

Monitoring Statement for December 2008 - General Fund Appendix 1

	Original Budget	Approved Changes	Approved Budget	Projected Outturn December	Projected Variation December
	£000s	£000s	£000s	£000s	£000s
Health and Adult Social Care	82,577	887	83,464	83,464	+0
Place Shaping and Enterprise	7,532	-279	7,253	7,331	+78
Education, Children's Services & Leisure	87,707	1,509	89,216	88,462	-754
Environment and Street Scene	31,378	1,520	32,898	33,043	+145
Finance and Corporate Resources	19,053	686	19,739	19,939	+200
Chief Executive	9,078	258	9,336	9,054	-282
Total Department Budgets	237,325	4,581	241,906	241,293	-613
Treasury Management	5,717	-14	5,703	3,403	-2,300
Contribution from Capital Financing Account	-13,675	0	-13,675	-13,609	+66
Contribution to Bad Debt Provision	812	0	812	812	+0
Contribution to/from Reserve	1,250	-2,133	-883	1,717	+2,600
LEANER	800	-99	701	701	+0
IT Fund	660	0	660	660	+0
Unallocated Area Based Grant	2,242	-1,449	793	793	+0
Contingent Items	2,248	-125	2,123	1,585	-538
Contingency	1,000	-631	369	369	+0
Total Service Expenditure	238,379	130	238,509	237,724	-785
Levies	8,177	0	8,177	8,177	+0
Additional LABGI Grant	0	0	0	-375	-375
Area Based Grant	-15,725	-130	-15,855	-15,855	+0
TOTAL Budget Requirement	230,831	0	230,831	229,671	-1,160

Health and Adult Social Care		Appendix 2
Monitoring Variations for period ending 31st December 2008		
	Last Month £'000	This Month £'000
Mental Health		
Increased expenditure on care purchasing and on people with no recourse to public funds has been addressed through the allocation of risk funding	+114	-24
Total Variation	+114	-24
Older People		
Overspends on externally purchased home care services offset in part by underspends on residential and residential with dementia care services.	+192	+466
Total Variation	+192	+466
Learning Difficulties		
Overspends in this area primarily comprise voids within Carterhatch supported tenancy and assessment and care management salary costs.	+170	+173
Total Variation	+170	+173
Physical Disabilities		
Increased expenditure on care purchasing and on people with no recourse to public funds has been addressed through the allocation of risk funding	+246	+31
Total Variation	+246	+31
Departmental Budgets		
Savings achieved through price reductions in care purchasing contracts	-577	-577
Risk funding held centrally to offset care purchasing pressures arising from increased demand	-473	-235
Contingency	-232	-416
Expected contribution to bad debt provisions	+446	+464
Total Variation	-836	-764
Total Variation - Adult Social Services	+0	+0
Total Departmental Variation	+0	+0

Place Shaping and Enterprise		Appendix 3
Monitoring Variations for period ending 31st December 2008		
	Last Month £'000	This Month £'000
Departmental Admin		
The pressure in this area is due mainly to a 2008/09 savings item (reduction in administrative costs) which is currently shown as red. An action plan will be put in place to address this	+102	+102
Total Variation	+102	+102
Parks and Open Spaces		
The overspend is due to a reduction of income from Schools.	+21	+30
Total Variation	+21	+30
Sustainable Communities		
The underspend is due mainly to employee costs as a result of unfilled vacant posts pending a restructure	-62	-73
Total Variation	-62	-73
Facilities Management		
A net overspend in office accommodation costs is being predicted due to underrecovery of rent and service charge	+8	+8
Total Variation	+8	+8
Property Services		
An estimated shortfall in rental income and fees across the portfolio (predicted to be in the region of £350k - £400k) has been reported over the past 5 months. This has arisen due to a combination of factors, including underoccupation of some premises and increases in cost on others. Property Services managers have now undertaken a robust review of their budget and put in place an action plan to address this overspend. One of the main areas in which an underspend can be achieved is employee costs. These will be reduced as a result of the delay in implementing a new staff structure. Other proposed actions relate mainly to rent reviews	+0	+0
Total Variation	+0	+0

Place Shaping and Enterprise		Appendix 3
	Monitoring Variations for period ending 31st December 2008	
	Service Centre	
	Last Month £'000	This Month £'000
Architectural Services		
A projected overspend on salaries will be offset by an increase in professional fees, coming mainly from schools' contracts	+6	+11
Total Variation	+6	+11
Total Departmental Variation	+75	+78

Education, Children's Services and Leisure		Appendix 4
Monitoring Variation for Period ending 31st December 2008		
Service Centre	Last Month £'000	This Month £'000
Education, Learning & Community Services		
Leisure Centres- The previously projected underspend of £110k was off-set last month by the decision by D.M.T. to accelerate the leisure centre condition survey (£40k) and increase the project management capacity for Leisure and Culture Developments (£70k). The underspend this month is as a result of a provision of £135k for a potential VAT liability now not being required. (see separate	+0	-135
Milfield Theatre- The overspend has increased by £10k mainly as a result of an under-recovery of income from the bars last summer. It was previously anticipated this could be recovered during Autumn & Christmas but subsequent results have proved otherwise.	+50	+60
Forty Hall Development- An overspend of £40k is anticipated as a result of consultancy costs in relation to the Parks for People bid.	+0	+40
Minor Variances	+21	+10
Total Variation	+71	-25
Children's Access & Support		
Sure Start, Early Years & Childcare Grant- Additional overheads charged against the grant resulting in a saving in the base budget.	-200	-200
Transport- The main overspend remains within In-Borough Special Schools as a result of the policy to reduce the number of out of borough placements. This has increased this month by £30k to a total of £429k which to a certain extent is compensated for by an underspend on Out of Borough Transport of £163k. Other main variances include an underspend on vehicle leasing costs of £117k.	+141	+200
Minor Variances	-1	-6
Total Variation	-60	-6
Strategy & Resources		
Consultancy Service- Review of Cleaning Services following the transfer to ECLS.	+89	+89

Education, Children's Services and Leisure		Appendix 4
Monitoring Variation for Period ending 31st December 2008		
Service Centre	Last Month £'000	This Month £'000
Catering & Cleaning Services- The Catering overspend of £283k is off-set by an underspend of £108k reported by the cleaning service and £47k as a result of vacancies within both Catering & Cleaning Management. The movement in the month refers to an expected shortfall in catering income.	+29	+128
Legal Fees- The projected overspend has increased by a further £10k as a result of recent increased recharges.	+90	+100
Minor Variances	+4	+31
Total Variation	+212	+348
Libraries- The overspend is due primarily due to a shortfall in rental income for DVDs, Videos & Audio	+123	+123
Total Variation	+123	+123
Childrens & Families Management & Division Wide		
Contingency- The contingency allocations set aside for pay and super are no longer required as the additional costs are already included within the relevant teams	-106	-106
Youth Offending Service		
Underspend due to budgetted one-off costs for service restructuring and relocation not now fully required plus a transfer of expenditure to match the Y.J.B. grant. The movement in December is due to additional agency staffing and IT project costs.	-102	-52
Children in Need		
Family Centres- The underspend due mainly to on-going staff vacancies	-85	-99
Social Work Teams - The planned introduction of the Liquid Logic system is requiring additional staffing. In addition there is an increase in agency costs due to difficulties in recruiting permanent social workers.	+150	+159
Section 17 - Following Directions from the Courts there is a need to provide some expensive 24 hour/7 days a week support to a number of clients for a significant number of weeks whilst further assessments are made. There are also cost pressures arising from former asylum seeking families. who need support but do not have access to public funds. The projection has decreased by £15k this month due to a projected underspend on pre-school places sponsorship.	+62	+47

Education, Children's Services and Leisure		Appendix 4
Monitoring Variation for Period ending 31st December 2008		
Service Centre	Last Month £'000	This Month £'000
Schools Budget		
Behaviour Support - The overspend has increased by £8k this month. Costs are driven by high mobility groups e.g immigrant pupils and out of school Roma students and therefore difficult to predict.	+47	+57
Early Years & Community Access - The recorded numbers for the first two terms within Nursery Education would indicate an overspend of around £100k. However this figure could fluctuate based on the third term	+106	+106
Special Education Needs - Residential Placements are reporting an underspend of £200k as a result of less activity than budgetted plus the effect of recent high cost leavers. The Recoupment budgets are reporting an underspend of £596k in total. The total SEN underspend including other minor variations is now £676k	-642	-676
Dedicated Schools Grant - The final notification of DSG shows that the level of grant is £171k lower than estimated due to 20 duplicate pupils and 20 post 16 pupils in alternative education being included in the estimate, although such pupils are not eligible for DSG.	+171	+171
Minor Variances	+68	+30
Total Variation - Schools Budget	-250	-312

Environment and Street Scene		Appendix 5
Monitoring Variations for period ending 31st December 2008		
	Last Month	This Month
	£'000	£'000
Street Lighting		
There will be a projected net saving on the PFI contract this year largely due to energy costs being less than budgeted.	-60	-110
Total Variation	-60	-110
Highways		
The prices for the works contract have increased above the inflation levels included when the estimates were set, leaving a shortfall of £55k. The new Grounds Maintenance contract effective from January 2009 will create an overspend of £55k.	+110	+110
Total Variation	+110	+110
Traffic and Transportation		
The overspend arises from the use of agency staff as a result of difficulties in recruiting permanent staff.	+18	+12
Total Variation	+18	+12
Environmental Crime Unit		
The underspend arises due to a vacancy in the service.	-40	-40
Total Variation	-40	-40
Assistant Director - Waste & Environmental Health		
The overspend relates to a one off cost for the promotional video to be shown in a national conference.	+21	+21
Total Variation	+21	+21
Fleet Management		
There is an under achievement of MOT income of £20k. A £170k underspend on operational leasing budget is projected for 08/09.	-150	-150
Total Variation	-150	-150

Environment and Street Scene		Appendix 5
Monitoring Variations for period ending 31st December 2008		
Service Centre	Last Month £'000	This Month £'000
Strategy and Support The legal budget is held centrally within Strategy and Support for the ESS Dept. Trends in expenditure so far this year will lead to a £261k (Nov £266k) pressure if they continue. The Department is experiencing some demand for external support which cannot be avoided this year. There is also a projected overspend on postage of £41k (Nov £36k) across the Department.	+302	+302
Total Variation	+302	+302
Total Departmental Variation	+201	+145

Finance and Corporate Resources		Appendix 6	
Monitoring Variations for period ending 31st December 2008			
	Last Month	This Month	
	£'000	£'000	
Corporate Procurement and IT			
Savings arising from vacant posts	-46	-46	
A net saving of £295k is projected under the SERCO contract in respect of re-negotiated support costs, service credits and efficiency savings. This is after setting aside £290k to contribute funding to the IT contract renewal project.	-295	-295	
Additional income from supplier rebates	-7	-7	
Savings from renegotiated Telewest charges	-34	-34	
Total Variation	-382	-382	
Corporate Governance			
The Audit and Risk Management Service is expected to contain expenditure within budget taking into account vacancies and use of agency and consultancy staff	+0	+2	
There is an estimated 11k underspend in Members Allowances due to vacant seats	+0	-11	
There is an estimated 74k underspend in Committee Secretariat salaries of which it is proposed to use £30k to fund recruitment costs across corporate governance, and £20k additional income arising from supporting Community Housing Partnership meetings.	+0	-64	
Total Variation	+0	-73	
Contingency			
Funding available for re-direction	-5	-5	
Total Variation	-5	-5	
Former Employees			
Additional capitalised pension costs	+43	+46	
Total Variation	+43	+46	
Borough Solicitor			
There are shortfalls in income from Land Charges and Registrars services of £578k and £50k respectively. In addition there are net staffing pressures of £50k, mainly due to costs of agency cover, the cost of severance payments (£62k) and potential employment tribunal costs (£25k) in respect of legal services staff. There is additional income from Citizenship Ceremonies (£28k).	+627	+737	
Total Variation	+627	+737	
Borough Finance manager			
The projected overspend refers to consultancy costs not containable within vacancies across the division	+0	+105	
Total Variation	+0	+105	

Finance and Corporate Resources		Appendix 6	
Monitoring Variations for period ending 31st December 2008			
	Last Month £'000	This Month £'000	
Legal Services Trading Account			
Service Centre			
The Legal Services trading account is projecting a shortfall in income of £174k together with a relatively small pressure on employee costs (£20k). After taking into account likely overspends on some running costs budgets, the service is projecting a deficit of £200k. The shortfall reflects a reduction in the number of chargeable hours generated by the service from that assumed in establishing the hourly rate of charge for the year. The service is experiencing some staffing issues (long term sickness and bereavement) that are affecting service productivity while continuing to	+0	+200	
Total Variation	+0	+200	
Revenues and Benefits			
Revenues and Benefits are reporting an underspend of £367k after taking into account increased subsidy receivable by containing the level of local authority overpayment errors (£1m) - previous monitors reflected increased subsidy of £400k. The overall variance is made up of other significant over and underspends. Staffing costs are projected to overspend by £860k, this is after taking account of LHA (Local Housing Allowance) and ESA (Employment and support allowance) grants but is offset by additional court cost income, estimated to be £722k. However, the collection of additional court cost income also increases costs e.g. bailiffs and legal fees. After taking into account other projected savings, running costs are estimated to overspend by £495k. Running costs pressures have increased by £208k from last month (£153k for additional Benefit Assessment consultants who are needed for the next 3 months to enable us to achieve the additional subsidy which we are on target to receive and the mailing of Council Tax bills in March will cost an additional £55k).	+25	-367	
Total Variation	+25	-367	
Corporate Items			
Additional income of £22k is due from the London Residuary Body Fund	-22	-22	
Estimated saving in the annual audit and inspection fee.	-84	-84	
Additional corporate subscription charges	+45	+45	
Total Variation	-61	-61	
Total Departmental Variation	+247	+200	

Chief Executive Department		Appendix 7
Monitoring Variations for period ending 31st December 2008		
	Last Month £'000	This Month £'000
Human Resources		
Agency Rebate		
Rebate income is forecast to recover £381k over budget	-381	-381
Additional expenditure incurred on health and safety training	+0	+22
Other Minor Variations	+9	+13
Total Variation	-372	-346
Former Employees		
There is currently a projected shortfall (£10k) of funding to meet the full year liability for former employees.	+10	+10
Total Variation	+10	+10
Customer services, Change & Communication		
Communications		
Additional staffing costs of the Webteam	+0	+41
Customer Services Centre		
The service is currently projecting a net underspend on employee costs of £130k after taking into account additional community alarm training costs.	-35	-130
Customer Services Centre		
Expenditure has been incurred in obtaining independent mobility assessments as part of the process for assessing applications for Freedom Passes (Disability) - this was formerly done via GPs and funded by the PCT (£68k); additional costs are projected in connection with the issue of Freedom Passes (Elderly) (£66k) - this service is provided by the Post Office.	+0	+134
Total Variation	-35	+45
Corporate Improvement		
Budgeted savings from the restructuring of the Corporate Improvement Team are considered to be unachievable following the Council departmental restructuring earlier this year - it is intended to address this from within central contingencies - as a consequence the previously reported overspend no	+80	+9

Monitoring Variations for period ending 31st December 2008		
	Last Month £'000	This Month £'000
Service Centre	+80	+9
Total Variation		
Total Departmental Variation	-317	-282

Savings Monitoring 2008/09

Summary Position

Department	Savings								Total
	Blue		Green		Amber		Red		
	£000's	%	£000's	%	£000's	%	£000's	%	
Health & Adult Social Care	2,158	44%	1,314	27%	1,451	29%	0	0%	4,923
Education, Children's Services & Leisure	955	50%	926	48%	-	0%	40	2%	1,921
Environment	719	68%	170	16%	176	17%	0	0%	1,065
Place Shaping & Enterprise	340	64%	23	4%	94	18%	75	14%	532
Finance & Corporate Resources	734	71%	160	16%	135	13%	0	0%	1,029
Chief Executive	190	94%	12	6%	-	0%	0	0%	202
Corporate	1,697	76%	501	22%	-	0%	41	2%	2,239
Total Savings for 2008/09	6,793		3,106		1,856		156		11,911

Key:

Blue: The saving has been fully achieved

Green: The saving is on target for full implementation

Amber: Implementation issues but saving expected to be achieved

Red: Areas of concern

Savings Monitoring 2008/09 - Red and Amber Classifications

Area of Saving	Amount	Progress in Achieving Saving
	£000's	
RED CLASSIFICATION		
Corporate		
Expiry of Property Leases - Gor-Ray, etc	41	Will not be achieved - now part of New Ways of Working Project - taken into account in contingent items projection
Education		
SEN Transport	40	The service is overspending but this is being contained within the ECSL monitoring position
Place Shaping and Enterprise		
Staff reductions from admin efficiencies	75	The saving is being met from within the PSE monitoring position
AMBER CLASSIFICATION		
Health and Adult Social Care		
Older people externally purchased residential placements	230	Achieved. Budget reduced. Need on-going monitoring of budget throughout year.
PD Care Purchasing- Nursing & Residential	269	Achieved. Budget reduced. Need on-going monitoring of budget throughout year.
MH Care Purchasing	502	Achieved. Budget reduced. Need on-going monitoring of budget throughout year.
LD Contract renegotiation	450	Budget reduced. On-going work with OLM using fairer pricing tools. On-going budget monitoring required.
Environment and Street Scene		
Staff reductions from administrative efficiencies	75	Deliverable in 08/09 through delay in backfilling of Director/AD of ESS and additional income in Planning & Building Control. Action to be taken to implement saving with effect from 09/10.
Parking - Pay and Display -There are a number of sites across the Borough where pay and display could be introduced which will achieve additional income.	40	Alternative savings being achieved through increased income elsewhere in the parking account. Implementation of new pay and display sites progressing.
Deletion of the Shopmobility service.	61	Savings achieved 08/09 as funds have been identified. However, further work needs to be undertaken to achieve long term
Place Shaping and Enterprise		
Installation of MFDs across the Authority	30	Full installation delayed, but action plan in place to identify alternative savings.
Improvements in energy efficiency (Implementation plan)	30	To be secured through a staff awareness campaign.
Planning - Deletion of officer and operational support to the Conservation Advisory Group.	14	Under review. Further discussions to take place re servicing of CAG
Sustainable Communities - Deletion of one post in Sustainable Communities dealing with administration of grants.	20	Savings identified in 08/09. New structure to be put in place in 09/10
Finance and Corporate Resources		
Introduction of BACS	33	The saving is being met from within the FCR monitoring position
BACS effect of reduced number of cancelled cheques	12	The volume of cancelled cheques has not yet reduced but saving expected to be achieved
Grants increased by more than inflation	90	The service is expected to achieve additional subsidy through the reduction in local authority overpayment errors