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Strategic Overview &
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10
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REVENUE OUTTURN 2009/10

Responsible Officer Laura Rowley

e-mail: Laura.rowley@shropshire.gov.uk Tel: 01743 252007 Fax 01743 255901

Summary

This report provides details of the revenue outturn position for Shropshire Council for 2009/10 and provides a summary of:

- The revenue outturn for each Directorate with a commentary on the main variations.
- The movements in the Council's general balance.
- The Council's reserves and provisions (further details are provided within a separate report on Reserves, Provisions and Balances).

Revenue Outturn Summary 2009/10

The final outturn for 2009/10 is an overspend of £919,000 on an original gross budget of £574,019,000 (original net budget was £215,750,000). The overall position is as follows:

Directorate/Service	Overspend/ (Underspend) £000
Children and Young People	240
Community Services	24
Community Services – County Training	1,141
Development Services	(40)
Resources (including Shire Services)	0
Corporate Issues	(199)
Chief Executive's Office	(245)
Legal & Democratic Services	(2)
Total	919

For **Children and Young People** – The final outturn position is a net overspend of £239,513 against base budget provision, after applying available Reserves and Provisions. This overspend will be carried forward to 2010/11 to be managed as part of the monitoring process within the year.

For **Community Services** – The year end outturn position is an overspend of £23,660 plus an overspend on the County Training trading account of £1,141,531. This compares to the 2008/09 year end position for these services of a balanced budget. There is an overspend of £250,000 on Learning Disability services principally due to the cost of transition cases and a growing demand for services, but this is offset by an underspend within Business Strategy and Support.

For **Development Services** – The overall position is an underspend of £40,000 (after allowing for a £451,000 underspend within Waste Management being transferred to reserve) In line with previous years the overspends arising from Highways Maintenance and Severe Weather (£802,000) will be ring fenced to Highways and funded as a first call on the 2010/11 Highways Maintenance Budget. The revised underspend across the remainder of the Directorate of £863,000; as a result of increased vacancy management savings will be carried forward to offset a number of pressures in 2010/11.

For **Resources, Chief Executive's Office, Legal and Democratic Services and Corporate Issues** the overall position is an underspend of £446,000. There was a nil variation against Resources budgets, however Shire Services had a trading deficit of £11,000 for the year which will be carried forward to 2010/11. Within the Chief Executive's Office the most significant underspends was against the Area Partnership budgets and these balances will be carried forward to 2010/11. Legal and Democratic Services have a minor underspend of £2,000. Finally, within Corporate Issues an underspend has been generated within the Local Joint Committee budgets.

Recommendations

To Audit Committee, Strategic Overview and Scrutiny Committee and Council

- A. To note that the Outturn for the Revenue Budget for 2009/10 is an overspend of £919,000, this represents just 0.2% of the original gross budget of £574,019,000.
- B. To note that the level of the general balance stands at £2,875,226 (2008/09 £2,250,000), which is within the Council's policy of ½% to 2% of the gross revenue budget.
- C. To note that the level of school balances stand at £7,647,772 (2008/09 £7,552,027).

REPORT

Revenue Monitoring 2009/10

1. Cabinet has received regular quarterly monitoring reports on the revenue budget during the course of the year. This has meant that Directorates have identified their problem areas at an early stage and have had time to take the action necessary to deal with the issues arising.
2. In summary, the overall position identified in the monitoring reports during the course of the year has been as follows:

Directorate/Service	Revenue Budget 2009/10 Projected Overspend / (Underspend)				
	Qtr 1 £000	Qtr 2 £000	Qtr 3 £000	Qtr 4 £000	Outturn £000
Children and Young People	0	645	993	797	240
Community Services	343	382	548	285	24
Community Services – County Training	0	0	0	0	1,141
Development Services	225	228	172	318	(40)
Resources (including Shire Services)	129	201	22	35	0
Corporate Issues	(125)	579	646	(28)	(199)
Chief Executive's Office	0	78	60	0	(245)
Legal & Democratic Services	(53)	(46)	(54)	(107)	(2)
Total	519	2,067	2,387	1,300	919

3. Full details of the final outturn position for each Directorate are set out in Appendices 1 to 6. In accordance with the Council's Financial Rules, all overspends have to be recovered by the identification of savings during 2010/11.

Revenue Outturn Summary 2009/10

4. The final outturn for 2009/10 shows overall net revenue expenditure of £214,528,000 and an overspend of £919,000. The overall position for Directorates and Schools' balances, is detailed below:

	Directorate Budgets £000
Original Budget	215,750
Prior year overspend set against 2009/10 budget	(2,141)
Budget available to spend in 2009/10	213,609
Outturn for 2009/10	214,528
Overspend carried forward to add to 2010/11 budget	919

The movement in schools' balances is as follows:

	2008/09 £000	2009/10 £000	Increase/ (Decrease) £000
Schools:			
- Revenue Balances	5,305	5,428	123
- Invested Balances	2,074	2,055	(19)
- Foundation Schools' external balances*	173	165	(8)
Total	7,552	7,648	96

* Foundation Schools' 2009/10 external balances of £165,000 have been estimated.

5. For Directorates budgets' the overall position is a net overspend of £919,000, excluding the effect of below the line items. The impact of below the line items is transferred to general balances, during 2009/10 a below the line underspend of £5,131 was contributed to general balances, the impact of this can be seen at paragraph 86. The Directorates overspend of £919,000 represents just 0.2% of gross budget and hence is indicative of continued careful management of resources by directorates within allocated cash limits, despite the challenges faced in some sensitive service areas.
6. Looking at the position for Directorates in a little more detail the position is as follows:

	Children and Young People £000	Community Services £000	Development Services £000	Res, CEX, L&DS and Corporate* £000	Total £000
Budget (incl. in year virements)	46,683	82,029	67,666	16,808	213,186
Prior year over and under spends (set against) or added to 2009/10 budget	0	0	2,349	(208)	2,141
Budget available to spend in 2009/10	46,683	82,029	65,317	17,016	211,045
Outturn for 2009/10	46,923	83,194	65,277	16,570	211,964
Over or (under) spends carried forward to set against or add to 2010/11 budget	240	1,165	(40)	(446)	919

* Resources, Chief Executive's Office, Legal & Democratic Services and Corporate Issues

7. The detailed variations for each directorate are set out in Appendices 1 to 6. The main features of the outturn position to note for each Directorate are set out in the remainder of the report.

Children and Young People (Appendix 1)

8. The final outturn for the Children and Young People Directorate and Schools' balances is as follows:

	Directorate £000
Original budget (including in year virements)	46,683
Prior year under spends added to 2009/10 budget	0
Budget available to spend in 2009/10	46,683
Outturn for 2009/10	46,923
Overspend carried forward to set against 2010/11 budget	240

9. The Directorate, excluding delegated school budgets, shows a net overspend of £240,000. In addition school balances, including invested sums and foundation schools, have increased by £96,000 to £7,648,000, an increase of 1.3%.

10. The movement in schools' balances is as follows:

	2008/09 £000	2009/10 £000	Increase/ (Decrease) £000
Schools:			
- Revenue Balances	5,305	5,428	123
- Invested Balances	2,074	2,055	(19)
- Foundation Schools' external balances*	173	165	(8)
Total	7,552	7,648	96

* Foundation Schools' 2009/10 external balances of £165,000 have been estimated.

11. Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. The total balance of £7,648,000 represents 5.4% of Schools' delegated budgets, an analysis of this balance is provided in the table below:

	Balance as at 31 March 2010			
	£000	As a % of Delegated Budgets	No. Schools in Surplus	No. Schools in Deficit
Primary Schools	5,741	8.7	128	5
Secondary Schools	984	1.5	16	5
Special Schools	758	13.2	2	0
Foundation Schools*	165	5.6	2	0
Total	7,648	5.4	148	10

* Foundation Schools' 2009/10 external balances of £165,000 have been estimated.

12. Following consultation with the school's forum and head teachers, these balances have been used to purchase IT equipment for schools, the cost of this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2009/10 £221,000 of the £7,648,000 was being used in this way.

13. Appendix 1 provides a full analysis of variations against budget for Children and Young People's Services. There is an overall net overspend of £240,000 (0.4%) on a total budget of £61 million, excluding schools, after applying available Reserves and Provisions. The main area of overspending reflects significant additional pressures arising on Social Care and Safeguards services, particularly external placements. Additional budget growth of £500,000 has been approved within the Council's 2010/11 budget strategy to address these base budget pressures. A number of other overspends have been offset by further identification of one-off grant income, and by one-off balances available within Reserves and Provisions. The balance of £240,000 unfunded overspend remaining at the year end has been carried forward within the directorate to be managed in 2010/11.

Schools' centrally managed budgets £454,000 underspend

14. Schools' related budgets contain general contingencies for data changes and unforeseen circumstances, which are underspent by £103,000. There is also an unspent contingency within schools' Joint Use budgets, along with other reduced contributions, amounting to £95,000. The full year effect of successful rateable value appeals, undertaken by Property Services on behalf of the directorate, has given rise to further savings of £256,000. All of these savings have been recycled within the overall Schools' Budget, in particular to offset the overspend identified within Inclusion Services.

Special Educational Needs/Inclusion Services Net £346,000 overspend

15. Expenditure on out of authority placements for pupils with special educational needs, particularly in the independent and non maintained sector, has overspent by £454,000 based on the total placements made during 2009/10. The cost of additional placements made in 2008/09 resulted in an overspend of £573,000; a further 11.4 full time equivalent placements, equating to £381,000, have been made in the year. As a means of managing this overspend, a budget virement of £500,000 from centrally retained grant funding, requested in the Quarter 1 report, has been approved and applied to this budget. A one off contribution from the directorate Insurance Reserve has been applied to partially offset this overspend, with the balance of £346,000 being fully offset by underspends elsewhere within schools' related, centrally managed budgets. The Lean Service Review of Education and Social Care Placements, currently underway, is examining and reporting on all aspects of the commissioning, procurement, numbers and costs of internal and external placements.

Special Educational Needs/Inclusion Services:	£
Additional placements made in 2008/09	573,000
Further placements made in 2009/10	381,000
	<u>954,000</u>
Other net variations within Inclusion Services	3,000
Budget virement as requested in Quarter 1	<u>(500,000)</u>
	457,000
Contribution from Directorate Insurance Reserve	<u>(111,000)</u>
	<u>346,000</u>

Home to School Transport Net £451,000 Overspend

16. Expenditure pressures continued at similar levels to 2008/09, with an in-year overspend of £380,000 (5.6% of the total budget of £9.9 million). There is also a brought forward balance of £270,000 overspend from last financial year, resulting from a higher number of transport days. Although the price of fuel oil stabilised over the first three quarters of the calendar year, a contraction in the local bus contractor market has meant a continued growth in tender prices on retendered routes. A range of strategies has been pursued to manage these costs, and efficiency review savings in excess of £280,000 have been achieved. However, cost pressures have continued to outstrip budget provision for statutory home to school transport. A one off contribution of £199,000 from the directorate Carry Forward Reserve has been applied to partially offset this overspend, with the balance of £451,000 being fully offset by underspends elsewhere within local authority and schools' related, centrally managed budgets.

Directorate Management and Administration £157,000 Underspend

17. Significant use of grant funding, vacancy management and good housekeeping measures have generated savings. These savings are being recycled to offset cost pressures on home to school transport.

Advisory Service £186,000 Underspend

18. Savings from Standards Fund matched funding have been achieved which will be used to offset cost pressures on home to school transport.

Early Retirement Contributions Net nil variation

19. One-off redundancy, lump sum, strain on the Pension Fund and on-going enhanced pension payments to former schools' staff have given rise to a gross overspend of £1,044,000. These costs are increasing as schools manage the financial impact of falling pupil numbers on their delegated budgets. A contribution of £450,000 towards these costs has been made from the corporate Voluntary Early Retirement provision. The net overspend of £594,000 has been fully offset by one-off contributions from directorate Reserves.

Social Care and Safeguards – Net £240,000 Overspend

20. The table below provides a financial summary of the year end position for Social Care and Safeguards. Further information on each of the items is also provided in the attached Analysis of Variation from Budget Appendix 1.

	£000	£000
Children Looked After – Overspend in 2008/09		449
Recycled savings, to other Social Care and Safeguards budgets, of full year effect of block contract savings	259	
Reduction to the average cost per placement (from block contract and third children's home arrangements, and other contractual savings)	(296)	
Increased full time equivalent placements	654	
Increased net contributions from other funding partners	(90)	527
Children Looked After - Overspend in 2009/10		976
Other Social Care and Safeguards Budgets		
Foster Care placements overspend	177	
Assessment and Care Management	169	
In-county residential children's homes	56	
Children Leaving Care projected overspend	48	450
Total Social Care and Safeguards - Overspend in 2009/10 Before Use of Available Funding		1,426
Overspend partly met from		
Contingencies	(70)	
Other variations	(81)	
Application of Children's Centres grant	(273)	
Contributions from directorate Reserves	(762)	(1,186)
Total Social Care and Safeguards - Overspend in 2009/10 After Use of Available Funding		240

21. Additional budget growth of £650,000 was approved for Looked After Children's budgets in the Council's 2009/10 budget strategy. This has funded the operational costs of the third children's home, and is also supporting the Assessment and Care Management costs of safeguarding children. Recycled savings of £259,000 from the block contract have also been targeted to support safeguarding and foster care services. The overspend of £169,000 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.

22. The budget for external residential social care placements was overspent by £449,000 in 2008/09. An additional 3.64 fte placements have been made since 2008/09 costing £654,000, and the overall external placements budget has been overspent by £976,000. There are currently 8 young people in social care external placements, out of a total of 36, who will become 18 years old within the next financial year, and will therefore be leaving care. Although some of these placements will be replaced by new young people coming into the Council's care, there is the prospect of reduced numbers and costs in 2010/11 compared to 2009/10. The Lean Service Review of Education and Social Care Placements, currently underway, is examining and reporting on all aspects of the commissioning, procurement, numbers and costs of internal and external placements.
23. There are also offsetting savings being managed through contingencies (£70,000), other base budget variations (£81,000), one-off contributions from Children's Centre grant (£273,000) and directorate Reserves (£762,000).
24. Savings have continued to be made wherever possible by applying grant funding to existing activity levels, and by identifying and applying contingencies to base budget pressures. An active recruitment programme has been undertaken to appoint a number of permanent social workers, thereby reducing the requirement for high cost agency staffing.

Community Services (Appendix 2)

25. The final outturn position for Community Services is a net overspend of £24,000. The final outturn position can be summarised as follows:

	£000
Budget (including in year virements)	82,029
Prior year (over)/underspend set against 2009/10 budget	0
Budget available to spend in 2009/10	82,029
Outturn for 2009/10	83,194
Overspend carried forward to deduct from 2010/11 budget	1,165

26. Appendix 2 provides a full analysis of variations. For convenience a summary is provided below.

	Base Budgets with budget variations £000	Q4 projected over/(under) spend £000	Outturn Full Year over/(under) spend £000
Total Adult Social Care	54,564	390	427
Total Culture, Leisure and Learning & Employment Training	13,692	35	995
Housing Services	13,991	(50)	(16)
Business Support	10,098	(90)	(241)
Total	82,029	285	1,165

Adult Social Care - £427,000 variation

27. £250,000 of this overspend relates to Adults with Learning Disabilities with the majority of this pressure due to transition cases, i.e. children who reach the age of 18 years and transfer across to Adult Services. The total pressure before additional grants were applied was £526,000. Area based grant has been applied to bring the overspend down to £250,000.

28. Mental Health services have an overspend of £1,800. There have been pressures on the residential budget of £200,000; however this has been covered through vacancy savings during the year, substantially within the substance mis-use service.
29. The Older People Service has overspent by £35,000. There has been pressure on the purchasing budget of £391,000 which has been largely offset by savings due to vacancies during the year. A number of provisions held during the year for winter pressures and continuing healthcare funding changes were not required to the value projected.
30. The Physical Disability Service has overspent by £140,000. Increased demand for the service together with changes to existing care packages have increased the pressure on the service by £300,000. One off retrospective Continuing Health Care funding has brought the projected overspend down to £140,000.

Culture, Leisure and Learning & Employment Training – £995,000 overspend

31. Libraries has an underspend of £152,000 due mainly to being unable to place all book orders by the required deadline, but also through careful vacancy management and management of utility costs.
32. Arts and Heritage has an underspend of £23,000. This has been achieved through the management of vacant posts within the museum service, an over achievement of income at Acton Scott and a reduction in costs at Theatre Severn. A reserve of £155,000 has been created for the future repairs, replacement and maintenance of equipment at the Theatre Severn.
33. Leisure and Outdoor Recreation has an overspend of £32,000. This is mainly due to maintenance and works on outdoor facilities being higher than budgeted. An overachievement of income at various Leisure facilities in the last months of the year has also reduced pressures on this budget.
34. The County Training brand within LETS contracts with Jobcentre Plus for Department of Works and Pensions (DWP) funding to deliver New Deal, and Programme Centre. The other major funding stream is via the Learning and Skills Council (LSC), whose new agency from the 1st April is the Skills Funding Agency (SFA) for its Apprenticeship, Train to gain, Entry to Employment (E2E) and other vocational programmes.
35. County Training were the prime contractor for the New Deal programme delivering 100% of all the New Deal provision across Shropshire, Telford and Wrekin. This contract ended in September 2009 when a new programme “Flexible New Deal” (FND) became the new mainstream mandated provision for long term unemployed people.
36. The contracting position for FND meant that County Training through a subcontract agreement with one of the two winning prime contractors ‘Serco’ now delivers 50% of FND across Shropshire, Telford and Wrekin. The second prime contractor is Pertemps who deliver the remaining 50% of the contract themselves. These changes have effectively reduced our New Deal funding, by approximately 50% compared to 2008/09, this results in a net effect of £702,000 loss of income. This situation will improve in 2010/11 as the funding model provides greater rewards as job outcomes are achieved.
37. In addition the LSC put caps on recruitment during 2009/10 for all providers which delayed our planned learner recruitment until early in 2010.

38. Due to the projected shortfall in income a restructure became necessary resulting in a reduction in staff posts. The planning for this restructure commenced in July 2009 but due to the number of redundancies and consultation with HR and UNISON there was a requirement to commence a 30 day informal and 90 day formal consultation period which has resulted in the new structure not coming into effect until 10th May 2010. Staff have been retained for a much longer period than anticipated, and therefore redundancy costs will now be funded within the 2010/11 financial year.
39. The breakdown of the loss is as follows,

County Training Budget	2009/10 £
Loss of Income for Jobcentre Plus for 2009/10	702,000
Loss of LSC Income Train to Gain / Apprenticeships	125,000
Other capping of income	80,000
Net Loss of Income	907,000
Shropshire Council Additional JE Evaluation Costs	234,000
Deficit forecast	1,141,000

40. This loss will be carried forward and it will take 3 years to recover the trading position. The recovery includes the savings from staff redundancies as described in paragraph 36 above and further reductions in years 2 and 3 through natural turnover of staff.

Housing Services - £16,000 variation

41. Housing services have a £16,000 under spend against budget due to more rental income being received compared to that originally budgeted.

Business Support – £241,000 variation

42. The Business Support function has had a number of vacancy savings during the year and having been aware of the ongoing pressures on front line budgets has paid particular attention to reducing overhead support costs. As a result of this we have achieved ongoing savings and reduced management costs.

Pooled Budgets

43. 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 outturn position for the pooled budget is as follows:

Pooled Budget	Budget £000	Expenditure £000	Variation £000
Intermediate Care	1,326	1,202	124
Total	1,326	1,202	124

44. An underspend of £124,000 has occurred due to a number of vacancies during the year. The underspend is split £84,000 PCT and £40,000 Shropshire Council. It has been agreed that each authority will keep their underspend to offset other pressures in 2009/10. For Shropshire Council this underspend is already reflected in the figures quoted in the table above.

Development Services (Appendix 3)

45. The final outturn position for Development Services is a net underspend of £40,000. The net underspend will be allocated to the 2010/11 service division budgets. Overall, the final outturn position can be summarised as follows:

	£000
Budget (including in year virements)	67,666
Prior year overspends set against 2009/10 budget	(2,349)
Budget available to spend in 2009/10	65,317
Outturn for 2009/10	65,277
Underspend carried forward to add to the 2010/11 budget	(40)

Highways Maintenance - £354,000 overspend

46. The Highways Maintenance works programme has over spent by £316,000. The nature of the service necessitates the over-programming of the revenue and capital budgets to prevent excessive slippage over the year. Whilst previous monitoring reports indicated a probable balanced budget, it was commented that such over-programming is necessary and overspends can occur when the accounts are closed at the 31st March cut off date. In line with previous years practice any over spend will be ring fenced and carried forward as first call on the 2010/11 Highways Maintenance Budget.
47. An additional net overspend of £38,000 has arisen from rating issues at the depots and the costs to the authority of dealing with the January gas explosion in Shrewsbury, offset by additional income from highway charges.

Severe Weather - £448,000 overspend

48. The severity of the winter weather during 2009/10 has resulted in a significant over spend within the winter service. The number of turnouts for the gritting fleet has been twice that allowed for in the budget. The situation has not been helped by Local Authorities, for the second year in a row, experiencing difficulties in acquiring sufficient quantities of salt, resulting in a significant increase in the price per tonne. The Severe Weather Reserve has been increased to £1m, and this has been fully applied in 2009/10 to partially offset the total expenditure incurred over the winter.
49. The repercussions of the severe weather have been seen in the additional damage to Shropshire's roads. The government has recognised that this has been the most prolonged period of severe weather for 30 years, and has nationally made available £100m of funding to repair damage to the highway. In 2010/11 Shropshire will receive £1.5m.

Environmental Maintenance - £220,000 overspend

50. There have been a number of significant transitional costs that have arisen in all areas of Environmental Maintenance, most notably the establishment of a fully staffed out of hours CCTV service, additional vehicle costs pending a review of the current fleet, and a number of temporary staffing arrangements to facilitate the smooth transition to a new Council.

Public Protection - £45,000 underspend

51. Income targets have been exceeded this year and a small under spend has arisen.

Public Protection (Area) - £77,000 underspend

52. The level of fees received this year is significantly less than expected; however these have been more than offset by vacancy management savings in addition to those associated with the transition to a Unitary Council.

Bereavement Services - £133,000 underspend

53. Income levels have exceeded the budget due to an increase in activity levels caused by an increase in the death rate during the latter part of the year. The budget strategy for 2010/11 has taken account of this additional income.

Waste Management – £451,000 underspend transferred to reserve

54. An underspend of £451,000 has arisen primarily from the annual reconciliation of costs with our contractor. In line with agreed practice this under spend has been transferred to the General Waste Management Reserve to be offset against future revenue and capital pressures.

Economic Regeneration - £128,000 underspend

55. Rental yields from workshops and offices have been more robust than initially projected earlier in the year. Detailed investigations of leases and tenancy agreements throughout the year have been favourable; reducing costs and in some cases identifying additional income.
56. Delays in appointing a management company for the Food Enterprise Centre in Shrewsbury have contributed towards a shortfall in expected rental income.
57. In order to cover this year's increased costs on the Food Enterprise Centre, savings have been made in the overall budget throughout the course of the year. These have been sufficient to offset the costs of the Food Enterprise Centre and most of the shortfall in rental yields.

Parking & Transport Services - £395,000 overspend

58. The effects of the downturn in the Economy are impacting on the level of fees generated in the County's car parks, and a shortfall of £500,000 has occurred. The situation has further declined since the beginning of the year and the factors influencing this are as follows: closure of Shrewsbury Town Centre car parks following the gas explosion in January and the subsequent difficulties of entering the town by car; over 12 days loss of income due to car parks being closed due to flooding, and the effects of a long cold winter deterring car travel.
59. The shortfall in car parking income has been offset by both the level of income from parking enforcement, and the level of fees generated from the bus stations.

Highways Development Control - £180,000 overspend

60. The slowdown in both the housing market and the economy in general has resulted in significantly less fees being generated. Fees levied from local land charges, which are generated through the buying and selling of houses are lower than previous years.

Public Transport Client/Transport Co-ordination - £33,000 overspend

61. Deployment of agency staff and transitional costs in these primarily staff based budgets have led to a small under spend.

Road Safety and Cyclist Training £26,000 overspend

62. The loss of income from the National Driver Improvement Scheme, previously administered by this service, has directly contributed to the reported over spend.

Passenger Transport - £16,000 underspend

63. The cost of providing public transport continues to increase, as uncertainty over fuel prices and the slowdown in the economy begins to impact on increases in tender prices received from operators and lower fares revenue from passengers. On current levels of service an overspend of £398,000 has occurred; offset by savings in concessionary fares and alternative concessions budgets.

Strategy and Policy - £308,000 underspend

64. Throughout the report a number of savings arising from vacancy management have been reported. As a result of the significant number of vacancies within this area additional savings have been possible from the budgets usually associated with the employment of staff, and the budgets supporting the work of these posts.

Development Management - £911,000 overspend

65. The charging regime for local land charges altered significantly in April 2009, and forecast levels of income were revised downwards in the budget strategy to reflect this. Final revisions to the charging structure combined with the slowdown in the economy have resulted in fee levels being less than anticipated.
66. The effects of the slowdown in the housing and construction sectors have had a significant impact on the level of fees generated from planning applications and building control. Budgets drawn up for the new council for 2009/10 took account of the economic climate and income targets were revised down accordingly. However, the position at the end of the year shows that income is £821,000 down on an income budget of £3.9m. A graphical analysis of income received in the year is attached at Appendix 8.

Business Support - £242,000 underspend

67. Spending has been held back against a number of budgets over the 2009/10 transition year, which can now be ring fenced to offset pressures in 2010/11.

Staffing Savings associated with Transition - £1,660,000 underspend

68. There have been a number of unfilled posts within the directorate over the course of the year which has provided a one off saving for the year. The budget strategy for 2010/11 has taken account of 34 such posts providing base budget savings for the future. Savings from vacancy management were identified early in the financial year, and with recruitment freezes have been increased in each quarter as posts continue to remain vacant.

Resources, Chief Executives Office, Legal & Democratic Services and Corporate Issues (Appendices 4 to 6)

69. The final outturn position for Resources, Chief Executives Office, Legal & Democratic Services and Corporate Issues is a net underspend of £446,000. As in previous years, the underspend will be carried forward and utilised in 2010/11. Appendices 4 to 6 provide a full analysis of variations against budget for Resources and Corporate Issues, Chief Executives Office and Legal & Democratic Services. Overall, the final outturn position can be summarised as follows:

	£000
Budget (including in year virements)	16,808
Prior year underspend added to 2009/10 budget	208
Budget available for 2009/10	17,016
Outturn for 2009/10	16,570
Underspend carried forward to add to 2010/11 budget	(446)

Resources and Corporate Issues - £199,000 underspend (Appendix 4)

70. The net underspend comprises a nil variation within Resources budgets and an underspend of £199,000 against corporate issues.

Resources – Nil variation (Appendix 4)

71. Accounting and Budgeting have overspent by £47,000 due to additional temporary staffing within the Payments Team and the costs of corporate external training and facilitation for the Service Reviews that have been carried out across the Council in order to identify efficiencies in the Council's processes.
72. Audit and Consultancy have out-turned at £7,000 over budget. Underspends within Audit Services due to vacant post have partially offset additional costs within Consultancy Services and the costs of temporary support for the extra-ordinary rise in the number of Freedom of Information requests managed by the Information Governance Team.
73. Exchequer Services are underspent by £646,000. This is due to the number of Housing Benefits overpayment debts raised during the year. Further details regarding this underspend is provided in paragraph 80. Underspends within Policy and Implementation due to vacant posts have also contributed to this position. The underspend generated within Exchequer Services has been contributed to the Efficiency Reserve.
74. Treasury and Pensions have overspent by £22,000 due to additional staffing costs within Payroll and Cashiers to deal with the increased workload arising from the transition to unitary. These costs have been partially offset by an underspend within Emergency Planning due to lower than budgeted corporate costs.
75. Property Services have an underspend of £66,000 due to higher than budgeted income within Building Services and Travellers Liaison.
76. ICT have out-turned with an underspend of £10,000. This has been generated from higher than budgeted income within the Schools IT Services Team and vacant posts within IT Development due to staff secondments.
77. Other Resources have overspent by £10,000 due to additional staffing costs within the Procurement Team.

Corporate Issues - £199,000 underspend (Appendix 4)

78. The underspend against Corporate issues is £199,000 due to uncommitted budgets within the Local Joint Committees (Appendix 9). This is ringfenced and will be carried forward to 2010/11.
79. An overspend of £63,000 has arisen against Audit Commission Fees due to additional audit work on Revenues and Benefits and residual costs from the District Authorities is being partially offset by underspends against Members Allowances

(£14,000), non-distributable costs (£25,000) and Corporate and Democratic Core (£20,000).

80. Three legacy issues have arisen during the closing of accounts which have affected the outturn position within Corporate budgets. The first relates to the level of housing benefits overpayments. Shropshire Council inherited £1.6m worth of housing benefit overpayment debtors from the five District Councils. During the year, significant work has been undertaken by the overpayments team to confirm that all debtors are still repayable and during this process, a number of additional overpayments were identified that had not previously been recognised in the District accounts. Therefore these overpayments have now been raised and recovery has commenced. This has generated additional income, through both the debtors raised, and through the partial housing benefit subsidy recovered from Department of Work and Pensions, of £414,000. The second legacy issue relates to an income budget within Housing Services that was overstated from the budgets inherited from the districts. This has been funded from a contribution from the efficiency reserve of £777,000. The third legacy issue relates to the creditor balances inherited from the District Accounts. It has been identified that the creditor balance for SABC had been overstated by £745,000 and there is no need for the creditor balance to remain at this level in the 2009/10 Statement of Accounts. Therefore this balance has been released into the revenue account and contributed to the VER reserve to meet future liabilities.
81. Other variations are contributing a net underspend of £5,000 to the final position.

Chief Executive's Office - £244,000 underspend (Appendix 5)

82. Chief Executive's Office final outturn position was a net underspend of £244,000. This is due to an underspend against the Area Partnerships which will be carried forward to 2010/11. Human Resources have overspent by £115,000 due to the costs of the interim Head of Human Resources and advertising costs for the Head of Human Resources position. An underspend has been achieved within Organisational Development due to the full utilisation of the Regional Improvement and Efficiency funding for training programmes. This underspend has been transferred to the Unitary Transformation Reserve to contribute towards the funding of the Human Resources Transformation Agenda. A further £65,000 of unallocated Performance Reward Grant has been transferred to the Unitary Transformation Reserve.
83. The Chief Executive's Office is overspent by £140,000 due to advertising costs for the Chief Executive and Assistant Chief Executives positions. This is being offset by an underspend within Shropshire Partnership due to vacant posts and within Customer Access due to a one-off saving against software costs.
84. Communications are overspent by £87,000 due to consultants costs and lower than budgeted income within the Design Team. This has been partially offset by an underspend within Corporate Performance resulting from lower than budgeted expenditure on Scrutiny Research and the Corporate Plan.

Legal & Democratic Services – £2,000 underspend (Appendix 6)

85. Legal & Democratic Services final outturn position was a net underspend of £2,000. Legal Services have generated an underspend within the year as a result of vacant posts. A contribution of £110,000 from these underspends has been made to the Legal Disbursements Reserve towards future costs of the service. Registrars are underspent by £22,000 as a result of higher than budgeted income. These underspends are offsetting an overspend of £81,000 on Coroners. The overspend is due to specialist witness costs and legal costs relating to an Appeal Court Hearing.

General Balance

86. Movements in the Council's General Balance in the year have been as follows:

	£000
Actual balance at 1 April 2009	2,250
General Fund Balances transferred from the Districts	5,980
Final variations on closedown:	
- Base Budget Contribution (compensating savings built into 2010/11 budget)	(3,200)
- Voluntary Early Retirement	(1,556)
- Capital Projects	(604)
- Insurance – below the line underspend	5
Total of Variations	(5,355)
Final Balance at 31 March 2010	2,875

87. There has therefore been an overall increase of £625,000 in the General Balance during the year.

Reserves and Provisions (Appendix 7)

88. The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services.

89. The overall position for reserves and provisions is set out in the Statement of Accounts 2009/10, an extract from the Statement of Accounts is contained at Appendix 7. The overall change in revenue reserves and provisions is as follows:

Balance of Reserves and Provisions	£000
As at 31 March 2009 (Restated)	21,983
Balances transferred from the Districts	8,902
Amended Opening Balance as at 1 April 2009	30,885
As at 31 March 2010	38,175
Increase/(Decrease)	7,290

90. Further details about the authority's reserves, provisions and balances are provided within the Reserves, Provisions and Balances report.

Local Area Agreements

91. Shropshire's Local Area Agreement was agreed in July 2008. The LAA targets are based on the National Indicator set. The LAA includes 16 mandatory education targets.

92. There are four themes to the LAA: Children & Young People, Healthier Communities and Older People, Safer and Stronger Communities and Sustainable Communities.

Budget for the Local Area Agreement

94. The four themes of the LAA are funded by a combination of Performance Reward Grant, Area Based Grant and aligned existing budgets. A summary of the funding of the LAA is set out in the table below:

LAA 2009/10 Budget	LPSA ² Performance Reward Grant	Area Based Grant	Aligned existing base budgets £	Total budgets £
<u>Children's Trust</u>				
LAA Targets	150,000	2,216,296	12,706,226	15,072,522
LAA – Mandatory Education Targets (non DSG)	0	0	6,537,645	6,537,645
LAA - Mandatory Education Targets (DSG)	0	0	DSG	DSG
Children's Trust Total	150,000	2,216,296	19,243,871	21,610,167
<u>Health & Wellbeing</u>				
LAA Targets	250,000	571,328	9,926,868	10,748,196
Health & Wellbeing total	250,000	571,328	9,926,868	10,748,196
<u>Safer & Stronger Communities</u>				
LAA Targets	150,000	421,919	209,110	781,029
Safer & Stronger Communities Total	150,000	421,919	209,110	781,029
<u>Sustainable Communities</u>				
LAA Targets	250,000	1,050,668	12,140,176	13,440,844
Sustainable Communities Total	250,000	1,050,668	12,140,176	13,440,844
Total all blocks	800,000	4,260,211	41,520,025	46,580,236

Final Outturn

95. The final outturn for the LAA in 2009/10 is an underspend of £2,603,944. The table below reports on the full year spend against the four LAA themes.

LAA 2009/10 Budget Monitoring	Total budget £	Outturn for the full year £	Variance £
<u>Children's Trust</u>			
LAA Targets	15,072,522	16,007,674	935,152
LAA – Mandatory Education Targets (non DSG)	6,537,645	6,537,645	0
LAA - Mandatory Education Targets (DSG)	DSG	DSG	N/A
Children's Trust Total	21,610,167	22,545,319	935,152
<u>Health & Wellbeing</u>			
LAA Targets	10,748,196	10,664,189	(84,007)
Health & Wellbeing total	10,748,196	10,664,189	(84,007)
<u>Safer & Stronger Communities</u>			
LAA Targets	781,029	462,241	(318,708)
Safer & Stronger Communities Total	781,029	480,140	(318,708)
<u>Sustainable Communities</u>			
LAA Targets	13,440,844	10,304,544	(3,136,300)
Sustainable Communities Total	13,440,844	10,304,544	(3,136,300)
Total all blocks	46,580,236	43,976,292	(2,603,944)

96. The final outturn for Children's Trust is an overspend of £935,152 of its aligned existing base budgets. This overspend arises in the budget for Children Placements (NI 62 and 63) which comprises overspends in Children Looked After (£976,000) and

Foster Care placements (£177,000). These overspends have been identified elsewhere in the outturn report and have been partially funded by CYPS Directorate reserves.

97. There are underspends within Health & Wellbeing of £84,007. The Health & Wellbeing Board has committed all of the funding for 2009/10, however a number of organisations have not incurred expenditure in 2009/10, therefore the funding will roll forward to 2010/11.
98. Safer & Stronger Communities have outturned with an underspend of £318,708. £150,000 of this relates to the Performance Reward Grant Funding that was allocated part way through the year. The Safer Stronger Communities Board have identified that these funds will fund the provision of Domestic Violence support and the Integrated Offender Management (IOM) project. These projects are now going live during 2010/11 therefore the funding will roll forward to next year.
99. The final outturn for Sustainable Communities is an underspend of £3.1m due to the expenditure relating to the provision of waste facilities in Bridgnorth and Oswestry being re-profiled into 2010/11, and underspends in the Economic Regeneration capital programme, especially in relation to the Tern Valley Business Park, which have been slipped into 2010/11.

Learning to Deliver Improvement Support Grant

100. Shropshire has been awarded a Learning to Deliver Improvement Support Grant that will be used to support delivery of the LAA. The proposed allocation of the grant is set out below with the expenditure incurred to date.

Proposed allocation of Learning to Deliver Improvement Support Grant	Budget £	Outturn £	%
Interventions to reduce worklessness	65,000	25,615	39.4%
Capacity of Leadership Board to deliver the LAA	5,000	725	14.5%
Develop SALC capacity to improve the level of Parish & Town	3,000	1,000	33.3%
Council involvement in LAA delivery			
Delivery of Area Partnerships and capacity to deliver LAA priorities	12,000	0	0%
	85,000	27,340	32.2%

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

Revenue and Capital Budget 2009/10

Budget Monitor for Fourth Quarter of 2009/10 Cabinet, 12 May 2010, Strategic Overview & Scrutiny Committee, 12 May 2010.

Reserves, Provisions and Balances: Audit Committee, 18 June 2010, Council, 24 June 2010

Council Constitution: Part 4, Rules of Procedure – Financial Procedure Rules, pages 1-76.

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

Environmental Appraisal

N/A

Community / Consultations Appraisal

The original budget was subject to a widespread consultation process with the Corporate Plan.

Cabinet Member

Keith Barrow, Leader of the Council.

Local Member

All Members.

Appendices

1. Children and Young Peoples Services – Analysis of Variation from Budget
2. Community Services – Analysis of Variation from Budget
3. Development Services – Analysis of Variation from Budget
4. Resources and Corporate Issues – Analysis of Variation from Budget
5. Chief Executive's Office – Analysis of Variation from Budget
6. Legal & Democratic Services – Analysis of Variation from Budget
7. Extract from 2009/10 Statement of Accounts – Reserves and Provisions
8. Building Control and Planning Application Income Graphs 2009/10
9. Local Joint Committee Carry Forwards

Decision(s)

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
SCHOOLS' BUDGET – CENTRALLY MANAGED				
Early Years Three and Four year old private, voluntary and independent provider nursery places	4,659	0	0	There are less pupil days in 2009/10 (187 days) compared to 2008/09 (196 days). This variance was anticipated in the closedown of the 2008/09 accounts, when an overspend of £48,000 was carried forward to be managed in 2009/10. Expenditure in the year and carry forward from 2008/09 has been contained within the budget for 2009/10. There has been a net underspend of £181,000, resulting from the lower number of pupil days in 2009/10. This will be carried forward and earmarked in 2010/11 to contribute towards the increased pupil days (196 days) in that year.
Other Early Years and Childcare base budgets	401	0	0	
		0	0	
Schools' related, centrally managed budgets: Schools' rateable values	2,163	(197)	(256)	There have been continued savings arising from the effect of successful rateable value appeals, undertaken by Property Services on behalf of the directorate.
Joint Use contributions	797	(58)	(95)	
Schools' contingencies	130	(96)	(103)	Contingency provision of £130,000 is contained within schools' related budgets for a combination of schools' formula funding data changes, and for unforeseen circumstances. Actual claims against this contingency have been modest.
		(351)	(454)	
Inclusion Services				

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10	Quarter 4 Projected Over/ (under) spend	Outturn Full year Over/ (under) spend	Comments
	£000	£000	£000	
Tuition Services and Education Centres	1,654	0	17	<p>These operational services have overspent marginally against budget provision.</p> <p>The net overspend in 2008/09 of £285,000 on out of authority education placements included one-off credits brought forward from 2007/08 of £288,000. The gross overspend was therefore £573,000, which was anticipated to increase in 2009/10 due to additional new placements during the year.</p> <p>A total of 11.4 new full time equivalent (fte) placements have been made during 2009/10 in a range of other local authority and independent special schools, giving rise to additional costs in the year of £381,000.</p> <p>The budget virement of £500,000 from centrally retained grant funding, approved in the Quarter 1 report, has been applied to this budget, reducing the net overspend to £454,000.</p>
Out-County pupils - net recoupment of pupil costs to and from other LAs, and from independent and non maintained special schools	3,957	430	454	
Devolved funding and contingency support to Shropshire schools for additional in-year pupil provision beyond initial delegated budgets	1,578	66	66	
Other tuition services and provision	1,216	(108)	(62)	
Joint Arrangements for Special Support Services with Telford and Wrekin	1,518	20	(18)	
One off contribution from directorate Reserves		(408)	(111)	

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
		0	346	
LOCAL AUTHORITY BUDGET				
Home to school transport				
Provision of statutory free transport for eligible pupils and students	9,887	270	270	There were less transport days in 2009/10 (187 compared to 196 in 2008/09). An overspend of £270,000 was brought forward from 2008/09 based on these additional days, to be funded by the lower transport days in 2009/10.
		559	380	The key expenditure pressure in 2009/10 was the continued contraction in the local bus contractor market, and the effect this had on the tender prices of retendered routes. The price of fuel oil stabilised over the first three quarters of the calendar year, resulting in a 0% contract inflation award with effect from September 2009. However, contractor tender growth continued, and has more than offset the effect of a 0% inflation increase. As a result, the base budget overspend continued at a similar level to last financial year. This in-year overspend represents 3.8% on the Home to School Transport budget of £9.9 million. Significant transport efficiency review savings in excess of £280,000 have been achieved within this net overspending position.
One off contribution from directorate Reserves		(526)	(199)	A one off contribution from the Carry Forward Reserve has been applied to partly offset this overspending. The balance of the overspend on Home to School Transport Services of £451,000 is fully offset by underspendings elsewhere within local authority and schools' related, centrally

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10	Quarter 4 Projected Over/ (under) spend	Outturn Full year Over/ (under) spend	Comments
	£000	£000	£000	
		303	451	managed budgets.
Directorate Management and Administration Strategic, statutory and regulatory responsibilities; the management and administration of the whole service, including schools	5,846	(166)	(157)	There have been a number of continuing base budget spending pressures, which were managed through the application of significant grant funding to base budget activities, and through good housekeeping savings on staff vacancies and supplies and services. Additional grant funding has been earmarked to contribute towards the management and administration of grant funded schemes, particularly Extended Schools and Children's Centres.
Advisory Service Raising achievement and standards in schools, by undertaking the local authority's statutory functions for monitoring and challenging schools	2,028	(50)	(186)	Continued application of former matched funding requirements for Standards Fund grant, and other prior year grant, to base budget activity has delivered savings.
Early Retirement contributions The on-going effects of prior years' early retirements (including provision of up to £200,000 for initial one-off lump sum and redundancy costs)	2,195	82	82	The on-going, annual pensions' payments for prior year early retirements are now exceeding base budget provision. 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. The numbers of teaching and non teaching staff meeting the criteria for early retirement in schools are increasing significantly, as schools manage the financial impact of

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10	Quarter 4 Projected Over/ (under) spend	Outturn Full year Over/ (under) spend	Comments
	£000	£000	£000	
		150	252	falling pupil numbers on their delegated budgets. This is giving rise to significant expenditure in excess of standard budgeted provision.
		260	260	Early retirements of non teaching staff in schools have generated strain on the pension fund one-off payments.
One off contributions from directorate Reserves		(492)	(594)	One-off Early Retirement redundancy and lump sum costs in schools have £910,000, of which £200,000 is available from within this directorate base budget. A contribution of £450,000 towards these costs has also been made from the corporate Voluntary Early Retirement provision.
		0	0	One-off contributions from directorate Reserves have been applied to fully offset this overspending. These comprise £589,000 from the directorate Insurance Reserve, and £5,000 from the Carry Forward Reserve.
Net Schools' and Local Authority services		(264)	0	

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
SOCIAL CARE AND SAFEGUARDS				
Children Looked After				
Procurement of placements in the independent sector in specialist residential accommodation	4,444	1,051	976	<p>The final outturn position arises from a number of factors which continue from the 2008/09 overspend of £449,000. The movement in 2009/10 from the net overspend position in 2008/09 (an increase in variation of £527,000) can be summarised as follows:</p> <ul style="list-style-type: none"> • Recycled savings, to other Social Care and Safeguards budgets, of £259,000 from the block contract for external residential placements. • Full time equivalent placements for the year total 35.53, which represents a 3.64 increase from 2008/09, amounting to £654,000. • Net real terms reduction of £296,000, from budgeted provision, to the average cost per place. The average net unit cost of current placements is £180,000 pa, compared with £185,000 in 2008/09. This reduction is mainly due to the anticipated full year effect of the block contract, which had 5.4 fte placements in 2008/09, but is now at its maximum capacity of 10 placements. • Increased contributions from the Primary Care Trust of £53,000. These contributions are based on the specifically identified health needs of each placement. • Increased Education contributions of £141,000. These contributions are based on the specifically identified education needs of each placement. • Other variations amounting to an increase of £104,000, mainly relating to reduced discount received from one provider reflecting lower placement levels.

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Community Homes Three in-county residential children's homes - The Rowans, Chelmarin and Havenbrook	1,626	54	56	Additional costs have had to be incurred to provide the required safe level of night staff cover at one of the in-county homes. The level of cover required is currently under review.
Prevention and Support Other Prevention and Support Services, contracted children's accommodation and contingency	3,102	(113)	(151)	Contingency provision of £70,000, along with other modest reductions over a range of services, has been targeted to support overspendings elsewhere within Social Care & Safeguards.
		(85)	(85)	A small element of Children's Centre grant income for 2009/10 has been targeted towards prevention and support services for children under 5 years old, and their families.
Children Leaving Care Support to 16 and 17 year olds	1,027	91	98	Additional numbers of Children Leaving Care continuing in fostering provision has led to an overspending. There are now 16 young people continuing in foster care, whereas there were 9 in April 2009. The average cost per internal placement is £16,000.
		(50)	(50)	Additional LAA Reward grant income for 2009/10 has been targeted towards crisis support out of hours to young people in difficulties, and to support foster care placements.
Other services Foster Care: Payments to Foster Carers, including independent agency placements	2,353	196	177	Additional independent foster care placements continued to be needed to provide capacity for overall placement requirements, at a cost of £140,000 above budgeted provision. There are currently 12.5 of these placements (which are 3.5 above the budgeted level), at an average annual cost of £43,700

Children & Young People's Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
		(85)	(188)	against the average internal placement cost of £16,000. Internal foster care placements have also increased significantly, there now being 104 placements compared with 95 at the start of the year. Additional Children's Centre grant income for 2009/10 has been targeted towards foster care services for children under 5 years old.
Assessment and Care Management Management, social work and administrative support directly involved with the commissioning, purchasing and provision of services for children.	5,739	242	169	There are significant pressures on the recruitment and retention of social workers, senior social workers and team managers. These are requiring additional resources for a range of strategies, to ensure that the safeguarding of children is given the highest priority. These strategies include additional agency staffing arrangements and contracts, and an internal salary review for frontline social work staff.
One off contributions from directorate Reserves		(240)	(762)	One off contributions from directorate Reserves have been applied to partly offset this overspending. These comprise £202,000 from the directorate Bad Debts Reserve; and £38,000 from the Carry Forward Reserve.
Net SC&S overspend		1,061	240	
Offset by: Net underspends elsewhere within the directorate		(264)	0	
Total Children & Young People's Services Base Budget Overspend		797	240	

Appendix 2

Community Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Learning Disability	13,317	250	250	The majority of this pressure due to transition cases, i.e. children who reach the age of 18 years and transfer across to Adult Services. The total pressure before additional grants were applied was £526,000. Area based grant has been applied to bring the overspend down to £250,000.
Mental Health	3,362	0	2	There have been pressures on the residential budget of £200,000; however this has been covered through vacancy savings during the year, substantially within the substance mis-use service.
Older People	31,220	0	35	Older People have an over spend of £35,000. Pressure on the purchasing budget of £391,000 which has been largely offset by savings due to vacancies during the year. A number of provisions held during the year for winter pressures and continuing healthcare funding changes were not required to the value projected.
Physical Disabilities	6,665	140	140	Physical Disability Services is overspent by £140,000. Increased demand for the service together with changes to existing care packages have increased pressure on the service by £300,000. One off retrospective Continuing Health Care funding has brought the projected overspend down to £140,000
Total Adult Social Care	54,564	390	427	
Culture	3,346	(135)	(23)	Arts and Heritage has an under spend of £23,000. This has been achieved through the management of vacant posts within the museum service and an over achievement of income at Acton Scott and a reduction in costs at Theatre Severn. A reserve of £155,000 has been created for the future repairs,

Appendix 2

Community Services - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				replacement and maintenance of equipment at the Theatre Severn.
Learning	635	0	1,138	County Training trading account has made a loss of £1.141m due to the loss of 50% of the new deal contract and LSC caps on learner recruitment. Also a small underspend on adult education services included here.
Libraries	3,946	(30)	(152)	Libraries has an under spend of £152,000 due mainly to being unable to place all book orders by the required deadline, but also through careful vacancy management and management of utility costs.
Leisure & Outdoor Recreation	5,765	200	32	This is mainly due to maintenance and works on outdoor facilities being higher than budgeted. An overachievement of income at various Leisure facilities in the last months of the year has also reduced pressures on budgets.
Total Culture, Leisure and Learning & Employment Training	13,692	35	995	
Housing Services	1,399	(50)	(16)	Housing services have a £16,000 under spend against budget due to more rental income being received compared to that budgeted.
Business Support	10,097	(90)	(241)	The Business Support function has had a number of vacancy savings during the year and having been aware of the ongoing pressures on front line budgets has paid particular attention to reducing overhead support costs. As a result of this we have achieved ongoing savings and reduced management costs.
Total Community Services	11,496	285	1,165	

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
PORTFOLIO – LOCAL ENVIRONMENT & ECONOMY – Environmental Maintenance				
General Highways Maintenance	6,552	404	316	<p>Highways Maintenance overspent by £326,000 in 2008/09 and this was removed from the 2009/10 budget as a carry forward allocation.</p> <p>In 2008/09 as a direct consequence of additional expenditure incurred due to the severity of the winter weather and the flooding of September 2008, a further overspend of £2,060,000 was removed from the Highways Maintenance Budget as a carry forward allocation.</p> <p>Both of the above have placed considerable pressure on the budget in 2009/10, and the programme outlined in the Highways Maintenance Plan was revised to accommodate these overspends.</p> <p>All available resources were fully allocated in accordance with the Highways Maintenance Plan, and in line with previous years practice expenditure was over programmed against the budget. This has ensured the maximum use of resources when factors such as scheme slippage, weather conditions, unforeseen delays etc were taken into account.</p> <p>The over spend reflects both the over programming within the budget and the continuous nature of the programme, (i.e. the programme doesn't simply cease on 31st March and begin again on 1st April). In line with previous years practice, any over spends will be managed within the following years Highways Maintenance Budget.</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
		120 (40)	120 (27)	Following the redevelopment of the Highways Depot in Shrewsbury, expected reductions in the Rateable Values (RVs) attached to the property have yet to materialise. RVs are calculated by the Valuation Office and determine the amount of National Non Domestic Rates payable on a property. The matter has been raised with the Valuation Office who has acknowledged that the matter needs to be re-assessed, and whilst it is anticipated that a reduction will be forthcoming it is uncertain as to when this will happen. In the meantime the Council will continue to pay the current liability. This has to some extent been offset by under spends on supplies and services throughout the rest of the service.
		(120)	(121)	A review of Highway charges in 2008 has prompted an increase in the level of fees generated. This is particularly so for Section 74 charges, which allow the Highway Authority to charge Utility companies who overrun on works, carried out on the highway network. Whilst some of this has been used to fund additional supervisory costs, the remainder has been used to offset some of the pressures highlighted above.
		65	66	A number of additional costs were incurred following the gas explosion at Bridge Street, Shrewsbury in January. It has not been possible to accommodate these within existing budgets.
Severe Weather	1,469	1,449 (1,000)	1,448 (1,000)	In 2008/09 the budget for winter maintenance over spent by £1,234,000. Although the over spend was primarily due to the severity of the winter weather and the additional turnouts of the

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				<p>gritting fleet to cope with this, the situation was exacerbated by a national shortage of gritting salt which temporarily inflated the price local authorities paid for their supplies.</p> <p>There has again been a significant over spend on the winter maintenance budget due to the severity of the winter weather. In 2009/10 there have been over 90 full turnouts of the winter maintenance gritting fleet. On average the budget allows for approximately 45 turnouts. As occurred last year Local Authorities have faced some difficulties in acquiring sufficient quantities of salt to use on the roads. Although Shropshire did not run out of salt, levels of salt became low enough that resources had to be concentrated on the defined network only. One consequence of the shortage was a significant increase in the price of salt, and in order to maintain an adequate stock level, a number of purchases were made at a price significantly higher than normal.</p> <p>The Severe Weather Reserve was depleted at the end of 2006/07. At quarter four £1m has been transferred into the reserve, and this has been applied to significantly reduce the impact of the over spend. The remainder of the over spend will be a first call on the 2010/11 Highways Maintenance Budget.</p>
Environmental Maintenance	5,074			<p>The service received an additional £553,500 in 2009/10 to cover the costs of new litter picking gangs, combined pavement and road sweeper gangs, and other initiatives including Town wardens and Town Centre "Deep Cleanse"</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
		217 (102)	225 (102)	<p>programmes. Efficient use of these resources has allowed pressures elsewhere in the budget to be offset.</p> <p>The budget and operation of the services under Environmental Maintenance have been organised on an area basis, covering the North, Central and South of the County. The merging of five District environmental maintenance functions into one has raised a number of differences in service delivery across the County and with them a number of financial concerns. Budgets across the three areas have been reviewed and a number of adjustments have been made to reflect the actual cost of service delivery.</p> <p>The over spend has to some extent been offset from savings achieved by actively managing the budget to accommodate a number of pressures that have arisen during the year:</p> <ul style="list-style-type: none"> • Pending a review and rationalisation of the County's road sweeper vehicle fleet, a number of operational issues have arisen from the existing fleet. It has been necessary in the short term to hire in additional and replacement vehicles at further cost • Additional costs have been incurred as a result of a chemical fly-tipping incident earlier this year. The Environment Agency have insisted that the Council store these chemicals (all 98 drums), whilst they pursue a prosecution. • In order to facilitate the smooth transition to the new authority a number of temporary staffing and contractual arrangements

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
		130 (100)	199 (100)	<p>have been in place during the course of the year.</p> <p>The service also includes Environmental Enforcement, in particular the provision and maintenance of CCTV. This function received an additional £50,000 in 2009/10 to provide a dedicated fully staffed CCTV service. The service is also supported by several streams of funding from the Home Office and Telford & Wrekin Council. There have been some significant one – off costs for both the refurbishment of the CCTV centre in Shrewsbury, the establishment of an out of hours CCTV service, and additional costs for staff training.</p>
PORTFOLIO – LOCAL ENVIRONMENT & ECONOMY – Public Protection				
Public Protection (County)	1,388	(50)	(45)	The budget includes an income target of £44,000 generated from the recovery of court and legal costs, licensing, verification fees and equipment hire. Income targets have been exceeded this year and a small under spend has arisen.
Public Protection (Area)	2,647	151	151	<p>The budget includes an income target of £790,000 generated from statutory and discretionary licences (e.g. taxis and private hire, premises and clubs, gambling etc), and environmental and public health services (e.g. private water supplies, pest control etc). The level of fees received this year is less than expected primarily due to the following reasons:</p> <ul style="list-style-type: none"> At the IE on 19th February 2009 a decision was taken to harmonise the fees and charges for hackney carriages and private hire vehicles to the lowest fee charged by any of

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
		(270)	(228)	<p>the five former District authorities'. Prior to this decision the budget strategy had already been set, and a budget shortfall has now materialised</p> <ul style="list-style-type: none"> On the whole these fees are not directly affected by the downturn in the economy. However the level of fees generated from Premises and Clubs has been less than expected. These are linked directly to the rateable value of the establishment, and a review of rateable values has adversely affected the level of income received. <p>Overall the service is under spent by £77,000. The shortfall in income shown above has been more than offset by vacancy management savings, over and above those associated with the transition to Unitary referred to under Business Support. Further savings have been possible from budgets associated with the activities of these vacant posts.</p>
Bereavement Services	(97)	(130)	(133)	<p>The budget includes an income target of £1,005,000. The majority of this is received from charges for the use of Shrewsbury Crematorium with the balance coming from burial fees at the cemetery.</p> <p>An increase in the death rate during the latter stages of the year has seen an increase in activity levels at the Crematorium.</p>
Waste Management	22,694	(450) 450	(451) 451	<p>The service delivers both waste disposal and collection functions through an integrated contract as part of the PFI Initiative. The gross budget is £26.166m which is part funded by PFI credits of £3.186m</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				<p>and fees and charges.</p> <p>The majority of the budget is required to meet the Unitary Charge Payments which are based on "Base Case tonnages". The contract payment is adjusted at the end of the year through an annual reconciliation process for actual tonnages treated, land filled and recycled, and the achievement of diversion targets. There are also adjustments to account for the actual income the contractor receives from the sale of recyclates and the use of the sites by third parties. Total tonnages for 2009/10 are below those currently assumed in the contract and this has resulted in a significant annual reconciliation payment due back from the contractor. Against this large annual reconciliation payment, several areas of the waste budget which are outside of the PFI contract have overspent including the separate food waste service and recycling credit payments to third parties. The net under spend of £451,000 will be carried forward in the general waste management reserve to be offset against current and future revenue and capital pressures - see below.</p> <p>The budget for 2009/10 includes a contribution to the PFI Reserve. In the early years of the contract budgeted contributions to the reserve are required and budgeted releases are necessary in the later years of the contract. Interest is earned on the reserve so that the budgeted contributions plus the accumulated interest in total meet all of the required releases from the reserve. The reserve account is used to smooth the step up in the Unitary Charge once additional facilities come on line and ensures</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				<p>that the Council does not pay for services in advance of receiving them. Due to low interest rates for the whole of 2009/10 there has been a shortfall in the expected interest to be applied to the Reserve. The shortfall of £314,000 will be met by a contribution to the Waste PFI Reserve from the general waste management reserve.</p> <p>There is an outstanding claim for costs from the previous disposal contractor which is still being negotiated. The claim relates to additional costs incurred by the contractor in 2005/06, 2006/07, 2007/08 and 2008/09 which are payable by the Council. A provision exists to settle this claim which stands at £435,000. Claims up to the end of 2007/08 have now been settled at a cost to the reserve of £385,000. The final claim for 2008/09 is likely to be in excess of the remaining balance in the reserve and any additional costs would have to be found from the general waste management reserve.</p>
PORTFOLIO – LOCAL ENVIRONMENT & ECONOMY – Strategy and Development				
Economic Regeneration	408	100	(105)	<p>The service manages a significant number of workshop and office units for small businesses, and the net surplus from these rents is used to support the overall Economic Regeneration budget. The net revenue budget includes an income target of £1.4m from rents. Many of the industrial and business estates previously held by the District/Borough Council's have unadopted roads which the Highways Authority will not maintain. The cost of adopting these roads could be significant.</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
	35	85	106	<p>Early indications suggested that the downturn in the economy would place considerable pressure on a number of tenants, which would result in reduced rental yields. The final outturn has been more favourable and the following factors have influenced this position.</p> <ul style="list-style-type: none"> • The rental yield has proven to more robust than initially thought. • Investigations throughout the year have revealed a number of discrepancies between the budget and tenant leases at the start of the year and the actual position at the year end. These on the whole have worked in the Directorate's favour as the detail of site and tenancy agreements have resulted in costs being less than initially thought and income in some cases being greater. <p>The Council has recently engaged a Management Company to undertake the operation of the Food Enterprise Centre in Shrewsbury. However the delay in finalising this agreement has contributed towards low occupancy rates of the centre. Consequently there is a shortfall on the expected rental yield expected this year; to offset costs which have arisen from the beginning of the year. In future years the annual deficit has been estimated at £140,000. In the overall budget for this service total savings of £105,000 have been identified in 2010/11 and these will be vired to supplement the existing budget of £35,000 for the Food Enterprise Centre.</p> <p>In order to cover this years increased costs on the Food</p>
		(150)	(129)	

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				Enterprise Centre deliberate savings have been made within the overall budget, by holding back a number of planned activities and maximising income where possible.
TOTAL LOCAL ENVIRONMENT & ECONOMY	40,170	759	641	
PORTFOLIO – STRATEGIC PLANNING & TRANSPORTATION – Environmental Maintenance				
Parking and Transport Service	(3,046)			The service includes the provision of car parks, bus stations and decriminalised parking enforcement throughout the County.
		420	500	Car Parking had an income target of £4.2m in 2009/10. Income from the County's car parks has been adversely affected by both the downturn in the economy and the more tolerant approach to parking enforcement adopted by the new Council. The level of income collected each month has declined even further since Christmas, and probable factors explaining this are the effects of the gas explosion in Shrewsbury which forced the closure of 3 town centre car parks for 5 days, car park closures due to flooding and the severe wintry weather experienced during this period.
		(95)	(97)	Decriminalised parking enforcement received an additional £258,000 in 2009/10, following a review into the operation of enforcement and the adoption of a more tolerant and flexible approach. The service has an expected level of income of £221,000, and income received during the year has exceeded this level.
		(9)	(8)	The budget for bus stations includes an income target of

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				£110,000; generated from charging bus operators for the number of departures. Income received during the year is marginally in excess of budget.
PORTFOLIO – STRATEGIC PLANNING & TRANSPORTATION – Highways & Transportation				
Strategic Highways & Traffic	2,119	0	0	A primarily staff based budget to commission the programme of works funded through the capital programme, revenue budget and external grant. Following Local Government Re-organisation a number of posts have remained vacant throughout the year. Recruitment to these vacancies has been on-going, however in the short term workloads have been managed by the deployment of agency staff.
Traffic & Transport Studies	268	0	0	There are no significant variations to report in this primarily staff based budget.
Highways Development Control	49	180	180	The net revenue budget includes an income target of over £295,000, derived from property and land search fees, and fees levied on property developments. As such the budget outturn is highly dependent on activity levels within the commercial and residential property markets. 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 have resulted in a sharp down turn in income for 2009/10

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				leading to a significant overspend.
Public Transport Client	136	12	13	A small over spend arising from a number of one-off transitional costs that occurred during the year.
Road Safety & Cyclist Training	128	0	26	<p>The net revenue budget includes an income target of over £80,000, generated from road safety training courses operated by this section. Recently the section has ceased undertaking the Driver Improvement Scheme. It was originally planned for this to be offset by reduced expenditure across the service, however this has not been possible and an over spend has arisen from the loss of this income.</p> <p>From 1st April 2007 funding for the Safer Roads Partnership in the West Midlands Region has been allocated directly to the four partner highway authorities. Shropshire's allocation in 2009/10 is £872,668 of which £731,842 has been allocated as revenue grant. The Council has committed itself to funding the Partnership in 2009/10 at a level similar to that in 2008/09 and £619,931 has been set aside for this purpose.</p> <p>The balance of funding has been used in 2009/10 to support a number of road safety initiatives for cyclists, young drivers, speed awareness, and marketing and publicity campaigns.</p>
Passenger Transport	2,300	450	398	The cost of providing public transport continues to increase and this is particularly the case in rural areas where passenger demand is limited, operating costs are high and competition between operators is relatively low.
Concessionary Fares, Railcards and Tokens	2,560	(400)	(414)	

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				<p>The high fuel costs in the latter half of 2008 created a level of uncertainty in the market which greatly increased the cost of services being re-tendered and added to the high inflationary award to operators in September 2008 of 5.4%. The full year effect of this will impact on 2010/11 and the remaining life of the contracts.</p> <p>The economic downturn has reduced the number of passengers travelling which in turn reduces fare income and increases the liability of the Council. This is particularly the case for Park & Ride services and this is consistent with the reported reduction in footfall in Shrewsbury.</p> <p>On current levels of service an over spend of £398,000 has arisen. An over spend has been reported throughout the course of the year, and this has been steadily reduced during the year as officers have been working to reduce costs and accurately forecast the outturn position. This has included the re-profiling of local bus service contracts and a substantial saving from service 501 which was previously subsidised but is now operated commercially. Additional costs have been slightly less than anticipated at Quarter Four, as a significant number of operator invoices are paid in arrears and these are subject to the volatility of passenger numbers.</p> <p>The budget for concessionary travel received an additional £970,000 in 2009/10. This was to enable the equalisation of the service across the entire county from the schemes previously offered by the outgoing District and Borough Councils. The scheme is further supported by direct</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				<p>government grant of £908,000.</p> <p>It is important to note that expenditure on concessionary fares is directly linked to passenger usage and fares charged. Whilst every reasonable effort is being made, it is difficult to forecast passenger behaviour and predict travel plans accurately. Reimbursement to operators is linked to the fares charged, and any increase in these will have a significant impact on the cost of the service. This is true of both commercial and subsidised bus routes.</p>
Transport Co-ordination	525	20	20	<p>Following Local Government Reorganisation a significant number of posts have been vacant during the year. The deployment of agency staff to manage these vacancies during the year has contributed to a small overspend.</p>
PORTFOLIO – STRATEGIC PLANNING & TRANSPORTATION – Strategy and Development				
Strategy & Policy	2,500	(250)	(308)	<p>This is a primarily staff based budget delivering regional planning policy, the Local Development Framework, housing strategies and the Council's sustainability policy. Following Local Government Reorganisation a significant number of posts have remained vacant. Although vacancy management savings have been identified later in this report as part of the wider Directorate budget strategy, further savings have arisen from both the costs usually associated with the employment of staff, and the budgets that support the work of these posts.</p> <p>However, there will be some considerable pressure on the budget in future years with regard to funding the scheduled hearings</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				and inquiries associated with the Local Development Framework. In light of this it has been agreed to use some of the Housing and Planning Delivery Grant received this year to establish an appropriate reserve for future inquiries.
Development Management	350	90 90	53 37	<p>Development Management is responsible for the provision of statutory planning and regulatory functions for the Council; covering local land charges, building control and planning applications. The net budget has an income target of £3.9m derived from fees levied for these functions. There have been a number of transitional costs arising in this area from the set up of a new authority, and it has not been possible to contain these within existing budgets.</p> <p>The charging regime for local land charges has been altered significantly since April 2009. New Government regulations require local authorities to calculate the level of fees they charge on a cost recovery basis only. This has resulted in significant reductions in the level of fees charged by the new Council. The budget strategy for 2009/10 already assumed a certain reduction in income from that previously achieved by the former District/Borough Councils. Final revisions to the fee structure initially identified a shortfall in budget of £206,000 and this appeared to be borne out in the early part of the year.</p> <p>Search volumes have actually been higher than anticipated and this has offset the initial shortfall identified. Analysis at the year end revealed a discrepancy between the actual number of land charges</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
		900	821	<p>carried out and the income posted to SAMIS. Further investigations highlighted a number of coding issues resulting in additional income being credited to this account. However income in this area remains volatile and it would be difficult to forecast an improved position in 2010/11.</p> <p>The effects of the slowdown in the housing and construction sectors have had an impact on the level of fees generated from planning applications and building control. The impact on Building Control has also been affected by the private sector cutting their rates to drive up business during the recession. Income for planning applications is approximately 21% (£389,000) down on the level expected; and building control income is approximately 30% (£432,000). As with Land Charges above a number of issues with regard to coding were identified at the year end and additional income has been credited to this account. A graphical analysis of income received in the year is attached at Appendix 8.</p> <p>Although the level of income remains volatile the trend analysis in the graphs suggests that the situation is not deteriorating. However there are few signs in Shropshire of the position improving significantly and thus, the anticipated level of income in 2010/11 and future years remains uncertain.</p>
Environment	1,085	0	0	<p>This is a primarily staff based budget for the protection, maintenance and enhancement of the natural and historic environment. The budget includes the Area of Outstanding Natural Beauty in South Shropshire, and</p>

**Development Services - Analysis of
Variation from Budget**

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
				attracts in the region of £174,000 of funding from Natural England. A balanced budget has been achieved this year.
TOTAL STRATEGIC PLANNING & TRANSPORTATION	8,974	1,408	1,221	
BUSINESS SUPPORT				
Business Support includes Administrative Services, Information and Performance Management, Senior Management, Finance and the Notice Processing Team for parking enforcement; plus Service Level Agreements with other support services in the Council.	8,508	(240)	(242)	The budget includes over £5.5m of Service Level Agreements with other support service providers in the Council. Budgets for Service Level Agreements are allocated to each Directorate by the Director of Resources and are generally fixed throughout the year.
Staff savings associated with transition to one council.		(1,609)	(1,660)	Spending has been held back against a number of budgets over the 2009/10 transition year, which can now be ring fenced to offset pressures in 2010/11. At the beginning of the financial year the Directorate as a whole had a significant number of vacancies, of which only some were filled during the course of the year. Following reorganisation and some restructuring, 34 posts were identified for long term savings as part of the 2010/11 budget strategy. In addition one off savings from a freeze in recruitment over the year have produced significant savings in 2009/10.
TOTAL BUSINESS SUPPORT	8,508	(1,849)	(1,902)	
TOTAL DIRECTORATE	57,652	318	(40)	

Appendix 4

Resources and Corporate Issues - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Accounting & Budgeting	(50)	38	47	Overspend due to additional temporary staffing within the Payments Team and the costs of corporate external training and facilitation for the Service.
Audit & Consultancy	(2)	5	7	Overspend due to temporary staffing support within Information Governance to deal with FOI requests.
Exchequer Services	2,495	(1)	(646)	Underspend due to higher income from Housing Benefit Overpayments and vacant posts within Policy and Implementation.
Less Contribution to Efficiency Reserve		0	638	Contribution to Efficiency Reserve
Treasury & Pensions	2,495 332	(1) 12	(8) 22	Overspend due to additional posts appointed during the year to cover increased workload from the unitary council. This is being partially offset by an underspend within Emergency Planning as a result of lower than budgeted corporate costs.
Property Services	(975)	(31)	(66)	Underspend due to extra income generated within Building Services and Travellers Liaison.
ICT	(23)	(2)	(10)	Underspend due to additional income generation within Schools IT Support and vacant posts within IT Development.
Other Resources	130	14	10	Overspend due to an additional post being appointed during the year to provide further assistance in generating procurement savings for the Council.
Sub-Total Resources excl Shire Services	1,907	35	0	

Appendix 4

Resources and Corporate Issues - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Shire Services				
Statutory Catering	(21)	191	170	<p>The outturn for Statutory Catering includes grant monies received from the government as part of the Transforming School Food Initiative.</p> <p>For catering at primary sites there has been an increase in income due to increased pupil take up, however Shire Services have had to spend more than anticipated on providing the equipment needed to meet the needs of this service. The running costs associated with the service, particularly relating to transport and food have also risen significantly.</p> <p>Secondary schools have also seen an increase in income helped by the grant funding Shire Services successfully obtained from the Government (DCSF). However, Shire Services have taken the decision to pay a substantial proportion of their part of the matched funding (£141,000 of £185,000) in the current year rather than spreading the cost over 2 years so as to achieve a rapid improvement in the dining facilities for as large a number of schools as possible.</p> <p>Other considerations include the introduction of tighter controls relating to CRB procedure checks which has seen an increase in the costs of labour due to the need to employ relief staff to be able to cover those staff awaiting CRB clearance. With the introduction of new ISA regulations due to take effect from July 2010, these costs are expected to increase further. This will be closely monitored to ensure minimal impact on the service.</p>
Non Statutory Catering	21	(62)	(31)	<p>The main reason for the reduction in the final outturn is due to less than anticipated income at some external educational sites. Running costs particularly transport related have seen a significant increase over the past year.</p>

Appendix 4

Resources and Corporate Issues - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Cleaning	0	(132)	(128)	<p>The service continues to work hard to increase pupil take up and hope to build on this by being successful in the next year in their bid to gain several new contracts in the Hereford & Worcester Area.</p> <p>The surplus of £128,000 for Cleaning represents 4% of gross budget and has been achieved through greater income generation. As an example, Shire Services cleaning management have taken on the responsibility for Shirehall Services, thereby attracting a recharge of £32,000 to the cleaning service together with the responsibility for a number of Area Headquarter buildings.</p> <p>The introduction of tighter controls relating to CRB procedure checks has affected the labour costs of this service, as have increased costs associated with employer liability insurance claims. However the reduced costs relating to the staff pay award, together with the additional income generated by the new Area Headquarter sites have more than compensated for this additional expenditure.</p>
Total Shire Services	0	(3)	11	
Surplus/(deficit) carried forward to next financial year	0	3	(11)	Any surplus / (deficit) achieved by Shire Services is carried forward to the next financial year
	0	0	0	
Total Resources incl Shire Services	1,907	35	0	

Resources and Corporate Issues - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Building Maintenance	1,512	0	0	No variations
Central Purchasing	(943)	0	0	No variations
Housing PFI	0	150	0	No variations
- District Balances	0	(150)	0	No variations
	0	0	0	
Smallholdings	(33)	(3)	(3)	No variations
Audit Commission Fees	0	15	63	Overspend due to additional audit work on Revenues and Benefits.
Shirehall Catering	603	0	10	Higher than budgeted expenditure on Heavy Equipment for Primary Schools.
Charity Review Service	3	0	0	No variations
Precepts	124	(4)	(12)	Underspend due to lower than budgeted costs of flood defence levies.
Magistrates Courts/ Probation Service	66	0	(1)	Minor variations
Non Distributable Costs	735	(14)	(25)	Underspend due to lower than budgeted payments.
Corporate & Democratic Core	7,834	0	(20)	Savings on debt management expenses.
Democratic Representation	1,669	(17)	(14)	Underspend due to part year savings on Basic Rates for Members Allowances.
Local Joint Committees	1,184	0	(199)	The underspend is ring-fenced to the Local Joint Committees and will be carried forward to 2010/11.
Subscriptions	162	(109)	0	No projected variations
- Treasury Management	0	109	0	No projected variations
	162	0	0	
Corporate Developments	36	0	(2)	Minor variations
Other/Miscellaneous	(1,137)	(135)	32	Overspend due to lower than budgeted income within Housing Services (£777,000) and release of SABC overstated creditor (£745,000).
- Ptarmigan costs	0	74	0	No variations
- Contribution from Efficiency Reserve	0		(777)	Contribution from Efficiency Reserve
- Contribution to VER Reserve	0		745	Contribution to VER Reserve
- Treasury Management	0	50	0	No variations
	(1,137)	(11)	0	
Treasury Management	17,359	862	0	No variations
- District Balances	0	(500)	0	No variations
- LABGI	0	(203)	0	No variations
- Subscriptions	0	(109)	0	No variations
- Other/Miscellaneous	0	(50)	0	No variations
	17,359	0	0	No variations
Total Corporate	29,174	(28)	(199)	

Resources and Corporate Issues - Analysis of Variation from Budget

Policy Area	Base Budget 2009/10	Quarter 4 Projected Over/ (under) spend	Outturn Full year Over/ (under) spend	Comments
	£000	£000	£000	
Total Resources and Corporate	31,081	7	(199)	

Appendix 5

Chief Executive's Office – Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Chief Executive's Office	(1)	138	140	Overspend due to advertising costs of the Chief Executive' and Assistant Chief Executive's positions and relocation allowances.
Human Resources & Development	(5)	55	31	Overspend due to costs for the interim Head of Human Resources and advertising costs for the Head of Human Resources position. This is being offset by an underspend within Organisational Development.
- Unitary Transformation Reserve	0	0	84	Transfer of Organisational Development underspend to the Unitary Transformation Reserve.
Corporate Performance & Scrutiny	(5) 38	55 (25)	115 (33)	Underspend due to lower than budgeted expenditure on Scrutiny Research and the Corporate Plan.
Communications & Corporate Policy	19	103	87	Overspend due to structure changes and consultants costs within Communications and lower than budgeted income within the Design Team.
Community Working	2,057	(109)	(388)	Underspend due to staffing vacancies within the year. £286,000 of the underspend relates to the Area Partnerships which will be carried forward to 2010/11.
Customer Access	659	(82)	(70)	Underspend due to one-off savings against software costs. This is offsetting an overspend within the VICs due to higher than budgeted staffing costs.
Shropshire Partnership	602	(79)	(95)	
Total Chief Executives Office	3,369	1	(244)	

Appendix 6

Legal & Democratic Services – Analysis of Variation from Budget

Policy Area	Base Budget 2009/10 £000	Quarter 4 Projected Over/ (under) spend £000	Outturn Full year Over/ (under) spend £000	Comments
Legal Services	70	(150)	(166)	Underspend due to vacant posts within the year. Transfer to Legal Disbursements Reserve to contribute towards future costs of the service.
- Legal Disbursement Reserve	0	0	110	
Democratic Services & Committee	70 240	(150) (26)	(56) (5)	Underspend due to lower than budgeted costs on canvassing and postage within Elections. This is offsetting an overspend within Committee Services in relation to reduced income. Underspend due to higher than budgeted income.
Registrars	356	(12)	(22)	
Total Legal & Democratic Services	1,075	(107)	(2)	

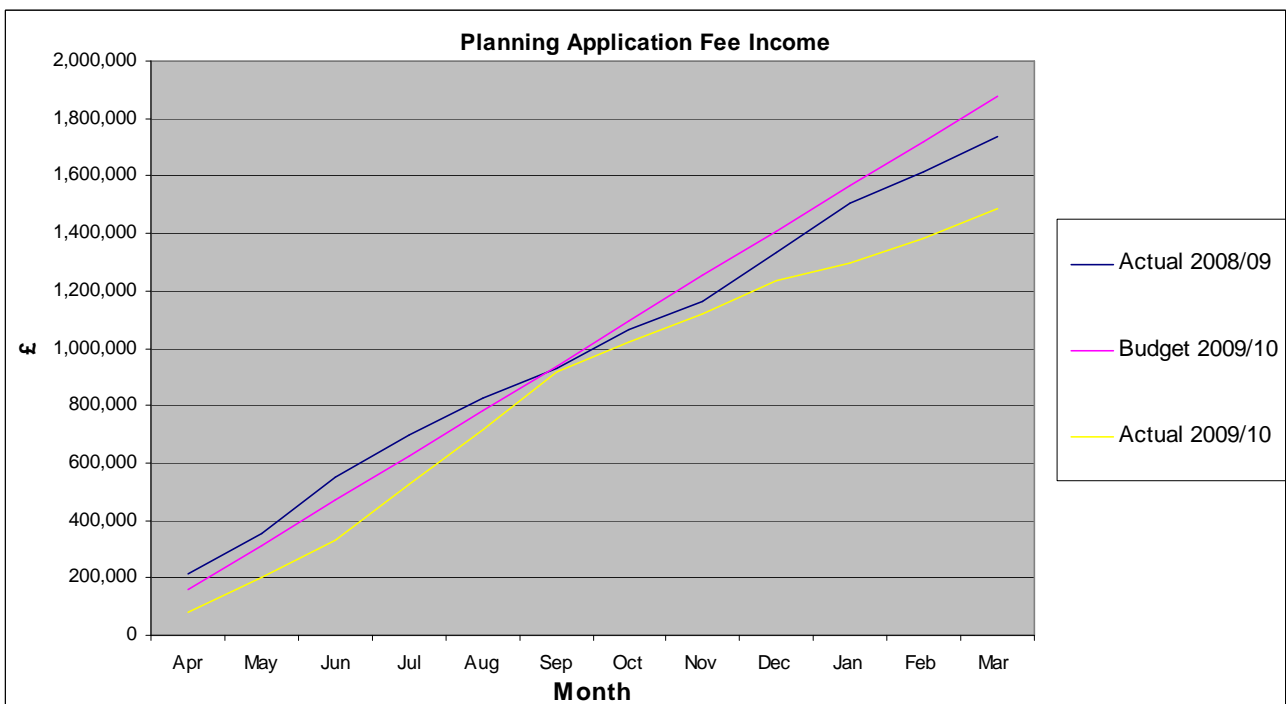
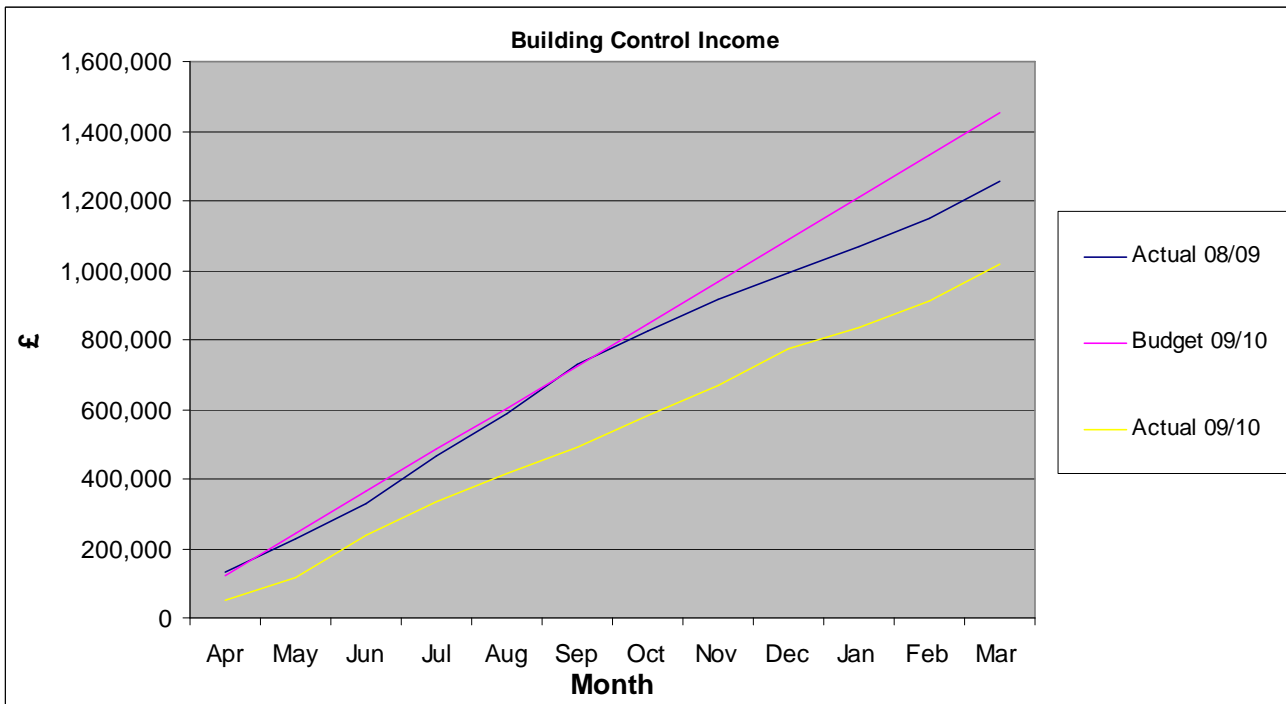
EXTRACT FROM THE STATEMENT OF ACCOUNTS

RESERVES AND PROVISIONS

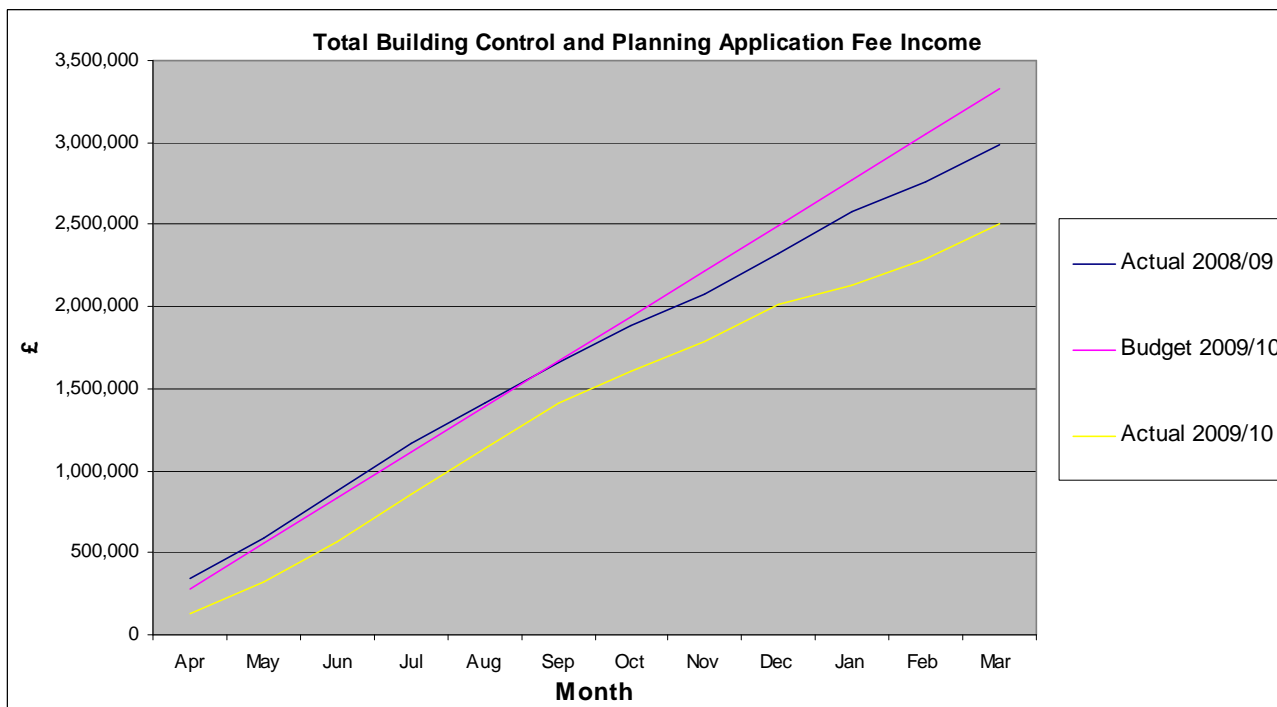
The Council has created a number of specific reserves and provisions as permitted under the provisions of the Local Government and Housing Act 1989. These are to provide for known or anticipated future liabilities, and to assist in protecting essential services. Contributions, charged to the revenue account, are made either on a regular basis, or by appropriation from the revenue account when this is considered necessary.

<i>Restated Balance at 31 March 2009 £000</i>		<i>Balance transfere d from the Districts £000</i>	<i>Expenditure in 2009/10 £000</i>	<i>Income in 2009/10 £000</i>	<i>Balance at 31 March 2010 £000</i>
	Reserves				
50	Advisory Service	-	50	-	-
2,167	Area Based Grant	-	1,676	1,176	1,667
78	Building Maintenance	-	78	-	-
441	Connexions Legacy	-	118	45	368
414	Council Elections	-	378	-	36
-	Craven Arms Auction Yard	70	-	-	70
595	CYPS Directorate	-	1,094	960	461
79	Economic Development Workshops Major Maintenance	-	-	42	121
951	Education – Staff Sickness Insurance	-	2,280	1,627	298
144	Education – Theft Insurance	-	150	44	38
1,701	Fire Liability	-	-	8	1,709
-	Landfill Allowance Trading Scheme	-	-	355	355
59	Legal Disbursements	-	-	110	169
507	Local Authority Business Growth Incentive	-	485	28	50
61	Major Planning Inquiries	-	-	956	1,017
-	Major Repairs Reserve	1,503	174	2,599	3,928
150	Motor Insurance	-	85	97	162
249	PFI Buildings Equipment Replacement	-	2	38	285
291	Resources Efficiency	1,664	2,418	1,266	803
1,780	Revenue Commitments for Future Capital Expenditure	3,887	3,962	519	2,224
-	Schools Building Maintenance Insurance	-	-	285	285
83	School Meals – Academic Year	-	83	-	-
-	Severe Weather	-	1,000	1,000	-
91	Shire Catering and Cleaning Efficiency	-	187	176	80
7,610	Shropshire Waste Partnership (Smoothing Reserve)	-	-	3,535	11,145
2,655	Shropshire Waste Partnership (General Reserve)	-	-	2,653	5,308
-	Theatre Severn – Repairs & Maintenance	-	-	155	155
688	TMO Vehicle Replacement	-	90	816	1,414
-	Transport – Academic Year	-	-	-	-
-	Unitary Transformation	-	-	149	149
219	Voluntary Early Retirement/Severance	1,081	4,407	4,972	1,865
435	Waste Management	-	385	-	50
58	Youth Service Vehicle Replacement	-	58	-	-
21,556		8,205	19,160	23,611	34,212
	Directorates Carry Forwards				
-	• Community Services	-	24	-	(24)
	• Community Services – County Training	-	1,141	-	(1,141)
37	• Development Services	-	37	40	40
(2,386)	• Development Services - Highways	-	-	2,386	-
208	• Resources, Legal & Democratic Services, Chief Executive's Office and Corporate	-	208	446	446
(2,141)		-	1,410	2,872	(679)
	Provisions				
4,311	Liability Insurance	-	639	273	3,945
-	Single Status	369	-	-	369
-	Contract Retention	176	-	-	176
	Other Provisions	152	-	-	152
4,311		697	639	273	4,642
23,726	TOTAL	8,902	21,209	26,756	38,175

Building Control and Planning Application Income Graphs 2009/10



Building Control and Planning Application Income Graphs 2009/10



Local Joint Committees

Local Joint Committee	Budget 2009/10	C/F from 2008/09	Total Budget	Total Commitments in 2009/10	Underspend c/f to 2010/11
	£	£	£	£	£
Selattyn and Gobowen, Weston Rhyn and St Martin's	32,000	0	32,000	25,497	6,503
Ellesmere Area	28,000	0	28,000	28,000	0
Wem and Shawbury	54,000	0	54,000	54,000	0
Whitchurch and Prees	50,000	1,200	51,200	50,816	384
Market Drayton Area	66,000	0	66,000	63,360	2,640
Oswestry	54,000	13,150	67,150	61,256	5,894
The five Perry Parishes	28,000	0	28,000	28,000	0
St Oswald and Llanymynech	31,000	18,390	49,390	46,717	2,673
Longden, Ford and Rea Valley	26,000	0	26,000	17,915	8,085
Loton and Tern	34,000	0	34,000	31,468	2,532
Bowbrook, Copthorne, Radbrook	38,000	0	38,000	13,750	24,250
North East Shrewsbury	37,000	0	37,000	10,175	26,825
Harlescott, Bagley	28,000	0	28,000	17,969	10,031
Underdale, Monkmoor, Abbey	40,000	12,320	52,320	51,455	862
Meole, Column & Sutton	36,000	0	36,000	25,680	10,320
Severn Valley and Burnell	36,000	0	36,000	35,380	620
Shifnal and Sheriffhales	24,000	0	24,000	24,000	0
Albrighton and Cosford Area	21,000	0	21,000	18,221	2,779
Bishop's Castle, Chirbury, Worthen and Clun	49,000	0	49,000	46,159	2,841
Church Stretton Area	22,000	0	22,000	18,985	3,015
Much Wenlock, Brown Cleve And Highley	44,000		44,000	31,001	12,999
Broseley and Barrow	20,000	7,200	27,200	27,200	0
Bridgnorth, Worfield, Alveley and Claverley	71,000	5,240	76,240	74,489	1,751
Craven Arms and Rural	30,000	20,000	50,000	46,404	3,596
Ludlow and Cleve Area	49,000	10,280	59,280	35,188	24,092
Clebury Mortimer Area	36,000	0	36,000	31,560	4,440
The Severn Loop	37,000	0	37,000	18,804	18,196
Bayston Hill*	17,000	0	17,000	0	17,000
Total	1,038,000	87,770	1,125,770	933,449	192,328

* Bayston Hill LJC has earmarked their 2009/10 budget of £17,000 for the enhancement of local services, however no spend has been incurred in 2009/10 therefore this budget will be carried forward to 2010/11.