13.6 Market income is in line with income generated in the equivalent period last year (£0.9m) although slightly less (£40k) than this year's budget for the same period.

7.14 Information and Support Services

7.14.1 This division is forecasting to deliver an overall balanced outturn. The Service Director is concerned about the ability to find the additional £400k print and ICT procurement savings included in the "Quick Wins" programme. She reports that they are striving to find them and making good progress, but a couple of the areas of planned savings have not yet delivered so alternative areas for savings are being explored.

7.15 Strategic Asset Management

7.15.1 Pressures continuing from 2009/10 are still being faced by the division resulting in total pressures of £0.2m in the current year. The main pressure areas include:

- Impact of delivering the support services review in 2010/11;
- The downturn in the current economic climate's impact on the non-operational property portfolio;
- Trading services facing the reduction of income collected in fees and charges (again due to the downturn in the economy); and
- Centrally Located Administration Buildings (CLABs) where a number of properties are now being used more extensively by LCC staff due to the problems with New Walk Centre.

7.16 Human Resources

7.16.1 The Director of Human Resources reports an overspend of £30k in the division which is mainly attributable to the unbudgeted costs of the My View project. My View continues to be a pressure in the division but it is hoped that a staffing review and other measures will deliver sufficient savings to meet those costs and deliver a balanced budget at outturn.

7.16.2 Due to the delays in implementing single status, a further £435k of project costs have been approved by Cabinet.

8. CORPORATE BUDGETS

8.1 This budget (£37m) 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. It is expected that expenditure will be at budget.

9. HOUSING REVENUE ACCOUNT

9.1 The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the council's housing stock. The current year end forecast is that HRA balances will stand at £2m which is less than forecast when the original budget was set in January. However, this is because of the cost (£550k) of moving the Craft workforce from a wages and bonus system to salaries to limit the Council's risk of equal value/equal pay claims.

9.2 This forecast includes a reduction of £1.2m in capital financing costs, which is largely countered by an increase of £1.1m in negative subsidy due to a reduction in the capital financing element of the subsidy calculation. There is also an expected small reduction on dwelling rent (due to a small increase on unoccupied properties against the level assumed in the budget).

10. AREA BASED GRANT

10.1 The Area Based Grant (ABG) is being used to support achievement of service outcomes in the local area agreement, which was negotiated between Leicester Partnership and the Government (but has since been abolished by the Government).

10.2 The table following shows the grant allocation. Expenditure to Period 6 amounted to £18.2m. The forecast position is currently showing outturn around budget for all but two of the delivery groups.

10.3 The allocation to the Leicester Children & Young People's Strategic Partnership (Invest in Our Children) was reduced by £2.0m as part of the Governments in-year funding cuts, however, alternative funding has been identified for this as reported to Cabinet on the 16th August 2010 (Impact of Government Cuts to 2010/11 Funding

10.4 The Leicester & Leicestershire Coordination Group (Investing in Skills & Enterprise) is forecasting an underspend of £11.7m for 2010/11 although this was agreed to be carried forward as per the Cabinet report on 5th October 2009.

Table 1 : ABG	2009/10 Carry forward £'000	2010/11 Original allocation £'000	2010/11 Budget cuts £'000	2010/11 Revised Allocation £'000	2010/11 Forecast Outturn £'000
Invest in Our Children	0	11,511	(2,455)	9,056	11,077
Improving Wellbeing & Health	0	19,734	(150)	19,584	19,584
Investing in Skills & Enterprise	11,522	9,049	(883)	19,688	7,924
(Safer) Invest in Thriving, Safe Communities	481	1,072	(230)	1,323	1,323
(Stronger) Invest in Thriving, Safe Communities	49	0	0	49	49
Planning for People not Cars	165	100	0	265	277
Admin and Support	191	1,020	(91)	1,120	1,120
Total - ABG	**12,408**	**42,486**	**(3,809)**	**51,085**	**41,354**
Carry forward from 2007/08	57	0	0	57	57
Disadvantaged Area Fund (DAF)	71	0	0	71	71
Total	**12,536**	**42,486**	**(3,809)**	**51,213**	**41,482**

11. EARMARKED RESERVES

11.1 The following earmarked reserve(s) have been set up during the year and require approval from Cabinet:

- **BSF Phase 1 - Lifecycle Fund** – This reserve is required to hold BSF Phase 1 monies for Beaumont Leys Specialist Science School and Fullhurst Community College.

- **Environmental Surcharge** – This reserve will be built up to replace the cremators as per the Gilroes Crematorium report that went to Cabinet on the 4th October 2010.

12. ORGANISATIONAL AND DEVELOPMENT IMPROVEMENT PLAN (ODI)

12.1 In 2010/11, the ODI is targeted to make a net saving of £4m broken down into £2m for support services transformation and £2m for procurement. A £2m contingency was set against this, leaving a net £2m required to balance the budget. To date for 2010/11, the support services transformation has secured a minimum cash saving of £1.2m and additional vacancies may further increase this cash saving. In procurement, £850k has so far been secured. Further opportunities are being followed up at the current time and will be reported back in due course. The target for this year has therefore been achieved and it is proposed that any additional savings will be used to offset the substantial redundancy costs that will need to be met within this programme.

13. FINANCIAL AND LEGAL IMPLICATIONS

Financial Implications

13.1 This report is solely concerned with financial issues.

Legal Implications

13.2 There are no direct legal implications arising from this report. Peter Nicholls (Director, Legal Services) has been consulted on the content of this report.

Climate Change Implications

13.3 This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.
(*Helen Lansdown, Senior Environmental Consultant – Sustainable Procurement*)

14. OTHER IMPLICATIONS

Other implications	**Yes/No**	**Paragraph referred**
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-
Corporate Parenting	No	-
Health Inequalities Impact	No	-

15. DETAILS OF CONSULTATION

15.1 All divisions have been consulted in the preparation of this report.

Author: Simon Walton
Date: 23/11/2010

MARK NOBLE
CHIEF FINANCE OFFICE

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

GENERAL FUND REVENUE BUDGET
BUDGET MONITORING SUMMARY 2010/11 - PERIOD 6

	Revised Budget	Forecast Outturn to Period 06	Forecast Variance over (under) spend*
	£000	£000	£000
Non-Operational Budgets			
Change & Programme Management	4,862.9	4,862.9	0.0
Financial Services	7,132.2	7,132.2	0.0
Housing Benefit Payments	527.6	527.6	0.0
Corporate Governance	4,025.9	4,025.9	0.0
Total Non-Operational	**16,548.6**	**16,548.6**	**0.0**
Operational Budgets			
Social Care & Safeguarding	33,429.6	33,864.2	434.6
Learning Environment	1,557.2	1,694.0	136.8
Learning Services	5,511.9	5,600.8	88.9
Access, Inclusion & Participation	9,863.7	9,496.6	(367.1)
Planning & Commissioning	8,315.3	8,938.8	623.5
Delegated Schools Budget	166,716.9	166,716.9	0.0
Other School Specific Budgets	6,724.0	6,724.0	0.0
Dedicated Schools Grant (Schools Budget)	(173,440.9)	(173,440.9)	0.0
Housing Strategy and Options	1,424.1	1,790.5	366.4
Safer & Stronger Communities	5,373.6	5,399.1	25.5
Adult Care	76,886.8	77,210.7	323.9
Environmental Services	26,184.6	26,184.6	0.0
Cultural Services	15,544.3	15,544.3	0.0
Regeneration, Highways and Transport	14,893.4	14,893.4	0.0
Planning & Economic Development	2,611.7	2,611.7	0.0
Resources (former R&C)	1,090.0	1,090.0	0.0
Human Resources	4,589.9	5,055.0	465.1
Information & Support	9,472.3	9,472.3	0.0
Strategic Asset Management	2,678.8	2,916.1	237.3
Central Maintenance Fund	5,648.8	5,648.8	0.0
Total Operational	**225,076.0**	**227,410.9**	**2,334.9**
Miscellaneous	19,559.5		
Capital Financing	20,168.6		
Total Corporate Budgets	**39,728.1**		
Net Recharges	(2,648.8)		
Use of Reserves	(2,331.9)		
TOTAL GENERAL FUND	**276,372.0**		

* The forecast variance is shown before corrective action is taken