

SUBJECT:	Budget Management Report for the period as at 30th September 2009
REPORT AUTHOR:	Finance Manager on behalf of Director of Children Families & Learning
PURPOSE:	To provide information on the budget position as at 30 th September 2009 to enable decisions to be taken on resource allocation and service delivery.
RECOMMENDATIONS:	<p>The Service Management Team/Portfolio Holder/Executive is recommended to:</p> <ul style="list-style-type: none"> a) Note the current forecast projection is a £2.9 m overspend and the associated service implications b) Agree to any management actions proposed at paragraphs 2.1 and determine whether any other changes to service provision need to be made in the light of these. c) Note Budget virements since last report as stated in paragraph 5.0

1.0 Introduction

1.1 The report sets out the financial position to the end of September 2009 and the latest forecast position. Table A shows the net revenue position, Table B the forecast revenue movements compared to last month's forecast and Table C the capital position.

2.0 Executive Summary Revenue

The full year forecast position is £2.9m over budget compared to last month's improved position of £2.2m. The establishment reconciliation/clean-up exercise and cost centre budget reviews initiated by CFL last month continues. However the positive reduction of costs and forecasts achieved during the month in most services have been eradicated by updated realistic transport forecast costs, an increase in numbers of looked after children and increased costs for Children with Disabilities.

The work to review and re-draft the transport policy has commenced and will be completed by early December 2009 for discussion with the Portfolio Holder for Children's Services. There will then be a mandatory 12 week consultation period, after which the revised policy will go to the Overview and Scrutiny Committee and to the Executive on 9 March 2010. The revised policy will be implemented in September 2010, the start of the new school year.

The increase in numbers of looked after children is in line with the financial risk identified in October last year and is the consequence of revised risk thresholds. The Council still looks after relatively few children and young people compared to its statistical neighbours and the national average. Increased additional costs have been identified within the Disabled Children's Service during the establishment reconciliation process, due principally to structural errors made in the budget setting process. There are also additional costs related to 2 high dependency clients. Much of this service is shared with Bedford Borough Council therefore re-apportionment of the revised service cost is being negotiated. CFL are continuing with the planned actions, namely, to delay recruitment and review organisational structure to reduce the salaries burden, establish realistic forecasts to allow informed and correct management of the directorate, and finally the close monitoring of Children's Specialist Service budgets that contain mainly demand led budgets constituting high risk to budget management.

Variance to date excluding Schools is £440k underspend. This is disproportionate in comparison to the full year forecast and is mainly due to seasonal/term time expenditure patterns, vacancies, and the artificially low level of accruals within Children Specialist Services whilst awaiting the full impact of the SRM/SAP clean-up exercise. In Learning and School Support it is due to term time and expenditure lag along with vacancies and recharge due to be paid but not reflected due to lack of information/estimates from Bedford Borough. Integrated Services variance is due to the greater proportion of projected expenditure to be incurred in the latter part of the financial year.

2.1 Key Management Actions –

- To ensure items within the action plan as contained in Appendix H are implemented and the projected savings are realised, while further action needs to be based on "Transformational Change" which must include stopping some non-statutory services rather than "salami slicing". It must be stated that the directorate is unlikely to be able to mitigate the full overspend this year and hence will not come in on budget.
- 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 September/October, with confirmed structure charts and mapping by October. This will be effected via the current establishment reconciliation/clean-up exercise.
- 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 these 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 £684k forecast deficit. The policy reform needs to be accelerated. 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 (value for money) is being secured. A review of routes, with a view to rationalisation where possible, is being carried out on SEN transport.

- Countryside & Archives projected overspend of £330k, due to incorrect budget build and Adult and Community Learning has a projected overspend of £190k 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.
- Close scrutiny of forecast by AD's/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 monitoring of Children's Specialist Service budgets that contain mainly demand led budgets constituting high risks and are 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.
- SRM/SAP GL mapping issues to be given top priority by Finance/Commissioning and Children's Specialist Services need resolving as soon as possible to allow for accurate forecasting to be done. A specific strategy is to be put into place immediately to resolve the limitation caused by this problem and to deal with the backlog effect.
- Children's Specialist Service needs to renegotiate the Service Level Agreement(SLA) with regards to the Disabilities Services with Bedford Borough to ensure that increase in costs of running the service are apportioned in a fair manner.

3.0 Executive Summary Capital

- 3.1** The forecast capital position at the year end is £10.7m under budget. This comprises £10.5m of slippage into 2010/11 plus forecast underspend of £0.2m. The main elements of the slippage into 2010/11 are £2.7m on Formula Capital (non-discretionary c/f controlled by schools), delays to the Community Football projects in Leighton and Dunstable (£2.4m and £2.3m), the Relocation of Roecroft Lower (1.3m) and the Sandy Sports & Leisure Centre (£0.6m). Underspend of £0.2m is £650k on the Saxon Pool / Sports Hall project (which will be delayed for 3 years, necessitating the continued use and possible refurbishment of Biggleswade Recreation Centre) less £488k of revenue funding taken out (as it is understood that this will not now be approved).

4.0 Detailed Revenue Analysis by Operational Group

- 4.1** Table A – Revenue Actuals to date and Forecast Year End position
- 4.2** Table B – Movement on Forecast Year End Position (to previous month)

Table A NET EXPENDITURE

Cabinet Members Children, Family & Learning	Annual Budget	Profiled Budget	Actual to Date	Variance	Forecast Outturn	Proposed transfers to earmarked reserves	Non-Discretionary Carry Forwards	Forecast Variance (E)-(A)-(F)-(G)
	£000	£000	£000	£000	£000	£000	£000	£000
Director of Children's Family Learning & Leisure	359	180	456	276	359			0
Sub Total Director	359	180	456	276	359	0	0	0
Head of Specialist Services	453	226	395	169	453			0
SEN & Inclusion Service Management	5,463	2,731	2,144	(587)	5,850			387
Intake & Family Support Service	8,353	4,176	4,486	310	9,217			864
Children with Disabilities Service	2,113	1,057	1,351	294	2,724			611
Quality Assurance CRS Service	827	414	296	(118)	881			54
Fostering & Adoption Service	2,306	1,153	1,366	213	2,408			102
Sub Total Childrens Specialist Services	19,515	9,757	10,038	281	21,533	0	0	2,018
Policy & Strategy Service Management	250	125	71	(54)	206			(44)
Partnership & Communications Service	148	74	11	(63)	123			(25)
Joint Strategic Commission Service	1,121	561	219	(342)	1,091	0		(30)
JSCS - Transport	8,227	4,113	4,432	319	8,911	0		684
Sub Total Development & Commissioning	9,746	4,873	4,733	(140)	10,331	0	0	585
Integrated Services Manager	1,430	715	713	(2)	1,449			19
Integrated Youth Support Service	1,456	728	321	(407)	1,329			(127)
Integrated Process Service Management	604	302	173	(129)	604			0
Early Intervention / Prevention	4,046	2,023	2,023	0	4,046			0
Sub Total Integrated Services	7,536	3,768	3,230	(538)	7,428	0	0	(108)
Learning & Schools	387	194	160	(34)	380			(7)
School Support Service	4,106	2,053	1,824	(229)	4,067			(39)
Childrens Workforce Development	374	187	165	(22)	343			(31)
School Improvement	2,675	1,338	779	(559)	2,473			(202)
Standards Fund	0	0	0	0	0			0
Education Trading Services	125	62	(9)	(71)	125			0
Sub Total Learning School & Support	7,667	3,834	2,919	(915)	7,388	0	0	(279)
Leisure, Culture & Adult Comm	230	115	1,892	1,777	230			0
Leisure Services	1,391	696	686	(10)	1,448			57
Countryside & Archives	1,517	758	1,011	253	1,847			330
Adult & Community Learning	0	0	(289)	(289)	190			190
Arts Development	321	161	77	(84)	460			139
Libraries	3,166	1,583	1,444	(139)	3,166			0
Music Service	533	267	(601)	(868)	533			0
School Organisation & Capital Planning	842	421	377	(44)	842			0
Sub Total Leisure & Culture	8,001	4,001	4,597	596	8,717	0	0	716
Director Children's Families & Learning (excl Schools)	52,824	26,413	25,973	(440)	55,756	0	0	2,932
LSC/DSG (Non-Schools)	(14,841)	(7,420)	(7,420)	0	(14,841)			0
Director Children's Families & Learning (excl Schools) inc LSC/DSG	37,983	18,993	18,553	(440)	40,915	0	0	2,932
Schools	143,499	71,757	71,750	(7)	143,499			0
Schools Specific Contingency	903	452	142	(310)	903			0
DSG Funding	(127,899)	(63,950)	(63,950)	0	(127,899)			0
ISB Related Grants	(15,595)	(7,798)	(7,798)	0	(15,595)			0
Sub Total Schools	908	461	144	(317)	908	0	0	0
Total Director of Children's Families & Learning (incl Schools)	38,891	19,454	18,697	(757)	41,823	0	0	2,932

Table B Movement on Forecast Year End Position

Cabinet Members Children, Family & Learning	Full Year Forecast Variance as at September £000	Full Year Forecast Variance as at August £000	Forecast Variance Movement £000
Director of Children's Family Learning & Leisure	0	(6)	6
Sub Total Director	0	(6)	6
Head of Specialist Services	0	(4)	4
SEN & Inclusion Service Management	387	349	38
Intake & Family Support Service	864	728	136
Children with Disabilities Service	611	216	395
Quality Assurance CRS Service	54	2	52
Fostering & Adoption Service	102	42	60
Sub Total Childrens Specialist Services	2,018	1,333	685
Policy & Strategy Service Management	(44)	(47)	3
Partnership & Communications Service	(25)	(25)	0
Joint Strategic Commission Service	(30)	(35)	5
JSCS - Transport	684	458	226
Sub Total Development & Commissioning	585	351	234
Integrated Services Manager	19	2	17
Integrated Youth Support Service	(127)	(40)	(87)
Integrated Process Service Management	0	(9)	9
Early Intervention / Prevention	0	(9)	9
Sub Total Integrated Services	(108)	(56)	(52)
Learning & Schools	(7)	(3)	(4)
School Support Service	(39)	1	(40)
Childrens Workforce Development	(31)	15	(46)
School Improvement	(202)	(12)	(190)
Standards Fund	0	0	0
Education Trading Services	0	0	0
Sub Total Learning School & Support	(279)	1	(280)
Leisure, Culture & Adult Comm	0	0	0
Leisure Services	57	51	6
Countryside & Archives	330	382	(52)
Adult & Community Learning	190	190	0
Arts Development	139	0	139
Libraries	0	0	0
Music Service	0	0	0
School Organisation & Capital Planning	0	0	0
Sub Total Leisure & Culture	716	623	93
Director Children's Families & Learning (excl Schools)	2,932	2,246	686
LSC/DSG (non ISB)	0	0	0
Director Children's Families & Learning (excl Schools) inc LSC/DSG	2,932	2,246	686
Schools	0	0	0
Schools Specific Contingency	0	0	0
DSG Funding	0	0	0
ISB Related Grants	0	0	0
Sub Total Schools	0	0	0
Total Director of Children's Families & Learning (incl Schools)	2,932	2,246	686

4.3 Portfolio holder's Synopsis – Children Services

4.3.1 Revenue

The full year forecast position for Children Services excluding Leisure and Culture is £2.2m over budget compared to last month's position of £1.6m. This represents an increase of £0.6m. The increased overspend is mainly due to updated transport forecast costs and also as a result of intensive review/analysis of Children's Specialist Services budgets. The review has revealed increased costs for Children with Disabilities related to 2 high dependency clients, as well as unbudgeted staffing/care costs. However embedded in this increase within this Service Area are potential underspends which cannot yet be quantified until the SAP/SRM GL mapping issues have been resolved, revenue costs/commitments reallocated to the correct cost centres which will allow for accurate/realistic forecasting to be done for the affected cost centres.

The areas contributing to the £2.2m forecast overspend pressure are Children's Specialist Services - £2m (Intake & Family Support – £864k, Children with Disabilities Service(CWD) – £611k, SEN & Inclusion - £387k, Fostering & Adoption Service - £102k), Transport - £684k which has been offset by underspends in Integrated Services - £108k and Learning School & Support - £279k.

4.3.2 Capital

The forecast capital position at the year end is £4.7m under budget. This comprises £5.1m of slippage into 2010/11 plus forecast overspend of £0.4m. The main elements of the slippage into 2010/11 are £2.7m on Formula Capital (non-discretionary c/f controlled by schools), delays to the Relocation of Roecroft Lower (1.3m). Overspend of £0.4m is made up mainly of £299k and £189k on Oakbank and St Swithuns respectively. This revenue funded budget will not be given approval for now it is understood. (See Table C page 19)

4.4 Portfolio holder's Synopsis – Leisure & Culture

4.4.1 Revenue

The full year forecast position for Leisure & Culture is £716k over budget compared to last month's position of £623k. This represents an increase of £93k. The effect of the Finance and HR establishment reconciliation/clean-up exercise and cost centre budget reviews initiated by CFL last month continues throughout the month of October with the hope of completion by the end of the month. The savings from this exercise should therefore reflect in full in October's report. Profiles are also currently being considered.

The main areas contributing to the forecast overspend are - Countryside & Archives – £330k, Adult & Community Learning – £190k, Arts Dev. - £139k. The reasons are predominately historic budget pressures together with disaggregation shortfalls.

4.4.2 Capital

The forecast capital position at the year end is £6m under budget. This comprises £5.4m of slippage into 2010/11 plus forecast underspend of £0.6m. The main elements of the slippage into 2010/11 are delays to the Community Football projects in Leighton and Dunstable (£2.4m and £2.3m), the Relocation of Roecroft Lower (1.3m) and the Sandy Sports & Leisure Centre (£0.6m). Underspend of £0.6m is mainly £650k on the Saxon Pool / Sports

Hall project which has been delayed for 3 years and will necessitate continued use of Biggleswade Recreation Centre. (See Table C page 19)

4.5 Forecast variances over £100k

(a) Full Year Forecast Overspends –

- **£684k** – Transport
- **£864k** – Intake & Family Support Service (Ext Comm - £546k, Biggleswade – £141k)
- **£330k** – Countryside & Archives
- **£611k** – Children with Disabilities Service (C&FS South Child Dis £112k, Respite Care Maythorn – £190k, Respite Care Sunflower - £171k, Respite Care – Recharge £207k)
- **£190k** – Adult and Community Learning
- **£387k** – SEN & Inclusion Service Management (Out of County – £245k, Assessment & Monitoring – £142k)

(b) Full Year Forecast Underspends –

- **£127k** – Integrated Youth Support Service
- **£202k** – School Improvement
- It still appears Budget managers are reluctant at this time of the financial year to forecast under-spends. It is inevitable on budgets of this size and the way the disaggregation of the budget was carried out, there will be both under and overspends. It would appear that only the latter are being reported. In addition, current and future staff vacancy savings need to be forecast.

(c) Key Service Implications

- Urgent attention is required on how the £2.9 m deficit will be met within the cash limit of the directorate while ensuring a consistent level of service delivery.
- Budget pressures this year met via vacancies need to be highlighted as a pressure for next year where the vacant posts will be assumed to be occupied for the full year.

4.6 Forecast movement to previous month of £686k increase

Variations over £100k

(a) Forecast Overspends –

- **£395k** – Children with Disabilities Service
- **£136k** – Intake and Family Support Service
- **£226k** – Transport
- **£139k** – Arts Development

- (b) Forecast Underspends –
- **£190k** – School Improvement

4.7 Detailed Commentary on AD Area Director of Children, Family & Learning

Full Year Forecast – On Budget.

- (a) Variances over £50k

Forecast Overspends

- Director of Children Family & Learning - Full year forecast on budget. Actual to date is £276k overspent - Salaries have been paid out of these cost centres incorrectly, most of these salaries have now been cleared. Budget for Consultancy Fees has been transferred to Commissioning Management; the actuals will be transferred in October.

- (b) Management Actions –

- To ensure actual salary costs are allocated to the correct cost centres.

4.8 Detailed Commentary on AD Children's' Specialist Services

Full Year Forecast - £2m overspend (Last month £1.3m overspend)

- (a) Variances over £50k

Forecast Underspends

- £285 Looked After Children Team – All staff have been transferred to Looked After Children Cost centre, together with all budgets. The non-pay expenditure will be transferred over in October. Actual to date is an underspend of £95k.
- £57k Intake & Assess South – Due to savings on salaries which are partly offset forecast overspends on agency staff. The full year forecast will be reviewed in September as issues with agency staff commitments are resolved. Actual to date is an overspend of £113k.
- Family Support & Integration – Full year forecast on budget. Actual to date £99k underspend, because of the problems with SRM, it has not been possible to forecast against this cost centre.
- £51k Fostering Recruitment & Support due to projected overachievement of Income from recharges to Bedford Borough.
- £115k In House Fostering – Full year projected underspend expected for In House Foster Carers. Actual to date is £54k underspend.
- £68k Youth Care – Due to Income recharges received from Bedford Borough not budgeted for.

- FSATS full year forecast on budget but actuals year to date is £63k under spend due to a staff restructure. This budget is to be removed and amalgamated with the Psychology service.
- £167k – Special Recoupment based on current placements. Actual to date is an under spend of £52k.
- Special Res Lower School – Full year forecast on budget. Actual to date £66k under spend as this budget is to be used for set up costs for Holmemead later this year.
- Therapy & High Cost – Full year forecast on budget. Actual to date £169k under spend due to outstanding costs for Oak Bank.
- JC Professional Services – Full year forecast on budget. Actual to date £204k under spend, because of the problems with SRM, it has not been possible to forecast against this cost centre.
- £119k under spend on Home Support CWD – Actuals to date £68k under spend, mainly due to vacancy savings.
- £86k under spend on the Resource Manager – Actual to date is £9k under spent mainly due to additional income from Luton PCT for placements.

Forecast Overspends

- £329k – Leaving Care Team – The budget and all the staff have transferred over to the LAC Team, but non-pay expenditure will be transferred in October. Actual to date is an overspend of £151k. (See note for LAC Team under underspends)
- £142k - FS Biggleswade – This is mainly as a result of forecast overspend on staffing and agency staff. Actual to date is an overspend of £68k.
- £100k LAC Service Manager – This is for three members of staff where there is no budget following the disaggregation.
- £546k Externally Commissioned Placements – The forecast overspends are for Independent Fostering, Residential Placements and Secure Accommodation. This is a demand led budget. Actual to date £93k overspend.
- £259k Fostering Recharge – This is due to a shortfall on Income for the recharges to Bedford Borough for In House Fostering. Actual to date £194k overspend due to shortfall in income.
- £86k Conference & Review – this is due to overspending on agency staff. This cost centre will be reviewed during October.
- £110k - Psychology and Advisory Support – This is due to an unachievable income target for this year. Actual to date is an overspend of £106k. This budget is to be restructured and the forecast adjusted as soon as possible
- £142k – Assessment & Monitoring – This is due to salaries and consultant costs. Actual to date £55k overspent. This budget is to be restructured and the forecast will be adjusted as soon as possible.
- 97k – Statementing – Due to forecast overspend on exceptional needs funding. Actual to date is an under spend of £95k.

- £245k Out of County – This is a demand led budget and may increase/decrease during the year. Actual to date is £9k under spend.
- £113k - CWD South – Projected Agency costs have decreased and the forecast has been reduced from a £147k overspend in August. Actual to date is £47k overspent. The overspend will continue due to additional locum costs required to cover vacancies as this is a high demand service.
- £190k - Maythorn – largely due to costs to cover a high dependency client with special needs. The cost of this is being reviewed by the Budget Manager. Actual to date is £84k overspend.
- £66k Foxgloves - overspend due to additional to budget care packages. Actual to date is £41k overspend.
- £171k - Sunflower House - Due to long term sick which is being covered by additional hours and overtime. Actual to date is £84k overspend.
- £207k – CWD recharge – The income target set as per budget will not be achieved due to fundamental error in the budget build and actual expected recharge income due from Bedford Borough. Actual to date is £103k overspend.
- AD Specialist Services – Full year forecast on budget. Actual to date £169k overspend as admin staff have been coded to this cost centre in error, this will be rectified in October.

(b) Service Implications

- It must be noted that the increase in the projected overspend for this service area now includes cost centres with budget pressures/overspends that was previously within Development & Commissioning. Managerial responsibility for these cost centre have now transferred to Children's Specialist Services
- There has been an increase in the cost of running the Children with Disabilities service as current resource allocation is currently insufficient to meet the statutory level of service delivery required.

(c) Management Actions

- Close monitoring and implementation of an improved system of financial modelling of demand led budgets constituting high risks.
- SRM issues need resolving as soon as possible to allow for accurate forecasting to be done. A specific strategy is to be put in place immediately to resolve the limitation caused by this problem and to deal with the backlog effect. Over the next 2 weeks, the commissioning manager will meet with finance to identify the correct cost centre/GL codes to reallocate all the actual costs in the dump code to the proper cost centres. All current purchase orders sitting on the dump codes as commitments (approx 200 PO's) will have to be cancelled while new purchase orders will have to be raised pointing to the correct cost centres as identified by the commissioning team. The completion of this exercise may extend beyond October ending period close.

- After completion of the reallocation of costs exercise accurate forecast to be input reflecting areas of potential over and underspends.
- Children's Specialist Service needs to re-negotiate the Service Level Agreements(SLA) with regards to the Disabilities Services with Bedford Borough to ensure that increase in costs of running the service are apportioned in a fair manner.

4.9 Detailed Commentary on AD Area Policy, Strategy & Commissioning

Full Year Forecast including Transport - £585k overspend (Last month £351k).

(a) Variances over £50k

Forecast Underspends

- £25k Partnership & Communications due to staff vacancies, actual to date £63k underspend, but post will be recruited to in the next couple of months.
- £44k Policy & Strategy due to staff vacancies. Actual to date £54k underspend, but posts will be recruited to.
- £30k – Commissioning Management, This is due to vacancies. Actual to date is an underspend of £164k, but this will reduce as consultants expenditure is transferred from Director of CFL cost centre.

JSCS – Transport

Full Year Forecast - £684k overspend (last month £460)

Variances over 50k

- Forecast Underspends
- £75k Transport Salaries due to staff vacancies, actual to date is £24k.
- £221k SN Schools Beds Transport,

Forecast Overspends

- £99k Mainstream Transport Lower
- £37k Mainstream Transport Middle
- £421k Mainstream Transport Upper
- £167k Mainstream Transport Discretionary
- £138k SEN transport SN Units Mainstream
- £54k SEN Transport PRU

Mainstream Transport - £213k increase

New purchase orders have now been input into SAP following the retendering process, this has resulted in a slight increase on the forecast of £21k. However the Confederation of Passenger Transport increase (this is for coaches over 17 passenger seats or more) has now been agreed at 6.2%, this will affect Lower, Middle and Upper School transport costs from September onwards, and has increased the forecast for Mainstream Transport by £130k. There has also been an increase in Discretionary transport being agreed at panel, which has increased the forecast by £62k.

There will be another retendering exercise during January 2010 on some Mainstream Transport routes.

SEN Transport - £12k increase

The forecast for Out of County transport has increased slightly (£12k). SEN transport revised purchase orders have not yet been input into SAP, but a revised forecast will be available for SEN transport for the October report.

(c) Management Actions

- Transport is subject to a major review over the next academic year to address the projected £684k forecast deficit. The policy reform needs to be accelerated. 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 (value for money) is being secured. A review of routes, with a view to rationalisation where possible, is being carried out on SEN transport.

4.10 Detailed Commentary on AD Area Integrated Services

Full Year Forecast - £108k underspend (Last month £12k underspend)

(a) Variances over £50k

Forecast Underspends

- £74k Connexions - Actual to date is a £201k under spend due to vacancies. Following disaggregation of the budgets there was no SEN team for Central Bedfordshire Council. This team has now been recruited to. Underspend to be used for temporary staff and costs associated with moving to Dukeminster House and various other projects. 5% of grant has already been committed for spend by voluntary organisations. Voluntary sector spend has contributed to the underspend due to spend only commencing in late August.

- £52k – Youth Service – Actual to date is a £104k under spend due to vacancies. Will be appointing to vacancy soon. Under spend to be used for Young Inspectors Programme Residential, Trial Personal Curriculum Accredited Opportunities and various other projects that will allow Central Bedfordshire Council to meet the Youth Services' 4 Best Value Performance Indicators (BVPI)
 - Workforce Development - Full year forecast on budget. Actual to date is a £70k under spend. Some of the under spend has been used to fund non staff costs resources needed for CAF and MAAG. The remaining budget to be used to fund other resources needed within the service.
- (b) Management Actions
- All staff have been costed to correct cost centres
 - All posts within Integrated Services have been allocated a salary budget.

4.11 Detailed Commentary on AD Area Learning & School Support

Full Year Forecast - £219k underspend. (Last month £1k overspend).

(a) Variances over £50k

Forecast Underspends

- EMTAS – Full year forecast £42k underspend. Actual to date is £69k underspend – this is due to vacancies. Staff have been appointed and are now in post.
- School Improvement Non Standards Fund - Full year forecast on budget. Actual to date is £103k underspend – Grants to schools from 'Schools Causing Concern' will be allocated in the autumn term.
- School Improvement - Full year forecast £59k. Actual to date is £113k underspend. 2 members of staff started in September and the third post will not be appointed to, in order to make savings.
- Curriculum Strand - Full year forecast £73k underspend. Actual to date is £118k underspend. A number of posts still remain vacant, however some of these are being covered by Professional Services. £32k of the underspend will be used to offset the forecasted overspend on Maths Strand.
- English Strand – Full year forecast £25k underspend. Actual to date £66k underspend. This is due to 2 posts remaining vacant and only £5k of expenditure being incurred to date.
- Area Based Grants for this area are allocated to Revenue over a 12 month period however expenditure is incurred as from September and are of a seasonal nature hence large underspends during the early part of the financial year.

Forecast Overspends

- School Meals – Full year forecast on budget. Actual to date £54k overspend. Expenditure is being incurred on the Property Cost Centre, (as agreed by Edwina). A virement will be processed in November to transfer this Budget.

(b) Service Implications

- Standards Funds deadline for use of funds is the end of the academic year, August each year. Hence funds relating to 08/09 (April to August 09) academic year have been paid via Central Bedfordshire. This will revert to a nil effect once BCC balance sheet has been disaggregated.
- Greys Education (PRU) and Admissions (both SLAs with the Borough) showing full year forecast on budget but not sure of actual costs as no information is available from the Borough. These two areas could possible result in a potential over/under spend.
- Education Trading Services - no information from the Borough as this is a Shared Service and again this has a greater potential to overspend by the end of the year based on historical performance.

(c) Management Actions

- Planned restructure across the three services
- Freezing of all vacant posts
- Initial discussions to move provision from the PRU into Central Bedfordshire localities still under the umbrella of the PRU
- Removal of Lead School CWD Adviser
- Amalgamation of two 0.6 posts into a single CWD Coordinator post.
- Employment of external consultants only on condition of direct external income stream.
- Allocation of CWDC grant (£43K) contributing entirely to officer salaries

4.12 Detailed Commentary on AD Area Leisure & Culture

Full Year Forecast - £716k overspend. (Last month £623k overspend)

(a) Variances over £50k

Forecast Underspends

- Music Service – Full year forecast on budget but actual year to date reflects a net underspend of £868k as a result of salaries for Music staff being charged incorrectly to AD Leisure, Culture & Adult Community.
- Libraries – Full year forecast on budget. Actual year to date reflects a net underspend of £139k as a result of vacant posts, this will be used to offset part of the unrealisable income of £287k shown in Hub Services Budget.

Forecast Overspends

- £57k - Leisure Services – Full year forecast is £57k overspend (last month £51k overspend). Movement in full year forecast of £6k for Leisure Services is the result of adjusting salary forecasts to include the 1% pay award.
- AD Leisure, Culture & Adult Community – Full year forecast on budget but actual year to date reflects an overspend of £1,777k as a result of salaries for April to September being charged to this cost centre incorrectly. On-going exercise in process between Finance and HR to transfer actual salary costs to correct cost centres.
- £330k - Countryside & Archives– Full year forecast is £330k overspend. This is due to omissions in the original budget build:
 - £200k due to a assumed disaggregation of 60:40 split that should have been 70:30
 - £170K for all Cost Centres from the GL Highways Code
 - £167k expenditure on former SBDC(117K)/MBDC (50K)land/property grounds maintenance and site management, projects and staffing
 - Forecast overspend has reduced £52k since the August report, and now reflects a permanent budget virement of £64k from Leisure Services
- £190k - Adult & Community Learning – Full year forecast is £190k overspend due to a shortfall in Original 09/10 budget allocation of £66k, a reduction in fee income due to the current economic climate, the capping of grant income for the period 09/10 and rising costs of utilities and staffing. Actual year to date reflects a net underspend of £289k, the result of a large number of staff salaries being incorrectly coded to AD Leisure, Culture & Adult Community.

- £139k - Arts Development – Full year forecast for Leighton Buzzard Theatre is £119k overspend, confirmation of earlier concerns that the Original 09/10 budget was significantly short of the minimum amount required to run the service. This was previously reported under 'Service Implications – Other Risks', however it appears that the shortfall is much greater than originally anticipated. Actual year to date reflects a net underspend of £84k, the result of a vacant post and missing salary costs for Arts Development staff currently being charged to the incorrect area.

(b) Management Actions

- Actual salary cost reallocation to correct cost centres in conjunction with HR
- The overall forecast overspend of £716k for Leisure & Culture requires further management action to address the budget shortfall. A number of options have been identified with regards to reducing costs (e.g staff redundancies, freezing relief staffing, increasing fees above inflation etc) which will be subject to approval.

4.13 Schools

Central Bedfordshire Schools held surplus revenue balances of £8.2m and capital surplus balances of £4.9m for 2008/2009. 46 of the 139 schools exceeded the allowable surplus as specified in the Scheme for Financing Schools and were subject to reference to the Surplus Balance Sub group, a sub group of the Schools Forum.

There are currently 16 schools with an agreed Licensed Deficit for 2009/10 with a total value of £590k. There are a further 20 schools who have requested a Licensed Deficits, who we are currently working with.

5.0 Revenue Virement Requests

Details of virements that were passed/posted during the month of September are as contained in Appendix G.

The following virements have a cost centre cumulative total of greater than £200k and require Executive approval

- | | | |
|----|--|---------------------|
| a) | 456100 Music Facilities Co-ordination | £540,618 (decrease) |
| b) | 456050 Project & Community Development | £344,218 (increase) |
| | Purpose – realignment of Music budget in line with projected service delivery for 0809. | |
| c) | 400140 Director of Children's Services | £434,251 (decrease) |
| | Purpose – Assistant directors' salaries budget reassigned to the respective operational areas. | |

See Appendix C for Service Areas Individual cash limits.

6.0 Key Risks and Cost Drivers

Looked After Children:

Total number of Looked After Children as at September was 160 Children (excludes respite care) (previous month 151, April 09 - 131)

Notes below is the position as at August report

- Residential Placements – 7 Children. There are currently 4 children in Residential Placements, and 3 children for whom Social Care make a contribution to their Educational Placement. Total forecast cost £773k., against a budget of £912,299. Original No. of Children was 8 as per budget at an average annual cost of £113,998 per child
- Out of County Educational Placements – There are currently 21 children in Out of County Placements. Total forecast cost £1.7m, against a budget of £1,420,702. Original No of Children 20 as per budget at an average annual cost of approximately £72,547
- IFA Costs – 55 Children. The daily average forecast cost is £118 against an approximate budget of £115 for a child to be looked after in an Out of County Independent Fostering Agency placement. The number of days forecast is 18,385 against an approximate budget of 14578. Total cost forecast £2.2m against a budget of £1,681,301. There have been 17 additional children placed at an additional cost of £579k.

7.0 Achieving Efficiency Savings

With an efficiency target of £4.2m for the directorate it can be considered that only 31% of this target is being met with a £2.9m forecast deficit.

8.0 Reserves Position

- Not yet available

9.0 Carry forward Requests

Nil

10.0 Detailed Capital Analysis

10.1 The following table shows the expenditure and funding implications of the budget movements and the forecast changes. So although the current budget expenditure at £30.1m is £5.7m up on the original budget this is only £1.8m net of external funding sources. The forecast spend decrease, against the current budget, is £10.7m but in net terms this is only £4.6m due to the reduction in external funding of £6.1m.

CFL Capital Spend Analysis - Showing Funding from Council Resources			
<u>£m</u>	<u>Spend</u>	<u>Income</u>	<u>Net</u>
Original Budget	24.4	15.8	8.6
Slippage from 2008/9	6.4	4.6	1.8
Other Adjustments	(2.4)	(2.8)	0.4
In Year Adjustments	1.7	2.1	(0.4)
Current Budget	<u>30.1</u>	<u>19.7</u>	<u>10.4</u>
Underspends:			
Saxon Pool/ Sports Hall	(0.7)	0.0	(0.7)
Oakbank - DRF Funding Out	0.3	0.0	0.3
St Swithuns – DRF Funding Out	0.2	0.0	0.2
Other	0.0	0.0	0.0
Total Underspends	<u>(0.2)</u>	<u>0.0</u>	<u>(0.2)</u>
Slippage to 2010/11			
Formula Capital	(2.7)	(2.7)	0.0
Community Football - Leighton	(2.4)	(1.0)	(1.4)
Community Football - Dunstable	(2.3)	(0.6)	(1.7)
Roecroft Lower Relocation	(1.3)	(1.3)	0.0
Sandy Sports & Leisure	(0.6)	0.0	(0.6)
Tithe Farm Lower	(0.3)	(0.3)	0.0
Asbestos & Health and Safety	(0.3)	0.0	(0.3)
Temporary Classrooms	(0.3)	0.0	(0.3)
Other	(0.3)	(0.2)	(0.1)
Total Slippage to 2010/11	<u>(10.5)</u>	<u>(6.1)</u>	<u>(4.4)</u>
Total Variance in 2009/10	<u>(10.7)</u>	<u>(6.1)</u>	<u>(4.6)</u>
Current Forecast	<u>19.4</u>	<u>13.6</u>	<u>5.8</u>

10.2 Table C – Capital Actuals to date and Forecast Year End position

Table C	A	B	C	D	E	F	G	H	I
Capital Expenditure	Original Budget	Slippage from 2008/9 Un-approved	Other Adjustments Un-approved	In Year Adjustments Un-approved	Current Budget Un-approved	Actual to Date	Forecast Outturn	Slippage to 2010/11	(Under)/Over Spend
	£K	£K		£K	£K	£K	£K	£K	£K
Asbestos Health & Safety	500	0	0	0	500	0	200	(300)	0
Children's Centres	2,420	1,163	0	(106)	3,477	830	3,477	0	0
Formula Capital	4,997	2,746	0	1,992	9,735	3,495	6,989	(2,746)	0
Harnessing Technology	1,177	0	(1,177)	0	0	0	0	0	0
Heathwood Lower	0	298	0	0	298	194	194	0	(104)
NDS Modernisation	1,000	115	0	0	1,115	1	1,115	0	0
Oakbank Special School Improvements	104	352	0	0	456	0	755	0	299
Roecroft Lower Relocation	1,500	178	0	0	1,678	1	348	(1,330)	0
Schools Access Initiative	579	0	0	0	579	15	579	0	0
Stds Fund for Extended Schools	313	738	0	(290)	761	480	761	0	0
Temporary Accommodation	500	0	0	0	500	0	250	(250)	0
Tithe Farm Lower	377	0	0	0	377	0	60	(317)	0
VA Capital	1,292	0	(1,292)	0	0	0	0	0	0
Other Children's Services (<£250k)	876	448	(20)	(43)	1,261	511	1,318	(160)	217
SUB-TOTAL - SCHOOLS & SC	15,635	6,038	(2,489)	1,553	20,737	5,527	16,046	(5,103)	412
Community Football Dev. Ctr - Dunstable	2,400	0	100	0	2,500	20	210	(2,290)	0
Community Football Dev. Ctr - Leighton	2,500	0	0	0	2,500	0	100	(2,400)	0
OAIP	250	0	0	(100)	150	0	150	0	0
Playbuilder	0	0	0	473	473	0	473	0	0
Public Open Space	1,250	0	0	(175)	1,075	12	1,147	0	72
Rights of Way - Major Bridge H&S Works	275	0	0	0	275	18	275	0	0
Sandy Sports & Leisure Centre	690	0	0	0	690	0	100	(590)	0
Saxon Pool / Sports Hall	650	0	0	0	650	0	0	0	(650)
Other Children's Services (<£250k)	724	373	0	(77)	1,020	207	932	(86)	(2)
SUB-TOTAL LEISURE	8,739	373	100	121	9,333	257	3,387	(5,366)	(580)
TOTAL - CFL	24,374	6,411	(2,389)	1,674	30,070	5,784	19,433	(10,469)	(168)

10.3 Detailed Commentary on Capital

- (A) The detailed commentary on the budget and forecast follow.
- (a) Column A - The original budget of £24.4m is that which was approved in principle by the Shadow Executive in February 2009.
- (b) Column B - The slippage of £6.4m is Bedfordshire County Council and the District Councils from 2008/09. This is currently unapproved and itemised as follows:
- £2,746 on Formula Capital being Standards Fund Grant devolved to the schools with 3 years to spend each year's allocation.
 - £1,163k on Children's Centres which, when reduced by the £106k in year adjustment, becomes the £1,057k funded by the Sure Start Grant
 - £738k funded by the Standards Fund Grant for Extended Schools which becomes £448k when reduced by the £290k in year adjustment.
 - £352k on Oakbank Special School for its sports hall.
 - £298k on Heathwood Lower School.
 - £178k on Roecroft Lower.
 - £172k on Reprovision of Children's Homes.
 - £135k for Refurbishment of South Beds Leisure Facilities.
 - £126k on Alameda Middle.
 - £115k on NDS Modernisation.
 - £100k on Countryside Health & Safety Enhancement.
 - £288k being the balance made up of items lower than £100k.
- (c) Column C – This £2.4m reduction is the other adjustments to the programme which are also unapproved as follows:
- £1,292k on the VA schools programmes including £635k on Modernisation, £596k on Formula Capital and £61k on Access Initiative.
 - £1,177k on Harnessing Technology which is budgeted in revenue.
 - Less £100k on the Community Football Development Centre in Dunstable covered by an increase in grant entitlement from the Football Foundation.
- (d) Column D – The following in year adjustments netting to £1.7m of additional budget have been identified:
- £1,992k increase on Formula Capital being 40% b/f from 2010/11.
 - £473k increase on Play Pathfinder being part of £1.1m funding including 2010/11.
 - £130k increase for Flitwick Leisure Centre b/f from 2010/11.
 - £70k being small funded budget adjustments including £32k for Section 106.
 - 396k decrease as mentioned re Column B above for Children's Centres and Standards Fund for Extended Schools.
 - £350k decrease on Public Open Space as the Greensand Trust are now paying their contribution directly for the purchase of the Rushmere Park land.
 - £100k Feasibility Studies budget taken out. Any such costs of a capital nature will be budgeted within the named schemes.
 - £145k net decrease being income adjustments on Leisure and Culture.
- (e) Column E – The current unapproved budget stands at £30.1m.
- (f) Column F - The actual to date stands at £5.8m compared to £15.0m budget (based on flat phasing the current budget over 6 months). Most projects have yet to start due to the need for approval. Formula Capital has been accrued pro rata to forecast.

- (g) Column G - The forecast outturn stands at £19.4m which is £10.7m below current budget. This comprises £10.5m of slippage into 2010/11 plus forecast underspend of £0.2m.
- (h) Column H - Slippage of £10.5m 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 – which now includes a 40% draw down from 2010/11.
 - £2,400k 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.
 - £2,290k on the Community Football Development Centre at Dunstable where the start on site is now likely to be early in 2010/11 (executive approval expected to be gained in October).
 - £1,330k on Roecroft Lower which is estimated to start on site in quarter 4 of 2009/10 involving fencing off the site (as a separate contract). The main works will start early in 2010/11.
 - £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 being reviewed.
 - £300k on Asbestos Health & Safety. The poor condition surveys have led to delays in identifying priorities.
 - £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 reprovision has been put back for reasons including initial high cost estimates from Mouchel.
 - £50k on Swiss Garden. This is match funding for a HLF bid. If the bid is successful the spend will be in 2010/11.
 - £36k slippage against the budget for Refurbishment of South Beds Leisure Facilities.
- (i) Column I – A net underspend of £0.2m has been forecast as follows:
- £650k underspend on Saxon Pool / Sports Hall which will be delayed for 3 years.
 - £104k underspend on Heathwood Lower which is now complete on site.
 - Remaining underspend of £96k including £66k on Alameda which is now complete on site and £28k on Children's Social Care SCP Contribution.
 - Overspends of £299k and £189k on Oakbank and St Swithuns respectively. This revenue funded budget will not now be approved, it is understood.
 - £122k overspend on Caddington partly due to additional fencing and paving but mainly due to an additional hot water installation needed to mitigate the threat of legionella.
 - £72k overspend on Public Open Space which is largely covered by the interest on the £400k capital receipt from the sale of the Brogborough picnic site.

(B) 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.

(C) 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.

11.0 Workforce Data - September 2009

	Original Budget	Plus Funded changes	Plus Unfunded Changes (additions)	= Revised Budget	Less Actual	Difference
CFL Directorate	FTE	FTE	FTE	FTE	FTE	
					SAP produced	
CFL Director	2	1		3	3	0
Policy Plan & C Dev & Comm	32			32	22.31	9.69
Integrated Services	162	1		163	112.94	50.06
Learning & Sch. Support	109			109	80.6	28.4
Leisure & Culture	244	8	6.5	258.5	244.59	13.91
Specialist Service	297.08			297.08	240.23	56.85
Total	846.08	10	6.5	862.58	703.91	158.91

- ****SAP produced Actual does not include external staff or where agency staff are covering posts**

12.0 Aged Debt Analysis

- Not yet available

13.0 Payments Indicator

- Not yet available

14.0 List of Appendices

Attached to report are the following Appendices

Appendix A	Overall Position for CBC by Directorate
Appendix B	Analysis of Children Families & Learning Cash Limits
Appendix C	Overall Capital Monitoring - Summary
Appendix D	Capital Monitoring – Detailed CFL
Appendix E	Table A Gross Expenditure
Appendix F	Table A Gross Income
Appendix G	Virement Requests
Appendix H	CFL Action Plan