

SUBJECT:	Budget Management Report for the period as at 31st December 2009
REPORT AUTHOR:	Finance Manager on behalf of Director of Children, Families & Learning
PURPOSE:	To provide information on the budget position as at 31st December 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 £2.1m 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 December 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. These tables are now included within the Appendices to the report.

2.0 Executive Summary Revenue

The full year forecast position is £2.1m over budget compared to last month's position of £2.2m over budget.

The decrease in forecast has occurred within Children's Specialist Services and Policy, Planning & Commissioning, offset by a slight increase in the overspend forecast within Leisure and Culture and a small reduction in underspend within Learning & School Support.

The majority of overspend continues to come from Transport, Children's Specialist Services and Leisure.

The work to review and re-draft the transport policy has been completed and discussion with the Portfolio Holder for Children's Services is ongoing. The mandatory consultation period has commenced and will complete on the 12 February 2010, 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. 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.

Leisure overspend is due to poor budget build and continues to be a concern, efforts are being made to reduce the impact through savings in other services.

Variance to date excluding Schools is £447k 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.

Budget managers continue to be tasked with continuing scrutiny of budgets and improvement of forecast accuracy.

In order to transform services for disabled children the council has been allocated additional funding through the Aiming High for Disabled Children grant. The Grant revenue allocation is £284,094 for 2009/10 and £916,503 for 2010/11. There is also a Capital allocation of £136,740 for 2009/10 and £319,040 for 2010/11. The funds are ring fenced and are primarily to fund additional short break capacity.

2.1 Key Management Actions

- To ensure items within the action plan as contained in Appendix D are implemented and the projected savings are realised, while further action needs to be based on "Transformational Change". 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 that Finance and Procurement resolve the GL postings inaccuracy with SRM and continue to work with the directorate to clean up actuals erroneously posted. Top priority should be given by Finance and CFL colleagues to make the necessary corrections in order to allow for accurate forecasting on the Commissioning and Children's Specialist Services budgets. A specific strategy has been put in place to resolve the limitation caused by this problem and to deal with the backlog effect.
- Transport is subject to a major review over the next academic year to address the projected £593k forecast deficit. The policy reform continues to the agreed plan. 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. Existing route contracts will, with Sustainable Communities colleagues, continue to be renegotiated at every possibility, to ensure 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 £296k (increased by £20k from last month) is due to incorrect budget build. Adult and Community Learning has a projected 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.
- 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.
- Finance and Directorate AD's and Heads of Service should exert pressure on Bedford Borough colleagues to obtain reliable estimates of costs for shared services to reflect clear actual to date figures and improved forecasts for these services.

3.0 Executive Summary Capital

- 3.1** The 2009/10 programme was approved by Full Council on 19th November 2009 on the basis of an expenditure budget of £20.4m with £14.9m of external funding making a balance of £5.5m payable from Council Resources. An additional £0.1m of S106 income has been brought forward and so the net budget is now £5.4m. £15.1m of slippage to 2010/11 has been approved but additional slippage of £1.5m has since

been identified with £0.3m of associated funding so the current forecast is a balance of £4.2m payable by the Council.

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 and Table B are now included within the Appendices to the report.

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 £1.5m over budget compared to last month's position of £1.7m over budget. The major change to the forecast position has occurred in Policy, Planning & Commissioning.

The areas contributing to the £1.5m forecast overspend pressure are Children's Specialist Services, £1.5m (Head of Specialist Services - £490k, Safeguarding and LAC Service - £552k, Children with Disabilities Service (CWD) - £449k) and Transport, £593k which have been offset by underspends in Integrated Services, £236k, Learning School & Support, £171k a decrease from the £213k reported last month.

4.3.2 Capital

The forecast capital spend position at the year end is £16.0m which is £1.5m below budget, with external funding of £13.4m. (See Table C within the Appendices to the report).

4.4 Portfolio Holder's Synopsis – Leisure & Culture

4.4.1 Revenue

The full year forecast position for Leisure & Culture is £582k over budget, no change to last month. The main areas contributing to the forecast overspend are Countryside & Archives – £296k, Adult & Community Learning – £147k and Arts Development - £105k. The reasons are predominately historic budget pressures together with disaggregation shortfalls.

Within School Organisation & Capital Planning, a proposed transfer from earmarked reserves has been reported of £364k regarding the PFI reserve.

4.4.2 Capital

The forecast capital position at the year end is £2.9m which is per budget, with external funding of £1.3m. (See Table C within the Appendices to the report).

4.5 Detailed Commentary on Director of Children, Families & Learning

The overall position is an actual net expenditure of £66k more than budget to date. Full year forecast on budget.

Explanation for Differential

- Director of Children Family & Learning profit centre - Full year forecast on budget. Actual to date is £66k overspend - Salaries have been paid out of these cost centres incorrectly, most of these salaries have now been cleared. Only one remains outstanding.

4.6 Detailed Commentary on Children's' Specialist Services

Full Year Forecast - £1.6m overspend (no change from last month)

Assistant Director – Children Specialist Services

Actual: Net expenditure £519k less than budget to date.

Forecast: £490k overspend.

Explanation for Differential

- The budgets for 'Service Contracts' i.e. Independent Fostering, Secure Accommodation, Residential Care Homes, and St Christopher's Contract have been transferred to a new cost centre under the AD for Specialist Services from Safeguarding and Looked After Children. The actual expenditure has not been transferred, and therefore a year to date underspend is currently showing, however this expenditure will be transferred during January. The full year forecast overspend is mainly Independent Fostering and Residential Care Home Placements.

SEN & Inclusion

Actual: Net expenditure £527k less than budget to date (last month £568k underspend)

Forecast: Underspend £20k (no change to last month)

Explanation for Differential

- Psychology and Advisory Support – The full year overspend of £100k is due to an unachievable income target in this budget. Actual to date is an overspend of £70k.
- Special Res Lower Schools – Full year forecast is a £100k underspend due to project delays. Actuals to date are £100k underspent as this budget is to be used for set up costs for Holmemead later this year.
- Assessment & Monitoring £71k overspend forecast – This is due to salaries and consultant costs not covered by the current year budget. Actuals to date are £51k overspent.
- Therapies & High Cost Pupils – forecast is on target and actuals are £154k underspent to date as this budget is demand led and demand is expected to be greater in the final part of the year.
- Special Recoupmnt £159k underspend forecast - based on current placements. Actuals are underspent by £119k.
- Out of County is showing a £115k overspend, based on current placements. Actuals are £86k overspent.
- JC Professional Services – Full year forecast on budget. Actuals are £220k underspent, because of the problems with SRM, it has not been possible to forecast against this cost centre.

Safeguarding & LAC (previously Intake & Family Support)

Actual: Net expenditure £1.1m overspend (last month £497k overspend)

Forecast: £552k overspend (last month £1m overspend)

Explanation for Differential

- The budgets for Independent Fostering, Residential Care Home Payments, Secure Accommodation, St Christopher's, Action for Children and Christian Family Care have been transferred to a new cost centre under the AD for Specialist Services. The actual spend has not been transferred yet, which means the actual to date shows a large overspend, this is offset by underspending in the AD – CSS area above.
- LAC/Leaving Care Team - £123k overspend forecast on agency staff covering vacancies. Year to date overspend is £57k.
- Service Support - £79k overspend forecast due to unfunded posts. Year to date overspend £60k.
- Asylum Assessment Team - £33k overspend forecast following the Annex C Indicative Claim submission to the Home Office for 09/10.
- Social Work Pool - £50k overspend forecast due to unfunded posts. Year to date overspend £66k.
- Family Support Biggleswade - £89k overspend forecast on staff salaries and agency staff. Year to date £109k overspend.
- Intake & Assessment South - £188k overspend due to agency staff covering vacancies. Year to date £205k overspend.
- Externally Commissioned Placements – Full year forecast on budget, year to date £802k overspend. This budget has been transferred to the Assistant Director's area, the actual spend will be transferred in January (see above).
- Family Support budgets – Full year forecast on budget, year to date £196k underspend. Expenditure has now been transferred to the correct gl codes, following the SRM problems, however the full year forecast has not been revised, this will be actioned once the purchase orders on SRM have been corrected.

Children with Disabilities

Actual: Net expenditure £41k greater than budget (last month £141k overspend)

Forecast: Overspend £449k (no change to last month)

Explanation for Differential

- CWD South - Forecast £108k overspend. Actual to date are £64k overspend. The overspend will continue due to additional locum costs required to cover vacancies as this is a high demand service.

- Home Support CWD - £119k underspend forecast. Actuals to date are £104k underspent, mainly due to vacancy savings.
- CWD Resource Manager - £64k underspend forecast. Actuals to date are £57k underspent mainly due to additional income from Luton PCT for placements and vacancy savings.
- CWD High Level Family Support is £175k underspent to date. Due to SRM errors it has not been possible to forecast against this cost centre, but purchase orders currently are being transferred, and a full year forecast will be input at the end of January.
- Maythorn - £177k overspend forecast. This is due to costs to cover a high dependency client with special needs. Actuals to date are £122k overspent.
- Foxgloves - £82k overspend forecast mainly due to additional budget care packages. Actuals to date are £71k overspent.
- Sunflower House -£185k forecast overspend. This is due to long term sick which is being covered by additional hours and overtime. Actuals to date are £127k overspent.

Quality Assurance

Actual: Net expenditure £38k underspend (last month £35k underspend)

Forecast: On budget (no change to last month)

Local Safeguarding Children's Board

Actual: Net expenditure £17k overspend (last month £18k overspend) Forecast: £15k overspend (last month £29k overspend)

The Local Safeguarding Children's Board cost centres have now been transferred from the Quality Assurance group.

There is a proposed transfer from Earmarked Reserves of £3k.

Fostering & Adoption

Actual: Net expenditure £48k underspend (last month on budget)

Forecast: £63k overspend (no change to last month).

Explanation for Differential

- Family Link - £41k underspend forecast due to underspending on Youth Carer Fees. Year to date £55k underspend.
- Foster Recruit & Support - £50k underspend forecast, this is due to a variance of income against profile. Year to date £31k underspend.

- In House Fostering - £115k underspend forecast, less payments made than budgeted for. Year to date £17k underspent.
- Fostering Recharge - £259k overspend forecast, shortfall on income received from Bedford Borough against profile. Year to date £195k overspend.
- Adoption & Permanence Support - £5k overspend forecast. Year to date £51k underspend this is due to a variance of income against profile.
- Adoption Allowances – Full year forecast on budget. Year to date £58k overspend, as income is yet to be received.
- Recruitment & Retention – Full year forecast £48k overspend, this is due to a variance of income against profile. Actual to date is an underspend of £62k. The forecast will be reviewed in January.
- Youth Care - £68k underspend forecast, this is due to a variance of income against profile. Year to date £100k underspend.

Service Implications

- 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.

Management Actions

- Close monitoring and implementation of an improved system of financial modelling of demand led budgets constituting high risks.
- A specific strategy has been put in place to resolve the limitation caused by the SRM coding 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.
- After completion of the reallocation of costs exercise accurate forecast to be input reflecting areas of potential over and underspends.
- Social worker recruitment strategy being implemented to reduce reliance on agency staff.

4.7 Detailed Commentary on Policy, Planning & Commissioning

Full Year Forecast including Transport - £379k overspend (last month £532k overspend).

Policy & Strategy

Actual: Net expenditure £77k less than budget to date (last month £68k underspend).

Forecast: £133k underspend (last month £44k underspend)

Explanation for Differential

Underspending on salaries as posts are not being recruited to. Underspends have increased following a finance meeting with the budget manager.

Partnership & Communications

Actual: Net expenditure £50k less than budget to date (last month £38k underspend)

Forecast: £71k underspend (last month £25k underspend)

Explanation for Differential

Underspending on salaries as posts are not being recruited to. Underspends have increased following a finance meeting with the budget manager.

JSCS – Transport

Full Year Forecast - £593k overspend (last month £601k)

Forecast Underspends

- £56k Transport Salaries due to staff vacancies. Actual to date is £34k underspend.
- £122k SN Schools Beds Transport, actual to date is £82k underspent.

Forecast Overspends

- £108k Mainstream Transport Lower
- £364k Mainstream Transport Upper
- £186k Mainstream Transport Discretionary

Explanation for Differential

Transport Salaries – increase £19k

This is due to agency staff.

Mainstream Transport – reduction of £52k

The retendering exercise has been completed, and a saving of £72k has been identified for Jan – March which has been reflected in the forecast. The Mainstream College forecast has increased by £20k to reflect the increased demand for College transport as more Young People are taking up College places due to the recession.

SEN Transport – increase of £17k

An increase in SEN transport of £37k as additional transport is requested, this is offset by a reduction of £20k on the Pupil Referral Unit forecast which is demand led.

LAC & CWD Transport – increase of £8k

An increase of £23k in LAC transport which is demand led, is offset by reductions in forecast for CWD Transport and the transport Training budget.

Management Actions

- Transport is subject to a major review to address the projected £593k forecast deficit. The review of the Home to School Transport Policy has been accelerated and a revised policy is due to go to the Executive in March 2010. 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.

4.8 Detailed Commentary on Integrated Services

Full Year Forecast - £236k underspend (no change from last month)

Explanation for Differential

- £115k underspend Connexions - Actual to date is a £215k underspend 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 as spend only commenced in late August.
- £65k underspend in the Youth Service – Actual to date is a £205k underspend due to vacancies. Will be appointing to vacancy soon. Underspend to be used for the following:
 - Young Inspectors Programme Residential.
 - Trial Personal Curriculum Accredited Opportunities.
 - Further development of positive activities for through the voluntary sector and town and parish councils Volunteer training programmes.
 - Increasing Volunteering opportunities for young people, as part of the Making a Positive Contribution agenda.
 - Enhanced work on the positive images campaign, as identified within the Children and Young People Plan.

- Running planned residentials particularly through the Youth at Risk Programme.
 - Course fees for staff on professional training.
 - Development of the Youth Parliament campaign, leading to the creation of a new Central Beds Youth Parliament.
 - Ongoing Mapping and promotion of positive activities, particularly for harder to reach young people.
 - This will allow Central Bedfordshire Council to meet the Youth Services' 4 Best Value Performance Indicators (BVPI).
- £45k underspend in Integrated Process Service – Actual to date is £98k underspend. This is due to staff taking up posts mid-year, plus vacancies.

Management Actions

- All staff have been costed to correct cost centres.
- All posts within Integrated Services have been allocated a salary budget.
- On target to achieve savings in 09/10.

4.9 Detailed Commentary on Learning & School Support

Full Year Forecast - £171k underspend (last month £213k underspend).

School Support Service

Actual: Net expenditure £241k less than budget to date.

Forecast: £50k underspend (last month £109k underspend).

Explanation for Differential

- EMTAS – Full year forecast £18k underspend (last month £43k underspend). Actual to date is £81k underspent – this is due to vacancies in periods 1 - 6. Staff have been appointed and are now in post. This is also due to an underspend in training, furniture and equipment, learning resources and printing and stationery.
- Greys Education – Full year forecast £50k overspend. This is newly forecast based on initial expectations on the recharge from Bedford Borough who are hosting the service. Detail information still to be received. Actual to date on budget.
- Governor Support – Full year forecast £52k underspend (no change on last month). Actual to date is £45k underspent. This is due to a vacant post which will not be appointed to.
- Governor Training – Full year forecast £28k underspend an increase of £18k from last month. Actual to date is £51k underspent. This is due to the post being vacant in periods 1 and 2, an underspend in professional services, conference expenses, venue hire and more income being received than expected.

Children's Workforce Development

Actual: Net expenditure £48k less than budget to date (last month £70k underspent)

Forecast: On budget (no change to last month)

Explanation for Differential

- Children's Workforce Development - Full year forecast on budget. Actual to date £67k underspend due to 3 vacancies and more Income being received than budgeted for.

School Improvement

Actual: Net expenditure £756k less than budget to date (last month £731k underspent)

Forecast: £151k underspend (last month £135k underspend).

Explanation for Differential

- School Improvement Non Standards Fund - Full year forecast on budget. Actual to date is £134k underspent – Grants to schools from 'Schools Causing Concern' will be allocated in the autumn term.
- School Improvement - Full year forecast £60k underspend (no change to last month). Actual to date is £148k underspent. Due to vacancies, 2 members of staff started in September and the third post will not be appointed to, in order to make savings. Also no payments have been made for rent and rates.
- The contribution to the Bedford and Luton Education Business Partnership has been reduced to the budget available. Therefore the forecast overspend of £16k has been removed.
- Curriculum Strand - Full year forecast £73k underspend (no change to last month). Actual to date is £163k underspent. 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 £24k underspend (no change to last month). Actual to date £76k underspent. This is due to 2 posts remaining vacant and greater expenditure in the remainder of the year.
- Area Based Grants for this area are allocated to Revenue over a 12 month period however expenditure is incurred from September and is of a seasonal nature hence large underspends during the early part of the financial year.

Standards Fund

Actual: Net expenditure £37k less than budget to date.

Forecast: On budget (no change to last month)

Explanation for Differential

- Standards Fund – is currently showing an underspend of £37k due to timing of payments. Not all spend is incurred on a month by month basis.

Other School Budgets

Actual: Net expenditure £123k more than budget to date.

Forecast: £38k overspend (no change to last month)

Explanation for Differential

- Official Duties – Full year forecast on budget. Actual to date is £57k underspent, where payment of official duties is demand led. Also only two members of staff are on the payroll - at the beginning of the year (April 09), it was anticipated that there would have been at least four members of staff.
- School Meals – Full year forecast on budget. Income and expenditure is being incurred on the Property Cost Centre, (as agreed by Edwina). A virement will be processed in January to transfer this budget.
- Cash Collection – Full year forecast £39k overspend. This is following notification of the recharge from Bedford Borough which is currently under discussion.
- An overspend of £133,922 has been forecast on Vandyke Sports Pitch. This is covered by a transfer from earmarked reserves.

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.
- SLAs with the Borough - Greys Education (PRU) is now showing a £50k overspend following initial indications from the Borough and Admissions showing full year forecast on budget but not sure of actual costs as very little information is available from the Borough. These two areas could possibly result in further over/underspends.
- Education Trading Services - This is a Shared Service. Information has now been received from the Borough and it looks like this service could overspend significantly. Meetings are being arranged to try and find out the extent of the overspend and to question the level and type of charges being made.

Management Actions

- Planned restructure across the three services
- Freezing of all vacant posts
- Initial discussion with Bedford Borough to extend the SLA for Admissions. This would be more cost effective but increased statutory duties re in-year admissions will mean a budgetary pressure for this service for 2010/11.
- Initial discussions within Central Bedfordshire about the future of the Education ICT Service (i-tec)
- Initial discussions to move provision from the PRU into Central Bedfordshire localities still under the umbrella of the PRU
- Ending of the 14/19 SLA with Bedford Borough from April 1st 2010.
- Ending of the E Learning SLA with Bedford Borough from April 1st 2010.
- 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.

4.10 Detailed Commentary on Leisure & Culture

Full Year Forecast - £582k overspend (last month £555k overspend)

Leisure Services

Actual: Net expenditure £55k greater than budget to date.

Forecast: £57k overspend (no change to last month)

Explanation for Differential

- Full year forecast overspend is mainly due to an error in the original budget build in relation to the Outdoor Education SLA (missing £134k), combined with savings from three vacant posts, two of which are in the base budget but are fully funded by Big Lottery in 09/10.

Countryside and Archives

Actual: Net expenditure £200k greater than budget to date.

Forecast: £296k overspend (£276k overspend last month)

Explanation for Differential

- The increase in overspend on last month of £20k is following information received from the Borough for the cost of the

Records Management outsourcing for which CBC has to pay a proportional contribution.

- The forecast overspend is due to omissions in the original budget build as follows:
 - £200k due to an assumed disaggregation of 60:40 split that should have been 70:30
 - £170k for all Cost Centres from the Highways GL code
 - £167k expenditure on former SBDC (£117k)/MBDC (£50k) land/property grounds maintenance and site management, projects and staffing.

Adult and Community Learning

Actual: Net expenditure £128k greater than budget to date.

Forecast: £147k overspend (£149k overspend last month)

Explanation for Differential

- Forecast overspend is due to the omission of £65k original 09/10 budget allocation, a shortfall in funding and a reduction in fee income due to the current economic climate.
- ACL budgets have been realigned this month.

Arts Development

Actual: Net expenditure £53k greater than budget to date.

Forecast: £105k overspend (no change to last month)

Explanation for Differential

- Leighton Buzzard Theatre is forecast to overspend by £119k. Confirmation of earlier concerns that the Original 09/10 budget was significantly short of the minimum amount required to run the service. The original budget build identifies omissions of payroll related costs and overstatement of achievable income.

Libraries

Actual: Net expenditure £4k less than budget to date.

Forecast: £4k overspend (£5k underspend last month)

Explanation for Differential

- The £4k forecast overspend can only be achieved by holding back £94k on the Book Fund and underspending on relief staffing to meet the unachievable income target of £287k disaggregated in error to the Hub Services cost centre. The Book Fund figure also includes the reduction of a further unachievable income target of £7k also disaggregated in error - total amount of unachievable income disaggregated in error is therefore £294k. This action has a direct impact on service provision (i.e. holding back 20% of the Book Fund which has an obvious affect on the amount of stock we can purchase and will lead to customer complaints) and on service delivery as we have to hold back on relief staffing meaning staff shortages in some

cases and a poorer level of service - if we hold back any further amounts from relief staffing it may well mean some libraries closing due to lack of staff.

Music Service

Actual: Net expenditure £1k less than budget to date.

Forecast: On budget (no change to last month)

School Organisation and Capital Planning

Actual: Net expenditure £249k greater than budget to date.

Forecast: £27k underspend (no change to last month)

Explanation for Differential

- An overspend on PFI is expected of £364k. A proposed transfer from earmarked reserves has been reported in November for this amount from the PFI reserve.

Management Actions

- Actual salary cost reallocation to correct cost centres in conjunction with HR has largely been completed. There are still a small number of errors that are currently being corrected.
- The overall forecast overspend of £582k 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.

4.11 Schools

The Revenue and Capital Reserves brought forward to 2009/10 for Central Bedfordshire Schools are £8.2m and £0.8m, respectively. Please note the Capital Reserves do not include Devolved Formula Capital of £4m.

There are currently 19 Schools with an approved Licensed Deficit with a total value of £0.7m and a possible further 14 schools with which we are currently working. Schools are required by the Scheme for Financing Schools to submit a forecast out-turn during December.

5.0 Revenue Virement Requests

There were no virements that have a cost centre cumulative total of greater than £200k posted in December.

6.0 Key Risks

An invoice has been received from Bedford Borough Council for funding the Hub within Libraries for £453k. (There is an additional invoice for £41k that is costed to the Book Fund). This is currently being confirmed against prior year figures.

7.0 Key Cost Drivers

Looked After Children:

Total number of Looked After Children as at the end of November was 162 Children (excludes respite care) (previous month 162, April 09 - 131). December figures are not yet available.

- 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 £858k, against a budget of £912k.
- Out of County Educational Placements – There are currently 28 children in Out of County Placements. Total forecast cost £1.7m, against a budget of £1.4m.
- IFA Costs – 52 Children. The daily average forecast cost is £119 for a child in an Out of County Independent Fostering Agency placement. The number of days forecast is 18,394, total forecast cost £2.2m against a budget of £1.7m.

8.0 Achieving Efficiency Savings

With an efficiency target of £4.2m for the directorate, £406k was reported in the forecast efficiency return (NI179). Therefore it can be considered that only 10% of this target is being met with a £2.1m forecast deficit.

9.0 Reserves Position

£501k has been reported this month as proposed use of reserves. £364k of the PFI reserve, £134k for the Vandyke Sports pitch and £3k for the Local Safeguarding Children's Board. Please note Appendix E attached outlining current Earmarked Reserves for review.

10.0 Carry forward Requests

Nil

11.0 Detailed Capital Analysis

11.1 The following table shows the expenditure and funding implications of the budget movements including slippage.

<u>CFL Capital Spend Analysis - Showing Funding from Council Resources</u>			
<u>£m</u>	<u>Spend</u>	<u>Income</u>	<u>Net</u>
Original Budget	24.4	15.8	8.6
Slippage from 2008/9	6.1	4.1	2.0
Other Adjustments	5.0	4.6	0.4
Slippage to 2010/11	(15.1)	(9.6)	(5.5)
Approved Budget	<u>20.4</u>	<u>14.9</u>	<u>5.5</u>
Comm. Football Dunstable - S106	<u>0.0</u>	<u>0.1</u>	(0.1)
Current Budget	<u>20.4</u>	<u>15.0</u>	<u>5.4</u>
Slippage to 2010/11			
Oakbank Sports Hall	(0.7)	0.0	(0.7)
Asbestos & Health and Safety	(0.2)	0.0	(0.2)
Holmemead School ASD Provision	(0.2)	0.0	(0.2)
Imps. To School Kitchen/Dining	(0.1)	(0.1)	0.0
Food Technology	(0.1)	(0.1)	0.0
Other	(0.2)	(0.1)	(0.1)
Total Slippage to 2010/11	<u>(1.5)</u>	<u>(0.3)</u>	<u>(1.2)</u>
Total Budget Savings in 2009/10	<u>(1.5)</u>	<u>(0.3)</u>	<u>(1.2)</u>
Current Forecast	<u>18.9</u>	<u>14.7</u>	<u>4.2</u>

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

This is now included within the Appendices to the report.

11.3 Detailed Commentary on Capital

(A) The detailed commentary on the budget and forecast follow.

- Column A - The original budget of £24.4m is that which was approved in principle by the Shadow Executive in February 2009.
- Column B - The slippage of £6.1m is Bedfordshire County Council and the District Councils from 2008/09 and is itemised as follows:
 - £2,746k on Formula Capital being Standards Fund Grant devolved to the schools with 3 years to spend each year's allocation.
 - £1,057k on Children's Centres which is funded by the Sure Start Grant.
 - £448k funded by the Standards Fund Grant for Extended Schools.
 - £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.
 - £107k on Electronic Social Care Record.
 - £100k on Countryside Health & Safety Enhancement.
 - £265k being the balance made up of items lower than £100k.
- Column C – This £5.0m increase in budgeted expenditure is the other adjustments to the programme of which £4.6m is externally funded.
 - Increases:**
 - £3,600k on All Saints Academy, being the redevelopment of the Northfields School, of which all but £100k is funded by DCSF grant.
 - £1,992k on Formula Capital being 40% b/f from 2010/11 which all schools are being given this year.
 - £640k on Best Co-location Samuel Whitbread funded by DCSF grant.
 - £500k on Holmemead School ASD provision.
 - £473k on Playbuilder being part of £1.1m funding including 2010/11.
 - £311k on Improvements to School Kitchens and Dining Areas, again DCSF funded.
 - £299k on Oakbank Special School Improvements being the amount which BCC were to fund from revenue.
 - Decreases:**
 - £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.
 - £650k on Saxon Pool / Sports Hall as this project has now been delayed for 3 years.
- Column D - Slippage of £15.1m into 2010/11 has been approved as follows:
 - £3,300k on All Saints Academy as work on site will not commence in this financial year.

- 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 in the sum of £1,992k.
 - £2,500k on the Community Football Development Centre at Leighton Buzzard. Funding is undetermined until the section 106 and Football Association funding for this project is confirmed in December 2009 and by February 2010 respectively.
 - £2,290k on the Community Football Development Centre at Dunstable where the start on site is now likely to be early in 2010/11.
 - £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.
 - £630k 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.
 - £500k on Temporary Accommodation as at the current time there is a lack of pressure for temporary units.
 - £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.
 - £300k on Holmemead School ASD Provision as the £500k budget has just been approved.
 - £279k on Schools Access Initiative bringing the forecast down to £300k.
 - £217k on Public Open Space being all expenditure except that for the purchase of Rushmere Park and master planning / site surveys thereon.
 - £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.
 - £273k of slippages less than £100k on other projects.
- Column E – The current approved budget is £20,413k.
 - Column F - The actual to date stands at £9.6m compared to £15.3m budget (based on flat phasing the current budget over 9 months). A number of projects have only recently started due to the late approval process this year. Formula Capital has been accrued pro rata to budget.
 - Column G - The forecast outturn is £18.9m which is £1.5m below budget.
 - Column H – The variance above includes £1,479k of further slippage as follows:
 - £705k on Oakbank Sports Hall which is not now going down the urgency route for approval.

- £200k on Asbestos Health & Safety due to the lengthy approval process.
 - £150k on Holmemead School ASD Provision.
 - £124k on Improvements to School Kitchens, with the associated income.
 - £93k on Food Technology with it's associated income.
 - £207k of smaller variances with £100k of income.
- Column I – A couple of small variances have been identified based on Mouchel's latest cost estimates.

(B) No Service Implications have been identified.

(C) Management Actions at this stage principally involve the following:

- Ensuring that forecasts on SAP are kept up to date.
- Working in tandem with Finance to ensure that the data to support the 2010/11 capital programme approvals is robust and supported.

12.0 Workforce Data

- Not currently available.

13.0 Aged Debt Analysis

- Not yet available

14.0 Payments Indicator

- Not yet available

15.0 List of Appendices

Attached to report are the following Appendices

Appendix A	Overall Position for CBC by Directorate – not yet available
Appendix B	Table A – CFL Net Revenue Position
	Table B – Movement on Forecast compared to previous months
Appendix C	Table A Gross Expenditure
Appendix D	Table A Gross Income
Appendix E	Table C – Capital position
Appendix F	Overall Capital Monitoring – Summary – not yet available
Appendix G	Capital Monitoring – Detailed CFL
Appendix H	CFL Action Plan
Appendix I	Earmarked Reserves