



Committee and Date

Cabinet
15th February 2011

12.30 pm

Item

13

Public

REVENUE MONITOR 2010/11 MONTH 9 (DECEMBER 2010)

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Summary

The report sets out the Revenue forecast for 2010/11 as at Month 9 and identifies ongoing management actions to ensure that the year-end position will result in a balanced budget.

Recommendations

Members are asked to:

- A. Note at the end of Month 9 (31 December 2010) the full year forecast projects a potential overspend of £1,834,000, largely as a result of the severe winter weather.
- B. Note that management actions have been identified to recover the directorate overspends in Community Services which could potentially reduce the overspend by £484,000 to a net overspend of £1,350,000 (Appendix 6A).
- C. Note that further management actions that had been identified, have already been offset against directorate overspends in Children & Young People's Services, Development Services, and Resources (Appendix 6B).

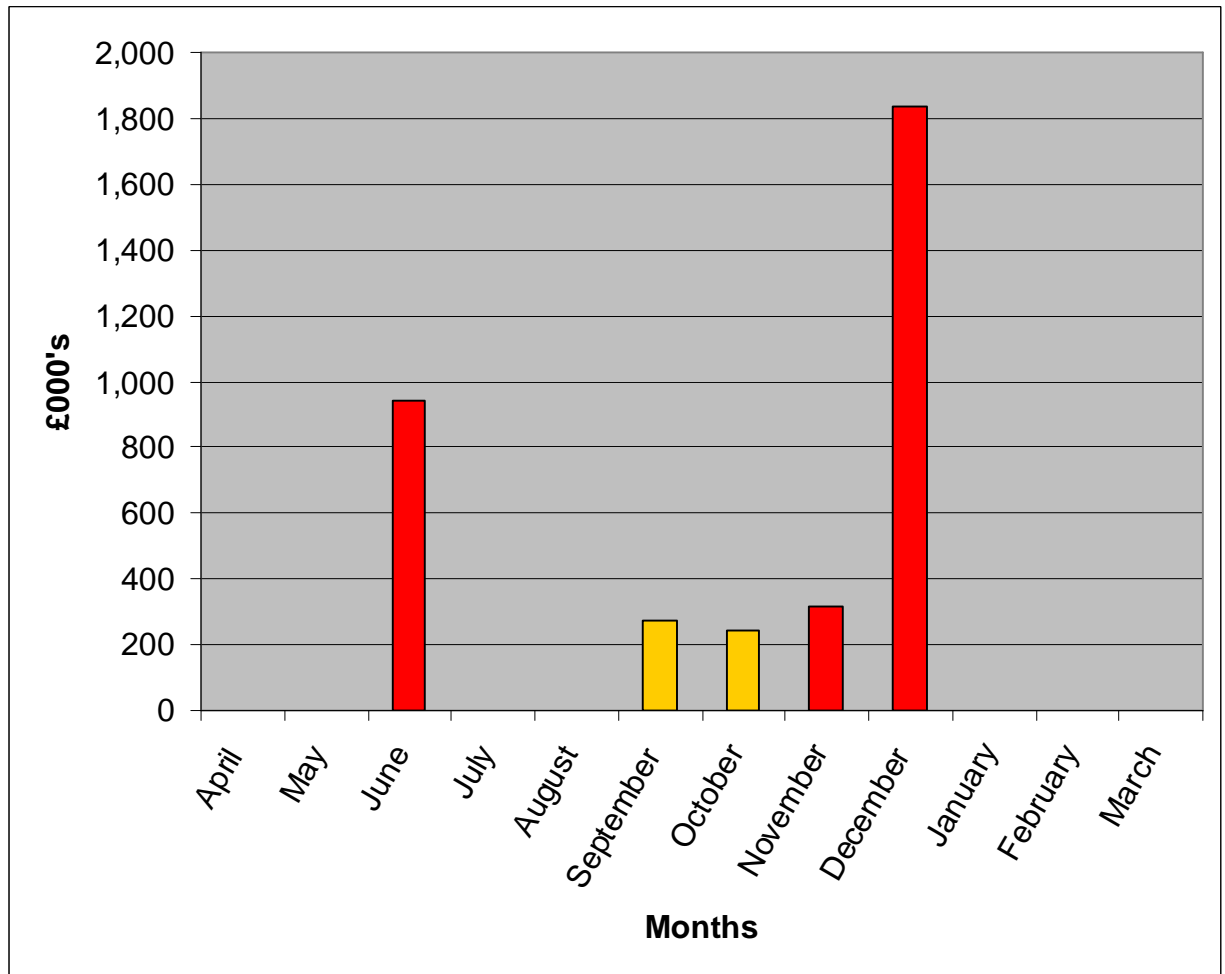
REPORT

Background

1. Revenue budget monitors are produced to report on June (Month 3) to February (Month 11) of each financial year, as set out in the schedule at Appendix 1. The reports track progress against the agreed budget decisions, forecast any anticipated significant variances to the budget, and enables corrective action to be taken.
2. There are five main issues to bring out at Month 9 (December) which include:
 - An increase of £1,076k in the projected outturn position for Development Services relating to the increased level of turnouts of the winter maintenance gritting fleet during the winter period and the effect that the weather has had on car parking income.
 - Increased costs of £150k due to an increase in social care funded placements during the winter period have added to the projected overspend within Adult Social Care in Community Services due to loss of income from the PCT towards continuing healthcare costs
 - An increase of £197,000 in Resources due to additional costs incurred relating to office moves and refurbishments around the County in order to rationalise the accommodation held by the Council, and reduce future costs.
 - An increase of £80k since Period 8 due to additional temporary appointments within Human Resources to facilitate transformational changes in relation to new ways of working.
 - The County Training trading account is currently projecting an overspend of £1.66m in 2010/11 as a result of the loss of contracts from last year to be recovered in 2010/11, 2011/12 and 2012/13. The overspend will be funded from a combination of underspends within Culture, Leisure and Learning and the General Fund balance. However, a repayment plan has been compiled in order to reimburse the General Fund by 2012/13.

Overall Position

3. The projected revenue forecast for the year, at month 9 (December), shows a potential overspend of £1,834,000 (or 0.29%) on a gross budget of £628m (net £220m) for the full year.
4. Management actions have been identified to partially recover the directorate overspends in Children & Young People's Services, Community Services, Development Services and Resources and the detailed action plans are shown in Appendix 6. The actions identified within Community Services have not yet been confirmed and therefore if delivered as anticipated, these will enable the full overspend within Community Services to be recovered. This will potentially reduce the Council's overspend to £1,350,000.
5. Actions will also be taken by management to reduce any further commitments against budgets between Period 10 and the end of the financial year, which will help to contain the level of overspend. A revised policy for dealing with carry forwards is also being developed, to ensure that appropriate consideration and approval is built into the process for requests for carry forward balances.

Graph 1: Shropshire Council 2010/11 Projected Revenue Overspend

6. Changes to the budget have occurred since it was set in February 2010 and are summarised in the table below. They consist of approved budget virements (reflecting Government grant reductions) and the addition of 2009/10 carry forwards.

Table 1: 2010/11 Original & Revised Net Budget Analysed by Directorate (£'000) (Appendix 7)

	Original Net Budget	Approved Budget Virements	2009/10 Carry Forwards	Revised Net Budget
Children & Young People's Services	42,041	850	0	42,891
Community Services	78,292	259	(1,166)	77,385
Development Services	58,068	244	40	58,352
Resources	31,255	(1,412)	0	29,843
Chief Executive's Office	10,654	44	446	11,144
Legal & Democratic Services	1,389	15	0	1,404
Total	221,699	0	(680)	221,019

7. The 'variations' analysis distinguishes between overspends and underspends. The classification is:
- Overspends - Red (over +£301k), Amber (+£141k to +£300k),
 - Acceptable - Green (range from +£140k to -£140k),
 - Underspends - Blue (-£141k to -£300k), Yellow (over -£301k)
8. The main report will only comment on large variations (Red and Yellow items), which appear in Tables 2 & 4.

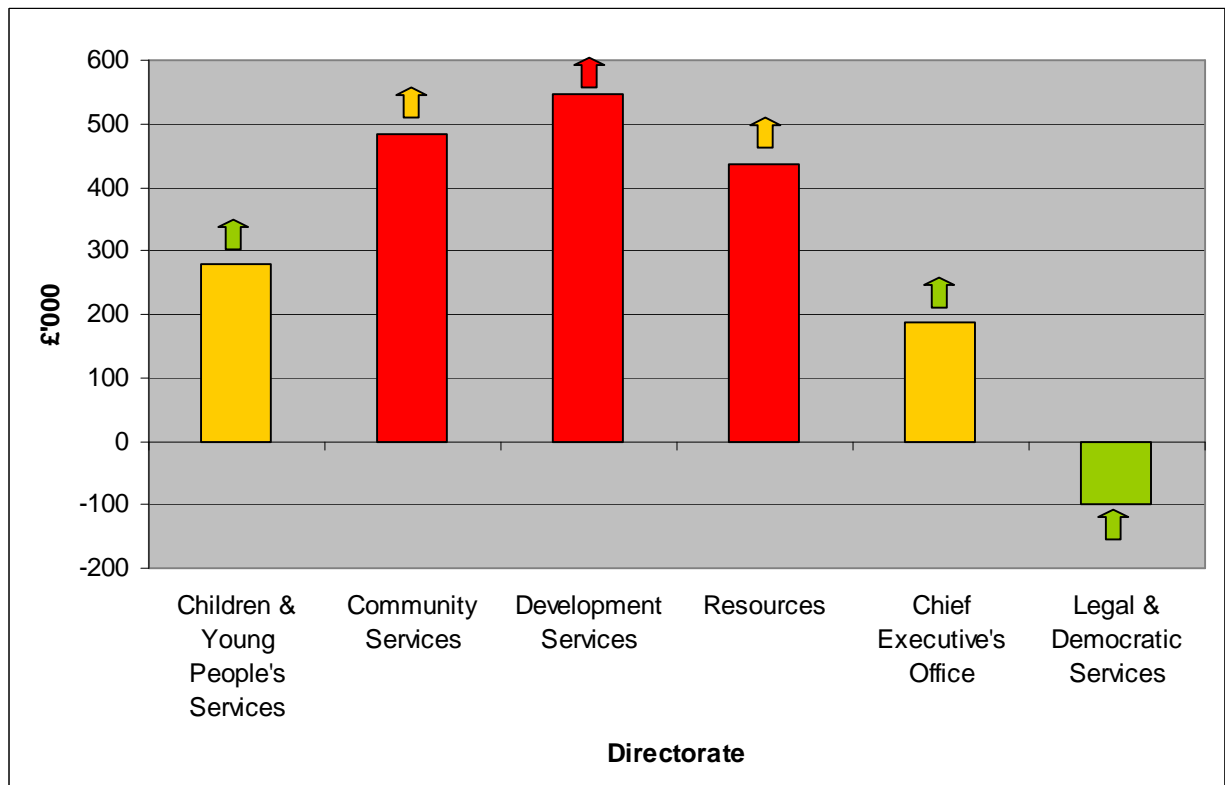
Table 2: RAGBY Classification of 2010/11 Directorate Projected Budget Variations

Directorate	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Children & Young People's Services	38	5	0	29	2	2
Community Services	4	1	0	2	0	1
Development Services	21	3	0	16	0	2
Resources	10	1	0	9	0	0
Chief Executive's Office	9	0	1	8	0	0
Legal & Democratic Services	6	0	0	6	0	0
General Fund Balances	1	1	0	0	0	0
Total	89	11	1	70	2	5

9. Further details of the 16 budget areas with large variations (Red and Yellow) projected are provided in paragraph 12. Compared to last month the number of red markers has increased by 4 from 7 to 11.
10. The projected overspend of £1,834,000 for 2010/11 is presented below by Directorate in both table and graph form.

Table 3: 2010/11 Projected Budget Variations Analysed by Directorate (£'000)

Directorate	Revised Budget	Forecast Outturn	(Under) / Overspend	RAGBY Classification	Month 8 (Under)/ Overspend	Change
Children & Young People's Services	42,891	43,170	279	A	274	+5
Community Services	77,385	77,869	484	R	334	+150
Development Services	58,352	57,899	548	R	(528)	+1,076
Resources (incl Shire Services)	29,843	30,279	436	R	239	+197
Chief Executive's Office	11,144	11,331	187	A	107	+80
Legal & Democratic Services	1,404	1,304	(100)	G	(110)	+10
TOTAL	221,019	222,853	1,834		316	+1,518

Graph 2: 2010/11 Projected Budget Variations at Month 9 Analysed by Directorate

11. To complete the analysis, Table 4 below sets out the position by category of spend/income. Third party payments and transfer payments are the largest overspending categories.

Table 4: RAGBY Classification of Projected Budget Variations Analysed by Expenditure & Income Category (£'000)

	Budget	Forecast Outturn	(Under)/Overspend	
Expenditure				
Employees	142,839	140,654	(2,184)	Y
Premises	14,221	14,238	17	G
Transport	18,501	19,271	769	R
Supplies and Services	55,377	59,094	3,717	R
Third Party Payments	112,833	121,269	8,435	R
Transfer Payments	75,017	85,446	10,428	R
Capital Financing	33,177	32,772	(405)	Y
Recharges	26,162	25,676	(487)	Y
Other Provisions/Contingencies	1,259	659	(600)	Y
Appropriations to Reserves/Provisions	2,178	2,223	45	G
Dedicated Schools Grant – Schools Expenditure	152,501	152,501	0	G
	634,065	653,801	19,736	
Income				
Dedicated Schools Grant – Schools	(152,501)	(152,501)	0	G
Grants	(152,731)	(166,865)	(14,133)	Y
Fees and Charges	(63,731)	(66,282)	(2,551)	Y
Rents	(7,591)	(7,887)	(297)	B
Interest & Investment Income	(1,338)	(902)	436	R
Other Income	(332)	(330)	2	G

Recharges	(34,802)	(35,228)	(426)	Y
Other Contingencies	(20)	(953)	(933)	Y
	(413,046)	(430,948)	(17,902)	
Net Budget	221,020	222,854	1,834	

RAGBY Reporting and Other Issues

12. The Red and Yellow RAGBY issues that are the subject of corporate focus are:

Business Area Reds

1. **Out of Authority, Maintained and Independent Schools' Placements**

↑ (Appendix 3) - **£514,000 overspend.** The budget for out of authority placements was overspent by £454,000 in 2009/10, and additional in year placements have increased the pressure on this budget. Additional budget growth of £300,000 has been provided through the Dedicated Schools Grant to minimise the overspend.

2. **Home to School/College Transport (Appendix 3) - £361,000 overspend.**

➡ Expenditure pressures continue to similar levels as 2009/10 which resulted in an overspend of £380,000. There are also four additional transport days in 2010/11 which cost an extra £180,000. Savings through e-auctions and rationalisations are being actioned in order to manage costs.

3. **Early Retirement Contributions (Appendix 3) - £441,000 overspend.**

➡ One off early retirement payments of staff within the directorate are estimated to cost £457,000 of which £200,000 is available within the base budget. Early retirements of non teaching staff in schools and the directorate are estimated to generate one off costs of £102,000 in strain on the pension fund. Ongoing annual pension payments for prior year early retirements are also overspent by £82,000 due to higher number of former schools' staff receiving on-going enhanced pension payments.

4. **Children's Services – Commissioning and Social Work (Appendix 3) -**

➡ **£700,000 overspend.** The overspend on Assessment and Care Management reflects the considerable difficulties in recruiting and retaining Stay Safe social work staff, and the measures taken to ensure that child protection risks are adequately covered. The main external contract has now been discontinued with recruitment to more cost effective internal social work vacancies having now been secured.






5. **Children Looked After (Appendix 3) - £453,000 overspend.**

↑ external residential social care placements is projected to overspend by £241,000. Foster care placements are also projecting an overspend of £221,000 due to the continued need to use more expensive independent foster care agencies.






6. **Adult Social Care (Appendix 3) - £832,000 overspend.**

↑ The overspend arises in part due to top up charges that the council is required to pick up from residential or nursing placements when the service user's capital runs out. There has been a reduction in income from the PCT for continuing healthcare following reviews that have identified ineligible clients, this has resulted in the council incurring a £608,000 part year cost for current service users, whilst it is anticipated that a further 38 service users could be found to be ineligible for PCT funding but be eligible for social care funding, incurring a further £548,000. The overspend has increased since Period 8 due to an increase in social care funded placements during the winter period. The Department of Health have

announced additional funding for the NHS to cover the cost of winter pressures and a bid is being compiled to receive some of this funding from the PCT which will reduce this overspend.

- NEW  7. **Severe Weather (Appendix 3) - £900,000 overspend.** The level of turnouts of the winter maintenance gritting fleet as at the end of December was nearly 70 compared to a budget of 45 turnouts. The budget is currently overspent by £500,000, and a further 20 turnouts are anticipated for the rest of the year, resulting in an indicative overspend of £900,000 for the year.
- NEW  8. **Parking and Transport Services (Appendix 3) - £350,000 overspend.** The effects of the slowdown on the economy are impacting on the level of fees generated in the County's car parks. Car park income has also been affected by the snow and the ice experienced in the period prior to Christmas.
-  9. **Development Management (Appendix 3) - £600,000 overspend.** The effects of the slowdown in the housing and construction sectors continue to have a significant effect on the level of fees generated from planning applications, building control and land charges.
-  10. **Corporate Budgets (Appendix 3) - £418,000 overspend.** This overspend relates to office moves and refurbishments. The increase since Period 8 is due to the costs of Shirehall redevelopment and removal costs for other office moves around the county in order to rationalise the accommodation held by the Council and reduce future costs.
- NEW  11. **General Fund Balance ("Financial Implications" paragraphs 19 & 20) - £1,015,000 deficit.** The projected general fund balance is currently £2,124,000 (0.25% of the gross revenue budget), £1,015,000 short of the Council's minimum policy to hold 0.5% of the gross revenue budget. Management actions are required to reverse the projected potential overspend of £1,350,000.

Business Area Yellows

-  12. **School Specific Contingencies (Appendix 3) - £667,000 underspend.** This relates to arrears of prior years' overpaid rates on properties within the directorate, particularly secondary schools.
-  13. **Provisions and Budget Funding Strategies (Appendix 3) - £953,000 underspend.** One off contributions from a number of prior years' grant accounts of £953,000 have been applied in order to reduce the net overspends within the directorate.
-  14. **Community Services Business Support (Appendix 3) - £350,000 underspend.** Savings have been achieved through vacancies in business support due to the freeze on recruitment, and savings on broadband and property costs.
-  15. **Development Services Business Support (Appendix 3) - £600,000 underspend.** One off funds from the Directorate underspend in 2009/10 are being held back to cover pressures arising elsewhere in the budget.
-  16. **Development Services Staffing Savings (Appendix 3) - £757,000 underspend** The Council's freeze on recruitment to vacant posts has generated a saving which will be used as above to offset pressures elsewhere within the budget.

Subjective Area Reds

17. **Transport - £769,000 overspend.** The pressure on transport costs is predominantly due to pressures on the Home to School transport budget within Children & Young People's Services.

18. **Supplies and Services - £3,717,000 overspend.** The overspend relates to expenditure on externally funded projects within Community Services which is offset by an equivalent overachievement of income. There have also been additional costs for new IT servers and computer systems within Resources.

19. **Third Party Payments - £8,435,000 overspend.** Overspend has occurred due to shortfall in budget available against commitments for Adult Social Care funded care and the projection includes costs for clients that are no longer eligible for Continuing Health Care that have transferred to the Council. This overspend has also increased due to the budget pressures on winter gritting referred to above.

20. **Transfer Payments - £10,428,000 overspend.** This relates to Housing Benefit and Council Tax Benefit payments. The budget is based on the mid year estimate for the prior financial year, however any additional costs are offset by additional subsidy income detailed in the grants figure below.

21. **Interest & Investment Income - £436,000 overspend.** This is due to lower than budgeted interest receivable due to low interest rates.

Subjective Area Yellows

22. **Employees - £2,184,000 underspend.** The vacancy freeze across the Council for non-essential posts has resulted in a significant underspend, however this has been partially offset by additional agency costs within Social Care & Safeguards and voluntary early retirement costs in Children & Young People's Services.

23. **Capital Financing - £405,000 underspend.** This is due to lower debt charges as a result of lower than budgeted borrowing for the capital programme.

24. **Expenditure Recharges - £487,000 underspend.** The overspend relates to a reduced contribution to the Connexions Legacy Reserve.

25. **Other Provisions/Contingencies - £600,000 underspend.** One off funds from the Development Services underspend in 2009/10 are being held back to cover pressures arising elsewhere in the budget

26. **Grants - £14,133,000 over achievement.** This relates to additional subsidy income for Council Tax and Housing Benefits and an increase in funded nursing care contribution from the PCT. Grants that were carried forward from 2009/10 have now been utilised as well.

27. **Fees and Charges - £2,551,000 over achievement.** Additional income has been received in relation to Adult Social Care client income due to increased activity. This has been offset by reduced levels of income in Planning and Car Parking.

28. **Income Recharges - £426,000 over achievement.**

29. **Other Contingencies - £933,000 underspend.** This relates to one off contributions from a number of prior years' grant accounts which have been applied in order to reduce the net overspends within Children & Young People's Services.

13. The school balances brought forward from 2009/10 are detailed in Table 6 below. Projections of school balances at the end of the financial year are calculated for schools that buy in to the full accounting service provided by Children & Young People's Services. However this does not include all schools within Shropshire.

Details of the projected year end balances will be reported in future monitoring reports where this information is currently obtained.

Table 6: Projected School Balances As At 31st March 2011

School Balances	Balance at 1 April 2010	
	No.	£'000
<i>Primary Schools</i>		
In surplus	128	5,786
In deficit	5	(45)
Sub Total	133	5,741
<i>Secondary Schools</i>		
In surplus	16	2,188
In deficit	5	(1,204)
Sub Total	21	984
<i>Special Schools</i>		
In surplus	2	758
In deficit	0	0
Sub Total	2	758
<i>Foundation Schools</i>	2	165
Total	158	7,648

14. The main changes to the budget are summarised in Appendix 7.

Pooled Budgets

15. The Community Services Directorate hosts a pooled budget arrangement with the Primary Care Trust for Intermediate Care Services. This pooled budget arrangement is drawn up under Section 256 of the 2006 National Health Services Act. These arrangements are included within the wider portfolio of Joint Commissioning in Shropshire.

The extent of the pooled budget is as follows:

Immediate Care: £1,308,196

16. An underspend of £55,000 is forecast for 2010/11. The underspend is split £37,000 PCT and £18,000 Shropshire Council.
17. It has been agreed that each authority will keep their underspend to offset other pressures in 2010/11. For Shropshire Council this underspend is already reflected in the figures quoted above.

Financial Implications

18. The effect on the Council's Reserves of the forecast is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between ½% and 2% of the gross revenue budget. For 2010/11 the minimum balance required is £3,139,440. The projected general fund balance as at 31st March 2011 is shown in Table 7 below:

Table 7: Projected General Fund Balance As At 31st March 2011 (£'000)

General Fund Balances as at 31 March 2010		2,875
Approved contribution to General Fund Balance (approved Month 6)	235	
Proposed contribution from Shropshire Waste Partnership General Reserve	1,400	
Proposed transfer to County Training overspend	(831)	
Proposed costs of Transformation Programme	(241)	
		563
		3,438
Additional Area Based Grant – see para 20		36
This report – projected outturn (after mitigation action)		(1,350)
Projected Balance at 31 March 2011		2,124

19. Members should note that in order to achieve the Council's minimum policy in relation to balances management actions are required to identify additional funds of £1,015,000.
20. The Council has received notification that £55,000 additional Area Based Grant will be received in 2010/11 following changes in allocations from DCLG. Due to the new requirements on the Council accompanying the additional grant, it is currently anticipated that £36,000 may be able to remain uncommitted in order to contribute to the General Fund Balance. This will now be released to the General Fund Balance.
21. The financial health of the Council also rests on the soundness of its accounting systems. The following points on reconciliations highlight progress to date and confirm that controls are working well and no significant issues have been identified:
- Appendix 4 sets out the reconciliations that are required to control the Council's finances and financial records. The reconciliations are arranged in two categories; the details of the second appear in Appendix 4:-
 1. Daily – cash entering or leaving the Council. The daily cash balance is reconciled back to the forecast cash flow for the day and any differences, which generally consist of unexpected income being received from small grant payments, are identified. An adjustment is subsequently made to the cashflow to reflect the change in timing of these receipts.
 2. Monthly and Weekly– “Control Accounts” – the analysis is mainly debts due to or from the Council (Council Tax, NNDR, Benefits, Sundry Accounts Receivable).

Risk Analysis

22. A revenue risk assessment has been performed to consider new risks that may affect the projected outturn position and the impact on the Council's balances. Full details of the risk analysis are provided in Appendix 8. The following key risks have been identified:

Capital Funding for Music Hall – The budget assumes that the Music Hall will be opened in 2012 and failure to secure and deliver the capital programme on time will impact on the revenue budget of this facility.

Mitigation actions failing – A number of actions have been identified in Appendix 6 in order to mitigate the overspends in service areas. The risk that these may not have been fully implemented or actioned by the end of the financial year may result in the outturn position being worse than that currently projected.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Revenue & Capital Budget 2010/11

Financial Rules

Budget Monitoring For the First Quarter of 2010/11, Cabinet 15th September 2010

Revenue Monitor 2010/11 Month 6 (Sept 2010), Cabinet 10th November 2010

Revenue Monitor 2010/11 Month 7 (Oct 2010), Cabinet 22nd December 2010

Revenue Monitor 2010/11 Month 8 (Nov 2010), Cabinet 19th January 2011

Human Right Act Appraisal

No conflicts with the Human Rights Act have been identified.

Risk Management Appraisal

Details of the potential risks affecting the balances and financial health of the authority are detailed within the report. Further analysis is provided at Appendix 8.

Environmental Appraisal

N/A

Community / Consultations Appraisal

N/A

Cabinet Member

All

Local Member

All

Appendices

App 1 – Budget Monitoring Timetable

App 2 – Budget Information in Detail

App 3 – Directorate Pressures and Actions

App 4 – Reconciliations : Summary Position at Month 9, 2010/11

App 5 – Housing Revenue Account Budget Monitoring Statement for Months 1-9

App 6A – Management Plans to Resolve Forecast Overspends – Unadjusted – not in projections

App 6B – Management Plans to Resolve Forecast Overspends – Adjusted in Projections

App 7 – Amendments to Original Budget

App 8 – Risk Analysis

Decision(s)

Local Budget Monitoring Timetable

Month Number	Month Ended	Capital Monitoring to Corporate Finance	Revenue Monitoring to Corporate Finance	CMT Monitoring Report Passed to Chief Executive's Office	Monitoring Report Presented to CMT	Cabinet Monitoring Report Passed to Democratic Services	Monitoring Report Presented to Cabinet
1	30/04/2010						
2	28/05/2010						
3	02/07/2010						
4	30/07/2010						
5	27/08/2010						
6	01/10/2010	18/10/2010	18/10/2010	27/10/2010	01/11/2010	02/11/2010	10/11/2010
7	29/10/2010	15/11/2010	15/11/2010	24/11/2010	29/11/2010	30/11/2010	08/12/2010
8	26/11/2010	13/12/2010	13/12/2010	22/12/2010	04/01/2011	11/01/2011	19/01/2011
9	31/12/2010	17/01/2011	17/01/2011	26/01/2011	31/01/2011	07/02/2011	15/02/2011
10	28/01/2011	14/02/2011	14/02/2011	23/02/2011	28/02/2011	08/03/2011	16/03/2011
11	25/02/2011	14/03/2011	14/03/2011	23/03/2011	28/03/2011	05/04/2011	13/04/2011
Outturn	TBC	TBC	TBC	TBC	TBC	TBC	TBC

Budget Information in Detail

	TOTAL actual			Children & Young People's Services			Community Services			Development Services			Resources			Chief Executive's Office			Legal & Democratic Services			
	Budget	Forecast	(Under)/ Overspend	Budget	Forecast	(Under)/ Overspend	Budget	Forecast	(Under)/ Overspend	Budget	Forecast	(Under)/ Overspend	Budget	Forecast	(Under)/ Overspend	Budget	Forecast	(Under)/ Overspend	Budget	Forecast	(Under)/ Overspend	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Expenditure																						
Employees	142,838	140,653	-2,184	Y	34,267	34,719	452	45,141	44,655	-486	24,087	23,330	-757	26,304	25,340	-964	8,406	8,117	-289	4,633	4,493	-140
Premises	14,221	14,238	17	G	1,841	1,271	-570	6,012	5,973	-39	2,151	2,287	136	4,159	4,582	423	36	85	49	22	40	18
Transport	18,501	19,271	769	R	11,665	12,139	474	3,990	4,094	104	2,005	1,999	-6	571	686	115	93	140	47	177	212	35
Supplies and Services	55,377	59,094	3,717	R	10,124	10,556	432	17,434	19,086	1,652	11,532	11,509	-23	11,860	12,963	1,103	3,032	3,404	372	1,395	1,576	181
Third Party Payments	112,833	121,269	8,435	R	26,239	26,950	711	59,858	66,124	6,266	25,439	26,399	960	666	949	283	631	847	216	0	0	0
Transfer Payments	75,017	85,446	10,428	R	396	675	279	2,183	2,284	101	0	0	0	72,438	82,487	10,049	0	0	0	0	0	0
Capital Financing	33,177	32,772	-405	Y	0	1	1	11	0	-11	7,539	7,539	0	25,627	25,232	-395	0	0	0	0	0	0
Recharges	26,162	25,676	-487	Y	3,536	2,972	-565	2,981	3,041	60	5,468	5,468	0	5,301	5,308	7	8,337	8,348	11	539	539	0
Other Provisions/Contingencies	1,259	659	-600	Y	0	0	0	0	0	0	1,259	659	-600	0	0	0	0	0	0	0	0	0
Appropriations to Reserves/Provisions	2,178	2,223	45	G	0	0	0	0	0	0	2,178	2,178	0	0	45	45	0	0	0	0	0	0
Dedicated Schools Grant - Schools' Expenditure	152,501	152,501	0		152,501	152,501	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	634,064	653,800	19,736		240,570	241,783	1,213	137,609	145,256	7,647	81,658	81,368	-290	146,926	157,592	10,666	20,535	20,941	406	6,766	6,860	94
Income																						
Dedicated Schools Grant - Schools	-152,501	-152,501	0	G	-152,501	-152,501	0	0	0	0	0	0	0	0	0	0	-454	-524	-70	0	0	0
Grants	-152,731	-166,865	-14,133	Y	-39,436	-39,246	190	-28,977	-33,246	-4,269	-8,197	-8,147	50	-75,668	-85,702	-10,034	-1,328	-1,477	-149	-641	-835	-194
Fees and Charges	-63,731	-66,282	-2,551	Y	-3,326	-3,435	-109	-29,230	-31,705	-2,475	-7,076	-6,080	996	-22,130	-22,750	-620	0	0	0	0	0	0
Rents	-7,591	-7,887	-297	B	-58	-60	-2	-961	-1,107	-147	-6,123	-6,271	-148	-449	-449	0	0	0	0	0	0	0
Interest & Investment Income	-1,338	-902	436	R	0	0	0	-6	-4	2	0	0	0	-1,332	-898	434	0	0	0	0	0	0
Other Income	-332	-330	2	G	-332	-330	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recharges	-34,802	-35,228	-426	Y	-2,007	-2,088	-82	-1,050	-1,325	-274	-1,911	-1,971	-60	-17,504	-17,514	-10	-7,609	-7,609	0	-4,721	-4,721	0
Other Contingencies	-20	-953	-933	Y	-20	-953	-933	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-413,046	-430,948	-17,902		-197,679	-198,613	-933	-60,224	-67,387	-7,163	-23,307	-22,469	838	-117,083	-127,313	-10,230	-9,391	-9,610	-219	-5,362	-5,556	-194
Net Budget	221,019	222,853	1,834		42,891	43,170	280	77,385	77,869	484	58,351	58,899	548	29,843	30,279	436	11,144	11,331	187	1,404	1,304	-100

Directorate Pressures and Actions

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Directorate Total	42,891	43,172	280	0	
Schools Budgets – Central Expenditure Funded from Dedicated Schools Grant					
School Specific Contingencies	134	(533)	(667)	(126)	Y
It is anticipated that there will be continued savings arising from the effect of successful rateable value appeals, undertaken by Property Services on behalf of the directorate. There are significant arrears of prior years' overpaid rates to be recovered, amounting to £587,000, particularly on a number of secondary schools. A budgeted contingency provision of £134,000 is contained within schools' related budgets for a combination of schools' formula funding data changes, and for unforeseen circumstances. Actual claims against this contingency are generally modest, giving rise to a predicted underspend of £80,000.					
Public and Union Duties/Maternity Leave/Supply Cover/Sickness	455	455	0	441	G
Any variation in expenditure from budgeted provision is met from the Schools' Sickness Insurance Fund.					
Miscellaneous	106	106	0	82	G
No significant variation anticipated.					
School Meals	1,762	1,762	0	1,817	G
An overspend on Free School Meals provision, due to additional numbers, is expected to be offset by underspends on other miscellaneous client managed budgets.					

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Early Years	5,275	5,275	0	5,083	G
Payments to Private, Voluntary and Independent providers of 3 and 4 year olds' nursery provision will exceed budgeted provision in 2010/11 due to additional pupil days within the financial year, but this has been fully anticipated and provided for by a carry forward provision from the previous year.					
Sure Start Children's Centres, Early Years and Childcare	10,699	10,699	0	8,477	G
Sure Start Children's Centres, Early Years and Childcare 100% government revenue grant	(8,321)	(8,321)	0	(6,386)	G
Extended Schools Area Based Grant and Standards Fund Grant	(2,378)	(2,378)	0	(2,091)	G
All provision funded through 100% specific government grant will be fully expended according to the grant eligibility criteria, with some grant being used to support base budget provision savings requirements and the withdrawal of Area Based Grant within the financial year.					
Special Educational Needs (SEN) Pupil	668	601	(67)	444	G
Oturn expenditure is conditional on the numbers of pupils within the higher cost SEN Bands 6 to 8, with all funding devolved directly to schools. There is an underspend based on current projections of numbers which will be used to support overspendings elsewhere within Dedicated Schools Grant budgets.					
Provision for Pupils with Statements	1,022	1,106	84	1,020	G
Devolved funding to schools to provide additional SEN pupils and requirements within year is projected to exceed budgeted provision.					
Special Educational Needs Support Services	965	931	(34)	925	G
Sensory Inclusion Services (SIS) and Schools Multicultural Development Services (SMDS), managed and recharged under Joint Arrangements with Telford and Wrekin, are projected to underspend by £34,000.					

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Multi Agency and Prevention	298	293	(5)	275	G
Expenditure can be managed to budget.					
Other SEN tuition and support arrangements and initiatives	735	698	(36)	733	G
New in-house provision of Services for Travelling Children is producing savings compared with the previous external contract with the West Midland Consortium for Travelling Children.					
Education Otherwise than at School (EOTAS)	1,717	1,717	0	1,675	G
Significant service pressures are being contained within budget provision by the use of a one-off managed underspend carried forward from last year.					
Out of authority, maintained and independent schools' placements	3,759	4,274	514	4,018	R
There was a net overspend in 2009/10 of £454,000 on out of authority education placements. There continue to be a number of individual cases which may be taken to tribunal, which it is anticipated could result in additional in-year costs of £106,000. Against these pressures, additional budget growth of £300,000 has been provided through limited headroom available through Dedicated Schools Grant allocations, as approved by Schools Forum. These variations, along with other placement cost variations, result in an estimated overspend of £514,000 in 2010/11. The priority action plan resulting from the Lean Service Review of Education and Social Care Placements includes a number of longer term strategies to address these overspendings.					
Young People's Learning Agency	(496)	(496)	0	(510)	G
Notified grant level anticipated.					

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Capital Related Expenditure	574	574	0	502	G
Expenditure is managed within budget in conjunction with Property Services					
Local Authority Budgets					
School Improvement – Advisory Service	2,098	2,098	0	2,133	G
There are significant expenditure pressures on the Advisory Service, specifically through the in-year loss of Area Based Grant and from loss of budgeted income generation both within and outside the County. Current projections indicate the risk of an overspend due to a combination of reduced government grant and reduced service capacity to generate additional trading income. These pressures are being proactively managed with a view to achieving a balanced budget at year end.					
Home to School/College Transport	9,817	10,178	361	10,393	R
Expenditure pressures continue at similar levels to 2009/10, which ended with an outturn overspend of £380,000. There are 4 additional transport days within the 2010/11 financial year which will cost an extra £180,000. Set against this there are significant savings arising from reviews, rationalisations and re-tender exercises managed through e-auctions - savings of £300,000 have already been secured for 2010/11. However, alongside other contract cost variations, the net estimated overspend is £361,000. A range of strategies are being pursued to manage costs, but cost pressures continue to outstrip budget provision and efficiency savings on statutory home to school transport.					
Early Retirement Contributions	2,217	2,657	441	2,840	R
The on-going, annual pensions' payments for prior year early retirements are now exceeding base budget provision by £82,000. This is partly due to there being higher numbers of former schools' staff now receiving on-going enhanced pensions' payments. The annual national inflation increase has also exceeded base budget provision over the past two years. Early retirements of non teaching staff in schools and the directorate are estimated to generate £102,000 strain on the pension fund one-off payments. One-off Early Retirement redundancy and lump sum costs in schools are estimated to cost £457,000, of which £200,000 is available from within this directorate base budget. The balance of expenditure in excess of budgeted provision will be a charge to C&YPS, not the corporate Voluntary Early Retirement Reserve as in previous years.					

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Youth Support	4,487	4,487	0	4,867	G
Connexions Service 100% government grant, allocated and monitored through Area Based Grant from 2008/09	(1,762)	(1,762)	0	(2,216)	G
Youth Support, including Connexions Services, is managing expenditure within budget. In the short term some residual Connexions Legacy funding is supporting base budget provision, with a longer term strategy of service redesign and restructure to match provision to reducing funding levels.					
Education Psychology Service	592	637	45	575	G
This service is provided through a Joint Arrangement with Telford and Wrekin. There are existing expenditure pressures which will need to be managed through a review of service provision. This overspend is being managed through underspends within other Joint Arrangement services - SIS and SMDS.					
Education Welfare Service	503	473	(30)	498	G
Two staffing vacancies are currently being held to deliver savings to contribute towards overspendings elsewhere within the directorate.					
Shropshire Music Service	278	278	0	272	G
Expenditure can be managed within budget.					
Outdoor Education Centres	56	56	0	56	G
This service is provided through a Joint Arrangement with Telford and Wrekin. The budget pays for the residential costs of pupils from low income families through an agreed Remissions Policy, and expenditure is dependent upon numbers of such pupils. At this stage it is anticipated that numbers will be within budgeted provision.					
Insurances	64	64	0	17	G
Expenditure can be managed within budget.					

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Directorate Management and Administration:					
CYPS Directorate	2,784	2,494	(290)	2,563	B
Corporate Services – Internal Market recharges	3,237	3,237	0	3,236	G
Significant use of grant funding, vacancy management and good housekeeping measures are being used to enable savings to be recycled to offset overspends elsewhere within the directorate.					
Provisions and budget funding strategies	298	(655)	(953)	298	Y
One off contributions from a number of prior years' grant accounts, amounting to £953,000, have been applied to offset net overspendings across the directorate. These balances have been accrued by not applying various prior years' Area Based Grant, Standards Fund and Specific Grant in full, and instead using base budget activity to draw-down eligible grant. This is a one-off use of grant funding flexibility.					
Dedicated Schools Grant – Central Expenditure	(19,990)	(19,990)	0	(19,099)	G
Notified grant level anticipated.					
NET SCHOOLS AND LOCAL AUTHORITY SERVICES	21,652	21,017	(636)	22,812	
Social Care & Safeguards					
Children's Services - Commissioning and Social Work	5,762	6,462	700	5,905	R
The overspending of £700,000 on Assessment and Care Management reflects the considerable difficulties in recruiting and retaining Stay Safe social work staff, and the measures taken to ensure that child protection risks are adequately covered. These measures include short term contracts with external providers for social worker teams to cover essential child protection casework. The main external contract has been discontinued from the end of September 2010, with recruitment to more cost effective internal social work vacancies having now been secured.					

Children & Young People's Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Children Looked After	9,865	10,317	453	10,393	R
The budget for external residential social care placements was overspent by £976,000 in 2009/10, which has now been reduced to a projection for 2010/11 of £241,000. Foster Care placements are projected to overspend by £221,000 due largely to the continued need to use more expensive independent foster care agencies. The priority action plan resulting from the Lean Service Review of Education and Social Care Placements includes a number of longer term strategies to address these overspendings.					
Children's Centres/Extended Schools	0	(135)	(135)	0	G
One off application of £125,000 from Children's Centres grant and £10,000 from Extended Schools grant is being utilised to set against the continuing expenditure pressures on the Children Looked After budgets.					
Family Support Services	1,292	1,292	0	1,200	G
No significant variations anticipated.					
Other Children's and Family Services	1,625	1,722	86	1,568	G
An overspend continues due to additional cases and costs of Supported Board and Lodging and fostering placements, needing to be provided for Children Leaving Care.					
Youth Justice	337	337	0	341	G
No significant variations anticipated.					
Support Services and Internal Market Recharges	2,347	2,1690	(188)	2,218	B
The underspend is due to £38,000 surplus one off Children's development Workforce Council grant income, which was to be used as backfill for teams with Newly Qualified Social Workers, £20,000 of Children's Fund grant being offered up as a saving, £30,000 of Think Family Grant and £100,000 Short Breaks grant being applied against base budget spend.					
TOTAL SOCIAL CARE AND SAFEGUARDS	21,239	22,155	916	21,625	

Directorate Pressures and Actions

Community Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Directorate Total	77,386	77,953	567	0	
Adult Social Care	54,303	55,135	832	0	R
<p>There is a continuous demand for adult social care funding and this has been a pressure that the directorate has tried to manage over many years. One of the difficult areas of demand to manage is where an individual is already in a residential or nursing placement. This is because they will have been paying a high private rate and once their capital runs out they become the responsibility of the council. Negotiations with the homes in these cases is very difficult as there is no change to the clients care needs or room but the rate charged is much higher than the rate the council would normally pay. If there are no other options available the council pays the additional amount above our normal rates sometimes referred to as a top up. We are currently projecting to pay approximately £1.4m this year in top ups alone. We are working with Shropshire Partners In Care (SPIC) for homes to give much clearer information when a person arrives highlighting the councils limited liability in this area - whilst this will not impact on the immediate problem it will help in future.</p> <p>There is also pressure from clients who have been reviewed by the PCT and have been found to be ineligible for Continuing healthcare funding. So far this year 66 clients have been reviewed and found to be ineligible, of these 28 clients are eligible for social care funding at a part year cost of £608k. The remaining 38 clients are currently in appeal or we are awaiting further details to be able to assess whether they are eligible for social care funding, an estimate of £548k has been included in the projections. This is an ongoing pressure but is unlikely to be added to on this scale next year due to the review process that has been undertaken by the PCT in 2010/11. The PCT agree the price for these placements which, due to the nature of the placements, tends to be higher than the councils standard rates. When the client becomes the council's responsibility it can be very difficult to renegotiate the price or move the client. Actions have been taken to ensure adult social care staff are fully involved with a clients assessment for CHC at the start of the process and all the way through to the PCT panel where the final decision is made.</p> <p>There has been an increase in the overspend due to an increase in social care funded placements during the winter period. The Department of Health have announced additional funding in 2010/11 for the NHS to cover the cost of winter pressures. We are currently putting together a bid to receive some of the funding available from Shropshire PCT, which if successful will bring the overspend back down.</p> <p>In order to bring the projected overspend down to £832k the directorate is trying to manage the pressure of £1.156m from loss of</p>					

Community Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
continuing healthcare and will be applying £1.2m of unapplied grant brought forward from 2009/10. Net vacancy savings of £236k are also included to bring the overspend down.					
Culture, Leisure & Learning	11,382	11,460	78	0	G
The overspend of £1.664m on the County Training trading account following the loss of contracts last year and the knock on impact of staff redundancies has been funded from council reserves. An action plan has been developed to repay the contribution from council reserves by the end of 2012/13.					
The severe weather conditions in December have had a significant impact upon most leisure facilities across Shropshire resulting in a reduction in income in Period 9 of £92k. Examples include Monkmoor where it was only possible to open for 3 days, whilst at the Golf course the income taken was £322 compared with £7k for the same period last year.					
Housing Services	1,587	1,594	7	0	G
There has been a loss of income due to voids in some of the non HRA properties that the council rents out. The Housing service will need to try and reduce these voids as soon as possible to reduce the overspend.					
Business Support	10,114	9,764	(350)	0	Y
Underspend due to vacancies as all posts within business support are classed as non essential. Also savings on broadband and some building costs.					

Directorate Pressures and Actions

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Directorate Total	58,352	58,900	548	57,621	
Highways Maintenance	7,411	7,411	0	6,906	G
Highways Maintenance over spent by £354,000 in 2009/10 and this has been removed from the 2010/11 budget as a carry forward allocation. An additional £448,000 has been removed from the budget as a result of the 2009/10 over spend on winter maintenance. All available resources have been fully allocated in accordance with the Highways Maintenance Plan, and in line with previous years practice expenditure has been over programmed against the budget. This will ensure the maximum use of resources when factors such as scheme slippage, weather conditions, unforeseen delays etc are taken into account.					
Severe Weather	1,469	2,369	900	1,916	R
In 2009/10 this budget over spent by £1,448,000 due to the severity of the winter weather. £1,000,000 was transferred to the Severe Weather Reserve, and the remaining £448,000 was removed from the 2010/11 Highways Maintenance budget as a carry forward allocation. As at the end of December there have been nearly 70 full turnouts of the winter maintenance gritting fleet, and the budget only has provision for an average of 45 turnouts. The budget is already £500,000 over spent and on the assumption that there will be a further 20 gritting days and additional snow clearance an indicative overspend in the region of £900,000 is being reported at this stage.					
Environmental Maintenance	5,006	5,076	70	5,296	G
The service essentially acts as a contractor for the majority of its grounds maintenance functions, providing these services to Leisure and Outdoor Recreation, Housing and Highways. The transition to Unitary has raised a number of issues with clients regarding levels of service provision and associated budgets. There has been some rationalisation of plant and equipment in addition to changes to the deployment of staff. It is anticipated that these will now better match the needs of clients and a balanced budget is anticipated. The function of Environmental Enforcement is part of this service, in particular the provision and maintenance of a county wide CCTV service. It is proving difficult to meet all of the demands of a fully staffed 24 hours a day CCTV service at a standardised level throughout the County, and a small over spend has been forecast.					

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Public Protection (County)	1,366	1,266	(100)	1,343	G
A re-structuring of the service has generated savings in the non staff budget over and above those declared under vacancy management.					
Public Protection (Area)	2,374	2,274	(100)	2,570	G
The level of fees expected this year is slightly less than budgeted, however this has been more than offset by savings in the non staff budget that have arisen from a re-structuring of the service during the year.					
Bereavement Services	(184)	(184)	0	(230)	G
Prior to 2009/10 levels of income and activity levels had been fairly steady with only minor variations between years, however an increase in the death rate during the latter part of last year saw an increase in activity levels. Although income received to date is in line with previous years trends (last year being the exception) the final outturn will not be known until much later in the financial year.					
Waste Management	22,850	22,850	0	22,694	G
It is estimated that waste tonnages will be below base case tonnages as a result of reduced tonnages in previous years. This will result in a payment back to the Council. Any surplus due to reduced tonnages will be used in 2010/11 to offset the increase in 2010/11 unitary charge payments as a result of contractual inflation above the level of inflation allocated to the service in the 2010/11 budget process.					
Economic Regeneration	581	606	25	315	G
Rental yields from workshops are beginning to slow as under occupancy levels rise and a number of tenants encounter difficulties in meeting their rent demands. The running costs of the Food Enterprise Centre in Shrewsbury continue to exceed current rental yields, however some deliberate savings made elsewhere in the budget this has enabled a proportion of these costs to be offset. The subsidy required for the new centre should reduce as occupancy levels rise, and the initial rent free period for new tenants comes to an end.					

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Parking and Transport Services	(3,150)	(2,800)	350	(2,651)	R
<p>The effects of the slowdown on the economy are impacting on the level of fees generated in the County's car parks, and a shortfall of £500,000 in income is currently forecast. Car park income has also been affected by the snow and ice experienced in the period prior to Christmas.</p> <p>The impact of the above has been offset to some extent by a number of successful rating appeals at several of the County's car parks; producing one off refunds dating back to 2005.</p>					
Strategic Highways and Transport	1,865	1,865	0	2,119	G
<p>A primarily staff based budget to commission the programme of works funded through the capital programme, revenue budget and external grant. At this early stage of the year no significant variances are anticipated and a balanced budget is forecast</p>					
Traffic & Transport Studies	257	257	0	268	G
<p>A primarily staff based budget that supports the delivery of Local Transport Plan objectives. Amongst these are School Travel Plans and the employment of dedicated officers to deliver on these. The employment of these officers is part funded by the receipt of Government Area Based Grant. Recent Government reductions to these grants have resulted in a loss of approximately £23,000. In 2010/11 it is possible to offset this loss of funding through vacancy management in this area.</p>					
Highways Development Control	36	136	100	229	G
<p>The slowdown in the housing market has impacted on the fees generated from land charge enquiries and property searches. Fees generated from inspection and checking on commercial developments have also been affected by the economic situation. The combined effects of the residential and commercial slowdown will result in a significant shortfall in income.</p>					
Public Transport Client	139	139	0	149	G
<p>At this stage of the year no significant variances are anticipated in this primarily staff based budget.</p>					

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Road Safety & Cyclist Training	221	221	0	154	G
<p>The net revenue budget includes an income target of over £80,000, generated from road safety training courses operated by this section. During 2009/10 the section was unsuccessful in retaining the provision of the National Driver Improvement Scheme, resulting in a significant loss of income. To accommodate this expenditure profiles have been revised to reflect the loss of income, and a balanced budget is anticipated.</p> <p>Following the recent reductions in Area Based Grant, Shropshire's Road Safety Grant has been reduced by £343,000, of which £187,000 applied to revenue funding. To smooth out the effects of reductions in Area Based Grant the Council has made available some transitional funding, and £93,500 has been applied to the loss of Road Safety Grant. Negotiations with the Safer Roads Partnership have reached agreement on reducing the funding made available to the Partnership in 2010/11, and re-profiling of other areas of spend have brought commitments in line with available funding</p>					
Passenger Transport	4,902	4,962	60	4,844	G
<p>The cost of providing public transport continues to increase, as uncertainty over fuel prices and the slowdown in the economy impacts on tender prices received from operators and lower fares revenue from passengers. The economic downturn has reduced the number of passengers travelling which in turn reduces fare income and increases the liability of the Council.</p> <p>It is important to note that expenditure on concessionary fares is directly linked to the cost of providing public transport referred to above. Any increase in fares on the bus network, whether they be commercial or subsidised services will have a significant impact on this budget.</p>					
Transport Co-Ordination	561	561	0	545	G
At this stage of the year no significant variances are anticipated in this primarily staff based budget.					
Strategy & Policy	1,691	1,691	0	2,192	G
There are no significant variances anticipated in this primarily staff based budget.					

Development Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Development Management	939	1,539	600	1,261	R
The effects of the slowdown in the housing and construction sectors continue to have a significant effect on the level of fees generated from planning applications, building control and land charges.					
Environment	1,305	1,305	0	1,085	G
There are no significant variances to report in this primarily staff based budget.					
Business Support	8,713	8,113	-600	8,276	Y
At the present time, one off funds from the Directorate underspend in 2009/10 are being held back to cover pressures arising elsewhere in the budget.					
Staffing Savings associated with Recruitment Freeze	0	-757	-757	0	Y
The Council's freeze on recruitment to vacant posts has generated a saving which will be used as above to offset pressures elsewhere within the budget.					

Directorate Pressures and Actions

Resources	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Directorate Total	29,843	30,279	436	2	
Accounting & Budgeting	0	0	0	47	G
No projected variations. Underspends due to vacant posts and maternity leave within the section are offsetting additional hardware costs for the finance system.					
Audit and Consultancy	0	(35)	(35)	7	G
Savings due to a vacant post which has been deleted as part of the 2011/12 savings proposals.					
Exchequer Services	2,693	2,694	1	(8)	G
Minor variations.					
Treasury & Pensions	303	339	36	22	G
Overspend due to temporary posts required to assist with the upgrade of the ResourceLink system and costs associated with upgrades to the cash receipting system ICON.					
Property Services	(252)	(234)	18	(66)	G
Overspend due to the additional rent for car parking spaces at the Shirehall.					
ICT	61	61	0	(10)	G
No projected variations. IT Development are projecting an underspend against staffing costs due to staff secondments to other sections. These savings are offsetting overspends within Technology Services for additional hardware.					

Resources	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Other Resources	171	169	(2)	10	G
Minor variations.					
Shire Services	0	0	0	0	G
<p>The projected outturn position for 2010/11 is a surplus of £46,000 (Catering £62,000 deficit and Cleaning £108,000 surplus). Any surplus at the year end will be transferred to the reserves.</p> <p>The forecasted surplus is as a result of lower than budgeted staff costs which is due in part to a number of cleaning posts that cannot be recruited to. September saw a number of resignations which always coincides with the new school year, a lot of these posts of which have now been filled. The surplus is also due to the fact that although provision costs continue to rise across the board, these have been more than compensated for by an increase in income. This increase in income is as a result of a number of factors, such as an increase in meal price, a continued steady take up and the additional income received from the 5 new sites in Worcester. This will also be tempered by a reduction in income due to the removal of corporate hospitality taking place at the Shirehall.</p>					
Corporate Budgets	2,790	4,083	418	0	R
<p>There is an overspend within Corporate Budgets relating to office moves and refurbishments. The increase since Period 8 is due to the costs of Shirehall redevelopment and removal costs for other office moves around the county in order to rationalise the accommodation held by the Council.</p>					
Treasury Management	23,202	23,202	0	0	G
<p>Interest received on cash balances is currently projecting an overspend of £437,000 due to the low interest rates currently being achieved on cash balances. This is being offset by lower than budgeted debt charges due to lower than budgeted borrowing for the capital programme.</p>					

Directorate Pressures and Actions

Chief Executive's Office	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Directorate Total	11,144	11,331	187	(244)	
Chief Executive's Office	0	46	46	140	G
Overspend due to additional training costs within the Corporate Development and additional employee related costs within Chief Executive's Office.					
Corporate Management	7,193	7,193	0	(20)	G
No projected variations.					
Human Resources & Development	49	310	261	115	A
The majority of this overspend relates to support costs incurred in relation to the senior management restructure and the assessment process for Phase 1. Human Resources have also incurred additional staffing costs in relation to the restructure within the team that took place in April and higher than budgeted printing costs. These are being partially offset by additional income that has been received for a specific project for the PCT.					
Corporate Performance & Scrutiny	24	(31)	(55)	(33)	G
Underspend due to vacant posts as a result of the re-structure and lower than budgeted spend against Corporate Plans.					
Communications & Corporate Policy	(15)	(20)	(5)	87	G
Communications are projecting an overspend against employee costs due to a restructure of the team, this is being offset by an underspend relating to the Shropshire Magazine no longer being produced.					

Chief Executive's Office	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Community Working	1,724	1,703	(21)	(388)	G
Underspend due to vacant posts which have been included in the 2011/12 savings proposals.					
Local Joint Committees	1,257	1,257	0	(199)	G
No projected variations.					
Customer Access	450	364	(86)	(70)	G
Underspend due to vacant posts within the Customer Service Centre and the Customer First Points.					
Shropshire Partnership	462	509	47	(95)	G
Overspend due to redundancy costs within Shropshire Partnership.					

Directorate Pressures and Actions

Legal & Democratic Services	Full year			Last year actual	RAGBY
	Budget	Forecast	Variance		
	£'000	£'000	£'000	£'000	
Directorate Total	1,404	1,322	(82)	(16)	
Legal Services	82	23	(59)	(56)	G
Underspend due to vacant posts.					
Democratic Services & Committee	563	534	(29)	(19)	G
Underspend due to a vacant post within Central Despatch.					
Registrars	344	311	(33)	(22)	G
Underspend due to higher than budgeted income projections.					
Coroners	410	449	39	81	G
Overspend due to additional temporary staffing costs.					
Subscriptions	5	5	0	0	G
Minor variations.					
Member Services	0	(18)	(18)	0	G
Underspend due to lower than budgeted expenditure on printing.					

Reconciliations : Summary Position at Month 9, 2010/11

	Frequency	Status	Current issues						
			Unpresented Cheques >6 mths		Creditor Payments		Payroll Payments		Housing Benefit Payments
			Number	Value £'000	Number	Value £'000	Number	Value £'000	
Unpresented Cheques	Monthly	Completed to Month 9	June (to be written off in Jan)	23	35,748	5	664	20	1,394
			July	30	3,813	4	263	26	1,240
			August	27	3,832	4	267	15	1,225
			September	65	15,949	4	346	20	1,992
			October	50	34,641	10	1,112	31	2,788
			November	138	47,150	13	2,139	53	7,384
			December	521	561,080	42	6,140	281	49,122
			Total	854	702,214	82	10,931	446	65,144
			CIVICA Icon to Bank	Monthly	Completed to Month 9	Discrepancies to be investigated			
Bank to Cashbook	Monthly	Completed to Month 9							
Cashbook to SAMIS	Monthly	Completed to Month 7							
Northgate to SAMIS	Monthly	Ctax/NNDR Completed to Month 9	Council Tax: Issue with DD Idemnity claims and BACS payments for refunds creating duplicate payments.						
			NNDR: No issues						
			Housing Benefits: Query to be raised with Northgate as some cancelled cheqs/payments are not showing on NG report.						
Northgate to IBS (Housing System)	Weekly	Reconciled to w/e 16/01/11							
Housing Rents to SAMIS	Weekly	Reconciled to w/e 16/01/11							
Unidentified Income	Monthly	Completed to Month 9		Council Tax £000	Business Rates £000	Housing Benefit £000	Rents £000	General Ledger £000	District Council's £000
			May	0	-1,244	0	0	0	0
			June	102	0	0	0	0	0
			July	-102	0	0	0	0	0
			August	133	0	0	0	0	0
			September	25	0	0	0	0	0
			October	411	7,394	0	0	0	0
			November	395	6,307	93	0	2,567	0
			December	119	2,374	43	0	82,661	0
			Payroll Suspense Codes to SAMIS	Monthly	Completed to Month 9				
General Suspense Payments and Income	Monthly	Completed to Month 9	Current uncleared balance on General Suspense Payments = -£1,034,678 Current uncleared balance on General Suspense Income = £69						

2010/11 Housing Revenue Account Budget Monitoring Statement for Months 1-9

1. Purpose of Report

1.1 To advise Members of:

- i. The current projected outturn for the Housing Revenue Account (HRA),
- ii. Identify reasons for the more significant variations against the budget,
- iii. Provide an update on the sale of Council homes under Right to Buy and other disposals during the year.

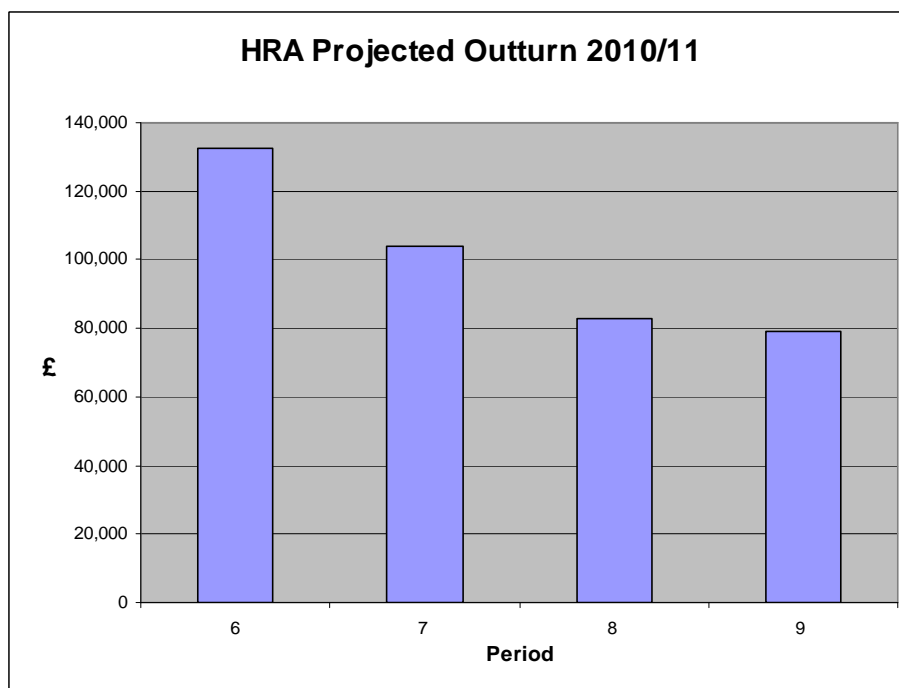
2. Projected Outturn

2.1 The Summary HRA for 2010/11 is attached as appendix A. This shows the latest forecast outturn and the variance against the original budget. Favourable variances (shown in brackets) represent either over-achieved income or savings against expenditure budgets. Adverse variances are either a short-fall against income targets or overspends. The projected variance has not significantly changed since the period 8 report.

2.2 The HRA that was approved by Council on 25 February 2010 indicated a balanced budget with recurring income matching recurring expenditure resulting in no overall surplus or deficit for the year. During the course of the year a number of variations have arisen and the more significant are identified and explained in appendix B. The latest forecast is for a projected net deficit of £79,350 (0.46% against gross turnover). The main reasons for this relate to planned one-off costs and contingency totalling £105,000 which can legitimately be funded from the HRA reserve and will not result in the reserve falling below a prudent level. The overall impact of these one-off costs is being partially off-set by an overall net saving in recurring budgets and the underlying position is that the HRA remains stable. The anticipated level of the HRA reserve is as follows.

Opening Balance 1 April 2010 £	Projected Deficit for year £	Estimated Closing Balance £
799,836	(79,350)	720,486

2.3 This is the fourth formal HRA monitoring report for the current year and the projected deficit identified in this and the previous reports are shown below.



- 2.4 The trend is for a decreasing projected deficit which is mainly due to staff vacancy savings, savings in payments to contractors and a reduction in the contingency for redundancy payments arising for the restructure of Landlord Services. However, this trend could reverse if seasonal bad weather results in a higher than normal level of responsive repair works.

3. Council House Sales

- 3.1 A summary of sales and capital receipts for the year to date is shown in the table below. There have been no new sales since the period 8 report.

Type of Sale	No.	Total Capital Receipt £	Paid to CLG (Pooling) £	Amount Retained £
RTB Sales	6	467,500	350,625	116,875
Other sales	2	166,000	0	166,000
Total	8	633,500	350,625	282,875

- 3.2 Of the total retained capital receipts, £116,875 is available to support the Council's overall capital programme and £166,000 will be reinvested in the stock through the Housing Planned Repairs programme to finance improvements and works aimed at achieving the Decent Homes Standard.

Appendix A

HOUSING REVENUE ACCOUNT 2010/11

As at Period 9	Original Estimate £	Projected Outturn £	Variance Adverse/ (Favourable) £
<u>Income</u>			
Dwellings Rent	(13,771,410)	(13,730,410)	41,000
Garage Rent	(210,920)	(194,920)	16,000
Other Rent	(39,730)	(39,330)	400
Charges for Services	(180,070)	(175,000)	5,070
Supporting People	(547,920)	(547,920)	0
Subsidy Received - Major Repairs Allowance	(2,552,310)	(2,552,310)	0
Total Income	(17,302,360)	(17,239,890)	62,470
<u>Expenditure</u>			
Repairs & Maintenance	3,420,200	3,354,310	(65,890)
Supervision & Management - Special	970,250	912,280	(57,970)
Supervision & Management - General	2,486,680	2,634,890	148,210
Subsidy Payable Gross	7,321,550	7,302,410	(19,140)
Capital Charges - Dwelling Depreciation	2,552,310	2,552,310	0
Capital Charges - Depreciation Other	73,130	73,130	0
Capital Charges - Cost of Capital	61,430	65,100	3,670
Allowance for Decease Sole Occupier	4,440	4,440	0
Increase in Bad Debt Provision	40,000	40,000	0
Corporate & Democratic Core	407,920	407,920	0
Total Expenditure	17,337,910	17,346,790	8,880
Net Cost of Services	35,550	106,900	71,350
PWLB Premium amortised	68,580	68,580	0
Interest on Balances	(31,000)	(23,000)	8,000
Net Operating Expenditure	73,130	152,480	79,350
<u>Appropriations</u>			
Capital Financing Reserve	(73,130)	(73,130)	0
Net Cost of Service	0	79,350	79,350
<u>HRA Reserve</u>			
B/fwd 1 April	677,223	799,836	
Surplus/(Deficit) for year	0	(79,350)	
Carried Forward 31 March	677,223	720,486	

HRA Monitoring Report 2010/11 Significant Variations

Period 9

Dwelling Rent Income (£41,000 under)

The current level of voids at 1.4% is 0.2% higher than the level assumed in the original budget, resulting in a shortfall in forecast income. However the level remains below the 2% allowance assumed by CLG in the housing subsidy calculation and housing staff continue to work toward improving vacancy turn-around times and void levels are improving. Projected income has also been reduced due to a higher than anticipated number of sales under right to buy.

Garage Rent Income (£16,000 under)

Occupancy of garages is below the level originally assumed due to of low demand in some areas. A strategic review of the management of the garages will be undertaken during the year to evaluate the number and standard of units needed.

Charges for Services (£5,070 under)

The projected shortfall in income is linked to the higher level of void properties identified above, particularly in relation to sheltered homes.

Repairs & Maintenance (£65,890 under)

The underspend relates to temporary staff vacancies in the Asset Management Team and current projected savings against responsive repairs budgets based on works undertaken to date. This later saving could be lost if severe weather conditions during the winter months result in increased workload.

Supervision & Management – Special (£57,970 under-spend)

The under-spend primarily arises due to staff vacancies.

Supervision & Management – General (£148,210 overspend)

The projected overspend includes some residual one-off cost relating to the new Housing IT system that was deferred from 2009/10 (£45,000) and a contingency of £80,000 for potential redundancy and pension strain cost.

Subsidy Payable (saving £19,140)

The original level of Housing Subsidy payable to CLG for the year is set in March. In accordance with recognised practice, the calculation is revised in August in the Housing Subsidy 2nd advance to accommodate any changes to the core data used. The revised assessment submitted in August 2010 resulted in a reduction in the estimated amount due for the year.

Cost of Capital (Interest Payable) (£3,670 overspend)

The Consolidated Rate of Interest (CRI) that is used in the calculation to set interest charges payable has been revised from 5.17% to 5.30% in light of the most recent information available. This has resulted in a slight increase in the estimated interest due for the year.

Interest on Balances (Interest Receivable) (£8,000 under)

The impact of the low Bank of England Base Rate continues to reduce the level of income received on investments.

Management Plans to Resolve Forecast Overspends - Unadjusted**Not in service projections****Adult Social Care - £832,000 overspend – Mitigation of £548,000 identified**

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Adult Social Care	832,000	Business support underspend	69,000	31/03/2011
		Speed up contract process to ensure client contributions are collected and income is not lost.	50,000	31/03/2011
		Increase the use of assistive technology to reduce expenditure on waking and sleeping nights.	20,000	31/03/2011
		Review cases where the council are paying a large top up	10,000	31/03/2011
		Fair access to care refresher training for all social care staff to ensure that the criteria of substantial and critical are being rigorously and consistently applied.	0	31/03/2011
		COST AVOIDANCE MEASURE. Fill void at Bradbury Lodge with client receiving continuing healthcare	35,000	achieved Nov 2010
		Ensure that a residential placement is organised as a last resort, ensuring all other options have been explored to enable client to remain in their own home.	179,000	31/03/2011
PCT funding for winter pressures	TBC	31/03/2011		
			548,000	

Management Plans to Resolve Forecast Overspends – Adjusted for in Projections

Out of authority, maintained and independent schools' placements - £514,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Out of authority, maintained and independent schools' placements	514,000	Short term - cover from underspending on schools' rateable values within DSG central expenditure Longer term - improved procurement; alternative provision provided in-county	514,000	Within financial year 2011/12

Home to School/College Transport - £361,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Home to School/College Transport	361,000	Short term - cover from one-off Reserves and Provisions Longer term - continued route reviews and rationalisations; e-auctions and e-tendering; policy reviews for Post 16 and Temporary Seats transport	361,000	Within financial year 2011/12

Early Retirement Contributions - £441,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Early Retirement Contributions	441,000	Short term - cover from remaining balance of underspending on schools' rateable values Short term - cover balance from one-off Reserves and Provisions Short term - secure further savings and use of grant funding elsewhere within C&YPS Longer term - review Redundancy Policy for schools' staff	73,000	Within financial year
			286,000	Within financial year
			82,000	Within financial year
				2011/12

Management Plans to Resolve Forecast Overspends – Adjusted for in Projections

Children's Services - Commissioning and Social Work - £700,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Children's Services - Commissioning and Social Work	700,000	Short term - cover from remaining balance on one-off Reserves and Provisions	306,000	Within financial year
		Short term - secure further savings and use of grant funding elsewhere within C&YPS	394,000	Within financial year
		Longer term - recruitment and retention packages for social work staff to reduce the use of external agency staff		2011/12

Children Looked After - £453,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Children Looked After	453,000	Short term - reduced use of Independent Fostering Agencies by bringing placements back in-county where possible	173,000	Within financial year
		Short term - secure further savings and use of grant funding elsewhere within C&YPS		Within financial year
		Longer term - continued improvement in procurement of external placements; alternative provision provided in-county.		2011/12

County Training - £1,664,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
County Training	1,664,000	Repayment plan to be confirmed in month 10 monitoring report.		

Severe Weather - £900,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Severe Weather	900,000	Short term - It is not possible to recover such an overspend before the end of the financial year, as this has only arisen due to the severe winter weather experienced since the position was last reported.		

Management Plans to Resolve Forecast Overspends – Adjusted for in Projections

		Longer term - The budget strategy for 2011/12 includes an additional £1m to mitigate against the effects of a severe winter.
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Parking & Transport Services - £350,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Parking and Transport Services	350,000	Short term - Excluding the effects of Severe Weather the Directorate would be showing a net under spend of £352,000 and as in previous reports this will be applied to offset the shortfall in planning income. Longer term - The Car Parking Strategy to be implemented next year will go some way to mitigating the shortfalls reported this year, however an element will still be attributable to economic circumstances.	350,000	End of financial year

Development Management - £600,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Development Management	600,000	Short term - Excluding the effects of Severe Weather the Directorate would be showing a net under spend of £352,000 and as in previous reports this will be applied to offset the shortfall in planning income. Longer term - The budget strategy for 2011/12 recognises that there will continue to be a shortfall in income, and this is being addressed by the identification of savings proposals to meet known service pressures.	600,000	31/03/2011

Management Plans to Resolve Forecast Overspends – Adjusted for in Projections

Corporate Budgets- £418,000 overspend

Budget Area with Forecast Overspend	Overspend £	Proposed Action to Recover Overspend including Utilising Underspends Elsewhere	Overspend Recovered £	Date by which Overspend Recovered
Corporate Budgets	418,000	Repairs and maintenance works will now only be undertaken for health and safety works for the remainder of the year. However this will only ensure that future costs do not add to this overspend, rather than recovering amounts that will offset the overspend to date.		

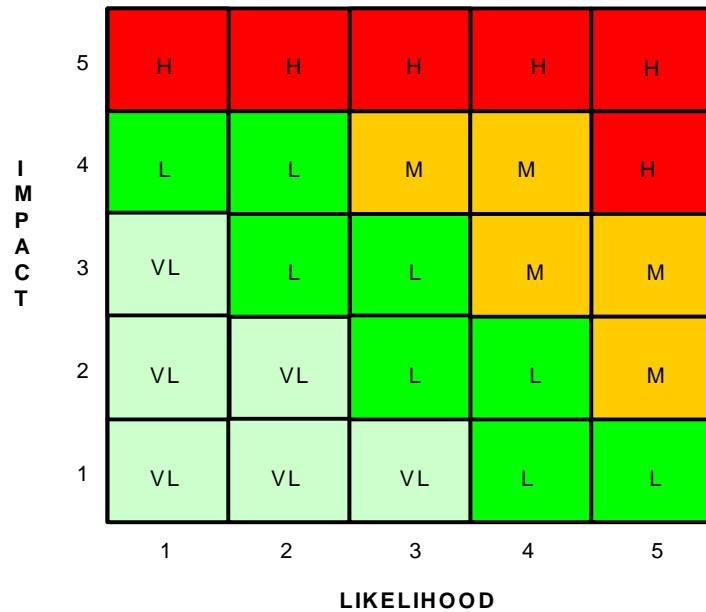
Amendments to Original Budget

	Total	CYPS	Community Services	Development Services	Resources	Chief Exec's Office	Legal & Democratic
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Original Budget as agreed by Council	221,699	42,041	78,292	58,068	31,255	10,654	1,389
Carry Forwards from 2009/10	-679	0	-1,165	40	0	446	0
In year Government Grant Reductions	0	850	86	244	-1,198	18	0
Management Changes:							
Member Development	0					-15	15
Customer Services/Library Staffing Transfer	0		23			-23	
IT Services/Library Staffing Transfer			23		-23		
Choice Based Lettings			100		-100		
Church Stretton Swimming Pool			27		-27		
Contribution to Shropshire Integrated Development Framework					-64	64	
Amended Budget	221,020	42,891	77,386	58,352	29,843	11,144	1,404

Risk Analysis

Risks have been categorised using the following criteria:

Likelihood and Impact			
	Score		Definition
Very Low	1	Rare	May occur in exceptional circumstances
Low	2	Possible	May occur in the next three years
Medium	3	Likely	The risk is likely to occur more than once in the next three years
High	4	Almost Certain	The risk is likely to occur this year
Very High	5	Certain	The risk has occurred and will continue to do so without action being taken



Management Plans to Resolve Forecast Overspends – Adjusted for in Projections

Directorate	Risk: i.e. What can happen?	Risk Rating (with current controls in place)		Risk Rating (C x D)	Current Controls In Place
		Likelihood	Impact		
Community Services	Insufficient resources to deliver improved services	3	3	9	Service Improvement Plan to deliver efficiencies in collecting income and carrying out services through reviewing processes, policies and procedures and market testing
Community Services	Securing capital budget, implementing scheme in time for 2012 opening of Music Hall	3	5	15	Ensure good communication with project team. Detailed planning of storage requirements completed.
Community Services	Budget pressures may mean library opening hours cannot meet community need	3	3	9	Strong communication plan around outcome of review and reasons for any expectations not being met
Community Services	Review of mobile library recommends no change or changes which do not reduce carbon footprint	2	4	8	Carbon footprint reduction is in task and finish group's terms of reference, ensure it is taken fully into account by group
Development Services	Overspend on winter maintenance budget due to severe winter	4	3	12	The budget allows for an average winters 45 full turnouts of the winter maintenance gritting fleet. To manage such risks the service aims to build up a reserve from contributions made during mild winters. However no contributions have been made for several years, and the reserve was depleted at the end of 2006/07. Any over spend will need to be funded from balances.
Development Services	Overspend on highway maintenance due to severe flooding	2	3	6	Financial assistance is available from Central Government through the 'Bellwin Scheme for Emergency Assistance'. However not all expenditure is covered as a threshold applies and the grant is only awarded at a certain percentage of eligible spend. Any over spends will be carried forward as a first call on the highways maintenance budget.

Management Plans to Resolve Forecast Overspends – Adjusted for in Projections

Directorate	Risk: i.e. What can happen?	Risk Rating (with current controls in place)		Risk Rating (C x D)	Current Controls In Place
		Likelihood	Impact		
Development Services	Overspend on passenger transport budget due to falling passenger numbers and increased costs of re-tendered routes.	1	2	2	The budget makes some provision for an increase in costs from re-tendered routes. The cost of each subsidised route is carefully monitored and services for re-tendering are assessed to ensure they are still providing value for money. Future pressures in this service will be considered as part of the Bus Strategy at Cabinet on 10/11/2010.
Development Services	Shortfall in income received from planning applications due to economic downturn	3	3	9	As reported in Appendix 3 there is already an expected shortfall in income, and it is possible that the situation may further deteriorate. For this year the shortfall is being covered by underspends arising elsewhere in the Directorate. Should the situation not improve in the near future then expenditure will be reviewed to bring this in line with the anticipated levels of income.
Resources	Shortfall in investment income received from invested cash balances	3	3	9	The investment income is monitored closely and the best deals for returns on cash balances are obtained. The budget pressure from reduced income obtained whilst interest rates are low is being offset by reduced debt charges due to management action to delay borrowing on the capital programme.
Corporate	Costs of Transformation Programme may escalate or may be realised earlier than originally planned	3	3	9	Costs of Transformation Programme have been discussed with each if the workstream leads and will be monitored as part of the monthly monitoring cycle.