

**Report of the Director of Resources**

**Report to Executive Board**

**Date: 2<sup>nd</sup> November 2011**

**Subject: Financial Health Monitoring 2011/12 - Month 6**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The purpose of this report is to inform members of the financial health of the authority at the half year stage of the financial year 2011/12 in respect of the revenue budget and the Housing Revenue Account. A section is included on the financial performance of other key financial indicators, including Council tax collection and the payment of creditors.
2. The overall projected overspend at the half year stage is £7.2m, which is largely unchanged from last month.
3. All Directorates will continue to develop and implement action plans, and the position will be monitored closely.

**Recommendations**

4. Members are asked to note the projected financial position of the authority at the half year stage of the financial year 2011/12.

## 1. Purpose of this report

- 1.1 This report sets out for the Board the Council's projected financial health position for 2011/12 at the half year stage of the financial year. A section is included on the financial performance of other key financial indicators, including Council tax collection and the payment of creditors.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after six months and comments on the key issues impacting on the overall achievement of the budget for the current year.

## 2. Background information

- 2.1 The month 5 projected overspend was £7.4m and the main areas of concern were:-
- Non achievement of assumed procurement savings for residential and nursing care packages within Adult Social Care
  - The number of externally provided residential and fostering placements in Children's Services
  - Income shortfalls mainly relating to planning and building regulation fees, car parking, advertising and children's centres

## 3. Main Issues Month 6

- 3.1 The overall position at the half year stage is largely unchanged from the reported position at month 5. More than £80m of the budgeted savings required are on target to be achieved, and an overspend of £7.2m is currently projected, as detailed in Table 1 below.

Table 1

(Under) / Over Spend for the current period												Previous Month (Under) / Overspend £000
Directorate	Director	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	
Adult Social Care	Sandie Keene	(493)	180	(344)	(16)	127	2,993	(80)	2,366	309	2,675	2,913
Children's Services	Nigel Richardson	205	47	(3,200)	(62)	911	7,096	(212)	4,334	577	4,911	4,915
City Development	Martin Farrington	451	32	(269)	(157)	364	1	(27)	403	1,141	1,544	1,347
Environment & Neighbourhoods	Neil Evans	1,653	(63)	(983)	350	34	(1,000)	(57)	(66)	958	892	751
Resources	Alan Gay	145	2	882	329	26	0	(358)	1,017	(1,205)	(188)	0
Legal Services	Robert Pritchard	657	1	23	9	3	0	0	692	(756)	(64)	83
Planning, Policy and Improvement	James Rogers	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>2,617</b>	<b>198</b>	<b>(3,892)</b>	<b>453</b>	<b>1,464</b>	<b>9,090</b>	<b>(734)</b>	<b>8,746</b>	<b>1,024</b>	<b>9,770</b>	<b>10,008</b>
<b>Corporate issues</b>												
Debt											-2600	-2600
<b>Total</b>											<b>7,170</b>	<b>7408</b>

- 3.2 As part of the budget monitoring process, action plans built into budgets have been reviewed and the above projections assume the continuing delivery of action plans both corporately and within directorates.

3.3 Details of directorate variations are attached as Appendix 1 which show that the position is largely unchanged from last month.

### **3.4 Housing Revenue Account (HRA)**

3.4.1 At the half year stage the HRA is projecting a surplus of £947k. This is a net movement of £467k from the position reported at Period 5. This movement is due to an increase in the recharge for Sheltered Wardens (£147k) offset by a projected increase in dwelling rents (£179k), savings on the provision for disrepair (£79k) and net savings arising from the delay to the Little London, Beeston Hill & Holbeck PFI Project (£350k).

### **3.5 Other Financial Performance**

3.5.1 The level of council tax collected at the end of Sept 2011 is 55.88% of the debit for the year of £260.6m. This is consistent with the same period last year, and on track to achieve the target of 96.7%.

3.5.2 The collection of non-domestic rates for the first six months is 60.26% of the current net debit of £349.1m. The collection rate is 1.25% behind the rate at the end of the second quarter last year. However 0.6% of reduced collection rate is directly attributable to Leeds Teaching Hospitals moving from lump sum payment in August to 12 monthly instalments. It is likely that current economic situation will have had some adverse impact on collection, but difficult to quantify at present, and the forecast remains that collection is on track to achieve the target of 98.0%.

3.5.3 In terms of Sundry income, the collection rate at the end of Sept is 93.49% of the amount due of £51.1m. This is slightly behind the half year position in 2010/11 although collection during September has improved. The expectation is still that final position will be approaching the target of 98.0%.

3.5.4 The prompt payment result at the half year is 90.62% of undisputed invoices processed within 30 days against a target of 92%. During the period 267,000 invoices were paid, of which 27,419 were paid after 30 days. Overall 92.76% of invoices are paid within 40 days and 100% of small suppliers are paid within 20 days.

## **4. Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 This is a factual report and is not subject to consultation

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 The Council's revenue budget for 2011/12 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 23<sup>rd</sup> February 2011.

### **4.3 Council Policies and City Priorities**

4.3.1 The 2011/12 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget.

#### 4.4 Resources and Value for Money

4.4.1 This is a revenue financial report and as such all financial implications are detailed in the main body of the report.

#### 4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no legal implications arising from this report. In accordance with part 4 (f) of the Council's Constitution (Budget and Policy Framework Procedure Rules) Executive Board shall be entitled to vire across budget headings subject to value limits set out in the Financial Procedure Rules. There are no requests this month.

#### 4.6 Risk Management

4.6.1 The Council has prepared and maintained a financial risk register for a number of years. The register details the risk and consequences, existing controls to mitigate against the risk, the value in monetary terms of the risk, review dates and progress towards managing the risk within existing resources. The register is prepared before the start of each financial year and is monitored on a regular basis.

The updated register shows there are 3 very high risks and 7 high risks which is one less than last month, although three risks have changed. The very high risks are as follows:-

Risk	Key Budget Impacted	Quarter 1		
		P	I	Rating
Procurement savings for residential and nursing placements.	Commissioning adult social care	5	5	Very High
The increase in the fostering budget (£3.3m) may not be sufficient to meet demand. In addition, slippage on the budgeted action plan around recruiting additional in-house carers and reducing the use of externally provided Independent Fostering Agency placements may not be achieved.	Children and Young People Social Care	5	5	Very High
The increase in the externally provided residential placement budget £4.7m may not be sufficient to meet demand	Children and Young People Social Care	3	5	Very High

4.6.2 The high risks that have changed are:

- Provision for legal costs within Children's services may not be adequate and the risk has been promoted to high
- Within City Development the impact of the shortfall in planning and building fees has been reduced to medium, as has the risk on non achievement of the staffing budget.

4.6.3 However given the scale of budget reductions which need to be made to deliver the 2011/12 budget, there is inevitably an increased risk that the overall budget is not achieved.

## **5. Recommendations**

- 5.1 Members of the Executive Board are asked to note the projected financial position of the authority after six months of the financial year.

## **6. Background Documents**

- 6.1 Financial risk register 2011/12

**Directorate      Adult Social Care**

			<b>(Under) / Over Spend for the current period</b>										Previous Month
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000
<b>G</b>	Partnership & Organisational Development	Deputy Director Partnership & Organisational Effectiveness	0	0	0	0	0	0	0	0	0	0	0
<b>G</b>	Access & Inclusion	Chief Officer Access and Inclusion	(433)	(24)	(294)	(35)	97	(3,596)	(80)	(4,366)	(55)	(4,420)	(3,792)
<b>R</b>	Strategic Commissioning	Deputy Director Strategic Commissioning	103	0	(64)	3	(36)	6,050	0	6,056	(119)	5,937	5,746
<b>G</b>	Resources	Chief Officer Resources & Strategy	(240)	6	(67)	0	0	0	0	(301)	0	(301)	(191)
<b>R</b>	Learning Disabilities Service	Chief Officer Learning Disabilities	77	198	81	16	66	540	0	977	482	1,459	1,151
<b>R</b>	<b>Total</b>		<b>(493)</b>	<b>180</b>	<b>(344)</b>	<b>(16)</b>	<b>127</b>	<b>2,993</b>	<b>(80)</b>	<b>2,366</b>	<b>309</b>	<b>2,675</b>	<b>2,913</b>

# ADULT SOCIAL CARE DIRECTORATE: 2011/12 BUDGET – PERIOD 6 REPORT

## 1.0 Introduction

This report sets out the financial position for the Adult Social Care directorate for Period 6.

The 2011/12 budget included additional resources for Adult Social Care in recognition of the level of demand experienced in 2010/11. £19m was added to the community care packages budgets, but in order to fund this within the context of the Council's very challenging financial settlement substantial net savings amounting to £18.4m had to be identified.

## 2.0 Overall Summary

The Period 6 position for the Adult Social Care Directorate is a projected overspend of £2.7m compared with the Net Managed Budget of £178m. This takes account of the projected delivery of £11m of budgeted savings and those contingency savings identified to date. The main shortfall in the delivery of budgeted savings relates to procurement savings and had these been on target the directorate would be projecting an overall underspend for 2011/12.

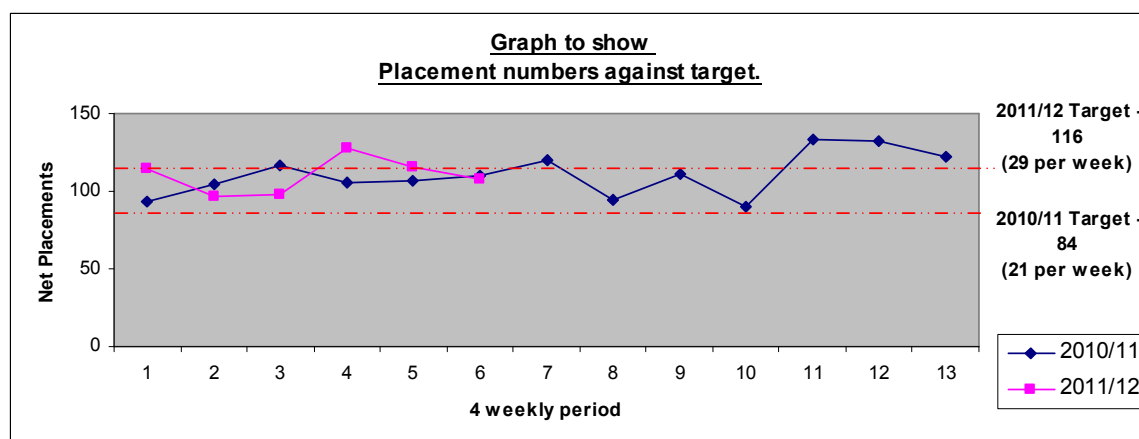
## 3.0 Explanation of the Projected Overspend

The main variations are explained below:

- **Community Care Packages - £2.5m**

### Residential and Nursing Care Placements - £2m

Placement numbers for the first quarter averaged three per week (10%) less than the budgeted numbers. Although placement numbers in the second quarter were higher, overall placements to date this year remain below the budgeted target. This, together with the full-year effect of 2010/11 placements, is reflected in spend being less than budgeted in respect of placement numbers. There is some volatility around placement numbers as several key drivers are outside the direct control of Adult Social Care and relatively small variations in numbers equate to a significant cash variation over a full year. The 2011/12 budget also included significant procurement savings amounting to £5.75m that are not now expected to be achieved this year.



#### Independent Sector Domiciliary Care - £0.1m

The overall home care budget comprises independent sector provision and the directly provided Community Support Service. The projected overspend on the independent sector budget reflects a slightly different allocation of work across the two sectors than the budget assumed.

#### Direct Payments & Personal Budgets – (£0.1m)

This expenditure reflects the extent to which customers choose to receive their services as a cash payment rather than through traditional services and the level of need being met by the care package. This expenditure is projected to be £0.1m lower than budgeted.

#### Learning Disability Pooled Budget - £0.5m

This reflects the Council's proportion of the number of clients and the costs of their care packages being higher overall than budgeted. Discussions are ongoing with NHS Leeds about its level of funding for continuing health care cases.

#### • **Staffing – (£0.5m)**

There has been some slippage on delivering budgeted savings within the older people's residential and day care programme. However, this has been more than offset by other savings, mainly within assessment and care management.

#### • **Service User Income - £0.3m**

This mainly reflects higher than budgeted voids within the directly provided residential care service associated with the closures that are now approved.



**Directorate Children's Services**

			<b>(Under) / Over Spend for the current period</b>											<b>Previous Month</b>	
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000
<b>G</b>	Partnership Dev & Business Support	Chief Officer of Partnership Development & Business Support	(352)	13	82	(1)	89	(66)	24	(450)	0	(661)	(108)	(769)	(1,579)
<b>G</b>	Learning, Skills & Universal Services	Deputy Director of Learning, Skills & Universal Services	(1,190)	(65)	(2,833)	(11)	(96)	(1,637)	2	0	0	(5,830)	799	(5,032)	(4,810)
<b>R</b>	Safeguarding, Targeted & Specialist Services	Deputy Director of Safeguarding, Targeted & Specialist Services	2,090	96	(335)	(47)	843	8,799	(43)	0	0	11,402	(422)	10,980	10,316
<b>G</b>	Strategy, Commissioning & Performance	Chief Officer of Strategy, Commissioning & Performance	(343)	3	(114)	(3)	74	0	(195)	0	0	(578)	309	(269)	988
<b>R</b>	<b>Total</b>		<b>205</b>	<b>47</b>	<b>(3,200)</b>	<b>(62)</b>	<b>911</b>	<b>7,096</b>	<b>(212)</b>	<b>(450)</b>	<b>0</b>	<b>4,334</b>	<b>577</b>	<b>4,911</b>	<b>4,915</b>

## CHILDREN'S SERVICES: 2011/2 BUDGET – PERIOD 6 REPORT

### 1. Overall Budget Position

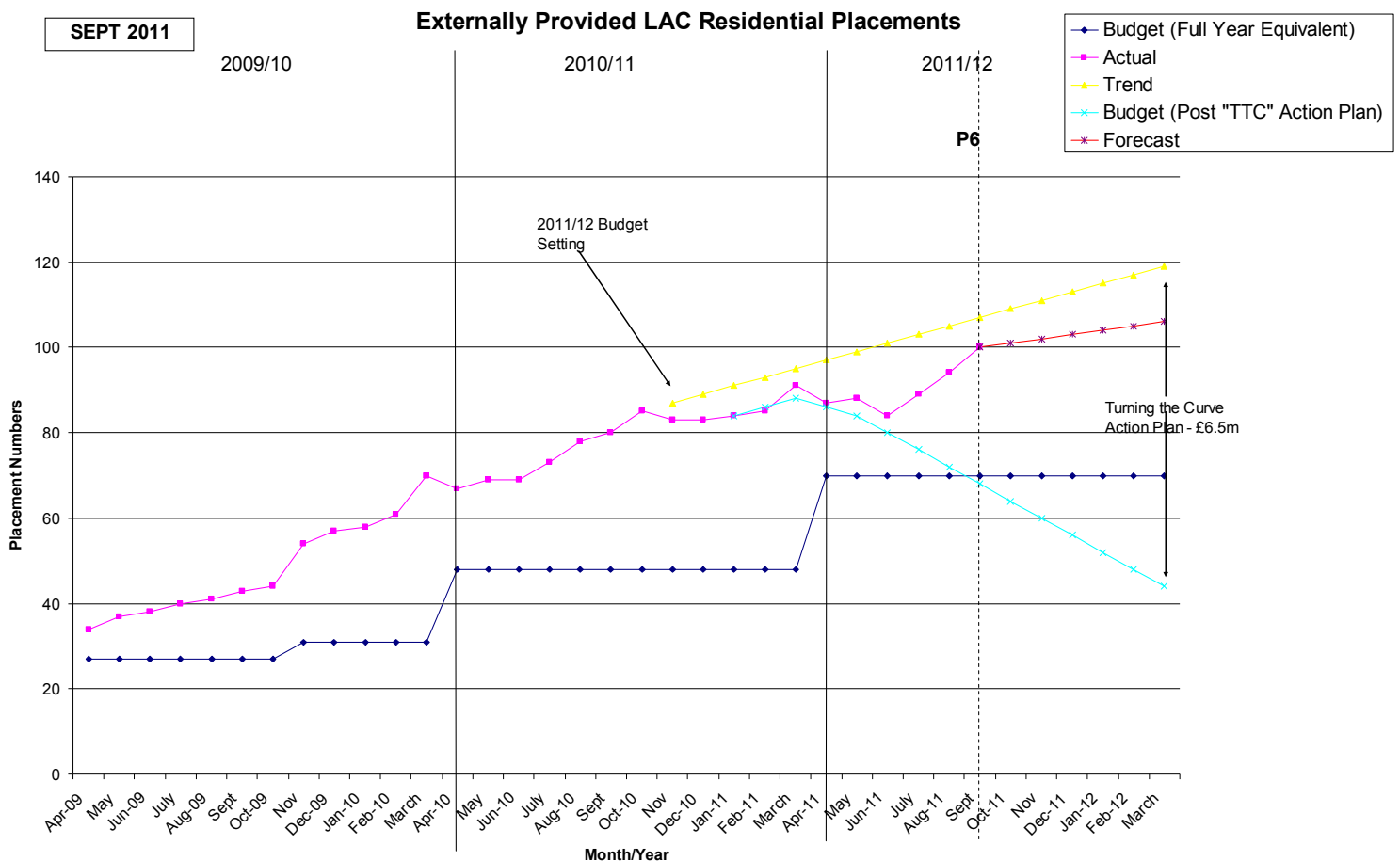
1.1 The Period 6 position for Children's Services is a projected overspend of £4.9m which represents a stable position from period 5.

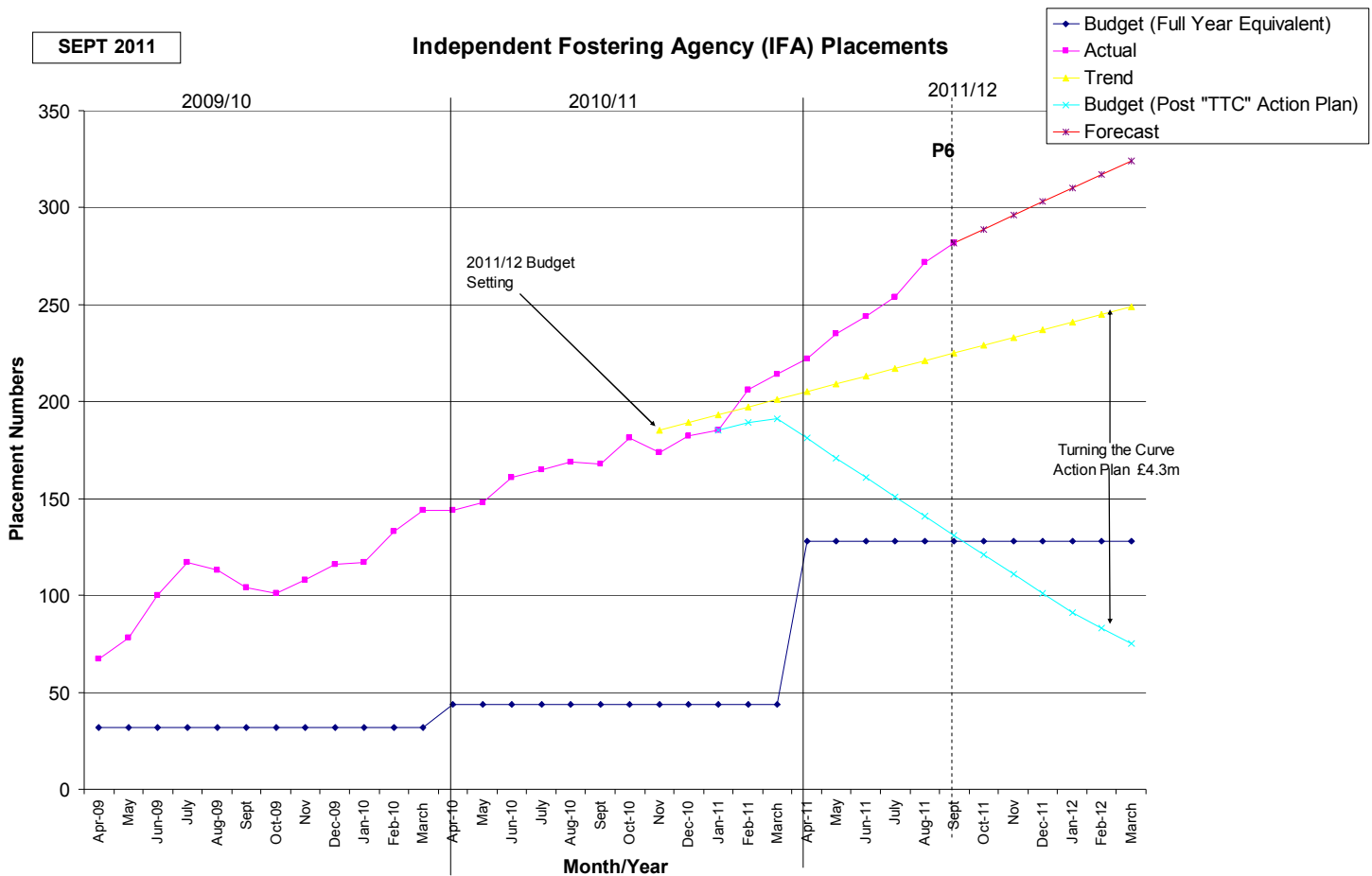
### 2. Explanation of Main Variations

2.1 The main pressure on the budget continues to be around the high number of looked after children and in particular the externally provided residential and fostering placement budgets.

2.2 At the end of September 2011, there were 100 children & young people in externally provided residential placements (a net increase of 6 placements from period 5), and 282 children & young people in placements with Independent Fostering Agencies which is a net increase of 10 placements from period 5. After making provision for some continued growth in numbers to the end of March 2012, the net spend on external placements this financial year is now forecast at £25.9m which, against a corresponding budget of £16.5m, gives a forecast overspend of £9.3m.

2.4 The graphs below show the growth in placement numbers for both the externally provided residential & fostering placements.





2.5 The pressures on the external placement budgets continue to be partly offset by projected savings of £0.6m on the in-house fostering allowances & fees budgets, which reflects the changing mix of placement provision.

2.6 The 2011/12 budget for externally provided placements was calculated on the basis of informed forecasts around potential increased demand together with a plan to 'turn the curve' and reduce placement numbers/costs over the course of the 2011/12 financial year. In light of the continuing demand and pressure on the placements budgets, the action plan for reducing the numbers of looked after children numbers has been revisited and updated with additional capacity put in place to help to drive through delivery of the actions. This plan is focussing on the key issues around;

- The impact of early intervention and prevention services on the number of looked after children and business cases to support additional investment.
- The statutory sufficiency plan for looked after children placements.
- More robust contracting and procurement arrangements.
- Improved decision making and governance.
- Better activity monitoring
- Better forecasting – immediate & medium-term (placement numbers and financial impact)
- Finalising the in-house residential review.
- Increasing in-house foster carer capacity
- Improving arrangements for supporting care leavers back into the community.

**Directorate City Development**

														<b>(Under) / Over Spend for the current period</b>	
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Previous Month (Under) / Overspend £000	
<b>R</b>	Planning and Sustainable Development	Chief Planning and Sustainable Development Officer	147	(20)	(14)	41	(28)	0	0	0	126	1,106	1,232	1,452	
<b>G</b>	Economic Development	Chief Economic Development Officer	67	3	(69)	3	15	0	0	0	19	114	133	12	
<b>R</b>	Asset Management	Chief Officer Asset Management	298	(81)	62	(23)	(131)	0	0	0	125	370	495	641	
<b>G</b>	Highways and Transportation	Chief Officer Highways and Transportation	(89)	121	(141)	(181)	454	0	0	7	171	(500)	(329)	(484)	
<b>G</b>	Libraries, Arts and Heritage	Chief Libraries, Arts and Heritage Officer	(635)	101	(5)	53	6	0	0	0	(480)	342	(138)	(226)	
<b>R</b>	Recreation	Chief Recreation Officer	660	(92)	176	(44)	32	1	(27)	0	706	(294)	412	339	
<b>G</b>	Resources and Strategy	Chief Officer Resources and Strategy	4	0	(277)	(6)	16	0	0	0	(263)	2	(260)	(388)	
<b>R</b>	<b>Total</b>		<b>451</b>	<b>32</b>	<b>(269)</b>	<b>(157)</b>	<b>364</b>	<b>1</b>	<b>(27)</b>	<b>7</b>	<b>403</b>	<b>1,141</b>	<b>1,544</b>	<b>1,347</b>	

## **CITY DEVELOPMENT DIRECTORATE: 2011/12 BUDGET – PERIOD 6 REPORT**

### **1.0 Introduction**

This report sets out the financial position for City Development Directorate for Period 6.

### **2.0 Overall Summary**

The Period 6 position for City Development Directorate shows a projected overspend of £1.54m. This is £0.2m more than the Period 5 position of £1.34m. The major budget pressures are planning and building fee income, markets income, advertising income, planning appeal costs and staffing in some service areas. These budget issues total over £3m and in some cases income trends are looking worse than in previous months. To offset these additional budget pressures all service areas have been asked to review planned spend for the rest of the year with a view to identifying further savings. The projection assumes proposed budget saving plans will be implemented to largely offset these pressures and also assumes further staff will leave the directorate under the corporate Early Leaver Initiative scheme.

### **3.0 Explanation of the Projected Overspend**

The main reasons for the projected overspend are an overspend on staffing of £0.45m based on current staffing numbers, known leavers and assumed further leavers from the corporate ELI scheme, additional costs of £0.35m arising from ongoing planning appeal cases and an overall shortfall in income of £1.1m.

Good progress has been made in implementing the £13m savings and budget actions included in the 2011/12 budget. These include significant reduction to the staffing budget, rationalisation of Sport and Library buildings, reduction in Highways spend, energy and procurement efficiency savings, reduction to contributions to external organisations and additional income generation proposals

The continuing poor economic conditions are having a significant impact and achieving the Directorate's £94m income target is looking increasingly difficult. It is possible that the situation could improve later in the year and although planning income is showing some signs of increasing in the last few months other income areas are not showing signs of improvement. The projected variation by Service is shown below:

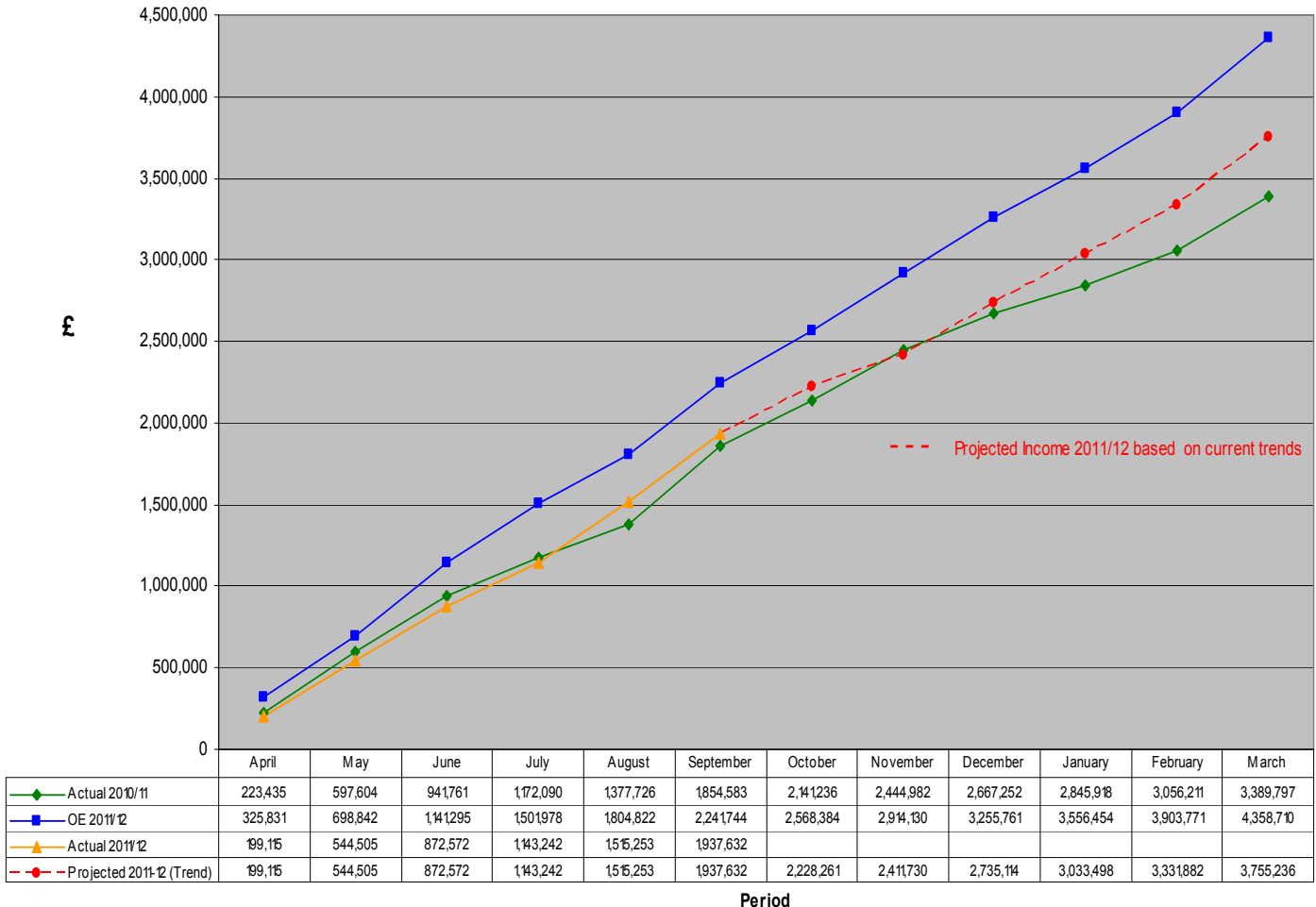
#### **Income**

Overall there is a projected income shortfall of £1.1m.

All income targets were reviewed as part of the 2011/12 budget process but in some cases income levels are falling short of the revised targets. The most significant shortfalls are projected to be on Planning and Building fees. At period 6 the combined shortfall is £329k, the projected shortfall for the year is forecast to be just under £0.8m. The graph over the page shows the position to date for planning

and building fee income. The budget assumed that there will be an increase in the amount collected in 2011/12 over that in 2010/11 and the last few months have seen an improvement in the amount of planning fees collected although building fee

### Planning and Building Fee Income (Cumulative)



income continues to be at a low level.

### **Staffing**

Currently it is projected that staffing will overspend the budget by £0.45m, mainly because the saving assumed in the budget on weekend enhancements in Sport are unlikely to be made. The staffing projection now assumes that staffing levels will reduce further than the initial budget assumptions but the additional savings will be in the last quarter of 2011/12. It is envisaged that this reduction will be achieved through a combination of managing vacancies, new Early Leaver Initiative business cases and restructures in some services with the major Sport restructure having recently been concluded. Numbers are expected to reduce by an additional 70 FTEs from the current level of 2,363 FTEs as at the end of September 2011. The directorate has received just over 170 expressions of interest in the current Early Leaver Initiative scheme and Human Resources staff are working closely with service managers to prioritise progressing business cases for staff who wish to leave before the 31<sup>st</sup> December. Control measures to actively manage staffing continue to be exercised in the directorate.

**Directorate Environment & Neighbourhoods**

													(Under) / Over Spend for the current period		Previous Month	
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000		
A	Health and Environmental Action	Chief Environmental Services Officer	(42)	29	(146)	107	(5)	0	0	0	(57)	96	39	277		
R	Car Parking Services	Chief Environmental Services Officer	(209)	28	(41)	(2)	(4)	0	0	0	(229)	530	301	188		
R	Community Safety	Chief Community Safety Officer	162	0	3	19	0	0	0	0	184	85	269	288		
R	Regeneration Management	Chief Regeneration Officer	(20)	(11)	117	(2)	1	0	0	0	85	312	397	414		
R	Employment Skills	Chief Regeneration Officer	90	(2)	61	2	(3)	0	0	0	148	(47)	101	162		
G	Strategy and Commissioning	Chief Regeneration Officer	7	(79)	(187)	1	19	(1,000)	0	0	(1,239)	(257)	(1,496)	(1,474)		
R	Statutory Housing	Director of Environment and Neighbourhoods	312	1	(84)	39	(24)	0	0	0	244	79	323	248		
G	General Fund Support Services	Chief Officer Resources and Strategy	393	0	(13)	0	0	0	0	0	380	0	380	338		
G	Waste Management	Chief Environmental Services	959	(29)	(693)	187	50	0	(57)	0	418	161	579	310		
G	Safer Leeds Drugs Team		0	0	0	0	0	0	0	0	0	0	0	0		
R	<b>Total</b>		<b>1,653</b>	<b>(63)</b>	<b>(983)</b>	<b>350</b>	<b>34</b>	<b>(1,000)</b>	<b>(57)</b>	<b>0</b>	<b>(66)</b>	<b>958</b>	<b>892</b>	<b>751</b>		

## ENVIRONMENT AND NEIGHBOURHOODS: 2011/12 BUDGET PERIOD 6 REPORT

### 1.0 Introduction

This report sets out the financial position for Environment and Neighbourhoods at Period 6.

### 2.0 Overall Summary

The projected position for Environment and Neighbourhoods Directorate is an overspend of £0.89m, which is £0.141m higher than the previous position reported to Executive Board. This is mainly due to reduced income from car parking.

### 3.0 Explanation of the Projected Overspend

#### Staffing +£1,613k

The forecast shows a slight improvement from the month 5 position. The cost of staff in managing workforce change following the implementation of restructures is £828k and slippage in the implementation of a number of restructures within the Directorate will result in a variation of £341k.

Within Refuse Collection, ongoing route support and attendance being slightly above the budgeted target is projected to cost £464k. Additional cost incurred for front line cover required for refuse staff training/appraisals £78k. However, by using existing spare capacity on the new Garden routes to collect SORT from Hard to Access properties (£168k).

Additional spend has been incurred in providing front line cover within Refuse Collection and Street Cleansing whilst recruitment to front line posts was progressed, however savings in vacant posts in Car Parking and Waste Management helped offset this pressure,.

The staffing budget remains under considerable short term pressure whilst work continues on progressing a number of restructures which will ultimately deliver significant long term savings to the Directorate.

#### Premises & Supplies and Services (£906k)

Significant savings of over £1m which were budgeted for in waste disposal from new contracts continue to be on target to be delivered. In addition, further savings are being achieved from projected reductions in total waste arising, targeted recycling improvements at HWSS and the effect of not all waste contractors taking up the inflationary uplift. Together this is a total projected saving of (£281k).

Projections assume a spending freeze across the Directorate to contribute to minor overspends.



Transport +£384k

Rising fuel prices are estimated to cost £135k across Environmental Services.

The cost of back up route support vehicles is £206k, although more effective use of normal spare vehicle cover and lower external hire will save (£251k) across the Environmental Services Division.

Vehicle repairs, mainly associated with landfill damage are projected to be an additional £148k.

Income + £1,125k

Income is projected to be £300k less than reported at month 5. Car Parking income is currently projected to be £529k short of the budget overall. However, this comprises a number of variations mainly further reductions in PCN numbers £102k, a further reduction in both on and off street fee income £317k and the expected non achievement of conversion of short stay spaces to long stay £100k.

Income in Waste Management is anticipated to be £185k below budget as a result of not receiving any income from recycled glass, lower gas generation at Gamblethorpe landfill site and a reduction in FPN income.

**Directorate      Resources**

													(Under) / Over Spend for the current period		Previous Month	
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport	Internal Charges £000	Payments		Capital £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000		
								to External Bodies £000	Transfer Payments £000							
G	Financial Management	Chief Officer Fin Management	(113)	(1)	32	(2)	6	0	0	0	(77)	(79)	(156)	(81)		
G	Business Support Centre	Chief Officer Fin Management	(180)	1	(12)	0	0	0	0	0	(191)	(34)	(225)	(111)		
G	Financial Development	Chief Officer Fin Development	(74)	0	13	0	0	0	0	0	(62)	(10)	(72)	(61)		
G	Revenues and Benefits	Chief Revenues and Benefits Officer	(66)	2	(148)	37	0	0	(139)	0	(313)	18	(295)	(188)		
G	Information Technology	Chief ICT Officer	12	0	(118)	0	0	0	(150)	0	(256)	250	(5)	25		
G	Human Resources	Chief Officer HR	(580)	(43)	137	3	94	0	0	0	(389)	25	(363)	(384)		
G	Audit & Risk	Chief Officer Audit and Risk	11	0	(20)	(3)	(1)	0	0	0	(10)	(2)	(12)	7		
G	CORS Directorate	Chief Officer Resources and Strategy	9	0	4	0	0	0	0	0	13	(7)	6	7		
R	Public Private Partnership Unit	Chief Officer PPPU	128	0	12	0	0	0	0	0	139	(17)	122	66		
G	Procurement		247	0	4	0	0	0	0	0	252	(300)	(49)	(52)		
G	Democratic and Central Services	Chief Officer Democratic and Central Services	28	51	193	(10)	35	0	0	(8)	289	(267)	22	(47)		
R	Commercial Services	Chief Officer Commercial Services	723	(12)	784	303	(108)	0	(69)	0	1,622	(782)	840	818		
G	<b>Total</b>		<b>145</b>	<b>2</b>	<b>882</b>	<b>329</b>	<b>26</b>	<b>0</b>	<b>(358)</b>	<b>(8)</b>	<b>1,017</b>	<b>(1,205)</b>	<b>(188)</b>	<b>0</b>		

Directorate

Legal Services

(Under) / Over Spend for the current period

Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Previous Month (Under) / Overspend £000
G	Legal Services	Chief Legal Services Officer	657	1	23	9	3	0	0	692	(756)	(64)	83
G	<b>Total</b>		<b>657</b>	<b>1</b>	<b>23</b>	<b>9</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>692</b>	<b>(756)</b>	<b>(64)</b>	<b>83</b>



## CENTRAL AND CORPORATE FUNCTIONS: 2011/12 BUDGET – PERIOD 6 REPORT

### 1.0 Introduction

This report sets out the financial position for Central and Corporate Functions at period 6 of 2011/12.

### 2.0 Overall Summary

The Central and Corporate budget for 2011/12 reflects savings and efficiencies amounting to £15.7m representing a considerable challenge for services to deliver.

The projection at month 6 is an underspend of £252k to be achieved by the end of the year.

### 3.0 Explanation of the projected overspend

#### **Resources (£188k underspend)**

##### Staffing (+£145k)

The most significant area of savings for Resources is staffing; the pay budget was reduced by £8.2m in 2011/12. The biggest challenge has been achieving the ambitious staffing reductions within the traded services in Commercial Services and it is currently anticipated that pay will overspend by £723k in this area. However savings across most other services total £578k resulting in an overall overspend of £145k.

##### Supplies and Services (+£882k)

The majority of the variation is caused by additional turnover within the Property Maintenance service which has caused an increase in spend on materials and sub-contractors.

##### Transport (+£329k)

The impact of the increase in fuel prices amounts to £660k. This cost is passed directly onto directorate budgets (shown as additional income). In addition predicted savings on tyre contracts are not now expected to materialise (£60k). Set against these costs, savings amounting to £420k are now expected on 'private hire' budgets within Passenger Services, which again are passed directly back to client budgets.

##### Income (-£1,205k)

This has been achieved through:

- -£900k additional turnover within Property Maintenance
- -£660k recharge of increased fuel costs to services
- -£150k additional 'court fee' income

As described in the section on Transport, the income projection is reduced by £324k mainly due to lower spend on private hire charges within Passenger Services.

**Planning, Policy and Improvement (balanced position)**

No significant variations in spend or income are apparent at month 6 and the Directorate have plans in place to ensure that the budget is brought in on-line.

**Legal Services (£64k underspend)**

There are no significant changes from the month 5 position.