

AGENDA MANAGEMENT SHEET

Name of Committee Cabinet
Date of Committee 07 September 2006
Report Title Projected 2006/07 Revenue Net Spend as at Quarter 1

Summary

For further information please contact: Sandra Dean
 Budget Planning Officer
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Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers Projected spend and budget monitoring papers held by individual directorates.

CONSULTATION ALREADY UNDERTAKEN:-

- Other Committees
- Local Member(s)
- Other Elected Members Cllr Tandy, Cllr Roodhouse, Cllr Booth, & Cllr Hicks - for information
- Roodhouse &
- Cabinet Member Cllr Farnell & Cllr Cockburn
- Chief Executive Jim Graham – for information
- Legal David Carter - for information
- Finance Dave Clarke - reporting officer
- Other Chief Officers The relevant Strategic Director has prepared comments in individual appendices
- District Councils
- Health Authority
- Police

Other Bodies/Individuals

FINAL DECISION NO

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by this Committee

To Council

To Cabinet Further quarterly monitoring reports are planned for November 2006 and February 2007 and the Final Service Outturn will be reported in June 2007.

To an O & S Committee

To an Area Committee

Further Consultation

Cabinet - 07 September 2006

Projected 2006/07 Revenue Net Spend as Quarter 1

Report of the Strategic Director of Resources

Recommendation

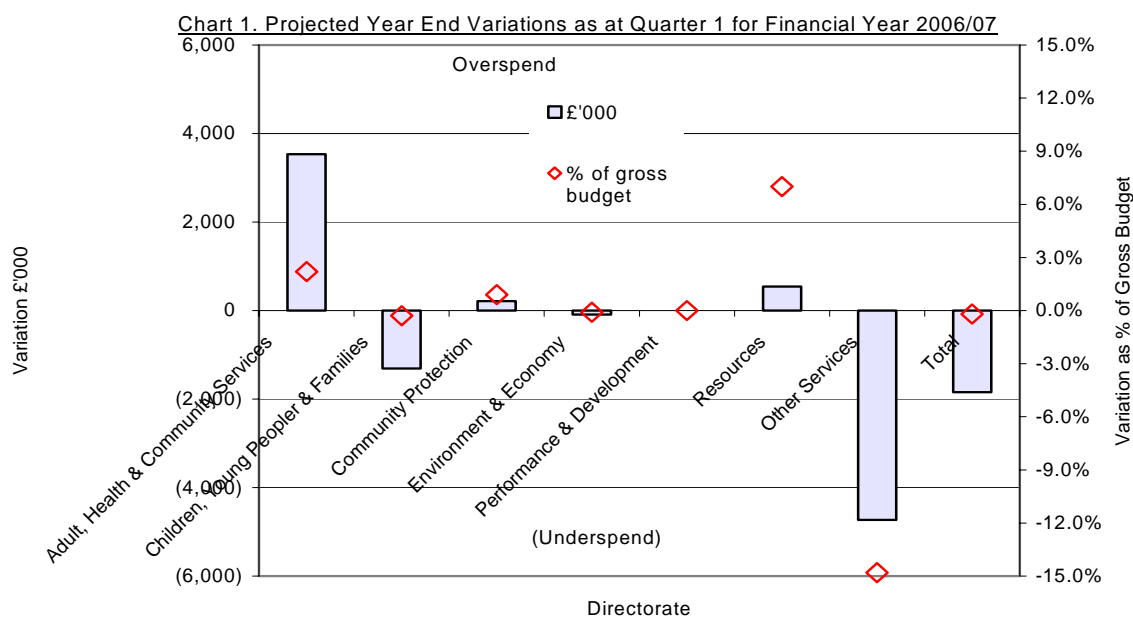
It is recommended that Cabinet:

- Notes the projected 2006/07 revenue net spend position and the projected reserves at year-end, and requests departments to take appropriate management action to try to ensure that spending remains within budget.
- Approves the contributions to and use of reserves totalling a net use of £651,000 in 2006/07 as detailed in paragraph 3.2.

1 Introduction

1.1 The purpose of this report is to inform Members of the projected net spend for 2006/07 based on the information known at the end of the first quarter.

1.2 At this stage the estimated 2006/07 underspend is £1,843,000. Chart 1 below shows the predicted over/underspend for each directorate compared to the current budget, and the projected variation as a proportion of the gross budget of the directorate, together with the authority's total position. As further information becomes available and new issues develop, these projections will be refined and presented in subsequent quarterly reports.



2 Spending Compared With Estimates

2.1 Table 1 below shows a summary of the projected year-end position of each directorate, and a reconciliation back to the adjusted budget approved by Cabinet in April 2006.

Table 1: Summary of Projected Variations

Appendix No.	Service	Adjusted 2006/07 Original Budget (see note 1 below) £'000	Approved Revisions (see note 2) £'000	Current Budget £'000	Projected Overspend/ (Underspend) £'000
A	Adult, Health & Community Services	105,412	(55)	105,357	3,533
B	Children, Young People & Families	129,381	2,397	131,778	(1,309)
C	Community Protection	23,695	567	24,262	217
D	Environment & Economy	55,347	509	55,856	(92)
E	Performance & Development	5,142	1,188	6,330	0
F	Resources	4,435	(145)	4,290	538
G	Other Services	30,112	(570)	29,542	(4,730)
	Total	353,524	3,891	357,415	(1,843)

Note 1 – Since the original budget was set at Council in February 2006, the Strategic Director of Resources has approved a number of tidying-up adjustments following the restructuring of the authority and these were reported to Cabinet on 6 April 2006. These minor changes are reflected in the adjusted 2006/07 original budget column in the table above and have a nil effect on the bottom-line.

Note 2 - The savings from restructuring reported to Strategic Directors Management Team on 12 July 2006 have been included in the 'approved revisions' column in the table above. These savings have been added to the Modernisation Fund, held in Other Services, and have a nil effect on the bottom-line.

2.2 The current budget is £3,891,000 higher than the adjusted budget reported to Cabinet on 6 April 2006. The main reasons are summarised in Table 2 below.

Table 2. Summary of Revisions to the Adjusted Budget

Description	£'000
Principal repayment to, and new allocation from, the Virtual Bank	260
Use of service reserves carried forward and repayment of overspends in 2005/2006	3,631
Total	3,891

2.3 The projected variation after allowing for these revisions to the budget is an underspend of £1,843,000. Further details are attached in **Appendices A-G**, in which directorates highlight the main variations that they are projecting.

2.4 Any projected underspends by services form a contribution to their reserves. This money is then available to support spending in future years, subject to

the scheme of carry forwards. Plans to use any underspend to finance spending in 2007/08 will be considered as part of the 2007/08 budget process. Where directorates are projecting an overspend there are two options available to finance this: they may either use accumulated reserves from previous years, or if such reserves are not available making good the overspend will be first call on the 2007/08 budget. The following commentary highlights the most significant variations.

- 2.5 There are currently significant underspends forecast in Children Young People & Families and Other Services, but these are being offset by the projected overspends in Adult Health & Community Services and Resources.
- 2.6 The underspend within the Children, Young Persons and Families Directorate has occurred mainly in primary schools and the Standards Fund. The Standards Fund is a variety of grants provided by the DfES to support initiatives to improve the standard of education within schools. In order to tie in with the academic year, 2006/07 Standards Fund resources are provided for a 17 month period running from April 2006 to August 2007. Underspends relate to resources planned to be used between April and August 2007 and there should be no resulting adverse financial or service consequences (see **Appendix B**).
- 2.7 A combination of favourable interest rates, and well performing external fund managers means it is forecast the County Council will receive £2,902,000 more interest than anticipated at the start of the year. Furthermore, lower than anticipated borrowing interest rates are predicted to enable the County Council to incur £1,904,000 less in interest payments to service its borrowing than projected (see **Appendix G**).
- 2.8 Adult, Health and Community Services are predicting an overspend of £3,533,000 after management action in 2006/07. In summary, the main budget pressures still faced by the directorate are the difficulties of continuing to commission services for people with disabilities in a high cost market dominated by a few suppliers, along with the need to identify savings to balance the libraries and information budget. Separate detailed reports on these issues are being prepared and will be taken to the Adult and Community Services Overview & Scrutiny Committee as soon as possible (see **Appendix A**).
- 2.9 In the Resources Directorate, there is currently a forecast trading shortfall of £538,000 for the County Catering Business Unit. This is largely due to the unexpected reduction in meal numbers following the Jamie Oliver adverse publicity campaign. This is being tackled by new menus being introduced to promote more healthy eating in our schools, but the results will not become known until a reasonable period into the autumn term (see **Appendix F**).

3 Reserves

- 3.1 In the 2005/06 Final Revenue Outturn report to Cabinet on 27 June 2006 our reserves were predicted to be £37,253,000 at 31 March 2006. It is now projected that our reserves at 31 March 2007 will be £30,677,000. Details are shown in Table 3 below.

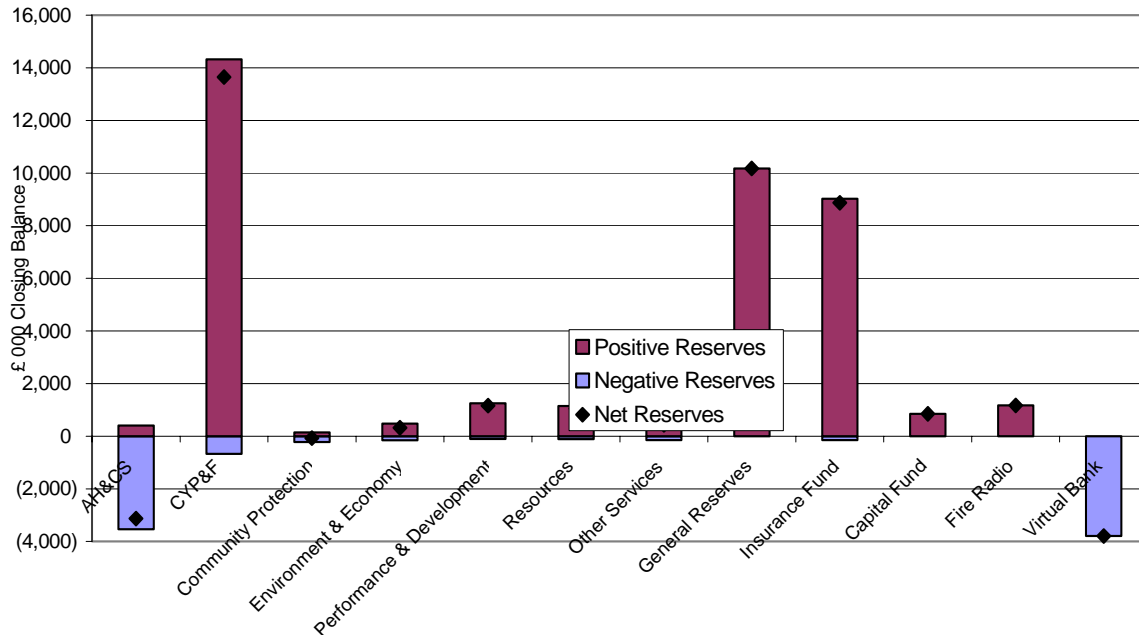
Table 3: Reserves Projection

Reserve	In-hand / (overdrawn) 1/4/2006 £'000	Planned contribution/ (use) in 2006/07 £'000	Additional contribution/ (use) requested £'000	Effect of Projected Variation £'000	Estimated In- hand/ (overdrawn) 31/3/2007 £'000
General Reserves	7,686	(2,168)		4,656	10,174
Capital Fund (note 1)	1,329	(484)			845
Earmarked - Schools	10,667			983	11,650
Earmarked - Non Schools	17,571	(5,116)	(651)	(3,796)	8,008
Total	37,253	(7,768)	(651)	1,843	30,677

Note 1 – The capital fund is used to help fund capital expenditure as required. Any known changes are being reported separately as part of the capital review to Cabinet in September 2006 as well as reserve forecasts set out in this report.

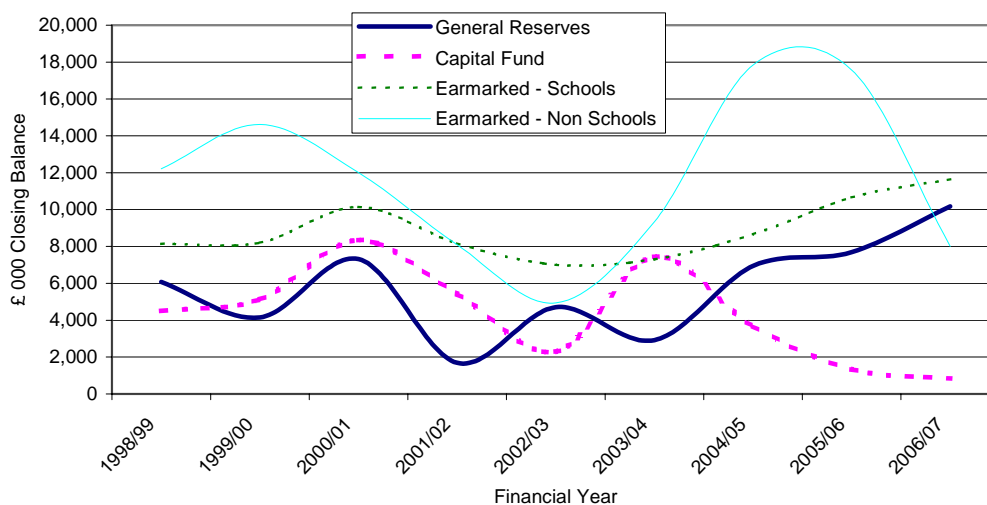
- 3.2 Members are asked to agree to the following changes to reserves that have been requested by directorates based on their current projected position. The net effect being a further £651,000 use of reserves:
- Use of Community Protection Directorate reserves of £281,000 to support the Drug & Alcohol Action Team, Community Safety and Emergency Planning in 2006/07.
 - Use of Environment & Economy Directorate reserves of £50,000 from the Speed Workshop reserve to support three road safety projects.
 - Use of Resources Directorate reserves of £453,000 to support E-Government spending, and a return of the previously approved 2006/07 drawdown that is no longer needed of £133,000 to the ICT Virtual Bank reserve.
- 3.3 Reserves are analysed in more detail in **Appendix H**. Overdrawn reserves (except Virtual Bank, Fire Pensions and the Schools IT loan reserves) are a first call on 2007/08 budgets. Meanwhile, any directorate reserves that are overdrawn in the current year are effectively a temporary call on General Reserves until they are repaid. The projected year-end balances are summarised in Chart 2 overleaf.

Chart 2. Projected Reserves Balances at 31 March 2007



- 3.4 The planned revisions to the reserves position since 1 April 2006, including 2005/06 carry forward use of earmarked reserves, have reduced reserves by 20.9%. The underspend that is currently projected in Quarter 1 and the net additional use/contribution to reserves requested in 2006/07 will increase reserves by 3.3%, resulting in a net 17.6% reduction since the start of the current financial year.
- 3.5 General reserves are projected to end the year at £10,174,000. This is currently significantly higher than the £5,500,000 level recommended by the Strategic Director of Resources as the minimum adequate level of general reserves. The main reason for the increase is the projected underspend on Other Services, but this may fluctuate as the base rate and inflation levels change during the course of the year. Any reserves available to support the 2007/08 budget will be considered as part of the 2007/08 budget process in the context of long term trends in reserve balances shown in Chart 3.

Chart 3. Long Term Trends in Reserves



4 Movements In Projections

- 4.1 This is the first quarterly monitoring report for 2006/07. The next report for Quarter 2 in November 2006 will contain revised projections based on the information available at that time. Where there are any significant changes to projections between Quarter 2 and this report, they will be highlighted. Changes could be due, for example, to the effects of the management actions detailed in the appendices, new developments, or the availability of updated information.

5 Summary

- 5.1 An underspend of £1,843,000 is currently forecast in 2006/07, which would leave reserves totalling £30,677,000 at the end of the year.

DAVE CLARKE
Strategic Director, Resources

Shire Hall
Warwick

17 August 2006

Adult, Health and Community Services
Summary of Projected Variations 2006/2007 as at Quarter 1

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Older people	2	51,909	377	External Residential (£0.687m), Home Care £0.874m, Internal Residential £0.780m, Other - including care management (£0.590m)	See note 1 below	0	See note 1 below
Disability	2	27,405	3,560	Residential £1.744m, Home Care Internal and External £3.572m, Other - including care management (£1.760m)	See note 1 below	3,560	See note 1 below
Other Adult Services	2	(3,301)	(829)	Currently some development resources held back	See note 1 below	(500)	See note 1 below
Supporting People	2	0	125	The cost of the SP Team is in excess of the specific grant available	See note 2 below	125	Reduced ability to respond to adverse external review and improve performance indicators
Support services	2	13,186	5	A number of overspends and underspends, none exceeding £10k, or 5% of budget.	This will be monitored monthly by SMT and vacancy levels and development needs will be further reviewed in order to bring spending down to help service pressures	(150)	No significant direct service impact
Total Adult Service		89,199	3,238			3,035	
Library & Information	1	10,846	627	The budget has been balanced in previous years by finding one-off savings in the year. These have not been identified in 2006/07 to date and a permanent solution has yet to be found.	See note 1 below	498	See note 1 below
Heritage & Culture	1	2,741	11	Overspend on specific projects	To be met from carry forward underspend	0	No service impact
Total Libraries, Learning and Culture		13,587	638			498	
Trading Standards	4	2,571	9	Overspend on administrative costs	To be met from carry forward underspend	0	No service impact
Total		105,357	3,885			3,533	

General Comments

Note 1. There are significant base problems in adult services, mainly around disability. A detailed report is being prepared on those problems for Adult and Community Services Overview and Scrutiny Committee outlining the impact on services of bringing spending back in line with available resources. The intention is to do the same for Libraries, Learning and Culture.

Note 2. It has been necessary to increase the size of the Support Team in order to respond to adverse reviews. The extra cost is not covered by the specific grant for that purpose and the County Council together with the Supporting People Commissioning Board will need to address how this is to be met. It is vital that our performance in this area is improved as it is an important element of the County Council's overall performance.

Children, Young People and Families
Summary of Projected Variations 2006/2007 as at Quarter 1

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Children's Services County Wide	2	1,529	203	Efficiency Savings still to be identified.	By year end the final tranche of efficiency savings will have been identified by the division.	0	Difficulty in meeting the service's objectives and business plan without reducing statutory services budgets.
Children's Residential	2	11,197	(454)	This under-spend reflects lower than expected placements.	Monitored by monthly cost centre management and quarterly FSM meeting and report to DMT.	(454)	None
Children's Care Management	2	4,979	(336)	This forecasted under-spend has arisen mainly within the Fostering & Adoption Service with lower than expected client numbers	Monitored by monthly cost centre management and quarterly FSM meeting and report to DMT.	(336)	None
Educational Social Workers	1,2	1,262	94	This is due to overall referrals to the ESW service increasing by 35% over the last 12 months, and the DFES placing new duties on the ESW service to support an increase in targets for schools within the county.	Efficiency measures are in place to attempt to limit the overspend to the forecasted amount.	94	The overspend will be met from reserves.
SEN Administration & Statementing & Review	1	7,115	177	These over-spends are predominantly associated with staffing costs exceeding the budget allocation. £30,000 of the over-spend is associated with new statements.	Efficiency measures are in place to attempt to limit the overspend to the forecasted amount.	177	The overspend will be met from reserves.
Children's Planning Team & Educational Psychologists	1,2	1,803	150	The Child Planning Team over-spend of £68,000 is associated mainly with computer and systems costs. The EPS over-spend is the result of less income than previous years as well as the full year effect of staffing costs.	Efficiency measures are in place to attempt to limit the overspend to the forecasted amount.	150	The overspend will be met from reserves.
Pupil Referral Unit & Education Out of School	1	3,950	527	During a re-structuring of the work/clients under-taken by the PRU it is anticipated that there will be a reduced amount of income for this service. There is also a greater than expected demand for statutory Education Out of School.	Efficiency measures are in place to attempt to limit the overspend to the forecasted amount.	527	The overspend will be met from reserves.
Transport	1	7,541	511	£420,000 of this forecasted over-spend is attributable to Post 16 Transport. Increased numbers, cost and delayed policy and pricing decisions are expected to result in this overspend. The remainder of the over-spend is attributable to mainstream transport due to increased contract costs.	Management are continuing to carefully monitor this complex and volatile demand led budget. With trends in transport costs and pupil numbers being monitored and more sophisticated processes for forecasting numbers being developed. Policy & pricing decisions will enable the overspend to be limited to the forecasted figure.	511	The overspend will be met from underspends elsewhere in the directorate's budget.

Children, Young People and Families
Summary of Projected Variations 2006/2007 as at Quarter 1

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Revenue Contribution to Capital	6	303	(229)	Due to tighter financial control over capital projects as well as some slippage on projects.	The revenue contribution to capital programme will be monitored and adjustments made in order to maximise the effectiveness of the service as well as to meet the aims of the Asset Management plan.	(229)	
Pensions	6	3,151	145	On going and one off Pensions costs for both teaching and non-teaching staff are greater than anticipated.		145	The overspend will be met from underspends elsewhere in the directorate's budget.
Other		(143,110)	(14)	A number of overspends and underspends.	Monitored by monthly cost centre management and quarterly FSM meeting and report to DMT.	(14)	Various relatively minor service consequences being managed by the directorate.
Directorate - Non TSF non Schools - Sub Total		(100,280)	774			571	
TSF - Standards Fund 17 month Grant	1	4,935	(497)	Under TSF rules these funds can be spent over a 17 month period to August 2007.	It is anticipated that these funds will be totally spent by August 2007 with current spending plans on track.	(497)	None
Directorate - Non Schools		(95,345)	277			74	
Schools	1	227,123	(1,383)	The predicted underspend on schools' delegated budgets is primarily the result of many minor unplanned under-spends.. This is particularly the case in primary schools.	Active budget management (including 3 year plans) by the schools with support from Education professionals.	(1,383)	None
Total		131,778	(1,106)			(1,309)	

General Comments

It is worthwhile noting that other divisions are only delivering a balanced budget position via substantial efforts. Many budgets are only being forecast to be within budget by the end of the year through the active management of vacancies and other resources. If every post was filled this would exceed the current budget.

Community Protection

Summary of Projected Variations 2006/2007 as at Quarter 1

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Unidentified Efficiency Top Slice	4	(276)	276	The Directorate is required to make 2.5% efficiency savings to balance the 2006/07 budget. This was higher than in previous years (1%).	Management have been in discussions with Members to agree a solution to achieve the required savings of £493,000. Although we hope we are close to agreeing a way forward, the current proposal will not realise the necessary savings in full until 2008/09. Management have reduced the expected shortfall in 2006/07, mainly through making one-off efficiency savings, which will need to be replaced in future years.	144	If Cabinet approve our efficiency paper at the beginning of September, we will be able to recoup these losses over the medium term (by 2008/09) and service delivery will not be affected.
Other Minor Variations	4	24,538	73	Various small variances.	Management are currently reviewing these variances to see what action can be taken and to put a rectification plan in place.	73	The Service will ensure that any actions taken will not effect our service delivery.
Total		24,262	349			217	

General Comments

Environment Economy Directorate
Summary of Projected Variations 2006/2007 as at Quarter 1

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Waste Management	3	12,057	0	Our expectation on the tonnages disposed of remains within target and if anything is slightly less than predicted	none required	0	none
Planning Policy	5	487	26	Previous years' efficiency savings need to be replaced on sustainable basis.	Investigate the impact of not replacing the policy planner post	0	Could result in the failure to achieve the performance milestones of the county's local Development Frameworks (BV200b), against which the award of the PDG is judged, which could result in less grant.
Development Group	3	577	140	Savings target of £55k yet to be identified and £85k on the Districts work	1 admin post not to be replaced and other operations activities ie training /travel to be reduced This is a statutory service for highways consultation, minerals and waste planning, and the Group is also a generator of income from S106, S278 and S38 monies from developers for highway works and other departments in the council. It is anticipated that income levels can be increased following the increase in the planning fee and from monitoring of sites.	85	The £85k is the excess cost of Nuneaton and Bedworth and Rugby BC undertaking S38 road adoption work. Long term savings of about £75- 90kK would be made if Members agree to bringing this work in- house.
Waste and Environment - Other	3	2,642	(27)	Increased income	none required	0	none
Strategy Support and Organisational Development	3	1,628	17	Gypsy and travellers sites have recently been transferred to this directorate . The majority of the rental income is not collectable due to problems on site with some of the residents	In the first instance a budget is required to cover these costs . The problem with the residents needs to be resolved to allow the rents to be collected.	0	none
Economic Development	5	1,090	77	Efficiency savings still to be delivered.	Overspend to be met from dividend received and savings on running costs.	0	Additional sustainable efficiencies will still need to be identified for future years.
Neighbourhood Initiatives and Regeneration	5	2,471	147	Efficiency savings , EPIC shortfall in income	Review of staffing levels has been undertaken, potential for increased income and reduction in running and project costs has been identified. Work to close gap on EPIC business plan targets is ongoing.	100	Any further service consequences will be reviewed once the impact of current management action has been assessed, and will be included as part of quarter 2 monitoring.

Environment Economy Directorate
Summary of Projected Variations 2006/2007 as at Quarter 1

Appendix D

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Transport Planning	5	2,980	92	Bishopton park and ride running costs and reduced income . This also includes £50k for road safety projects to be funded from reserves	Review other areas in the division for income which include recharges to capital and the decrim projects	0	None
Decriminalisation - Virtual Bank	5	705	(277)	Funding for Decriminalisation of parking in the remainder of the county will not be fully committed in 2006/07	Ensure there are sufficient funds to roll out the project across the County	(277)	Carry forward to later years
Highways	3	15,614	35	Increased depot costs and unbudgeted costs to repaid vandalism to winter maintenance equipment.	Overspend to be absorbed within budget for the year.	0	None
Capital Finance charges	6	14,470	0	None	None	0	None
Unidentified efficiency savings	6	(518)	518	Some planned efficiency savings are yet to materialise, e.g. staff secondments. Some savings are still to be identified.	Directorate Leadership team to review areas for saving as a matter of priority. Meeting planned for 8th September.	0	Dependent on outcome of Leadership Team meeting. Further update to provided at quarter 2.
Other Minor Variations	6	1,653	73	Legal services	Directorate Leadership team to review areas for saving as a matter of priority. Meeting to discuss Legal Services SLA scheduled for October.	0	Dependent on outcome of Leadership Team meeting. Further update to provided at quarter 2.
Total		55,856	821			(92)	

General Comments

Column D identifies that there is a potential overspend of £1.098 million as we need to carry forward the potential underspend of £277,000 on the virtual bank funds for Decriminalisation. This assumes we are on target in our 2 main areas of spending Waste Management and County Roads. In order to achieve this level of saving a number of actions will be required including a freeze on recruitment, identification of other potential areas of income and areas where efficiencies can be made, and as a final resort a cut back in services. Ongoing savings of £75k to £90k are anticipated in Development Group by bringing in-house services which are vurrently provided by the Districts under an agency agreement. However, this is dependent on policy decisions by Members.

Performance Development
Summary of Projected Variations 2006/2007 as at Quarter 1

Appendix E

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Law & Governance	6	183	35	This overspend relates to the post of Overview and Scrutiny Manager.	Funding will be determined during the year, pending the resolution of transfers from other directorates and Modernisation funding issues.	0	No service consequences
Corporate Human Resources	6	1,154	(47)	The underspend arises from the Sheltered Placement budget which is allocated to provide support for disabled people	The way in which the funding is allocated is being reviewed and it is anticipated that the underspend will be significantly reduced by the next forecast	0	No service consequences
Customer Service & Access	6	1,965	80	The overspend relates to the Coroner service, with £33k relating to a prior year's debt for post mortem work. The balance of £47k relates to anticipated pressures across the Coroner's service which is demand driven. Anticipated expenditure has been judged on first quarter actuals and information from last year.	Strict monitoring of the anticipated overspend with a view to bringing it down to a manageable level	0	No service consequences
Improvement & Support Services	6	1,079	(72)	The underspend relates to Judges House; £47k in respect of income relating to 2005/06 but received in 2006/07. The balance of £25k relates to miscellaneous savings and anticipated inflationary increase in Court Service income.	Underspend will be used to offset overspends elsewhere in the directorate	0	No service consequences
Other Variations	6	1,949	4	The overspend relates to the cost of accommodation changes for area offices, due to take place during 2006/07.	Overspend will be absorbed within other budgets	0	No service consequences
Total		6,330	0			0	

General Comments

Some tidying up of adjustments between directorates as a result of the restructuring are outstanding. There are also bids for Modernisation funding which await decision. If any of these transfers or allocations are not forthcoming the forecast outturn will be affected adversely.

Resources Directorate

Summary of Projected Variations 2006/2007 as at Quarter 1

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
County Catering Business Unit	2,6	0	538	Current forecast trading deficit - largely due to unexpected reduction in meal numbers (Jamie Oliver impact)	New menus have been introduced but the impact of these on the take-up of meals, and therefore on the deficit, will not become apparent until a reasonable period into the autumn term.	538	There will be no service consequences other than the provision of more healthy meals. The deficit will be met from the reserves accumulated by the directorate in earlier years. Meanwhile, ongoing consideration will be given to trying to ensure that there is no deficit in 2007/2008.
ICT Infrastructure/E-Government	6	140	453	The E-government budget was underspent by £453,000 in 2005/2006. The money went into departmental reserves and now needs to be taken out of reserves in order to 'top up' the 2006/2007 E-government budget. This will assist in the delivery of a variety of infrastructure projects and customer-facing applications in 2006/2007	All of the E-Government budget, including this £453,000, has been allocated to specific projects and is, therefore, all expected to be spent.	0	Will help to deliver infrastructure projects and customer-facing applications more quickly. The cost will be met from departmental reserves.
ICT Business Units	6	(83)	(133)	At the time of the budget it had been envisaged that £133,000 would need to be drawn down from reserves but it has become apparent that this drawdown will not be required.	The original unused drawdown of £133,000 will be returned to reserves following approval by Cabinet in September 2006.	0	
Remaining Directorate	6	4,233	0	The directorate faces a significant challenge to live within its 2006/2007 budget. Cost centre managers are facing up to this challenge with support from finance staff and, at this early stage of the year, the forecast is that their net spending will be in line with their budgets.	Each service head in the directorate is taking a keen interest in monitoring the budgets managed by their cost centre managers. Additionally the overall position is considered at meetings of the Resources Management Team.	0	None.
Total		4,290	858			538	

Other Services

Summary of Projected Variations 2006/2007 as at Quarter 1

Description	Corporate Objective Number (Please complete)	Revised Budget	Projected Overspend (Underspend)	Reason	Management Action	Projected Overspend (Underspend) after Management Action	Service Consequences
A	B	C	D	E	F	G	H
		£'000	£'000			£'000	
Interest on revenue balances	6	(2,287)	(2,902)	Favourable rates achieved. External fund managers performing well and exceeding targets	Continue to monitor interest rate movements and cash flow	(2,902)	Underspend will impact on general reserves
Capital financing charges	6	26,203	(1,904)	Interest rates better than anticipated	Continue to monitor borrowing rates	(1,904)	Underspend will impact on general reserves
Elections	6	82	(74)	The cost of quadrennial elections are provided for by paying into an earmarked reserve in non-election years	None required	(74)	Any underspend will be added to the earmarked elections reserve which is currently overdrawn by £9k
Other	6	5,544	150	Continued running expenses of Northgate Street offices	Continue to monitor position with regard to on-going use of Northgate Street offices	150	Overspend will impact on general reserves
Total		29,542	(4,730)			(4,730)	

General Comments

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Summary of Projected Reserves Balances

Title of Reserve	In Hand/ (Overdrawn) Closing Balance 31/3/2006	Restructuring adjustments	In Hand/ (Overdrawn) Adjusted Opening Balance 1/4/2006	Approved Transfer to/(Use of) in 2006/2007	Additional Contributions/(Use) Requested	Effect of Quarter 1 forecast	In Hand (Overdrawn) 31/3/2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult, Health & Community Services	652		652	(245)		(3,533)	(3,126)
Children, Young People & Families	15,030		15,030	(2,689)		1,309	13,650
Community Protection	972	20	992	(567)	(281)	(217)	(73)
Environment & Economy	(53)		(53)	330	(50)	92	319
Performance & Development	1,232	54	1,286	(127)			1,159
Resources	2,869	(74)	2,795	(895)	(320)	(538)	1,042
Other Services	478		478			74	552
General Reserves	7,686		7,686	(2,168)		4,656	10,174
Insurance Fund	8,875		8,875				8,875
Capital Fund	1,329		1,329	(484)			845
Fire Radio	1,176		1,176				1,176
PIF (Previously Quality & Best Value)	16		16				16
Virtual Bank	(3,473)		(3,473)	(323)			(3,796)
LA Business Growth Incentive (LABGI)	464		464	(600)			(136)
Total	37,253	0	37,253	(7,768)	(651)	1,843	30,677