

**ITEM NO: 19 (ii) APPENDIX 1**

**GENERAL FUND REVENUE OUTTURN 2007/08**

Original Budget £000		Final Revised Budget £000	Final Outturn £000	(Under) / Over Spend £000
	<b>Portfolios – Net Controllable Spend</b>			
	Adult Learning & Young People	3,360	3,417	57
	Children's Services	25,694	25,574	(120)
	Economic Development & Regional Affairs	804	826	22
	Environment & Sustainability	14,791	14,154	(637)
	Finance & Resources	34,850	33,957	(893)
	Health, Adult Social Care & Communities	50,987	50,604	(383)
	Homes & Housing	2,541	2,179	(362)
	Leader's Portfolio	4,960	4,673	(287)
	Leisure & Neighbourhoods	16,224	16,377	153
	Planning & Transportation	6,874	5,754	(1,120)
		<u>161,085</u>	<u>157,515</u>	<u>(3,570)</u>
	Net Non Controllable Spend for Portfolios	21,513	21,556	43
	Surplus/Deficit on Trading Areas	(7)	(13)	(6)
<u>181,041</u>	<b>Portfolio Total</b>	<u>182,591</u>	<u>179,058</u>	<u>(3,533)</u>
	<b>Levies &amp; Contributions</b>			
34	Southern seas fisheries levy	34	39	5
40	Flood defence levy	40	40	0
424	Coroners Service	424	404	(20)
<u>498</u>		<u>498</u>	<u>483</u>	<u>(15)</u>
	<b>Capital Asset Management</b>			
7,986	Capital Financing Charges	7,736	5,111	(2,624)
(23,093)	Capital Asset Management Account	(23,093)	(22,836)	257
<u>(15,107)</u>		<u>(15,358)</u>	<u>(17,725)</u>	<u>(2,367)</u>
	<b>Other Expenditure &amp; Income</b>			
0	Contribution to Transformation Fund	0	540	540
0	PFI Adjustment from Previous Years	0	(864)	(864)
0	Bad Debt Provision	0	1,200	1,200
500	Contingencies	367	0	(367)
(1,200)	Procurement Supply Chain Savings	(694)	0	694
(370)	Net Contribution from Invest to Save Fund	(100)	(100)	0
1,011	Revenue Financing of Capital Programme	613	1,006	393
83	Other Miscellaneous Income/Expenditure	329	(191)	(520)
<u>24</u>		<u>515</u>	<u>1,591</u>	<u>1,076</u>
<u>166,456</u>	<b>NET GF SPENDING</b>	<u>168,246</u>	<u>163,407</u>	<u>(4,839)</u>
	<b>Draw from Balances:</b>			
(460)	Draw from Balances (General)	(210)	5,048	5,508
0	Draw to fund carry forwards	(1,283)	(1,037)	246
(540)	Draw from Balances (Housing Benefits)	(540)	(540)	0
296	Other Draws	(268)	(540)	(272)
0	Draw from Strategic Reserve (Pensions)	(591)	(591)	0
(1,011)	To fund the capital programme	(613)	(1,006)	(393)
<u>(1,715)</u>		<u>(3,505)</u>	<u>1,334</u>	<u>4,839</u>
<u>164,741</u>	<b>Budget requirement</b>	<u>164,741</u>	<u>164,741</u>	<u>0</u>



**MAIN VARIANCES ON CONTROLLABLE PORTFOLIO SPENDING**

**ADULT LEARNING & YOUNG PEOPLE PORTFOLIO (£57,400 overspent)**

**Young People & Community Support (adverse variance £57,400)**

**This is mainly due to an over spend of £54,000 within Secure Accommodation.**

The over spend within Secure Accommodation was due to two factors. An over spend of £24,600 related to a shortfall in provision within the county and the necessity of having to place children in more expensive out of county accommodation. This expenditure is Court driven so there is little control over the placements. There was also an increase in the use of secure escorts totalling £29,000.

**CHILDREN'S SERVICES AND LEARNING PORTFOLIO (£120,500 underspent)**

**Children in Care (favourable variance £306,600)**

**Expenditure on foster care was £204,000 less than budget, mainly as a result of savings on the foster care remuneration scheme. In addition, there was a saving on civil secure accommodation of £58,000.**

The under spend on fostering has arisen because the process of training foster carers is taking longer than anticipated. This saving was being offset by additional expenditure on independent foster agency placements (recorded under MARP and Out of City).

Civil secure accommodation is only used as a last resort measure. Action taken to seek alternative packages of care has resulted in an under spend of £58,000.

**Multi Agency Resource Panel (MARP) and Out of City Placements (adverse variance £505,800)**

**The over spend represents additional expenditure on placements with independent fostering agencies of £416,000, together with an over spend on Disability Packages of £300,000 and on out of city educational residential placements of £67,000, partially offset by an under spend of £277,000 on out of city social care placements.**

The number of Independent Fostering Agency (IFA) placements rose from a budgeted 24 placements to 37 at its maximum level during the year. Action has been taken to reduce the numbers of such placements, and the numbers of placements was 27 at 31<sup>st</sup> March 2008.

It should be noted that there has also been a reduction in the numbers of out of city placements from a budgeted 10 placements to 4 placements on 31 March 2008. The resulting under spend of £277,000 has arisen, resulting from a management action taken to transfer children from out of city residential care, where appropriate.

The forecast overspend on Disability Packages has resulted from costs in respect of a number of care packages that were not identified in the original estimates for 2007/08, together with significantly increased costs in respect of 3 care packages.

### **Children in Need (favourable variance £121,300)**

**The favourable variance on Children in Need was due to the inability to recruit staff within family centres and the behaviour resource service as a result of the corporate savings exercise. This under spend was partially offset by additional expenditure on services purchased from external organisations to prevent children entering the care system.**

Family centres under spent by £157,000 in 2007/08, whilst the Behaviour Resource Service (BRS) under spent by £75,000. The closure of the BRS residential unit is now imminent and the community element of the service has been re-structured.

The over spend on client expenditure resulted from an increase in costs for families without recourse to public funds, together with additional costs on specialist childminding, the use of which should prevent children from entering care. The increase in childminding costs also resulted from staff savings within the family centres leading to a greater need for specialist childminding.

### **CSL Directorate & Portfolio Management (favourable variance £123,100)**

**This favourable variance relates to the unspent element of the Children's Services Grant that was carried forward from 2007-08.**

The total funding available for 2008/09 was £148,100 but expenditure incurred during this financial year was only £25,000. The unspent grant has been used to offset overspends elsewhere within the portfolio.

### **Infrastructure & Capital (adverse variance £219,800)**

**The over spend represents an increase in charges associated with the PFI Unitary budget which resulted in an adverse position of £277,900.**

The PFI Unitary budget offsets income from PFI grant and charges to schools with the charge from the contractor and the costs of utilities charges. In this instance the costs of utilities has exceeded budget by £311,000 due to inflation charges in excess of those budgeted for.

## **ENVIRONMENT AND SUSTAINABILITY PORTFOLIO (£637,000 underspent)**

### **Waste Collection (favourable variance £406,000)**

#### **One off vehicle saving and changes to Green Waste arrangements.**

A delay in the replacement of a number of Refuse Freighters has resulted in a saving of £229,000. This is a one off saving and the freighters will be replaced early in 2008/09. The balance of the saving is the result of the reduction of Green Waste collections during the winter period and improved vehicle and staff utilisation.

### **Waste Disposal Income (adverse variance £333,000)**

#### **Collapse in the market for LATS.**

There has been a collapse in the Landfill Allowance Trading Scheme (LATS) market over the course of the year both in terms of sales price and demand. This has seen the unit cost drop from £19.18 per certificate to less than £1.00. The council had existing contracts that guaranteed income of £167,000 but there was no further demand for certificates during the year resulting in lost income of £333,000.

### **Waste Disposal Contract (favourable variance £227,800)**

#### **Savings achieved**

There was a combination of savings on the waste disposal contract, including a reduction in waste sent to landfill, increased recycling and the effects of the Waste Electrical Electronic Equipment (WEEE) directive.

### **Port Health Services (favourable variance £246,000)**

#### **Increase in tonnage of products of animal origin (POAO) processed**

There has been increased activity at the port this year, which has led to increased income from the activities at the boarder inspection post in particular from the POAO inspection from outside the EU.

### **Bereavement Services (adverse variance £53,300)**

#### **Declining death rate**

There have been approximately 115 less cremations and 135 less burials over the course of the year which has resulted in £135,100 loss of income. This has partially been off set by lower than anticipated gas bills and slippage of £40,000 in respect of the mercury abatement feasibility study.

## **Registration Services (favourable variance £56,900)**

### **Increased demand for Citizenship Ceremonies**

There has been a higher than expected demand for Citizenship Ceremonies, resulting in more income than budgeted for.

## **FINANCE & RESOURCES PORTFOLIO (£893,100 underspent)**

### **Property Services (favourable variance £535,400)**

**Savings on salaries and wages and reduced Admin Buildings costs have resulted in a favourable variance.**

The favourable variance is the result of two factors:

- Savings on Salaries & Wages (£197,600)
- Savings within Admin Buildings (£337,800) due to under spends mainly on geothermal, rent, service charges, legal and policy compliance works and additional external income, however, these are partially offset by a predicted over spend on electricity.

As a result of successfully implementing the Accommodation Strategy, the council is vacating two buildings in 2008 and provision is needed for dilapidations costs associated with the Council's occupation. Corporate provision will be required for these costs and during the year the Admin Buildings under-spend has been highlighted as a potential source of funding for this.

In addition, there is a requirement to undertake legal and policy compliance works which have not been completed to date and a carry forward to the value of £130,000 will also be requested.

### **Central Repairs & Maintenance (favourable variance £879,600)**

#### **Under spend on works.**

Reactive works by their nature are difficult to predict and Members have agreed to automatically carry forward any surplus/deficit subject to the overall financial position of the Authority. The under spend is currently subject to further review, but is primarily due to delays in the implementation of frameworks for procuring construction work in accordance with EU legislation, together with an in-year over estimate of the value of work committed. Systems improvements will be included in the review to ensure that future commitments can be more accurately monitored during the year.

### **Organisational Futures (favourable variance £546,800)**

The impact of the Transformational strand of the SSP has resulted in a change to the funding of BPR activity which was originally built into the budget. This unspent funding will be allocated to a reserve specifically to provide resources for future transformational work if demanded by the profile of expenditure and savings.

### **Partnership (adverse variance £1,820,500)**

Costs associated with the interim accommodation for Capita totalling £1,900,400 have met in 2007/08 and will be offset by corporate underspends across all Portfolios.

### **Various (favourable variance £529,400)**

**Savings, primarily on Salaries and Wages, are resulting in a favourable variance.**

Favourable forecasts as shown below due primarily to savings on Salaries and Wages continue:

- Audit & Risk Management            £133,300 Favourable
- Benefits Administration            £44,400 Favourable
- Finance Service                        £137,300 Favourable
- HR Services                             £156,400 Favourable
- IT Services                              £29,100 Favourable
- Local Taxation                         £45,200 Favourable
- Directorate Management            £41,900 Favourable

A significant element of this saving in 2007/08 is linked to staff either leaving or vacancies not being filled in advance of the transfer of services to Capita through the SSP contract on 1st October 2007 and is therefore 'one off' in nature.

Requests totalling £229,000 will be submitted to carry forward elements of this underspend to fund a variety of items the majority of which have been delayed due to the impact of the SSP transition period and also to address Social Care billing processes.

### **Net Housing Benefit Payments (favourable variance £462,700)**

**Favourable variance due to increased income from recovery of overpayments and reduced contribution to bad debt provision.**

### **Exchequer Services (adverse variance £196,000)**

**Additional unbudgeted but unavoidable expenditure has been incurred which is being offset within the Portfolio.**

The key elements are as follow:

- ICON (£25,400) - Icon Compliance Testing is a new requirement to satisfy the Payment Card Industry Standard for the level of transactions now processed and additional payments have been made to Unisys for Change Control Notices (CCN's).

- Cash In Transit (£37,700) – Costs have increased and although these have disputed with the courier while testing the wider marketplace no other provider is available to match even the level of the increased prices. The conclusion, frustrating as it is, is that the increased prices from our present provider still represent the best value solution.
- Temporary Staff within Debtors (£73,500) – Temporary staff have been engaged to assist with additional workload associated with Health & Social Care debt management and billing processes and more work has been undertaken on traces and collections.

### **HEALTH, ADULT SOCIAL CARE & COMMUNITIES PORTFOLIO (£383,200 underspent)**

This outturn position does not include any provisions for bad debt and these will be allowed for centrally.

#### **Adult Disability Care Services (adverse variance £400,000)**

**The anticipated funding of £600,000 from Health for the impact of bed closures is only expected to be £200,000.**

This represents anticipated funding from Health resulting from community bed closures and the impact this has directly on the social care budget. This income was included as part of the 2007/08 budget. The outturn position is identical to that reported since month 9. Prior to year-end, negotiations were held with the SUHT Chief Executive which secured actual payment of the £200,000 for 2007/08 and 2006/07.

#### **Adult Disability Care Services (adverse variance £581,000)**

**The budget for income from clients in respect of care services received was increased by £424,000 as part of the 2007/08 budget setting. The outturn position indicates that none of this has been achieved.**

This underachievement of income represents the difficulty of meeting the additional target compounded by significant issues relating to the billing of Social care clients. During the year billing has been severely hampered by inaccuracies caused within the IT systems, which has led to delays in the billing process and affected the collectability of some of the debt.

Also, In order to comply with legal advice clients are now only receiving a bill once they have had an official letter confirming the amount to be billed. As these letters can only be sent once the financial assessments have been completed, any delay will have a direct impact on the income to be collected. Overall this has reduced the income from clients and contributes to the adverse position reported.



### **Adult Disability Care Services (adverse variance £481,000)**

**The outturn for domiciliary care is £481,000 greater than the working budget as a result of a greater need for this type of service.**

This variance has moved adversely by £54,200 since last reported in month 9.

The table below compares the budgeted activity with the forecast activity.

	<b>Hours of care</b>	<b>Average cost per hour</b>	<b>Expenditure</b>
Budgeted Activity	421,631	£13	£5,481,200
Forecast Activity	458,630	£13	£5,962,200
<b>Difference</b>	<b>36,999</b>	<b>£13</b>	<b>£481,000</b>

This adverse variance is offset within Adult Disability Care Services by £560,000 unallocated expenditure budget associated with the additional income from Health for bed closures. Whilst this budget was held during the year it was not allocated to a specific care type whilst there were doubts over whether the income would be collected. It can therefore be used to notionally offset the over spend on Domiciliary Care and an increase in client income (not final) of £31,000

### **In House Care Services (adverse variance £400)**

**The following have been issues during 2007/08; A £100,000 saving target in relation to the restructure of the Residential Homes was included within the 2007/08 budget setting and a £372,000 vacancy factor for the Residential Homes.**

Neither of these saving targets have been met through the actions implied when the saving was accepted, however the Service Activity has still not over spent.

The reported position has significantly improved since month 10 when the outturn was forecast at £151,100 adverse.

The position has improved since month 10 due to various savings across the Activity most notably staffing of £42,000. Other minor savings on general provisions, utility bills and repair work at Woodside Lodge account for savings of £40,000. In addition, the PCT agreed to pay an additional £100,000 in the year for the Rehabilitation service at Brownhill House. In February, they conceded that the price they were paying for the service did not reflect the value they were receiving. This price adjustment has been reflected within the contract as an ongoing variation. This is offset by an adverse movement on client income of £34,000 that resulted from the recent review of billing information on the ledger.

The Activity outturn position includes significant variances. The City Care service held all vacant posts since month 4, generating an under spend of £454,000 to offset an over spend of £470,000 within the Residential Units. Throughout the year it was known that the Residential Units would over spend due to their inability to meet the £100,000 saving and the vacancy target. The vacancy target could not be met because the Commission for Social Care Inspectorate impose tight regulations on staff numbers in Residential homes, failure to comply can lead to closure. The £100,000 saving for the restructure of Residential Units was not achieved because work has only started recently now it is a transformational project.

### **Assessment and Care Management for Long Term and Intermediate Care (favourable variance £334,700)**

**The variance is due entirely to vacancies within these care management teams.**

The reported position has significantly improved since month 10 when the outturn was forecast at £268,600 favourable. This has been due to further delays in recruitment of permanent staff as well as temporary/agency staff.

For the first part of the year the recruitment to the teams was managed in such a way to achieve the vacancy management target at the earliest opportunity. However, since the target has been achieved there remained a steady turnover that this has been aligned with a difficulty to recruit quickly.

### **Mental Health and Substance Misuse (favourable variance £328,400)**

**The Service Activity has underspent against all budget heads. Expenditure against the Mental Health grant budget head has significantly under spent again.**

The reported position has improved by £188,700 since month 10 when the outturn was forecast at £139,700 favourable.

Of the movement since month 10 £33,300 relates to client income. The remaining favourable movement since month 10 cut across all parts of this Service Activity including, staffing caused by further delays in recruiting, contracts where there have been unexpected refunds from providers at year end and further delays of schemes funded by the Mental Health grant.

The outturn position includes favourable variances for all areas of the budget; most significantly. the variance on the Mental Health grant is £219,000 favourable. Of this, £97,000 is due to significant turnover of staff in grant funded posts and difficulties in recruiting to those posts, £69,000 to delays in training courses resulting from a recent restructure and refunds from providers for training not delivered in previous years and £53,000 is because of delays in the start up of several new schemes including Early Intervention.

**Government Grants (Access and Systems, Preventative Technology, Carers) (favourable variance £188,300)**

**Under spends on Specific Grant funded schemes are held every year to offset potential overspends on the purchase of Community Care where flexibility of the grant allows.**

Only £13,000 of the £209,000 Preventative Technology grant award had been spent in 07/08, this is due to IT and PARIS teams working on client billing issues and therefore not being available for any new projects. £121,000 of the under spend has been carried forward, in accordance with the Grant guidelines, into 08/09 when it is hoped the projects will commence.

The Carers grant underspent by £90,000 after £109,000 of the allocation was carried forward into 08/09. The £109,000 relates to an additional award that was made in November from DoH. The Portfolio did not draw up spending plans for this sum in time to spend against it in 07/08.

The Access and Systems grant under spent by £43,000.

**Community Regeneration (favourable variance £69,200)**

**The favourable variance is due to salary savings and one of savings on project expenditure**

There was a £40,000 saving on staff costs, due to staff vacancies. This was forecast at month 10. The additional variance was due to slippage of expenditure on regeneration projects of £23,000. This budget has been allocated to support projects to reduce worklessness within the city, and will be the subject of a carry forward request.

**Inclusion (favourable variance £50,800)**

**The favourable variance is due delays in construction of Gypsy and Travellers transit Site.**

There was an over spend on staff costs of £15,000 due to vacancy factors not being met. This was forecast at month 10. There is an underspend against the Gypsy and Travellers transit site budget of £56,000, due to delays in construction of the site pending a public enquiry.

There were also under spends on the translation services budget of £6,000.

## **HOUSING & HOMES PORTFOLIO (£362,300 underspent)**

### **Housing Needs (favourable variance £171,100)**

**Various posts were held open pending the outcome of a review of line management arrangements and the outcome of SSP phase 2 negotiations regarding the extension of the customer contact centre.**

Posts were held open pending the outcome of discussions about line management arrangements and actual staff activities between Managers in Health & Social Care and Housing Solutions. These arrangements have now been agreed and associated budgets have been transferred.

In addition, a further post is being held vacant pending the outcome of SSP Phase 2 negotiations which may need to transfer to the new Customer Contact Centre. This post is being backfilled with temporary staff.

There has been a saving on the Bed & Breakfast and Translation Budgets (£25,900) which are demand led budgets.

There has been an increase in the working budget of £27,900 to take account of CLG grant funding for a Welfare Rights Money Advisor Post. The funds were received in 2007/08 but fund the post in 2008/09 and 2009/10. A request has been submitted to carry forward these funds into 2008/09.

Additional Grant funding has been received from Supporting People (£12,000) to pay for a post that was being funded from the Homelessness Grant received within Housing Strategy and shows as income within Housing Needs rather than Housing Strategy.

### **Housing Strategy (favourable variance £109,800)**

**This is due to a combination of staff savings and other direct cost budget savings.**

The housing strategy budgets transferred from the HRA following the Housing Stock Options work and were not required as all Housing Strategy costs have been met from within existing budgets (£10,900 F).

There have been staff savings (£70,000) as a result of posts being held open in order to meet anticipated Corporate Savings in 2008/09. These included holding a post open in the Policy and Projects team (£24,000), the post of Housing Strategy Manager was not filled until during 2007/08 (£22,100 saving). There is also staff savings on the Business Support team and Policy Team of £25,400.

A further £16,500 has been saved by using internal staff in Housing Needs to undertake grant funded expenditure.

### **Other Services (favourable variance £82,500)**

**Additional Home Office funding has been received in relation to the Taking Control Budget (£80,000).**

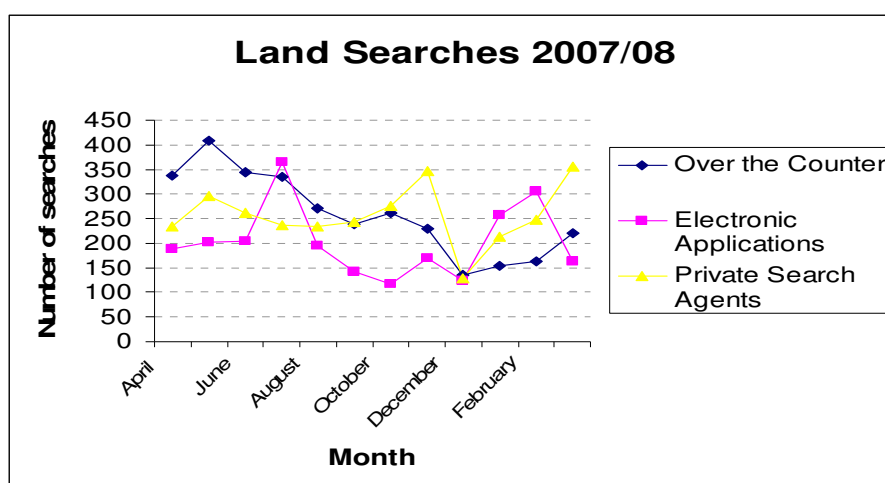
There is a saving of £80,000 within the Taking Control Project Budget. In July 2006, additional Council Funding of £55,000 in 2006/07 and £80,000 a year thereafter was agreed to offset anticipated reduction in previous grant funding. In 2007/08 Home Office funding of £65,000 was expected but additional funding of £83,900 was then secured. The additional funding fully funded the expenditure in 2007/08 (£148,900). It was not possible to expand the scheme further at that point and therefore gave a one-off saving in 2007/08. The project is achieving its intended targets and forms part of the Council's submission to become a RESPECT Action Area.

### **LEADERS PORTFOLIO (£286,900 underpent)**

#### **Land Charges (adverse variance £211,300)**

##### **Land Charges income shortfall due to competition and market forces.**

Due to the downturn in the housing market and increased competition from private search agents' land charge income was £211,300 lower than estimated.



### **Strategic Management of the Council (favourable variance £100,400)**

#### **Saving on Local Area Agreements will result in a carry forward request**

The Local Area Agreement budget within Strategic Management of the Council is under spent. This under spend relates to staff costs to support the LAA which the DCLG have confirmed can be met from the LAA Pump Priming Grant over the next two financial years. A carry forward request will be submitted for this sum.

### **Corporate Performance & Best Value (favourable variance £90,300)**

#### **Saving on market research, staff and supplies and services costs**

There is a saving of £26,600 on the budget for market research on residents' feedback for LAA priorities which is the subject of a carry forward request. The majority of the other savings relates to employee and supplies and services expenditure within Corporate Policy and Performance.

## **Major City Development (favourable variance £73,100)**

### **Saving on employee costs**

Due to the large number of vacancies during the year Major City Development made staff savings.

## **Democratic Representation and Management (favourable variance £64,200)**

### **Savings on employees, supplies and services and recharges resulted in an under spend of £64,200**

The variance can be mainly attributed to employee saving of £18,500, supplies and services of £20,000 and £29,000 on printing and design. A carry forward request of £11,000 will be submitted for the members' refreshment facility which has been delayed due to other accommodation changes within the Civic Centre.

## **Corporate Communications (favourable variance £58,200)**

### **Corporate Communications made savings and brought in additional income**

The saving is due to employee savings, additional income and under spends on City View and In View.

## **LEISURE & NEIGHBOURHOODS PORTFOLIO (£152,600 overspent)**

### **Parks, Open Spaces & Cleaning (adverse variance £127,500)**

**This is due to a number of issues including the inability to achieve vacancy management and maintain high service standards, additional high risk tree work and additional approved expenditure to be met from within the portfolio from savings on other activities.**

Vacancy management was not achieved (£142,400) because it was necessary to cover vacant posts to ensure that the frontline service teams were able to maintain required standards. This particularly affected the cleansing teams.

The trees budget has over spent by £116,700 as a result of the STORMS survey work identifying more high risk trees than expected which have Health & Safety implications, £102,000 of which had been identified to be met from within the portfolio.

Fleet transport costs were £52,000 higher than anticipated, in particular those relating to hire and damage charges. This was the result in part of not being able to achieve corporate approved savings in 2007/08. However, due to an over recovery in the Fleet Transport Unit in 2007/08 a refund of £48,100 has been received reducing the actual over spend to £3,600.

There has been additional approved expenditure on refurbishment of/purchase of new litter bins £25,000, events at Mayflower Park £10,000 and replanting work £12,500 which was also identified to be met from within the portfolio from savings. The effect of these overspends has been reduced to £127,500 because of implementing a number of savings measures which were agreed earlier in the year.

### **Arts & Heritage (adverse variance £132,900)**

#### **There was unbudgeted employees expenditure and a shortfall of additional income from savings targets**

There was an adverse variance on employees of £97,800. This was mainly unbudgeted expenditure to cover for absences and the backfill of vacant posts, but includes £19,500 for a back dated re-grading and a shortfall of £8,400 because of a delay in implementing the employees saving approved for the Archives service. There was also a shortfall of £58,300 in the savings target to be delivered for additional income from temporary exhibitions, the Art Gallery shop and the Art Lease scheme.

Other adverse variances included a shortfall of £18,000 from Archaeology recharges to Developers and a write off of £12,000 in the value of Art Gallery stock offset by favourable variances of £53,300 arising from reduced premises costs and the notional performing arts budget not being fully used.

### **Sport & Recreation (adverse variance £114,100)**

#### **Reduced income from fees and charges was largely offset by savings on employees. There was also an accrual of £92,300 for an unexpected backdated NNDR charge for the car park adjacent to the Quays.**

There was a saving of £198,900 on employees because of turnover and delays in recruitment but reduced income of £187,500 from fees and charges. Income fell at weather influenced outdoor venues (golf course £93,600, SWAC £77,000, Woodmill £64,300 and the Sports Centre £47,300) but income at indoor sports centres increased, particularly at the Quays £78,000, Bitterne Leisure Centre £76,100 and St Marys £12,500. This was partly offset by reduced income of £46,800 from the Quays café and £24,000 at Oaklands Pool. There was also a write off of £12,000 in the value of the Woodmill shop stock and other miscellaneous adverse variances of £22,400.

### **Externalised Services & Contracts (favourable variance £51,700)**

#### **There was additional income from these services and reduced contingency support.**

There was increased income of £21,400 from the Northguild contract and £3,000 from Golf Course franchises together with a reduction of £27,300 from contingency support.

### **Directorate & Portfolio Management (favourable variance £89,700)**

#### **There was an unspent balance of £61,800 on the Sport and Recreation Alternative Management Options and reduced contingency support.**

The saving of £61,800 on the Sport and Recreation Alternative Management Options will be the subject of a carry forward request.

### **Major Projects (favourable variance £90,700)**

**Development work on Phase 2 of the Tudor House Museum was met by capital grant from the Heritage Lottery Fund and there were savings in the provisions made for other projects.**

£55,000 Heritage Lottery Fund capital funding was approved towards the Tudor House Museum Phase 2 feasibility, £16,400 was no longer required for grounds maintenance, the £13,500 general feasibility budget was not used, and reduced expenditure of £5,000 and £20,100 was approved on the Titanic and Olympics respectively. This was partly offset by an additional £20,000 approved on the outline design of the proposed Heritage Centre.

### **PLANNING & TRANSPORTATION PORTFOLIO (£1,120,200 underspent)**

#### **Development Control (favourable variance £514,000)**

##### **D.C. Fees up.**

There are savings due to staff turnover, £99,000 and increased planning application fees, £187,000. The working estimates for planning application income and temporary staff costs and advertising were all increased to reflect a higher volume of work. Included within this figure there is a one-off budget of £30,000 for conservation area review work, which was not spent in the year. There was slippage of £232,000 in respect of Planning Delivery Grant.

#### **Network Management (favourable variance £298,000)**

##### **Charges and fees up.**

The favourable variance is due to £192,000 additional income from penalty charges and fees from utilities working on the highway. This includes the cancellation of bad debt provision for this and previous years totalling £59,000. There are also employee savings of £61,000 due to staff turnover.

#### **Planning Policy (favourable variance £318,000)**

##### **Strategic projects delayed.**

Expenditure on strategic projects is under spent by £250,000. There has been a significant delay that has occurred this year due to changing advice from the Government Office in terms of the required content of the Core Strategy. Additionally, there are employee savings due to staff turnover, £54,000.

#### **Public Transport (adverse variance £157,000)**

##### **Concessionary Fares scheme popular.**

Due to the popularity of the Concessionary Fares scheme there is an increase in the number of eligible customers carried of 3.97 M passengers, around 11.4% more than compared to last year. The operator's bus fare increases are lower than forecast but there was still an adverse variance of £106,000. There is an additional cost of funding for the capital programme, £70,000 in respect of the loss of grant.



**Transport Co-ordination (favourable variance £104,000)**

**Under spends on Staff Travel Plan.**

The cost of the Staff Travel Plan is £96,000 lower than the budget due to delayed commencement and gradual build up of the scheme. Currently over 100 employees have travel cards.

**Transport Strategy & Road Safety (favourable variance £136,000)**

**Under spends on Strategic projects.**

Strategic projects e.g. Solent Transport, Parking Policy Review and Asset Management Plan have completed for the year below budget.



**CARRY FORWARD REQUESTS**

There are two reasons why carry forward requests will be considered for approval. They are for already approved, one off schemes, which were not completed in year (i.e. slippage of one-off spend) and for which insufficient funds are available in the forthcoming year.

The carry forward requests received, relating to 2007/08 outturn positions, are as follows:

**Economic Development & Regional Areas**

**City Development & Economy Accommodation Moves - £19,000**

City Development & Economy need to change their accommodation due to approved staff increases to deal with Major Projects. This could not be achieved this financial year because of the numerous other accommodation change being undertaken by the City Council.

**Finance & Resources**

**Audit & Risk Management Software Purchase & Installation - £37,000**

To be paid from savings accrued from vacant posts in 2007/08. This was part of the Audit action plan developed well in advance of this request. The new software is required to provide Audit management and aid to project work

**Risk Management Team Accommodation Moves - £27,000**

Accommodation move to relocate the Risk Management team from 4th Floor Frobisher house to the Civic. This could not be achieved this financial year because of the numerous other accommodation change being undertaken by the City Council.

**PWC Review of CH&C Billing - £25,000**

Separate funding was allocated for this review some of which has spilled over into 2008/09. Given the high profile of this area, completion of this work was essential and the carry forward is required to fund the expenditure.

**Admin Buildings Legal & Compliance Work - £130,000**

This work to Civic Buildings is necessary to comply with legal requirements and has slipped into 2008/09. These works will still need to be completed and without

the carry forward, other works will have to be slipped into future years to accommodate this expenditure. The potential need for a carry forward was flagged in corporate monitoring reports.

#### External Support to the SSP - £75,000

Separate funding was allocated for this review some of which has spilled over into 2008/09. The Cabinet report that originally approved the virement to fund this set out the fact that some of the work would not be carried out until after the 6 month anniversary of the contract and that a carry forward was therefore required.

#### Central Repairs & Maintenance - £875,000

Carry forward of R&M underspends was previously agreed by Members subject to the overall financial situation in order to attempt to avoid a growth in the backlog.

#### Financial Assessments Benefits (FAB) Backlog Elimination - £50,000

To reduce the FAB Officers backlog an additional charge from Capita for this work package has been agreed.

#### Cash Office Carpeting - £15,000

Current conditions are unacceptable and the carpet needs to be replaced, but there are no funds available in 2008/09 and this would add pressure to budgets early in the year

### **Leaders**

#### Cross Authority Review of Policy & Performance - £25,000

Review to achieve the savings target in the approved budget.

#### Case Management System - £45,000

This has been built into Legal & Democratic's business and IT plan but because of the detailed work being undertaken to ensure the correct system is procured this has not been purchased in 2007/08.

#### Members Refreshment Facility - £11,000

This work which has the Members User Group support, has been delayed on building this facility because of the other accommodation changes across the Authority.

#### Local Area Agreement (LAA) - £124,000

Staff costs to support the LAA which the DCLG have confirmed can be met from the LAA Pump Priming Grant over the next two financial years. Although the new

administration has deleted both the pressure in 2008/09 for further fees and the ongoing saving for reduced costs, there is a chance that a carry forward could be supported to be used for Invest to Save projects

### **Leisure & Neighbourhoods**

#### **Homes & Housing, Housing Needs, CLG Funding - £27,900**

This is central government funding as part of the introduction and implementation of the Local Housing Allowance from April 2008. The funding is for a part-time post (18.5hrs) Welfare Rights Money Advisor for 18 Months. (There will also be a carry forward into 2009/10). As part of Local Housing Allowance for the implementation of this change, Government have recommended that financial literacy, banking and debt advice be given to clients to help them maintain their tenancies and avoid homelessness.

### **Planning & Transport**

#### **Highways additional funding - £275,000**

Underspend on Evan Street and Queen's Terrace (£100,000) and uncompleted pothole orders and street light repair orders (£175,000).

#### **Planning Delivery Grant - £232,000**

Late notification and receipt of grant in March 2008. Funding is required for Local Development Framework, Energy Survey & Core Strategy (£105,000), Scanning and Data Collection Projects (£100,000) and IT Hardware/Software enhancements (£27,000).

#### **Street Lighting PFI - £140,000**

Slippage in a two year fixed project due to delays in Central Government.

#### **Planning Policy - £106,000**

Significant delays on strategic projects including Core Strategy (£76,000), City Centre Action Plan (£25,000) and Site Allocations Plan (£5,000).

#### **Crematorium Options Appraisal Fees - £40,000**

There was a delay in resolving the scope of the options appraisal and feasibility study of the installation of mercury abatement equipment and new cremators at Southampton Crematorium due to the complexity of the issues involved.

## **Health, Adult Social Care & Communities**

### **Community Safety (Anti Social Behaviour budgets) - £40,000**

There is an under spend on a one-off Anti Social Behaviour budget for youth activities. There has been a delay in the implementation of this project, as potential locations are being discussed with the Youth Service. Without the carry forward, the project will not be able to proceed as intended as there is no budget allocated in 2008/9.

### **Neighbourhood Renewal (Project budgets) - £23,000**

There is an under spend on project budgets within Neighbourhood Renewal. A budget was allocated to support a variety of projects to reduce worklessness within the city and to facilitate local people achieving local jobs. . Without the carry forward, the project will not be able to proceed as intended as there is no budget allocated in 2008/9.

### **Communities & Regeneration Divisional Management (Accommodation budgets) - £40,000**

Following the approval of the council's budget, the division has implemented a restructure and the whole division is to be relocated to Southbrook Rise. As this is not part of the Fast Forward project, the division has to find the costs of the accommodation moves. A number of one off savings in 2007/8 were allocated to cover the cost of the accommodation move, as it was anticipated that the move would have taken place by the 31st March 2008. The move will now happen in 2008/9 and without the carry forward, the cost of the accommodation move will be a pressure on the divisional management account in 2008/9 and add to the vacancy management factor, which is already higher than is forecast to be achievable.