

Adult Social Care

Forecast Outturn Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
413	Adult Social Care	36,304	36,616	312	0.9%
413	Total	36,304	36,616	312	0.9%

Explanation of Key Variances

The forecast overspend of £0.312 million assumes the achievement of a significant service improvement programme of which the Value for Money Project is the most important element. The service improvements are expected to deliver planned savings of £1.811 million and within this the Value for Money Project is forecast to achieve its target of £1.3 million of savings in the current financial year. This is in the main due to a very successful re-ablement strategy.

The overspend is mainly attributed to the Physical Disabilities community care budget. There is an overspend of £0.253 million as a result of the complex caseload and expected 508 Whole Time Equivalent (WTE) placements compared with budget assumption of 463 WTE placements. There is also a forecast increase of 45 WTE placements in Home care. Regular monitoring and reviews are being carried out to address the in year pressures. Projected growth of 27 WTE is included which may not materialise and these assumptions are being constantly reviewed.

To date, further potential recovery actions of up to £0.175 million have been identified including vacancy management and associated agency staffing controls and maximising the use of existing grants. These will be included in future TBM forecasts when there is more certainty that they will be realised.

Children & Young People's Trust

Forecast Outturn Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
(495)	Director	3,855	3,340	(515)	-13.4%
819	Area Integrated Working	28,591	29,211	620	2.2%
241	Learning , Schools & Skills	4,046	4,339	293	-7.2%
2,226	Commissioning & Governance	14,128	15,383	1,255	8.9%
2,791	Total	50,620	52,273	1,653	3.3%

Explanation of Key Variances

Director (£0.515 million underspend) - this budget area relates to the staffing budget of the Director, Assistant Directors and admin support teams. The underspend mainly relates to the decision made by Cabinet in July to reprioritise £0.434 million from unallocated Dedicated Schools Grant (DSG) money to offset the overall directorate overspend. The remaining £0.034 million of this is being used to fund Information Management within the Commissioning & Governance branch. In addition, there are savings of £0.095 million on an Assistant Director's post and £0.020 in other areas.

Area Integrated Working (£0.620 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 £0.440 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. 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 £0.474 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 year's bursary programme for Sept 2010. This intake of newly qualified social workers will help towards reduction on dependency on agency social workers.

Learning, Schools & Skills (£0.293 million overspend), the main area of overspend in this area relates to disability agency placements £0.285million.

Commissioning and Governance (£1.255 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 between **July 2009 and May 2010**.

The forecast at month 2 showed under-achievement of £0.570 million of the budgeted Value for Money savings. At that stage it was too early to have certainty that they would be delivered, however two months further into the year and there is now sufficient confidence for the forecast to show this being achieved in full. The VFM plan focuses on strengthening preventive services and streamlining social work processes including:

- increasing the use of the Common Assessment Framework to provide universal and (lower level) tier 2 services to children and families in need
- driving the implementation of the 'Think Family' approach to plan more effective support and/or interventions 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

Consistent with other areas of the council it is expected that further tight control on staffing costs, whether directly employed or through agencies will further help reduce the overspend.

Finance & Resources

Forecast Outturn Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
(180)	Finance	6,019	5,831	(188)	-3.1%
50	Customers & Information	9,336	9,024	(312)	-3.3%
122	Property & Design	3,471	3,622	151	4.4%
(8)	Total	18,826	18,477	(349)	-1.9%

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.

Within Customers & Information there is a cost pressure of approximately £0.075 million on income within Bereavement Services, which is being partly offset by staff savings. Housing Benefits are expected to achieve additional income of £0.350 million based on current subsidy arrangements. This is due to a successful focus on reducing the error rates made in benefit payments and recovering overpayments.

Property and Design are forecasting a shortfall on rental income of £0.183 million mainly due to lower than expected income from rent reviews. The saving from the under 100kw site electricity contract and from the gas contract which both started in April 2010 over and above that assumed at the time the budget was set has been estimated to be approximately £0.032 million.

Strategy & Governance

Forecast Outturn Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
-	Equalities & Communities	2,322	2,317	(5)	-0.2%
-	Performance & Analysis	642	642	-	0.0%
-	Legal & Democratic Services	3,107	3,107	-	0.0%
-	Policy Unit	918	918	-	0.0%
-	Human Resources	4,149	4,200	51	1.2%
-	Executive Office	379	379	-	0.0%
-	Communications	488	557	69	14.1%
-	Total	12,005	12,181	115	1.0%

Explanation of Key Variances

The directorate had a plan in place to deliver the savings of £0.412 million identified in the budget strategy. However, emerging pressures within Communications and Human Resources cannot be fully addressed as at TBM 4. Within Communications there are salary and other service pressures, it is anticipated that these will be partially offset by income surpluses, project contributions from other directorates, and from the communications Value for Money review reducing the net overspend to £0.069 million. Within Human Resources salaries service pressures are offset by income giving a net position of £0.086 million, an underspend within the Director budget of £0.35 million gives the position of £0.051 million overspend.

The directorate is reviewing all services in order to meet the £0.115 million projected overspend and the following additional management actions will be put in place to address the potential overspend.

- All services are ensuring that all internal and external income is maximised. Communications in particular is finalising the collection of payments for work streams
- Over 80% of all spend within S&G is on salaries. All service areas are actively managing vacant posts where possible in order to reduce costs. In particular HR are managing carefully the number of temporary staff as the new HR system comes into operation. The forthcoming introduction of the manager self serve will further increase the scope of greater in year savings and a reduction in the current projected overspend.
- The Communications Team are expecting to make further savings in year through their VFM program.
- All service areas are committed to reducing all non essential expenditure internal and external expenditure.

Environment

Forecast Outturn Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
-	City Services	29,912	29,993	81	0.3%
-	Sport & Leisure	1,937	1,937	-	0.0%
467	Sustainable Transport	(1,362)	(956)	406	29.8%
50	City Planning	6,839	7,149	310	4.5%
517	Total	37,326	38,123	797	2.1%

Explanation of Key Variances

City Services is forecasting an overspend which is due in the main to additional security measures and rubbish clearance at the Horsdean Travellers Site.

Within Sustainable Transport there continues to be a fall in the number of Penalty Charge Notices being issued, this is in line with the nationally recognised trend for improved compliance leading to the issuing of fewer tickets. The shortfall from PCN's is forecast to be £0.620 million net of the bad debt provision. On-street parking income is also forecast to under achieve budget by £0.105 million. Off Street parking is forecast to generate £0.280 million additional income, which is due to improved usage at The Lanes and London Road Car Parks following their refurbishments. This income is over and above what was assumed in the original business case for the refurbishments which was used to finance the up front investment required.

City Planning is forecasting an overspend due to loss of grant income including SEEDA funding and a shortfall in Building Control fee income.

To date, potential recovery actions of up to £0.645 million have been identified and will be included in future TBM forecasts when there is greater certainty about their deliverability. Actions include reducing expenditure on consultants, vacancy management, controls on supplies and services expenditure, and reducing energy costs on the transport network.

Housing, Culture & Enterprise

Forecast Outturn Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
0	Tourism & Venues	1,636	1,726	90	5.5%
0	Libraries & Information Services	4,172	4,172	-	0.0%
0	Royal Pavilion & Museums	2,567	2,567	-	0.0%
0	Culture & Economy	3,349	3,308	(41)	-1.2%
0	Major Projects & Regeneration	355	355	-	0.0%
0	Housing Strategy	4,478	4,478	-	0.0%
0	Total	16,557	16,606	49	0.3%

Explanation of Key Variances

The forecast overspend of £0.049 million relates to a forecast overspend on Tourism and Venues offset by vacancy management savings within Culture & Economy.

The income forecast for the Brighton Centre is on target but there is an expected shortfall of income on the Hove Centre of £0.020 million and a pressure on contract costs on the Brighton Centre of £0.070 million. Income potential will continue to be reviewed to address this pressure.

The Royal Pavilion & Museums are forecasting break even and are on target to achieve their income target for 2010/11.

Housing Strategy is on target to breakeven, the loss of Supporting People Admin grant of £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 Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
(125)	Bulk Insurance Premia	3,019	2,794	(225)	-7.5%
-	Concessionary Fares	7,712	7,552	(160)	-2.1%
-	Capital Financing Costs	10,446	10,446	-	0.0%
-	Levies & Precepts	201	201	-	0.0%
(2,000)	Other Corporate Items	5,756	3,726	(2,030)	-35.3%
(2,125)	Total	27,134	24,719	(2,415)	-8.9%

Explanation of Key Variances

There is a forecast saving of £0.125 million 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 2010/11 net saving will vary depending on how many claims we receive during the year and value of each claim. The saving has increased by £0.100 million in the last period, due to a reduction in claims spend and estimated time to settle.

Concessionary Fares is forecasting an underspend, due to the final settlement of additional capacity claims for 2009/10, administrative savings and reduced journey numbers for the first quarter.

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.

The costs to the council of severance for the Directors who have recently left their posts of £0.725 million has been funded from a contribution from the Restructure Redundancy Reserve. That reserve will need to be replenished by an estimated £1m at the end of this year. If the council's in-year forecast overspend continues to reduce this should be affordable within the current reserves strategy.

Section 75 Partnerships

Forecast Outturn Month 2 £'000	Division	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
781	Council managed S75 Servs	23,200	23,826	626	2.7%
225	NHS Trust managed S75 Servs	12,328	12,742	414	3.4%
1,006	Total S75	35,528	36,568	1,040	2.9%

Explanation of Key Variances

Council managed S75 services (Learning Disabilities) are forecast to overspend by £0.626 million. The forecast overspend is attributed to:

- Learning Disabilities mainstream- staffing cost pressures £0.061 million
- Learning Disabilities Community Care-forecast overspend of £0.565 million equivalent to 10 Whole Time Equivalents (WTE's) in residential care

The overspend of £0.626 million assumes the achievement the savings identified within the budget strategy.

NHS Trust managed S75 services forecast overspend of £0.414 million based on the following assumptions:

- Sussex Partnership Foundation Trust (SPFT) – Significant overspends on community care budget (Adult Mental Health £0.446 million, Older People Mental Health £0.361 million and Substance Misuse £0.044 million) due to the full year effect of 2009/10 placements offset by vacancy management savings of £0.181 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 £0.124 million, 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 Financial Recovery Plan to work towards a reduced overspend position. 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 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 ensure that robust financial management is in place and to agree a risk share position.

Housing Revenue Account (HRA)

Forecast Outturn Month 2 £'000	Housing Revenue Account	2010/11 Budget Month 4 £'000	Forecast Outturn Month 4 £'000	Forecast Variance Month 4 £'000	Forecast Variance Month 4 %
43	Employees	9,187	9,119	(68)	-0.7%
-	Premises – Repair	11,468	11,402	(66)	-0.6%
32	Premises – Other	3,110	3,131	21	0.7%
(48)	Transport & Supplies	2,033	2,052	19	0.9%
(10)	Support Services	2,153	2,133	(20)	-0.9%
-	Third Party Payments	54	54	-	0.0%
-	Revenue contribution to capital	3,543	3,543	-	0.0%
-	Capital Financing Costs	3,729	3,613	(116)	-3.1%
(121)	Subsidy Payable	12,925	12,941	16	0.1%
(104)	Net Expenditure	48,202	47,988	(214)	-0.4%
-	Dwelling Rents (net)	(41,613)	(41,627)	(14)	0.0%
4	Other rent	(1,318)	(1,263)	55	4.2%
100	Service Charges	(4,034)	(3,882)	152	3.8%
-	Supporting People	(497)	(475)	22	4.4%
-	Other recharges & interest	(740)	(703)	37	5.0%
104	Net Income	(48,202)	(47,950)	252	0.5%
-	Total	-	38	38	

Explanation of Key Variances

The forecast for month 4 is an overspend of £0.038 million.

Further analysis of the variances as at month 4 are as follows:

- The employees forecast has reduced to an underspend of £0.068 million mainly due to vacancy management savings across the Housing Service.
- The Premises Repairs forecast underspend of £0.066 million relates to the service contracts area where various contracts are being retendered during this financial year.
- Capital Financing costs are forecast to underspend by £0.116 million due to forecast interest rates for the year being lower than the assumptions used for budget setting.
- Leaseholder service charges income is projected to underachieve by £0.121 million. 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.

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- The Temporary Accommodation budget is forecast to overspend by £0.124 million in relation to unrealised savings in the Temporary Accommodation budget due to the delay of the commencement of the LDV. The budget for 2010/11 had been set assuming that the temporary accommodation properties would be leased in batches during 2010/11 to the LDV. The forecast for Temporary Accommodation is included in the various relevant subjective headings in the summary outturn table above. The Housing Management Team have developed a cost reduction plan to identify cost efficiencies to reduce the impact of this overspend.

