



Leicester  
City Council

Performance and Value for Money Select Committee  
Cabinet

16<sup>th</sup> March 2011  
21<sup>st</sup> March 2011

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## REVENUE BUDGET MONITORING 2010/11 – PERIOD 9

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### 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 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 The overall forecast outturn at this stage of the year is a small overspend of £0.4m within the Adults and Housing Divisions:
  - Housing Strategy and Options – An overspend of £206k is forecast which is mainly due to grant reductions;
  - Adult Care – Pressures primarily within commissioning budgets caused by growth in service user need have resulted in the division forecasting an overall overspend of £94k. The underlying (recurrent) overspend is higher, requiring management action;
  - Safer and Stronger Communities – Reduced income within the Adult Skills and Learning Service (AS&L) has largely been offset by savings but still leaves an overall forecast overspend of £91k;

This position is however, after the use of former departmental reserves in many Divisions to fund other pressures. The details of which are further set out in the 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;

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 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 and a forecast shortfall in ESPO dividend (budgeted at £94k), 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 potential costs in relation to the election of a Mayor, uncertainty arising from Communications and Marketing, and a delay in the implementation of the Legal trader status. Budgeted savings in Creativity Works of £100k are also unlikely to be achieved adding a further pressure on the division.
- The Director currently reports that the forecast overspend on the Coroner's Service is now approximately £27k which, with the use of the divisional reserve can be contained within existing resources and therefore achieve 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, two 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 Children's Services - Overview**

The combined forecast overspend for the Divisions comprising Children's Services would be £715k but it is anticipated that this can be offset by use of grants and one-off resources, hence the forecast position in appendix A showing outturn at budget. The Children's Services divisional pressure areas before offsetting are highlighted below (paragraphs 7.2 to 7.7).

### **7.2 Access, Inclusion and Participation**

- 7.2.1 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 is currently being reviewed with a view to maximising grant income, both revenue and capital, to the Council. 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.
- 7.2.2 In addition to this potential saving, the service is forecasting a general fund underspend of £173k along with a further £186k underspend in Young Peoples Support primarily from vacancies and use of ABG funding (overall Division forecast underspend before offsetting is £450k).

### **7.3 Learning Environment**

- 7.3.1 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 the former Braunstone schools and the Cherryleas Centre, creating additional cost pressure to the Division. The budget overspent by £92k in 2009/10.
- 7.3.2 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 Client side 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 have required substantial further work to re-scope the remaining schemes, which will (in the short term at least) add to the client side 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 (overall Division forecast overspend before offsetting is £141k).

### **7.4 Learning Services**

- 7.4.1 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.
- 7.4.2 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).
- 7.4.3 The Division will not be materially affected by the Government's 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.
- 7.4.4 The Division has recently issued notice to individual staff as part of a restructure and refocusing of the Service's role ahead of the 2011/12 budget reductions brought about by the changes to Government funding; severance costs arising from the restructure are expected to be funded corporately under the special arrangements for managing the 2011/12 budget cuts depending upon Council approval (overall Division forecast overspend before offsetting is £225k).

## **7.5 Social Care and Safeguarding**

7.5.1 £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.

7.5.2 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.

7.5.3 Currently, in 2010/11, the Division is facing further budgetary pressures totalling £0.323m (before offsetting). This is in the light of continuing and increasing pressures including a rise in the number of children entering care.

7.5.4 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. 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.

7.5.5 The likelihood of a continued overspend in 2011/12 has been considered in the budget planning process.

## **7.6 Planning and Commissioning**

7.6.1 Home to School Transport over-spent by £600k in 2009/10. This has been an ongoing 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 £500k can again be expected. 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.

7.6.2 The Criminal Records Bureau (CRB) budget is currently forecasting a £103k under-spend (approximately £75k DSG and £25k General Fund). This is anticipated as it appears that the CRB registration process for centrally employed staff will not now take place due to policy changes at national level.

7.6.3 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 from January 2011; however,

given the economic and employment climate, significant redundancy costs for up to 8 staff may be incurred towards the end of the year.

7.6.4 City Catering is a traded service. Before Job Evaluation, a break-even position or small surplus is anticipated. However, costs arising from Job Evaluation of approximately £600k per annum are expected. There is an earmarked one-off provision of £500k to help with the costs (which may offset the costs in the current year of backdating to July 2010). However, 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 prohibitively expensive, given the context of budget constraints and pressures on Council and school budgets. This is being considered as part of the 2011/12 budget planning process.

7.6.5 Subsequent to period 7, the budget provision for the Pilot Netbook Loan Scheme for City Pupils will no longer be required, as the scheme is to be funded from the Children's Services Reserve. This will have a net nil impact on the overall end-of-year position for Children's Services, after application of reserves and one-off funding to reduce the overall overspend (overall Division forecast overspend before offsetting is £473k).

## **7.7 Other Investing in Our Children Services issues**

7.7.1 **Services Traded with Schools** - Although partly addressed in the 2010/11 Commissioning Statement, the Services Traded with Schools income budget will record an under-recovery. 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 the future strategic options and progress across a range of services has been considered by Schools Forum and will be presented at Cabinet in March. Close monitoring of the budget will identify the extent of the overspend as the year progresses and this area has been included as a budgetary pressure in the 2011/12 budget planning process.

7.7.2 **Dedicated Schools Grant** – The centralised services funded from DSG are forecast to overspend by £113k in aggregate though this is containable within the total DSG funding. The demand led SEN Statementing budget projection has increased by £280,500 since period 6, which has given rise to the net aggregate overspend.

7.7.3 **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.

7.7.4 **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. The income budget for infrastructure changes to grants is expected to be achieved. However, given the significant reduction in ring-fenced grants anticipated for 2011/12, this has been flagged as a risk area in the budget planning process.

7.7.5 **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.

## **7.8 Housing Strategy and Options**

7.8.1 The Housing Strategy and Options Division is forecasting an overspend of £206k on a budget of £1.25m. This is mainly because the Division has had grant funding reductions.

7.8.2 The Divisional Director is continuing to look for ways of achieving savings.

## **7.9 Safer and Stronger Communities**

7.9.1 The Safer and Stronger Communities Division is forecasting to overspend by £91k from a net budget of £5.4m. This is as a result of the Adult Skills and Learning Service (AS&L) learning that they are going to receive £200k less income than anticipated as a result of reduced payments from the skills funding agency. This was anticipated and AS&L have found £150k savings to deal with some of this reduction and the service director is preparing a paper on options to reduce the rest of this deficit and also to review the whole service in its entirety.

## **7.10 Adult Social Care Divisions**

7.10.1 The Adult Social Care (ASC) Divisions are now forecasting to overspend by £94k out of a net budget of £77.4m. The pressures causing this are increased demand for Home Care service (increasing cost by £330k), an increase in Direct Payment Customers (costing £140k) and an increase in external taxi costs (of £100k). Some of these cost pressures have been offset by a decrease in residential costs (£450k) and general efficiency such as vacancies management (forecast reductions of £109k). The inherent position, however, is significantly worse than the in year position. The in year overspend of £94k is after taking account of a £1m underspend (one-off) which was brought forward from last year. In addition there are one-off savings in the current year which will not happen in future years and some money provided for growth that has not yet occurred. Taking this into account the inherent overspend in the current year is around £2m. However, the present government's announcement that it will not be continuing with 'free personal care at home' leaves Adult Social Care better off by £850k; thereby reducing the inherent deficit to £1.15m in 2011/12. The government has recognised the intense pressure on ASC and has provided additional funding, through the NHS, to benefit both the NHS and Social Care. For Leicester, the allocations for the current year are £455k for 'reablement linked to hospital discharge' and £1m winter pressures for 'vital social care services which also benefit health'. The use of these amounts is currently being discussed with the NHS as are substantial ongoing amounts for 2011/12 onwards. The extent to which this money will benefit ASC is not clear at this time. Clearly there could be benefits to ASC if the monies could be used to help offset appropriate costs which have already been incurred or have been planned for the future. In so much as any inherent deficit remains then action will involve rolling forward planned savings from future years. However, this would have adverse service user consequences.

## **7.11 Environmental Services**

- 7.11.1 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 which will affect this year's outturn.
- 7.11.2 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.
- 7.11.3 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. The contracted recycling performance is being met.
- 7.11.4 The number of cremations in the period April to December is on a par with the same period in 2009 resulting in an income to date this year of £1.1m compared to a full year budget of £1.6m. The project to install new cremators and mercury abatement equipment has now commenced.
- 7.11.5 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.

## **7.12 Cultural Services**

- 7.12.1 Cultural Services is forecasting to remain within its net revenue budget of £15.5m excluding De Montfort Hall. The issue with De Montfort Hall's required subsidy in 2010/11 was dealt with in a February cabinet report. The Christmas show 'Annie' sold well with nearly 13,000 tickets sold and over a quarter of a million pounds of ticket income.
- 7.12.2 The other area of concern is in Sports. Income from sports centres and golf courses is £80k 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.

## **7.13 Regeneration, Highways and Transport**

- 7.13.1 The division is forecasting to remain within the net budget of £14.89m for 2010/11. As indicated at period 6 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 level of subsidy required for the Enderby park and ride service and the decline in off street car parking income.
- 7.13.2 Following the recent promotion of Enderby park and ride service user numbers have improved. Together with savings in running costs the forecast deficit for 2010/11 has

been reduced from £0.7m to £0.6m of which the City Council's share is £0.3m. Discussions are still ongoing with the County as to how to improve the service and also the implications for the Birstall park and ride service. The budget proposals for 2011/12 include a revenue growth item to address the increases in subsidies required for all park and ride services.

7.13.3 Competition from temporary 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 the Lanes is down by 18% compared to budget. If this trend continues the full year budget shortfall would be £0.3m. This has also been addressed in the budget proposals for 2011/12 onwards.

7.13.4 The division is 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 2011/12 settlement of £2.8m is 50% less than the allocation for 2010/11, although only 30% less than the amount of funding actually available to spend in 2010/11 because a significant amount had been already been used on projects brought forward into 2009/10.

The reduction in the block funding and completion of other major projects will significantly reduce the fees chargeable to the capital programme in 2011/12. The impact of the reduction in capital work has been included in the budget proposals for 2011/12 onwards.

7.13.5 Arriva has withdrawn its support to Star trak, the real time bus passenger information system. This follows the termination of Nottingham's involvement in September 2010. Following a review of the system it has been decided to deactivate it across the city. There will be a small financial deficit this year from operating this system before the staff are re-deployed.

7.13.6 The number of concessionary fare journeys is still increasing year on year (although the snow in December will have an impact, the numbers are not yet available) and average fares have also increased by around 5%. Nevertheless as a result of the work done on reducing reimbursement rates we are not forecasting to exceed the budget of £9.5m. The government have been consulting on calculating reimbursement rates on a more standard basis in England. They are also allowing an additional cost to be claimed by bus companies related to increases in the general bus network capacity as a result of concessionary journeys. This is recognising the fact that concessionary fare passengers now constitute a significant proportion of the bus companies business. In Leicester's case concessionary fares represent approximately 40% of the total journeys.

The full impact of the changes to reimbursement are still being evaluated. However the budget proposals for 2011/12 onwards (from when the changes are effective) should address the worst case scenario.

7.13.7 The division has reduced running costs, stopped overtime and has had a +recruitment freeze since the beginning of the year to deal with the above budget pressures. These actions combined with the use of reserves should result in the division achieving a break even position.

## **7.14 Planning and Economic Development**

7.14.1 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.

7.14.2 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.

7.14.3 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. Forecast staff cost savings within the planning service totalling £94k will offset some of these costs.

7.14.4 The Phoenix Square business centre is now operating at the target 30% occupancy for 2010/11 with 6 of the 22 units occupied. The more established LCB depot is currently 90% occupied, ahead of target.

7.14.5 The Leicester Business Centre is being refurbished and this will have an impact on rental income although this been allowed for in the budget. The depot is now forecasting a year end surplus of £37k against the originally budgeted deficit of £80k and this mainly relates to savings in running costs such as rates and buildings repairs & maintenance.

7.14.6 The Markets are forecasting a shortfall of approximately £90k in the net revenue budget for the year. This is a combination of higher operational costs (mainly cleansing) and lower stall rental income. These are both legacy issues which have now been addressed in the 2011/12 budget proposals.

## **7.15 Information and Support Services**

7.15.1 This division is forecasting to deliver an overall balanced outturn.

7.15.2 All traders within the division are currently expected to fully recover their costs although there are pressures appearing in IT Procurement as services cut back on their equipment purchases. The ICT 'ODI Quick Wins' savings target of £250k is also expected to be delivered.

7.15.3 The Curriculum ICT team will be transferring from Children's Services to Information & Support Services in the next financial year. These are currently funded from Children's Services budgets but from April 1<sup>st</sup> will become a trader with the schools. There is a financial risk that they may not recover their costs from the schools and while the service will be restructured in light of the prevailing trading conditions, the time taken to introduce this could lead to an under-recovery.

## **7.16 Strategic Asset Management**

7.16.1 As a result of proactive management including close monitoring and taking action to freeze spend where possible, the division is now forecasting a break-even position. However, areas of uncertainty and ongoing pressures still remain including:

- 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

7.16.2 The undertaking of dilapidation works at Mansion House is required at an estimated cost of £80k. The set-up of an earmarked reserve is being requested for this (see paragraph 11.1).

## **7.17 Human Resources**

7.17.1 The Director of Human Resources reports a small overspend variance in the division taking into account the ongoing pressure of the My View Project. However, it is hoped that a staffing review and other measures will deliver sufficient savings to meet these costs and deliver a balanced budget at outturn.

## **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. An underspend of £0.5m is currently forecast on capital financing which is mainly due to capital expenditure slippage.

## **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 £2.0m which is a £0.4m adverse variance against the original budget.

9.2 This forecast includes a reduction of £1.4m in capital financing costs, which is largely countered by an increase of £1.3m in negative subsidy due to a reduction in the capital financing element of the subsidy calculation. It also includes an overspend of £0.5m for repairs and maintenance due to the cost of moving the craft workforce from a wages and bonus system to salaries to limit the risk of equal value/equal pay claims.

## **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 below shows the grant allocation. Expenditure to Period 9 amounted to £26.7m. The forecast position is showing outturn around budget for all apart from four 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 16<sup>th</sup> 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 5<sup>th</sup> October 2009. The residual uncommitted balance of this funding (£5.2m) is dealt with as part of the 2011/12 budget proposals.
- 10.5 Smaller underspends are also being forecast within the Environment Partnership (£143k) and the Disadvantaged Area Fund (£32k).

<b>Table 1 : ABG</b>	<b>2009/10 Carry forward £'000</b>	<b>2010/11 Original allocation £'000</b>	<b>2010/11 Budget cuts £'000</b>	<b>2010/11 Revised Allocation £'000</b>
Invest in Our Children	0	11,511	(2,355)	9,156
Improving Wellbeing & Health	0	19,734	(146)	19,588
Investing in Skills & Enterprise	11,522	9,049	(883)	19,688
(Safer) Invest in Thriving, Safe Communities	481	1,072	(211)	1,342
(Stronger) Invest in Thriving, Safe Communities	49	0	0	49
Planning for People not Cars	165	100	0	265
Admin and Support	191	1,020	(138)	1,073
<b>Total - ABG</b>	<b>12,408</b>	<b>42,486</b>	<b>(3,733)</b>	<b>51,161</b>
Carry forward from 2007/08	57	0	0	57
Disadvantaged Area Fund (DAF)	71	0	0	71
<b>Total</b>	<b>12,536</b>	<b>42,486</b>	<b>(3,733)</b>	<b>51,289</b>

## **EARMARKED RESERVES**

- 11.1 The following earmarked reserve(s) have been set up during the year and require approval from Cabinet:
- **Mansion House (£80k)** – For dilapidation works to be carried out at Mansion House

## **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 cash saving of £1.2m from vacancies up to the 31<sup>st</sup> December 2010 (full year savings taken from these) and additional vacancies are expected to further increase this cash saving. For procurement, it is expected that £0.65m savings will be achieved this year (£0.5m through reductions in agency staff and £0.15m through print procurement savings) with further savings being achieved in 2011/12.

## **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)

### **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**

<b>Other implications</b>	<b>Yes/No</b>	<b>Paragraph referred</b>
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.

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Date: 02/03/2011

**MARK NOBLE**  
**CHIEF FINANCE OFFICER**

**GENERAL FUND REVENUE BUDGET  
BUDGET MONITORING SUMMARY 2010/11 - PERIOD 9**

	Revised Budget	Forecast Outturn to Period 09	Forecast Variance over (under) spend*
	£000	£000	£000
<b>Non-Operational Budgets</b>			
Change & Programme Management	4,251.5	4,251.5	0.0
Financial Services	7,345.2	7,345.2	0.0
Housing Benefit Payments	527.6	527.6	0.0
Corporate Governance	3,686.6	3,686.6	0.0
<b>Total Non-Operational</b>	<b>15,810.9</b>	<b>15,810.9</b>	<b>0.0</b>
<b>Operational Budgets</b>			
Social Care & Safeguarding	33,411.3	33,411.3	0.0
Learning Environment	1,542.6	1,542.6	0.0
Learning Services	5,523.5	5,523.5	0.0
Access, Inclusion & Participation	9,746.0	9,746.0	0.0
Planning & Commissioning	8,380.7	8,380.7	0.0
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	1,436.6	1,643.0	206.4
Safer & Stronger Communities	5,399.1	5,490.2	91.1
Adult Care	77,357.2	77,451.1	93.9
Environmental Services	26,151.3	26,151.3	0.0
Cultural Services	15,502.3	15,502.3	0.0
Regeneration, Highways and Transport	14,880.7	14,880.7	0.0
Planning & Economic Development	2,594.2	2,594.2	0.0
Resources (former R&C)	1,090.0	1,090.0	0.0
Human Resources	4,596.4	4,596.4	0.0
Information & Support	9,481.8	9,481.8	0.0
Strategic Asset Management	2,637.4	2,637.4	0.0
Central Maintenance Fund	5,648.8	5,648.8	0.0
<b>Total Operational</b>	<b>225,379.9</b>	<b>225,771.3</b>	<b>391.4</b>
Miscellaneous	19,993.3		
Capital Financing	20,168.6		
<b>Total Corporate Budgets</b>	<b>40,161.9</b>		
Net Recharges	(2,648.8)		
Use of Reserves	(2,331.9)		
<b>TOTAL GENERAL FUND</b>	<b>276,372.0</b>		