

WELLBEING DIRECTORATE
2014-15 Budget Summary
Period 3 - June 2014

- 1.0 OVERVIEW:** The Directorate's net controllable Revenue budget for 2014/15 is **£63.710m**. The current total projected net expenditure is **£64.344m** and therefore the Directorate is presently forecasting an overspend of **£595k**.

The overspend relate to Adult Social Care and specifically the Mental Health Service where the pressures carried over from last year do not appear to be fully with remedial action despite an ambitious recovery plan. There are also slippages expected on the LD Transformation Programme as about £200k of the planned £750 is now not expected to be delivered this year. There are also still pressures on the Children & Families budgets relating to Legal Fees, Staffing and Placement costs that are not included in the above figures. These are easing as management action starts to take effect but there are still residual concerns which are being monitored.

The Directorate has savings totalling over **£4.5m** for 14/15. The latest savings monitor shows that over 60% of these savings are confidently expected to be achieved. Of the remaining 40% there are serious concerns surrounding savings totalling approximately **£400k** with £200k now not expected to be achieved this year although there it is still hoped that one off compensating savings may still be delivered to mitigate against this.

The summary table is shown below

WELLBEING BUDGET MONIORING SUMMARY						
Service	Budget	Outturn	Diff	Last	Chg	%
Adult Social Care	36,438	37,033	595	0	595	2%
Public Health	-195	-195	0	0	0	0%
Central Management	237	237	0	0	0	0%
Children & Families	18,895	18,933	0	0	0	0%
Education (Non Schools)	8,674	8,674	0	0	0	0%
Schools (DSG)	-337	-337	0	0	0	0%
GRAND TOTAL	63,710	64,344	595	0	595	0.9%

- 1.1 Directorate summary of the 2014-15 financial year:** Overspend of £595k is reported on Adult Social Care due to pressures on the Mental Health Service and Learning Disabilities Transformation Programme.

2.0 ADULT SOCIAL CARE

Explanation of variation from budget: This division is forecasting an overspend of **£0.6m**. This is due to pressures carried over from last year in the Mental Health Service, where the remedial action is not as yet having the desired effect. There are also slippages expected on the LD Transformation Programme as about £200k of the planned £750 is now not expected to be delivered this year.

Adult Social Care					
SERVICE	Revised Budget	Outturn	Current Variance	Last Month	Change
	£'000	£'000	£'000	£'000	£'000
Safeguarding and Governance	237	237	0	0	0
ASC Management	327	327	0	0	0
Access & Long Term I & S	2,534	2,534	0	0	0
Re-ablement & Directly Provided Services	5,424	5,424	0	0	0
Mental Health	3,963	4,358	395	0	395
Commissioning Budgets	19,565	19,766	200	0	200
Commissioning & Contracts	4,387	4,387	0	0	0
Total	36,438	37,033	595	0	595

- 2.1 Progress against the 2014-15 Savings target:** This made good progress against a challenging has successfully achieved all its savings targets for the current year. The savings are shown in the table below:

ADULT SOCIAL CARE	Target £'000	Achieved £'000	Lead	RAG
Supporting People	-25	-25	CB	Green
Re-design Speedwell Employment Services	-100	-100	SB	Green
Staffing Restructure	-170	-170	SB	Green
Increase Fees & Charges	-180	-180	SB	Green
Inflation Contingency	-200	-200	CB	Green
Management of Contract Price Inflation	-327	-327	CB	Green
Supporting People Efficiencies *	-437	-437	CB	Green
LD Change Programme	-750	-100	SB	Amber
Re-ablement - Reduction in Care Packages	-70	0	VC	Amber
Mental Health	-100	0	SY	Amber
Review of Care packages	-200	0	VC	Amber
Extra Care Housing - Internal Service	-128	0	VC	Amber
Internal Day Services	-100	0	VC	Amber
Community & Voluntary Commissioning	-150	-39	CB	Amber
Telecare & Support	-25	-10	CB	Amber
Meals Service	-63	-33	CB	Red
TOTAL	-3,025	-1,621	54%	

3.0 PUBLIC HEALTH

Explanation of variation from budget: Public Health is showing a breakeven position at present.

PUBLIC HEALTH					
Detail	Revised Budget	Projected Outturn	Current Variance	Last Month	Change
Employee costs	635	635	0	0	0
Premises costs	12	12	0	0	0
Running costs	61	61	0	0	0
Projects	4,444	4,444	0	0	0
Expenditure	5,152	5,152	0	0	0
Income	-5,302	-5,302	0	0	0
Net Budget	-150	-150	0	0	0

4.0 CHILDREN AND FAMILIES

Explanation of variation from budget: This division is showing a balanced budget position as shown in the table below.

SERVICE	Revised Budget	Outturn	Current Variance	Last Month	Change
	£'000	£'000	£'000	£'000	£'000
Children & Families Social Care					
Asylum Seekers	86	86	0	0	0
Children Looked After	8,292	8,292	0	0	0
Commissioning & Social Work	5,761	5,761	0	0	0
S17 & Support Services	231	231	0	0	0
Safeguarding & QA	580	580	0	0	0
Family Placement Service	2,199	2,199	0	0	0
Youth Offending Team	566	566	0	0	0
Early Help	1,180	1,180	0	0	0
Total	18,895	18,895	0	0	0

This forecast includes using one off monies totalling **£2.4m** and is main reason why the service is forecasting a breakeven position. However, even with this additional resource, there are a number of pressures totalling £600k, a reduction of £330k from previous month, which have not been included because remedial action is planned. These are shown on the table below.

Pressures	This Month	Last Month
	£'000	£'000
Staffing	0	270
Legal	300	360
S17 Expenses	100	100
LAC Spend	100	100
Early Help	100	100
Total	600	930

These pressures have improved but remain a concern they are considered in more detail below.

Staffing

This staffing pressure has been removed because it has been agreed that this will now be managed within the overall staffing cash limit with remedial action taken in the latter part of the year to address this if the planned recruitment initiatives do not have the desired effect.

Legal

This forecast is based on historic spending patterns. It is expected though that as a result of operational, contractual and national changes both activity levels and unit price should be lower than last year. As a result this pressure is excluded from the forecast until a better picture for the current year is available.

Children Looked After

Children Looked After is showing an overspend of £100k. This is due £100k on additional LAC spend re client expenses such as hired transport and personal needs. Again this is based on historic activity and is excluded until a better picture emerges for the current year. Service Managers are confident that as result of operational changes such as the introduction of the resource panel, this pressure should be reduced significantly.

Early Help

This service has a possible risk of £100k pressure due to the part loss of Domestic Violence contract Income. Ad-hoc work is to be carried out by C&F and it is assumed that £80k of the £180k available under the contract will be achieved. A meeting to consider what changes will need to be made within the service to achieve a balanced budget, including reduced staffing until the implications of this is fully known this pressure is excluded from the monitor.

- 4.1 Progress against the 2014-15 Savings target:** This service has a single savings target of £363k, relating to Children's placements. Currently we have achieved £100k (£40k last month); £60k of negotiated and reduced care packages, £30k of further savings with a particular supplier by bringing them back into to Fostering framework and £10k with another supplier.

CHILDREN & FAMILIES	Target £'000	Achieved £'000	Lead	RAG
Children Placement Efficiencies	-363	-100	JP	<i>Amber</i>

5.0 EDUCATION (NON SCHOOLS)

Explanation of variation from budget: These services are expected to break even at present.

EDUCATION (NON SCHOOLS)					
SERVICE	Revised Budget £'000	Outturn £'000	Current Variance £'000	Last Month £'000	Change £'000
Schools Offer (Core)	8,674	8,674	0	0	0
Retained Offer (Core)	0	0	0	0	0
Total	8,674	8,674	0	0	0

- 5.1 Progress against the 2014-15 Savings target:** This service has is on target to successfully achieve all its savings targets for the current year. The savings are shown in the table below:

EDUCATION (NON SCHOOLS)	Target £'000
Services to School Review Savings	-140
Services to Schools Review	-202
TOTAL	-342

6.0 CENTRAL MANAGEMENT

Explanation of variation from budget: These services are expected to break even at present.

SERVICE	Revised Budget	Outturn	Current Variance	Last Month	Change
	£'000	£'000	£'000	£'000	£'000
Central Management					
Management	237	237	0	0	0
TOTAL	237	237	0	0	0

6.1 Progress against the 2014-15 Savings target: This service has is on target to successfully achieve all its savings targets for the current year. The savings are shown in the table below:

DETAILS	Target £'000
Directorate Savings	-128
TOTAL	-128

7.0 SCHOOLS (DSG)

Explanation of variation from budget: This is a ring fenced budget and as such any variations are carried forward to the new financial year. However, the service is currently expected to breakeven.

SCHOOLS (DSG)				
SERVICE	Budget £k	Outturn £k	Variance £k	Variance %
Schools Block	46,963	46,963	0	0
Schools Block De-delegated	4,082	4,082	0	0
High Needs Block	18,158	18,158	0	0
Early Year Block	8,350	8,350	0	0
Grants	-77,891	-77,891	0	0
Net Expenditure	-337	-337	0	0%

7.1 Progress against the 2014-15 Savings target: This service had no savings for this year.

Customer and Community Services: Departmental Summary

Department	Revised Budget £'000	Outturn £'000	Variance £'000	%	Change in month
Customer Services, IT & Information Governance	229	229	0	0%	0
Community and Skills	6,352	6,365	13	0.2%	46
Enforcement and Regulation	1,950	2,020	70	3.6%	70
Strategic Management	(126)	(126)	0	0%	0
Corporate Procurement Team	544	544	0	0%	0
Transactional Services	8,227	8,377	150	1.8%	(200)
Total	17,176	17,409	233	1.4%	(84)

Directorate Summary for the 2014/15 year to date

At this point in time, the Customer and Community Services Directorate is forecasting an over spend position of £233k, largely due to CCTV/Careline income shortfall, slippage in the savings for the phase 2 arvato contract, and business rate issues at 2 locations; the phase 2 contract payments reduce on annual basis from 2015/16 onwards.

Service: Community and Skills

Explanation of variation from budget:

The overspend arises from business rates on SYPC and Haymill (these are in discussion with property services over rebates) offset by a vacancy in the Parks and Open Spaces service. There will be a future pressure arising from the refurbishment works at the Langley Leisure Centre, but whether the resulting compensation cost will be paid in this financial year or the next will depend upon the timing of the capital scheme. There is a possibility that the capital scheme may slip into next year but this is still subject to the finalisation of this scheme.

Service: Enforcement and Regulation

Explanation of variation from budget:

The £70k is the current projected shortfall in the budgeted income to support the CCTV/Careline services; options are being reviewed to bring in additional funding including private fees as well as contributions from other public bodies.

Service: Strategic Management

Explanation of variation from budget:

No variances reported at period 3, although this will depend upon the outcome of various work streams to achieve the unallocated savings targets.

Service: Corporate Procurement Team

Explanation of variation from budget:

No variances reported as at period 3.

Service: Transactional Services

Explanation of variation from budget:

The savings for phase 2 transactional savings are now scheduled to be phased in over the life of the contract and will be achieved through decreasing annual contract payments; future annual contract savings should average around £200k. This would have led to a larger overspend in this year but the Medium Term Financial Volatility Reserve has been drawn upon to 'smooth' out the profile of these savings. It should be noted though, that whilst savings from the operation of the contract are scheduled for future years, immediate savings (over £300k per annum from 2014/15) have already been realised from the release of accommodation space at Landmark Place (customer service and IT staff moving to Phoenix House) and the deletion of the AD post for Customer Services and IT.

Regeneration, Housing and Resources Directorate:

Overview: P3 – June 2014

Service	Budget / £k	Forecast Outturn / £k	Variance / £k	Variance / %	Change in month £k
Strategic Management	(54)	(54)	0	0%	0
Corporate Resources	2,109	2,089	(20)	(0.9%)	(20)
Housing and Environment	14,714	14,743	29	0.2%	29
AIR (Estates Regeneration)	11,254	11,269	15	0.1%	(110)
Total Regeneration, Housing and Resources	28,023	28,047	24	0.1%	(101)

Directorate summary for the 2014-15 year to date

At this point in time the Resources, Housing and Regeneration Directorate is forecasting an over spend position of £24k, pending the successful delivery of the 2014/15 savings targets.

Service: Strategic Management

Explanation of variation from budget:

At the present time, no variances are highlighted apart from the need to achieve the £618k of savings embedded into this cost centre; £200k of these savings is dependent upon the restructure of the transport/highways services.

Service: Corporate Resource

Explanation of variation from budget:

The £20k underspend is largely derived from staffing vacancies.

Service: Housing and Environment

Explanation of variation from budget:

An overspend of £29k is projected at period 3 due to a reduction in fee income from Home Improvements arising from a lower capital budget.

Service: AIR (Estates and Regeneration)

Service	Budget	Forecast Outturn	Variance	Variance / %
Property Services	692,980	583,349	(109,631)	(15.8%)
Facilities & Corporate Landlord	2,538,090	2,672,330	134,240	5.3%
Highways Engineering	3,277,370	3,277,370	0	0%
Asset Management	126,480	207,348	80,868	63.9%
Transport	4,616,760	4,526,760	(90,000)	(1.9%)
Total	11,251,680	11,267,157	15,477	0.1%

Explanation of variation from budget:***Property Service***

A projected underspend of £110k is now forecast arising primarily from £97k severance pay, £10k additional reactive repair costs (legionella works etc.) offset by capitalisation of staff time and £70k reduction in corporate repairs.

Facilities & Corporate Landlords

The period three forecast is for an increase of £59K from the previously reported £75K potential pressure. This increase is driven mainly by the following:

- A107 LMP: £15K in Landlord service charge, £2.4K in business rate due to business rate revaluation and £0.6K in building cleaning
- B061 Facilities Management: £5K the net impact of £21K additional pension charge
- B062 Centre Accommodation: £1K in business rate
- B068 SMP: £7.5K in business rate due to business rate revaluation
- B070 Community Caretakers: -£2K saving in employee costs
- B157 West Wing Arts: Insufficient budget resulting in £28K pressure re Electricity costs based on previous year's outturn
- Other Corporate Landlord budgets: Net £1.5K from various minor pressures and savings.

Highways Engineering

There are no projected variances at the present time; a recruitment freeze is currently in place pending merger of the Highways and Transport services later in the year.

The service has a £200K increase in the Street works Income budget for 2014/15 related to a compensation claim against Uxbridge Rail/Network Rail for late completion of street works. The actual fine was issued in 2013/14 and is currently in dispute. Should the compensation claim fail to be paid, this could create a £200k budget pressure in this year.

Asset Management

The projected net pressure of £81K results from a combination of pressures from various service budgets (including a £60k overspend on the Age Concern budget) that outweigh a £81K saving from the Bus Station due to higher than budgeted recharge income. Included within this overspend is a projected £48k overspend from consultants/agency staff in B081 (valuation); a concerted effort need to be made to reduce this overspend through appropriate recharging and capitalisation of staff time.

Transport Services

The underspend of £90k is this year's savings arising from the implementation of the 'Pay On Foot Barrier system for Herschel and Hatfield Multi Storey Car parks' in September 2014; this capital 'Invest to save' project was approved at Capital Strategy Board in January 2014 and the full year savings have been included in the 2015/16 savings proposals.

Corporate Services:**2014/15 Budget Summary**

Service	Budget / £k	Forecast Outturn / £k	Variance / £k	Variance / %
Corporate and Democratic Core	(205)	(205)	0	0.0%
Pensions	467	467	0	0.0%
Benefits Paid and Subsidies	(411)	(411)	0	0.0%
Housing Act Advances / Equity Share Scheme	(1)	(1)	0	0.0%
Total	(150)	(150)	0	0.0%

Non-Departmental Costs

The Local Services Support Grant was expected to be approximately £200k this income has been confirmed as £98k giving a shortfall of £102k.