

Adult Social Care

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
366	Adult Social Care	38,145	37,915	(230)	-0.6%
366	Total	38,145	37,915	(230)	-0.6%

Explanation of Key Variances

The forecast underspend of £0.230m against Adult Social Care (excluding Learning Disabilities) is after the achievement of a significant service improvement programme which includes the Value for Money project. This is expected to deliver planned savings of £1.711m which is in the main due to a very successful re-ablement strategy.

The forecast has improved by approximately £0.600m (1.5% of net budget) from Month 6, mainly due to Older People Community Care, reflecting a reduction of 30 WTE client numbers. The main improvement is within homecare where actions from the Personalisation agenda have helped to significantly reduce the number of clients and unit costs. There continues to be a systematic review of clients' packages of care, scrutiny at panel (including maximising benefits and financial contributions) and further savings from re-ablement (leading to lower packages of care). Also the previous growth assumptions have been revised to reflect actual activity data.

The overall forecast on the Community Care budget is an underspend of £0.385m. Within this the Physical Disabilities Community Care is forecast to overspend by £0.293m, which is an improvement on previous years. This is as a result of the complex caseload and expected 504 Whole Time Equivalent (WTE) placements compared with budget assumption of 474 WTE placements. Regular monitoring and reviews are being carried out to address the in year pressures. This is offset by an underspend of £0.678m on the Older People Community Care budget, which is due to 82 WTE placements less than budgeted.

There is a £0.125m pressure on staffing and income budgets relating to Carelink Plus. A management action plan is in place, which includes an agreed increase in charges from 1st January 2011 and the development of a Business Plan to address the future funding of Telecare equipment.

Children & Young People's Trust

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(455)	Director	3,309	2,854	(455)	-13.8%
438	Area Integrated Working	31,908	32,103	195	0.6%
340	Learning , Schools & Skills	5,894	6,009	115	-2.0%
1,267	Commissioning & Governance	15,073	15,525	452	3.0%
1,590	Total	56,184	56,491	307	0.5%

Explanation of Key Variances

Director (£0.455m underspend). The underspend mainly relates to the decision made by Cabinet in July to reprioritise £0.434m from unallocated Dedicated Schools Grant (DSG) money to offset the overall directorate overspend. Of this, £0.034m is being used to fund Information Management within the commissioning & Governance branch. In addition there are savings of £0.055m in other areas.

Area Integrated Working (£0.195m 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, Education Psychology Service (EPS), Education Welfare Service (EWS), frontline social work teams; Leaving Care team and the Fostering Service.

The overspend in this branch relates to two main areas: Legal fees and Area Social Work Teams. Legal fees are currently forecast to overspend by £0.257m. 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. 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.

The children's social work teams continue to be under pressure because of their statutory duties around child protection and looked after children's duties. There also continues to be a churn in frontline social workers leaving from the most pressurised teams i.e. the children's social work front doors. As a result of both of these factors the majority of the projected overspend within this area of £0.511m is due to agency social work staff. The branch has a robust rolling programme of recruitment and retention including a bursary scheme to attract newly qualified social workers from the universities. This intake of newly qualified social workers will help towards reduction on dependency on agency social workers.

The overspends in this branch are partially off-set by underspends in In-House placements and services for care leavers totalling £0.506m. These underspends have primarily resulted from unit costs being significantly below the anticipated level.

Learning, Schools & Skills (£0.115m overspend), the main area of overspend in this area relates to disability agency placements £0.322m. This is partially off-set by underspends in Home to school transport (£0.096m) and Admin SEN team (£0.070m).

Commissioning and Governance (£0.452m overspend), this branch is responsible for producing and monitoring the Children and Young people's Plan and the effective operation of the council's Section 75 Agreements with our health partners for the joint commissioning and provision of integrated children's services. In addition the branch is responsible for the commissioning and procurement of fostering and residential agency placements for individual children and the oversight and monitoring of associated budgets. The number of placements, and level of expenditure, relates directly to the significant and sustained level of referrals to social care (at times up to 61%) following the Baby P. case and the Laming recommendations. This has resulted in a 46% increase in the number of children with a child protection plan and a 21% increase in the number of looked after children between April 2009 and September 2010. The main areas of overspend in this area relate to Independent Foster Agency Placements of £0.938m. The underspend in Secure accommodation of £0.504m reduces the overall overspend in this branch.

The projected spend on agency placements (excluding disability placements) fell by £0.796m between month 6 and month 9. The previously experienced levels of growth in placements was not repeated in the last quarter, leading to a projected reduction in FTE placements of 5.2. In addition, there was a reduction in the average unit cost of high cost secure placements by £43.56 per week to £1,161.09 per week.

Children's Services have put in place a Value for Money action plan to address the level of activity and spend in IFA'S. The plan focuses on strengthening preventive services and streamlining social care processes including:

- increasing the use of the Common Assessment Framework to provide universal and tier 2 services to children and families in need
- driving the implementation of the 'Think Family' approach for families with the most complex needs
- introducing a tiered approach to manage social care referrals from other agencies including the remodelling of social work duty systems and the reinstatement of area and specialist resource panels or similar mechanisms
- improving the commissioning and procurement of expert assessments in care proceedings, strengthening arrangements for early permanence planning and increasing the numbers of in house foster placements able to provide tier 1 care.

Finance & Resources

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(60)	Finance	6,042	5,979	(63)	-1.0%
(272)	Customers & Information	9,461	9,066	(395)	-4.2%
323	Property & Design	2,897	3,373	476	16.4%
(9)	Total	18,400	18,418	18	0.1%

Explanation of Key Variances

Within Finance there is a total forecast underspend of £0.063m, which is an improvement of £0.004m from Month 6. There is a staffing underspend and additional income in Audit & Business Risk of £0.033m. Strategic Finance are showing an underspend of £0.030m from Procurement rebate income.

Customers & Information are forecasting an underspend of £0.395m. This is an improvement of £0.123m from Month 6, due primarily to savings on ICT desktop renewals budget. There is a surplus of £0.290m relating to additional Housing Benefits income based on current subsidy arrangements. There are pressures on court costs and other supplies and services which are partially offset by additional land charges income of £0.083m, vacancy management savings and expenditure constraints across the division.

Property and Design are forecasting a shortfall on rental income of £0.282m (a movement of £0.138m from Month 6) from the commercial portfolio due to the national uncertain economic conditions. Rental income pressures and potential voids seem to be growing and although there are proactive measures in place to minimise the impact there is no scope for uplift on new and renewed lease agreements under these current market conditions. Property and Design will continue to secure the most advantageous rent settlements both for short term and long term gain. A sum of £0.207m has been set aside to invest in Automatic Meter Readers (AMR's) for non Housing sites which will support the Government and Council's commitment to reduce carbon emissions through lowering energy consumption as part of the 10.10 campaign, as well as legal commitments such as the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, which specifically states the need for installing AMR's as part of its early action metrics.

Strategy & Governance

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(5)	Equalities & Communities	3,028	3,028	-	0.0%
-	Performance & Analysis	1,043	1,043	-	0.0%
(4)	Legal & Democratic Servs	3,256	3,229	(27)	-0.8%
(10)	Policy Unit	1,098	1,087	(11)	-1.0%
47	Human Resources	4,458	4,696	238	5.3%
-	Executive Office	1709	1709	-	0.0%
69	Communications	420	489	69	16.4%
97	Total	15,012	15,281	269	1.8%

Explanation of Key Variances

An overspend of £0.269 million is forecast for the group of services previously within the Strategy & Governance Directorate, an increase of £0.172 million since month 6.

The Human Resources service pressures are being offset by income giving a net position of £0.238 million overspend (an increase of £0.191m from Month 6). The reason for the increased pressure partly relates to additional staffing costs and shortfalls in income from rechargeable services.

Within Communications there are salary and other service pressures - it is anticipated that these will largely be offset by income surpluses, project contributions from other directorates. The Communications Value for Money review continues to generate savings across service communications budgets in 2010/11 and plans are in place to consolidate budgets for 2011/12 which is expected to generate significant procurement savings.

Environment

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
81	City Services	30,131	30,500	369	1.2%
(105)	Sport & Leisure	2,012	1,907	(105)	-5.2%
99	Sustainable Transport	(931)	(599)	332	35.7%
95	City Planning	7,872	7,957	85	1.1%
170	Total	39,084	39,765	681	1.7%

Explanation of Key Variances

The forecast overspend in City Services relates to two main areas, Traveller Liaison and City Clean. The cost of providing 24 hour security at Horsdean Traveller Site is now estimated to be £0.085m, and the higher than budgeted costs of rubbish clearance have risen to £0.086m. In addition, £0.063m was spent repairing the damage to toilet/shower doors. The Traveller Liaison Service has identified underspends of £0.011m, leaving a net overspend of £0.223m. The remaining overspend of £0.146m relates to utility costs at the Depot and an adjustment for a missed accrual from the 2009/10 year end. Other overspends within City Clean are offset by underspends at City Parks.

The forecast underspend in Sport & Leisure is due to additional income achieved from the sale of beach huts, £0.048m, and through underspends on expenditure budgets of £0.057m.

Sustainable Transport is forecasting an overspend against budget. The position has worsened since the last forecast. The recent days of snow have had an adverse effect on the revenue forecasts within Parking, reducing income by approximately £0.200m. While an overspend has been created in this budget area from the adverse weather there is a reduction in expenditure on concessionary travel because of the snow which has created a compensating saving on centrally managed budgets. The main forecast variance against budget relates to a drop in the number of Penalty Charge Notices being issued, which follows a nationally recognised trend for improved compliance. There is now likely to be a budget pressure this year of £0.826m. On-street Parking income is forecast to be £0.215m below budget and income from the ex-leased car parks is expected to be £0.043m short of budget, but this is partially offset by additional permit income of £0.150m. In addition, the refurbished Lanes and London Road Car Parks are contributing an extra £0.347m due to increased income generation. Underspends in parking related expenditure accounts for £0.339m, while underspends in other Sustainable Transport budgets contribute £0.066m. A range of measures have been implemented across the division with the aim of trying to bring the forecast back to a break even position.

There is a forecast overspend in City Planning of £0.085m due to a shortfall in income generated by the Building Control Service, and loss of the Planning Delivery Grant. Public Protection budgets are expected to underspend against budget by £0.040m due to vacancy management savings. Further investments have been made this year as part of the review of Advertising and Sponsorship. However, due to enforced delays,

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no income will be realised this financial year, causing an overspend of £0.026m. The remaining overspend of £0.014m is due to employee costs.

Housing, Culture & Enterprise

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
50	Tourism & Venues	1,642	1,682	40	2.4%
-	Libraries & Information Servs	4,173	4,173	-	0.0%
-	Royal Pavilion & Museums	2,555	2,555	-	0.0%
(57)	Culture & Economy	3,478	3,421	(57)	-1.6%
-	Major Projects & Regeneration	355	355	-	0.0%
-	Housing Strategy	15,772	15,639	(133)	-0.8%
(7)	Total	27,975	27,825	(150)	-0.5%

Explanation of Key Variances

The overspend of £0.040m for Tourism and Venues is mainly due to projected income shortfalls for the Brighton Centre of £0.170m and the Hove Centre of £0.150m. There is also a pressure on contract costs on the Brighton Centre partially offset by vacancy management. The underachievement of income is as a result of a reduced number of conferences during the year, reduced bookings at the Hove Centre and below target income from Holiday on Ice. Income potential will continue to be reviewed to address this pressure. The overspend is largely offset by a rates refund for the Brighton Centre of £0.310m.

The Royal Pavilion and Museums are projected to be on target. A rates refund has been received of £0.173m following the award of 80% charitable relief for Preston Manor and the Booth Museum, which is backdated to when NNDR was introduced in 1990, the majority of this refund will be applied to fund the capital lighting project at the Royal Pavilion.

The underspend of £0.057m in Culture & Economy is largely due to vacancy management savings.

Housing Strategy is forecasting an under-spend of £0.133m mainly due to improved collection of housing benefit on temporary accommodation within the leased accommodation budget. In particular this relates to the collection of any shortfalls where the housing benefit rate received is lower than the property charge.

There is however a pressure on the Housing Management Temporary Accommodation budget within the Housing Revenue Account of £0.160m.

The loss of Supporting People Admin grant of £0.164m in 2010/11 is being covered within existing Housing Strategy budgets by vacancy management and one-off under-spends from the internal contracts within the Supporting People Welfare Grant.

Centrally Managed Budgets

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(150)	Bulk Insurance Premia	3,019	2,844	(175)	-5.8%
(412)	Concessionary Fares	7,712	6,885	(827)	-10.7%
-	Capital Financing Costs	10,495	10,495	-	0.0%
-	Levies & Precepts	201	201	-	0.0%
(1,864)	Other Corporate Items	(17,214)	(19,078)	(1,864)	10.8%
(2,426)	Total	4,213	1,347	(2,866)	-68.0%

Explanation of Key Variances

The forecast saving of £0.175m on Insurance Premia is as a result of the review of annual insurance arrangements for 2010/11.

On Concessionary Fares there is an increase of £0.415m in the forecast underspend bringing the total for the year to £0.827m. The majority of this increase, £0.345m, relates to lower than projected journey numbers during the winter period. The final re-determination of the 2007/08 payment to Brighton & Hove Buses has been made by the Department for Transport and the council's share of the reduced payment from this re-determination is £0.070m.

On Corporate Items there is an ongoing risk provision within Contingency of £0.750m to cover risks identified in the Learning Disabilities budget and a further £0.750m to cover uncertainties in the budget. There is a one-off risk provision of £0.500m to support one-off risks and £0.500m is being released from contingency following a decision to reduce the 1% set aside to cover pay increases in 2010/11 to 0.5%.

Therefore the total provisions available in the budget is £2.500m of which £0.700m is being used to manage the implementation of the in year grant reductions and the remaining £1.800m is being used to off set in-year pressures identified elsewhere in the budget.

In addition there is a further £0.064m saving from contingency as a result of £0.030m recovered from City College relating to Comart that was originally funded from contingency and £0.034m from contingency for items no longer required.

Section 75 Partnerships

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
538	Council managed S75 Servs	24,112	24,370	258	1.1%
409	NHS Trust managed S75 Servs	13,434	14,016	582	4.3%
947	Total S75	37,546	38,386	840	2.2%

Explanation of Key Variances

Council managed S75 services (Learning Disabilities) are forecast to overspend by £0.258m. The forecast overspend is attributed to:

- Learning Disabilities mainstream- staffing cost pressures £0.044m
- Learning Disabilities Community Care-forecast overspend of £0.214m equivalent to 4 Whole Time Equivalents (WTE's) in residential care

The forecast has improved by approximately £0.280m from Month 6, mainly due to the Community Care budget, reflecting a reduction of 5 WTE client numbers. This is due to managing growth more effectively, review of cases to cover level of need and care and ensure that appropriate funding is in place and robust management across in-house services costs.

The overspend of £0.258m assumes the achievement of £1.350m against a financial recovery plan of £1.420m to deliver savings identified within the budget strategy. The current forecast of the financial recovery plan assumes a further £0.083m to be delivered in addition to the £1.266m achieved to date.

NHS Trust managed S75 services are forecasting an overspend of £0.582m, which is an increase of £0.173m from Month 6. This is largely due to demand pressures against the Mental Health Community Care budget, reflecting further growth of 10 WTE client numbers.

The forecast is based on the following assumptions:

- Sussex Partnership Foundation Trust (SPFT) – forecast overspend of £0.496m after delivery of a financial recovery plan (see below). Significant overspends on community care budget (Adult Mental Health £0.475m, Older People Mental Health £0.436m and Substance Misuse £0.069m) due to the full year effect of 2009/10 placements offset by other savings of £0.034m and allocation of the joint commissioning pot of £0.450m for the development of mental health services.
- Sussex Community Trust (SCT) – forecast overspend of £0.085m, due to a staffing pressures on intermediate care services. Options are being explored to deliver savings across a range of service provision.

Sussex Partnership Foundation Trust (SPFT) have developed a Financial Recovery Plan to work towards a reduced overspend position. Savings achieved to date are £0.465m against a target of £0.829m. There is ongoing dialogue with SPFT on management of placements.

Generally, the S75 Partnership Agreements require the Integrated Service Providers (Sussex Partnership Foundation Trust and Sussex Community Trust) 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. Sussex Partnership Foundation Trust has agreed the Financial Recovery Plan actions and to incentivise both partners to work together to achieve break even an agreement has been reached to share the 2010/11 financial risk 50:50. As part of this the council has recognised that pressures caused by demographic growth are the responsibility of the commissioning organisation to fund rather than the provider.

Housing Revenue Account (HRA)

Forecast Outturn Month 6 £'000	Housing Revenue Account	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(273)	Employees	9,187	8,754	(433)	-4.7%
(287)	Premises – Repair	11,468	11,093	(375)	-3.3%
63	Premises – Other	3,110	2,992	(118)	-3.8%
189	Transport & Supplies	2,031	2,098	67	3.3%
(26)	Support Services	2,153	2,128	(25)	-1.2%
-	Third Party Payments	54	54	-	0.0%
-	Revenue contribution to capital	3,543	3,724	181	5.1%
(135)	Capital Financing Costs	3,729	3,585	(144)	-3.9%
39	Subsidy Payable	12,927	12,991	64	0.5%
(430)	Net Expenditure	48,202	47,419	(783)	-1.6%
(4)	Dwelling Rents (net)	(41,613)	(41,619)	(6)	0.0%
60	Other rent	(1,318)	(1,238)	80	6.1%
181	Service Charges	(4,034)	(3,781)	253	6.3%
11	Supporting People	(497)	(478)	19	3.8%
36	Other recharges & interest	(740)	(705)	35	4.7%
284	Net Income	(48,202)	(47,821)	381	0.8%
(146)	Total	-	(402)	(402)	

Explanation of Key Variances

The forecast for month 9 is an underspend of £0.402m compared to a forecast underspend of £0.146m at month 6.

- The employees forecast underspend has increased from £0.273m in month 6 to £0.433m. This increase is mainly due to the latest forecasts relating to TUPE costs for Property & Investment staff being reduced by £0.120m. The balance of the underspend is due to vacancy management both in Housing Management and Property and Investment. This is partly due to some Property and Investment posts in the new structure, which came into effect from 1 April, being recruited to later in the financial year than anticipated. The budget had assumed a full year establishment for all posts, therefore resulting in an underspend.
- The Premises Repairs forecast is an underspend of £0.375m compared to the month 6 forecast underspend of £0.287m. This includes:
 - The responsive repairs and empty properties budget which is forecast to underspend by £0.175m of which £0.092m is in relation to unit cost efficiencies on the works carried out on empty properties due to Mears achieving a reduction in the budgeted unit costs of £387 per unit.

- Service contracts which are being procured over the next 18 months, included within cyclical maintenance are anticipated to underspend by £0.273m.
- The Premises Other budget is now forecast to underspend by £0.118m which mainly relates to the reduction in costs for Gas and Electricity. This forecast underspend has been offset by a reduction of heating charges to tenants of approximately £0.080m included in the Service Charges income forecast.
- Transport & Supplies includes £0.100m towards the phased introduction of Automatic Meter Readers in Housing sites that fall under the gas and electric contracts. These are being purchased in order to provide more accurate meter readings, support active management of usage and to support the Council's commitment to reduce carbon emissions and meet the requirements of the Carbon Reduction Commitment Energy Efficiency Scheme.
- Revenue Contributions to the Capital Programme have been increased by £0.181m towards the costs of the Housing Centre, the detail of this is included in the capital appendices also included in this Cabinet report.
- Capital Financing costs are forecast to underspend by £0.144m due to forecast interest rates for the year being lower than the assumptions used for budget setting. The reduced interest rates also reduce the amount of subsidy allowance for capital finance costs therefore resulting in an increased Subsidy payable to the Government of £0.064m.
- Leaseholder service charges income is projected to underachieve by £0.160m. This projection has been forecast following analysis of last year's outturn which has shown that the charges are likely to be less than budgeted for.

