

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee
DATE: 4th Feb, 2010

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WARD(S): All

PORTFOLIO: All

PART I **NON-KEY DECISION**

PERFORMANCE AND FINANCIAL REPORTING FOR 2009/10

1 Purpose of Report

The report covers the revenue and capital monitoring position to December 2009 and also, the treasury management position as at December 2009.

2 Recommendation(s) / Proposed Action

The Committee is requested to resolve:

a) That the following aspects of the report be noted:

- i. Financial performance – revenue and capital
- ii. Treasury management position as at December 2009

3 Key Priorities – Taking Pride in Slough and Making a Difference to Communities

The budget is the financial plan of the authority and as such underpins the delivery of the Council's key priorities through the financial year.

Budget monitoring throughout the financial year reflects on whether those priorities are being met and, if not, the reasons why, so Members can make informed decisions to ensure the Council remains within its available resources.

Community Strategy Priorities

This report indirectly supports the community strategy priorities. The maintenance of excellent governance within the council to ensure it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy and by ensuring good people and management practices are in place

4 Other Implications

(a) Financial

These are contained within the body of the report.

5 Supporting Information

Financial reporting

- 5.1 The Council's net revenue budget for 2009/10 is £102.6m.
- 5.2 There is currently a projected overspend for 2009/10 of £397k which is a reduction of £356k to the reported headline position outlined last month. CMT members should note the possible emerging opportunities at section 7 which could provide some leverage coupled with the assurance provided by Strategic Directors at CMT on 16th December that the agreed action plans will be achieved in 2009/10. Members should also be aware of any possible variances that may arise during the coming months highlighted in paragraphs 5.27-5.30.
- 5.3 The position is summarised in Table 1, overleaf, and detailed in Appendix B.

Table 1 - Projected as at 31st December 2009

Directorate	Current Budget	Projected Outturn	Variance Over/(Under) Spend	Change	Previously Reported
	B	C	D = C - B		CABINET (18th Jan 2010)
	£'M	£'M	£'M	£'M	£'M
Community and Wellbeing	33.468	33.764	0.296	0.008	0.288
Education and Childrens Services	25.338	25.409	0.071	(0.141)	0.212
Green and Built Environment	27.022	26.897	(0.125)	(0.179)	0.054
Central Directorates	22.970	23.005	0.035	(0.044)	0.079
Corporate	(0.083)	0.267	0.350	0.000	0.350
Total Cost of Services	108.716	109.343	0.627	(0.356)	0.983
% of revenue budget over/(under) spent by Services			0.58%	-0.33%	0.90%
Treasury Management	3.544	3.394	(0.150)	0.000	(0.150)
Contingencies & earmarked reserves	(1.318)	(1.398)	(0.080)	0.000	(0.080)
Area Based grant *	(8.312)	(8.312)	0.000	0.000	0.000
Total	102.629	103.026	0.397	(0.356)	0.753
% of revenue budget over/(under) spent in total			0.39%	-0.35%	0.73%

* Included in Directorate base budgets

Month on Month Movement in Variances

5.4 Community and Wellbeing have reported a slight increase in their overspend position of £8k from that reported last month to give a projected overspend of £296k. The summary headlines are as follows:

- Adult Social Care –

1. Residential & Nursing Care Packages: 4 new clients plus some revisions to existing packages have resulted in a pressure of £90k. This has been offset by extra receipts (£40k) expected from Learning Disabilities S28a clients;

2. Day Care: Savings on the IMCA & Adult Stroke grants of over £51k have been identified and £9k has accrued from a various adjustments to staffing costs on the internal day centres;

3. Staffing Costs: A favourable net movement of £25k due to revisions to other staffing costs including agency staff;

4. Home Care: There has been a new pressure of £26k caused by the assimilation of staff displaced from Newbeech. Overall this transfer of staff has led to a reduction of planned agency staff but there is still a net pressure. This has, however, resulted in the retention of experienced and valued staff within the organisation and avoided significant redundancy costs;

5. Direct Payments: 4 new placements this month have resulted in a new pressure of £23k.

6. Reductions in non staffing spend across several budget headings have saved £60k.

- Learning Skills & Cultural Engagement – A new pressure in the Lifelong Learning Service due to an adjustment relating to an unpaid invoice from the last financial year has resulted in a pressure of £29k.

5.5 **Education and Children's Services** has seen a reduction in the previously reported overspend. Specifically an under spend reported this month of £141k arises from review of all budget areas and deliverables across the Inclusion division. Specifically discussions concerning funding of the behaviour support service with schools and innovative use of allocated grant funding has resulted in savings in the region of £50k - although only as a one-off contribution. Also savings arising from the Youth service of £52k representing 0.03% of a base budget of £1.5m have been incorporated reflecting savings across staffing and premises used by the service. The other savings fall across a number of budget areas and are detailed in the attached appendices.

5.6 **Green and Built Environment** have reported a reduction in their over spend of £179k to give a projected underspend position of £125k. £100k of the reduction can be attributed to the reduced patronage for the Concessionary Fares Scheme; £53k can be attributed to a reduced demand for top-up grants on Disabled Facilities; A £17k saving is now being projected due to the unexpected delay of recruitment to two vacant posts in Careline and CCTV;

5.7 **The Central Directorates** are currently reporting a year end over spend of £35k, which is a favourable movement of £44k since last month. This includes the capitalisation of costs associated with Capital Disposal and Feasibility budget saving £110k offset by a pressure of £74k on commercial rents that has arisen from an historic contractual arrangement with Slough Accord. Increased staffing costs of £152k, mainly from the extended use of agency staff across services to cover vacancies have been offset by the generation of £86k of one-off income including the recovery of officer time from capital schemes and the management of non-staffing costs by across several service areas saving £75k. The balance comprising other additional one-off pressures are detailed in the attached appendices.

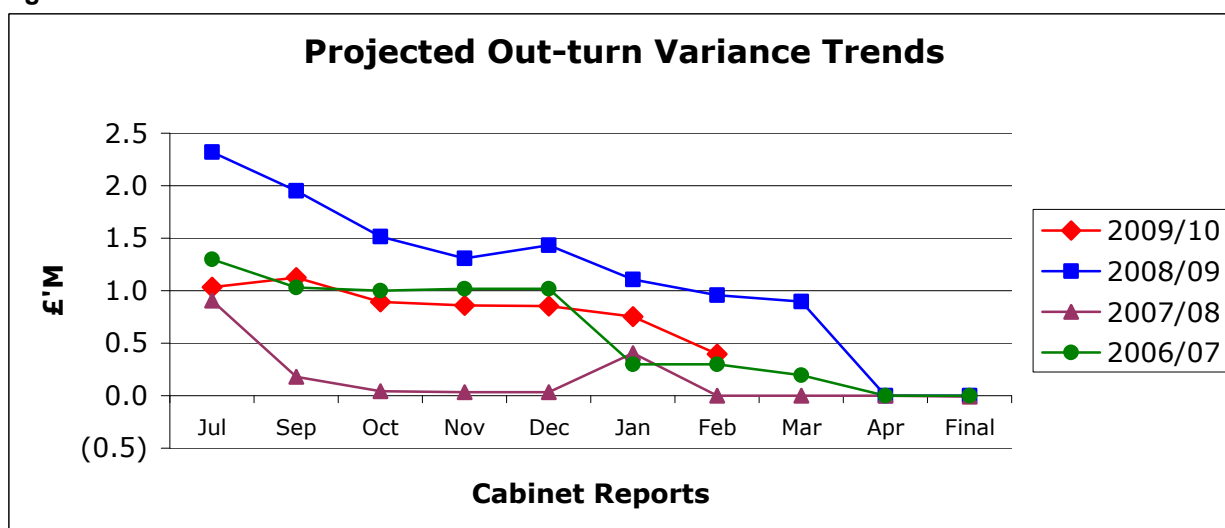
5.8 The Corporate pressure of £350k reported in previous months, being the non achievement of a previously agreed saving relating to the Customer Service

Centre is still included in the overall reported position. This will be a cost as CMT agreed which requires funding from overall directorate variances.

5.9 Also included and financially quantified in last month's monitor are the two emerging opportunities reported last month. Firstly the impact of re-profiling the capital programme has resulted in less borrowing required in this financial year, this results in a saving of £150k. Secondly the earmarked reserves have been reviewed and overall it is prudent to report a saving of £80k. In total a -£230k variance is reported which will be used to offset the pressures reported across directorates.

5.10 Figure 1 overleaf illustrates the monthly projected outturn positions over the last 4 years. This shows, by comparison, the current projected position being the second highest outturn at this stage of the year.

Figure 1



Emerging Issues / Risks

5.11 Although the headline position is showing a net projected overspend of £397k it is important to note there are emerging issues which may result in further pressures on this variance. These risks should not be underestimated and at this stage of the year should be seen as a significant factor in the council looking to achieve a year end break-even position.

5.12 Community and Wellbeing:

- **Savings Programme:** As the Director confirmed at CMT 16th December 2010, the savings programme remains largely on track and will deliver by 31st March 2010.
- **Winter Pressures:** The department has a robust service plan to respond to the impact of winter pressures which includes proactive steps to prevent and minimise upsurge in placements at this time of the year. It also earmarks any reductions on the 2009/10 Care UK contract as a result of

the recent embargo to offset the cost pressures that may result from any seasonal rise in demand. (This is the subject of ongoing negotiation between the department and Care UK). This means that there is no flexibility in the current placement budget to respond to significant costs pressures due to winter pressures. Therefore the full impact of the recent surge in placements have been added to the Department's overall overspend and the recent adverse weather could see a further increase in care packages next month. The potential saving in relation to the non payment for vacant beds under the Care UK block contract from January 2010 onwards has not yet materialised and therefore has not yet been factored in the figures above if agreed this could result in potential savings of £295k.

- **Newbeech Redundancy Costs:** The figures above exclude the redundancy costs as a result of the closure of this home. Latest estimates show a certain liability of £8k for redundancies that have occurred. However, following recent redeployments and other changes the maximum liability is now £311k which is £19k better than previously reported. This is for about 21 members of staff ranging from £1k to 67k. It is still expected that the final figures will be much lower as redeployment opportunities are expected. The department is committed to redeploy as many of the affected staff as possible. The best estimate at present is that the final cost could be £139k.

5.13 **Education and Children's Services:**

- The volatility across client placements still remains a possible pressure.

5.14 **Green and Built Environment:**

- A significant 'down-time' at the EfW plant was experienced during August and September. Any further problems would impact on the budget this year by virtue of alternative disposal costs (landfill). For example, a month of additional landfill activity would cost around £50K. This continues to be monitored closely by officers;
- Current activity data in respect of planning applications has resulted in a worsening position for fee income. With no visible signs of imminent recovery, it is now thought more likely that this situation may prevail into 2010/11. There is currently no provision for this income shortfall in the latest PPRG deliberations. This may need to be taken into account;
- The red bin recycling scheme has had an impact on landfill waste costs. This may result in savings which could help to partially offset any pressures in the service area;
- Higher levels of activity in the Housing Needs area as a result of the economic recession are evident, although any financial impact is still unclear at this stage;

- Recent extreme weather condition raise the possibility of a pressure on Winter Maintenance expenditure (gritting, etc) depending on how long the conditions prevail. Further information should be available in the January 2010 report.

Emerging Opportunities

5.15 Community & Wellbeing

- **Care UK Saving:** It is likely that the cost of this contract will be less than the amount included in the forecast. This is because of the self imposed embargo on admissions recently introduced by the company. The exact amount that could be saved will depend amongst other things on the date that the embargo is lifted. However, the most favourable scenario could see one off savings in the region of £295k.
- **Renegotiation of SCLL contract:** There is the possibility that as a result of recent developments in relation to this contract the department could benefit from lower costs this year. Further details will be known shortly.

5.16 Education & Childrens Services

- Previously reported work being undertaken in respect of the re-tendering of the Home To School Transport service continues and may be possible to accrue through further contract 'tweaking' to identify additional savings.
- Further analysis of the Youth service work programme is taking place, aligned to realistic outcomes and VFM. If there are further savings this will be reported next month.

5.17 Green & Built Environment

- A further projected saving has been included this month reflecting further reduced patronage of the concessionary fares scheme. Inclement weather conditions do generally impact on usage, so some of this saving may be a 'one-off'. However, there would appear to be a likelihood of current levels of demand continuing into 2010/11 which may provide a further budget saving. This is currently being investigated by officers. Further information should be available in the February 2010 report.

Efficiency Savings

5.18 As part of Comprehensive Spending Review 2007 (CSR07) announced in October 2007, the Government set a target for all of Local Government to achieve £4.9 billion in efficiency savings for the three year period to March 2011. This equates to 3% of the defined baseline expenditure.

5.19 At that time it was also reported that Government is to monitor the progress of individual Councils towards achieving the national efficiency targets. In order to facilitate this monitoring, Councils must submit information twice a year in respect of National Indicator 179 (NI179) which records 'the total net value of

ongoing cash releasing value for money gains that have impacted (i.e. a forward and backward look) since the start of the 2008/2009 financial year.

- 5.20 This council has achieved more than the first year target but needs to continue to monitor against the achievement of the overall 3% target. Thus rather than have this exercise conducted at the year end it is prudent to incorporate this target as part of the routine monthly budget monitoring process so that CMT can be assured that the year end target is on course to be met. This exercise will begin from next month.
- 5.21 Monitoring carried out this month indicates an improvement in the achievement against the target set by the DCLG as can be seen in the table overleaf. The detail of savings items included can be seen in Appendix B. This position will continue to be monitored as we work through the last quarter of 2009/10.

NI 179

	As at Nov-09		Dec-09
	Budget	Forecast	Monitoring
	£'000	£'000	£'000
Over Achievement of SR 04 gains	4,302	4,302	4,302
Efficiency savings carried forward from 2008/09	2,099	2,099	2,099
Efficiency Savings included in 2009/10 Budget Build	2,107	2,139	2,173
Withstanding Impact of Inflation	1,502	1,502	1,502
NI 179	10,010	10,042	10,076
Target	8,094	8,094	8,094
Indicative Over / (under) achievement	23.68%	24.07%	24.49%

Capital

- 5.22 With the re-instatement of the Asset Management Group (AMG) and the on-going work to reprofile the Capital programme in light of budget pressures in future years, it is prudent to include a monthly update on the Capital position as part of this report. This allows both the revenue and capital position to be monitored so the 'full picture' across the council's financial resources is reported to CMT. The current programme, as presented and discussed at the AMG meeting of the 18th January 2010, is attached as Appendix C. A summary of changes is given below:

Capital Programme 2009/10 to 2011/12**Summary of - Changes**

	2009/2010	2010/2011	2011/2012
Community and Wellbeing	-83	90	0
Education and Children's Services	-1,643	3,045	0
Green and Built Environment	-2,260	2,569	351
Green & Built Environment: Affordable Housing	-1,347	927	420
Resources	-1,323	328	988
	<u>-6,656</u>	<u>6,959</u>	<u>1,759</u>

Virements

- 5.23 In accordance with the Financial Procedural rules, virements require the approval of officers and Members.
- 5.24 There have been no virements requiring Member approval since the last report (dated 14th January 2010).

Treasury Management

- 5.25 The Council's deposit with Heritable Bank including accrued interest to the date of Administration amounts to £2.579M. The Administrator's latest report (January 2010) continues to indicate a recovery rate of between 70 and 80 pence. To-date, £742,305 (28.79%) has been repaid with the latest dividend of £326,454 received on 18th December 2009. Impairment charge based on 80% recovery was made to the 2008-09 Accounts. The recent decision by the Icelandic government to seek a referendum does not affect the Council's holdings in Heritable bank as the referendum is about whether the Icelandic government should reimburse the UK government for compensation already paid by the UK government to individual savers with the Icelandic banks.
- 5.26 Chelsea Building Society and Yorkshire Building Society have announced their intention to merge. It is expected that the merger will be completed by the end of March 2010 with the Yorkshire Building Society being the senior member of the merged group. Although neither of these two building societies is on the current approved list, the Council still has an outstanding long term deposit of £4M with Chelsea due to mature in March 2011. No further deposits will be placed with the merged group.
- 5.27 The treasury management budget for 2009-10 has been reviewed as part of the 2010-11 budget build process and has been adjusted for the changes in interest rate forecasts, cash flow balances and for the impact of proposed changes in capital programme. The revised budget and reasons for variations are as follows:

EXPENDITURE/ INCOME		2009-10 Original Est. £'000	2009- 10 Revised Est. £'000	Variance £'000
1	Existing Debt – Interest	4,063	3,938	-125
2	New Debt - Interest	0	0	
3	Minimum Revenue Provision (MRP)	461	270	-191
4	Interest Charge (to)/ from HRA	-306	-623	-317
5	Gross Costs	4,218	3,585	-633
6	Less Interest on deposits	-2,294	-2,704	-410
7	Net Cost / (Surplus)	1,924	881	-1,043

5.28 Variances are due to:

- Interest on existing debt includes interest payable on some of the internal funds and deposits and reflects the lower rate of interest applied to these balances. Decrease in minimum revenue provision in 2009-10 is due to technical adjustments whereby short life assets were all funded from usable capital receipts with borrowing applied to long life assets. Interest charge to HRA has increased in 2009-10 because ALMO was granted a change in its profile of supported borrowing by increasing 2009-10 allocation and decreasing by equivalent amount the allocation for 2010-11. This was only notified after the budgets had been approved. Increase in investment income reflects the increased level of cash balances (Investments) brought forward into 2009-10 due to the level of actual capital spends in 2008-09 and also includes a credit back of £94K for impaired investment interest.

5.29 The decreased treasury budget requirement in 2009-10 has been set aside to fund the following years' budget requirement.

5.30 Deposits outstanding as at 31st December 2009 compared to previously reported (17th August 2009) and individual counter party limits are set out below. The credit ratings as measured by Fitch Ratings and Moody's Ratings are also summarised as follows:

RATINGS DEFINITIONS	Fitch		Moody's	
	Long Term	Short Term	Long Term	Short Term
Extremely Strong Grade	AAA	F1+	Aaa	P-1
Very Strong Grade	AA+/AA-	F1+	Aa1/Aa3	P-1
Strong Grade but susceptible to adverse conditions	A+/A-	F1+/F2	A1/A3	P-1/P-2
Adequate Grade	BBB+/-	F2/F3	Baa1/3	P-2/P-3
Speculative Grade to Vulnerable and Default	BB+ to D	B to D	NP(Not Prime)	BB+ to D

DEPOSITS OUTSTANDING AS AT 31st December 2009

Approved Counter Party - June 2009	Sovereign Risk	Fitch		Moody's		Approved Limit	Deposit O/Stand 17th Aug 09	Deposit O/Stand 31st Dec 09
		LT	ST	LT	ST			
BANKS								
Santander Group						£25M		
- Abbey	UK	AA-	F1+	Aa3	P1	15,000,000	500,000	5,200,000
- Alliance & Leicester	UK	AA-	F1+	Aa3	P1	10,000,000		0
Lloyds Banking Group						£25M		
- Bank of Scotland	UK	AA-	F1+	Aa3	P1	12,500,000	9,449,000	10,581,000
- Lloyds Bank	UK	AA-	F1+	Aa3	P1	12,500,000	8,500,000	11,300,000
Barclays Bank	UK	AA-	F1+	Aa3	P1	25,000,000		6,500,000
Clydesdale Bank	UK	AA-	F1+	A1	P1	10,000,000	1,000,000	0
Co-op Bank	UK	A-	F2	A2	P1	15,000,000	5,000,000	3,000,000
Heritable Bank						2,500,000	2,084,149	1,757,695
HSBC	UK	AA	F1+	Aa2	P1	10,000,000	0	0
Northern Rock	UK	A+	F1+	A2	P1	10,000,000	3,000,000	3,000,000
Royal Bank of Scotland	UK	AA-	F1+	Aa3	P1	25,000,000	4,000,000	0
Svenska Handelsbanken	SWE - AAA	AA-	F1+	Aa1	P1	10,000,000	0	6,500,000
UK Debt Mangt Office		AAA		Aaa			0	0
Sub Total - Banks							33,533,149	47,838,695
Building Societies		BS RANK						
Nationwide Group						£25M		
- Nationwide BS	UK	1				15,000,000	5,400,000	3,100,000
- Derbyshire BS	UK					2,000,000	2,000,000	2,000,000
- Dunfermline BS	UK					8,000,000	6,000,000	2,000,000
Britannia BS	UK	2				10,000,000	2,000,000	0
Coventry BS	UK	4				10,000,000	9,100,000	10,000,000
Leeds BS	UK	8				10,000,000	3,200,000	10,000,000
Norwich & Peterborough	UK	11				8,000,000	8,000,000	1,500,000
Sub Total - Approved Building Societies							35,700,000	28,600,000
Counter Parties No Longer on the Approved Lists but Deposits Placed before June 2009								
Yorkshire BS		3				0	3,900,000	0
Chelsea Building Society		5				0	7,000,000	4,000,000
Skipton Building Society		6				0	1,000,000	0
West Bromwich BS		7				0	3,000,000	0
Newcastle Building Soc		10				0	4,750,000	0
Stroud & Swindon BS		13				0	5,000,000	1,000,000
Nottingham Building Soc		14				0	2,000,000	1,000,000
Progressive Building Soc		16				0	2,500,000	0
Cumberland Building Soc		17				0	1,000,000	0
Furness Building Society		19				0	3,000,000	0
Saffron Building Society		25				0	1,300,000	0
Sub Total - Other Building Societies							34,450,000	6,000,000
Total Deposits							103,683,149	82,438,695

In addition to above deposit limits, the Council may invest £10M in Gilts.
Deposits in UK based foreign banks limited to 30% of total Deposits.

Conclusion

5.31 The position as at the end of December 2009 leaves an overall headline pressure for the Authority of £397k.

6 Appendices Attached

- A** Schedule of Directorate Variances to Budget 09/10
- B** NI 179 – Savings items
- C** Current Capital Programme

7 Background Papers

- 1' Finance - Detailed working papers are held in Corporate Finance and the relevant departments.

APPENDIX A

Summary Variance Analysis

For the Period Ended: 31st December 2009

Community & Wellbeing

Service Area	Total Variance £'000	Explanation
Residential & Nursing Care	240	<p>New this month: A net pressure of £50k due to a total of 4 new clients plus some revisions to existing packages, (resulting in pressure of £90k) this has been offset by extra receipts £40k) expected from Learning Disabilities S28a clients.</p> <p>Previously Reported: +£191k</p> <p>Overall the budget pressure is due to the increases in care packages last winter and a lower than expected attrition rate this year. This has added extra costs of £222k. Additional pressures since the start of the year resulting from the need to purchase extra beds (£72k) due to the Care UK embargo and an unrealised debtor (£129k) relating to the Longcroft pipe works have added further costs of £201k. Over the past month, the apparent effect of poor weather has resulted in extra demand and new pressures of £90k. These have been offset by a robust in year savings programme which has so far realised savings of £273k by restricting growth and reducing existing packages across all client groups and service areas.</p>
Home Care	217	<p>New this month: There has been a new pressure of £26k caused by the assimilation of staff displaced from Newbeech. Overall this transfer of staff has led to a reduction of planned agency staff but there is still a net pressure. This has however avoided significant redundancy costs and has retained experienced and valued staff within the organisation.</p> <p>Previously Reported: +£191k</p> <p>Over 9,000 extra hours identified in the first 3 months of 2009/10 and more recently the transfer of staff from Newbeech has added to this budget pressure. Managers responded to initial increase by reducing and restrict care packages in order to bring this budget back under control. However, the department faces severe pressures on this service from hospital discharges.</p>
Direct Payments	145	<p>New this month: There have been 4 new placements this month resulting in a new pressure of £23k.</p> <p>Previously Reported: £122k</p> <p>There has been additional growth to meet rising demand and to fit the government's personalisation agenda. This would be offset by some reduction in other areas such as Day Care and Home Care.</p>

Day Care & Community Services	-99	<p>New this month: New savings on the IMCA & Adult Stroke grants of over £51k have been identified and £9k has accrued from a various adjustments to staffing costs on the internal day centres.</p> <p>Previously Reported: -£39k</p> <p>Overspends at Wexham & Langley due to planned savings not achieved have been more than offset by savings on other day care budgets.</p>
Staffing Budgets	-207	<p>New this month: A favourable net movement of £25k due to revisions to other staffing costs including agency staff.</p> <p>Previously Reported: -£182k</p> <p>Vacancies (both current and past) on a number of teams have generated savings which have not been fully offset by expenditure on agency staff.</p>
Total Variance	296	

APPENDIX A (Cont.)

Education & Childrens Services

Service Area	Total Variance £'000	Explanation
Children & families	1,107	<p>New This month: Expenditure across Children Looked After settings has increased overall by £36k, mainly due to 3 new client placements offset by a £30k saving due to 2 clients moving out of rented accommodation. Increased section 17 activity has resulted in additional costs of £40k. Reductions in the level of activity reflected in spend levels for additional support to LAC saves £40k.</p> <p>Previously Reported: Increases in the level of Looked After Children across all settings result in pressures of £877k (which includes £120k one-off income from the sale of a bed within Mallards to WaM) and increases in activity across Family support services including Family Group Conferencing, Kinship Care and the prevention of children becoming looked after result in pressures of £241k. Late notification of increased costs for Joint Arrangements for the Legal Team, the Berkshire Advisory service and Out of Hours service will result in pressures of £133k. This is offset by one-off savings in respect of grant receipts for Asylum Seeking children of £60k. Adoption activity based on current client numbers awaiting placement results in an estimated saving of £90k.</p>
Youth	-77	<p>New This month: Current analysis of expenditure across the Youth Service indicates a minor reduction in spend of £52k (3% of the total £1.5m budget).</p> <p>Previously reported: Staffing vacancy and reduced premises rental liability create savings of £25k.</p>
Inclusion	-327	<p>New this month: A further £18k staffing saving has been identified this month due to a delay in recruiting to vacant posts. An updated assessment of the requirement to support Behaviour and Attendance Services and other school based projects has reduced the requirement by £50k from the level previously anticipated. Exploration of alternative options to the expected purchase of EMS software saves £27k.</p> <p>Previously reported: Increased home care and school holiday support to Children with Disabilities costs £12k, offset by savings of £10k from Health Improvement team from reduced requirement to procure and distribute promotional and educational media and materials. Reduction in CWD client levels including successful removal of LAC status for 1 client has saved £217k. £34k saving through delayed appointment to vacant posts. £10k through management of discretionary spend. Re-assessment of financial support to be provided to organisations and service areas that access the Children's fund costs £27k.</p>
Raising Achievement	-441	<p>Previously reported: Savings across the extended schools programme of £204k. Management of vacancies and reduced hours for staff saves £33k. Additional income generation within the Advisory Service saves £65k. The re-tender of the HTST provision will save £139k and the management of discretionary spend and utilisation of grants against core costs will save £40k. Partially offset by a pressure in respect of the Connexions contract of £60k.</p>
Strategy, Information and resources	-191	<p>Previously Reported: Additional income of £62k from schools for EMS licences and use of grant to support Assessment Centre saves £40k. This is mainly in respect of the one off receipt of a</p>

		rates refund and expected continuation of reduced Joint Arrangement charges in respect of PRC and Dismissal costs together totalling £60k.
TOTAL	71	Total Variance

APPENDIX A (Cont.)

Green & Built Environment

Service Area	Total Variance £'000	Explanation
Waste Disposal	60	Previously Reported: Increased charges from a neighbouring authority for use of disposal facilities (£50K); plus prior year contractual indexation of costs not fully funded (£50K). Pressures partly offset by efficiencies in waste disposal emanating from diversion of landfill tonnage (£40K).
Planning Fee income	200	Previously Reported: Current indications are that small household applications are fairly constant but there is a lack of major applications which yield significant fee income. Budgeted income is over £600K, and, as a result of this economic climate, a shortfall representing 33% of budget is predicted.
Other demand-led income	41	Previously Reported: Potential shortfall in demand-led income across the directorate, other than Planning Fees above, due to economic recession. This assumes a 1% shortfall on £4M budget which includes car parking; licensing; building control; trade waste; and registrars.
Concessionary Fares	-225	New This month: Further analysis of patronage data indicates an unexpected reduction in demand for the service. A further saving of £100K is likely, giving a net variance of 9% against budget. Previously Reported: Estimated £100K saving from reassessed level of scheme take up/demand for service. Against a £2.4M budget, this represents a 4% saving. A further £25K saving from the provision made for outstanding 2008/09 reimbursement claims from bus operators which have not materialised.
New Road Street Works Act (NRSWA)	-50	Previously Reported: Anticipated additional fees through increased activity of statutory undertakers on highway. Against a budget of £75K, this represents an additional 66% of income.
Parks & Open Spaces	-55	Previously Reported: Reprofiting the expenditure of the £117K agreed growth from PPRG 2009/10, plus reduced in-year maintenance following capital expenditure can produce a one-off saving.
Staffing	-150	New This month: Unexpected recruitment problems, particularly in Public Protection have yielded a further net saving of £26K, giving a net variance of just 1.5% against budget. Previously Reported: Slippage of £60K on implementing proposed savings in PPRG of £500K across all service areas is more than offset by delayed restructure/recruitment to new & vacant posts.
Home Improvements	-53	New This month: Demand for funding of top-up grant on Disabled Facilities Grants fluctuates and has proved to fall short of expectation, giving a likely one-off saving of £53K, being 50% of the budget. This is partly due to the maximum grant eligibility threshold being increased from £25K to £30K, meaning less draw on the revenue budget.
Other variances under		Previously Reported: Wexham Nursery reduced income from client recharges & letting of buildings £55K; Chalvey Depot & Multi

£50K (net)	107	Storey Car Park late notification of Business Rates increases £21K; Flood Defence Levy increased £10K; People 1st contribution to community safety reduced by £28K through withdrawal from SLA; Bulky waste collection charges for pensioners ceased as per Members' wishes £10K; Roundabout sponsorship income unlikely to be achieved due to economic recession £12K; Coroners' Joint Arrangement contribution increased £25K.
Total	-125	Total Variance

APPENDIX A (Cont.)

Central Directorates

Service Area	Total Variance £'000	Explanation
Chief Executive	Nil	New This month: The previously reported variance relates to work undertaken as part of shared services and thus removes this cost from this service area. Previously Reported: Additional salary costs for a temporary member of staff whose contract has been extended to the end of the financial year.
Resources	£239k	New This month: Additional cost of Agency Staff over and above Salary Vacancies £111k this is mainly in IS&IT area. Running costs have been held to try and manage the pressure on agency staff particularly in IS&IT -£64K. Additional income generated from Capital and external sources -£55k. Pressure from allocating depot to Accord rent free £74K. Savings on Capital Disposals & Feasibility studies due to costs being Capital rather than revenue - £110k. Previously Reported: Previous accounting practices have been reviewed with regard to the payment methodology of NNDR discretionary relief so that this is recorded 1 year in arrears only (previously 2 years) which results in additional costs of +£121k. The future years implications of this has been picked up in the budget build process. Additional pressure of £25k from the under provision for dilapidations works at Wellington House. Savings from staff vacancies over and above the additional costs of agency staff/consultants in lieu of staff -£15k. Income not achievable from Commercial Properties including advertising from hoardings +£277k and drop in income from Land Charge searches +£40k. Maintenance on Corporate Properties held to manage the overall budget -£166k.
Improvement & Development	-£204k	New This month: Additional use of Agency Staff cover £28k. Additional training costs of CSC staff £19K. Income generated from external sources -£31k. Minor Running cost savings -£9k Previously Reported: Savings from staff vacancies over and above the additional costs of agency staff/consultants in lieu of staff -£236k. Council commitment to continue support of Voluntary Sector organisations has resulted in a pressure of £25k.
	£35k	Total Variance