

Adult Social Care

Forecast Outturn Month 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
312	Adult Social Care	36,563	36,929	366	1.0%
312	Total	36,563	36,929	366	1.0%

Explanation of Key Variances

The forecast overspend of £0.366 million assumes the achievement of a significant service improvement programme of which the Value for Money programme is the most important element. The programme is expected to deliver planned savings of £1.711 million.

The Value for Money Project is budgeted to achieve £1.3 million of savings in the current financial year. Current forecast activity levels indicate that this saving will be largely achieved, 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. This is forecast to overspend by £0.253 million which is unchanged from TBM 4 and an improvement on previous years. This is as a result of the complex caseload and expected 508 Whole Time Equivalent (WTE) placements compared with budget assumption of 463 WTE placements. Regular monitoring and reviews are being carried out to address the in year pressures. The forecast assumes projected growth of 27 WTE which may not materialise and should reduce the forecast for subsequent months.

Children & Young People's Trust

Forecast Outturn Month 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
(515)	Director	3,934	3,479	(455)	-11.6%
620	Area Integrated Working	28,552	28,990	438	1.5%
293	Learning , Schools & Skills	4,146	4,486	340	-8.2%
1,255	Commissioning & Governance	14,195	15,462	1,267	8.9%
1,653	Total	50,827	52,417	1,590	3.1%

Explanation of Key Variances

Director (£0.455 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 £0.055 million in other areas.

Area Integrated Working (£0.438 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 £0.340 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 £0.458 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 towards reduction on dependency on agency social workers.

Learning, Schools & Skills (£0.34 million overspend), the main area of overspend in this area relates to disability agency placements £0.387 million.

Commissioning and Governance (£1.267 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 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 £1.08 million.

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 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
(188)	Finance	6,020	5,960	(60)	-1.0%
(312)	Customers & Information	9,324	9,052	(272)	-2.9%
151	Property & Design	3,467	3,790	323	9.3%
(349)	Total	18,811	18,802	(9)	0.0%

Explanation of Key Variances

Within Finance there is a total forecast underspend of £0.060million. Of, this £0.030 million relates to Financial Services and is due to the service winning the contract to supply financial services to the South Downs National Park, partly offset by one off office and staffing costs associated with a staffing restructure. The remaining £0.030 million relates to a staffing underspend and additional income in Audit & Business Risk.

Customers & Information are forecasting an underspend of £0.272 million. There are underspends of £0.357 million in respect of vacancy management, £0.290 million relating to additional Housing Benefits income based on current subsidy arrangements and additional land charges income of £0.067 million. Offset against these underspends are pressures of £0.253 million on Coroner's medical requisites, professional fees and other supplies and services and £0.119 million relating to an underachievement of Bereavement Services income. In addition there are a number of other smaller overspends including £0.066 million relating to Council Tax / NNDR courts costs and £0.030 million on ICT costs. The reduction in court costs is largely due to a 35% decrease in the number of summonses issued following success in encouraging council tax payers to pay by direct debit.

Property and Design are forecasting a shortfall on rental income of £0.144 million mainly due to lower than expected income from rent reviews. Property and Design will continue to secure the most advantageous rent settlements both for short term and long term gain. 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 £0.028 million.

A sum of £0.0207 million has been set aside to invest in Automatic Meter Readers (AMR's) for non Housing sites. This expenditure is counted as revenue rather than capital under new International Financial Reporting Standards and so is showing against the Property & Design budget.

The installation of AMR's 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.

Item 101 Appendix 1

By installing and using AMR's the Council will be able to actively monitor and manage its usage through the use of accurate actual reads from each meter. With this data to hand the reliance on estimated bills and gaps in data can be removed allowing for a detailed analysis of high consuming sites with the intention of making savings.

Strategy & Governance

Forecast Outturn Month 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
(5)	Equalities & Communities	3,028	3,023	(5)	-0.2%
-	Performance & Analysis	871	871	-	0.0%
-	Legal & Democratic Services	3,109	3,105	(4)	-0.1%
-	Policy Unit	1,098	1,088	(10)	-0.9%
51	Human Resources	3,949	3,996	46	1.2%
-	Executive Office	379	379	-	0.0%
69	Communications	500	569	69	13.8%
115	Total	12,934	13,031	97	0.7%

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 6. Within Communications there are salary and other service pressures it is anticipated that these will be offset by income surpluses, project contributions from other directorates, and from the communications Value for Money review. Within Human Resources salaries service pressures are offset by income giving a net position of £0.046 million.

The directorate is reviewing all services in order to meet the £0.097 million projected overspend and the following additional management actions have been 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 overspends.
- The Communications Team are expecting to make further savings in year through their VFM programme.
- All service areas are committed to reducing all non essential expenditure internal and external expenditure.

Environment

Forecast Outturn Month 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
81	City Services	29,912	29,993	81	0.3%
-	Sport & Leisure	1,937	1,832	(105)	-5.4%
406	Sustainable Transport	(1,321)	(1,222)	99	7.5%
310	City Planning	7,580	7,675	95	1.3%
797	Total	38,108	38,278	170	0.4%

Explanation of Key Variances

The forecast overspend in City Services is due to the cost of providing 24 hour security at Horsdean Traveller Site, £0.057 million, and the higher than budgeted costs of rubbish clearance, £0.031 million. The Traveller Liaison Service has identified underspends of £0.007 million to help offset these pressures.

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

Sustainable Transport are forecasting an overspend against budget. The main variance 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 £0.526 million, net of the bad debt provision. On-street Parking Income is forecast to be £0.090 million below target, and income from the ex-leased car parks is expected to be £0.100 million short of budget, owing to the reducing income levels at Regency Square car park. These pressures have been partially offset by a number of forecast underspends, the largest of which is improved income generation at the refurbished Lanes and London Road Car Parks, totalling £0.390 million. Other underspends include £0.150 million following the settlement of a legal dispute relating to coast protection and £0.079 million for other parking underspends. A range of measures have been implemented across the division with the aim of bringing the forecast back to a break even position.

The forecast overspend in City Planning of £0.135 million is due to a shortfall in income generated by the Building Control Service, and loss of the Planning Delivery Grant. Other Planning/Public Protection budgets are expected to underspend against budget by £0.040 million due to vacancy management savings.

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.

Housing, Culture & Enterprise

Forecast Outturn Month 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
90	Tourism & Venues	1,637	1,687	50	3.1%
-	Libraries & Information Servs	4,173	4,173	-	0.0%
-	Royal Pavilion & Museums	2,568	2,568	-	0.0%
(41)	Culture & Economy	3,552	3,495	(57)	-1.6%
-	Major Projects & Regeneration	355	355	-	0.0%
-	Housing Strategy	4,523	4,523	-	0.0%
49	Total	16,808	16,801	(7)	0.0%

Explanation of Key Variances

Within Tourism & Venues 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 which is offset by vacancy management savings of £0.040 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.

The underspend on Culture & Economy is largely the result of vacancy management savings.

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 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
(225)	Bulk Insurance Premia	3,019	2,869	(150)	-5.0%
(160)	Concessionary Fares	7,712	7,300	(412)	-5.3%
-	Capital Financing Costs	10,446	10,446	-	0.0%
-	Levies & Precepts	201	201	-	0.0%
(2,030)	Other Corporate Items	5,107	3,243	(1,864)	-36.5%
(2,415)	Total	26,485	24,059	(2,426)	-9.2%

Explanation of Key Variances

The forecast saving on Insurance Premia is as a result of the review of annual insurance arrangements for 2010/11. The forecast saving has reduced since TBM 4 from £0.225 million to £0.150 million, due to an increase in the number of claims in the last couple of months.

On Concessionary Fares there is a £0.252 million increase in the forecast saving bringing the total for the year to £0.412 million. The increase is due to lower than anticipated concessionary journey numbers continuing through the second quarter of 2010/11, which in turn has led to the contingency held for potential increases in journey numbers being released as it is no longer needed.

On Corporate Items there is an ongoing risk provision within Contingency of £0.750 million to cover risks identified in the Learning Disabilities budget and a further £0.750 million to cover uncertainties in the budget. These two risk provisions which total £1.500 million are being used to offset in-year pressures identified elsewhere in the budget. An amount of £0.500 million is being released from contingency following a decision to reduce the 1% set aside to cover pay increases in 2010/11 to 0.5%.

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

The one off risk provision of £0.500m which is being used to manage the implementation of the in-year grant reductions.

Section 75 Partnerships

Forecast Outturn Month 4 £'000	Division	2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
626	Council managed S75 Servs	23,200	23,738	538	2.3%
414	NHS Trust managed S75 Servs	12,328	12,737	409	3.3%
1,040	Total S75	35,528	36,475	947	2.7%

Explanation of Key Variances

Council managed S75 services (Learning Disabilities) are forecast to overspend by £0.538 million. The forecast overspend is attributed to:

- Learning Disabilities mainstream- staffing cost pressures £0.016 million
- Learning Disabilities Community Care-forecast overspend of £0.522 million equivalent to 10 Whole Time Equivalents (WTE's) in residential care

The overspend of £0.538 million assumes the achievement of £1.420 million to deliver savings identified within the budget strategy. The current forecast of the financial recovery plan assumes a further £0.128 million to be delivered in addition to the £1.009 million achieved to date. 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 £0.409 million based on the following assumptions:

- Sussex Partnership Foundation Trust (SPFT) – forecast overspend of £0.288 million after delivery of a financial recovery plan (see below). Significant overspends on community care budget (Adult Mental Health £0.425 million, Older People Mental Health £ 0.386 million and Substance Misuse £0.044 million) due to the full year effect of 2009/10 placements offset by vacancy management savings of £0.179 million and assumes the allocation of the joint commissioning pot of £0.450 million held for the development of mental health services (of which a proportion has been allocated to Older People Mental Health).
- South Downs Health Trust (SDHT) – forecast overspend of £0.121 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 a Financial Recovery Plan to work towards a reduced overspend position as attached. Savings achieved to date are £0.494 million against a target of £0.829 million. 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. A risk sharing agreement has been reached in principle for 2010/11.

Housing Revenue Account (HRA)

Forecast Outturn Month 4 £'000		2010/11 Budget Month 6 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Forecast Variance Month 6 %
	Housing Revenue Account				
(68)	Employees	9,187	8,914	(273)	-3.0%
(66)	Premises – Repair	11,468	11,181	(287)	-2.5%
21	Premises – Other	3,110	3,173	63	2.0%
19	Transport & Supplies	2,033	2,222	189	9.3%
(20)	Support Services	2,153	2,127	(26)	-1.2%
-	Third Party Payments	54	54	-	0.0%
-	Revenue contribution to capital	3,543	3,543	-	0.0%
(116)	Capital Financing Costs	3,729	3,594	(135)	-3.6%
16	Subsidy Payable	12,925	12,964	39	0.3%
(214)	Net Expenditure	48,202	47,772	(430)	-0.9%
(14)	Dwelling Rents (net)	(41,613)	(41,617)	(4)	0.0%
55	Other rent	(1,318)	(1,258)	60	4.6%
152	Service Charges	(4,034)	(3,853)	181	4.5%
22	Supporting People	(497)	(486)	11	2.2%
37	Other recharges & interest	(740)	(704)	36	4.9%
252	Net Income	(48,202)	(47,918)	284	0.6%
38	Total	-	(146)	(146)	

Explanation of Key Variances

The forecast for month 6 is an underspend of £0.146 million.

Further analysis of the variances as at month 6 are as follows:

- The employees forecast underspend has increased to £0.273 million due to vacancy management both in Housing Management and Property and Investment. The budget for the new structure for Property and Investment in order to support the new Mears contract, which came into effect from 1 April, assumed a full year establishment for all posts. However, some posts have been recruited to later in the financial year resulting in an underspend.
- The Premises Repairs forecast is an underspend of £0.287 million and includes:
 - Underspend of £0.126 million relating to service contracts which are being procured during 2011/12 and 2012/13 financial years.
 - Underspend of £0.092 million relating 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.
- Transport & Supplies includes £0.100 million 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.

- Capital Financing costs are forecast to underspend by £0.135 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 £0.150 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.