



**Brighton & Hove  
City Council**

**CABINET  
SUPPLEMENTARY AGENDA ITEM**

**4.00PM, THURSDAY, 12 NOVEMBER 2009**

**COUNCIL CHAMBER, HOVE TOWN HALL**

## **SUPPLEMENTARY AGENDA ITEM**

The following agenda item although provided for on the agenda front sheet was not available at the time of despatch. The Leader of the Council has agreed to accept this report as a matter of urgency for the reasons set out in the report.

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<b>116. Targeted Budget Management (TBM) 2009/10 Month 6</b>	<b>1 - 38</b>

<b>Subject:</b>	<b>Targeted Budget Management (TBM) 2009/10 Month 6</b>		
<b>Date of Meeting:</b>	<b>12 November 2009</b>		
<b>Report of:</b>	<b>Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nigel Manvell</b>	<b>Tel: 29-3104</b>
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<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB11487</b>	
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

*Note: The special circumstances for non-compliance with Council Procedure Rule 7, Access to Information Rule 5 and Section 100B (4) of the Local Government Act as amended (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the financial information necessary for the completion of the report was not available in time to meet the standard publication deadline.*

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report sets out the forecast outturn position on the revenue and capital budgets as at the end of September 2009 (month 6).
- 1.2 The report shows an improved forecast against a backdrop of significant in-year social care pressures and the impact of economic conditions. This reflects the effective monitoring and control of financial performance and more importantly the recovery actions being undertaken to ensure that spending overall remains within budget.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet notes the forecast outturn for the General Fund, Section 75 Partnerships and Housing Revenue Account (HRA) for 2008/09 as at month 6.
- 2.2 That Cabinet notes the impact of financial recovery plans, detailed in Appendix 1, on the forecast outturn position.
- 2.3 That Cabinet approves the drawdown of £0.350 million from reserves to meet potential costs of the Marina Development Appeal.
- 2.4 That Cabinet notes the forecast outturn position on the capital budgets as at month 6.
- 2.5 That Cabinet approves the changes to the capital budget as summarised in Appendix 4 and detailed in Appendices 5 – 8.

### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 The table below shows the forecast outturn position for council controlled budgets within the general fund, including directorates and centrally managed budgets and the outturn on NHS managed S75 Partnership Services.

Forecast Variance Month 4 £'000	Directorate	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
811	Adult Social Care & Housing	43,013	43,684	671	1.6%
-	S75 Learning Disability Services	23,713	23,713	-	0.0%
1,565	Children & Young People's Trust	54,510	56,557	2,047	3.8%
(42)	Finance & Resources	18,870	18,774	(96)	-0.5%
-	Strategy & Governance	13,155	13,143	(12)	-0.1%
514	Environment	38,644	38,787	143	0.4%
282	Culture & Enterprise	12,064	12,377	313	2.6%
3,130	Sub Total	203,969	207,035	3,066	1.5%
(745)	Centrally Managed Budgets	14,187	11,352	(2,835)	-16.8%
2,385	Total Council Controlled Budgets	218,156	218,387	231	0.1%
292	NHS Trust managed S75 Services	13,496	13,882	386	2.9%
2,677	Total Overall Position	231,652	232,269	617	0.3%

3.2 The Total Council Controlled Budgets line in the above table represents the total current forecast risk to the council's General Fund. This includes all directorate budgets, centrally managed budgets and council-managed Section 75 services. The NHS Trust-managed Section 75 Services line represents those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Trust and South Downs Health Trust and include health and social care services for Adult Mental Health, Older People Mental Health, Substance Misuse, AIDS/HIV, Intermediate Care and Community Equipment. The financial risk for these services generally lies with the relevant provider Trust. The forecast outturn on the HRA is as follows:

Forecast Variance Month 4 £'000	Housing Revenue Account	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Variance Month 6 %
(165)	Expenditure	47,869	48,090	221	0.5%
254	Income	(47,869)	(47,793)	76	0.2%
89	Total	-	297	297	

3.3 The overspend forecast of £0.231 million (excluding S75 Partnerships) is explained in more detail in Appendix 1.

## Corporate Critical Budgets

- 3.4 Targeted Budget Management (TBM) is based on the principles that effective financial monitoring of all budgets is important. However, there are a small number of budgets with the potential to have a material impact on the council's overall financial position. These are significant budgets where demand or activity is difficult to predict with certainty and where relatively small changes in demand can have significant financial implications for the council's budget strategy. These therefore undergo more frequent, timely and detailed analysis. Set out below is the forecast outturn position on the corporate critical budgets.

Forecast Variance Month 4 £'000	<b>Corporate Critical</b>	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
999	Child Agency & In House	18,144	19,134	990	5.5%
153	Sustainable Transport	(921)	(689)	232	25.2%
(300)	Housing Benefits	159,350	159,050	(300)	-0.2%
(220)	Concessionary Fares	7,345	7,085	(260)	-3.5%
805	Community Care	22,763	23,524	761	3.3%
-	Section 75 Learning Disabilities	20,657	20,657	-	0.0%
1,437	Total Council Controlled	227,338	228,761	1,423	0.6%
292	S75 NHS & Community Care	11,323	11,709	386	3.4%
1,729	Total Corporate Criticals	238,661	240,470	1,809	0.8%

- 3.5 The key activity data for each of the corporate critical budgets is detailed in Appendix 2. Note that the analysis in Appendix 2 will not always match exactly the outturn variances shown in the table above, due to a number of different elements that can affect the outturn. The Appendix is designed to highlight the key underlying activity data that is having the most significant effect on the forecast. Narrative explanations regarding the projections are contained within the individual directorate forecasts contained in Appendix 1.

## Collection Fund

- 3.6 The collection fund is currently forecast to have an overall in-year surplus of £1.5 million, of which the council's share is £1.277 million, and this will be included as either one-off resources as part of the budget setting process for 2010/11 or used to offset any residual overspend in 2009/10. The main reason for the surplus is that new properties added to the valuation list have exceeded the anticipated increase in exempt properties so there is an estimated net increase of 960 in properties paying council tax across the city. In addition to this the council tax collection performance is currently above target and there are also higher levels of council tax benefit being granted.

## Annual Efficiency Savings

- 3.7 The Comprehensive Spending Review 2007 assumes that, nationally, local authorities will deliver 3% cash releasing gains year-on-year. Progress made by authorities will be reported via the National Indicator NI 179 which measures Value for Money gains since the start of the 2008/09 financial year.

- 3.8 The national requirement to produce 3% cash releasing gains is reflected in the Medium Term Financial Strategy. Appendix 3 to this report summarises the efficiency savings agreed as part of the 2009/10 budget process and current progress against their achievement. Variances to the agreed efficiencies are included in the directorate forecasts.

### **Impact on the Medium Term Financial Strategy (MTFS)**

- 3.9 The lower than budgeted pay award has improved the overall position but the underlying overspend in directorates remains very high and will cause significant budget pressures going into 2010/11 if this cannot be addressed.

### **Capital Budget 2009/10**

This part of the report gives Members details of the capital programme budget position for 2009/10.

- 3.10 On 26 February 2009, Budget Council considered a capital investment programme report for the financial year 2009/10 and agreed a capital investment programme of £107.265 million. Some of the schemes included in the budget report related to schemes already approved in detail in previous years, while the remainder of the schemes have yet to be approved in detail following their inclusion.

The following table shows the currently approved capital budget.

<b>Capital Investment Programme 2009/10</b>	<b>2009/10 Budget £'000</b>
Slippage brought forward from 2008/09 approved 11 June 2009	2,578
Budget Reprofiles from 2008/09 approved 11 June 2009	3,550
Capital Investment Programme schemes approved	69,718
<b>Total Capital Budget 2009/10 as at month 6</b>	<b>75,846</b>

- 3.11 The major part of the capital investment programme still to be approved relates to the potential resources generated by the Local Delivery Vehicle (LDV) to improve council housing stock. A separate report on the Cabinet agenda provides more information about the Housing LDV.
- 3.12 Where schemes are forecast to exceed their budget, budget holders must identify additional resources to finance the shortfall. Forecast overspends of greater than £0.050 million or 10% of the original budget are required to be reported back to Members, either in detailed reports or through this capital monitoring report. Scheme delays or 'slippage' are also monitored in an effort to ensure schemes are delivered not only on budget, but also on time. Where a scheme is forecast to slip by £0.050 million or more, the budget holder will report back to Members, on the amount and the impact of the delay on service delivery.

### **Capital Forecast Outturn**

- 3.13 A number of changes are proposed to the capital programme as follows: new schemes are proposed and summarised in Appendix 5, budget reprofile requests in Appendix 6; variation requests to the capital budgets are contained in Appendix 7 and slippage forecasts of over £50,000 are listed in Appendix 8. A summary of the proposed changes are shown in the table in Appendix 4.

### **Overspends**

- 3.14 The overspend within the Housing Revenue Account (HRA) of £0.343 million as shown in Appendix 4 is due to Somerset Point & Wiltshire House brickwork repairs, unexpected minor capital works and lift condition surveys in reparation for the new service contract. This overspend will be funded from the HRA reserves. The £0.030 million overspend being reported within Children & Young People's Trust is in respect of the Falmer Academy outline business case.

### **Budget Reprofiling**

- 3.15 Delays have been identified in some projects due to factors outside of our control. Appendix 7 provides details of the reasons and asks Members to agree to the re-profiling of the budget, which in most cases will result in the resources being moved from this year's capital programme to the next.

### **Capital Slippage**

- 3.16 Capital slippage into next year has been included this month on the schemes identified in Appendix 8. Project managers have forecast that £1.231 million of the capital budget may slip into the next financial year. £0.904 million relates to devolved school budgets – budgets over which schools control the timing of the expenditure. The net slippage on the directly controlled budgets therefore amounts to £0.327 million, or 0.42% of the budget.

### **Prudential indicator for capital expenditure**

- 3.17 Each year, the council sets a number of prudential indicators that show its capital investment plans are affordable and that borrowing levels are sustainable and prudent. For 2009/10, these were set by the council on 26 February 2009. One of these indicators is 'capital expenditure' and in February the council set this at £107.265 million for 2009/10. This indicator helps us to demonstrate that our capital expenditure plans are affordable.
- 3.18 The Capital Investment Programme report demonstrated how the schemes are fully funded and affordable. The revenue effects of this programme were fully considered as part of the revenue budget setting process.

### **Capital Receipts**

- 3.19 Capital receipts are used to support the capital programme. For 2009/10 the programme is fully funded, however, any changes to the level of receipts during the year will impact on future years' capital programmes.

- 3.20 Capital receipts (excluding housing) are estimated to be £1.4m. Currently, £0.7 million has been received which includes the long leasehold disposal of part of the Wellsbourne Centre site and the licence fee in respect of the Community Stadium. This leaves £0.7 million of receipts to be achieved during the rest of the financial year. Assets are actively being marketed to achieve the level of receipts budgeted for. These assets have previously been approved for disposal.
- 3.21 The level of sales of council homes through 'right to buy' has been severely affected by the current market conditions in house prices generally and the higher cost and availability of mortgages in the current economic climate. The Government receive 75% of the proceeds of 'right to buy sales'; the remaining 25% is retained by the council and used to fund the capital programme. The estimated useable receipts for 'right to buy' sales is £0.5 million for this financial year and to date £0.1m has been received.
- 3.22 The reduction in receipts will impact on the level of investment in future years for corporate funds such as the Strategic Investment Fund, Asset Management Fund and ICT Fund as well as support for Housing initiatives. If there are no other compensating receipts generated and the current trend for 'right to buy' sales continues the capital strategy will need to be reviewed and the consequences of this will be reported within the Capital Investment Programme report to cabinet in February 2010.

#### **Comments by the Director of Finance & Resources**

- 3.23 The current position shows that demand for social care and the economic downturn are causing significant in-year pressures. These continue to be closely monitored by directorates to understand their current and potential longer term financial impact and, where necessary, factored into the development of the 2010/11 budget strategy. In the meantime, directorates are taking mitigating actions and have and continue to identify short and medium term recovery measures to address overspends.

#### **4. CONSULTATION**

- 4.1 No specific consultation was undertaken in relation to this report.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 The financial implications are covered in the main body of the report.

##### Legal Implications:

- 5.2 Part 3.4 of the council's financial regulations requires the Director of Finances & Resources to report to the Executive on the overall revenue and capital budget position on a regular basis, under the Targeted Budget Management framework.
- 5.3 Further, under part 3.1 of these regulations, it is for the Executive to take in-year decisions on resources and priorities in order to deliver the budget within the financial limits set by full Council. Hence Cabinet is authorised to approve the drawdown as proposed by recommendation 2 (3) and the changes to capital



budgets proposed by recommendation 2 (5), having regard to the effect this may have on the revenue and capital outturn positions for 2009/10.

*Lawyer consulted:*

*Oliver Dixon*

*Date: 05/11/09*

Equalities Implications:

- 5.4 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 5.5 There are no direct sustainability implications arising from this report.

Crime & Disorder Implications:

- 5.6 There are no direct crime & disorder implications arising from this report

Risk & Opportunity Management Implications:

- 5.7 There are no direct risk or opportunity management implications arising from this report.

Corporate / Citywide Implications:

- 5.8 The Council's financial position impacts on levels of Council Tax and service levels and therefore has citywide implications.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The forecast outturn position on council controlled budgets is an overspend of £0.231 million. Any overspend that exceeds risk provisions and contingencies will need to be funded from General Fund reserves, which will then need to be replenished as part of the 2010/11 budget and MTFS proposals.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Budget monitoring is a key element of good financial management, which is necessary in order for the council to maintain financial stability and operate effectively.
- 7.2 The proposed budget allocations and capital budget changes are necessary to maintain a balanced programme and effective financial management.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Directorate Revenue Outturn Forecasts
2. Corporate Critical Budgets Activity Data
3. Update on Efficiency Savings 2009/10
4. Capital Summary Outturn
5. Proposed new schemes
6. Proposed Capital Budget Re-profile Requests between years
7. Proposed Capital Budget Variations
8. Proposed Capital Slippage

### **Documents in Members' Rooms**

None

### **Background Documents**

None

**Adult Social Care & Housing**

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
-	Housing Strategy	4,746	4,873	127	2.7%
811	Adult Social Care	38,267	38,811	544	1.4%
811	Total	43,013	43,684	671	1.6%

**Explanation of Key Variances**

There are significant in-year pressures being experienced in Adult Social Care, in particular growth in home care and residential care for people with physical disabilities. These pressures were identified early in the year and financial recovery measures of £0.700 million have been delivered to date to reduce the current forecast overspend to £0.671 million. Further demand management strategies and other recovery measures continue to be developed as detailed below.

The overspend in housing strategy is attributable to the management costs associated with placing CYPT service users in temporary accommodation.

The forecast overspend on Adult Social Care has reduced further by £0.267 million since TBM 4 as a result of a revised prediction of growth in physical disabilities (from 26% to 19%) following a review of homecare commitments.

Strategies and associated management actions are in place to work towards substantially offsetting pressures and reducing the potential overspend. Actions include:

- Ensuring appropriate funding streams are used to meet the costs of complex need cases such that Disabled Living Allowance /Independent Living Fund are maximised.
- Ensuring effective use of resources through robust and consistent application of Fair Access to Care Services criteria across all services;
- Maximising benefits and ensuring that Attendance Allowance and other benefits are used to purchase domiciliary and other 'low level' requirements;
- At review stage, ensuring that Fair Access to Care Services criteria is applied and care repackaged to ensure new services are fully utilised (e.g. community solutions/Telecare etc.);
- Operating a vacancy control system and controls over agency staff costs.

## Children &amp; Young People's Trust

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
(358)	Director	3,500	2,972	(528)	-15.1%
1,042	Area Integrated Working	22,170	23,809	1,639	7.4%
-	Learning , Schools & Skills	(3,248)	(3,084)	164	5.0%
1,079	Citywide Services	30,108	31,104	996	3.3%
102	Commissioning & Governance	1,980	2,056	76	3.8%
(300)	Vacancy Management	-	(300)	(300)	0.0%
1,565	Total	54,510	56,557	2,047	3.8%

## Explanation of Key Variances

Director (£0,528 million) - this budget area relates to the staffing budget of the Director, Assistant Directors and admin support teams and in addition the unallocated budget to offset the overall Directorate position in the current year. This budget area underspend mainly relates to unallocated budget to offset the overall Directorate position. In particular the Director has taken the decision to switch £0.504 million from DSG funding of ABG areas in view of the size of the directorate overspend.

Area Integrated Working £1,639 million overspend. This branch leads on the development of integrated area working, including early intervention and prevention. Area working includes the Youth Service, Children's Centres, EPS, EWS and frontline social work teams.

Area Social Work Teams are projected to overspend by £0.312million due mainly to agency/sessional staff and transport costs. Legal fees are included within this division and these are currently forecast to overspend by £0.700 million. Legal expenses have increased due to changes in the law by the Public Law Outline (PLO). This is due to several factors, primarily the significant increase in the number of children being referred for care proceedings in line with national trends. The numbers of care proceedings are set to double this financial year compared with last financial year. In addition to this, the Court Fees have been increased by the Ministry of Justice and the cost of the Court issue Fee has increased from £175 to over £4,000 per fully contested case; it looks likely that the spend on court fees alone will be over £0.100 million above the sum allocated by the government for this purpose.

The other main overspend within this branch is £0.491 million on Preventative Payments. This relates to the ongoing costs relating to homeless families, payments to 'friends & relatives' carers and provisions.

Learning, Schools & Skills £0.164million overspend. This branch has responsibility for school admissions and transport, school funding including Schools Forum and Healthy Schools. The AD also leads on involving schools in

the next phase of development of the Children and Young People’s Trust. The main area of overspend in this area relates to Home School Transport £0.170 million.

Citywide Services £0.996million overspend. This branch is involved in taking the lead on ensuring best outcomes for Children in Care and those with special educational needs, disability and complex health needs. In addition the branch is responsible for the budget for individual placements for children and the Youth Offending Team.

The table below shows the variances in this area.

<b>Details</b>	<b>Variances £000</b>
Independent Foster Agency Payments	981
Residential Agency Placements	(302)
Disability Agency Placements/Palmeira	28
Secure Accommodation	284
Other	5
<b>Net BHCC Position to Report</b>	<b>996</b>

There has been a significant and sustained increase in activity in terms of referrals to social care (at times up to 61%) following Baby P and the Laming recommendations. This has resulted in a 33% increase in the number of children with a child protection plan and a 12% increase in the number of looked after children from July 2008 to June 2009.

Commissioning & Governance £0.076million overspend. This branch leads on behalf of the Children and Young People’s Trust and Brighton & Hove PCT on the commissioning of services for children, young people and their families. In addition the work of this branch includes currently developing the new Children and Young People’s Plan which will drive the next phase of the CYPT.

Vacancy Management (£0.300million). To partly address the overspend, a Vacancy Management target of £0.300 million is included in the forecast; the aim is to achieve savings without impacting on social workers and statutory staffing.

A plan has been developed to address the overspend and includes a number of short, medium and longer term actions.

In summary these actions include:

- Realignment of existing prevention provision to target families most at risk
- Review of use of secure accommodation and development of suitable better value alternatives

## Item 116 Appendix 1

- Increasing in-house fostering
- Review use of mother and baby placements
- Review of contracted services and application of VFM approach
- Develop proposals for permanency planning
- Review of costs relating to court proceedings/use of experts and ISW's

The above actions are being quantified as part of the Stage 2 Value for Money programme and exact numbers and estimated savings will be available by December 2009.

## Finance & Resources

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
(134)	Finance	6,432	6,242	(190)	-3.0%
(170)	ICT	5,659	5,430	(229)	-4.0%
(126)	Customer Services	3,782	3,647	(135)	-3.6%
388	Property & Design	2,997	3,455	458	15.3%
(42)	Total	18,870	18,774	(96)	-0.5%

### Explanation of Key Variances

Finance are projecting an underspend due to a reduction in external audit fees resulting from productivity improvements within the Internal Audit service which now undertakes work previously conducted by external audit. Higher than normal levels of staff turnover and associated vacancy management actions are also in place to assist the overall financial position.

ICT are forecasting an underspend due to savings on licence agreements and staff turnover/vacancy management. High priority projects and services to support business continuity (e.g. Helpdesk) are being maintained.

The main pressure in Customer Services relates to an expected shortfall in land charge income of £0.182 million, a slight improvement on month 4, due to the downturn in the housing market and the competition from private sector search companies. The corporate critical Housing Benefit budget is expected to generate an additional £0.300 million in subsidy, as local authority errors are predicted to be held below the government threshold and therefore attract additional subsidy.

Property & Design is forecasting a shortfall against commercial rent income of £0.420 million. The main loss is due to rent/lease renewals being on lower terms than expected due to the economic downturn; there has also been a slight increase in the number of voids. Income on this budget is particularly sensitive to the current market conditions and is being monitored very closely. Various measures are in place to manage and minimise the existing pressure, such as aggressive marketing, offering small businesses the option to pay rent in monthly instalments rather than quarterly, and negotiating short term lets to minimise voids. Currently there are only 2 voids out of 200 city centre retail units. Proactive procedures have been put in place for temporary lets and property services have a list of potential clients so that they can tailor the possible voids to the right clients/product. Temporary tenants have been put in place already and/or are about to be put in place where leases have been surrendered. Appropriate measures are being implemented for each property on a case-by-case basis. As a result, the shortfall is £0.410 million lower than it would have been without such action.

## Strategy & Governance

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
-	Improvement & Organ Devel	1,650	1,638	(12)	-0.7%
-	Legal & Democratic Services	3,020	3,055	35	1.2%
-	Policy Unit	3,340	3,405	65	1.9%
-	Human Resources	4,004	3,904	(100)	-2.5%
-	Executive Office	574	574	-	0.0%
-	Communications	567	567	-	0.0%
-	Total	13,155	13,143	(12)	-0.1%

## Explanation of Key Variances

In-year pressures across the directorate indicated a potential overspend of £0.295 million, for example, the impact of the economic downturn and the associated reduction in property transactions which has reduced legal fees substantially. However, a review of funding sources and identification of recovery actions should put the budget on course for break even. The measures identified are as follows:

- £0.080 million is likely to be secured via additional external funding for BHLIS (Brighton & Hove Local Intelligence Service) and Community Engagement work.
- Additional external and internal income streams across the department have so far have achieved £0.070 million.
- A further £0.145 million has been found by a combination of managing down current cost pressures and early identification of deliverable underspends, particularly within Human Resources and Improvement & Organisational Development.



## Environment

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
-	City Services	29,700	29,700	-	0.0%
100	Sport & Leisure	2,225	2,175	(50)	-2.2%
153	Sustainable Transport	(921)	(689)	232	25.2%
(20)	Public Safety	5,325	5,226	(99)	-1.9%
390	City Planning	2,315	2,455	140	6.0%
(109)	Vacancy Management	-	(80)	(80)	0.0%
514	Total	38,644	38,787	143	0.4%

### Explanation of Key Variances

Sustainable Transport are forecasting an overspend in the main due to lower than budgeted income from penalty charge notices, on street and off street parking. A range of measures have been implemented across the division to mitigate the variance.

Public Safety is forecasting an underspend due to spending controls and contract efficiencies.

In City Planning, both Development Control and Building Control have seen a drop in income from applications, in particular, there has also been a decline in the number of planning applications for large residential schemes due to the current economic conditions, leading to a shortfall of £0.140 million.

The legal fees associated with the Marina Development appeal are expected to cost £0.350 million; it is proposed to fund costs from corporate reserves should the appeal be successful and any award of costs will be put back into reserves.

The directorate is endeavouring to improve the financial position by keeping all services under constant review and taking action where feasible to reduce expenditure and raise additional revenue. A number of recovery measures have been implemented across the directorate to stop the forecast worsening further and vacancy management has been introduced to try and further mitigate overspends. The vacancy management will need to be carefully managed to ensure the impact on service delivery is minimised.

**Culture & Enterprise**

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
75	Tourism & Venues	1,710	1,785	75	4.4%
-	- Libraries & Information Services	4,073	4,073	-	0.0%
190	Royal Pavilion & Museums	2,204	2,443	239	10.8%
17	Culture & Economy	3,606	3,605	(1)	0.0%
-	- Major Projects & Regeneration	471	471	-	0.0%
282	Total	12,064	12,377	313	2.6%

**Explanation of Key Variances**

The Directorate has instigated management action to contain the forecast overspend and progress towards a balanced position. Higher than expected increases in energy costs for the Royal Pavilion & Museums of £0.085 million have caused the forecast overspend to increase. Before this exceptional item, the Directorate had identified £0.054 million reduction in the forecast as a result of management action.

Further action will be taken for the remainder of the financial year to work towards a balanced position. This includes tighter controls on filling vacant posts and spending only on essential items of supplies and services.

Tourism and Venues is forecasting an overspend due to business rates revaluation and unbudgeted repairs works at the Brighton Centre on the soil waste pipes. Venues will continue to maximise income to meet budget pressures and will look to re-phase planned maintenance work to accommodate this within the available planned maintenance budget (PMB) and reduce pressure on the venues budget.

Income at the Royal Pavilion and Museums is expected to be £0.300 million below target which is partly offset by vacancy management savings of £0.162 million and other efficiencies within the service of £0.024 million. Additional actions include retail product introduction and driving up profit margins; introduction of events to compensate for losses on corporate functions and weddings. Energy recharges of £0.125 million relating back to 2007 have been identified as a result of shared use of electricity.

## Centrally Managed Budgets

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
-	Bulk Insurance Premia	2,960	2,960	-	0.0%
(220)	Concessionary Fares	7,345	7,085	(260)	-3.5%
-	Area Based Grant	(13,705)	(13,705)	-	0.0%
(375)	Capital Financing Costs	10,319	9,919	(400)	-3.9%
-	Levies & Precepts	195	195	-	0.0%
(150)	Other Corporate Items	7,073	4,898	(2,175)	-30.8%
(745)	Total	14,187	11,352	(2,835)	-16.8%

## Explanation of Key Variances

The underspend on concessionary bus fares has increased by £0.040million to £0.260million as a result of the removal of a provision for potential outstanding costs from the Sussex Countywide scheme. It should be noted however that in respect of the 2009/10 scheme the September concessionary bus journeys are up 8.6% from last year which is the highest increase so far this year. This could be due to the good weather experienced during September, however, should this trend continue it could lead to increased costs.

There is a forecast £0.400 million underspend on Financing Costs (after a contribution from the interest rate reserve of £0.900 million). The Treasury Management Policy 6 month review report elsewhere on the agenda describes the reasons why the council has been repaying debt primarily to reduce the council's exposure to investment risk. The repayment of debt has also resulted in a net saving to the council of around £1.2m after taking account of the loss of investment income, although there is a net cost to the HRA due to perverse changes in subsidy (see HRA).

Under 'Other Corporate Items', there has been an improvement of £1.275 million to the Other Corporate Items budget due to the pay award being confirmed at 1%, which is lower than the 2% included in the budget. The 2009/10 budget also includes a contingency provision of £0.750 million which is therefore available to offset general in-year pressures relating to social care demand and the economic situation.

The forecast assumes the transfer of £0.700 million from contingency to support Building Schools for the Future; this transfer is dependent on a break even revenue outturn position.

## Section 75 Partnerships

Forecast Variance Month 4 £'000	Division	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
-	Council managed S75 Servs	23,713	23,713	-	0.0%
292	NHS Trust managed S75 Servs	13,496	13,882	386	2.9%
292	Total S75	37,209	37,595	386	1.0%

**Explanation of Key Variances**

Council managed S75 services (Learning Disabilities) are forecasting a breakeven position. A financial recovery plan of £1.900 million is in place and the forecast assumes achievement of this target. To date, £1.390 million has been achieved as a result of panels ensuring that eligibility criteria (FACs) are applied robustly; there are also cost reductions from Preston Drove remodelling and the Home Care review. Discussions with the PCT are ongoing on complex cases which are considered eligible for Continuing Health Care or Joint Funding. Assessments of 17 outstanding cases are not expected to be completed until December at the earliest. There is therefore a risk of a shortfall against the remaining element of the Financial Recovery Plan.

NHS Trust managed S75 services are forecasting an overspend of £0.386 million as follows:

- Sussex Partnership Foundation Trust (SPFT) – Mental Health & Substance Misuse is overspending by £0.343 million due to increases in the number and cost of homecare placements in Adult Mental Health.
- South Downs Health Trust – is forecasting a small overspend of £0.043 million, due to a staffing pressure on intermediate care services.

Generally, the S75 Partnership Agreements require the Integrated Service Providers (SPFT and SDH) to manage in-year cost pressures and carry this risk, subject to any agreement by the partners to vary risk-sharing provisions within the agreements. However, in practice, overspends can arise for a combination of unplanned provider and/or commissioning reasons and therefore overspends often need to be resolved jointly by commissioners and the provider/s by agreeing new risk sharing parameters. Risk share arrangements and ways of controlling expenditure are being actively discussed with SPFT to ensure that the current pressure is managed.

## Housing Revenue Account (HRA)

Forecast Variance Month 4 £'000	Housing Revenue Account	2009/10 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
(518)	Employees	9,266	9,009	(257)	-2.8%
(69)	Premises – Repair	11,028	11,161	133	1.2%
9	Premises – Other	3,038	3,087	49	1.6%
(7)	Transport & Supplies	2,113	2,043	(70)	-3.3%
(19)	Support Services	2,251	2,222	(29)	-1.3%
140	Revenue contribution to capital	4,734	4,874	140	3.0%
(613)	Capital Financing Costs	4,356	3,608	(748)	-17.2%
912	Subsidy Payable	11,083	12,086	1,003	9.0%
(165)	Net Expenditure	47,869	48,090	221	0.5%
84	Dwelling Rents (net)	(41,168)	(41,140)	28	0.1%
(15)	Other rent	(1,222)	(1,258)	(36)	-2.9%
79	Service Charges	(3,861)	(3,863)	(2)	-0.1%
20	Supporting People	(564)	(533)	31	5.5%
86	Other recharges & interest	(1,054)	(999)	55	5.2%
254	Net Income	(47,869)	(47,793)	76	0.2%
<b>89</b>	<b>Total</b>	<b>-</b>	<b>297</b>	<b>297</b>	

## Explanation of Key Variances

The forecast spend has increased to a projected overspend of £0.297 million compared to the overspend of £0.089 million forecast at month 4.

- TBM month 4 showed a forecast underspend on Employees of £0.518 million due to the anticipated pay award being lower than budgeted for and vacancy management. This underspend has decreased to £0.257 million due to more agency workers being employed to cover work together with the additional one year staff costs associated with the improvement programme. Vacancies continue to be the major factor of the underspend which are being managed against service requirements pending the implementation of the findings of the Housing Management improvement programme.
- The Premises - Repairs forecast shows an overspend of £0.133 million; an increase in expenditure of £0.202 million compared to month 4. This represents 1.2% of the Repairs revenue budget (£11.028 million) and includes the following variances:-
  - The Responsive Repairs budget is forecast to overspend by £0.342 million mainly due to high levels of expenditure during the early part of the year relating to additional works not in the base

- contract, such as damp proofing, being undertaken. Any repairs that are not considered a priority will now be programmed into the planned maintenance programme which is more cost effective.
- This overspend has been partly mitigated by the delay in implementing new service contracts (£0.101 million, now programmed to be implemented on 1 April 2010), and efficiencies realised in the decorations contract (£0.103 million).
  - Transport and supplies are now projected to underspend by £0.070 million (£0.007 million in month 4). This is mostly due to a reduction in the contribution to the Bad Debt Provision as a result of a reduction in rent arrears.
  - Revenue Contributions to Capital continues to be projected at £0.140 million overspent. The capital projection variation relating to 6 major voids was approved at TMT cabinet on 29 June 2009.
  - The current economic situation has led to a change in the corporate strategy for Treasury management within the current policy. In order to substantially reduce its exposure to risk, the council has prematurely repaid some £57 million of debt. This early repayment has also benefited the council by reducing capital financing costs of which the HRA has seen a reduction of £0.691 million, (i.e. £0.748 million capital financing costs underspend net of £0.057 million interest reduction shown under Income). However, for the HRA, due to the complexities of the subsidy system, there is also an increase of £1.003 million Housing Subsidy payable to central government resulting in a net overspend of £0.312 million. The council is monitoring the financial markets and when there are signs that the markets are returning to a more stable and secure outlook, these interim measures will be withdrawn and new borrowing will be raised. If and when this happens, the negative impact on the HRA will be revised.
  - The Service Charges under achievement of income has reduced to £0.004 million. The amount the council charges its leaseholders of sold council flats for major works was projected to under achieve by £0.075 million at month 4. However, as capital schemes have now been finalised, it will now be possible to bill leaseholders in this financial year enabling an almost break even position to be achieved.

## KEY ACTIVITY DATA SUPPORTING CORPORATE CRITICAL BUDGET FORECASTS

	Activity Indicator	Unit Cost Indicator	BUDGET			FORECAST			VARIANCE		
			Activity	Unit Cost/ Income £	Budget £	Activity	Unit Cost/ Income £	Budget £	Activity	Unit Cost/ Income £	Budget £
<b>Child Agency &amp; In-house Placements</b>											
Disability Agency	Number of children	Cost per week	9.00	1,893.30	888,500	8.76	2,088.79	954,100	(0.2)	195	65,600
Disability Respite			n/a	n/a	157,000	n/a	n/a	119,500			(37,500)
Independent Foster Agency (IFA)	Number of children	Cost per week	96.00	946.20	4,736,400	129.77	845.01	5,717,800	33.8	(101)	981,400
Residential Agency	Number of children	Cost per week	42.00	2,419.09	5,297,800	36.60	2,617.76	4,995,800	(5.4)	199	(302,000)
Secure Accommodation	Number of children	Cost per week	2.00	4,088.77	426,400	3.05	4,465.66	710,200	1.1	377	283,800
In-House Placements	Number of children	Cost per week	401.00	268.32	5,610,400	375.59	286.58	5,612,400	(25.4)	18	2,000
Leaving Care Accommodation	Number of children	Cost per week	43.50	404.15	916,700	49.82	301.30	782,700	6.3	(103)	(134,000)
Leaving Care Ex Asylum Seekers	Number of children	Cost per week	16.00	133.65	111,500	32.48	143.30	242,700	16.5	10	131,200
Educational Agency (DSG)	Number of children	Cost per week	121.00	723.81	4,566,700	102.00	725.06	3,856,257	(19.0)	1	(710,443)
											280,057
<b>Community Care</b>											
NHScc Older People	No. WTE Clients	Cost per week	1,663	203	17,613,000	1,791	189	17,613,000	128.1	(15)	0
NHScc Physical Disabilities	No. WTE Clients	Cost per week	518	179	4,828,000	621	161	5,200,000	102.9	(18)	372,000
NHScc Asylum Seekers MH	No. WTE Clients	Cost per week	40	174	367,000	91	160	757,000	50.8	(14)	390,000
											762,000
<b>Section 75 Learning Disabilities</b>											
S75 NHScc Learning Disabilities	No. WTE Clients	Cost per week	682	581	20,657,000	685	576	20,583,000	3.6	(5)	(74,000)
<b>S75 NHS &amp; Community Care Act</b>											
S75 NHScc Adult Mental Health	No. WTE Clients	Cost per week	235	260	3,184,000	299	239	3,721,000	63.5	(21)	537,000
S75 NHScc Older People Mental Health	No. WTE Clients	Cost per week	483	262	6,608,000	521	244	6,626,000	37.7	(18)	18,000
S75 NHScc Substance Misuse	No. WTE Clients	Cost per week	5	390	104,000	4	475	104,000	(0.9)	85	0
S75 NHScc HIV	No. WTE Clients	Cost per week	26	154	210,000	31	130	211,000	5.0	(24)	1,000
											556,000





## PROGRESS AGAINST THE ACHIEVEMENT OF THE 2009/10 EFFICIENCY SAVINGS

	Budget £'000	Forecast £'000	Variance £'000	Explanation
<b>Adult Social Care &amp; Housing</b>				
Adult Social Care	(1,063)	(805)	258	The main reason for the projected shortfall is due to difficulties in progressing the procurement of supported housing options for Physical Disabilities clients.
Housing Strategy	(145)	(145)	0	
<b>Sub-Total</b>	<b>(1,208)</b>	<b>(950)</b>	<b>258</b>	
<b>CYPT</b>				
Directorate Restructure	(540)	(412)	128	The underachievement relates to IFA's placements which have not continued the expected downward trend following the impact of Baby P and Laming.
Central Area and Schools Support	(50)	(50)	0	
Specialist Services	(450)	0	450	
<b>Sub-Total</b>	<b>(1,040)</b>	<b>(462)</b>	<b>578</b>	
<b>Finance &amp; Resources</b>				
Finance	(192)	(192)	0	
ICT	(350)	(350)	0	
Customer Services	(575)	(575)	0	
Property & Design	(115)	(115)	0	
<b>Sub-Total</b>	<b>(1,232)</b>	<b>(1,232)</b>	<b>0</b>	
<b>Strategy &amp; Governance</b>				
Director	(8)	(8)	0	
Improvement & Organ Devel	(28)	(28)	0	
Legal & Democratic Services	(36)	(36)	0	
Executive Office	(10)	(10)	0	
Human Resources	(53)	(53)	0	
<b>Sub-Total</b>	<b>(135)</b>	<b>(135)</b>	<b>0</b>	
<b>Environment</b>				
City Services	(1,660)	(1,660)	0	
Leisure			0	
Sustainable Transport	(50)	(50)	0	
Public Safety			0	
City Planning			0	
<b>Sub-Total</b>	<b>(1,710)</b>	<b>(1,710)</b>	<b>0</b>	
<b>Culture &amp; Enterprise</b>				
Libraries & Information services	(20)	(20)	0	
Royal Pavilion & Museums	(56)	(56)	0	
Tourism	(10)	(10)	0	
Economic Development & Regeneration	(138)	(138)	0	
Major Projects and Venues	(15)	(15)	0	
<b>Sub-Total</b>	<b>(239)</b>	<b>(239)</b>	<b>0</b>	

## PROGRESS AGAINST THE ACHIEVEMENT OF THE 2009/10 EFFICIENCY SAVINGS

	Budget £'000	Forecast £'000	Variance £'000	
<b>Section 75 : Learning Disabilities</b>				
Council Lead Learning Disabilities	(800)	(800)	0	
<b>Sub-Total</b>	<b>(800)</b>	<b>(800)</b>	<b>0</b>	
<b>Health Led Section 75 arrangements</b>				
Intermediate Care	(63)	(32)	31	
<b>Sub-Total</b>	<b>(63)</b>	<b>(32)</b>	<b>31</b>	
<b>Total</b>	<b>(6,427)</b>	<b>(5,560)</b>	<b>867</b>	
<b>Housing Revenue Account</b>				
Employees	(94)	(94)	0	
Supplies & Services	(45)	(45)	0	
Repairs -Responsive/Empty Properties/service contracts	(181)	(48)	133	The underachievement of the repairs savings relates to the responsive repairs contract due to additional works not in the base contract as reported in TBM 6.
Repairs - Gas Servicing savings under supplies & services	(198)	(198)	0	
Repairs - Gardening Older People	(20)	(20)	0	
Support Services	(63)	(63)	0	
<b>Total</b>	<b>(601)</b>	<b>(468)</b>	<b>133</b>	

## CAPITAL SUMMARY OUTTURN

	2009-10 Budget	New Schemes	Budget Reprofiles	Budget Variations	Amended Budget	2009-10 Forecast Outturn	2009-10 Forecast Slippage	2009-10 (Savings) / Overspends
<b>Directorate</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategy & Governance	756	65			821	821	-	-
Culture & Enterprise	1,606	125			1,731	1,731	-	-
Finance & Resources	4,408	840			5,248	5,083	165	-
Adult Social Care & Housing	11,635				11,635	11,635	-	-
Housing Revenue Account (HRA)	19,523		(340)	150	19,333	19,664	12	343
Children & Young People's Trust	19,217				19,217	18,343	904	30
Environment	18,701	525	(328)		18,898	18,748	150	-
<b>Total Council Budgets</b>	<b>75,846</b>	<b>1,555</b>	<b>(668)</b>	<b>150</b>	<b>76,883</b>	<b>76,025</b>	<b>1,231</b>	<b>373</b>



## New Capital Schemes for all Directorates

	2009/10 Budget £'000	2010/11 Budget £'000	2011/12 Budget £'000	Total Changes £'000
<b>New Schemes Summary</b>				
<b>Strategy &amp; Governance</b>				
Interplan	65			65
<b>Culture &amp; Enterprise</b>				
Hove Town Hall Kitchens	125			125
<b>Finance &amp; Resources</b>				
Social Care IT Infrastructure Grant	155	84		239
ICT Fund	685			685
<b>Environment</b>				
My play space aiming high project	75			75
Refuse Vehicle Replacement	450			450
<b>Total Changes to Budgets</b>	<b>1,555</b>	<b>84</b>	<b>0</b>	<b>1,639</b>

**Details of new schemes for all Directorates**

**Strategy & Governance**

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Directorate: Strategy & Governance	New Project Budget: £65,000
Project Title: Interplan	Project Manager Barbara Green

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The performance team acting on behalf of Brighton and Hove Local Strategic Partnership purchased interplan® in Feb 09 from a Brighton based company to cope with the Local Area Agreement and its associated partnership planning and performance management challenges. A few months following this, the Housing Needs and Social Inclusion Service saw the potential benefits of interplan® and recommended the use of the system to meet their planning and performance management requirements.

To maintain the momentum and effectively test the product a second database was established with the Council’s Corporate Plan at the top of the structure. However the implications for the organisation resulting from this arrangement make it unsuitable.

The development of multiple planning hierarchies within the interplan® system is required, allowing both plans (LAA and Corporate Plan) to be held within the one system and common actions to be linked to either or both of these top level plans.

This will enable corporate plan, directorate, team, business unit and individual work-plan actions to sit alongside actions that originate from the Local Area Agreement and the Sustainable Community Strategy in the same web based application on officers’ desktops. One place to review and update progress on performance against the council and the partnerships key priorities. Providing audit trail and automated progress reporting currently available for the LAA to be expanded to cover all aspects of an officer’s work.

Feedback from officers across the partnership using interplan to manage their actions has been very positive. The development proposed will enable us to expand the accountability and clarity of purpose (the golden thread) experienced by LAA users to all aspects council officers’ work. ICT are supportive of the product and the approach and have also assisted in the effective negotiations of the discounted cost.

The relationship with the local supplier is a good one; this development is proposed at 50% cost in recognition of our commitment to support successful implementation.

Alternative proposals considered all led to unacceptable compromise in the effectiveness of the system either for the partnership or the council depending which high level plan was given priority. The use of a different system to cope with the needs of the Housing Needs and Social Inclusion Service diminished the coverage of the main partnership system.

2009/10 £	2010/11 £	2011/12 £	Total £
65,000			65,000

This will be funded from LPSA2G monies allocated by the Partnership Board.

**Environment**

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Directorate: Environment	New Project Budget: £75,000
Project Title: My play space aiming high	Project Manager: Linda Anglin

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This project is part of the larger DCSF Playbuilder funded My Play Space project which received capital approval on 23<sup>rd</sup> April 2009 to develop new or improved play spaces across the city over a two year period.

The aims of the project is to provide more fun and challenging play opportunities for all children and young people, with a particular focus on 8 to 13 years old, and children with disabilities.

The Aiming High funds supplements the Playbuilder funding, and will be aimed at increasing the play space opportunities for children and young people with disabilities, and so will fully support the aims and objectives of the overall My Play Space project.

City Services and CYPT are working in partnership to deliver this project, and put in a successful joint bid for the Aiming High funds and was awarded £75,000 to provide further play opportunities for disabled children. A condition of the grant is that money is to be spent for provision of further play opportunities for disabled children as part of the 'Playbuilder' and 'My Play Space' project in order to support short break provision for children and young people with disabilities.

To this end, the project team have been working in partnership with the Children's Disability Services and AMAZE charity to ensure the money is focused where it is most needed. The target is to increase provision of play opportunities for children with disabilities at playgrounds where there are good DDA toilet and refreshment provision, as well as other opportunities for play and relaxation for the whole family. Two playgrounds fulfil these requirements, Preston Park and Queens Park as they are the only two which have the benefit of changing tables in the toilets which is essential for older children with mobility disabilities.

2009/10 £	2010/11 £	2011/12 £	Total £
75,000			75,000

The capital grant totals £75,000 and must be spent by the end of March 2010. A condition of the grant is that money is to be spent for provision of further play opportunities for disabled children as part of the 'Playbuilder' and 'My Play Space' project in order to support short break provision for children and young people with disabilities.

There are no direct financial implications for the council as all the works will be funded from the grant and as the grant will be used to develop existing sites rather than building new

play areas, there will not be any additional maintenance requirements to be funded from ongoing revenue budgets.

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Directorate: Environment	New Project Budget: £450,000
Project Title: Refuse Vehicle Replacement	Project Manager: Simon Cooper

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The service intends to replace 3 refuse vehicles which are beyond their economical life with ones that are multi functional.

The new vehicles will be to Euro 5 standard. This will further reduce the emissions for Co2, which is significantly less than the current vehicles, which run on Euro 3.

2009/10 £	2010/11 £	2011/12 £	Total £
450,000			450,000

The new multi functional vehicles will be funded from the waste infrastructure capital grant. This grant is unringfenced in accordance with Government’s policy of ensuring maximum freedoms and flexibility for local government and as such no conditions are attached to the grant.

**Culture & Enterprise**

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Directorate: Culture & Enterprise	New Project Budget: £125,000
Project Title: Hove Town Hall Kitchens	Project Manager: Adam Bates

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The Hove Town Hall kitchen equipment has been condemned on Health and Safety grounds, the equipment is very old and had already exceeded its expected life. As a consequence the venue currently has to hire in equipment to support events and commitments which is proving very expensive and is not a sustainable or a cost effective solution. The operational manager has reviewed the equipment requirements and has deleted any non essential items for replacement.

The proposal for the new kitchen is to replace the current condemned equipment with new allowing us to fulfil our contractual obligations to the Catering Contractors. The new equipment will allow us to service forthcoming events, generating income to our service areas.



2009/10 £	2010/11 £	2011/12 £	Total £
125,000			125,000

There are no corporate resources to support the purchase of this (all corporate capital funds are committed) and therefore the only options available are to fund outright from the revenue budget or use unsupported borrowing. To fund outright from the revenue budget would cause the service to overspend significantly and is therefore not viable.

For unsupported borrowing the asset would have a life of up to 20 years but should be assumed to have a life of 10 years for repayment purposes. This method of financing is used regularly for purchase of assets such as vehicles (instead of leasing them) and has been used for spend to save schemes.

The service has identified funding to cover the repayment costs through changes to its charging, in particular for the use of these new facilities. The new charges formed part of a paper to Cabinet Member meeting in September. If the service does not replace the equipment the cost of hiring equipment and the potential loss of revenue would be greater than the borrowing costs

## Finance & Resources

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Directorate: Finance & Resources	New Project Budget: £239,000
Project Title: Social Care IT Infrastructure Grant	Project Manager: Karen Guthrie

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The Department of Health announced a three-year capital funding programme (2008/09 to 2010/11) to support local authorities to continue to develop their IT infrastructure to support effective information sharing between health and social services.

The White Paper, *our health, our care, our say*, set out a new direction for the whole health and social care system, which was confirmed in the Putting People First concordat. The way services are delivered will be more personalised and fit into people's lives. A key component of this is better integration between health and social services and its potential for efficiencies.

Adult Social Care (ASC) will utilise this grant to develop information systems and technology to support the Personalisation programme, driven by the operational needs of the division. The Information Systems and Technology Board has been established to ensure that this happens.

So far, the board has commissioned a Position Statement which maps out all the key issues and opportunities across ASC that information and systems technology maybe able to support over the next two years. The key workstream at the moment is the development and migration to CareFirst 6 across ASC.

ASC are also focusing on information governance - how we manage and exchange personal data, through a joint project with the CYPT and Corporate ICT. Information governance will be critical if we are to deliver services in a more integrated way with our

colleagues in the NHS and across the council. ASC are also supporting a pilot of mobile working within the Transitional Care Team.

2009/10 £	2010/11 £	2011/12 £	Total £
155,340	83,670		239,010

The total Department of Health grant funding awarded is £239,016 (£75,674 in 08/09, £79,665 in 09/10 and £83,677 for 10/11). Both this and next years budget savings across Adult Social Care are reliant on moving transformation forward and this grant will be fully utilised to support the various IT initiatives.

A Project Manager will be required to lead the IT initiatives and this will be met from within identified resources. Ongoing computer software/maintenance costs will need to be offset against identified efficiency savings from better use of IT systems.

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Directorate: Finance & Resources  
Project Title: ICT Fund

New Project Budget: £685,000  
Project Manager: Paul Featherstone

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The ICT Fund was included in the 2009/10 capital budget approved by Members on 26 February 2009 pending further analysis and proposals of spend. Approval of the ICT Fund spend was agreed at the Central Services Cabinet Member meeting on 12 October 2009. Details of the allocations from the fund can also be found in the Cabinet Member meeting report.

2009/10 £	2010/11 £	2011/12 £	Total £
685,000			685,000

## CAPITAL BUDGET REPROFILES

<b>Reprofiles Summary</b>	2009/10 Budget £'000	2010/11 Budget £'000	2011/12 Budget £'000	Total Changes £'000
<b>Adult Social Care &amp; Housing (HRA)</b>				
Leach Court Patching & Boilers	(340)	340		-
St James Car Park (increased cost) to be included in the 2010/11 HRA Capital Budget		335		335
<b>Environment</b>				-
CIVITAS	(328)	328		-
<b>Total Changes to Budgets</b>	<b>(668)</b>	<b>1003</b>	<b>0</b>	<b>335</b>

## Re-profiles for all Directorates

### Adult Social Care & Housing (HRA)

Directorate: Housing (HRA)	Approved Budget: £374,700
Project Title: Leach Court Patching & Boilers	Revised Budget: £35,000
	Variation: £339,700

Due to the length of time required to design and procure this project, it was unlikely that the physical work would be able to be completed before the heating season commenced this financial year. Therefore, the design and procurement will be completed in 2009/10 (£35,000), and the funding allocated for the work (£339,700) will be re-profiled and the work carried out in 2010/11 after the heating season finishes.

Directorate: Housing (HRA)	Approved Budget: £367,000
Project Title: St James Car Park	Revised Budget: £705,000
	Variation: £338,000

The original budget was made up of estimates for the flue dilution containment and structural works to the car park as determined by Transport Services. Subsequently a full feasibility and structural survey was carried out by advising engineers who have recommended an enhanced package of works. This includes additional works such as installation of a new gas main, electrical works incorporating new lighting and fire alarms, a replacement flue system, water proofing, as well as full remedial works to the structure required for public safety at a cost of £0.705 million

This year's work will be funded from the existing budget (£367,000) with a small forecast overspend of £2,700, resulting in total costs this year of £369,700.

Due to the additional works identified, the scheme will not complete until next financial year and in order to complete the scheme, funding of £335,300 will be required next year and will form part of the 2010/11 HRA capital programme.

### Environment

Directorate: Environment	Approved Budget: £1,645,240
Project Title: CIVITAS	Revised Budget: £1,317,560
	Variation: £327,680

The council was unable to recruit the staff required to deliver projects within the CIVITAS programme until funding for the programme was formally confirmed by the European Commission, and accepted by the council. A different approach would have resulted in the council being exposed to undue risk. Therefore, once the programme formally started, some projects had delayed starts whilst staff to manage those projects were recruited.

As a result some project costs associated with both outputs and resources (but primarily the latter) have been reprofiled forward by up to three months. Whilst initial spend forecasts were as accurate as possible, some project programmes, and so spend profiles, have also been refined since project managers have been appointed.

## Budget Variations and projected overspends for Directorates (over £50,000)

### Adult Social Care & Housing (HRA)

Directorate: Housing (HRA)	Approved Budget: £0
Project Title: Fire Risk – Building Elements & Design	Revised Budget: £145,000
	Variation: £145,000

Following the Camberwell fire disaster in London earlier in this year, BHCC has set up a fire safety working group to ensure that we have as much information on our High rise and Medium rise blocks across the city as we can to ensure that our blocks of flats have the best safety that we can provide with the resources available.

Digitalised surveys and designs are being procured to provide us with the information that we require. It is of very high and immediate importance to obtain this building information to ensure that we have exact data to improve our citywide fire safety and prevention knowledge in relation to our high and medium rise blocks of flats.

No provision had been made in this financial year to fund the surveys and design outputs. Funds to enable this fire safety project will be taken from the 2009/10 rolling electrical survey works to the sum of £0.145 million.

Directorate: Housing (HRA)	Approved Budget: £0
Project Title: Capital Lift Repairs	Revised Budget: £150,000
	Variation: £150,000

A number of lifts have failed this year to date and have required minor capital expenditure in order to restore lifts to working operation. The total cost of carrying out these capital works is expected to be £0.150 million for the full financial year.

A contract procurement is underway for a 10 year term contract for a comprehensive lift servicing, maintenance, repair and replacement contract. This is due to commence in the 2010/11 financial year. This new contract will ensure that unplanned works of this nature are minimised. This scheme will be funded from HRA capital contingencies held in reserves.

Directorate: Housing (HRA)	Approved Budget: £500,000
Project Title: Minor Works to empty properties - Partnering Contract	Revised Budget: £791,000
	Variation: £ 291,000

The Empty Properties overspend of £0.291 million is as a result of an increased number of empty properties and higher unit costs than anticipated. A financial recovery plan has been developed and implemented. This includes a more stringent authorisation process focused on cost certainty, cost control, and joint pre-inspections to reduce individual unit costs, and

development of an action plan to encourage tenants to vacate properties in a reasonable condition and increase rechargeable works invoiced.

£0.141 million is being funded from a surplus from Cyclical Decorations budget, due to reduced Consultancy fees on the contract, and £0.150 million is being funded from the Water Storage budget, as this contract is now not going to commence until April 2010/11.

Directorate: Housing (HRA)	Approved Budget: £1,155,500
Project Title: Somerset Point and Wiltshire House Brickwork Repairs	Revised Budget: £1,305,130 Variation: £149,630

The original specification of this project was for a mast climber to be used to access the elevated areas to carry out work. However further investigation meant this option was not feasible and scaffolding has had to be used in place of the mast climber. The mast climber was included in the original project sum at a cost of £218,000, compared to the final alternative of scaffolding at a cost of £357,000. This has caused a project variation of £139,000. In addition to this alteration dummy boiler flues were installed to allow for future replacement of these flues to be Gas Act compliant, and digital TV aerial sets were fitted in preparation for the Digital Switchover.

The £149,628 will be funded from Capital reserves.

Directorate: Housing (HRA)	Approved Budget: £250,000
Project Title: Minor capital works - Planned Maintenance	Revised Budget: £310,000 Variation: £60,000

The minor capital works budget is currently forecasting an overspend of £60,000 in respect of a provision for unresolved disputes for future works. These works are currently subject to survey and a resolution will be sought in the current financial year which may result in the council incurring costs. The £60,000 will be funded by Capital Reserves

## Estimated slippage of over £50,000 for all Directorates

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Directorate: Finance & Resources	New Project Budget: £164,500
Project Title: ICT Fund – Value for Money II	Project Manager: Paul Featherstone

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The capital programme expenditure for ICT Fund detailed in appendix 4 of this report totals £520,500. This covers the works that can be delivered in the 2009/10 financial period. We are awaiting the outcome of the high level business case for the Value for Money 2 programme, which will identify areas for improvement. These findings are expected by December 2009 which would leave insufficient lead in time for ICT projects to be delivered before the end of the financial year. Therefore the balance of £164,500 should be reported as slippage into the 2010/11 financial period.

2009/10 £	2010/11 £	2011/12 £	Total £
(164,500)	164,500		0

The ICT Fund was included in the 2009/10 capital budget approved by Members on 26 February 2009 pending further analysis and proposals of spend. Approval of the ICT Fund spend was agreed at the Central Services Cabinet Member meeting on 12 October 2009.

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Directorate: Environment	New Project Budget: £150,000
Project Title: Downland Initiative Programme	Project Manager: Hugo Blomfield

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The main reason for slippage is the announcement of the future South Downs National Park which is likely to bring additional partnership funding opportunities for land owned by the council starting from 1 April 2010. This will be of greater benefit to the Downland Initiative programme than if the capital was to be spent in 2009/10

2009/10 £	2010/11 £	2011/12 £	Total £
(150,000)	150,000		0

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Directorate: CYPT	Project Budget: £4,388,080
Project Title: Devolved capital to schools	Project Manager: Martin Hucker

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Devolved Formula Capital is a financial resource that is devolved to schools by the Local Authority. Schools have the option to accrue the money for a maximum of 3 years.

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However, accrued funds are normally retained by the Local Authority. The current projected outturn figures represent the amount schools are currently anticipated to request by the end of the financial year.

2009/10 £	2010/11 £	2011/12 £	Total £
(904,380)	904,380		0