

Revenue - Service outturn 2005/06 - explanation of variances

Children's Services

Schools	Variation £000's + / (-)
<p>Individual Schools Budgets</p> <p>The school balances are currently provisional. Work is almost complete on consolidating school accounts onto SAP.</p> <p>The balances position for schools, which was £9.6 million at the beginning of this financial year, are estimated to reduce by £3.8 million to £5.8 million by 31 March 2006.</p> <p>A reduction in school balances had previously been predicted for this year. The outturn report for 2004/05 noted that,</p> <p style="padding-left: 40px;">‘Transitional Support Grant of £1.637 million (<i>down from £3.274 million in 2004/05</i>) 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.’</p> <p>In addition, school capital balances stand at an estimated £2.1 million, compared with £2.5 million at the end of 2004/05.</p>	3,800
Total for Children – Schools (provisional)	3,800

Revenue - Service outturn 2005/06 - explanation of variances

School Standards and Inclusion	Variation £000's + / (-)
<p><u>Primary School Standards</u></p> <p>The foundation stage training budget was underspent by £11,000 as part of the expenditure was funded by Standards Fund Grant. Additional BIP income of £37,600 was received for a post that was planned to be core funded. 2 part year vacancies resulted in a saving of £56,400.</p>	(105)
<p><u>Secondary School Standards</u></p> <p>At budget setting it was anticipated that the NEXUS Director post in the Excellence in cities team was to be deleted. However the post continued due to the implications of redundancy costs. Funding for 0.4 of the post was agreed by Gladesmore School from September 2005, but this still resulted in a net overspend of £40,000 for the Business Unit. A reduction from the plan in the Standards Fund grant income of £30,000 created a further shortfall in the Excellence in Cities team budget. However salary savings of £135,000 were achieved due to 2 vacant posts resulting in a net saving of £65,000 in the service.</p>	(65)
<p><u>Ethnic Minority Achievement</u></p> <p>Casual Staff salary payments less than anticipated due to reduction in the number of users.</p>	(15)

Revenue - Service outturn 2005/06 - explanation of variances

School Standards and Inclusion	Variation £000's + / (-)
<p><u>Governors</u></p> <p>£24,000 salary saving due to vacant governor clerking post. Over achievement of SLA income from schools of £30,000.</p> <p><u>Access & Pupil Support</u></p> <p>The Independent Day and Residential Placement Budget is overspent by £337,000 based on the analysis of pupil numbers and costs to date. A dispute in funding in respect of 3 placements amounting to a further overspend of £135,000, was offset by a provision set aside last year for disputed payments by the health authority, which was not required.</p> <p>The final figures received for Recoupment in previous years indicate that we over provided for creditors and debtors. This has resulted in a net saving of £72,000 which has been brought back into revenue in 2005/06.</p> <p>There were pressures in the Tuition Service budget due to an increase in the number of pupils. The College of North East London was contracted to provide extra hours of education at an additional cost of £30,000. There was also an overspend of £68,000 in staffing costs at the Tuition Service due to the increased number of pupils.</p> <p>Additional funding of £17,000 identified for the SEN / AEN schools formula funding review (brought forward as a reserve form 2004/5) was not required in this financial year. This was, however, absorbed by additional SEN equipment costs.</p> <p>The SEN transport budget was overspent by £70,000, largely due to a higher than anticipated increase in contract rates, additional costs of coach escorts, and 12-13 new routes since September 2005. The overspend has been partly offset by some savings in overheads.</p> <p>The Speech and Language budget was overspent by £113,000. The charge for Speech and Language Therapy (SALT) from the Health Authority was £61,000 higher than anticipated. A shortfall of £52,000 in the income target was due to a dispute of £22,000 in the recharge to Mulberry School and a disputed invoice of £30,000 by the London Borough of Enfield for SALT provided for Enfield pupils in Haringey mainstream schools.</p> <p>The LOVAAS Home Intervention Programme budget was underspent by £109,000 due to less than anticipated demand.</p> <p>The work planned to develop autism support in Secondary schools was delayed to achieve a saving of £60,000.</p> <p>Part year salary savings of £78,000 was due to vacancies in the service.</p> <p><u>Standards Fund</u></p> <p>Standards Fund grants can be used over four terms. The underspend of £114k relates to the match funding for a variety of activities scheduled to be carried forward to the summer term.</p>	<p>(54)</p> <p>299</p> <p>(114)</p>
Total for School Standards & Inclusion	(54)

Children's Services

Revenue - Service outturn 2005/06 - explanation of variances

Business Support & Development	Variation £000's + / (-)
<u>Admissions</u> The underspend is due to one vacant post, offset by some agency staff payments.	(11)
<u>BSD Management</u> The Better Haringey budget was underspent by £64,000 due to an unforeseen delay in implementing planned projects. The recruitment advertising budget was underspent by £34,000. Savings were also made in the SAP licences budget of £30,000 and salaries of £8,000. These savings were offset by an increase in the cost of customer services of £20,000.	(116)
<u>ICT</u> –The underspend is on the salary budget and increased income achieved from technical support to schools.	(20)
<u>Administration</u> Funds were carried forward from 2004/5 to carry out essential drainage work and for the resurfacing of the PDC car park. This was underspent by £43,000 due to the change of plans resulting from the Crowland school fire. In addition unbudgeted income from Moselle school of £22,000 was received for the use of part of the premises. These savings were offset by a £16,000 overspend in the Directorate support salary budget.	(49)
<u>Personnel</u> There was an underspend of £71,000 in the School Personnel and Payroll Service due to some salary savings and additional SLA income. £67,000 of staff compensation payments was committed in 2005/06. In line with the policy for charging Services with these lump sum costs, the Children's Service was required to pay only one third of the total each year for three years. This against a budget of £93,000 in 2005/06, resulted in an underspend of £71,000 . A saving of £26,000 was identified in the union duties budget due to an accrual in the previous financial year that was not required. The PRC budgets were overspent by £9,000 .	(159)
Revenue funding towards capital - BSF	374
Total for Business Support & Development	19

Children's Services

Revenue - Service outturn 2005/06 - explanation of variances

Community and Resources	Variation £000's + / (-)
<u>Parental Outreach/Regeneration</u> – The service was underspent by £43,000 , made up of part year salary savings of £28,000 and additional NDC funding of £14,000 being secured for 0.5 of the regeneration officer post for which core funding had previously been identified. The Voluntary grant awarded to Haringey Shed was less than budget by £20,000 based on the needs of the project.	(63)
<u>Property & Contracts</u> Additional SLA income received from schools resulted in a saving of £16,000 .	(16)
<u>Early Years & Play</u> The underspend of £24,000 is due to savings in the budget for payments in respect of Nursery Education to Private and Voluntary Organisations.	(24)
<u>Finance</u> Staffing costs in the school funding team previously identified to be core funded was partially met from the Transitional Support Grant resulting in a saving on this budget of £28,000 .	(28)
<u>Transport</u> A saving of £60,000 in the transport budget is due to less than anticipated charges by Accord and salary savings resulting from stringent monitoring of unauthorised absences. Recharges to clients for the full year were done on an estimated basis in December. No adjustments were made to clients, hence the savings remain in the transport budget.	(60)
<u>Catering</u> The school meal uptake dropped since the introduction of the healthy eating menu. The meal numbers increased marginally in January, but high levels of sickness absence in schools has had an impact on meal numbers and staffing costs. In addition the new menu was more labour intensive, thereby contributing to this overspend.	80
Total for Community and Resources	(111)

Revenue - Service outturn 2005/06 - explanation of variances

Children's Services

Delivery & Performance	Variation £000's + / (-)
The service was underspent by £7k at the year-end. This primarily relates to the development of an Interactive Service Directory which was only partly completed in 2005/06. This underspend, however, is being requested for carry forward to 2006/07 in order to complete the work.	(7)
Total for Delivery & Performance	(7)

Children's Services

Children & Families	Variation £000's + / (-)
<u>Children & Families (East)</u>	
Overall salary under spend of £114k was due to recruitment difficulties, as such it was planned to offset Bed & Breakfast expenditure.	(114)
3rd Party Payments of £119k overspent reflects the B&B costs incurred for the homeless /asylum clients pending Home Office decisions throughout 2005/06.	119
Client expenditure on LA Children and Section 17 Transfer Payments were responsible for the majority of remaining variances of £81.7 over.	82
<u>Total Children & Families (East)</u>	87
<u>Children & Families (West)</u>	
The overspend in employees, £95.6k, was primarily as a result of covering Long Term sickness / absence of 2FTE staff for majority of financial year.	96
While client expenditure on LAC and Section 17 Transfer Payments were the main compensating underspends in expenditure totalling £56.7k.	(57)
Sundry net variances account for the remainder of the overall variance.	18
Total for C&F (West)	57
<u>Family Support</u>	
As previously reported the Travellers Team loss of income is the major pressure during the year of £57.4k, combined with the YCAT supporting people grant which has not increased.	57
This has been mitigated by control of costs in Salaries, Supplies and Services, premises and Third party payments across most of the rest of the cost centres in this area of £29k overall.	(29)
The team is shown as underspent as for technical reasons the Supporting People allocation was posted to this team in error, otherwise it would show an overspend of £28k (£57k - £29k above).	(65)
Total for Family Support	(37)

Revenue - Service outturn 2005/06 - explanation of variances

Children & Families	Variation £000's + / (-)
<u>Looked After Children</u>	
A management contingency was held in LAC to help resolve the anticipated pressures in Children's Placements. Also recruitment difficulties and agreed reduced hrs with this contingency contributed to an underspend of £337.9k.	(338)
Due to management changes and resultant project delays in the first half of 2005/06 supplies and service expenditure was less than planned.	(54)
The lead times in implementing the strategy to move more children into this area and the cheaper placements and where applicable adoption meant that this area underspent on its placements budgets by £267k, mitigating the overspends elsewhere.	(267)
Inter agency fees were higher than expected at £117k	(117)
Other sundry variations within £50k / (£50k)	(67)
Total for Looked After Children	(843)
<u>Leaving Care Team</u>	
Third party payments. The placements budgets not grossed up and variations in the planned pressures in this area. High need clients were a particular problem.	713
Placements budgets not grossed up means joint funding and other income was not in the budgets, hence this income variance of £313k	(313)
Unbudgeted Income relating to non-commissioning areas	(150)
Other sundry variations within £50k / (£50k)	29
Total for Leaving Care Team	279
<u>Child Protection & Planning</u>	
The management control of Supplies and Services of £70k underspend is substantially netting off against overspends in salaries £63k due to issues around the original budget. Part of the underspend on Supplies and Services is due to the investigations budget not being called upon. This budget has to be kept open throughout the year in case investigations are required.	(7)
Other sundry variations within £50k / (£50k)	33
Total for Child Protection & Planning	26
<u>Management Finance & Support</u>	
The overspend is principally due to the continuing high volume of legal work being required. The final legal spend was £230k over budget. A £30k provision has been created for the next year to allow for disputed items, offsetting this is the £30k refund for over absorption of costs during the year. However this is considerably lower than the overall 2004-5 figures and further work is ongoing that may help to continue this year on year decline in spending	231
Variance on staffing due to specific issues arising during the year.	102
Offsetting these adverse variances was £49k of various savings net of minor overspends.	(49)

Revenue - Service outturn 2005/06 - explanation of variances

Children & Families	Variation £000's + / (-)
Total for Management & Finance Support	284
<u>Placements Service</u>	
The non-commissioning underspend relates to underspends in staffing as part of management control action and despite additional costs to support administration of new systems and also third party payments (s17).	(71)
The external placements variance of £257k was due to higher activity during the year when compared to budget and some unit cots being higher than anticipated due to the needs of the clients.	257
Total for Placements Service	186
Children and Families Total	39
Total for the Children's Service (excl. schools)	(114)

Revenue - Service outturn 2005/06 - explanation of variances

Housing Services (General Fund)

Housing Strategy and Needs – Ring Fenced Budgets	Variation £000's + / (-)
<p>Nightly rated accommodation (B&B, Annexes and licensed accommodation)</p> <p>£1.66m saving due to ability to write back bad debt provision not required.</p> <p>£1.65m saving for payments made to hoteliers resulting from the policy to move from nightly rated to PSLs as the preferred form of Temporary Accommodation. High cost properties were targeted specifically to increase the dividends from client moves.</p> <p>£1.62m overspend (less income than budgeted) due to reduction in clients, but must be considered against a £2.65m saving in payments.</p>	(1,685)

Revenue - Service outturn 2005/06 - explanation of variances**Housing Services (General Fund)**

Housing Strategy and Needs – Ring Fenced Budgets	Variation £000's + (-)
<p>Private Sector Leased accommodation (PSLs)</p> <p>The number of families housed in PSL accommodation during the year exceeded budgeted numbers.</p> <p>As a consequence of more families being housed in PSL accommodation, the repairs and maintenance costs incurred by the Council exceeded budget by £584k.</p> <p>Due to the increase in client numbers, £2.1m extra rental income was generated. Offset against an increase in lease expenditure of £914k the scheme continues to create significant surpluses.</p> <p>Council Tax on PSL was significantly reduced due more effective void management creating a saving of £170k against budget.</p> <p>In addition, due to the Income Recovery team exceeding budgeted targets for collection the provision for bad debt was able to be reduced by £344k.</p> <p>Registered Social Landlord Partnerships & Miscellaneous</p> <p>£112k saving in client related services £70k overspend in legal costs due to volume of new challenges £56k overspend for the set up costs of Home Connections project £817k overspend in the Housing Association Lease Scheme due to high numbers of void properties.</p>	<p>(1,112)</p> <p>767</p>
<p>Total for Housing Strategy and Needs</p> <p>– Ring Fenced Budgets (Homelessness Direct).</p>	<p>(2,030)</p>

Revenue - Service outturn 2005/06 - explanation of variances

Housing Services (General Fund)

Housing Strategy and Needs – Non-Ring Fenced Budgets (Management & Support).	Variation £000's + (-)
S&N Management and Support. Overspend due in part to the reorganisation of the support function, together with the cost of project workers overseeing the transition to a Preventions and Options Service.	121
Rehousing: This overspend is as a consequence of staff suspensions and associated cover arrangements, together with the cost of project managing the redrafting of policy documents	108
Housing Supply. Due to delays in the implementation of the Landlord Accreditation scheme this budget under spent significantly.	(436)
Temporary Accommodation Mgt Under spend due to high planned vacancy factor with resources being channelled into overspending priority areas.	(90)
Homelessness Delays in the implementation of the Preventions and Options project prevented permanent recruitment to key posts resulting in overspends on agency cover. A significant increase in service demand also necessitated unbudgeted growth in staff numbers to cope with demand, with savings being identified in other areas.	209 (52)
Income Recovery Under spend due to vacancies held during the year.	(121)
Finance The underspend is due in part to vacancies held during the year, lower than budgeted costs for agency cover together with unspent contingency items.	(55)
Strategy and Programmes This team was subject to a significant reorganisation during this financial year. Unfilled posts within the Strategy team, the transfer of posts from the Chief Executives service contributed to this underspend	261
Other Services Contingent liability to fund expected legal challenges on employment issues	
Total for Housing Strategy and Needs	
– Non-Ring Fenced Budgets (Management & Support).	(55)
Total for Housing Services – General Fund	(2,085)

Revenue - Service outturn 2005/06 - explanation of variances

Social Services

	Variation £000's + / (-)
Older People's Services	
S013: Assessment and Care Management The overspend relates mainly to agency staff costs to cover vacant posts in the service. Recruitment took place in 2005/06 and it is anticipated that these costs will not be incurred in 2006/07. This expenditure is offset by additional income above budgeted levels	140
S016: Residential Care The Community Care Strategy agreed the closure of three homes (two to be sold and one to be rebuilt) and the refurbishment of the remaining three. The strategy was delayed by both a judicial review of the proposal by residents and a revised decision to sell Cooperscroft as a going concern. The overspend has occurred a loss of income from the void beds (£97k) and the use of agency staff as permanent recruitment to vacant posts has been difficult (£158k).	235
Other Variations Under £50k	(7)
Total: Older People's Services (general fund)	368
Adult Services	(6)
Social Services Management and Support Costs	(48)
Total Social Services General Fund	314
Other budgets outside of the Social Services General Fund:	
S31 Learning Disabilities Pooled budget	
Roll forward of overspends in 2004/05 which have not been contained in 2005/06	96
Unachieved income at Linden House as a result of closure for part of the year while the home was being refurbished.	55
Costs of additional agency staff in Edwards Drive, Mulberry House and Talbot Road	131
Additional legal expenditure incurred	49
Total Learning Disabilities S31 Pooled budget	331
Older People's Services HRA	168

Environment

	Variation £000's + / (-)

Revenue - Service outturn 2005/06 - explanation of variances

	Variation £000's + / (-)
Management and Support	
Other Variations Under £50k	(48)
Total for Director plus Support	(48)
Recreation	
Parks Services – This underspend is in respect of revenue funding for the parks capital investment programme which has slipped and will not be completed in 2005/06. £1m was allocated in July 2005 to the raising standards in parks programme. Working up the schemes to be included in the programme and consultation on these took longer than anticipated, delaying the tendering and spend process. However, all the investment works were committed before March with completion in early part of the new financial year. Carry forward request for both the revenue and capital underspends are included in the appendices.	(842)
Bereavement Services – This overspend has occurred because actual numbers of cremations for the year were below the numbers included in the budget resulting in a shortfall in income. The downturn in cremations was also being reported by other boroughs and seems to reflect lower death rates.	69
Sports and Leisure – The underspend is against repairs and maintenance budgets and arose because some of these works were undertaken as part of the leisure investment programme which included strategic renewals and maintenance.	(59)
Other Variations Under £50k	(14)
Total for Recreation	(846)
Streetscene	
Other Variations Under £50k	39
Total for Streetscene	39
Planning, Env Policy and Performance	
Other Variations Under £50k	7

Revenue - Service outturn 2005/06 - explanation of variances

	Variation £000's + / (-)
Total for Planning, Env Policy and Performance	7
Enforcement	
Planning and Env Response – The underspend is against the salaries budget and was due to problems encountered in recruiting suitable permanent staff. Most of the vacancies were filled with agency staff.	(83)
Enforcement Management & Support – This overspend is for legal recharges which have exceeded the budget due to a higher level of enforcement activity.	87
Other Variations Under £50k	(3)
Total for Enforcement	1
Total for Environment	(847)

Revenue - Service outturn 2005/06 - explanation of variances

Finance

	Variation £000's + / (-)
Benefits & Local Taxation – the additional costs incurred as a result of the fire in Hemel Hempstead which were expected to lead to an overspend in the Business Unit have been absorbed due to higher than expected income from successful recovery of court costs. This has created an overall under spend for the year.	(157)
Corporate Finance The main reason for the variation to budget was a delay in progressing the merger of the cashiers office (in Alexandra House) and the parking shop (at 247 High Road) to operate from one location. A full year saving was budgeted from this merger and the new combined facility did not open until mid-November 2005, thereby delaying achievement of the full year saving. There were also some additional costs in respect of provision of temporary front line staff to assist with queue management.	100
Property Services Commercial Property - considerable shortfall of income in Technopark offset by underspends on expenditure and additional rent income from the rest of the portfolio	(75)
Valuation & Strategy - additional expenditure on the disposal of Hornsey Town Hall.	169
Business Support - Over spend on internal legal fees which could not be recharged	
Accommodation Strategy - Uncommitted strategy budget and an underspend on	93
Corporate Management of Buildings due to slippage in implementation of the project.	(483)
Facilities Management - Additional costs for setting up meeting suite and facilities at River Park House and setup / resourcing the new Helpdesk.	296
Other Variations Under £50k	38
Total for Finance	(19)

Revenue - Service outturn 2005/06 - explanation of variances

Chief Executive's Service

Strategy	Variation £000's + / (-)
Policy & Regeneration - underspend largely caused by holding posts vacant pending re-organisation which is awaiting Chief Executive confirmation. Interim cover is now in place for most posts	(137)
Other Variations Under £50k	
Communications	14
Safer Communities	48
Childrens Bill	3
Total for Strategy	(72)

Revenue - Service outturn 2005/06 - explanation of variances

Chief Executive's Service

Organisational Development	Variation £000's + / (-)
<p>Personnel - Underspend driven largely by vacancies and some small items of expected expenditure on staff redundancy and Health Fair that didn't materialise.</p>	(56)
<p>Organisational Development and Learning Leadership Programme Delay to the start of Phase II of the Leadership Programme (Nov rather than July) and new Chief Exec's request to redesign the programme. Social Services Recruitment difficulties and time taken to appoint to children's post within OD and L mean that there was a slippage in the commissioning and delivery of the Children's Land D programmes Core programme We have been unable to set up e-learning centre and push forward with e-learning strategy because of freezes to business cases during the period of Tech Refresh</p>	(219)
<p>Member Services – £66K under spend on 2005/6 member learning & development budget. 2005/6 was the last year of the previous administration and spend on member learning activity is traditionally low. Also, higher than projected income was received on recharges than was originally projected during period 12 & 13.</p>	(71)
<p>Performance & Improvement - 2 vacancies, recruitment delayed due to re-deployment. Anticipated to be resolved by June 2006.</p>	(91)
<p>Equalities – 2 re-deployments arising from pre-agreed post deletions taking place mid year, reduction in salary payments for the senior administration post due to long term illness, reduction in hours by one post holder to part-time working and a vacancy of a part time post mid year.</p>	(86)
<p>Other Variations Under £50k</p> <p>Electoral Services</p> <p>Asst CE OD</p> <p>Secretariat</p> <p>Improvers</p> <p>Chief Executive</p>	<p>11</p> <p>(44)</p> <p>9</p> <p>14</p> <p>(24)</p>

Revenue - Service outturn 2005/06 - explanation of variances

Organisational Development	Variation £000's + / (-)
Total for Organisational Development	(557)

Revenue - Service outturn 2005/06 - explanation of variances

Chief Executive's Service

Legal	Variation £000's + / (-)
<p>Corporate Legal Services - underspend caused by delays in recruitment and a higher than expected level of external income. Further, costs associated with the purchase and implementation of the new Case Management System, originally expected in 2005/06 will now fall into the new financial year.</p>	(185)
<p>Local Land Charges - As forecast through the year, the budgeted over-achievement of income has not been achieved. For 2006/07 the income target has been reduced.</p>	128
<p>Other Variations Under £50k Births, Deaths & Marriages</p>	(45)
<p>Total for Legal</p>	(102)

Revenue - Service outturn 2005/06 - explanation of variances

Chief Executive Services

Access	Variation £000's + / (-)
<p>Libraries, Archives & Museums - In the context of the withdrawal of NDC funding and the rise in overheads caused by the significant productivity increase achieved by the Business Unit (library visitors have increased by 150% over in last 5 years), the revenue budget was overspent by £118k. The overspend occurred despite increased income generation and active management of the budget. The overspend also includes the unforeseen need to replace the boilers at Bruce Castle Museum, which contributed £24k. to this and was transferred from capital.</p> <p>IT - Net overspend of £121k across core IT budgets. The primary reason is overspend in staffing budgets on the helpdesk due to the need to cover staff sickness and increased call activity. Project budget a net overspend of £259k - additional expenditure of £452k associated with in-sourcing was incurred as set out elsewhere in this agenda, which was partially offset by an underspend of £193k on the tech refresh project.</p> <p>Neighbourhood Management –</p> <p>Making the Difference Some delays in project completion, mainly Parks projects, £75k of this expenditure is for projects completed shortly after the end of March, and a further £80k is for projects that have taken a little longer, but it is expected will be significantly complete by the end of June</p> <p>Broadwater farm CC - not all the proposed one-off works to improve the centre were completed in year. A carry forward request has been put forward to enable this to happen in 2006/07.</p> <p>Green Lane bridge work was deferred to focus on completing SRB funded projects as this was the last year of funding. Some underspends in Bruce Grove due to focus on Green Lanes in 2005/06.</p>	<p>118</p> <p>384</p> <p>(155)</p> <p>(71)</p> <p>(92)</p>
<p>Other Variations Under £50k</p> <p>Customer Services</p> <p>ACE Access</p> <p>Customer Focus</p>	<p>12</p> <p>(20)</p> <p>(25)</p>
<p>Total for Access</p>	<p>151</p>

Revenue - Service outturn 2005/06 - explanation of variances

Non Service Revenue

	Variation £000's + / (-)
Asset Management Revenue Account - income budget for interest earned on investments has a shortfall of £218k because short term interest rates tend to track base rate and this rate is 0.25% lower than it was at the start of the year.	218
Other - reduced operating deficit on Alexandra Palace	(401)
Other Variations Under £50k	(26)
Total for Non Service Revenue (provisional)	(209)