

Revenue - Service outturn 2004/05 - explanation of variances

Chief Executive's Service

Explanation	Variation £000's + / (-)
Neighbourhoods	
Underspend driven by maximisation of grant income in particular NRF. There was also some slippage in assembly projects and carry forwards have been requested to ensure these key items can be completed within 2005/06	(439)
Total for Neighbourhoods	(439)
IT	
Technology refresh project – programme delayed and costs overrun – project now brought back in-house management.	2,911
Overspend largely caused by the revenue impact of IEG capital projects. This will be resolved in 2005/06	252
Total for IT	3,163
Customer Services	
Other Variations Under £50k	(29)
Total for Customer Services	(29)
Libraries	
Overspend has been caused by overspend on salaries, non-achievement of expected rental income for the 2 flats over Libraries and higher than expected utility bills.	80
Total for Libraries	80
Legal	
CLS – underspend caused by a trend towards increased work by Legal with subsequent increased recharge income.	(226)
BD&M – underspend caused by increased income from the new Citizenship Ceremonies.	(67)
Local Land Charges – the overspend has been caused by a drop in fee income. There are two main drivers behind this (a) economic down turn leading to reduced property transactions overall & (b) an increased number of private companies offering personal searches causing us to lose business	463
Total for Legal	170
OD	
Member Services – underspend due to uncommitted spend on Members training & conference budgets. A carry forward request has been put forward to support the Members Development programme in 2005/06.	(100)
Other Variations Under £50k	15

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Total for OD	(85)
Strategy Health – underspend caused by staff vacancies during 2004/05. Policy & Partnerships – underspend caused by staff vacancies during 2004/05 Economic Regeneration – underspend relates to 2 factors (a) delay to start of some projects which were due to take place in 2004/05. Carry forward requests have been put forward to ensure these projects can happen in 2005/06 (b) close management of expenditure to offset known overspend on BWFCC Communications – underspend largely created by overachievement of income within Design & Print unit Youth Offending Service – overspend expected and flagged up early in year when team transferred to CES. The overspend has been contained as much as possible and is less than originally forecast.	 (105) (229) (112) (77) 153
Other Variations Under £50k Management & Voluntary Sector Safer Communities	 (47) (20)

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Explanation	Variation £000's + / (-)
Total for Strategy	(437)
Business Units	
Other Variations Under £50k	
Chief Executive	(59)
ACE Access	(13)
Children's Bill	8
Total for Chief Executive, ACE Access and Children's Bill	(64)
Total variation for Chief Executive's Service	2,359

Children - Schools

Explanation	Variation £000's + / (-)
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Explanation	Variation £000's + / (-)
Individual Schools Budgets The school balances are provisional. Almost all of the schools have completed their returns and the outstanding returns will be completed in early June. The estimated net revenue surplus for all schools totals £9.5 million. This is an increase of £1.8 million over last year. The estimated net revenue surplus of £9.5 million; being £7.7 million brought forward from 2003/04 and £1.8 million additional from 2004/05. In percentage terms, the estimated surplus as a proportion of the total of delegated and devolved resources has risen from 6.2% in 2003/04 to 7% in 2004/05. The substantial year on year increase is due to a favourable financial settlement in 2004/05 and to the availability of £3.274 million of Transitional Support Grant. This was used to wipe out any school deficits brought forward into 2004/05 and to provide support for schools facing financial problems in the year. Transitional Support Grant of £1.637 million will be available in 2005/06, but it is expected that with the introduction of Planning, Preparation and Assessment (PPA) time in primary schools and a much tighter financial settlement for schools in 2005/06, substantial inroads will be made into schools accumulated surpluses.	(1,800)
Total variation for Children – Schools (provisional)	(1,800)

Children - LEA

Explanation	Variation £000's + / (-)
School Improvement and Inclusion	

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Explanation	Variation £000's + / (-)
<u>School Standards</u> The underspend is against staffing budgets and is due to difficulties in recruiting staff to school improvement posts and a review of management arrangements following the resignation of the current Head of School Standards.	(354)
<u>Access and Pupil Support</u> The Access & Welfare Support Tuition budget, which includes the Pupil Support Centre, has underspent by £634k. This is mainly due to project slippage with the Primary Pupil Support Centre at Risley Avenue Primary School that was due to open in September 2004. The budget included both construction costs (revenue contribution to capital) and running costs which were not spent in 2004-05. Savings in the salaries budget also contributed to the underspend. Other contributions to the underspend were delays in setting up the Visually Impaired Service (£90k) and funding set aside for upgrades due for SENCO's (£70k) was not required. The Special Educational Needs transport budget overspent by £429k. This was due to increased demand not budgeted for and contractors' price rises coming in at a higher rate than provided for. The Speech and Language Therapy budget overspent by £78k. £25k of the overspend was due to increased costs invoiced by the Health Authority over and above expected inflationary rises; the increase is due to additional maternity cover costs incurred by the HA passed on to the Council. The remainder of the overspend relates to income targets not met arising from disputes with other Local Authorities. The Independent and Voluntary Schools budget overspent by £154k. This overspend relates to the use of more expensive placements than budgeted for. Other variances (all below £60k) within Access and Pupil Support account for a net underspend of £144k.	(117)
<u>Standards Fund</u> Standards Fund grants can be used over four terms, £197k of the underspend relates to the match funding for a variety of activities scheduled or carried forward to the summer term. £178k relates to match funding originally intended for Grieg City Academy but as this establishment is not Council funded the budget has not been required. The amount has now been reclaimed from the DfES and the budget put up for a saving in 2005-06. The remainder of the underspend (£81k) relates to match funding brought forward from 2003-04 not used.	(456)

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Explanation	Variation £000's + / (-)
<u>Other Grants</u> This underspend relates to planned activities relating to the Learning Schools Programme that did not take place.	(73)
<u>Early Years</u> There were increased numbers of children in private and voluntary settings in 2004-05, the costs of which were not fully met by Nursery Education Grant, this accounted for £59k of the overspend . Additionally, the pay review for Nursery staff was backdated to April 2004 and accounted for £120k of the overspend .	179
<u>Play Service</u> Delays in implementing the new fee structure have meant that the income target has not been met. There was also a planned staffing restructure in 2004-05, which would have produced budget savings, that was not implemented. The service is attempting to progress both issues in 2005-06.	142
Total for School Improvement and Inclusion	(678)
Quality & Development <u>Student Support</u> The underspend is due to additional Education Maintenance Allowances (EMA) administration costs being charged to grant (£32k). Provision was also made in 2003/04 for the EMA audit as additional costs were anticipated as our claim was disputed. In the event this was not required and an underspend of £27k has resulted.	(59)
<u>ICT</u> The underspend is on the salary budget and includes a secondment of a member of the team to OD&L.	(91)
<u>Directors</u> The overspend is due to interim management arrangements for the Deputy Director (School Improvement).	50
<u>Quality and Development</u> The underspend is due to funding identified elsewhere for a post previously anticipated to be funded from this budget (£30k) and some savings in the printing and publicity budget (£52k). This was offset by an overspend relating to the customer services recharge (£19k) for which no budget existed.	(63)
<u>Admissions</u> Salary savings resulting from one vacant post not being filled for the year.	(38)

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Explanation	Variation £000's + / (-)
<u>Administration</u> Funds were carried forward from 2003-04 to carry out essential repairs to the car park at the PDC. This is now planned for 2005-06.	(97)
Total for Quality & Development	(297)
Resources and Community Services <u>Regeneration</u> Funding had been earmarked for Network Learning Communities but Standards Fund was subsequently identified as a source of funding. Base budget was not, therefore, required and this resulted in the underspend.	(67)
<u>Adult Learning</u> Implementation of the review of the Adult Learning Service has taken place and this resulted in redundancy costs of £141k . Additionally, the closure of the White Hart Lane Annexe was delayed and planned savings (£64k) highlighted in the review did not materialise in 2004-05.	205
<u>Finance and School Support</u> The overspend includes an over provision on the budget for union duties (£104k) and additional costs of interim management (£56k). These additional costs were partly offset by charging redundancy costs of headteachers to the Targeted Improvement Grant (£90k).	70
<u>Catering</u> The overspend relates to unscheduled school closures, implementation of single status pay scales for manual staff, introduction of healthier menu from September 2004, the cost of CRB checks and back dated manager standby.	159
<u>Other Minor Variances</u> This net underspend includes the Pendarren Outdoor Education Centre (£39k), Recruitment Strategy (£17k), the Youth Service (£10k) and Property (£7k).	(73)
Total for Resources and Community Services	294
Total variation for Children – LEA	(681)

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Environment

Explanation	Variation £000's + / (-)
Management and Support	
V001 Director and Support – underspend against contingency budget for dedicated personnel and legal support which was not fully utilised as business units managed to contain additional legal costs within their cash limits and delays in progressing restructures meant that no call was made on dedicated personnel support.	(289)
V003 Better Haringey – this overspend is a consequence of the successful marketing and advertising campaign to more effectively promote the Better Haringey concept to a wider audience.	116
Other Variations Under £50k	4
Total for Director plus Support	(169)
Recreation	
Other Variations Under £50k	10
Total for Recreation	10
Streetscene	
V022 Parking – parking income exceeded the revised budget due to income from bus lanes performing strongly during the year and improvements in income recovery generally due in part to the introduction of clamping and removal operations.	(197)
Other Variations Under £50k	45
Total for Streetscene	(152)
Planning, Env Policy and Performance	
V030 Pepps Management – this overspend arose as a result of legal costs exceeding the budget due to additional activity in a number of areas including a costly court case on a contested planning application and significant legal work around outstanding debts.	61
V033 Planning – the underspend is in respect of planning applications income exceeding the budget due to the number and size of planning applications being more than originally assumed in the budget.	(96)
Other Variations Under £50k	(20)

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Explanation	Variation £000's + / (-)
Total for Planning, Env Policy and Performance	(55)
Enforcement	
V032 Commercial and Env Protection – the net underspend is on the salaries budget and is due to difficulty in filling vacancies, partly off set by agency staff, which is part of a recruitment and retention issue effecting planning and enforcement services.	(65)
V031 Planning and Env Response – income from pest control services exceeded the budget, especially the numbers of block treatments carried out for housing, resulting in a net underspend of service budget.	(50)
Other Variations Under £50k	49
Total for Enforcement	(66)
Total variation for Environment	(432)

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Finance

Explanation	Variation £000's + / (-)
Finance Director	
Other Variations Under £50k	34
Total for Finance Director	34
Corporate Finance	
Variance largely as a result of the restructure within Corporate Finance during 04/05. Recruitment of permanent staff and releasing of agency staff has taken longer than expected, particularly in the Accounts Payable team and the budgeted vacancy factor was not achieved.	90
Other Variations Under £50k	
Total for Corporate Finance	90
Procurement	
Core CPU overspend caused by payment for consultants working on key procurements eg. Agency review and costs associated with a large recruitment drive.	92
Other Variations Under £50k	
Total for Procurement	92
Property	
Accommodation Strategy	(97)
Property Business Support – overspend largely related to higher than expected legal recharges	126
Property valuation & strategy – additional one-off fee income from disposal of Grovelands site	(193)
Commercial property - additional one-off income as a result of successful rent reviews during the year	(202)
Other Variations Under £50k	(2)
Total for Property	(368)
Benefits & Local Taxation	
Net overspend caused by problems recruiting permanent members of staff. This meant that agency staff had to be recruited to cover vacant posts to maintain improved processing times.	160
Other Variations Under £50k	

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Explanation	Variation £000's + / (-)
Total for Benefits & Local Taxation	160
Total variation for Finance	8

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Housing – General Fund

Explanation	Variation £000's + / (-)
Housing Strategy and Needs – Ring fenced budget	
Overall a positive variance in the sum of £8 million. This has been achieved by 1. The continued use of PSLs and licensed Annexes to maximise subsidy. 2. The maximisation of income generation through our rent pricing policies. 3. Achieving good levels of income collection for both current and former tenant accounts.	
<u>Nightly Rated Accommodation</u> Saving in expenditure on this due to lower than expected demand. Budgeted numbers averaged 1057 against a out-turn of 907 units. Income generation was up due to the use of licensed accommodation that offers higher subsidy levels. Income collection was on target with an excellent performance on collection for Former Tenants. This allowed a write back of provision for bad debts in the sum of £0.580m.	(3,389)
<u>Private Sector Leasing</u> The number of families budgeted for averaged 1,580, the out-turn was 1,835. On the expenditure side payments to landlords was up because of the increase in numbers but we achieved a lower cost per unit than budgeted for, thus making efficiency savings. On the income side the increased numbers in PSLs generated £7.1m more income than expected. Income collection was on target with the collection from Former Tenants allowing the write back of £0.466m in the provision for Bad debts. Voids have performed reasonably having been budgeted at 12% and delivering 10%: a saving of nearly £0.5m.	(3,393)
<u>Registered Social Landlord Partnerships & Miscellaneous</u> Two big Housing Association Leasing schemes came on line and are offering long term competitively priced accommodation to the Council.	421
Central contingency: balances set aside and not used.	(1,643)
Other Variations Under £50k	
Total variation for Housing Strategy and Needs – Ring fenced budget	(8,004)

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Explanation	Variation £000's + / (-)
Housing Strategy and Needs- Non ring Fenced budget (Management and Support)	
Management & Support Recruitment of consultant to cover post of AD. Consultant appointed to cover the newly created post of 'Needs Manager' not established at time of budget preparation.	162
Rehousing: High level of vacancies	(76)
Housing Supply: Cost of introducing new Housing Supply database	43
Homelessness: Underspend on Hearthstone project	(101)
Housing Advice: vacancies maintained	(32)
Income recovery: high level of vacancies	(134)
Finance & Building: Extensive works on Apex House	30
Strategy & Programmes: Late recruitment of staff	(147)
Other Variations Under £50k	40
Total for Management & Support Strategy & needs	(215)
Total variation for Housing	(8,219)

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Social Services

Explanation	Variation £000's + / (-)
Older People's Services	
S012: Home Care Services Retained underspend in the Home Care Service to fund pressures elsewhere in the service	(67)
S013: Assessment and Care Management Overspend on the employee budget as a result of the need to recruit agency staff to cover staff shortages in the service.	294
S014: Day Care The Service held a number of vacancies over the year (5.1fte) to assist the financial position of the division.	(125)
S016: Residential Care Overspend on the employee budget as a result of the need to recruit agency staff to cover vacancies	165
Overspend in the budgets for furniture, equipment and computing	80
Other Variations Under £50k	(4)
Total: Older People's Services (general fund)	343
Total: Older People's Services (HRA)	(290)
Asylum Services The expenditure on Asylum Seekers is anticipated to be £2.423m in excess of the grant available from the weekly threshold. There are a number of reasons for this variation: • The cost of community care services are not funded under the Westminster judgement • The thresholds for 16-17 year olds supported by the council under S20 of the Children Act were reduced in the year and no longer supports the service the council is legally required to give. • The first 30 young people leaving care are not funded by the grant under NASS conditions The Council made provision of £2.030m to cover these unexpected changes to the grant regime. Officers and Members continue to seek full funding for expenditure on Asylum services from NASS.	393
Total: Asylum Seekers	393

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Explanation	Variation £000's + / (-)
Adult Services	
S051: Physical Disabilities	
Overspend on repairs and maintenance	55
Other variations under £50k	23
Total Physical Disabilities	78
S052 Learning Disabilities	
S31 Pooled budget	
Unachieved income in the residential homes as a result of reduced occupancy in the year. Settlement of pay award for former CSS staff	96
Learning Disabilities Commissioning	
<i>The overspend in Commissioning is mainly in respect of young people already in placement entering adult services through transition as well as previously agreed placements who were at the time in health funded beds</i>	130
Total Learning Disabilities	226
Mental Health	
S054 Mental Health Commissioning Services	
Direct costs and agency worker commitments	94
Supplies and Services	58
Additional pressures in the community care budgets as a result of shift in pattern of service towards home based and community based provision	95
Other Variations Under £50k	(44)
Total Mental Health	203
S057: Substance Misuse	
Underspend in employee budgets due to vacancies being held to assist the divisional position	(104)
Other Variations Under £50k	32
Total Substance Misuse	(72)
S058: Adults Management & Support	
Other Variations Under £50k	41
Total Adult Services	476

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Explanation	Variation £000's + / (-)
Children's Services	
Looked After Children Commissioning Budgets <i>(combined child protection, Leaving Care and internal looked after children commissioning budgets)</i> The commissioning budget for Looked After Children was based on an assumption of 428 children for a full year. The underspend reflects both a reduction in the numbers of children (the number as at 31 st March 05 was 383) and the success of the strategy in shifting the pattern of placement from external residential care to foster care.	(835)
Assessment & Care Management East/West Employees – Difficulties in recruiting to vacancies throughout the year. Legal Services overspend which have been contained through managed underspends elsewhere in the district budgets. The cost of homeless families exceeded the budget allocation by £113k, however this overspend was offset by savings in the budgets for S17 and LAC controlled by the districts. These savings were partly achieved as a result of the overall reduction in the numbers of looked after children and partly by controls put in place in year to manage the budget. Costs in relation to the fire at Tottenham Office Other Variations Under £50k	(306) 450 (204) 47 52
Total Assessment & Care Management	39
Looked After Children <i>(excluding commissioning costs)</i> Employees – Half of the savings are in relation to the two internal residential homes. The remainder is from across the service where despite a recruitment strategy, the service was unable to fill vacancies. Other Variations Under £50k	(209) 18
Total Looked After Children	(191)

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Explanation	Variation £000's + / (-)
Leaving care (<i>excluding commissioning costs</i>)	
Delay in implementing the Personal Advisor Contract	(113)
Recharge to Asylum services for management time and running costs of the unaccompanied minors team	(130)
Other Variations Under £50k	(6)
Total Leaving Care	(249)
Child Protection (<i>excluding commissioning costs</i>)	
Employees – Over allocation on salaries for a seconded member of staff and savings from vacant posts to which the service was unable to recruit.	(73)
Underspend from Investigation budget. Further underspend from staff subsistence and stationary budgets	(78)
Other Variations Under £50k	(51)
Total Child Protection	(202)
Other Children's Variations Under £50k	87
Total for Children's Services	(1,351)
Total variation for Social Services	(429)
Of which: General Fund	(139)
HRA	(290)