

MEETING: Executive

DATE: 15 September 2009

SUBJECT: Budget Management Report 2009/10 as at 31 July 2009

REPORT AUTHOR: Cllr Maurice Jones - Portfolio Holder for Corporate Resources

PURPOSE: To provide information on the budget position at 31 July 2009 to enable decisions to be taken on resource allocation and service delivery.

Advising Officer: Clive Heaphy, Director of Corporate Resources

Contact Officer: Matt Bowmer, Assistant Director Financial Services

Public/Exempt: Public

Wards Affected:

Function of: Executive

Key Decision: Yes

Reason for urgency/
Exemption from call-in
(if appropriate): N/A

RECOMMENDATIONS:

That the Executive be recommended to:

- (a) Note the latest budget projections for the year and also that further work is required to establish the likely out turn for 2009/10.**
- (b) Endorse the initial actions proposed to bring the Council's forecast spend in line with budget by the financial year end and the production of directorate Budget Action Plans (Recovery Plan in the case of Social Care, Health & Housing).**
- (c) Request officers to undertake further detailed monitoring with particular emphasis on volatile demand led budgets.**

Reason for Recommendations: Council members asked that robust monitoring took place from day one so that corrective action could be taken. This was not only to ensure that spend was delivered to budget but also to ensure that the resources have been allocated appropriately.

1. Introduction

- 1.1 The report sets out the indicative financial position to the end of July 2009 and the forecast position at year end. Appendix A shows the net revenue position, Appendix B the capital position.
- 1.2 The 2009/10 budget is the first one produced by Central Bedfordshire and in approving the budget in February 2009, members were informed that the lack of operational history made it one of relatively high risk. The authority will have an estimated £15.4m of Transition Costs to repay over five years and these are funded from General Fund Balances. If spend is delivered to budget, these balances will be less than £3m at year end, only just over half of their target level. This along with the volatility of spend in demand led services in Adult Social Care were identified as the principal risks at the time and members asked that robust monitoring took place from day one. This was not only to ensure that spend was delivered to budget but also to ensure that the resources have been allocated appropriately.
- 1.3 Work has been undertaken by service managers and Financial Services to ensure effective budget monitoring and management. However, there is further work to do to ensure all budgets are adequately monitored and forecasts produced. In particular, potential areas of underspend still need to be identified and forecast to year end.
- 1.4 Finance staff have had to focus a significant amount of their efforts to the end of July on work on the closure of accounts for the three predecessor authorities. Close down work indicates that the opening General Fund Balances for Central Bedfordshire will be £14.372m which is broadly in line with the forecast in the Budget agreed at Council on 26 February. A review is currently being undertaken to assess the adequacy and appropriateness of earmarked and general reserves together with provisions.

2. Executive Summary - Revenue

- 2.1 Figures quoted in this report are based on the initial four months of activity only and, as set out above, significant further work will take place as more information becomes available. Work to date has focussed mainly on possible overspends and more work is required to understand the full position in each service area. Current forecasting, which does not include the full extent of underspends, indicates a potential worst case overspend of £9.2m representing 5.5% of the net budget.

- 2.2 A particular of focus will be on projecting staff costs; taking account of actual vacancies, both to date and continuing (see workforce data in Section 11, below). Current numbers show 375 FTEs less in post than allowed for in the original budget. After allowing the 5% vacancy factor, this nets down to 250 FTEs. In addition, further budget provision was made for a number of additional posts in the budget re-alignment exercise in April/May. It is accepted that some of the potential savings arising from this will have been utilised by agency or consultant staff. Officers have been reminded of the need to use the Carlisle contract in the first instance both to ensure efficient recruitment and to enable the production of good quality management information.
- 2.3 It is recommended that vacant posts are only filled with the express approval of the relevant Director. It is also recommended that there should be a moratorium on the creation of new posts, except where posts at least of an equivalent value are deleted and this is approved by the relevant Director.
- 2.4 There are a number of budgets where pressures have come about due to insufficient allocation as part of the “bottom up” disaggregation exercise to build the 2009/10 budget. It should be remembered that funding constraints limited the net available budget to £165.8m and funding would not have been available at that time to address these pressures had they been known. It is now essential that a corporate approach is taken to bring Central Bedfordshire’s spending in line with the available budget.
- 2.5 The worst case position of £9.2m represents a 5.5%% variation against Central Bedfordshire’s net budget of £166m (excluding transitional costs), although the gross budget is £497m (variation of 1.8%). Details by Directorate are set out in Appendix A. Given the level of low General Fund balances, this is a very challenging position for Central Bedfordshire. However, it is a position which was brought to light early in the financial year which provides an opportunity for the necessary actions to be taken to bring spend in line with budget for the year end. Further detailed work continues to be undertaken to ensure that the information and controls are 100% robust. This work will naturally continue throughout the year giving a greater understanding of the services and finances. Nevertheless, it is imperative that there is urgency in taking the appropriate actions to bring spending in line with budget for year end.
- 2.6 A more detailed commentary on the revenue forecasts for each of the directorates is set out in section 4 below. Children, Families and Learning have pressures of £2.5m, Corporate Resources £1.0m, Sustainable Communities £0.6m. However, the greatest pressures are being experienced in Social Care, Health and Housing where there is a potential forecast overspend of up to £5.1m in Adult Social Care.

2.7 Directors are producing Budget Actions Plans as directed by Executive on 18 August 2009 which bring forward management actions to address overspends. From the August report these actions will be brought forward as the basis of the recovery plans for Social Care Health & Housing and budget Actions for all other directorates. Further, Executive also determined the necessity of taking a Corporate approach in managing the bottom line to budget. Central Bedfordshire Management Team needs to consider and agree the recovery plan targets for the individual director to meet. In essence, all Directors will need a share of the Social Care Health & Housing pressures. The Director of Social Care Health & Housing will bring forward a paper outlining the pressures which cannot be met within her own directorate.

Transition Costs

2.8 The Transition budget is forecast to overspend in the region of £1.0m. However, further work is required to establish the final position. Given that these costs can be repaid back over a period of up to five years there is some flexibility in that the Medium Term Financial Plan assumed a payback period of just over four years. However, the expenditure is backed up in the short term against General Fund Balances which will be at a very low level at the end of 2009/10. The position here will need to be considered against the known position on the balances from the legacy authorities, including the review of the earmarked reserves.

Pay Award 2009/10

An analysis of the payroll forecast shows that it includes £1.5m for pay increases for 2009/10. These vary from 1.0% to 2.26%. Depending on the outcome of national pay negotiations, not all of this may be required. Analysis shows that if the increase was 1%, this would release £660k.

3. Executive Summary - Capital

3.1 Actual spend to date of £7.9m against an adjusted budget of £69.3m, reflects an initial slow start to the capital programme, reflective of the need for a review of schemes by the new Council. Details are shown on Appendix B. However, the lack of forecasting is an issue which needs to be addressed urgently. No reliance can be placed on the £33m underspend identified in the appendix.

3.2 The Capital Asset Management Group is reviewing the overall capital programme in light of the slippage of £5.6m (net of grant funded schemes), which has been brought forward from the three legacy authorities. The total slippage brought forward is £20.8m, including £15.2m funded from specific grants. The review will be considered by the Executive in October. The £69.3m adjusted budget in 3.1 is, therefore, technically unapproved until the review is approved by Council in November.

3.3 The Capital approvals process in the Constitution is also under review and is being considered by the Constitution Working Group. It is envisaged that a detailed business case will be required for a scheme to commence rather than a Project Initiation Document (PID) as is currently the case.

4. Detailed Revenue Analysis by Directorate

Business Transformation

4.1 The full year forecast position is a £46k underspend against a budget of £6.45 m.

Children's Families & Learning

4.2 The full year forecast position is £2.6m over budget compared to last month's position of £2m. This represents an increase of £0.6m as a consequence of an increase in the number of looked after children which is in line with the previously identified financial risk. Updated data on Children numbers and cost per child became available last month enabling a revised forecast and projections to be made.

4.3 The areas contributing to the total overspend pressure are Transport - £761k, Joint Strategic Commissioning Service - £761k, Leisure & Culture - £426k (Countryside & Archives – £409k, Adult & Community Learning – £147k) Children Specialist Services £521k & Learning School & Support - £65k. Variance to date excluding Schools is £34k over budget. This is due to seasonal expenditure, vacancies and issues with the ordering system (SRM/SAP). However it appears that savings with regards to vacancies are yet to be fully reflected in the forecasts. Management action will have to include a plan of close scrutiny of forecasts in the coming months in order to ensure Budget holders reflect their potential underspends and the true potential budget shortfall is correctly assessed along with the high risks and demand led budgets. This will enable management to take the appropriate corrective action to address the budget overspend.

4.4 Key Management Actions –

- To ensure actual salary costs are allocated to the correct cost centres, in order to allow for pay pressures, vacancy savings and variances to be identified and built into forecasts accordingly. Finance /HR to ensure completion of this exercise in August, with confirmed structure charts and mapping by September.
- Forecasts need to be entered for all budgets. Salary forecasts need to reflect any vacancies, both to date and ongoing. It should not be assumed that individual services can spend this elsewhere, without senior manager approval. Posts have been held against the vacancy savings target of 5% and to pay for additional spend to be met within existing resources.

- Transport is subject to a major review over the next academic year to address the projected £761k forecast deficit. Any changes to the policy will not be implemented until September 2010 and therefore any savings resulting from any policy change will not have an impact until the 2010/11 financial year. Eligibility, commissioning and procurement to be reviewed to ensure forecasts are accurate and incorporate best estimates and that VFM is being secured. Mainstream routes are to be re-tendered to commence in September and January and SEN routes to commence in September. The results of this will feed into future forecasts. A review of routes, with a view to rationalisation where possible, is being carried out on SEN transport.
- Countryside & Archives overspend of £409k, due to incorrect budget build and Adult and Community Learning has an overspend of £147k, due to incorrect budget build and loss of income, reflecting the reduction in take up, due to the current economic situation. All vacancies in Adult and Community Learning are to be scrutinised by the responsible AD and only enacted if essential posts. There will be some vacancy savings against the forecast – this will be reflected accordingly. There is £130k to be vired from Leisure, which is currently showing as a saving in this area.
- Learning School & Support forecast deficit of £65k, action plan required to mitigate budget pressures for this year and 2010/11. Income targets, set against deleted posts, will be offset by underspend in Children’s Workforce Development. The virements will be actioned in due course, subject to appropriate approval. The use of grant income, including standards fund will be used to offset overspend, where possible and vacancies are being held to offset other staffing pressures.
- Close scrutiny of forecast by ADs/Heads of Service in conjunction with Finance to ensure forecasts reflect realistic projections to be met within the cash limits of each service area, whilst also releasing/reflecting efficiency savings and underspends.
- Close review and monitoring of Joint Strategic Commissioning Service budgets that contain mainly demand led budgets constituting high risks and easily subject to change. Additional budget projection work will be done for highly volatile needs led budgets to build up a more accurate picture to inform future budget reports.

Corporate Resources

4.5 The full year forecast position is £987k over spend, against a budget of £34.41m.

4.6 Key Variances Include:

- A £141k forecast under spend within Procurement which relates to the recovery of rebate income which was not included in the original budget. This under spend is off setting forecast overspends on expenditure where there are no budgets.
- A £549k over spend within Property, the majority of which, £378k lies within Maintenance & Facilities, £311k relating to establishment budget pressures, £44k relating to unavoidable costs with no budgets, and the remaining £23k relates to minor over spends across this area. The remaining £170k falls within Property Assets and Capital Development, of which £75k is due to reduced rental income, which has been affected by the present economic climate, and £95k is due to establishment cost pressures.
- A £268k forecast over spend within Legal Services which relates to agency staffing costs for professional expertise required to provide this service. Also reduced income forecast due to termination of contracts when transferred to Central Bedfordshire Council, and reduction in Section 106 due to downturn in the housing markets. Legal Services are working with Finance to identify savings in other areas to offset this over spend.
- A £97k forecast over spend within Democratic Services, £54k of which relates to the Elections which will be fully funded from reserves once they are disaggregated and will reduce this over spend to £43k. Of the remaining over spend £5k is due to unbudgeted support for the Lord Lieutenant & High Sheriff, and £38k to the lack of budgets for supplies & services.
- A £96k forecast over spend within HR, of which £77k relates to agency and permanent staff costs.
- A £126k forecast over spend within Internal Audit & Risk Management of which £97k relates to lower levels of income arising from insurance, health & safety and school toolkit audit work.
- A £96k forecast over spend within HR, £77k of which relates to agency and permanent staff costs, £15k to a predicted income shortfall for School's HR and the remaining £4k to a predicted shortfall in The Heart Agency income.
- Other minor forecast adjustments within payroll.

4.7 Key Management Actions are:-

- To continue to produce and monitor trends and forecasts, so that variances can be highlighted and addressed as soon as they occur.

- To review staffing structures across the Directorate and to identify the scope for further rationalisation.
- Legal Services to consider the position with regard to the recruitment of suitably qualified and experienced legal staff and to work with Finance to identify savings to offset the potential over spend in staffing costs and to ensure the timely billing of all income.
- Property services to identify the scope for staffing rationalisation and to identify potential savings in non- staffing cost areas; to review income levels in the light of the current economic climate.
- Internal Audit & risk management to identify the scope for cost reduction.

Social Care Health & Housing

4.8 The full year forecast position is potentially up to £5.1m over budget, with variances over £100k detailed below. This relates entirely to the Directorate's adult social care services budget

There are legacy pressures impacting on the forecast overspend. These include:

- £980k undercosting of the Learning Disabilities staffing establishment.
- £109k undercosting in relation to the Ludun workshop and sheltered employment schemes staffing establishments
- £320k overspend in mental health services which relates to a continuing overspend on care packages. The budget for 2008/09 was £210k and the allocation in 2009/10 is £20k.
- £200k in Older Peoples and Physical Disability Services of non achieved efficiency targets in day care services
- £132k in Business Systems of an efficiency saving of £74k through the merger of Financial Assessment and Welfare Rights Services which did not take place.

There are also inherited Contract disputes which may have an adverse financial impact.

A nil variance is forecast in respect of expenditure against Housing budgets – for both the Housing Revenue Account (HRA - the local authority's housing stock) and the Housing General Fund (homelessness, private sector housing stock, disabled facilities grants). There is also a healthy HRA reserve of £4m available to offset any potential overspends within the HRA revenue budgets. The small overspend projected in housing management will be met from the HRA reserve.

4.9 The Directorate is under severe pressure with a number of overspends forecast across a number of service areas:

- £2.8m in Older People Assessment and Care Management Services. This is a significant increase on the previous month's projected overspend of £1.8m; the main areas of projected overspend are on direct payments £1.1m activity, residential care placements £0.8m. However it is unclear why projections have increased as this is not reflected by any significant increase in volumes in these areas.
- £1.4m - Learning Disabilities Assessment and Commissioning - the forecast overspend includes the Full Year Effect of 2008/09 year transition commitments, use of Bedfordshire and Luton Partnership Trust (BLPT) re-provision block contract voids, notified new transition commitments and Continuing Health Care funding for 2009/10. This budget has undergone a significant review for the July monitoring and resulted in a reduction in the forecast. A further reduction against the forecast of £300k is anticipated in the August monitoring report.
- £556k –non-achievement of a balancing income target introduced to balance the overall budget to the Council's cash limit.
- The income budget overall is not down as activity is within the non block care homes
- £320k - Learning Disability and Mental Health Management – this relates to a continuing overspend on Mental Health care packages where the budget is significantly underfunded at only £20k with a total spend of £360k forecast. The pooled budget for social work, community support, day and residential services of £2.6m is forecast on budget.
- £121k – enablement, day care and home from hospital combined overspend. This reflects the latest staffing projections in these areas. The forecast in relation to jointly managed services for home from hospital, enhanced care schemes and Community Assessment and Rehabilitation Team (C.A.R.T) is on budget although there was a significant underspend last year

4.10 The above overspends are partially offset by the following underspends:-

- £1.2m – Growth allowance - additional budget of £1.2 m for older people demographic growth is now included within the overall Adult Social Care budget.

- £285k - Emergency Duty Team – the original establishment costing was significantly higher than the revised establishment costing particularly in the assumptions made about the use of relief staff. It would be prudent to assume that the underspend will be shared with Bedford Borough and Luton, however, any demographic changes via population growth or change in demand needs to be reflected, reviewed and agreed by all Councils.
- £194k Increase to the Carer's grant to reflect the approved allocation from the Department of Health.

4.11 Key Management Actions are:-

- Further analysis is being undertaken by finance, contracts and business support staff of care package commitments to establish the impact of 2008/09 FYE and the cost implications of BUPA occupancy and home care block contract usage. The management team will then produce an action plan and implementation plan to address the forecast overspend.
- The weekly social care panel will continue to approve care packages
- The Directorate Management Team will consider and approve recruitment to posts only where service delivery and performance would be compromised. This is required in the first instance to achieve the 5% managed vacancy factor saving already incorporated in the budget, and also to meet the budget shortfall.
- To maintain current levels of spend and ensure that previous years' underspends on service are maintained wherever possible.
- To identify and quantify the impact of cross-boundary transactions with other Local Authorities especially with Learning Disability direct services clients.
- To continue to maximise the use of block contracted services (for residential and domiciliary care in particular for older people) and in house services (especially for adults with a learning disability) and ensure, through robust contract compliance, that the best rates are achieved and contract remedy is used where service refusal is unreasonable and results in additional costs.
- To clear the backlog in financial assessments and reduce delays in undertaking financial assessments and provide a forecast of the anticipated increase in income likely to be achieved.
- To review all of the forecasting by managers and finance colleagues to ensure that it is supported by activity and trend information.

Sustainable Communities

4.12 The full year forecast position for Sustainable Communities is £0.631m (1.6%) over budget on a net revenue budget of £39.4m. The bulk of this forecast overspend (0.5m) relates to the budgeted use of £0.5m of transition funds throughout the directorate. During the budget process the sum was allocated with the intention of utilising it in 2009/10 to enable harmonisation of processes and systems during the year to deliver £1m of ongoing savings from 1st April 2010. Consideration will need to be given by all ADs as to how this shortfall may be met, as a whole range of business improvement; transformation and harmonisation projects are already in train.

The remaining overspend is in the Passenger Transport service and relates to the support of public bus routes. This overspend represents 3% on a net budget of £4.9m and has arisen due to the original disaggregated budget not matching the operational reality of the service. The service is undertaking a full review to identify any compensatory savings. In addition, they will be preparing a full paper outlining the current service provision and proposing alternatives to this that may generate the required level of savings. In addition it should be noted that there are budgetary pressures on employee allowances (£220k) and travel (£70k) which are currently being met from an offsetting over performance in achieving vacancy targets and an expected pay award below budgeted levels (£290k). No provision was made for these elements during the budget setting process.

4.13 Key Management Actions

- The Passenger Transport team are undertaking a full review of their budgets to identify any potential offsetting savings. A report is scheduled to go through Sustainable Communities Overview and Scrutiny Committee on 1 September 2009 to make recommendations to this Executive meeting in a report appearing elsewhere on the agenda on the criteria Members may wish to adopt in reducing support for public bus routes.
- The Director and Assistant Director continue to work closely with Finance in order to identify potential in year savings to compensate for the lack of transformation funds.
- All budget managers will need to continue to monitor employee expenditure to ensure that performance is maintained. Particular care should be taken with regard to the use of interim staff.

Transition Costs

- 4.14 £15.4m has been budgeted for transition costs, backed against limited General Fund balances, to be repaid over four years. Detailed work is being undertaken to assess the overall position on the Transition costs. There are two elements to this work. Firstly, ensuring that accrued expenditure for 2008/09 and commitments in 2009/10 are separately identified; and secondly, the identification and forecasting of ICT expenditure which can be capitalised. At this stage it is anticipated that the Transition costs will be circa £1m greater than planned. This is due to higher than expected transition staffing costs and voluntary redundancy costs, however it should be noted that these costs are one-off and enable immediate and on-going staffing revenue savings of £4.92m p.a.

Invest to Save

- 4.15 Future reports will provide an update on Business Transformation activity here. To date £1.338m of the £1.5m identified in the Medium Term Financial Plan has been committed. From the August Monitoring report onwards there will be a detailed commentary on the efficiencies being generated from the various schemes and the timing of the delivery of those efficiencies.

5. Revenue Virement Requests

- 5.1 There are no virements to report at this time. The threshold for key decisions has been set at £200k in the Council's Constitution and all virements above this level will require Executive approval. Members recognised the volume of work required in 'realigning' budgets immediately post 1st April 2009 and virements up to the election date did not require approval.

6. Key Risks and Cost Drivers

- 6.1 This is an ongoing piece of work. For each Directorate, there will be a regular update of three to four key areas of activity that have a significant impact on financial performance. This will combine financial information and performance data.

7. Achieving Efficiency Savings

- 7.1 The agreed budget includes £8.54m of efficiencies.
- 7.2 Further work is to be undertaken by finance to determine how this is measured. The information will be required for the mid-year Annual Efficiency Assessment and for the year end return.

8. Reserves Position

- 8.1 The accounts of the legacy authorities are now closed, subject to audit. They are in line with the assumptions made in the approved budget. A review is also underway to assess which earmarked reserves could be transferred to

General Reserves. This will be included in the August Budget Monitoring report.

- 8.3 Appendix A identified the use of £1.3388m General Fund Reserves to support the Invest to Save programme set out in 4.15 above.
- 8.4 Local Authorities have a duty to examine schools surplus balances (i.e. reserves)), as at 31st March each year, over and above a certain threshold (8% for nursery, lower and special schools: 5% for middle and upper). In particular, the Authority has to consider whether any clawback of excess surplus balances, at individual school level should be made. This is set out through directed revisions to the local Scheme for Financing Schools. Whilst the DCSF expect Schools' Forums to be involved in the process and the Central Bedfordshire Scheme for Financing Schools provides for this, the final decision remains with the Local Authority. It is recommended that after the views of the School's Forum have been ascertained, that the final decision is delegated to the Director of Children's Services, after consultation with the Portfolio Holder for Children's Services.

9. Carry forward Requests

- 9.1 None

10. Detailed Capital Analysis

Business Transformation

- 10.1 The forecast capital position at the year end is currently showing a breakeven position.
- Slippage over £250k – none reported
 - Forecast under/overspends over £100k
 - (a) Underspends - none reported
 - (b) Overspends – none reported
 - (c) Key Service Implications – none
- 10.2 Key Management actions – Budget Managers with the assistance of Finance staff to undertake a detailed review of their forecasts in preparation for the August budget monitoring report

Children Families and Learning

- 10.3 The forecast capital position at the year end is £8.8m under budget. This comprises £7.8m of slippage into 2010/11 plus forecast underspend of £1.0m. The main elements of the slippage into 2010-11 are £2.7m on Formula Capital (non-discretionary c/f), delays to the Community Football project in Leighton (£2.4m), the Relocation of Roecroft Lower (1.3m) and the Sandy Sports & Leisure Centre (£0.6m). £650k of the underspend of £1.0m is the Saxon Pool / Sports Hall project which will not now go ahead in 2009/10 and the remainder are funded underspends.

- Slippage of £2.7m into 2010/11 has been forecast as follows:
 - Formula Capital slippage has been forecast at £2,746k being the same as the slippage into 2009/10 from 2008/9 and follows the assumption that spend will be in line with the current year allocation from the DCSF.
 - £2,400 on the Community Football Development Centre at Leighton Buzzard. Dunstable College want to build a campus on the same site so a joint scheme is being considered by the planning authorities.
 - £1,330k on Roecroft Lower which is estimated to start on site in quarter 4 of 2009/10.
 - £590k on Sandy Sports & Leisure Centre. This extension project to provide 2 dance studios, etc is not now expected to start on site until the new financial year – the whole project having been moved back on account of the Council reorganisation.
 - £317k on Tithe Farm Lower which will also not start on site until 2010/11 in part due to the scope of the scheme needing to be revised.
 - £250k on Temporary Accommodation as at the current time there is a lack of pressure for temporary units.
 - £110k on Gilbert Inglefield for which various options are being considered after receiving an initial high costing from Mouchel. Facility needs to be in place for 'Teaching Practical Food Skills' to KS3 by September 2011.
 - £50k on Arnold Middle where the admin accommodation re-provision has been put back on account of high cost estimates from Mouchel.

(a) A net underspend of £1.0m has been forecast as follows:

- £650k on Saxon Pool / Sports Hall which will be delayed for 3 years.
- £120k on Countryside H&S Enhancement, £100k on OAIP and £100k on Swiss Garden. For all of these spending plans have been reduced in line with funding expectations.

(b) No forecast overspends reported

(c) No Service Implications have been identified except for the delayed football provision in Leighton Buzzard, the delayed leisure facility at Sandy and the cancellation of the Saxon Pool / Sports Hall project.

Management Actions at this stage principally involve the following:

- Ensuring that PIDs have been originated and taken to LTB before spend commitments are made.
- Monitoring the progress of projects against the milestones outlined in the PID and forecasting slippage expediently. Other projects may be brought forward and we need to ensure that our resources are used efficiently.

Corporate Resources

10.4 The forecast capital position at the year end is £5.2m, which is on budget. At present there are some schemes within Corporate resources which will eventually transfer to other more appropriate service areas.

- There is no slippage over £250k within Corporate Resources.
- Forecast reflects budgets in July. These are to be reviewed and further information will be provided in the August report.
 - (a) There are no under spends forecast.
 - (b) There are no over spends forecast.
 - (c) There are no capital Key Service Implications.

10.5 Key Management actions – Budget Managers for capital projects to review and update forecasts on a monthly basis, and provide capital commentary to the finance team.

Social Care Health and Housing

10.6 The forecast capital position at the year end is an underspend of £10.045m. The social care and general fund housing capital budget including unapproved slippage is £18.3m gross and the HRA budget £5.6m. The data contained within this report is limited due to some managers not being able to input forecasts in SAP due to training and access issues; also not all project leads have been identified.

In total £8.3 million has been identified as slippage from 2008/09 and is awaiting Executive approval. This includes the Learning Disability Campus Closure scheme - £6.1m – for which Central Bedfordshire is acting as the agent for Bedford Borough and Luton Borough. Further funding is expected in this financial year.

- Slippage over £250k – none
- Forecast under/overspends over £100k:
 - (a) Underspends – £ 10.285m across a range of social care and general fund housing schemes – this is partly due to project managers not being able to input a forecast and partly due to schemes not having an identified project lead. In the case of the legacy learning disability schemes, the project lead has only very recently been established and the scheme objectives identified. In the case of Campus Closure, the project manager

does not currently have access to input forecasts.

- (b) Overspends – an overspend of £167k is projected on capital Disabled Facilities grant. The Head of Service has identified additional capital grant funding which will partially offset this overspend.
- (c) Key Service Implications

In the case of externally funded projects, there is a risk that funding is time-limited and will need to be returned to the originator if not used.

10.7 Key Management actions

- To identify responsible officers for capital monitoring where not already identified;
- To approve the use of new year capital grant items – Mental Health Supported Capital Expenditure and Social Care IT infrastructure.
- To note that external financing of all schemes could also be subject to volatility and that this too will form part of capital monitoring.
- To note that a Project Initiation Document needs to be completed for all Executive approved slippage schemes.
- The Head of Service to identify additional funding to fully support the forecast outturn on DFG.
- DMM to consider whether the legacy schemes accord with the service objectives and priorities of the new authority

Sustainable Communities

10.8 The forecast capital position at the year end is for a potential £400k overspend. This relates to compensation claims on Ridgmont Bypass work by the primary contractor. No other over/ underspends have been identified to date, and at this stage it is not anticipated that the agreed programme will slip.

- Slippage over £250k – None reported.
- Forecast under/overspends over £100k
 - (a) Underspends – None reported.
 - (b) Overspends – Potential £400k overspend on Ridgmont Bypass arising from additional compensation claims from the contractor.
 - (c) Key Service Implications – None reported.

10.9 Key Management actions –

To ascertain whether Ridgmont claims are valid and arrange final settlement. If additional costs are incurred, the capital programme will have to be reviewed to identify compensatory savings/ slippage.

11. Workforce Data

11.1 Financial Services have been working closely with Human Resources and services to ensure that the establishment figures held by HR tie in with those

agreed in the budget agreed by Council. Further work is to be done to tie the establishment back to budget, including posts funded from budget re-alignment or virements. The detailed position will be reported in future reports.

12. Aged Debt Analysis

12.1 This will be reported in the next monitoring report. The inherited debt from the legacy authorities will be shown separately from the new Central Bedfordshire debt.

13. Payments Indicator

13.1 Central Bedfordshire's terms are 30 days for payment and 21 days for small businesses. Whilst BVPI8, (the percentage of invoices paid within 30 days or agreed terms), is no longer in the national indicator set it continues to be monitored.

13.2 The overall performance for the year to date, excluding schools is as follows:-

- April 96.2%
- May 95.7%
- June 97.3%
- July 98.2%

13.3 Performance will be reported in the next monitoring report, by Directorate.

14. List of Appendices

Appendix A Summary of Central Bedfordshire Council Revenue Position

Appendix B Summary of Central Bedfordshire Council Capital Position

Background papers - None

Summary of Revenue Position

Appendix A

Director	Annual Budget	Profiled Budget to date	Actual to date	Variance	Adjusted Forecast Outturn	Forecast Variance	Non Discretionary Carry Forwards/ provisions	Revised Forecast Variance	Proposed Divirements	Proposed Transfer to reserves/ provisions	Forecast Variance after proposed new reserves.
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive	309	103	534	431	309	0		0			0
Business Transformation	6,450	2,150	-4,675	-6,825	7,755	1,305		1,305	0	-1,338	-33
Children, Families & Schools (excluding schools)	37,967	12,655	12,688	33	40,521	2,554		2,554			2,554
SCH&H	46,651	15,550	19,743	4,193	51,764	5,113		5,113			5,113
Sustainable Communities	39,335	13,112	12,728	-384	39,969	634		634			634
Corporate Resources (Excl. Corporate Costs)	19,826	6,609	11,043	4,434	20,805	979		979			979
Corporate Costs	14,587	4,862	4,647	-215	14,584	-3		-3			-3
Transitional Costs	4,600	1,533	4,952	3,419	4,600	0		0			0

TOTAL Excluding Schools	169,725	56,574	61,660	5,086	180,307	10,582	0	10,582	0	-1,338	9,244
Schools only	918	306	-7	-313	918	0		0			0
Total	170,643	56,880	61,653	4,773	181,225	10,582	0	10,582	0	-1,338	9,244

General Fund	Original Budget	Slippage from 0809	Other Adjustments	In Year Budget Adjustments	Current Budget Unapproved	Actual to Date	Forecast Outturn	Slippage to 09/10	Forecast Variance to Current Budget Unapproved	
Director	£000	£000	£000	£000	£000	£000	£000	£000	£000	%
Chief Executive	0	0	0	0	0	0	0	0	0	0%
Business Transformation	140	715	0	0	855	29	183	0	(672)	-79%
Children, Families & Learning (schools & non schools)	15,635	6,038	(2,489)	88	19,272	2,599	14,469	(4,803)	0	0%
Children, Families & Learning (leisure & culture)	8,739	373	100	546	9,758	76	5,796	(2,990)	(972)	-10%
SCH&H	4,225	8,313	158	0	12,696	692	2,607	0	(10,089)	-79%
Sustainable Communities	31,110	4,027	145	0	35,282	4,484	16,193	0	(19,089)	-

										54%
Corporate Resources	5,136	1,234	0	0	6,370	62	4,000	0	(2,370)	-37%
Less Assumed Slippage going forward	(15,000)	0	0	0	(15,000)	0	(7,207)	7,793	0	0%
Total Expenditure	49,985	20,700	(2,086)	634	69,233	7,942	36,041	0	(33,192)	
Grants & Contributions	(32,341)	(15,247)	2,466	(634)	(45,756)	(2,259)	(46,152)	0	(396)	1%
Revenue Contribution	(70)	0	0	0	(70)	0	(70)	0	0	0%
Borrowing	(8,787)	0	0	0	(8,787)	0	(8,787)	0	0	0%
Capital Receipts	(8,787)	0	0	0	(8,787)	0	(8,787)	0	0	0%
NET General Fund	0	5,453	380	0	5,833	5,683	(27,755)	0	(33,588)	

Housing Revenue Account	Original Budget	Slippage from 0809	Other Adjustments	In Year Budget Adjustments	Current Budget Unapproved	Actual to Date	Forecast Outturn	Slippage to 09/10	Forecast Variance to Current Budget Unapproved	
Director	£000	£000	£000	£000	£000	£000	£000	£000	£000	%
SCH&H	5,686	(79)	0	0	5,607	88	5,686	0	79	1%
Total Expenditure	5,686	(79)	0	0	5,607	88	5,686	0	79	
Grants & Contributions	(3,649)	0	0	0	(3,649)	0	(3,649)	0	0	0%
Revenue Contribution	(343)	0	0	0	(343)	0	(343)	0	0	0%
Borrowing	0	0	0	0	0	0	0	0	0	0%
Capital Receipts	(1,694)	79	0	0	(1,615)	0	(1,615)	0	0	0%

NET Housing Revenue Account	0	0	0	0	0	88	79	0	79	
NET TOTAL Capital Programme	0	5,453	380	0	5,833	5,771	(27,676)	0	(33,509)	