

**HERTFORDSHIRE COUNTY COUNCIL**

**CABINET**

**MONDAY 21 JULY 2003 AT 2.00 P.M.**

**COUNTY COUNCIL REVENUE AND CAPITAL BUDGET MONITOR**

Report of the Finance Director

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Executive Member: David Beatty

**1. Purpose of the Report**

To inform members of the forecast outturn for Revenue and Capital Budgets in respect of 2002/03, based on monitoring information to 31 March 2003.

To consider requests for carry forwards to 2003/04 and transfers to reserves.

**2. Summary**

- 2.1 As at 31 March 2003 an overall underspend, (before carry forwards), of £4.203m (0.5%) is projected on the latest budget of £855.878m. The major reason for this is that not all of the budgeted contingency and special provisions have been applied during the year.
- 2.2 The principal reasons for the variation in the forecast revenue out turn are listed in Table 2 (Para 1.2), whilst a more detailed analysis is shown in Appendix A.
- 2.3 Services have identified carry forwards of £1.245m. If all carry forwards are approved this would reduce the net underspend to £2.958m
- 2.4 Of the £5.3m special provision set aside in the 2002/03 to cover a range of uncertainties, the following sums have been applied in the year:-

	£m
Fridge Disposal	0.200
Asylum Seekers	0.723
Out County Placements	1.700
<b>Total Applied in 2002/03</b>	<b>2.623</b>

- 2.5 Table 3 (Para 2.1) analyses by service the forecast capital slippage of £11.306m). Reprofiled spending on a number of planned self financing schemes accounts for £3.134m of this figure. Analysis by type of variance is shown in Table 4 (Para 2.1), whilst a detailed analysis is supplied in Appendix B.
- 2.6 At the end of March 2003, before the appropriation of any revenue underspending, the council's underlying balances are £5.6m, compared to £9m at March 2002. This has arisen because of the unexpected delay in realising capital receipts relating to the Borehamwood Schools reorganisation.

### **3. Conclusion**

- 3.1 Cabinet approval is required for carry forwards over £75k, details of which are set out in Section 3 in the main body of the report.
- 3.2 If all carry forwards are approved and the net underspend is returned to reserves the underlying level of reserves at 31 March 2003 would rise to £8.6m.

## 1. REVENUE BUDGET VARIANCES

- 1.1 Table 1 below summarises the variances by service using the criteria previously laid down in Financial Regulations 2001.

### Provisional Budget Variances 2002/03

**Table 1**

	Overspends	Planned Under-spends	Unplanned Under-spends	Net Variances
	£000	£000	£000	£000
Adult Care Services	237	(343)		(106)
Children, Schools & Families	2,772	(846)		1,926
Community Information	130	(364)		(234)
Corporate Services	275	(835)		(560)
Environment	441	(1,426)		(985)
Fire & Rescue	137	(156)	(135)	(154)
Trading Standards		(99)		(99)
Coroners		(28)		(28)
Emergency Planning		(59)		(59)
Registration		(20)		(20)
Precepts			(44)	(44)
Magistrates Courts		(24)		(24)
Capital Financing & Interest on Balances	412			412
Contingency		(1,551)		(1,551)
Special Provision		(2,677)		(2,677)
<b>Totals at 31/3/03</b>	<b>4,404</b>	<b>(8,428)</b>	<b>(179)</b>	<b>(4,203)</b>

- 1.2 The following table shows those variances of £75,000 or more against the latest budget. Detailed explanations for these variances are listed in sections 1.3 to 1.6.

**Table 2**

Service	Description	Para ref.	Over/ (Under spend) £000
<b>ACS</b>	Elderly Residential, Nursing Homes and Extra Care Sheltered Housing	1.3.1	(225)
	Home Care for Elderly Physically Disabled Clients	1.3.2	237
	Residential and Day Care Client with Learning Disability	1.3.3	(197)
<b>CSF</b>	Local Services Transport	1.4.1	473
	Childcare Litigation Fees	1.4.2	626
	Maternity Cover	1.4.3	280
	Home to School Transport - Mainstream	1.4.4	300
	Vacancies (various divisions)	1.4.5	(200)

	Post-16 Collaboration	1.4.6	(89)
	Out County Placements	1.4.7	973
	Licences	1.4.8	120
	Leased Car Discount	1.4.9	(557)
<b>CID</b>	Libraries Income	1.5.1	130
	Customer Service Centre	1.5.2	(252)
	Miscellaneous Budgets	1.5.3	(104)
<b>Corporate Services</b>	Telecommunications Infrastructure	1.6.2	(289)
<b>Environment</b>	Waste Disposal	1.7.1	(876)
	Environmental Management	1.7.2	181
	L.T. Structural Maintenance	1.7.3	(220)
	Routine Maintenance	1.7.4	218
	Leased car Discount	1.7.5	(162)
<b>Fire &amp; Rescue</b>	Pensions	1.8.1	(135)
	Leased car Discount	1.8.2	(79)
<b>Central Services</b>	Capital Financing & Interest on Balances	1.9.1	412
	Contingency not applied		(1,551)
	Special Provision not applied		(2,677)
<b>All services</b>	Other forecast variances below £75k		(540)
	<b>Provisional Underspend</b>		<b>(4,203)</b>

### 1.3 ADULT CARE SERVICES (ACS)

#### 1.3.1 Elderly Residential, Nursing Homes and Extra Care Sheltered Housing - £225,000 or 0.6% underspend

This is a large and volatile budget amounting to £40.366M and should be considered together with the Home Care budget (see below). A combination of more older people being supported in their own homes and admission to residential and nursing homes being delayed (for a small number of clients) by providing additional home care support are the main reasons for this 0.6% underspend.

#### 1.3.2 Home Care (for Elderly Physically Disabled Clients) £237,000 or 1% overspend

This is also a large and very volatile budget amounting to £24.937m. A greater number of clients have been supported in their own homes for a longer period than was assumed in setting the budget and this has resulted in an overspend of £237,000 (1%).

The combined elderly residential / nursing care and home care budgets amount to £65.303m on which there is an overall overspend of £12,000.

### **1.3.3 Residential and Day Care for clients with a Learning Disability - £197,000 or 0.5% underspend**

The underspend on the budget for independent sector placements (from placing clients later in the financial year than was assumed in setting the budget) is partly offset by an overspend on in house services (mainly due to the large numbers of agency staff that need to be employed to meet staff / client ratios).

Considering these two budgets together an underspend of £197,000 (0.5%) was the overall result. The total net budget for residential and day care is £36.223m.

## **1.4 CHILDREN, SCHOOLS & FAMILIES (CSF)**

### **1.4.1 Local Services - Transport - £473,000 or 40.05% Overspend**

The budget funds the transport of Looked After Children, Children with a Disability and young people supported under Section 17 of the Children's Act 1989.

The main reasons for overspending are that the budget reflects the increase in numbers of Looked After Children. In addition, there is evidence of increases in the anticipated number of journeys per child, greater use of taxi firms being necessary and the increased unit costs of taxi contractors as a result of new licensing laws.

Management action to address the overspend problem includes the reviewing of all longer term transport arrangements, establishing more secure processes for obtaining estimates of costs for each new journey, and reviewing transport options other than via taxi.

The outturn is higher than the forecast because of further pressures and the limited impact of management action in 2002/03.

### **1.4.2 Childcare Litigation Legal Fees - £626,000 or 72.3% Overspend**

The overspend of £626,000 reflects the increased costs of child care litigation due to the volumes of work involved which have continued to increase significantly during the year.

### **1.4.3 Maternity Cover - £280,000 or 42.0% Overspend**

The overspend reflects the level of maternity cover during the year. This level is consistent with last financial year when a similar overspend occurred.

#### **1.4.4 Home to School Transport - Mainstream - £300,000 or 4% overspend**

The overspend is largely a consequence of the pattern of transport from September 2002 and the need to transport more children by taxi/minibus routes. Some journeys are for denominational schools, some in areas such as Lea Valley where there is a shortage of places and some relate to Consortium transport.

#### **1.4.5 Vacancies (various divisions) - £200,000 unplanned underspend**

There remains pressure to recruit professional staff across the service. We underspent across all staffing budgets, although the figure is a relatively small proportion of non-schools staffing budgets.

#### **1.4.6 Post-16 Collaboration - £89,000 or 17.1% unplanned underspend**

The authority provides financial support to individual schools to enable sixth forms to operate on a collaborative basis. We anticipate that a small number of schools may not comply with the requirements for financial support.

#### **1.4.7 Out of County Placements - £973,000 or 7.6% overspend increase**

This is a further overspend in addition to the previously projected overspend of £1.7m which has been funded from the special contingency provision. The spending pressure comes primarily from placements that are joint funded or sole funded Social Services placements. The average cost of a placement is £3,000 higher than assumed previously resulting in a further overspend of £250,000. The remaining overspend of £723,000 is a consequence of an additional 34 placements during the course of the year rather than the 20 assumed in our projection. Management action is continuing, and although every effort is being made to use foster placements where possible, there is still a shortage of suitable carers to meet the demand.

#### **1.4.8 Licences - £120,000 or 55% overspend**

The overspend relates to legal fees incurred in relation to PPL (Phonographic Performance Limited) and licences for recorded music in schools. A total of £240,000 has been incurred in reaching an equitable agreement as to both arrears and ongoing payments. Half the fees have been met from a provision previously set aside for the purpose, but the remaining £120,000 is a charge in the current year.

#### **1.4.9 Leased Car Discount £557,000 underspend.**

An increase in the number of new leased cars ordered in 2002/03 has given rise to a higher than expected level of discount from the manufacturer.

## **1.5 COMMUNITY INFORMATION**

### **1.5.1 Libraries Income - £130,000 overspend or 9.3%**

The previously reported shortfall against income targets was £160,000. However, the situation has improved by £30,000 at the year end. The loss arises due to a decline in the number of video loans, and reduced income from fines and reservations resulting from a combination of declining borrowings and the introduction of automated loan-renewal methods

### **1.5.2 Customer Service Centre - £252,000 underspend**

The projected underspend of £150,000 against this budget previously reported has increased to £252,000. The underspend is caused by a mix of call volume and call duration. Community Information has been carrying forward underspend from year to year in order to smooth the impact of charges to services over the 5-year life of the contract, and approval is sought to carry forward this balance of £252,000 to 2003/04. This will be needed to fund the technical upgrade required to allow the Customer Service Centre to continue to function as existing software becomes inadequate, particularly with reference to the Children, Schools and Families and Adult Care System, and as the software progressively goes off support. It will also help to pay for the costs associated with renewing the contract during 2004.

### **1.5.3 Miscellaneous Budget Heads - £104,000 underspend of 0.04%**

As previously reported, very effort was made to contain the effect of the shortfall in income within the overall budget for Community Information. Temporary measures taken to prioritise expenditure in favour of strictly essential front line service expenditure, and to manage staff vacancies closely, have resulted in a total projected underspend across miscellaneous budget heads amounting to £104,000 as opposed to a previously projected figure of £70,000.

## **1.6 CORPORATE SERVICES**

**1.6.1** The net underspend on Corporate Services for 2002/03 is £560,000. Within this net position, in order to fund the project costs relating to future property / accommodation options, Corporate Services carry forwards have been reduced to keep the 2002/03 service budget in balance.

### **1.6.2 Telecommunications Infrastructure - £289,000 underspend**

An underspend of £289,000 has arisen in relation to the following items:-:

£234,000 in respect of the upgrade of local networking. Crucial design and testing work is complete and the upgrade roll-out is underway. In order that this work does not impact on service delivery / front line services, each site is having to be visited and upgraded over a weekend, and the rollout programme will not be completed until mid 2003. A carry forward of £174,000 is requested to complete this work.

£55,000 relating to improving the resilience of the Internet Service. Although the technical design / solution has been drawn up into a requirements specification, the procurement process and acceptance testing will not be completed until mid 2003. A carry forward of £40,000 is required to complete this project.

## **1.7 ENVIRONMENT**

### **1.7.1 Waste Disposal - £876,000 or 4.8% underspend**

The trend of a reduction in growth of waste tonnage for disposal continued largely as predicted until the end of the year.

### **1.7.2 Environmental Management - £181,000 or 5.5% overspend**

Extreme weather related problems in the Rural Estate combined with a wet season reducing income at Aldenham Country Park has led to this overspend.

### **1.7.3 Long Term Structural Maintenance - £220,000 or 4.7% underspend**

Late in the year it became apparent that two schemes programmed for construction in 2002/03 would be better delayed until 2003/04 in order to minimise disruption to the public. Consequently the budget has underspent and a request for permission to carry forward the funds has now been made.

### **1.7.4 Routine Maintenance - £218,000 or 2.1% overspend**

It was anticipated that the cost of the severe weather experienced in late January would be offset by reducing expenditure on other maintenance activities. Whilst the extra expenditure has been absorbed within the overall departmental figures, it was not possible to fully finance it within Routine Maintenance.

### **1.7.5 Leased Car Discount - £162,000 underspend**

An increase in the number of new leased cars ordered in 2002/03 has given rise to a higher than expected level of discount from the manufacturer.

## 1.8 FIRE & RESCUE

### 1.8.1 Fire Pensions - £135,000 or 2.8% underspend

The underspend arises as the number of ill-health retirements in the year were less than originally assumed.

### 1.8.2 Leased Car Discount - £79,000 underspend

An increase in the number of new leased cars ordered in 2002/03 has given rise to a higher than expected level of discount from the manufacturer.

## 2. CAPITAL BUDGET

### 2.1 Projected Outturn and Variances

Expenditure for the Capital Budget is estimated to be £11.306m below latest budget at outturn. Analysis of this variance by service is shown in table 3.

**Table 3**

<b>Service</b>	<b>Latest Budget</b>	<b>Current Forecast Outturn</b>	<b>Projected Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children, Schools & Families	53,377	50,213	(3,164)
Adult Care Services	4,682	2,209	(2,473)
Environment	32,543	31,213	(1,330)
Community Information	2,367	1,594	(773)
Protection	3,277	721	(2,556)
Corporate Services	3,661	2,651	(1,010)
Magistrates Courts	300	300	0
<b>Total</b>	<b>100,207</b>	<b>88,901</b>	<b>(11,306)</b>

The variance of £11.306m can be analysed as net slippage of £11,358,000, overspends of £397,000 and underspends of £345,000.

The variance is analysed by service in table 4 below:

**Table 4**

<b>Service</b>	<b>Slippage</b>	<b>Overspend s</b>	<b>Under- spends</b>	<b>Total Projecte d Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children, Schools & Families	(3,020)	0	(144)	(3,164)
Adult Care Services	(2,571)	98		(2,473)
Environment	(1,302)	0	(28)	(1,330)
Community Information	(773)			(773)
Protection	(2,556)			(2,556)
Corporate Services	(1,136)	299	(173)	(1,010)
Magistrates Courts	0			0
<b>Total</b>	<b>(11,358)</b>	<b>397</b>	<b>(345)</b>	<b>(11,306)</b>

**Note:** - Of the total slippage shown in Table 4, £3.134m relates to the reprofiling of spend on a number of proposed self-financing schemes.

Table 5 shows those projects with material variances.

**Table 5**

<b>Service</b>	<b>Description</b>	<b>Para. Ref.</b>	<b>Forecast slippage £000</b>
<b>Children, Schools &amp; Families</b>	2002/03 St Albans Basic Need Schemes	2.2.1	(385)
	2001/02 Harpenden Basic Need Schemes	2.2.2	860
	2000/2001 Basic Need Schemes	2.2.3	(1,655)
	2002/03 Westbury (SCA)	2.2.4	(144)
	2002/03 Major Schemes - Sheredes	2.2.5	75
	2002/03 Major Schemes - Round Diamond	2.2.6	(1,230)
	2002/03 Major Schemes - Care Standards Act	2.2.7	(249)
	2002/03 Major Schemes	2.2.8	(353)
	2001/2002 Major Schemes - Bowmansgreen	2.2.9	585
	2001/2002 Major Schemes – (Bushey Meads)	2.2.10	543
	2000/2001 Major Schemes (William Ransom)	2.2.11	(88)
	2000/2001 Major Schemes – (Edwinstree)	2.2.12	(151)
	1999/00 Major Schemes (Francis Combe)	2.2.13	(296)
	2002/03 Annual Provs for Structural R & M b/f	2.2.14	(47)
		Other Variances of less than £50k	
<b>Adult Care Services</b>	Countywide Learning Disability hostels	2.3.1	(896)
	Dacorum Project	2.3.2	(968)
	Disability Discrimination Act works	2.3.3	(260)
	Gypsy Site Works	2.3.4	(120)
	Enhancement of Network Links	2.3.5	(96)
	Oracle Project (Externally Funded)	2.3.6	96
	Minor Works		
	Other schemes		(225)
			(4)
<b>Environment</b>	Household Waste Recycling Centre	2.4.1	(560)
	Integrated Transport Measures(LTP)	2.4.2	(669)
	Aldenham Dam Repairs	2.4.3	(73)
	Other Variances of less than £50k.	2.4.4	(28)
<b>Community Information</b>	DDA Adaptation of Buildings & Facilities	2.5.1	(160)
	Public PC Replacement Enhancement	2.5.2	(202)
	Implementing Electronic Government	2.5.3	(180)
	CI Automation	2.5.4	(171)
	Other variances of less than £50k		(60)
<b>Protection</b>	Watford & St Albans Fire Stations	2.6.1	(2,200)
	DDA Works	2.6.2	(152)
	ICCS	2.6.3	(125)
	Repairs and Maintenance	2.6.4	(92)

	Other Variances	2.6.5	(21)
<b>Corporate Services</b>	Call Centre & Web Site	2.7.1	(117))
	Financial Systems Review	2.7.2	(777)
	Energy Conservation	2.7.3	(87)
	Land Purchase Contingency	2.7.4	299
	Development Opportunities Fund	2.7.4	(159)
	Health and Safety	2.7.5	(52)
	Other minor variances	2.7.6	(117)
	<b>Total Forecast Variance</b>		<b>(11,306)</b>

## 2.2 Children, Schools & Families

### 2.2.1 2002/03 St Albans Basic Need Schemes – slippage £385,000

Discussions are continuing to take place with all the secondary headteachers in St Albans to establish how and where to provide the additional accommodation. This has delayed the start of these schemes and a recommendation will be brought forward for member consideration in due course.

### 2.2.2 2001/02 Harpenden Basic Need Schemes – expenditure brought forward £860,000

Schemes have been designed at both Sir John Lawes and Roundwood Park schools and both projects are now completed. Slippage on the 2001/02 South West Herts Basic Need schemes offered the opportunity to bring forward expenditure on these Harpenden schemes to enable both Harpenden schools to admit 180 pupils to year 7 from Sept 2002. Ring-fenced Basic Need funding must be used for Basic Need schemes alone and total expenditure in 2002/03 will be within the amount approved for Basic Need in the 2002/03 programme.

### 2.2.3 2000/01 Basic Need Schemes – slippage £1,655,000

Slippage of £184,000 is expected on the Cheshunt Secondary Scheme due to earlier delays arising from town planning and other related implementation issues.

Slippage of £1,471,000 is expected on the South West Herts Secondary Places Scheme due to planning delays affecting the school-managed scheme at Queens, however the contract at Queens has now been let and work has commenced on site.

### 2.2.4 2002/03 Westbury Supplementary Credit Approval - underspend £144,000

This project to replace kitchen/dining facilities has now been completed. However, the contractor's final account was not fully settled until the 2003/04 financial year and therefore, under the terms of the SCA, the balance of credit approvals unused by 31st March

2003 had to be given up leaving the estimated £93,000 balance of expenditure to be funded in 2003/04.

#### **2.2.5 2002/03 Major Schemes (Sheredes) – expenditure brought forward £75,000**

The scheme at Sheredes was a fairly small major works scheme (£172,000 and approximately 7 weeks on site only) to convert a former lecture theatre into two teaching spaces and is now on site. The cost was likely to rise if we had waited until the 2003/04 financial year before commencing the work, when there would also be increased pressure on pupil numbers - the scheme is expected to be carried out within budget.

#### **2.2.6 2002/03 Major Schemes (Round Diamond) – slippage £1,230,000**

Work commenced later than originally planned following delays earlier in the life of the scheme to finalise the detailed budgets and funding sources of this part self-financed scheme.

Under the contemporaneous contract for the Round Diamond scheme all expenditure which occurred in 2002/03 can now be financed from receipts. Therefore, the £1,230,000 of borrowing approvals in the capital programme for 2002/03 will not be required until the 2003/04 financial year.

#### **2.2.7 2002/03 Major Schemes (Care Standards Act) – slippage £249,000**

The £250,000 in the 2002/03 capital programme for the Care Standards Act has been allocated to schemes at Falconer (£150,000) and Boxmoor (£100,000).

The Falconer scheme has been delayed whilst arrangements are put in place to roll it up with the much bigger scheme (£1.550m) also being undertaken at the school - this scheme is going out to tender shortly and it is hoped that building will begin in the autumn term 2003.

Boxmoor has been delayed whilst awaiting feedback from the first care standards inspection before the scheme is signed off but we are hopeful that building will commence this summer 2003.

#### **2.2.8 2002/03 Major Schemes – slippage £353,000**

2002/03 Major Schemes – slippage £353,000

There has as yet been no spend against the allocation (£100,000) for pump-priming work to resolve the secondary places issues in Harpenden which has been delayed whilst a way forward is negotiated.

There is slippage of £75,000 on the Park ESC scheme which has been delayed during discussions, which are ongoing, to agree the detailed design with Park ESC. This issue has been raised at Scrutiny, which has proposed a more comprehensive review of ESC accommodation.

There is slippage of £178,000 against the scheme at Martindale, which got off to a slow start but is now on site with an expected completion date of the autumn 2003.

#### **2.2.9 2001/02 Major Schemes (Bowmansgreen) – expenditure brought forward £585,000**

The Bowmansgreen scheme was brought forward because of the expected development of the former Napsbury Hospital site for housing. The school will increase from an intake of 51 per year to 60 (2FE) when the houses are built (using Section 106 funding from the developer) and it was necessary to carry out these improvement works to replace the five mobile classrooms (“phase one” which has now been completed) ahead of the expansion works

#### **2.2.10 2001/02 Major Schemes (Bushey Meads) – expenditure brought forward £543,000**

Slippage against the 2002/03 design starts has provided the opportunity to bring forward £543,000 of expenditure in advance of budgeted cash flow at this science block scheme at Bushey Meads due to much of the, usually lengthy, pre-planning work having been undertaken by the school in advance of formal approval.

#### **2.2.11 2000/01 Major Schemes (William Ransom) – slippage £88,000**

There is slippage of £88,000 on the William Ransom Scheme due to delays early in the life of the scheme whilst additional funding was sought to remodel the school and carry out phase one and two together. The scheme is now on site and expected to be completed by the autumn 2003 and on budget.

#### **2.2.12 Major Schemes (Edwinstree) – slippage £151,000**

There is slippage of £151,000 on the scheme at Edwinstree which has been delayed whilst arrangements were made to link it to the scheme at Ward Freeman and Modernisation funding under a single building contract, it is expected that the tender will be let shortly

#### **2.2.13 1999/00 Major Schemes (Francis Combe) – slippage £296,000**

Delays early on in the life of this £4 million scheme, which is now on site, mean that £296,000 will not now be spent until financial year 2003/04.

#### **2.2.14 2002/03 Annual Provisions - slippage £47,000**

Expenditure brought forward on our structural repairs and maintenance programme has been offset by slippage on minor works and Health & Safety schemes.

### **2.3 ADULT CARE SERVICES**

#### **2.3.1 Countywide Learning Disability hostel programme - slippage £896,000**

Changes to the national minimum standards guidelines has resulted in it taking longer to finalise scheme details. The strategy to reprovide hostel places is to work closely with housing providers and this has resulted in alternative and additional funding being available. As a consequence, capital expenditure has not been incurred as soon as was first estimated.

Due to the complex partnerships of these schemes, delays and general slippage on external schemes, for example, Sir John Newsome (Welwyn Garden City) and Chillwell Gardens (South Oxhey) has occurred. Payment on external schemes have been delayed to fall in line with the development programme, the payment for Chillwell Gardens and Sir John Newsom sites will be made this year as the units become available for occupation. Schemes to be developed in house have been delayed to ensure requirements are met in terms of registration/care standards ( Manor House) and needs.

#### **2.3.2 Dacorum Project – reprofiled spend £968,000**

This project involves various accommodation moves in the Dacorum area including sharing accommodation with health and the reprovision of a day centre. There have been delays in finalising partnership agreements, however, these have now been resolved and a final business case will be presented to cabinet for approval in due course. Once approved, the self-financing project could start on site after a six-month design lead in time.

#### **2.3.3 Disability Discrimination Act works - slippage £260,000**

Slippage of £260,000 in total will occur over three schemes. Due to the delayed introduction of new consultants work has not been carried out in the right year of the programme. The delays have been significant, however no work has been cancelled with the majority completed by the end of June or due to be completed by September. £20,000 was as a result of a specific job at Geddings Day Centre that required the unit to be completely closed. This could only be done during the summer.

#### **2.3.4 Gypsy Site Works – Slippage £120,000**

Delays in payments of works valued at £72,000 at the Barley Mow Site due to a dispute with the contractor and £48,000 at the Ver Meadow Site. These payments will attract Government grant at 75 per cent.

#### **2.3.5 Enhancement of Network Links – Slippage of £96,000**

Although the full amount of work for upgrades was commissioned with corporate communications only a proportion of the work could actually be carried out. The work for day centres commissioned in February has still to be charged for.

#### **2.3.6 Oracle Project – overspend £96000**

The overspend is as a result of the Oracle CSFA project and should be shared 50:50 with CSF. Both overspends will be met from revenue budgets.

### **ENVIRONMENT**

#### **2.4.1 Household Waste Recycling Centre - slippage £560,000**

The contract for the Household Waste Recycling Centre has not been let due to unforeseen difficulties that have increased the cost above the budget currently available. Consideration is currently being given to how best to proceed with the project in the next financial year.

#### **2.4.2 Integrated Transport Measures (LTP) – slippage £669,000**

Due to protracted legal issues, the contract for the purchase of land for the Croxley Rail Link scheme was not completed until after the 1st April, which means that the funds will now need to be carried forward as slippage to 2003/04.

#### **2.4.3 Aldenham Dam Repairs – slippage £73,000**

Following advice received from consultants, part of the work originally scheduled for 2002/03 has been delayed until the summer, as it is best carried out in the drier months of the year. This element of the budget will therefore need to be carried forward as slippage

### **2.5 COMMUNITY INFORMATION**

#### **2.5.1 Disability Discrimination Act Adaptation of Buildings & Facilities – slippage £160,000**

It was previously reported that there would be slippage of £20,000 against this budget, as the lift at Harpenden Library will not be installed until the new financial year due to problems arriving at a satisfactory solution with the fire exits, and installation of automatic doors at St.

Albans Library had been held up because of a delay in obtaining the landlord's consent.

Total estimated slippage has now increased by £140,000. Following the decision that the work be taken on by a measured term contractor, in order to obtain best value whilst having so many doors fitted, the work on automatic doors was planned for February / March. However each door has to be individually assessed due to the wide range of buildings affected and this has taken longer than expected. In addition, the lift at Chorleywood library will not now be completed until early in the new financial year.

## **2.5.2 Public PC Enhancement**

**£202,000 slippage**  
(previously reported £50,000)

It was previously reported that slippage of £50,000 was expected against this budget, due to a combination of Community Information's IT staff devoting time to the large People's Network (PN) grant-aided project (where the grant had all to be spent before 31 March) and delays in completion of the building work necessary at some libraries in order to accommodate a greater number of PCs.

Since the last report, lower than anticipated costs of network upgrade work on the grant-aided PN project meant that PN grant could be used to fund part of the planned programme of public PC enhancement. Although this meant that additional public PCs could be provided from this budget, New Opportunities Fund (NOF) approval had first to be sought for the virement within the PN grant budget. This meant that installation of many PCs was delayed until the new year, which in turn meant that no annual software licence fee payments for those PCs were required. £202,000 carried forward will be used shortly for installation and the purchase of peripherals for over 200 public PCs, thus completing the current PC enhancement programme.

Although this particular programme is nearing completion, the ICT policy for libraries aims to increase public access to electronic information resources, and to standardise what is available in libraries for both staff and users, which means that the requirement for capital and revenue funding continues.

## **2.6 PROTECTION**

### **2.6.1 Reprofiled spend - £2,166,000**

The self-financing schemes at Watford and St Albans are now expected to begin in 2003/04.

### **2.6.2 Disability Discrimination Act Works – Slippage £152,000**

The service secured Supplementary Credit Approvals to support DDA works. Unfortunately, although the majority of the project work is now

firmly committed, the service has been unable to complete and pay for the works by the end of March 2003. The SCA allocation was strictly time limited and the ODPM are unable to be flexible on the SCA conditions. As a result the completion of this committed project will now need to be funded from county council capital resources in 2003/04.

### **2.6.3 ICCS slippage - £125,000**

Before awarding the contract for this project the service sought to collaborate with other brigades in the East of England as part of a joint procurement exercise. Despite initial expressions of interest from other brigades, the service is now having to go out to tender separately. As a result of this consultation the tendering process has been delayed.

### **2.6.4 Repairs & Maintenance slippage - £92,000**

Slippage is in respect of various works in progress at 31 March 2003.

## **2.7 CORPORATE SERVICES**

### **2.7.1 Call Centre & Web Site Slippage Requested £117,000 (previously reported £112,000)**

The capital budget for the Customer Service Centre includes provision for relocation costs and server room alterations, to be spent over the whole life of the contract. None of the balance of £66,000 brought forward into 2002/03 has been required this year, leaving the full £66,000 which will be carried forward into 2003/04.

In addition, of the £52,000 brought forward into 2002/03, earmarked for Systems Integration, only £1,000 has been required this year. 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. The remaining £51,000 will therefore need to be carried forward into 2003/04.

### **2.7.2. Financial Systems Review Slippage £777,000**

As reported in the latest capital programme Business Case Evaluation, the project team for the Financial / HR Systems review was established in October, rather than in April (as was planned when the 2002/03 Capital Programme was prepared). This has fitted with the "try before you buy" approach, used whereby potential suppliers have over the summer demonstrated how they would handle a series of detailed scenarios, providing information to enable the six potential providers to be further shortlisted to three. The project team has now prepared a detailed specification for the financial system and is in the process of completing a similar specification for HR.

Since the Business Case Evaluation was prepared there has been some further slippage as it has been decided to use some backfill resource in 2003/04 rather than the current year. Also, the bulk of training for the new system is expected to take place in April rather than March; and the work to upgrade the network for existing users will also now take place in the new financial year. In total slippage of £786,000 is expected against the budget.

### **2.7.3 Energy Conservation Slippage £87,000**

Work on County Hall lighting was delayed due to the fire officers strike preventing weekend working by contractors. Slippage of £87,000 is requested to complete these works.

### **2.7.4 Land Purchase , Feasibility and Rationalisation works. Net Overspend £140,000**

This Land Purchase, Feasibility and Rationalisation works budget is needed to achieve the capital receipts target, which has grown to £42m compared with the £12-15m targets when this provision was first established. An overspend in the order of £390,000 is expected against this budget (the budget has been reduced by £150,000 to cover the purchase by Environment of Dark Lane Household Waste site). However, there are £250,000 of developer's contributions available from the Park Plaza capital receipt (relating to previous years' incurred expenditure) that can be used to offset this overspend.

### **2.7.5 Health and Safety Requested Slippage £52,0000**

The fire precautions work at Castle Street has been commissioned but work is not complete due to needing fire officer agreement at the end of each phase. Slippage of £52,000 is requested

### **2.7.6 Windows 2000 - £47,000 slippage**

Effort this year has been applied in ensuring a robust design of both upgraded local network and the Windows 2000 environment, to ensure more stable and cost effective infrastructure, and to facilitate the future migration from one to the other. Progress on this project is therefore closely related to work on the upgrade of local networking (see £214,000 revenue budget carry forward). Para. 1.6.2 refers). It is intended that £47,000 will be carried forward into 2003/04 to complete the Windows 2000 server architecture pilot.

### 3. REQUESTS FOR CARRY FORWARDS

3.1 This meeting of the Cabinet is asked to consider the following requests for carryforwards over £75,000.

(i) That the following carry forwards over £75,000 be approved/not approved:

(a) Service: Community Information – Customer Services Centre

Amount: £252,000

Reason: This will be needed to fund the technical upgrade required to allow the Customer Service Centre to continue to function as existing software becomes inadequate, particularly with reference to the Children, Schools and Families and Adult Care System, and as the software progressively goes off support. It will also help to pay for the costs associated with renewing the contract during 2004.

(b) Service: Corporate Services – Telecommunications Infrastructure

Amount: £214,000

Reason: £174,000 is required to complete the upgrade of local networking. Crucial design and testing work is complete and the upgrade roll-out is underway. In order that this work does not impact on service delivery / front line services, each site is having to be visited and upgraded over a weekend, and the rollout programme will not be completed until mid 2003. Also £40,000 is required to improve the resilience of the Internet Service. Although the technical design / solution has been drawn up into a requirements specification, the procurement process and acceptance testing will not be completed until mid 2003.

c) Service: Environment – Long Term Structural Maintenance

Amount: £220,000

Reason: Late in the year it became apparent that two schemes programmed for construction in 2002/03 would be better delayed until 2003/04 in order to minimise disruption to the public.



**COUNTY SUMMARY REVENUE BUDGET MONITOR AS AT  
31ST March 2003**

(all figures in  
£'000)

SERVICE	Original Budget	Carry Forward from 2000/2001	Approved Virements & Technical Adjustments	Latest Approved Budget	Provisional Spend at Year End	Projected Variance	Carry Forwards 2002/03 Requested
Adult Care Services	154,682		(785)	153,897	153,791	(106)	
Children, Schools & Families	708,573		(51,196)	657,377	659,303	1,926	
Community Information	20,622	280	(1,190)	19,712	19,478	(234)	252
Corporate Services	12,411	559	475	13,445	12,885	(560)	560
Environment	84,986	110	4,807	89,903	88,918	(985)	220
<b>Protection</b>							
Fire & Rescue	34,769	0	(1,467)	33,302	33,148	(154)	
Trading Standards	2,205	79	55	2,339	2,240	(99)	90
Coroners	740	51	0	791	763	(28)	28
Registration	709	25	(25)	709	689	(20)	18
Emergency Planning	267	68	1	336	277	(59)	53
<b>Protection Total</b>	<b>38,690</b>	<b>223</b>	<b>(1,436)</b>	<b>37,477</b>	<b>37,117</b>	<b>(360)</b>	<b>189</b>
Magistrates Courts (net)	3,009	22	(634)	2,397	2,373	(24)	24
Contingency	2,348	816	(1,213)	1,951	400	(1,551)	
Special Provision	5,300		(2,623)	2,677		(2,677)	
Precepts	7,324			7,324	7,280	(44)	
Central Services	16,538		(613)	15,925	16,337	412	
Capital Charges non operational assets	10,403		(1,254)	9,149	9,149		
Unapportioned Central Overheads	2,380			2,380	2,380		
Asset Management Revenue Account	(210,098)		55,662	(154,436)	(154,436)		
<b>NET REVENUE BUDGET</b>	<b>857,168</b>	<b>2,010</b>		<b>859,178</b>	<b>854,975</b>	<b>(4,203)</b>	<b>1,245</b>
Funded from Capital Resources	(3,300)			(3,300)	(3,300)		
<b>COUNTY FUND TOTAL</b>	<b>853,868</b>	<b>2,010</b>	<b>0</b>	<b>855,878</b>	<b>851,675</b>	<b>(4,203)</b>	<b>1,245</b>

CAPITAL BUDGET MONITOR AS AT 31 MARCH 2003						
SERVICE	Original Budget	Adjustments & Virements (approved & requested)	Previous Year Slippage	Latest Budget	Projected Spend at Year End	Projected Year End Variance *
	2002/03	2002/03	2002/03	2002/03	2002/03	2002/03
	£000	£000	£000	£000	£000	£000
<b>CHILDREN, SCHOOLS &amp; FAMILIES</b>						
County Funded	6,875		887	7,762	5,974	(1,808)
Externally Funded	25,334	(326)	3,807	28,815	27,486	(1,329)
Self Financing	9,417	218	(328)	9,307	9,307	0
Annual Provisions	8,212		(719)	7,493	7,446	(65)
<b>Total Children, Schools &amp; Families</b>	<b>49,838</b>	<b>(108)</b>	<b>3,647</b>	<b>53,377</b>	<b>50,213</b>	<b>(3,202)</b>
<b>ADULT CARE SERVICES</b>						
County Funded	869		805	1,674	386	(1,288)
Externally Funded	640	227	478	1,345	1,353	8
Self Financing	1,000	0	0	1,000	32	(968)
Annual Provisions	659		4	663	438	(225)
<b>Total Adult Care Services</b>	<b>3,168</b>	<b>227</b>	<b>1,287</b>	<b>4,682</b>	<b>2,209</b>	<b>(2,473)</b>
<b>Environment</b>						
County Funded	4,634	150	641	5,425	4,764	(661)
Externally Funded	23,536	2,001		25,537	24,868	(669)
Self Financing		291		291	291	0
Annual Provisions	1,290			1,290	1,290	0
<b>Total Environment</b>	<b>29,460</b>	<b>2,442</b>	<b>641</b>	<b>32,543</b>	<b>31,213</b>	<b>(1,330)</b>
<b>Community Information</b>						
County Funded	400		480	880	516	(364)
Externally Funded		902		902	675	(227)
Annual Provisions	239	28	318	585	403	(182)
<b>Total Community Information</b>	<b>639</b>	<b>930</b>	<b>798</b>	<b>2,367</b>	<b>1,594</b>	<b>(773)</b>
<b>Protection</b>						
County Funded	534	157	36	727	446	(281)
Externally Funded						
Self Financing	2,200			2,200	34	(2,166)
Annual Provisions	263	46	41	350	241	(109)
<b>Total Protection</b>	<b>2,997</b>	<b>203</b>	<b>77</b>	<b>3,277</b>	<b>721</b>	<b>(2,556)</b>
<b>Corporate Services</b>						
County Funded	2,050		429	2,479	1,507	(972)
Self Financing						
Annual Provisions	1,075	(150)	257	1,182	1,144	(38)
<b>Total Corporate Services</b>	<b>3,125</b>	<b>(150)</b>	<b>686</b>	<b>3,661</b>	<b>2,651</b>	<b>(1,010)</b>
<b>Magistrates Courts</b>						
Externally Funded		300		300	300	
<b>Total</b>	<b>89,227</b>	<b>3,844</b>	<b>7,136</b>	<b>100,207</b>	<b>88,901</b>	<b>(11,306)</b>

\* underspends shown in brackets