

Children & Young People's Trust

Forecast Outturn 2009/10 £'000	Division	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(781)	Director	3,725	3,230	(495)	-13.3%
1,652	Area Integrated Working	28,587	29,406	819	2.9%
(90)	Learning , Schools & Skills	3,988	4,229	241	-6.0%
1,177	Commissioning & Governance	14,154	16,380	2,226	15.7%
1,958	Total	50,454	53,245	2,791	5.5%

Explanation of Key Variances

The budget includes £0.984 million of efficiency savings generated by the Value for Money Project as described in the main body of the report. Current forecast activity levels suggest that this target may not be achieved and at the moment the budget forecasts reflect this. A number of actions have been implemented, although the full financial benefits of these will not be seen until later periods. It is hoped that this will help to reduce the forecast as the year progresses.

Director (£0.495 million underspend), - this budget area relates to the staffing budget of the Director, Assistant Directors and admin support teams. The underspend includes £0.434 million from Dedicated Schools Grant (DSG) which is explained in more detail below.

Area Integrated Working (£0.819 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, 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 £0.410 million despite significant additional funding put into this area at budget setting time because of changes in the law by the Public Law Outline (PLO) and increases in the Court Fees from the Ministry of Justice. The significant increase in the number of children being referred for care proceedings in line with national trends is adding further to budget pressures in this area.

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 £0.455 million is mainly 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. We are presently recruiting to this years bursary programme for Sept

2010. This intake of newly qualified social workers will help to reduce dependency on agency social workers.

Learning, Schools & Skills (£0.241 million overspend), the main area of overspend in this area relates to disability agency placements £0.269million.

Commissioning and Governance (£2.226 million 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 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 2009 and May 2010. The main areas of overspend in this area relate to Independent Foster Agency Placements of £1.296 million and Residential Placements of £0.621million. As mentioned above work is continuing on the Value for Money programme to reduce this overspend through the planned achievement of £0.984m efficiency savings.

Dedicated Schools Grant

It has been possible to use £0.434m of unspent DSG brought forward from 2008/09 to offset eligible education related costs and therefore reduce the Directorate's overspend. Cabinet approval is required for this as it is in excess of £0.250m. The Schools Forum have been informed.

Finance & Resources

Forecast Outturn 2009/10 £'000	Division	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(162)	Finance	5,900	5,720	(180)	-3.1%
(618)	Customers & Information	9,363	9,413	50	0.5%
499	Property & Design	3,490	3,612	122	3.5%
(281)	Total	18,753	18,745	(8)	0.0%

Explanation of Key Variances

Finance is forecasting an underspend, due to the service winning the contract to supply financial services to the South Downs National Park and savings generated from a staffing restructure.

With Customers & Information, the Registrars Service is forecasting a small overspend of £0.050 million on staffing costs and options for addressing this while increasing accessibility to the service are being explored. No assumptions have been made concerning the Housing Benefits budget for this forecast. The impact as a result of the changes to the benefits system are complex to calculate and will be assessed and reported back to Cabinet as part of the month 4 projection.

Property and Design are forecasting a shortfall on rental income due to rent review increases being agreed at lower levels than anticipated. The lower annual rent has generated an ongoing pressure of £0.025 million, the anticipated back rent was £0.137 million lower than expected. The saving from the under 100kw site electricity contract and from the gas contract which both started in April 2010 has been estimated to be approximately £0.050 million.

Strategy & Governance

Forecast Outturn 2009/10 £'000	Division	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(11)	Equalities & Communities	2,327	2,327	-	0.0%
(64)	Performance & Analysis	611	611	-	0.0%
(26)	Legal & Democratic Servs	3,102	3,102	-	0.0%
15	Policy Unit	855	855	-	0.0%
(128)	Human Resources	4,159	4,159	-	0.0%
76	Executive Office	380	380	-	0.0%
272	Communications	496	496	-	0.0%
134	Total	11,930	11,930	-	0.0%

Explanation of Key Variances

There are budget pressures within Communications of £0.188 million but the service has developed its own Value for Money action plan to reduce this to a breakeven position for example through greater centralisation of spend on marketing and information and increases in income generation and cost recovery.

There are staffing pressures within Human Resources of £0.150 million, although a break even position is forecast to be achieved by the end of the year from the development of additional savings plans.

Environment

Forecast Outturn 2009/10 £'000	Division	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
160	City Services	31,069	31,069	-	0.0%
(135)	Sport & Leisure	1,861	1,861	-	0.0%
791	Sustainable Transport	(1,494)	(1,027)	467	31.3%
393	City Planning	5,331	5,381	50	0.9%
1,102	Total	36,767	37,284	517	1.7%

Explanation of Key Variances

City Services and Sport & Leisure are both currently forecast to achieve a break even position.

The main variance on Sustainable Transport relates to a drop in the number of Penalty Charge Notices being issued, this follows a nationally recognised trend for improved compliance. Should the trend be maintained then the expected income shortfall will be £0.500 million. On-street Parking Income is forecast to be £0.95 million below target, although, this is largely offset by improved income generation at the refurbished, London Road Car Park. Forecasting income from parking is very difficult at this stage of the financial year because of the levels of seasonal variation in activity.

The forecast overspend in City Planning is due to a shortfall in income generated by the Building Control Service.

Housing, Culture & Enterprise

Forecast Outturn 2009/10 £'000	Division	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast ariance Month 2 %
247	Tourism & Venues	1,652	1,652	-	0.0%
(63)	Libraries & Information Services	4,183	4,183	-	0.0%
297	Royal Pavilion & Museums	2,527	2,527	-	0.0%
(141)	Culture & Economy	3,329	3,329	-	0.0%
(7)	Major Projects & Regeneration	377	377	-	0.0%
31	Housing Strategy	4,415	4,415	-	0.0%
364	Total	16,483	16,483	-	0.0%

Explanation of Key Variances

There have been no formally identified pressures for 2010/11. However areas requiring close monitoring include Venues income, Museums retail and admission income, and Supported Employment income targets and the future of the Workstep grant.

Within the Housing Strategy on-target position, there is an £0.086 million expected overspend within Housing Support Services due to responsive repairs at West Pier Hotel and previously joint funded post with ASC now fully funded by Housing. Private Sector Services are forecasting (£0.076 million) underspend due to vacancy management. The loss of Supporting People Administration grant £0.164 million is being covered by vacancy management and one-off under-spends on the Supporting People Welfare grant.

Centrally Managed Budgets

Forecast Outturn 2009/10 £'000	Division	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(497)	Bulk Insurance Premia	3,019	2,894	(125)	-4.1%
(540)	Concessionary Fares	7,712	7,712	-	0.0%
(598)	Capital Financing Costs	10,446	10,446	-	0.0%
-	Levies & Precepts	201	201	-	0.0%
(2,848)	Other Corporate Items	10,519	8,519	(2,000)	-19.0%
(4,483)	Total	31,897	29,772	(2,125)	-6.7%

Explanation of Key Variances

There is a forecast saving of £0.125m on insurance premia as a result of the review of annual insurance arrangements for 2010/11 where decisions were made to change the level of the deductible on a number of policies particularly in relation to the motor and refuse fleet. The saving has been calculated using the average annual claim payments over the last 5 years. Therefore for 2010/11 the net saving will vary depending on how many claims we receive during the year and value of each claim.

Within contingency there is an ongoing risk provision of £1.5 million to cover risks identified particularly in Children's Social Care and Learning Disabilities which have been released corporately to offset the overspends in service departments. A provision of 1% had been allowed in the budget to incorporate both the pay award and the costs of ongoing modernisation of the council's pay and reward structure, based on the latest assumptions £0.500 million is being released to support the in year budget position.

In addition to this there is a one off risk provision of £0.500 million to cover the impact of the continuing economic downturn and other pressures. This is discussed in further detail on the report on in-year grant reductions.

Section 75 Partnerships

Forecast Outturn 2009/10 £'000	Division	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
44	Council managed S75 Services	23,251	24,032	781	3.4%
-	NHS Trust managed S75 Servs	12,357	12,582	225	1.8%
44	Total S75	35,608	36,614	1,006	2.8%

Explanation of Key Variances

Council managed S75 services (Learning Disabilities) are forecast to overspend by £0.781 million. The forecast overspend is attributed to:

- Learning Disabilities mainstream- staffing cost pressures £0.087 million
- Learning Disabilities Community Care-forecast overspend of £0.694 million equivalent to 9 Whole Time Equivalents (WTE's)

These Learning Disability pressures are before the application of the corporate contingency of £0.750 million set aside to address identified risks within the budget strategy.

NHS Trust managed S75 services forecast overspend of £0.225 million based on the following assumptions:

- Sussex Partnership Foundation Trust (SPFT) – forecast overspend of £0.058 million. Significant overspends on community care budget (Adult Mental Health £0.447 million and Older People Mental Health £ 0.188 million) due to the full year effect of 2009/10 placements offset by vacancy management savings of £0.125 million and assumes the allocation of the joint commissioning pot of £0.450 million held for the development of mental health services.
- South Downs Health Trust (SDHT) – forecast overspend of £0.167 million, due to a staffing pressures on intermediate care services assuming that £0.150 million of identified savings are not achieved.

Generally, the S75 Partnership Agreements require the Integrated Service Providers (Sussex Partnership Foundation Trust and South Downs Health 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. Commissioners are working closely with partners to develop a financial recovery plan and to agree a risk share position.

Housing Revenue Account (HRA)

Forecast Outturn 2009/10 £'000	Housing Revenue Account	2010/11 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(299)	Employees	9,188	9,231	43	0.5%
165	Premises – Repair	11,119	11,119	-	0.0%
(7)	Premises – Other	3,177	3,209	32	1.0%
(267)	Transport & Supplies	2,083	2,035	(48)	-2.3%
(66)	Support Services	2,150	2,140	(10)	-0.5%
170	Revenue contribution to capital	3,543	3,543	-	0.0%
(776)	Capital Financing Costs	3,829	3,829	-	0.0%
1,155	Subsidy Payable	12,827	12,706	(121)	-0.9%
75	Net Expenditure	47,916	47,812	(104)	-0.2%
(4)	Dwelling Rents (net)	(41,330)	(41,330)	-	0.0%
18	Other rent	(1,318)	(1,314)	4	0.3%
185	Service Charges	(4,035)	(3,935)	100	2.5%
39	Supporting People	(494)	(494)	-	0.0%
(33)	Other recharges & interest	(739)	(739)	-	0.0%
205	Net Income	(47,916)	(47,812)	104	0.2%
280	Total	-	-	-	

Explanation of Key Variances

The forecast spend remains as breakeven as at month 2. The main variances are:

- Employees is projected to overspend by £0.043 million. This includes projected costs for the Business Improvement post to manage the implementation of the Housing Service Improvement programme.
- Premises - Other is projected to overspend by £0.032 million due to costs of the office cleaning contract which had not previously been budgeted for. It is anticipated that these costs will reduce as a result of the Housing Service Improvement plan reviews.
- Transport & Supplies is forecast to underspend by £0.048 million. This is due to reduced payments for the Bed & Breakfast accommodation as a result of changes in Housing Benefit (£0.050 million) and underspends on professional fees for Right to Buy applications (£0.030 million). However these underspends are partially offset by service pressures on the costs of producing the Tenants Handbook and safety handheld devices for mobile wardens.
- The Subsidy Payable budget was set using information from the Draft Housing Subsidy Determination and included a contingency amount of £0.100 million to allow for any possible increases that could occur following receipt of the final Subsidy Determination. There were no major changes in the final Subsidy Determination issued which means that the contingency amount is not required and this has resulted in a projected underspend of £0.121 million.
- Leaseholder service charges income is projected to underachieve by £0.100 million. This projection has been forecast following analysis of last years outturn which has shown that the charges are likely to be less than budgeted for.

