

ITEM NO: 9(ii) APPENDIX 1

GENERAL FUND REVENUE OUTTURN 2008/09

Revised Budget £000's		Working Budget £000's	Final Outturn £000's	(Under) / Over Spend £000's
49,625	Adult Social Care & Health	49,621	49,384	(236)
26,383	Childrens Services	25,840	25,798	(42)
5,850	Economic Development	5,850	5,513	(337)
23,625	Environment & Transport	24,247	23,780	(467)
10,618	Housing & Local Services	10,618	10,423	(194)
4,364	Leader's Portfolio	5,060	4,624	(437)
7,989	Leisure Culture & Heritage	7,947	7,898	(50)
36,527	Resources & Workforce Planning	36,741	35,327	(1,414)
3,701	Young People & Skills	4,578	4,204	(374)
168,680	Sub-total (Net Controllable Spend) for Portfolios	170,501	166,950	(3,551)
17,159	Non-Controllable Portfolio Costs	17,159	17,187	28
(161)	Environment Trading Areas	(161)	35	196
1,234	Risk Fund	(685)	(1,059)	(374)
186,912	Portfolio Total	186,814	183,113	(3,701)
	Levies & Contributions			
35	Southern seas fisheries levy	35	40	5
41	Flood defence levy	41	41	1
437	Coroners Service	437	435	(2)
513		513	516	3
	Capital Asset Management			
5,832	Capital Financing Charges	5,832	3,964	(1,868)
(19,143)	Capital Asset Management Account	(19,143)	(19,028)	115
(13,311)		(13,311)	(15,064)	(1,754)
	Other Expenditure & Income			
2,369	Direct Revenue Financing of Capital Contribution to BSF	1,128	409	(719)
(77)	Net Housing Benefit Payments H&SC Bad Debt Provision	(77)	(877)	(800)
585	BSF Procurement - project costs	391	484	484
1,300	Contribution to Transformation Fund Procurement Supply Chain Savings	1,300	1,300	
522	Open Space and HRA Other Miscellaneous Expenditure & Income	522	522	
110	Contingencies	110	(161)	(161)
4,808		3,374	1,676	(1,697)
178,922	NET GF SPENDING	177,390	170,241	(7,148)
	Draw from Balances:			
(2,753)	(Draw from) / Addition to Balances (General)	(2,248)	4,182	6,430
(632)	Draw from Strategic Reserve (Pensions/Reds)	(846)	(846)	
(2,369)	To fund the capital programme	(1,128)	(409)	719
(5,754)		(4,221)	2,927	7,148
173,169	Budget requirement	173,169	173,169	

ITEM NO: 9(II) APPENDIX 2

MAIN VARIANCES ON CONTROLLABLE PORTFOLIO SPENDING

ADULT SOCIAL CARE AND HEALTH PORTFOLIO

The portfolio is under spent by **£236,400** at year-end, which represents a percentage under spend against budget of **0.5%**.

ASCH 1 – Adult Disability Care Services (favourable variance £320,000)

The Service Activity did not require the allocation set aside within the Risk Fund for potential pressures in the year.

Within the outturn position for the Service Activity there are significant variances for the different services, as shown in the table below. There is a minor favourable variance on all Non-Residential services, as well as a significant favourable variance on Residential and Nursing care. With respect to service activity, except for Direct Payments and Day Care, all care types have seen significantly lower activity than that allowed for within the budget. The favourable variances are offset by adverse variances in several areas.

There are a number of separate issues within Adult Disability Community Care Services:

- The outturn includes in excess of £400,000 savings resulting from efficiencies to Residential and Domiciliary payments to service providers in 2008/09.
- The outturn includes a shortfall of £300,000 on a savings target of income predicted from Health, mainly for work undertaken to reduce blocked beds.
- The outturn includes £50,000 to meet the cost of a review to assess the opportunity for further integrated working arrangements between the Council and the Southampton City Primary Care Trust. This was approved by Cabinet on 29th September 2008. A further £50,000 has been requested to be carried forward in respect of phase 2 of this review.
- The outturn includes £18,100 for payments to Southampton University Hospitals Trust in respect of delayed discharges from hospital.

Table 1

	08/09 Net Budget	08/09 Unit Prices	08/09 Budgeted Units	08/09 Outturn	08/09 Outturn Units	Difference (units)	Variance to Budget
Day Care	230,100	£56 Per Day	4,110	235,000	4,196	86	4,900
Direct Payments	1,748,300	£9.38 Per Hour	186,390	2,130,100	227,090	40,700	381,800
Domiciliary	5,897,500	£13.5 Per Hour	436,850	5,434,300	402,541	-34,309	-463,200
Nursing	4,767,800	£45.8 Per Day	104,100	4,335,100	94,653	-9,447	-432,700
Residential	5,381,700	£36.5 Per Day	147,440	5,242,800	143,638	-3,802	-138,900
Other	-260,000			68,100			328,100
Total	17,765,400			17,445,400			-320,000

ASCH 2 – Learning Disabilities (favourable variance £69,500)

The Service Activity did not require the allocation set aside within the Risk Fund in the year as there were sufficient favourable variances to offset any pressure.

ASCH 3 – Assessment & Care Management for Intermediate and Long Term care (adverse variance £95,600)

There has been a delay in the commencement of a review of the Care Management teams that was expected to achieve £100,000 in savings.

As a result of the impending introduction of individual budgets, a review of the organisational structure is planned. It is intended that this review would generate £100,000 of savings. This review is unlikely to be completed until the first quarter of 2009/10. It was previously anticipated that the equivalent of this savings target would be found in the current year through holding posts vacant. However, in the last quarter of the year the decision was taken to utilise the portfolio under spend by employing temporary staff. These staff were used to meet the significant increase in safeguarding adults work and to complete the up rating of benefits within Paris before the start of the new year.

ASCH 4 – In House Care Services (adverse variance £118,100)

The outturn position comprises of a £667,000 over spend on the Residential Units partially offset by an under spend within the rest of the Service Activity, most notably City Care.

The over spend reported for the Residential Units is due to the need for staffing levels that meet the Care Quality Commission requirements. This requirement is met by covering all sickness, vacancies and leave with agency staff or overtime. Failure to meet these regulations could lead to the closure of a home.

The outturn for the Residential Units also includes £260,000 for a temporary Residential Manager, 3.5fte Nurses and additional care staff above the existing staffing structure. The additional staff were required to support existing staff as a result of a safeguarding issue.

Historically posts have always been held vacant within the City Care service to offset the over spend on the Residential Units. However, because of a potential review of the City Care service, which is not expected to conclude until August 2009, almost all current vacancies are being held vacant.

Included within the outturn for this Service Activity are £55,000 of legal costs associated with the Residential Units and City Care reviews as well as a number of equal pay claims.

ASCH 5 – Directorate and Portfolio Management (favourable variance £88,000)

The outturn position is due to savings on a small number of senior posts and a saving to the portfolio arising from the Cities in Balance grant.

Within the Resources and Performance team there have been 3 posts vacant during the latter part of the year leading to a favourable variance of £30,100.

During the year, some spend that was planned to take place from within portfolio on the Cities in Balance scheme did not occur. In order to complete the work required, staff from other portfolios were used. As a result, grant income of £46,600 received within this Service Activity is not being offset by corresponding expenditure within the portfolio, giving rise to a favourable variance.

CHILDREN'S SERVICES PORTFOLIO

The portfolio is under spent by **£41,500** at year-end, which represents a percentage under spend of **1.2%**.

CS 1 – Children's Social Work Management (adverse variance £26,300)

An amendment in the fee structure for care proceedings has resulted in an over spend within Children's Social Work Management of £155,000. After the allocation from the Risk Fund of £128,700 this reduces to £26,300

Fees for public law Children Act proceedings have been increased with effect from 1st April 2008 to reflect the full cost of providing the court system for these cases. Prior to 2008/09, local authorities were charged £150 when care proceedings were issued. However, since 1st April 2008, local authorities are being charged £2,925 for a simple case, and £4,825 for a complex case. In addition, the numbers of cases issued is increasing, and 32 were initiated in 2008/09 (compared with 25 in the previous financial year). This has resulted in an over spend on court fees of £128,700 in 2008/09. Provision was made within the Risk Fund for this over spend.

CS 2 – MARP and Out of City (adverse variance nil)

The costs of MARP and Out of City placements, can be very expensive, and due to the nature of the service, difficult to predict with any certainty. This led to an over spend of £471,300 in 2008/09. This over spend is covered by the draw from the Risk Fund.

The over spend is summarised by activity in the following table.

Service Area	Forecast Variance £000's
Children with Disabilities	156 A
Independent Fostering Agencies	82 A
Out of City Residential Social Care Placements	233 A
Out of City Educational Placements	60 F
Total	411 A
Funded from Dedicated Schools Grant (DSG)	60 F
Total General Fund	471 A

Children with Disabilities

The over spend of £156,000 has arisen due to an increase in both the numbers and cost of care packages compared with the estimated position. Provision was made in the Risk Fund for this adverse position.

Out of City Residential Social Care Placements

Expenditure on out of city residential social care placements overspent by £233,000, due to an increase in the numbers of children requiring expensive placements over and above the estimated position.

The table below compares the current forecast numbers of children requiring support, compared with the position reflected in the estimates.

Annual Cost £	<u>Children with Disabilities</u>		<u>Out of City Social Care Placements</u>	
	Estimated Numbers of Children Supported per cost band	Actual Numbers of Children Supported per cost band	Estimated Numbers of Children Supported per cost band	Actual Numbers of Children Supported per cost band
£0 - £9,999	10	49	0	1
£10,000 - £49,999	12	12	1	3
£50,000 - £99,999	5	4	1	3
Over £100,000	0	2	3	3

CS 3 – Children in Care (adverse variance £170,000)

An increase in the need for civil secure accommodation and difficulties in achieving vacancy management targets within the residential units has led to an over spend of £170,000.

Civil secure accommodation is only used as a last resort measure if it is considered that the child poses a risk to him/herself or others by remaining within the community. The budget for civil secure accommodation allowed for a six month placement. However, during 2008/09, four placements were required, one which lasted for five months and was jointly funded with the PCT, one for 6 months of the year, one which commenced on 21 February and one which commenced on 19th March 2009. These placements are costly and resulted in an over spend of £94,000.

The residential units have experienced difficulties in achieving the corporate vacancy management targets. This has partially resulted from significant and unavoidable staff sickness in one of the residential units, and the need to ensure that sufficient staff are on duty at all times, in order to meet statutory requirements. In addition, agency staff have been employed at a higher rate than the original post-holders.

CS 4 – Inclusion Support Services (favourable variance £315,500)

Staff vacancies, reductions in the cost of home to school transport and savings on Contact Point have led to an under spend.

The impact of staff vacancies, coupled with the effect of a decrease in uptake of children requiring home to school transport has contributed to an under spend within the Inclusion Service.

ECONOMIC DEVELOPMENT PORTFOLIO

The portfolio is under spent by **£337,600** at year-end, which represents a percentage under spend against budget of **5.8%**

EDEV 1 – Other (favourable variance £300,100)

There was an under spend on various areas across the Portfolio.

There were under spends totalling £101,600, which will be subject to carry forward requests. These are made up of:

- £55,600 for the Preventing Violent Extremism Programme.
- £36,000 on Cross Council Enforcement.
- £10,000 on the Independent Domestic Violence Assessors Service.

There were a number of other under spends totalling £198,500 as follows:

- £34,700 for professional fees relating to Regeneration and Renewal.
- £22,900 on Safer Communities schemes.
- £32,800 on Stronger Communities and Equalities.
- £49,000 on Transit Sites.
- £24,100 on other areas including £20,000 on accommodation moves.
- £35,000 on Regeneration Budgets.

EDEV 2 – City Centre Management (favourable variance £31,100)

A carry forward request of £23,000 has been identified.

A saving of £10,000 was identified on the Business Improvement District budget. It is proposed to carry forward this budget to cover salary and operational costs to be incurred in April and May 2009.

In addition, City Centre Management transitional costs of £25,500 were identified in a Cabinet report, dated 27th October 2008, to be met from existing budgets within the Economic Development Portfolio. A sum of £12,500 has been incurred in 2008/09 for office fit out and recruitment costs. The balance of £13,000 was originally for pension scheme obligations relating to TUPE. As these costs will no longer be incurred, due to the decision to retain City Centre Management staff within the Council, it is proposed to carry forward the budget for the set up costs of payroll (£1,000), administration (£2,000), Legal Fees (£4,000), stationery (£1,000) and first year rent (£5,000).

ENVIRONMENT & TRANSPORT PORTFOLIO

The portfolio is under spent by **£466,700** at year-end, which represents a percentage under spend against budget of **1.9%**.

E&T 1 – Development Control (adverse variance £175,100)

This variance is after a draw on the Risk Fund of £73,400 for processing major planning applications relating to the previous year. Without this adjustment the variance would have been £248,500 adverse. There was an income shortfall on planning application fees of £376,000 and on Section 106 fees of £151,000. Remedial action to the value of £251,900 was achieved. In addition, there is a carry forward request for Housing and Planning Delivery Grant (PDG) of £100,000.

In 2007/08 over £200,000 more income was received than was anticipated, as many planning applications came in at the end of the financial year ahead of a fee rate increase in April. All of the work on these major applications occurred in 2008/09 and this resulted

in additional expenditure for Development Control. A sum of £200,000 was added to the Risk Fund to be drawn down when the total amount required was established. The actual costs associated with the additional work require a draw of £73,400.

The number of planning applications fell steeply from September 2008 and the annual income has reduced by £376,000 compared to budget. There was also a target of £150,000 for additional Section 106 fees to be generated from a proposed change in Council policy regarding planning consent for building developments. As it was decided not to implement this change, the level of income has reduced accordingly.

The adverse variance on income is partly offset by savings of £101,900 from actions put in place within the service and an amendment to the use of PDG (£150,000). This funding will not be carried forward and some projects will have to be funded from next year's approved budget. There is, however, a carry forward request for PDG of £100,000 that relates to slippage on projects that commenced in the year.

E&T 2 – Public Transport (favourable variance £200,800)

This variance is after a draw on the Risk Fund of £463,500 in relation to the revised Concessionary Fares scheme. Without this adjustment the variance would have been £262,700 adverse.

The 2008/09 budget was constructed by considering historic data in the light of the revised circumstances relating to the new scheme, including the effects of changing start times and including 'cross boundary' journeys. As the take up rates, routes and level of fares were not known when the budget was set, provision was made in the Risk Fund for a potential Concessionary Fares shortfall.

Forecasting was difficult, as there were major changes of bus company ownership and invoices were slow to come in from the operators. However, the final number of Concessionary Fares journeys was 24.0% higher than last year and 5.3% higher than originally estimated.

As more of the unknowns were clarified, it emerged that the 'average fare' was lower than estimated and this offset the costs arising from additional journeys and led to a net saving of £119,800 compared to budget. In addition, a provision of £81,000 for a possible judicial review on the 2007/08 Concessionary Fare methodology for payment to the operator was not required.

The budget was based on the methodology for payment to the operator that was approved by Cabinet in March 2008. However, three operators appealed to the Department for Transport to increase this level of payment. The result of the appeals is now known, with one of the decisions going in favour of the operator. The draw on the Risk Fund for the additional cost of appeals was £413,500. In addition, a provision of £50,000 has been made for the cost of a judicial review on the 2008/09 methodology.

E&T 3 – Off Street Car Parking (adverse variance £490,400)

Parking pressures were identified relating to reduced income of £635,000. Savings of £145,000 from remedial action reduced the level of the adverse variance.

There is an adverse variance in car parking income of £635,000 mainly due to significantly lower season ticket sales and the full and part closure of the Eastgate car park.

The following remedial actions, and other changes, reduced the level of the adverse variance:

- The Cabinet approved 6% increase in charges, with effect from the start of January 2009, which yielded around £73,000.
- A reduction in the establishment for Civil Enforcement Officers until the end of the financial year and beyond without detriment to income levels, realising a saving of £14,000 in 2008/09.
- A net reduction in the cost of rates for the car parks by £58,000.

E&T 4 – Bereavement Services (adverse variance £2,900)

This variance is after a draw on the Risk Fund of £85,000 due to income levels being below target. Without this adjustment the variance would have been £87,900 adverse.

The Risk Fund contained £175,000 for a potential reduction in income for Bereavement Services, following a prior year decrease in the death rate. There has been a fall in the number of burials, which has resulted in a draw on the Risk Fund of £85,000.

E&T 5 – Waste Disposal (favourable variance £342,900)

A reduction in the amount of amenity waste and the resolution of a contract issue has reduced disposal costs.

The introduction of further trade controls at the Household Waste and Recycling Centres (HWRC) has led to a reduction in the waste passing through them and a saving of around £240,000 on the disposal costs. In addition, one-off provisions of £180,000 within the Waste Disposal budget for payments to Veolia are no longer required following the resolution of a long running contract dispute.

E&T 6 – Waste Collection (favourable variance £186,800)

There was a reduction in the cost of waste collection.

There has been a saving on the costs of fleet provision during the year as a result of a delay in replacing a number of refuse freighters. This saving of £87,000 was significantly off set by an increase in fuel charges of £60,000, leading to an overall transport saving of £27,000. Sales of materials from the recycling collection held up better than anticipated, giving a favourable variance of £59,700. The remainder of the variance was the result of delaying non essential expenditure programmed for the final quarter of the year, in line with corporate instructions, producing a one off saving in 2008/09 only.

E&T 7 – Public Realm (adverse variance £198,300)

Additional maintenance costs were incurred.

There was an additional cost of £50,000 for highways patching and pothole maintenance following the inclement winter weather. In addition, there were extra costs of £22,000 for winter maintenance, £20,000 for carriageway repairs to Hill Lane and £70,000 for general investigations and repairs for drainage. There were specific costs for drainage work at Archery Road of £20,000 and other minor variances totalling £16,300.

E&T 8 – Planning Policy (favourable variance £222,800)

There was slippage in projects relating to the Local Development Framework, which has resulted in a carry forward request.

Planning Policy costs were significantly below budget. This was mainly due to slippage in projects relating to the Local Development Framework and a carry forward of £191,200 is needed to ensure project work is completed in 2009/10.

E&T 9 – Directorate & Portfolio Management (favourable variance £123,000)

An under spend on the Town Depot project has resulted in a carry forward request.

There was an under spend of approximately £90,000 on the budget for the Town Depot Feasibility Study of £100,000. The approved E&T budget provision for 2009/10 assumed that there will be a carry forward of £50,000 from 2008/09 in order to fund the Directorate's Special Project Manager (Town Depot) post in 2009/10.

HOUSING & LOCAL SERVICES PORTFOLIO

The portfolio is under spent by **£194,300** at year-end, which represents a percentage under against budget of **1.8%**.

HLS 1 – Neighbourhood Management (favourable variance £93,400)

Under spend of one off sum to support Local Resident Groups and due to delays in implementing a staffing review in the Neighbourhood Involvement, a number of expenditure budgets have not been utilised.

A sum of £50,000 was added to the Neighbourhood Management Activity as part of the mini budget review approved by Council July 2008. This sum is to be used to support Local Resident Groups. Only £5,000 was spent in 2008/09 to provide Public Liability Insurance on behalf of Resident Groups. Further options are being considered and a carry forward request has been made for £45,000.

Additional income was received in relation to the Football Foundation (£5,000) which needs to be spent in 2009/10. A carry forward request has been made for this sum.

There was a delay in the introduction of the revised Neighbourhood Management arrangements which resulted in a number of operational expenditure budgets not being required in 2008/09 (£43,400).

HLS 2 – Housing Needs (favourable variance £174,200)

Provision for a reduction in controllable income relating to Supporting People Grant not required in 2008/09. In addition, further savings from staffing reviews and small under spends on supplies & services budgets.

Provision was made in the Housing Needs Homelessness and Allocations 2008/09 estimates to meet a potential shortfall in income related to Supporting People work. At the time the budgets were prepared it was thought that the Supporting People Contracts would be renewed from April 2008 and that it would no longer be possible to include charges relating to Homelessness and Allocations. The new contracts did not start until 2009/10 so this budget will not be utilised in 2008/09. This gives a one off saving in 2008/09 (£90,000).

A full review of temporary staff and back filling for current posts was undertaken this resulted in staff savings of £42,600. There are a number of small favourable variances across a number of supply and services codes £10,900 with a further favourable variance is on the Bed and Breakfast provision budget of £14,700.

In addition, funding has been received for a welfare rights post to be spent in 2009/10 (£16,000). A carry forward request has been made for this sum.

HLS 3 – Housing Strategy (favourable variance £122,400)

Staff savings resulting from posts being held vacant pending a staffing review to achieve approved savings proposals.

The favourable forecast variance is mainly due to vacant posts within the Policy and Projects Team and Business Support Team. These posts were kept vacant during the later part of 2007/08 in anticipation of a savings proposal put forward as part of the 2008/09 budget setting process. However, the proposal was not agreed at Council in February 2008. There are also small favourable variances across a number of supply and services budgets.

Further savings proposals were submitted and approved for 2009/10. In light of these proposals the posts were kept vacant to year end in anticipation of meeting the approved proposals. A service review of the area is anticipated to reflect the changes for 2009/10.

HLS 4 – Housing Development (adverse variance £95,900)

Legal costs awarded against the Council.

A claim has been brought against the council for legal costs incurred in pursuing a claim for the recovery of a S106 contribution in relation to the sale of a site in the City. A S106 contribution was paid in lieu of having to provide 25% social housing on the site. This contribution was paid to a developer to provide 100% social housing at an alternative site. The developer then transferred the land to another developer, without the knowledge of the council, who was not made aware of the covenant to provide 100% social housing.

There is a claim in progress by the Council against the solicitors who drew up the original S106 agreement to recover the original S106 contribution and any costs incurred in pursuing the case. However, the bank; who are the mortgagees in possession of the site, have joined as a party to the proceedings and a court ruling has judged that their costs should be met by the council. The level of costs is currently unknown and authority was delegated the Solicitor to the Council, by Cabinet in February 2009, to settle this claim for a sum up to £100,000.

HLS 5 – Parks, Open Spaces & Cleaning (adverse variance £116,400)

This is a combination of additional income from Trading & Non Trading Activities offset by additional fuel and fleet transport costs and an over spend on staffing due to an unachievable vacancy management target.

A number of issues affecting the Park, Open Spaces & Cleaning activity were reported in 2008/09. The main issues were as follows:

- As a result of an increase in fuel costs and a change in legislation requiring the use of white diesel rather than red diesel in any machine that undertakes works on a public highway fuel is over spent by £96,200.
- As a result of higher than budgeted repair and maintenance costs and the additional hire costs of machines whilst other machines being repaired have resulted in an overspend on Fleet Transport of £43,800.

- Employee costs have overspent by £250,900. This is mainly due to a vacancy management target of £224,800 which has not been achieved as to ensure continuity of service and to maintain high service standards it was necessary to use agency and temporary staff. It should be noted that provision was made within the Corporate Risk Fund to partially meet this cost. However, In addition, further temporary and agency staff were used to support additional works carried out by the Trading Arm of the service.
- Non Trading Arm Income has increased by £91,200. This is mainly due to one off additional income for Boat Show (£23,000); concessions and other small contributions generated an extra £33,500; external works not through the trading arm was £22,000 more than budgeted and an increase in capital works £12,300.
- Additional Income from extra works operated through the Trading Arm generated an increase in income of £199,400. The majority of this work has been undertaken by existing staff which is one of the factors behind the over spend on employee costs.

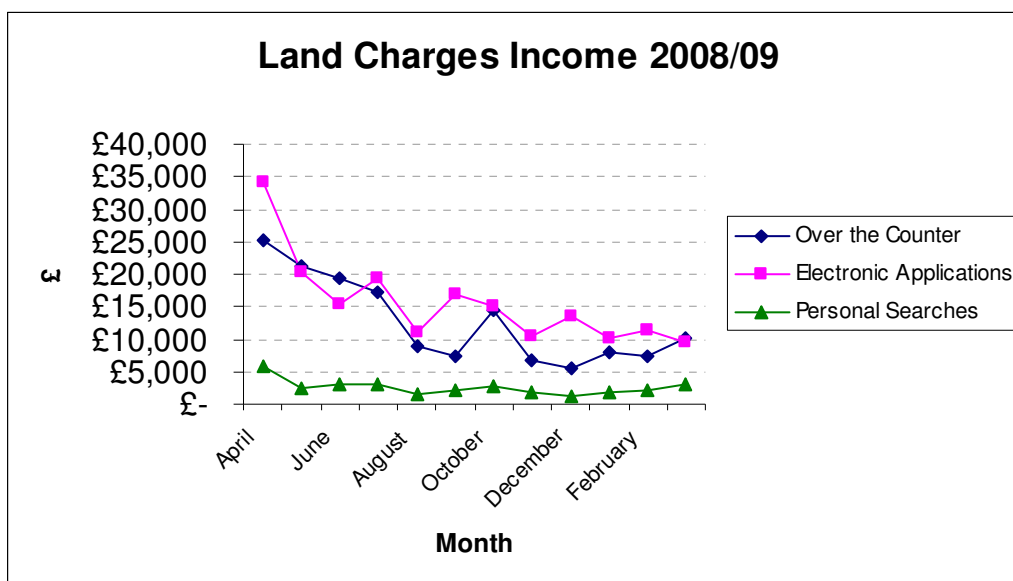
LEADERS PORTFOLIO

The portfolio is under spent by **£436,900** at year-end, which represents a percentage under spend against budget of **8.6%**.

LEAD 1 – Land Charges (favourable variance £22,200)

There was a shortfall of income due to a reduction in the number of Land Charge searches resulting in an adverse variance of £674,700. After the draw from the Risk Fund of £696,900 this becomes a favourable variance of £22,200.

The competition from personal search agents following the introduction of home information packs impacted on the level of income generated by the Authority. This was further exacerbated by the general downturn in the economy, which virtually stalled movement in the Housing market. The income generated was £371,400, against a target of £1,086,300, resulting in a shortfall of £696,900. This was slightly offset by under spends of £22,200 in employee costs and direct expenditure.



LEAD 2 – Corporate Performance and Best Value (favourable variance £128,900)

There was an under spend on employees costs and direct expenditure.

There was an under spend on employee budgets net of grant of £116,100 and a saving on direct expenditure of £12,800.

LEAD 3 – Strategic Management of the Council (favourable variance £85,800)

There was an under spend on funds carried forward from 2007/08 and direct expenditure.

There was a saving on direct expenditure of £85,800 due to the costs of the LAA Management and Administration being less than expected. £60,000 of this under spend will be the subject of a carry forward request.

LEAD 4 – Register of Electors and Election Costs (favourable variance £79,900)

There was an under spend on employee costs and direct expenditure and an increase in Government grant.

There was an under spend of £63,400 on employees costs and direct expenditure due to savings made by the implementation of electronic registration. Government grant of £15,000 was also received for measures to promote local democracy.

LEAD 5 – Legal Services (favourable variance £56,400)

There was increased income from external recharges and internal recharges to capital.

There was increased income of £54,500. Although other expenditure was in line with the budget overall £35,000 will be the subject of a carry forward request for the Case Management System, for which the total cost is estimated at £45,000. The balance of £10,000 will be contributed from the Licensing surplus account.

LEISURE, CULTURE & HERITAGE PORTFOLIO

The portfolio is under spent by **£49,700** at year-end, which represents a percentage under spend against budget of **0.6%**.

LCH 1 - Arts & Heritage (favourable £40,900)

Over estimation of materials costs associated with archaeology based activity.

This is mainly due to an over estimate of material and other associated costs incurred in carrying out archaeology based activity (£46,800). It should be noted that although the costs/levels of materials used has reduced the level of associated income has remained constant.

LCH 2 - Major Projects (favourable variance £39,700)

Planned spend on specialist consultants to support major capital projects did not happen.

It was planned to use specialist consultants to support and progress major projects. (£31,400) to be funded from specific consultancy budgets and small under spends on employee budgets (£8,800). However, due to delays in progressing some of the major projects this spend did not happen.

LCH 3 - Sport & Recreation (adverse variance £96,300)

This is a combination of loss of income and additional utility bills.

An income target of £50,000 was added into the overall portfolio budget as part of the estimate setting as the portfolio was over its budget guide. The target aimed to increase income across the Leisure Portfolio. This has not been achieved. A provision was made in the risk fund to meet this allocation however, as the portfolio has been able to accommodate this shortfall within the overall portfolio position no adjustment has been made from the risk fund.

In addition, there has been a loss of income from lower shop sales at the Woodmill shop as the result of the dismissal of a key member of staff, the economic downturn and possible boycott of the shop from sympathetic customers (£59,200). Additionally, there has been a general drop in usage of both the Woodmill and SWAC facilities resulting in a further net loss of income of £56,500. This has been offset in part by additional income at the Quays (£84,000) resulting from increased general usage and higher sales of Platinum Memberships. Additionally, assumptions were made in setting the income budget for the year regarding possible loss of income as the result of key building developments situated close to the Quays. This has not had the anticipated adverse effect.

There was a further loss of income at the Golf Course (£34,600) resulting in lower than anticipated usage during the winter period and in part, assumptions were made about additional income from new memberships following the expected closure of the golf facilities at Flemming Park. This income was not achieved as the facility has remained open longer than expected.

There were unexpected additional costs for backdated return to water charges for the Sports Centre (£37,000) and the Golf Course (£44,700).

A carry forward request for the projects support costs of the Sport & Recreation Management Options Project has been requested (£33,000). The under spend is the result of delays in employee industry specific and legal consultants to support the project.

LCH 4 - Externalised Services & Contracts (favourable variance £57,900)

Contingency budgets for landlord non essential repair & maintenance responsibilities and legal costs not required.

A number of minor contingency budgets held across all franchises and external contracts for externalised services were not required in 2008/09 (repair & maintenance £32,700 and external legal costs £20,000).

RESOURCES & WORKFORCE PLANNING PORTFOLIO

The portfolio is under spent by **£1,414,100** at year-end, which represents a percentage under spend against budget of **3.8%**.

RES 1 – Partnership (adverse variance £411,000)

Interim Accommodation Costs

Costs associated with the interim accommodation for Capita have already been partly offset by savings arising from the vacation of Cumberland properties, leaving a net cost for the year of £450,400. These costs will be more than offset by the releasing of savings in future years from further accommodation changes as part of the overall Accommodation Strategy.

These costs have been partly offset by savings in expenditure generated elsewhere within the Partnership Division.

RES 2 – Administrative Buildings (adverse variance £192,900)

Cumberland Dilapidations

In addition to the interim accommodation costs detailed above, dilapidation costs totalling approx £300,000 have been incurred as a result of vacating the Cumberland properties, for which central provision was approved by Council on 16th July 2008.

These costs have been partly offset by savings in expenditure generated elsewhere within the Admin Buildings account.

RES 3 – Central Repairs & Maintenance (favourable variance £1,172,400)

Under spend on repairs and maintenance budgets

Overall central repairs and maintenance shows an under spend of £1,172,400 which is broken down into the following main areas:

Term Servicing (£139,100 favourable)

Planned Maintenance (£757,500 favourable)

Reactive Major (£171,300 favourable)

Preventative Maintenance (£97,700 favourable)

The main area of under spend is in planned/preventative maintenance which is largely due to the level of resources available to progress the schemes, together with some schemes being held back pending a review of the future of the assets concerned.

Full Council has agreed to automatically carry forward any surplus/deficit at year-end subject to the overall financial position of the Authority. However, as work associated with the implementation of the Accommodation Strategy will commence shortly, this surplus has been considered as part of the overall funding of the Strategy and its associated revenue costs. This is to ensure that all funds are used in the most efficient and effective manner. As a result it is anticipated that the £1,172,400 will be set aside as a contribution towards the Accommodation Strategy/ASAP costs.

RES 4 – Various (favourable variance £264,600)

General savings, primarily on Salaries and Wages

- HR Services £55,400
- Property £99,000
- Audit & Risk Management £86,200
- Finance £24,000

RES 5 – Debtors and Creditors (adverse variance £140,300)

Temporary staff for Health & Social Care Billing

An over spend has arisen within the Debtors section due to the need to engage temporary staff to assist with the additional workload associated with Health & Social Care debt management and billing processes. All are aware of the level and seriousness of the problems associated with these processes. In order to address this problem an improvement plan has been agreed. This plan is in three parts:

- 1) Reviewing and simplifying the charging policy for people receiving care.
- 2) Introducing Paris 4.2
- 3) A transformational review of the business processes within CHC

Part 1 of the plan has been achieved. Parts 2 and 3 are scheduled to be completed during 2009/10. Until the plan has been implemented in full, it will be necessary to continue to employ temporary staff within Exchequer Services. Exchequer Services are also subject to a transformational review.

These costs are partly offset by salary savings elsewhere within the Debtors and Creditors Service.

RES 6 – Corporate Management (favourable variance £146,500)

Reduction in District Audit Fees

The under spend reflects a reduced level of inspection following last year's detailed Corporate Assessment.

RES 7 – Capita Property Services (favourable variance £556,200)

Additional income contribution generated from Variable Fees

During the first full year of the Capita contract, higher volumes/values of variable work have been placed with Property Capita than were originally estimated. This has resulted in a surplus of income from clients to cover Capita/SCC costs and overheads. This had not been previously forecast due to the inherent difficulties in predicting future demand due to the volatile nature of variable work.

YOUNG PEOPLE & SKILLS PORTFOLIO

The portfolio is under spent by **£374,000** at year-end, which represents a percentage under/overspend against budget of **8.2%**.

YPS 1 – Children & Youth Support (favourable variance £275,000)

The restructure to move towards an Integrated Youth Service resulted in a delay to recruit to the new posts within Children & Youth Support.

Both the Youth Service and Connexions Services have had significant vacancies throughout 2008/09. The restructure of Young People and Skills into area teams has led to a delay in recruitment until the new posts could be established and approved by cabinet. The majority of the £71,000 under spend within Youth and £170,000 under spend within Connexions is located within staffing budgets.

ITEM NO: 9(II) APPENDIX 3

CARRY FORWARD REQUESTS

Carry forward requests will be considered for approval if they are for already approved, one off schemes, which were not completed in year (i.e. slippage of one-off spend) and if there are insufficient funds available in the forthcoming year.

The carry forward requests received, relating to 2008/09 outturn positions, are as follows:

ADULT SOCIAL CARE AND HEALTH PORTFOLIO

McKinsey Review - £50,000

Funding is required to undertake the remaining phase of the review of integrated working between the Council and Southampton Primary Care Trust (PCT) which was begun in 2008/9 and will be completed in 2009/10.

CHILDREN'S SERVICES PORTFOLIO

Contact Point Grant - £43,000

Grant funding from the DCSF was made available to ensure local authorities could meet their obligation to enable Contact Point access for all services as appropriate across the Children and Young People's Trust. Delays to the live date for the system will require one off spend in 2009/10 to complete final system changes and undertake appropriate training.

ECONOMIC DEVELOPMENT PORTFOLIO

Preventing Violent Extremism Programme - £55,600

Additional funding was allocated as part of the Area Based Grant and is needed to complete work commissioned for community mapping which was delayed following stakeholder consultation. This work is the first stage in a three year programme and is required to enable future work.

Cross Council Enforcement - £36,000

Funding is required to complete the cross council review and then develop a consistent corporate approach and publicise and promote this effectively.

Independent Domestic Advisor Service - £10,000

The level grant funding for this service is unpredictable and additional grant funding was received in 2008/09 which will be utilised in 2009/10 to support expenditure on temporary staff who support those at the highest risk.

City Centre Management - £23,000

A saving of £10,000 was identified on the Business Improvement District budget. It is proposed to carry forward this budget to cover salary and operational costs to be incurred in April and May 2009.

In addition, City Centre Management transitional costs of £25,500 were identified in a Cabinet report, dated 27th October 2008, to be met from existing budgets within the Portfolio. Of this £13,000 was originally for pension scheme obligations relating to TUPE and as these costs will no longer be incurred, due to the decision to retain City Centre Management staff within the Council, it is proposed to carry forward the budget for the set

up costs of payroll (£1,000), administration (£2,000), Legal Fees (£4,000), stationery (£1,000) and first year rent (£5,000).

ENVIRONMENT & TRANSPORT PORTFOLIO

Planning Policy Project work - £191,200

Funding is required in 2009/10 to fulfil the Council's statutory obligation to prepare Local Development Framework documents. The Council's timetable for the production of these documents (the Local Development Scheme) has been approved by GOSE and the Council will be monitored against this programme. Our performance in delivering this programme will affect the amount of Housing & Planning Delivery Grant the Council receives. The first LDF document (the Core Strategy) will be subject to formal examination in 2009/10 leading to adoption in January 2010. The Examination is a major cost, and the delay in the Core Strategy explains a large part of the requirement for the carry forward. Without the carry forward, the 2 additional documents (the City Centre Action Plan and the Sites & Policies Plan) cannot be progressed as planned, since they are dependent on additional survey work to establish the robust evidence base required by the Government.

Town Depot Feasibility Study - £50,000

The approved E&T budget provision for 2009/10 assumed that there will be a carry forward of £50,000 from 2008/9 and the portfolio has been reporting throughout the year that this would be required in order to fund the Directorate's Special Project Manager (Town Depot) post in 2009/10. This funding will be added to the Revenue Development Fund.

Housing & Planning Delivery Grant - £100,000

The use of this grant over a three year period was agreed by COMT late in the year (December 2008) and it was anticipated that there would need to be a carry forward into 2009/10 to complete some of the work scheduled within this plan. If the carry forward cannot be secured to support the work, the service will not meet either its internal targets, or the national targets that it has been set. As we are obliged to carry out the Conservation Area review by legislation, failure to do so may have an impact on performance indicators for the Council and could influence future funding streams. In addition, the main aim of the current administration in protecting and improving the character of the city's historic residential suburban and city centre areas would not be addressed. If the funding for the Master plans and the Infrastructure Study, which are all linked to future Capital projects, is not carried forward and needs to be paid for in the 2009/10 allocation, other work that was agreed by COMT will not be able to take place.

HOUSING & LOCAL SERVICES PORTFOLIO

Homes & Housing, Housing Needs, CLG Funding - £16,000

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 the remaining 6 Months as agreed in the outturn report for 2007/08. 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.

Neighbourhood Management (Support to Communities) - £50,000

A sum of £50,000 was added to the Neighbourhood Management Activity as part of the mini budget review approved by Council in July 2008. This sum is to be used to support Local Resident Groups. Only £5,000 was spent in 2008/09 to provide Public Liability Insurance on behalf of Resident Groups. Further options are being considered and a carry forward request is being made for £45,000. In addition, extra income was received at the end of 2008/09 to the value of £5,000 in relation to the Football Foundation which needs to be spent in 2009/10.

LEADERS PORTFOLIO

Local Area Agreement (LAA) - £60,000

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

Case Management System – £35,000

This has been built into Legal & Democratic Services' 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 2008/09.

LEISURE, CULTURE & HERITAGE PORTFOLIO

Sport & Recreation Procurement - £33,000

A carry forward request for costs relating to the Sport & Recreation Management Options Project is required due to delays in employing industry specific and legal consultants to support the project. This funding will be added to the Revenue Development Fund.