

AGENDA ITEM: 12

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Meeting	Cabinet Resources Committee
Date	10 November 2005
Subject	Revenue Monitoring 2005/06
Report of	Cabinet Member for Resources
Summary	To consider a report on revenue monitoring in the current year and instruct officers to take appropriate action.

Officer Contributors	Borough Treasurer
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A – 2005/06 General Fund Forecast Outturn Appendix B(i) – 2005/06 Efficiency Savings Implementation Monitor Appendix B(ii) – 2005/06 Budget Reductions Implementation Monitor Appendix C – 2005/06 Housing Revenue Account Forecast Outturn
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Clive Medlam 020 8359 7110.

1 RECOMMENDATIONS

- 1.1 That the General Fund and Housing Revenue Account budget monitoring position be noted.**
- 1.2 That an amendment to the 2005/06 budget be approved for the £315,000 additional recycling costs and the base budget pressure of £465,000 for 2006/07 be noted.**
- 1.3 That Heads of Service be instructed to return confirmed forecast underspends to the centre and take appropriate management action to contain emerging budget pressures.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee 21 July 2005; General Functions Committee 28 July 2005; Cabinet Resources Committee 26 September 2005.

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Robust revenue monitoring is essential to ensure that resources support the Council's priorities as set out in the Corporate Plan.

4 RISK MANAGEMENT ISSUES

- 4.1 The risks posed by budget pressures are addressed in Section 8 below. Management action is being taken to contain forecast overspends within service budgets to avoid having to call on balances.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The 2004/05 outturn report presented to this committee on 21 July 2005 advised that General Fund balances at 31 March 2005 amounted to £5.004m. The 2005/06 budget included a contribution to balances of £3m, which brings the total of General Fund balances to £8.004m before considering the effects of monitoring during the year. Taking account of forecast variations set out in Appendix A, the forecast of balances at 31 March 2006 is £6.608m.
- 5.2 Further comments are contained in Section 8.

6 LEGAL ISSUES

- 6.1 None.

7 CONSTITUTIONAL POWERS

- 7.1 This committee is responsible for monitoring the council's budgets.

8 BACKGROUND INFORMATION

- 8.1 Following the implementation of SAP in August 2005, this is the first attempt at monitoring the Council's financial position utilising the new system. At the time of completing the monitoring, some information remained in the legacy financial management system plus the payroll system continued to post into LAFIS for August and September. These factors, combined with other workload pressures, has meant that the analysis for month six has had to focus on the key financial risk areas for the authority and this report should be read in that context.

- 8.2 The greatest budget risk in 2005/06 that was identified at the start of the financial year was parking income, which was highlighted in the 2005/06 budget report to Council in March, and this budget has consequently been monitored on a weekly basis since April. The current position is addressed in paragraph 8.4.

- 8.3 Taking account of forecast variations set out in Appendix A, the forecast of balances at 31 March 2006 is £6.608m. This figure incorporates the planned £3m contribution to balances in 2005/06.

- 8.4 The projected balances figure represents a deterioration in the position reported to this committee in September of £0.616m. Significant movements since month 4 are commented on in the following paragraphs, along with details on items not yet reflected in the forecast variations but which need to be brought to Members attention.

8.4.1 Adult Social Services

Client Care – This is demand led area of expenditure which has a history of large fluctuations throughout the year. It will continue to be monitored closely and an updated position reported on a regular basis.

Staffing Costs – Revised projections have been made following the implementation of the restructure and an update of the agency staffing position.

8.4.2 Law & Probity

Land Charges Income – Demand for local authority searches is directly linked to the robustness of the property market and, as such, is volatile and beyond the influence of the Council.

8.4.3 Central Expenses

Underhill Public Inquiry – As Members will be aware, a report to Cabinet on 11 October approved additional legal costs for the named officers and Members. A provision of £742,000 was made in the 2004/05 accounts for all the costs of the Inquiry and it is currently anticipated that all expenditure will be contained within this provision. Officers are considering the risks, including the financial risks, associated with this item.

Interest Earnings & Cost of Borrowing – It was as reported in September that a net benefit might arise during the year, reflecting differences between assumptions and actual interest rate movements, and cashflow throughout the year. At this point in time, a £1.5m benefit can be returned to the centre.

8.4.4 Children's Services

External & Other Placements – Members will have long experience of this being a volatile budget due to the nature of the service. The current forecast outturn is based on anticipated demand for the remainder of the financial year, although there remains the potential for significant fluctuations in costs as the number of placements rises or falls on a daily basis.

8.4.5 Education

Nursery Education Funding – The current projection has been revised to take account of the grant claimed by nurseries to date, based on the number of eligible children in private and voluntary nurseries in the summer and autumn terms. The level of grant payments is completely dependent on parental choice regarding childcare.

8.4.6 Environment

Recycling Collection Costs – Additional recycling collection costs associated with the successful expansion of the Council's doorstep recycling scheme are estimated at £315,000 in the current year and £465,000 in a full year. Approval to this variation will also place a commitment into next year's base budget.

8.4.7 Highways & Design

Parking Account & Highways Planned Maintenance – There is currently a forecast £1.5m shortfall in parking income that results from fewer tickets being issued than anticipated. As was agreed when the Council's budget was set, the majority of the planned roads maintenance budget is currently deferred to ensure there is no impact on council balances. Unless the income significantly increases in the second half of the year, the 2006/07 base budget for parking income will need to be adjusted.

Highways - Given that there is a limited amount of revenue highways

maintenance currently being done, staffing budgets (including temporary and agency staff) are being managed to ensure that an overspend does not arise from costs that would otherwise have been set against planned works and allocated to alternative projects where possible.

8.4.8 Housing

Benefit Payments – The increase in the forecast net cost of Housing Benefit payments of £274,000 over month 4 reflects a continued refinement of the monitoring process for this budget and includes an element of offsetting of reduced temporary accommodation costs.

Temporary Accommodation – Continuing progress with procuring temporary accommodation in a planned and cost effective manner, without the need to utilise expensive and unsatisfactory types has meant that the net cost for the year is now expected to be £300,000 less than the month 4 forecast.

8.4.9 Public Offices

North London Business Park – The Inland Revenue's Valuation Office have reassessed the rateable value of NLBP. For the ground floor (part), first and second floors there is a significant increase in the rates liability. In addition, the landlord has passed additional utility costs onto the authority. The overall position for 2005/06 has, however, improved due a more detailed costing of each element of the move, which reduced the cost from £197,000 to £135,000, and as a result of the delay in taking the additional space planned. Nonetheless, the additional long term costs mentioned above will impact on future years budgets.

Cabinet Resources Committee has previously approved the leasing of additional spaces on the ground floor at Building 4, the extension of leases on both Building 4 & 5, and the disposal of vacated properties as part of the accommodation strategy. Members were advised in the month 4 monitoring report that the signing of new leases was subject to finalisation of all cost estimates and the revised charge to Barnet Homes in respect to space occupied at Barnet House. The above increased costs currently reinforce the need to ensure the business case is robust before the new leases are agreed.

8.4.10 Resources

Corporate Procurement Savings – The strategic procurement savings included in the budget have not been taken from services to assist in the management of those budgets and therefore need to be reflected as unachieved. This figure will be partially offset by the £300,000 savings that have been achieved but have yet to be allocated to individual services. This will be done later in the financial year with the saving returned to the centre and an update provided to a future committee.

Pericles Implementation – The additional costs resulting from the overrun of this project may be offset by a potential claim by the authority against Anite.

- 8.5 A traffic light monitor on budgeted savings is attached at Appendix B though the forecast variations shown in this monitor is included in Appendix A, so that that appendix provides a comprehensive position statement.
- 8.6 Cabinet Members are aware of the impact that non-achievement of budgeted savings and new emerging pressures could have on balances, and are working with Heads of Service to contain these costs.
- 8.7 The position on the Housing Revenue Account (HRA) is being monitored in partnership by Barnet Homes. This is shown in Appendix C with the current forecast showing a lower contribution of £102,000 to the HRA working balance which is unchanged from the month four position.

9 LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: Margaret Martinus

BT: Clive Medlam
Michael Bradley
Pam Kettle

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC		£000	£000
	£000	£000	£000	£000	£000	£000
<u>Adult Social Services</u>						
Client Care - these are volatile, demand led budgets with potential for significant fluctuation during the year. Winter pressures could cause significant fluctuation in demand.	(101)		173		274	
Staffing Costs - restructure now implemented, agency projections based on adjusted month 4 figures.	(407)		(647)		(240)	
Fines not yet incurred - the investment in hospital discharge services and good mangement is enabling the rapid discharge of people and the avoidance of fines. This budget is now included within the overall placements budget and will not be shown separately in future reports.	(45)		0		45	
		(553)		(474)		79
<u>Law & Probity</u>						
Land Charges Income Levels	0		100		100	
		0		100		100
<u>Borough Treasurer</u>						
Accountancy Staffing - delay in restructure	175		170		(5)	
Vacancies across the service	(45)		0		45	
		130		170		40
<u>Central Expenses & Contingency</u>						
External Audit & Inspection Fees (Robson Rhodes)	62		70		8	
Other Corporate Levies & Subscriptions - higher than budgeted	27		27		0	
Miscellaneous Income	(23)		(23)		0	

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC		£000	£000
	£000	£000	£000	£000	£000	£000
Rate Refund (net effect)	(19)		(19)		0	
Net effect of the corporate prudential borrowing position	0		(1,500)		(1,500)	
		47		(1,445)		(1,492)
<u>Children's Services</u>						
External Placements - see note 1 below	735		936		201	
Other placements (In-borough fostering & residential) - see note 1 below	(196)		(110)		86	
Social Work Teams & other salaries see note 2 below	(153)		(395)		(242)	
Section 17 & 18 (support to families in need) - see note 3 below	(143)		(116)		27	
Uncommitted Safeguarding Children Grant - see note 4 below	(231)		(231)		0	
Other budgets - see note 5 below	(228)		(228)		0	
		(216)		(144)		72
Note 1 - these are volatile budgets & there is potential for significant cost fluctuation.						
Note 2 - this projection is based on uncertain information regarding the expenditure incurred through the Hays temp desk. Any real underspend is due to delayed appointment to full year funded posts.						
Note 3 - significant element of spend through p-cards and imprest accounts for which consolidated month 5&6 information unavailable within timescale						
Note 4 - this grant is currently being held to offset external placements costs						
Note 5 - based on month 4 information as some uncertainty over month 5&6 p card and other information						

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC		£000	£000
	£000	£000	£000	£000	£000	£000
<u>Resources</u>						
HR Improvement Plan	100		112		12	
IS - Pericles project over-run delaying achievement of mainframe downsizing	140		140		0	
IS - Revenue costs of CRM and CMS projects	40		40		0	
HR - Lost income from Mill Hill Training transfer	60		60		0	
Vacancies and Running Costs Underspends Across Resources	(90)		(93)		(3)	
Lettings income from the Claremont Industrial Estate	22		7		(15)	
Lettings income from Ravensfield House & Park House	(68)		(95)		(28)	
Rent Assistance	(13)		(13)		0	
Net Property charges outside of the general fund	(5)		(5)		0	
Property Services - net effect of temporary and agency staff offset by salary savings	136		190		54	
Strategic Procurement Savings	0		1,400		1,400	
		323		1,743		1,421
<u>Cultural Services</u>						
Leisure Management Contract	(60)		(60)		0	
Staffing	25		35		10	
		(35)		(25)		10
<u>Education</u>						
Early Years & Play						

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC		£000	£000
	£000	£000	£000	£000	£000	£000
Staff vacancies - various	(172)		(196)		(24)	
Nursery Education funding saving	0		(222)		(222)	
Youth Service						
Salary net savings	44		(13)		(57)	
Resources & Performance						
Pupil Travel Passes	(210)		(150)		60	
Staff related savings	(89)		(27)		62	
Lea Retained Budgets	(16)		(15)		1	
ELT/Schools	39		35		(4)	
Standards & Effectiveness						
Staff oncosts - (pending budget allocation)	91		91		0	
Standards & Inclusion						
Transport Costs - additional number of pupil days	304		277		(27)	
Placement underspend / Therapist overspend - net position	(8)		(24)		(16)	
Specialist Teams - net position	(17)		(43)		(26)	
		(34)		(287)		(253)
<u>Environmental & Neighbourhood Services</u>						
Licencing Act - reduced income and additional staffing	195		135		(60)	
Recycling - additional recycling boxes	60		60		0	
Recycling - ECT additional collection costs	45		360		315	
Increased Green Waste Gate fee	100		95		(5)	

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC			
	£000	£000	£000	£000	£000	£000
Savings to meet increased Gate Fee:						
Street Cleansing training and supplies & services	(17)		(17)		0	
Trade Waste increased income	(35)		(35)		0	
Refuse training and Saturday collections	(13)		(13)		0	
Parks locking/unlocking and developments	(13)		(13)		0	
Grounds Maintenance agency and overtime reductions	(6)		(6)		0	
Mill Hill Depot security savings	(16)		(16)		0	
Catering - reduced take-up	97		97		0	
Golf Courses - residual maintenance costs	80		80		0	
Parks & Openspaces - control spend on developments to meet Golf course maintenance	0		(80)		(80)	
CCTV - efficiency saving from merger with Emergency Telephone Suite	(78)		(78)		0	
Management - additional staffing costs	75		75		0	
Abandoned Vehicles - procurement efficiencies	0		(8)		(8)	
Street Enforcement service - vacancies	(150)		(200)		(50)	
Additional weed spraying	22		22		0	
Residential Services - loss of Barnet Homes income	35		35		0	
Cemetery & Crematoria fees & charges - increase from 1st January 2006	0		(15)		(15)	
SEN Transport (virement not yet agreed by Education)	0		60		60	
Street Cleansing - change flytip target	0		(15)		(15)	
Targeted efficiency savings - Refuse, Street Cleansing, Greenspaces & Catering	0		(50)		(50)	
Other minor variations (net)	30		30		0	
		411		503		92

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC		£000	£000
	£000	£000	£000	£000		
Highways & Design						
Special Parking Account - reduced income	938		1,218		280	
Car parks - reduced income	312		328		16	
Highways Planned Maintenance	(1,250)		(1,500)		(250)	
Other Expenses	26		26		0	
R.A.S.W.A.	25		35		10	
Rechargeables	80		(10)		(90)	
Other minor variations (net)	0		5		5	
		131		102		(29)
Planning						
Planning Appeal Costs - Initial inquiry and court costs	0		20		20	
Other minor variations (net)	0		3		3	
		0		23		23
Public Offices						
Contract Cleaning	154		154		0	
Miscellaneous Income (Aerial mast on Barnet House)	(55)		(55)		0	
Vacant posts offset by use of admin-temp-casual-agency	(42)		(10)		32	
General premises budgets	(57)		(67)		(10)	

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC		£000	£000
	£000	£000	£000	£000	£000	£000
Additional costs from lease on NLBP building 4 ground floor - approved CRC 28/7 (see comments in main report under section 8.4)	197		97		(100)	
NLBP - Additional invoices from landlord in respect of utility expenditure, deemed not to be within service charge	0		65		65	
NLBP rates - Increase in Rateable Value (notification from Inland Revenue's Valuation Office as a result of a reassessment of rateable value from £0.635m to £1.090m and application of multiplier)	0		87		87	
		197		271		74
<u>Housing</u>						
Salaries (Benefits Admin & Control)	(33)		(33)		0	
Vacant posts offset by use of admin/temp/casual/agency staff	274		274		0	
Admin-Subsidy	(110)		(110)		0	
Performance Standards Funding	(31)		(31)		0	
Benefits Payments	760		1,034		274	
Housing Benefits transitional relief	109		109		0	
Housing Benefits limitation subsidy	420		420		0	
Temporary Accommodation	(900)		(1,200)		(300)	
General Fund Community Centres - BHL management fee & Claremont Road Community Centre	0		90		90	
		489		553		64
<u>Strategic Development</u>						
Staff savings & impact of restructure	(21)		(62)		(41)	
Admin-temp-casual-agency including EDAW fees	89		131		42	

	FORECAST VARIATIONS				CHANGE TO PREVIOUS FORECAST	
	September CRC		November CRC			
	£000	£000	£000	£000	£000	£000
Consultants Fees	41		41		0	
Staff Advertising	26		26		0	
Developers' Contributions	(40)		(40)		0	
Anticipated use of S106 receipts	(91)		(91)		0	
Other - minor variations	(4)		(5)		(1)	
		0		0		0
Total (net forecast overspend)	890	890	1,090	1,090	201	201
General Fund Balances @ 1.4.2005	(5,004)		(5,004)		0	
Contribution to Balances	(3,000)		(3,000)		0	
Variations Approved at Cabinet Resources Committee 26th September 2005						
Street Lighting	0		415		415	
Coroners Court Levy - unrequired budget returned to the centre	(109)		(109)		0	
		(8,113)		(7,698)		415
Forecast Balances @ 31.3.2006	(7,223)	(7,223)	(6,608)	(6,608)	616	616

Line Reference	Efficiency Proposal	Budget 2005/06	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	

On Target/Achieved Efficiency Savings

1	Adult Social Services				
4	Printing & Stationery	13,900	13,900	0	The budgets have been reduced
5	Learning disability reprofiling	200,000	200,000	0	Service modernisation continuing
6	Age Concern - reduction from 3 to 2 centres	50,000	50,000	0	SLA agreed with Age Concern
7	Restructure Management Team	100,000	100,000	0	The restructure has been completed and implemented
8	Reinvestment Leys receipt	220,000	220,000	0	A revised schedule has been agreed with NHHT and the capital payment has been made
9	Borough Solicitor				
10	Supplies and Services	27,150	27,150	0	
11	Court Fees	10,000	10,000	0	Early monitoring suggests spend within budget
12	Land Registry Fees	2,500	2,500	0	
13	Counsels Fees	33,000	33,000	0	Early monitoring suggests spend within budget
14	IT Budgets	20,800	20,800	0	
16	Legal Fees - Receipts	35,000	35,000	0	Early monitoring suggests income received upto budgeted levels
17	Court Costs Awarded	10,000	10,000	0	Early monitoring suggests income received upto budgeted levels
18	Copying Charges	1,000	1,000	0	
21	Electoral Registration - Advertising	8,000	8,000	0	
22	Legal Services - Staff Reduction	117,000	117,000	0	Staffing costs within budget at Month 4
23	Staffing efficiencies from IT investment (FYE)	63,000	63,000	0	Staffing costs within budget at Month 4
24	Reduction of one manager post	18,000	18,000	0	Staffing costs within budget at Month 4
25	Reduction of 1 1/2 x FTE posts in Office Support Team.	37,000	37,000	0	Staffing costs within budget at Month 4
26	Supplies & Services	3,000	3,000	0	
27	Transport	2,000	2,000	0	
28	Restructure Scrutiny	50,000	50,000	0	2 staff are leaving - saving now likely to be achieved in full
29	Borough Treasurer				
30	Cashiers - Close Wood Street	30,000	30,000	0	Cashiers Staffing Costs within Revised Budget
31	Internal audit - Delete one post	15,000	15,000	0	Post deleted - revised structure costed and agreed - and is within budget
32	Administration - Delete one post	25,000	25,000	0	Post deleted - revised structure costed and agreed - and is within budget
33	Expenses service wide	15,000	15,000	0	
34	Reduce IT budgets service wide	30,000	30,000	0	Budgets have been adjusted service-wide
35	Car allowances service wide	20,000	20,000	0	
36	CAFT - Vacancy factor	15,000	15,000	0	CAFT staffing budget reset to include vacancy factor
37	Welfare rights - Delete one post	21,000	21,000	0	Post deleted - revised structure costed and agreed - and is within budget
39	Grants	25,000	25,000	0	Grants budget reduced.
40	Assessments - Delete one post	25,000	25,000	0	Post deleted - revised structure costed and agreed - and is within budget
42	Delete 2 posts in Local Taxation	35,000	35,000	0	Posts deleted - revised structure costed and agreed - and is within budget
43	Delete post in Audit	60,000	60,000	0	Post deleted - revised structure costed and agreed - and is within budget
44	Central Expenses				

Line Reference	Efficiency Proposal	Budget 2005/06	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	
45	Democratic Health Network	690	690	0	
46	London Team Against Fraud	7,500	7,500	0	
47	Corporate - Car leasing	16,000	16,000	0	
48	Senior management restructure (contingency)	180,000	180,000	0	
49	Children & Families				
50	Efficiency review	278,000	278,000	0	Administrative posts deleted and IT technology introduced
52	Young Peoples Team	15,000	15,000	0	Post deleted
53	Cultural Services				
54	Cessation of Translation Service	65,460	65,460	0	
55	Savings on running costs (£160 to CC)	27,500	27,500	0	
56	Savings on IT expenditure	23,300	23,300	0	
57	Media Fund	30,000	30,000		
58	Staff restructure	221,320	221,320	0	Staffing expenditure around new budgeted level at month 6
59	Education				
60	reorganisation	95,000	95,000	0	Budget Amended
61	travel passes	50,000	50,000	0	Budget Amended
62	Publications	10,000	10,000	0	Budget Amended
63	Delete transport client officer post	20,000	20,000	0	Budget Amended
64	Reorganisation	70,000	70,000	0	Budget Amended
65	salaries reduction	40,000	40,000	0	Budget Amended
66	staffing reductions	10,000	10,000	0	Budget Amended
67	Traded Services	50,000	50,000	0	Budget Amended
68	increased use of grant income to fund posts	50,000	50,000	0	Budget Amended
69	Grant income to fund posts	25,000	25,000	0	Budget Amended
70	reduce EBP grant by 3% -efficiency saving	2,500	2,500	0	Budget Amended
71	Reduced running costs	7,500	7,500	0	Budget Amended
72	Delete post of SEN tribunal officer	25,000	25,000	0	Budget Amended
73	Environmental Services				
77	Parks & Open Spaces - management	115,000	115,000	0	Budget reduced - staff savings (3 management posts) actioned.
78	Staff - overtime	3,500	3,500	0	Budgets reduced and controls in place.
79	Management and Support	500	500	0	
81	Ground maintenance efficiencies	25,000	25,000	0	Post deleted.
82	Domestic Refuse - bin purchase	15,000	15,000	0	
83	Domestic Refuse - protective clothing	4,000	4,000	0	Budgets reduced and amended. (Bins, protective clothing, special collections)
84	Domestic Refuse - special collection income	10,000	10,000	0	
87	Street Enforcement Service	603,750	603,750	0	Restructure approved by General Functions (November 2004) and implemented.
89	Grounds Maintenance	10,000	10,000	0	Budgets reduced.
92	SES/Street Cleansing	870	870	0	Budgets reduced on equipment and materials
93	Refuse	340	340	0	
94	SES	1,220	1,220	0	Budgets reduced on printing and stationery

Line Reference	Efficiency Proposal	Budget 2005/06	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	
95	SES	170	170	0	Budgets reduced on printing and stationery
96	Residential Services/Catering	4,920	4,920	0	Service IT budgets reduced.
98	Highways & Design				
76	Responsive Highways Maintenance - carriageways	55,000	55,000	0	Budgets reduced. Reflects improved conditions following increased planned mtnce.
85	Road structural repairs	35,000	35,000	0	Budgets reduced.
90	Highways Maintenance	50,000	50,000	0	Budgets reduced.
99	Highways - staffing reduction	32,000	32,000	0	Budgets reduced
100	General running cost savings - Equipment & Materials	2,864	2,864	0	Budgets reduced
101	General running cost savings - General Office Expenses	500	500	0	Budgets reduced
102	General running cost savings - IT	11,520	11,520	0	Budgets reduced
103	General running cost savings - Other Expenses	50,808	50,808	0	Budgets reduced
104	General running cost savings - Printing	3,946	3,946	0	Budgets reduced
105	General running cost savings - Stationery	1,442	1,442	0	Budgets reduced
106	Car Parks - repairs/maintenance	8,000	8,000	0	Budgets reduced
107	Disabled Crossing Facilities	5,000	5,000	0	Budgets reduced
108	Schools Crossing Patrols	5,000	5,000	0	Budgets reduced
109	Home Zones - works budget	30,000	30,000	0	Budgets reduced
110	Building Control - net additional income	60,000	60,000	0	Fees Increased
111	Highways Administration reduction in posts - additional impact 05/6 (FYE)	20,000	20,000	0	Posts reduced - Total £90k, £70k 2004-05 - balance of £20k 2005-06
113	Housing -General Fund				
115	Reduction in IT budget in Housing Benefit	16,800	16,800	0	Budgets reduced
116	Temporary accomodation	50,110	50,110	0	Budgets reduced
117	Human Resources				
119	Payroll Reductions due to move to Weekly Pay	37,500	37,500	0	Post reductions have occurred - final tidy up of revised budget required
119a	Delete 1 post in training	42,500	42,500	0	Post deleted - revised structure costed and agreed - and is within budget
120	Discontinue central advertising / outsource resource handling	70,000	70,000	0	Posts deleted - revised structure costed and agreed - and is within budget
121	Information Systems				
124	IS vacancies	30,000	30,000	0	Staffing in IS within budget at Month 4
125	IS - Telephony Infrastructure - reduced call rate charges	20,000	20,000	0	Reduced charges already reflected in 04-05 so no problem expected
126	IS - reduction of 1 post	45,000	45,000	0	Staffing in IS within budget at Month 4
130	IS - 10% Reduction in NLBP managed service costs	45,000	45,000	0	Whether or not saving is achieved will not become apparent until later in year
132	Planning				
133	Reduce the annual spending on employee expenses	13,300	13,300	0	Budgets reduced
134	Reduce the annual spending on transport costs	2,330	2,330	0	Budgets reduced
135	Reduce the annual spending on supplies and services	10,210	10,210	0	Budgets reduced
136	Revised base budget	61,600	61,600	0	Budgets reduced
137	Property Services				
138	Reduced spending on stationery, traning	4,000	4,000	0	Achieved
139	Recharge post to Housing Estates regeneration budget	14,600	14,600	0	Post to be recharged to Regeneration budget

Line Reference	Efficiency Proposal	Budget 2005/06	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	
140	Public Offices				
141	Equipment and Materials	880	880	0	Budgets reduced
142	Floral Decorations	160	160	0	Budgets reduced
143	General Office Expenses	140	140	0	Budgets reduced
144	Printing	400	400	0	Budgets reduced
145	Staffing efficiencies	10,600	10,600	0	Budgets reduced
146	Staffing efficiencies	280	280	0	Budgets reduced
147	Staffing efficiencies	110	110	0	Budgets reduced
148	Resources				
151	CPO - End all consultancy budgets	40,000	40,000	0	Spend reduced in 04-05 - so saving should be achieved
153	Savings on running costs (from CC)	160	160	0	
154	Savings on IT expenditure (from CC)	1,250	1,250	0	Budgets have been adjusted service-wide
155	Restructure switchboard (from CC)	25,000	25,000	0	Posts deleted - revised structure costed and agreed - and is within budget
156	Strategic Development				
157	IT savings	3,080	3,080	0	Achieved
159	Strategic Directors & Corporate Support				
160	Reduced Printing, Conference and Stationery Budgets	25,160	25,160	0	
162	Reduce First team to 4 issues a year	11,000	11,000	0	
163	CPO - Reduce Consultation Budgets	25,000	25,000	0	
164	CPO - Citizens's panel - 2 per year	5,000	5,000	0	

At Risk Efficiency Savings

1	Adult Social Services				
2	Placements	450,000	450,000	0	This is a demand led service & it is too early in the year to be certain of the outturn position, however the service has good controls on assessments and placements processes and will endeavour to bring the budgets in on line.
3	IT	15,660	15,660	0	Significant demand for IT hardware replacement
9	Borough Solicitor				
15	Registrars Income	19,500	19,500	0	Income levels below level required at Month 4
19	Registrars - Closure of Wood Street office - saving on premises costs	21,000	21,000	0	Office still open - compensatory savings expected on income
20	Registrars - Closure of Wood Street office - saving on staff costs	50,000	50,000	0	Office still open - compensatory savings expected on income
29	Borough Treasurer				
41	MCS efficiencies - deletion of posts within Accountancy, Cashbook & Income	235,000	35,000	200,000	Final restructure proposals to be agreed
49	Children & Families				

Line Reference	Efficiency Proposal	Budget 2005/06	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	
51	Asylum seekers	180,810	245,210	(64,400)	Last year NASS informed authorities that they would resume responsibility for single adults and families. The budget was set on this basis. NASS has subsequently asked authorities to continue with supporting these asylum seekers. Barnet informed NASS that after end of Sept there will no longer be an Asylum Seekers Team to deal with these asylum seekers.
73	<u>Environmental Services</u>				
74	Barnet Homes - re-negotiation of grounds maintenance contract	75,000	75,000	0	SLA - awaiting confirmation from Barnet Homes
75	SEN Transport efficiencies - Education	90,000	90,000	0	£30k from management charges, £60k logistics savings to be confirmed with Education.
80	Stores organisation efficiencies	30,000	30,000	0	Two posts deleted. Cost recovery process to be confirmed.
91	Mill Hill Depot	100,000	100,000	0	Additional income being negotiated and confirmed.
97	Recycling - increase in green waste collection	44,000	44,000	0	Tonnages collected being monitored. Participation rates will be key.
98	<u>Highways & Design</u>				
112	Design services	250,000	250,000	0	Implementation in progress. Fee base being confirmed
117	<u>Human Resources</u>				
118	Re-organise management of HR	100,000	100,000	0	Final structure of HR not yet clear
121	<u>Information Systems</u>				
122	HBS Business Services - Print Contract	60,000	60,000	0	Whether or not saving is achieved will not become apparent until later in year
123	IS Partners	15,000	15,000	0	
127	IS - Hardware Maintenance Savings	30,000	30,000	0	
128	IS - Managed service saving due to new system implementation	150,000	150,000	0	Delay in Pericles implementation has jeopardised achievement of this saving
129	IS - Re-scope terms of contract for HBS partnership	150,000	150,000	0	Saving not achieved in full at this point
131	IS - Increase in Schools income	20,000	20,000	0	Saving should be achievable though income levels will not be apparent until later in year
148	<u>Resources</u>				
149	Procurement savings	300,000	300,000	0	This represents increase in existing savings in base and hence must be considered high risk
150	IS and CPO Admin reduction (1.5 posts)	45,000	45,000	0	Pressure on staffing budgets in new Directorate
152	CPO - reduction of 1 post	45,000	45,000	0	Pressure on staffing budgets in new Directorate
156	<u>Strategic Development</u>				
158	Staff savings to be achieved through reducing hours and restructuring	14,290	14,290	0	Budgets reduced & restructure to be completed by Head of Service
159	<u>Strategic Directors & Corporate Support</u>				
161	Remove Consultants Fees budget for Arts Depot	31,000	31,000	0	

High Risk/Unachieved Efficiency Savings

73	<u>Environmental Services</u>				
86	ECT recycling contract - productivity savings	95,000	50,000	45,000	£50k no inflation increase confirmed. Balance of £45k will not be achieved by round reduction as originally envisaged(because of impact of compulsory recycling).
88	Golf Courses - running costs	108,000	28,000	80,000	Disposal agreed Cabinet Resources 28/04/05. No revenue budget 2005/06. There will be some residual maintenance costs. Report to Cabinet Resources 21/07/05 with tender results. Expected to lease from 1 April 2006

Line Reference	Efficiency Proposal	Budget 2005/06	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	
113	Housing -General Fund				
114	Community Centres staffing	13,000	0	13,000	Will not be achieved, further work required with Barnet Homes, but can be taken up elsewhere in Housing GF
165	Totals	7,170,900	6,897,300	273,600	
166	Summary of Efficiencies :-				
167		4,433,640	4,433,640	0	
168		2,521,260	2,385,660	135,600	
169		216,000	78,000	138,000	
170	Totals	7,170,900	6,897,300	273,600	

Appendix B (ii)

Line Ref	Budget Reduction Proposal	Budget 2005/06	Total Reduction	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	£	

On Target/Achieved Savings

1	Adult Social Services					
2	Close Springwood (FYE)	100,000	100,000	100,000	0	achieved
4	Telephones for disabled	24,000	24,000	24,000	0	
5	HIV / AIDS Service	8,000	8,000	8,000	0	
7	Borough Solicitor					
8	Removal of Head of Service post and 1 manager post	93,000	93,000		93,000	
9	Borough Treasurer					
10	Grant to Barnet Action 4 Youth - expires March 2004	50,000	50,000	50,000	0	Grants budgets reduced and allocation of grants expected to be within reduced budget
11	Grant to Barnet Retired & Senior Volunteer Programme - expires March 2004.	12,500	12,500	12,500	0	
12	Reduction in small grants to voluntary organisations.	70,000	70,000	70,000	0	
13	Additional grant funding for Welfare Rights Unit	18,560	18,560	18,560	0	Grant funding secured
14	Assessments - eliminate one-off budget increase for introducing "Fairer Charging"	10,000	10,000	10,000	0	Budget adjusted
16	Increase charge to Special Parking Account re cash collection	75,000	75,000	75,000	0	Increased charge achieved in 04-05 - so should be secure in 05-06
17	Delete post in Student Finance	25,000	25,000	25,000	0	Post deleted - revised structure costed and agreed - and is within budget
18	Central Expenses	0				
19	Roundabout Sponsorship	28,700	28,700	28,700	0	
20	LPSA - interim reward grant	124,000	124,000	124,000	0	
21	Children & Families					
22	ART - reduction in service	120,000	120,000	120,000	0	Specific posts deleted and phase 2 of the C&F restructure costed and agreed within available resources
23	Further staff savings	140,000	140,000	140,000	0	Specific posts deleted and phase 2 of the C&F restructure costed and agreed within available resources
24	Principal Projects and Strategy Officer	33,580	33,580	33,580	0	Post deleted
25	Cultural Services					
26	Close Totteridge Library (FYE)	28,000	28,000		28,000	
28	Cease adult guidance support	50,000	50,000		50,000	
29	Reduce library opening hours and re-designate posts	226,000	226,000		226,000	
30	Nil inflation on Media Budget	24,000	24,000		24,000	
31	Reduce mobile libraries by 1 vehicle	96,500	96,500		96,500	
32	Reduction on media fund	22,500	22,500		22,500	
33	Education					
34	Recode 50% ELT post to grant	36,000	0	36,000	0	Budget adjusted
35	Charge part of Early Years advisory service to grant	96,000	96,000	96,000	0	Budget adjusted
36	Youth Service	300,000	300,000	300,000	0	Budget adjusted
37	Targeted support for schools causing concern	44,000	44,000	44,000	0	Budget adjusted
38	Capitalise consultancy for Primary capital strategy	250,000	250,000	250,000	0	Budget adjusted
39	Environmental Services					
40	Abandoned Vehicles	12,000	12,000	12,000	0	Budget reduced.

Line Ref	Budget Reduction Proposal	Budget 2005/06	Total Reduction	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	£	
41	Restructure of Street Enforcement	201,250	201,250	201,250	0	Restructure approved General Functions November 2004 and implemented.
42	LA 21 Grants	5,000	5,000	5,000	0	Budget reduced
45	Noise Service - refocus to times of peak demand	90,000	90,000	90,000	0	Reduction in Out of Hours service implemented.
47	Residential service - staffing reductions	60,000	60,000	60,000	0	Two posts deleted.
48	Grounds maintenance - rationalisation of highways planting	70,000	70,000	70,000	0	Savings agreed with Cabinte member. Implementation being monitored.
50	Litter bins & graffiti	62,000	62,000	62,000	0	Budgets reduced (equipment £50k , graffiti 12k)
52	Cease HECA survey programme	22,000	22,000	22,000	0	Programme ceased and budget deleted.
54	Public health - reduction 0.5 posts	13,000	13,000	13,000	0	Post deleted
55	Waste Performance Grant	276,000	276,000	276,000	0	Government grant for 2005/06 confirmed. 2006/07 to be confirmed.
56	Highways and Design					
44	Responsive Highways Maintenance - footways	25,000	25,000		25,000	Budget reduced. Reflects improved conditions following increased planned mtnce.
57	Highways - general increase in fees and charges	180,000	180,000	50,000	130,000	Additional income applicable to 2005-06 estimated to be on target.
58	IT invest to save	50,000	50,000	50,000	0	Budget reduced
59	Highways - general fees & charges increase	30,000	30,000	30,000	0	Fees and charges increased - monitor
60	Highways rationalisation of works programme	340,000	340,000	340,000	0	Budgets reduced (public lighting). One off
61	War memorials	10,000	10,000	10,000	0	Budgets reduced
62	Highways planned maintenance	200,000	200,000	200,000	0	Budgets reduced
63	Safer Routes	23,000	23,000	23,000	0	Budgets reduced
66	Housing - General Fund					
68	Housing Initiatives	39,200	39,200	39,200	0	On target
69	Human Resources					
70	Close Occupational Health Service	80,000	80,000		80,000	Service closed and services now picking up cost of OH referrals
73	Planning					
74	Increased income (national planning fees)	15,000	15,000	15,000	0	Fees increased 01/04/05. awaiting member confirmation of use of extra income.
76	Property Services					
77	Charging for property disposal packs	2,000	2,000	2,000	0	Fees being generated
79	Charge HRA for work undertaken on Housing Association programme	8,000	8,000	8,000	0	Fees being generated
80	Increased charges for Court of Protection work	5,000	5,000	5,000	0	Fees being generated
81	Review of charges of costs against capital receipts for disposals	10,000	10,000	10,000	0	Fees being anticipated
82	Public Offices					
83	Full costs of Stag House to Barnet Homes	51,000	51,000	51,000	0	Achieved
84	Reduction of budget for building maintenance	6,000	6,000	6,000	0	Budgets reduced
88	Strategic Development					
90	Inward Investment North London	35,000	35,000	35,000	0	Achieved

At Risk Savings

1	Adult Social Services					
3	Sheltered workshops	23,000	23,000	23,000	0	Consultation underway - will be contained within service cash limit
6	Community Network	50,000	50,000	50,000	0	Consultation underway - will be contained within service cash limit
9	Borough Treasurer					
15	Cease services provided to the Probation Service (net of income lost)	5,000	5,000		5,000	Final restructure proposals awaited
25	Cultural Services					

Line Ref	Budget Reduction Proposal	Budget 2005/06	Total Reduction	Forecast Outturn	Variance	Progress & Risks of not achieving
		£	£	£	£	
27	Reduce GLL management fee	25,000	25,000		25,000	Negotiations with Schools still ongoing expected to progress but full year saving will not be achieved
39	Environmental Services					
43	Increase fees & charges above inflation	20,000	20,000	20,000	0	Increased fees and charges approved by CRC committee 25/11/2004. Monitor
46	Trade Waste - increased income	25,000	25,000	25,000	0	Targetted increase in turnover and improved debt collection.
51	Allotments - increased income	50,000	50,000	30,000	0	Charges increased 1/4/05 - but first 4 months indicate a possible drop in take-up.
53	Capitalise Environmental Health Officer	40,000	40,000	40,000	0	Capitalisation process to be confirmed with external auditor.
69	Human Resources					
71	Charge Services for all Corporate run training courses	50,000	50,000		50,000	Level of Income received will not become apparent until later in the year
72	Revision of the advertising style - reduce information included	50,000	50,000		50,000	Savings need to be reclaimed from services - therefore high risk
73	Planning					
75	Reductions in Planning and Enforcement Posts	109,000	109,000	109,000	0	Restructure proposal put forward to members for approval.
76	Property Services					
78	Charges for RTB/Home loss work	18,000	18,000	18,000	0	Fees being generated for RTB's and potential fees being generated for Home loss
82	Public Offices					
85	Barnet House	120,000	120,000	57,340	62,660	Net effect of contract cleaning budget pressure and savings on premises budgets, means that this reduction cannot be confirmed as being met, at present.
86	Resources					
87	Staff savings through service restructuring	28,000	28,000		28,000	Unclear at present where this saving is
88	Strategic Development					
89	Review sources of funding	39,000	39,000	39,000	0	Partner organisations contributing to costs

High Risk/Unachieved Savings

39	Environmental Services					
49	School meals - increase charge to £1.85	90,000	90,000	(7,000)	97,000	At risk due to potential reduction in take-up of school meals. Also impact of non-controllable factors (eg school closures) and "Healthy Eating" drive to be taken into account.
64	Special Parking Account					
65	Parking - fees restructure (SPA?)	500,000	500,000	(1,046,000)	1,546,000	Fees increased/revised. Income pressure continuing into 2005/06
66	Housing - General Fund					
67	Community centres	37,000	37,000		37,000	Will not be achieved, further work required with Barnet Homes, but can be taken up elsewhere in Housing GF
91						
92						
93	Total	5,304,790	5,268,790	2,609,130	2,675,660	
94	Summary of Budget Reductions					
95		3,998,790	3,962,790	3,223,790	775,000	
96		769,000	769,000	431,340	317,660	
97		537,000	537,000	(1,046,000)	1,583,000	
98	Total	5,304,790	5,268,790	2,609,130	2,675,660	

HOUSING REVENUE ACCOUNT

Service	2005/6					Remarks
	Original Budget	Current Budget	Actual Year to Date	Projected Outturn	Variance	
	£	£	£	£	£	
EXPENDITURE						
Supervision & Management:-						Although no change shown at present there are outstanding issues relating to SLAs and Insurance costs that will affect the management fee payable to Barnet Homes. Reduction in contribution reflecting lower income estimates.
General Expenses	14,639,160	14,639,160	4,388,433	14,639,160	0	
Special Expenses	5,059,920	5,059,920	1,688,640	5,059,920	0	
Other Expenses	106,220	106,220	44,187	106,220	0	
Repairs & Maintenance	8,458,000	8,458,000	2,529,854	8,458,000	0	
Capital Charges :-					0	
Cost of Capital	550,000	550,000	0	550,000	0	
Depreciation	8,112,170	8,112,170	0	8,112,170	0	
Housing Benefits	500,000	500,000	0	500,000	0	
Housing Subsidy	8,300,000	8,300,000	2,490,000	8,300,000	0	
Contribution to Working Balance	634,680	634,680	0	532,380	(102,300)	
	46,360,150	46,360,150	11,141,114	46,257,850	(102,300)	
INCOME						
Supervision & Management:-						
General Income	(2,361,860)	(2,361,860)	(590,465)	(2,361,860)	0	
Special Income	(3,294,500)	(3,294,500)	(1,067,055)	(3,216,500)	78,000	
Rent Income:-						
Dwellings	(38,984,000)	(38,984,000)	(10,547,494)	(38,984,000)	0	
Garages	(721,000)	(721,000)	(246,777)	(696,700)	24,300	
Other	(698,790)	(698,790)	(139,465)	(698,790)	0	
Interest	(300,000)	(300,000)	0	(300,000)	0	
	(46,360,150)	(46,360,150)	(12,591,256)	(46,257,850)	102,300	
NET COST OF SERVICES	0	0	(1,450,142)	0	0	