

COUNTY COUNCIL REVENUE AND CAPITAL BUDGET MONITOR

Report of the Finance Director

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1. Purpose of the Report

To inform members of:

- the forecast outturn for Revenue and Capital Budgets in respect of 2001/02, based on budget monitors to 31 March 2002,
- requests for virements requiring Cabinet approval,
- requests for carry forwards to 2002/03 and transfers to reserves.

2. Summary

- 2.1 As at 31 March 2002 an overall underspend (before carry forwards) of £1.425m. (0.17%) is projected on the latest budget of £837.502m.
- 2.2 The principal reasons for the variation in the forecast revenue outturn are listed in Table 2 (Para 1.1), whilst a more detailed analysis is shown in Appendix A.
- 2.3 Services have to date identified potential carry forward requests of £1.233m.
- 2.4 Fire and Rescue have identified an underspend of £489,000 in respect of pensions which it is proposed to transfer to a specific reserve to support Fire pension costs in future years.
- 2.5 After allowing for the Cabinet resolution to carry forward the overspend on schools-related budgets (£0.439m net of planned underspends) and the items in 2.3 and 2.4, the provisional net revenue position at 31 March 2002 is an underspend of £0.142m (0.02%).
- 2.5 Table 3 (Para 2.1) analyses by service the forecast capital variance of £12.787m, which includes £5.405m on self-financing schemes. Analysis by type of variance is shown in Table 4 (Para 2.1), whilst a detailed analysis is supplied in Appendix B.
- 2.6 Section 3 of the main report details the virement and carry forward requests requiring member approval. It also sets out the decisions required from members on the treatment of unplanned revenue underspends and the impact on General Reserves at 31 March 2002.

3. Conclusion

- 3.1 Member approval is required for virements and carry forwards over £75k, details of which are set out in Section 3 in the main body of the report.
- 3.2 Transferring the balance of the revenue underspend, after meeting all identified overspends and carry forward requests, results in General Balances of £14.14m. at 31 March 2002 compared to the forecast of £14m.

1. REVENUE BUDGET VARIANCES

1.1 Table 1 below summarises the variances by service using the criteria previously laid down in Financial Regulations 2000.

Table 1 Forecast budget variances 2001/02	Overspends	Planned Under- spends	Unplanned Under- spends	Net Variances
		£000	£000	£000
Adult Care Services	1,094	(697)	(126)	271
<u>Children, Schools, Families</u>				
Schools related budgets	829	(390)	(677)	(238)
Other	3,005	(37)	(1,223)	1,745
Community Information		(340)	(25)	(365)
Corporate Services	187	(914)		(727)
Environment	331	(415)		(84)
Fire & Rescue	211	(618)		(407)
Trading Standards		(90)		(90)
Emergency Planning		(80)		(80)
Coroners		(51)		(51)
Magistrates Courts		(22)		(22)
Central Items			(1,377)	(1,377)
Totals at 31/3/02	5,657	(3,654)	(3,428)	(1,425)

1.2 Table 2 shows those variances of £75,000 or more against the latest budget. Detailed explanations for these variances are listed in sections 1.3 to 1.9.

Table 2	Description	Para ref.	Forecast Over/ (Under spend) £000
ACS	LD Residential and Day Care	1.3.1	311
	Elderly Residential and Nursing homes	1.3.2	500
	Transport (for all client groups)	1.3.3	130
	LD and MH restructuring costs	1.3.4	103
	PD Residential and Day Care	1.3.5	(126)
	Residential (Rents)	1.3.6	(195)
	Slippage on specific grant funded schemes	1.3.7	(413)
	Leased car discount	1.3.8	(89)
CSF	Out of County Placements	1.4.1	1,475
	Home to School Transport – Mainstream	1.4.2	595
	Local Services Transport	1.4.3	594
	Children with Disabilities Respite	1.4.4	297
	Home to School Transport – SEN	1.4.5	227
	Other Departments	1.4.6	190
	Fostering and Adoption	1.4.7	187
	Under Eights Service	1.4.8	185
	Hospital & Home Education Service	1.4.9	(180)
	Milk & Meals Capital	1.4.10	(100)
	Nursery Growth	1.4.11	(93)
	Development Division Staffing	1.4.12	(129)
	Discretionary Awards	1.4.13	(175)
	Operations Division Staffing	1.4.14	(394)
	Local Services Division	1.4.15	(506)
Environment	Routine Maintenance	1.5.1	292
	Waste Management	1.5.2	(86)

	Road Lighting	1.5.3	(125)
	Safety and Movement Measures	1.5.4	(103)
Community Information	Customer Services Centre	1.6.1	(164)
	Library Pay Budgets	1.6.2	(100)
Corporate Services	Crime Reduction Unit	1.7.1	(128)
	County Personnel	1.7.2	(90)
	Safety, Emergency & Risk Management	1.7.3	(92)
	Members Services	1.7.4	(142)
Fire & Rescue	Pensions	1.8.1	(489)
	Non uniformed pay	1.8.2	(110)
Trading Standards	Staffing	1.9.1	(90)
Central Services	Capital Financing & Interest on Balances	1.10.1	(1,067)
	Single Status	1.10.2	(310)
All services	Other forecast variances below £75k		(1015)
	Forecast Underspend		(1,425)

1.3 ADULT CARE SERVICES (ACS)

1.3.1 In House LD and MH residential and day care - £311,000 or 3.2% overspend

The number of agency staff that are required to cover for vacancies, especially within in house hostels, has increased as a consequence of difficulties appointing permanent staff. There are a number of voids in MH group homes and this has resulted in less income being received than estimated. These factors have led to a provisional outturn of a £310,000 overspend in this financial year. This is an increase on £110,000 in the level of overspend reported for the period ending 28 February 2002 and equates to a 3.2% overspend on a budget of £9.8m.

1.3.2 Elderly Residential and Nursing homes - £500,000 or 1.5% overspend

The provisional outturn indicates an overspend of £500,000 (1.5% on £33.4m). This is a £250,000 increase compared with the projected overspend reported last month. Three reasons account for this overspend. New clients tend to be of a higher dependency than former clients and hence cost more to place, Some clients have been moved from residential care to more expensive nursing home care as their needs increase and fewer clients have died in the last few months than was forecast.

1.3.3 Transport (for all client groups) - £130,000 or 2.9% overspend

An overall increase in the number of clients and certain clients requiring specialist transport has resulted in the provisional outturn of a £130,000 overspend in 2001/02. This is a 2.9% overspend on a budget of £4.5m. This is a £30,000 increase compared with the projected overspend that was reported for the period ending 28 February, 2002.

1.3.4 Learning Disability and Mental Health Restructuring Costs - £103,000 overspend

One-off costs were incurred in this financial year in respect of the new arrangements with Health for commissioning and providing LD and MH services, for example, the legal costs of drafting the various agreements that will be required. Interim management arrangements were in place from April until October 2001 i.e. prior to appointments being made to the new management structures for both LD and MH services. This is a £3,000 increase compared with the level of overspend reported last month.

1.3.5 Physical Disability Residential and Day Care - £126,000 or 2.2% unplanned underspend

The deaths of a small number of clients who were receiving expensive packages in 2002/02 has resulted in the provisional outturn showing an underspend of £126,000. This is an increase of £26,000 compared with the report for the period ending 28 February 2002.

1.3.6 Residential (rents) - £195,000 or 7.6% planned additional income

The Executive Committee on 23rd July 2001 agreed to increase hostel and group home charges from July 2001 to maximise housing benefits prior to the introduction of "Supporting People" in April 2003. This review of charges will generate additional income in 2001/02 of £195,000. This is a planned 7.6% increase on a budget of £2.6m.

1.3.7 Specific grant funded schemes - £413,000 or 3.9% planned underspend

Start dates of certain schemes, funded from "Promoting Independence, Partnership and Prevention" specific grant, have been reviewed in order to generate savings which will partly offset projected overspends. This is a 3.9% planned underspend on a budget of £10.52m. This is a £28,000 increase on the level of underspend compared with last month.

1.3.8 Leased Car Discounts - £89,000 increase in revenue

An increase in the number of new leased cars ordered in the current year has given rise to a higher than expected level of discount from the manufacturer.

1.4 CHILDREN, SCHOOLS & FAMILIES (CSF)

Overspending budgets

1.4.1 Out of County Placements - £1,475,000 or 8% Overspend

This projected overspend figure represents additional placements over and above forecast numbers, during the early part of this financial year. The spending pressure comes primarily from placements which are joint funded or sole funded Social Services placements. Management action is continuing, including placements in the new residential establishments, which are opening on a phased basis in early 2002. Although every effort is being made to use foster placements where possible, there is still a shortage of suitable carers to meet the demand.

1.4.2 Mainstream Home To School Transport - £595,000 or 8.8% Overspend

This overspend, which takes into account Secondary transfer patterns etc. from September 2001, relates to both cost and demand led pressures. Pressures relate to additional tender costs, higher than expected inflation and changes due to increased take-up. There have also been additional pressures on consortium transport.

1.4.3 Local Services - Transport - £594,000 or 67.6% Overspend

Considerable pressure continues on this budget.

1.4.4 Children with Disabilities Respite - £297,000 or 44.1% Overspend

The overspend reflects the growing demand for respite care for children with Disabilities.

1.4.5 SEN Home to School Transport - £227,000 or 2.9% Overspend

The main reasons for the predicted overspend are the price increases resulting from changes in transport requirements, as the needs of newly placed pupils are addressed.

1.4.6 Other Departments - £190,000 or 3.7% Overspend

The overspend of £190,000 reflects the increased costs of child care litigation due to the volumes of work involved and is in line with 2000/1 outturn.

1.4.7 Fostering & Adoption - £187,000 or 2.7% Overspend

The overspend reflects increasing numbers of looked after children.

1.4.8 Under Eights Service - £185,000 or 69.8% Overspend

The opening budget for CSF included a technical reduction on the assumption that the inspection function of the Under Eights Service would transfer to OFSTED at the beginning of the financial year. In fact the transfer took place in September 2001, resulting in an overspend this year of £185,000.

Budgets with planned underspends

1.4.9 Hospital and Home Education Service - £180,000 or 22.1% Planned Underspend

The expansion of the Hospital and Home Education Service to provide for the increased number of children using the service and increase the average amount of tuition offered from 3 hours to 5 hours is now being managed more efficiently to deliver a £180,000 underspend this financial year.

1.4.10 Milk & Meals Capital - £100,000 or 19.3% Planned Underspend

This budget is being managed to produce a £100,000 underspend in 2001/2.

Budgets with unplanned underspends

1.4.11 Nursery Growth - £93,000 or 3.9% Unplanned Underspend

The phased programme of Nursery Growth is largely complete, and there is expected to be a £93,000 underspend this year.

1.4.12 Development Division - £129,000 or 2.2% Unplanned Underspend

The underspend reflects the anticipated saving from staff vacancies, over and above the vacancy factor, after allowing for the cost of employing temporary and agency staff to cover.

1.4.13 Discretionary Awards - £175,000 or 78.8% Unplanned Underspend

The Government's new Access Grant is meeting some costs previously met from the Discretionary Awards budget, resulting in an underspend of £175,000.

1.4.14 Operations Division - £394,000 or 5.1% Unplanned Underspend

The underspend reflects the anticipated saving from staff vacancies, over and above the vacancy factor, after allowing for the cost of employing temporary and agency staff to cover.

1.4.15 Local Services Division - £506,000 or 2.5% Unplanned Underspend

The underspend reflects the anticipated saving from staff vacancies, over and above the vacancy factor, after allowing for the cost of employing temporary and agency staff to cover.

1.5 ENVIRONMENT

1.5.1 Routine Maintenance - £292,000 or 2.8% overspend

Earlier predictions of overspend due to the wet weather and other pressures proved to be well founded.

1.5.2 Waste Management - £86,000 or 0.5% planned underspend

Throughout most of the year an underspend has been predicted due to a slightly lower level in growth than had originally been forecast.

1.5.3 Road Lighting - £125,000 or 1.9% planned underspend

As previously explained, the vast majority of this underspend is due to negotiated one-off energy savings.

1.5.4 Safety and Movement Measures - £103,000 or 2.8% planned underspend

Protracted public consultation on two schemes has caused them both to slip into 2002/03. If they are to be constructed without there being any impact on the new year budget a carry forward will be required.

1.6 COMMUNITY INFORMATION

1.6.1 Customer Services Centre - £137,000 or 5.9% planned underspend

The underspend is caused by a different mix of call volume and call duration which will regularise over the 5 year period. Community Information will apply to carry forward to 2002/03 any underspend at the year end, to smooth the impact of charges to services over the contract period.

1.6.2 Library Pay Budgets - £100,000 or 1.2% planned underspend

The underspend has occurred due to the delay in implementation of the Library review. Carry forward of the underspend at year end is requested.

1.7 CORPORATE SERVICES

1.7.1 Crime Reduction Unit – £128,000 or 37.8% planned underspend

The Crime Reduction Unit has committed funding to a CSF project, Sport and Leisure for looked after children. The project will cross two financial years, costing £50,000 in 2001/02 and the remaining £50,000 in the next financial year.

In addition, the Crime Reduction Unit is projecting an underspend of £78,000. This is £8,000 higher than reported previously as the NACRO audit has cost less than estimated. Whilst there are suitable projects the unit could commit funds to, there are also currently available both drug related funding, and Home Office Partnership funding, which the partnerships are unlikely to fully spend in the next few months. It therefore would be more appropriate and more beneficial to HCC to carry forward this money into the new financial year, where it could be used to pump prime some larger countywide projects.

1.7.2 County Personnel - £90,000 or 7.7% planned underspend

Savings have been achieved through staff turnover and underspends on training. Also, because of the staff turnover and maternity leave, some projects have not progressed as planned, so the total underspend now forecast is £90,000, of which £74,000 has been requested as carryover.

1.7.3 Safety, Emergency and Risk Management - £92,000 or 21.8% planned underspend

The risk management budget held back funds of £74,000 to contribute to the cost of the BCP generator project, that project has slipped into 2002/03. There is a further underspend on this budget due to additional savings on printing and stationery, publicity and consultants' fees. It is requested that £10,000 is carried forward for IT and the costs of the BCP project (telephone switchboard).

For the Health and Safety budget within SERMU, there is an underspend of £8,000 as there have been technical problems with the writing of the software for the new health and safety monitoring system to be used on Connect. Final payment will now be made on satisfactory completion and full installation, so carry forward of the £8,000 underspend has been requested.

1.7.4 Members Services - £142,000 or 9.9% planned underspend

A £50,000 budget set up for the buying in of expertise at relevant Scrutiny Committees is unlikely to be spent in this financial year. In addition, there are savings of £15,000 projected for the members' training budget. The remainder of the underspend is due to the carry forward from last year which has not fully utilised. A carry forward request is made for £45,000 to cover accommodation and I.T. replacement.

1.8 FIRE AND RESCUE

1.8.1 Fire Pensions - £489,000 or 11.0% unplanned underspend

The number of retirements in 2001/02 was lower than expected, but it is anticipated that a number of these will now take place in the first half of 2002/03. It is suggested that this underspend be transferred to a specific reserve to support future pressures on Fire pensions.

1.8.2 Non Uniformed Pay - £110,000 or 6.4% planned underspend

This has been achieved by managing the vacancy levels of non-uniformed staff.

1.9 Trading Standards

1.9.1 Trading Standards Staffing - £90,000 underspend

The underspend has increased from £70,000 to £90,000 due to continuing problems with recruiting staff and there has been difficulty in obtaining agency staff. However a successful recruitment campaign was run and six new officers have been recruited. It is proposed to carry the £50,000 of the underspend forward into 2002/03 as temporary staff have contracts extending into 2002/3, completing the work that has been programmed for this year, and £20,000 to meet the anticipated legal costs for two pending conspiracy cases which can't be met from within existing budgets.

1.10 Central Services

1.10.1 Capital Financing and Interest on Balances - £1,067,000 decrease in projected outturn

This arises partly from impact of lower than expected interest rates and partly from higher than expected cash balances.

1.10.2 Single Status – underspend £310,000

The evaluation of manual workers pay scales arising from single status has been delayed to late 2001/2, early 2002/3. There will be a resultant saving of £310,000.

2.1 CAPITAL BUDGET

2.1 Projected Outturn and Variances

Expenditure for the Capital Budget is estimated to be £12,787,000 below latest budget at outturn. Analysis of this variance by service is shown in table 3.

Table 3			
Service	Latest Budget	Current Forecast Outturn	Projected Variance
	£000	£000	£000
Children, Schools & Families	53,079	46,771	(6,308)
Adult Care Services	3,848	2,595	(1,253)
Environment	29,821	28,998	(823)
Community Information	1,514	714	(800)
Protection	2,908	724	(2,184)
Corporate Services	3,592	2,173	(1,419)
Magistrates Courts	339	339	0
Total	94,853	82,066	(12,787)

The variance of £12,787,000 can be analysed as net slippage of £13,155,000 underspends of £3,000 and overspends of £371,000. The breakdown by service is shown in table 4 below.

Table 4				
Service	Slippage	Over-spends	Under-spends	Total Projected Variance
	£000	£000	£000	£000
Children, Schools & Families	(6,607)	299	0	(6,308)
Adult Care Services	(1,253)	0	0	(1,253)
Environment	(822)	0	(1)	(823)
Community Information	(798)	0	(2)	(800)
Protection	(2,200)	16		(2,184)
Corporate Services	(1,475)	56	0	(1,419)
Magistrates Courts	0	0	0	0
Total	(13,155)	371	(3)	(12,787)

Table 5 shows those projects with variances over £50,000.

Table 5	Description	Para. Ref.	Forecast over/ (underspend) £000
Children, Schools & Families	Supplementary Credit Approvals	2.2.1	(338)
	2001/02 Basic Need Schemes	2.2.2	(146)
	2000/01 Basic Need Schemes	2.2.3	(1836)
	1999/00 Basic Need Schemes	2.2.4	(1352)
	1999/00 Major Schemes	2.2.5	(824)
	Annual Provisions and Structural Repairs and Maintenance	2.2.6	339
	Annual Provisions Milk & Meals Capital	2.2.7	(86)
	Other Variances under £50k	-	197
	Grant Funded Schemes - Mendip	2.2.8	57
	Self Financing Schemes - Welwyn Garden City Secondary Review	2.2.9	328
	Self Financing Schemes	2.2.10	(2,647)
Adult Care Services	Learning Disability Hostels	2.3.1	(655)
	Annual Provisions	2.3.2	(51)
	Oracle Project	2.3.3	(478)
	Various Small Schemes	-	(69)
Environment	Household Recycling Centre at Waterdale	2.4.1	(150)
	Flooring at Waterdale	2.4.2	(120)
	Pulters Farm	2.4.3	(80)
	Two-Year SCA Funded Structural Mntce	2.4.4	(101)
	County Funded Structural Maintenance	2.4.5	(253)
	Aldenham Dam	2.4.6	(91)
	Other Minor Variances	-	(28)
Community Information	Public PC Replacement	2.5.1	(291)
	Hitchin Library Refurbishment	2.5.2	(55)
	CD Rom Network Enhancement	2.5.3	(57)
	CI Automation	2.5.4	(195)
	Libraries R & M	2.5.5	(71)
	Other Minor Variances	-	(131)
Protection	Training Centre, Longfield	2.6.1	16
	Watford & St Albans Fire Stations	2.6.2	(2,200)

Corporate Services	Gateway Call Centre & Web Site	2.7.1	(118)
	Financial System Review	2.7.2	(760)
	Telecomms Strategy	2.7.3	(75)
	Emergency Planning Generator	2.7.4	(131)
	Essex Road Development	2.7.5	(78)
	Energy Conservation	2.7.6	(77)
	Land Purchase	2.7.7	(148)
	Corporate ICT	2.7.8	(88)
	Other Minor Variances	-	56
	Total Forecast Variance		(12,787)

2.2 Children, Schools & Families

2.2.1 Supplementary Credit Approvals – slippage £338,000

The school rationalisation scheme at Westbury has experienced delays at the planning stage but temporary solutions have been found to ease the problem and work on site is now expected to commence early in the new financial year and will be completed in 2002/03 as per the terms of the SCA.

2.2.2 2001/02 Basic Need Schemes - slippage £146,000

Slippage of £93,000 is expected on the South West Herts Secondaries Scheme and of £53,000 on the Harpenden Secondaries schemes due to work being carried out later than originally planned

2.2.3 2000/01 Basic Need Schemes - slippage £1,836,000

Slippage of £213,000 is expected on the Cheshunt Secondary Scheme due to work being carried out later than originally planned.

Slippage of £1,623,000 is expected on the SouthWest Herts Secondary Places Scheme largely due to a delayed start at the school-managed scheme at Queens. However the contract at Queens has now been let and work commenced on site early in May with an anticipated completion date of February 2003.

2.2.4 1999/00 Basic Need Schemes – slippage £1,352,000

Slippage of £1,352,000 is expected on the Stevenage Secondary Places schemes due to extended contract negotiations leading to work being delayed until the start of the new financial year (2003/04), work on site has now commenced at both Nobel and Collenswood and tenders for the building contract at Barclay have now been received.

2.2.5 1999/00 Major Schemes- slippage £824,000

There is slippage of £1,014,000 on Francis Combe due to the contract having been let later than originally planned but the scheme is now progressing on site. Slippage of £120,000 has occurred at Roundwood Park Changing Rooms due to initial delays (see paragraph above for further

details). There is also £310,000 of expenditure in advance of the budgeted cash flow at Broxbourne due to this scheme progressing ahead of the budgeted cashflow.

2.2.6 2001/02 Annual Provisions for Structural Repairs and Maintenance – negative slippage £339,000

£339,000 of expenditure on structural repairs and maintenance has occurred in advance of the original budgeted cashflow.

2.2.7 2001/02 Annual Provisions for School Meals Equipment – underspend £86,000

The budget has been managed to produce a £86,000 underspend in 2001/02.

2.2.8 Grant Funded Schemes – The Mendip Centre – overspend £57,000

This near complete scheme came over to CSF from Social Services in April 2001. The final costs are estimated at £167,000 and partially offset by an additional Joint Finance contribution of £10,000 but still £57,000 over the approved budget of £110,000. This £57,000 overspend relates mainly to essential works arising from compliance with National Care Standards legislation identified in January 2001.

2.2.9 Welwyn Garden City Secondary Review – overspend £328,000

Work is now complete on the scheme at Stanborough School and final costs are £5,177,000 against an approved budget of £4,849,000. The £328,000 overspend on this part of the scheme relates to the provision of mobile classrooms to ensure the effective operation of the school on one site while the building works were under way. It is still expected that overall capital expenditure on Welwyn Garden City Secondary Review schemes will be substantially less than the capital receipt achieved from the sale of Sir John Newsom school.

2.2.10 Self Financing Schemes

All of the self-financing schemes awaiting full member approval proceeded significantly behind the expenditure profile anticipated at the time of their inclusion in the 2001/02 capital programme. Three of these (Creswick, Squirrels and Monks Walk) relate to the reorganisation of secondary education in Welwyn Garden City where approval was delayed pending clarification of the level of receipt from the sale of the site of the former Sir John Newsom School. Jenyns has been delayed during a re-design and Meriden whilst discussions took place on moving the nursery to a temporary site so the existing site could be sold and the capital receipt realised. Tenders have now been received on the Meriden scheme and are awaiting formal acceptance before the work on site can begin. All of these former 2001/02 schemes have been included in the 2002/03 CSF capital programme with re-worked cashflows.

2.3 ADULT CARE SERVICES

2.3.1 Learning Disability Hostels - slippage £655,000

There will be later start dates than originally planned on the following schemes – the Leavesden site in North Watford, the John Newman site at Welwyn Garden City and the Lintons site in Hoddesdon. In addition retention payments amounting to £137,000 will now be made in 2002/03 as opposed to 2001/02.

2.3.2 Annual Provisions – slippage £51,000

There has been slippage on the annual provisions programme of £51,000 (on a budget of £638,000). This relates to DDA works committed but not undertaken.

2.3.3 Oracle Project – slippage £478,000

There has been slippage on the Oracle project amounting to £478,000 on a budget of £1.525m.

2.4 ENVIRONMENT

2.4.1 Household Recycling Centre at Waterdale - slippage £150,000

The original estimates to carry out this work were considered to be too high and so negotiations have taken place on ways to limit cost. This has led to a delay in construction requiring the budget to be slipped into next financial year.

2.4.2 Replacement of Waterdale Waste Transfer Station Floor (slippage £120,000)

It has been possible to agree a date in April with the contractor for the laying of the new flooring, assisting with the cashflow issues outlined in the “Other Items” section above. The budget will therefore need to be slipped into next year.

2.4.3 Self Financing Scheme – Pulters Park Farm - slippage £80,000

Work on this self financing scheme was delayed, without having any ill effects on the project, in order to make additional capital receipts available at the end of the year to bridge a potential overall shortfall in receipts. Funding will be provided in the new year to complete the scheme

2.4.4 Two Year SCA Funded Structural Maintenance – slippage £101,000

It was not possible to complete the bridge maintenance element of this Supplementary Credit Approval funded budget in one year. This has no direct impact on the County’s overall capital position as the DTLR have funded this earmarked work over two years.

2.4.5 County Funded Structural Maintenance – slippage £253,000

Payments to contractors have been cash flowed so that a considerable underspend has been generated to assist the County’s overall situation. Slippage will be needed to provide the required funds to enable payment in 2002/03.

2.4.6 Aldenham Dam Repairs slippage £91,000

Work on potential major repairs has been postponed pending the results from the latest surveys, most of which are time dependant. Should it be necessary to undertake remedial work, the balance of the budget from 2001/02 will need to be added to the budget in 2002/03 to provide an adequate source of funding

2.5 COMMUNITY INFORMATION

2.5.1 Public PC Replacement Slippage £291K

£300,000 for the replacement/enhancement of PC's will not now be spent in this financial year. Before new PCs can be installed in the Libraries, an upgrade of the network - and in some libraries upgrading of the electric wiring - is required. Funding has been obtained from the New Opportunities Fund for the network upgrade but authorisation took longer to come through than anticipated so that the work could not go ahead in this financial year although a small amount of fees have been incurred.

2.5.2 Hitchin Library Refurbishment Slippage £55K

Work at Hitchin Library was completed in early April.

2.5.3 CD Rom Network Enhancement Cashflow slippage £29K, Other slippage £28K

£29,000 of this work was completed before the end of the financial year but the invoice was not received in time. The remainder will be completed in this financial year. The delay was due to the necessity to evaluate the first part of the work that was done before commencing the rest.

2.5.4. CI Automation slippage £195K

£70,000 of the underspend is due to the project to replace the current software used on mobile and trailer libraries with an on line solution not being completed before the end of the financial year. It has been delayed as we are awaiting the completion of trials of technological advances in this field. Provision of £110,000 was to support the replacement/enhancement of PC's in Libraries, however that project was not completed by the end of the financial year. In addition work to update staff PC's could not be completed (£15,000).

2.5.5 Repairs and Maintenance Slippage £71K

As previously reported slippage of £32,000 has occurred as Window Walling at Kings Langley library (not started until April 2002) could not be completed before the end of the financial year although the work is now finished.. In addition work at Marshalswick library has had to be retendered due to a change in building regulations and could not be done before the end of the financial year.

2.6 PROTECTION

2.6.1 Training Centre, Longfield. – net overspend £16,000

The overspend on the Longfield Drill yard is £48,000. The service has identified savings of £32,000 from annual provisions to help offset this overspend.

2.6.2 Self Financing Schemes – slippage £2,200,000

Watford and St Albans Fire Stations

Following a thorough investigation of alternative locations a site for the new fire station has been identified in London Road St Albans and an application for outline planning permission is now with Environment Department. A report on this application will be presented to Development Control Committee on July 9th

There are several outstanding issues which are believed to be capable of resolution. At this stage it is anticipated that the new fire station will be operational by Autumn 2005.

Discussions are currently continuing to identify and appropriate site for the relocation of Watford Fire Station.

2.7 CORPORATE SERVICES

2.7.1 Call Centre and Website – slippage £118,000

The capital budget for the Call centre includes £66,000 provision for relocation costs and server room alterations, to be spent over the whole life of the contract. It is forecast that this provision will not be spent in 2001/02 but will need to be carried forward for subsequent years.

Slippage has also been identified for £50,000 earmarked for Systems Integration. This budget is to be used to support the “technology refresh” that cannot commence until the conclusion of the CSF Oracle CRM based technology development. In addition there has been some minor delay on data and telephones spend giving rise to a further £2,000 slippage.

2.7.2 Financial System Review - underspend £760,000

The specification work on the Financial Systems Review has now been completed. Recent developments in this market mean that there is now a wider range of options available to meet the specified requirements than previously. It is now expected that a Managed Service approach will be taken, where the costs of the system will be charged by the supplier as revenue costs. However, capital provision will be needed for the costs of consultants and a project implementation team. £70,000 has been spent on consultants, but £27,000 budgeted for the manager this year is requested as slippage to 2002/03, because the post is now being filled from 1st April.

Replacement of the system remains business critical, but through discussion with our existing supplier, support for the current system can be extended to allow for the impact of this slippage.

2.7.3 Telecommunications Strategy – slippage £75,000

The strategy includes £75,000 for the replacement of Token Ring technology. As the major funding to complete this project is now expected to be available in 2002/03, it would be preferable to let the job as a whole. Slippage of £75,000 will therefore be requested.

2.7.4 BCP Emergency Generator – slippage £131,000

The scheme has been delayed due to the need to respecify the project, as tenders for the original specification were much higher than forecast. It will now be undertaken in 2002/03. Some fees have been incurred but it is expected that these will be offset by reduced fees on the new specification. Slippage of the £131,000 is requested.

2.7.5 Essex Road Development scheme – slippage £78,000

There has been a delayed start with Broxbourne Borough, and delays with Railtrack in negotiations which are critical to the progress of the project. As a result there is now £78,000 slippage on this scheme. However it is expected that the project can be completed in 2002/03.

2.7.6 Energy conservation – slippage £77,000 slippage

There have been delays on a few schemes programmed for the year end, including a large scheme at Westfield School swimming pool, resulting in slippage of £77,000. This is requested to complete the schemes in 2002/03.

2.7.7 Development Opportunities Fund – slippage

£148,000 slippage

This budget exists to fund schemes that meet specific criteria of receipts generated in return for spend. Development at Salisbury Infants School to release 2 Townsend Avenue for disposal is to be met from this budget, and work has been able to commence sooner than expected. £46,000 of the underspend will be used to offset the overspend on the land purchase, feasibility and rationalisation budget, but carry forward of the balance of £102,000 is requested.

2.7.8 Corporate ICT annual provision – slippage

£88,000 slippage

Slippage has been requested for the following elements of the 2001/02 Corporate ICT programme:

- £30,000 to support server configuration and network configuration services planned to enhance the main Unix servers. This project was held pending independent specialist assessment of the optimal technical environment for this planned system development. Work has now started and will be completed in the first quarter of 2002/03.
- £30,000 for the planned upgrade and capacity increase for the county's internet (proxy server) technology, which enables staff to access the internet via the County Network. Product selection has taken place, but the technical trial will not be completed until mid April.
- £28,000 to set up a model office/PC configuration area, to support the ICT Best Value review recommendation of establishing new IT support arrangements. This will enable configuration standards to be set for new IT System/Software and provide a more efficient set up to manage the installation of new and replacement PC's. The work has been delayed while ensuring that fire precautions and health and safety requirements will be fully met.

2.7.9 Porters Wood

Porters Wood was originally envisaged as a base for 120 staff, but it was subsequently used to accommodate the CSF West Quadrant office. An additional investment of £248,000 in this self-financing scheme means that there are currently 146 workstations and 176 staff working flexibly, a 21% increase in workstations.

Capital receipts realised from the reorganisation are now expected to reach £3.4m compared with the original forecast of £2.78m.

FINANCIAL IMPLICATIONS

3.1 This meeting of the Cabinet is asked to consider the following requests for carry forwards and virements over £75,000 (these are technical changes that deal with issues that have all been provided for within the overall budget, but where resources now need to be specifically attributed to the relevant budgets)

- (i) That the following requests for carry forwards over £75,000 to 2001/02 be approved/not approved:
- (a) Service: Community Information
Amount: £100,000

Reason: Libraries - to facilitate the ongoing implementation of the Library review

(b) Service: Community Information

Amount: £137,000

Reason: Customer Services Centre - to fund increased costs in 2002/03 arising from variations in call numbers and duration in 2002/03.

(c) Service: Corporate Services

Amount: £128,000

Reason: Crime & Disorder - to pump prime larger countywide projects

(d) Service: Corporate Services

Amount: £83,000

Reason: SERMU - to contribute to the cost of the BCP generator project.

(e) Service: Environment

Amount: £95,000

Reason: Safety and Movement Measures. To fund public consultation on two schemes which have slipped into 2002/03.

(ii) That the following technical adjustments over £75,000 within services be approved/not approved:

From: Central Services

To: All services

Amount: £200,000

Reason: To allocated additional income on leased car discounts to services in line with the size of their leased car fleet.

iii) That the following transfer to a specific reserve be approved/not approved:

From: Fire Service Pensions

To: Fire Service Pension Reserve

Amount: £489,000

Reason: To support future Fire pension pressures

3.2 This meeting of the Cabinet is asked to approve/not approve the use of unplanned overspends in 2002/02 totalling £3.428m to support the net budget after allocating £3.654m of planned underspends.

3.3 Subject to the approval of the above items the general balances at 31st March 2002 are expected to be £14.14m compared to the forecast level of £14m.

COUNTY SUMMARY REVENUE BUDGET MONITOR AS 31ST MARCH, 2002							
(all figures in £'000)							
SERVICE	Original Budget	Carry Forward from 2000/2001	Approved Virements & Technical Adjustments	Latest Approved Budget	Projected Spend at Year End	Projected Variance	Carry Forwards 2001/02 Requested
Adult Care Services	142,664	(19)	173	142,818	143,089	271	
Children, Schools & Families	679,521	200	38,988	718,709	720,216	1,507	
Community Information	20,727	356	533	21,616	21,251	(365)	308
Corporate Services	19,764	355	(5,453)	14,666	13,939	(727)	584
Environment	77,640	0	5,698	83,338	83,254	(84)	110
Protection							
Fire	32,889	0	940	33,829	33,422	(407)	
Trading Standards	1,955	60	33	2,048	1,958	(90)	90
Coroners	683	37	1	721	670	(51)	51
Registration	698	0	14	712	712	0	0
Emergency Planning	223	0	4	227	147	(80)	68
Protection Total	36,448	97	992	37,537	36,922	(615)	209
Magistrates Courts (net)	2,697	21	433	3,151	3,129	(22)	22
Contingency	728	873	(275)	1,326	1,326	0	
Precepts	7,157			7,157	7,157	0	
Central Services	16,082		(875)	15,207	13,830	(1,377)	
Capital Charges non operational assets			10,046	10,046	10,046	0	
Asset Management Revenue Account	(166,552)		(50,260)	(216,812)	(216,812)	0	
Unapportioned Central Overheads	1,472			1,472	1,472	0	
Revenue Contributions to Capital	1,620			1,620	1,620	0	
NET REVENUE BUDGET	839,968			841,851	841,070	(781)	1,233
Council Tax Benefit Subsidy	1,851			1,851	1,851	0	
Contributions to / from Reserves	(2,900)			(2,900)	(2,900)	0	
Funded from Capital Resources	(3,300)			(3,300)	(3,300)	0	
COUNTY FUND TOTAL	835,619	1,883	0	837,502	836,077	(1,425)	1,233

APPENDIX B

CAPITAL BUDGET MONITOR AS AT 31 MARCH 2002.

SERVICE	Original Budget	Adjustments & Virements (approved & requested)	Previous Year Slippage	Latest Budget	Projected Spend at Year End	Projected Year End Variance *
	2001/02	2001/02	2001/02	2001/02	2001/02	2001/02
	£000	£000	£000	£000	£000	£000
CHILDREN, SCHOOLS & FAMILIES						
County Funded	6,901	(248)	1,029	7,682	7,056	(626)
Externally Funded	16,428	4886	1,690	23,004	19,254	(3,750)
Self Financing	8,591	4561	(328)	12,824	10,520	(2,304)
Annual Provisions	7,811	248	1,510	9,569	9,941	(372)
Total Children, Schools & Families	39,731	9,447	3,901	53,079	46,771	(6,308)
ADULT CARE SERVICES						
County Funded	500	0	735	1,235	511	(724)
Externally Funded	0	1,525	0	1,525	1,047	(478)
Self Financing	1,875	(1,425)	0	450	450	0
Annual Provisions	638	0	0	638	587	(51)
Total Adult Care Services	3,013	100	735	3,848	2,595	(1253)
Environment						
County Funded	2,610	1,000	31	3,641	2,999	(642)
Externally Funded	22,583	405	0	22,988	22,887	(101)
Self Financing	1,153	765	0	1,918	1,838	(80)
Annual Provisions	1,274	0	0	1,274	1,274	0
Total Environment	27,620	2,170	31	29,821	28,998	(823)
Community Information						
County Funded	628	0	396	1,024	544	(480)
Externally Funded	0	9	0	9	7	(2)
Annual Provisions	235	87	159	481	163	(318)
Total Community Information	863	96	555	1,514	714	(800)
Protection						
County Funded	225	0	119	344	380	36
Self Financing	2,200	0	0	2200	0	(2,200)
Annual Provisions	230	17	117	364	344	(20)
Total Protection	2,655	17	236	2,908	724	(2,184)
Corporate Services						
County Funded	2,284	(900)	534	1,918	756	(1,162)
Self Financing		248	0	248	248	0
Annual Provisions	1,204	0	222	1,426	1,169	(257)
Total Corporate Services	3,488	(652)	756	3,592	2,173	(1,419)
Magistrates Courts						
Externally Funded	0	339	0	339	339	0
Total	77,370	11,269	6,214	95,101	82,314	(12,787)

* underspends shown in brackets