



AGENDA ITEM: 5

OVERVIEW & SCRUTINY BOARD

DATE: 11 March 2008

2007/2008 3rd Quarter Revenue Budget Outturn

PAUL SLOCOMBE: DIRECTOR OF RESOURCES

PURPOSE OF THE REPORT

1. To present to Overview and Scrutiny Board an estimate of the annual outturn for 2007/2008 based on the third quarter review of revenue expenditure against the current years Revenue Budget.

BACKGROUND AND EXTERNAL CONSULTATION

2. The Council on the 7th March 2007 set its revenue budget at £117.7 million for 2007/2008. The budget included a temporary use of balances of £1.143 million to support the overall expenditure of the Council. A Council Tax increase of 3.7% for Middlesbrough Council was applied.
3. In setting the 2007/2008 budget, approximately £2.6 million of efficiency savings were identified. The Council approved an extra £3.5 million for key services consisting of:
 - £1.9m for Vulnerable Adults and children
 - £0.7m for Regeneration projects
 - £0.4m for investment in the Environment
 - £0.2m for Street Warden Services
 - £0.1m for Leisure, Sports and Health
 - £0.2m other services
4. The projected outturn position for 2007/2008, based on the third quarters review is a net budget saving of (-£253,000). The outturn position is summarised below:

| | Estimated Qtr 2 Outturn £,000s | Estimated Qtr 3 Outturn £,000s | Variance £,000s |
|-----------------------------------|---|---|--------------------|
| Children, Families and Learning | 0 | 0 | 0 |
| Social Care | -12 | -37 | -25 |
| Environment | +134 | +48 | -86 |
| Regeneration | +57 | -41 | -98 |
| Corporate Services and Provisions | -347 | -223 | +124 |
| | <hr/> | <hr/> | <hr/> |
| | -168 | -253 | -85 |

Children, Families and Learning

5. The service predicts a net budget saving of (-£390,000). This would reduce the requirement for the temporary use of balances from the approved level of £1.143 million to £753,000. The outturn position is summarised below: -

| | Estimated Qtr 2 Outturn £,000s | Estimated Qtr 3 Outturn £,000s | Variance £,000s |
|--|---|---|--------------------|
| Commissioning and Resources | +53 | -3 | -56 |
| Capital and assets | -19 | -19 | 0 |
| School Improvement | -52 | -70 | -18 |
| Pupil support | -15 | -74 | -59 |
| Community Education | -17 | -17 | 0 |
| Strategic Management | -50 | 0 | +50 |
| Family Services | +285 | +573 | +288 |
| Sure Start | -600 | -799 | -199 |
| | <hr/> | <hr/> | <hr/> |
| | -396 | -390 | +6 |
| Less reduction in temporary use of balances | +396 | +390 | -6 |
| | <hr/> | <hr/> | <hr/> |
| Net Position | 0 | 0 | 0 |

6. **Commissioning and Resources: Outturn (-£3,000)** There are projected staffing savings of (-£55,000) across the service. A saving of (-£59,000) is projected on the premature retirement budget. Catering Services budget is showing a potential pressure of (+£60,000) due to the increased cost of food supplies. A value for money exercise will be carried out in 2008/2009 to identify options for reducing

costs. Function Catering Services is projecting a pressure of (+£50,000). A staffing restructure has been completed, which has reduced costs. The full effect will not be realised until 2008/2009. Additional income within Governors support and Joint arrangements / Outdoor Centres, has resulted in budget savings of (-£10,000). General pressures on supplies and services have offset these across the service (+£17,000).

7. **School Improvement (-£70,000)** Advisory Service staff are spending more time working on grant initiatives which allow the recharge of salary expenditure to specific grants resulting in a saving of (-£50,000). The departure of the Head of Service will result in a saving of (-£20,000).
8. **Pupil Support: Outturn (-£74,000)** A saving of (-£35,000) is projected on Home to School Transport due to the renegotiation of Taxi contracts (-£30,000) and Parkwood PRU providing its own transport (-£5,000).
9. There is a pressure of (+£75,000) on the Attendance & Behaviour Support Team due to the under-recovery of school buy backs. An additional pressure of (+£10,000) relates to a delay in a retirement. Staff savings of (-£37,000) are anticipated to partly offset this along with a contribution of (-£29,000) from DSG. Vacancy management and additional grant funding for staffing costs has generated savings of (-£58,000) across the service.
10. **Community Education (-£17,000)** The Head of Community Education service has undertaken work for the Connexions Service, which will attract grant funding.
11. **Family Services: Outturn (+£573,000)** Within the Assessment and Care Management budget a net pressure of (+£195,000) is projected. This comprises an abatement pressure of (+£55,000); additional staffing costs across the service to cover long term sickness of (+£47,000). An unbudgeted business rates charge of (+£4,000) and an increase in contribution relating to the Local Safeguarding Children's Board (+£4,000). Increased staffing cost of (+£21,000) within the Home Support services. There is a pressure of (+£57,000) on the Management and Administration budget due to Legal fees (+£43,000), a payment to settle an Employment Tribunal (+£9,000) and additional staffing recruitment costs (+£5,000). A net pressure of (+£7,000) is due to increased travel requirements across the service.
12. The "Children Looked After" budget is projecting a net pressure of (+£373,000). This comprises savings on "In house fostering" of (-£178,000) due to a reduction in placements and additional Local Area Agreement grant. The saving has been offset by a pressure of (+£23,000) relating to the provision of health checks for foster carers and children.
13. The pressure on residential placements is (+£113,000) this has increased by (+£182,000) from quarter two primarily as a result of two additional placements costing (+£58,000), a pressure of (+£61,000) relating to placement in respect of supporting independence and additional support cost of (+£8,000) for a current placement. Increase costs of (+£39,000) in respect of new placements reported at quarter two. The pressure on agency fostering services has increased to

(+£409,000) as a result of, six new temporary placements and additional support agreed on long term placements, and an increase in the cost associated with these placements.

- 14 A reduction in the requirement for Agency Respite care has resulted in a saving of (-£13,000). This has been offset by a staffing budget pressure of (+£21,000) due to the lower turnover of staff at Gleneagles.
- 15 A pressure of (+£130,000) exists within Family support, (+£121,000) relates to section 17 payments due to increased regular payments to extended family carers and an increase in emergency payments and travel costs. Other general pressures within the service (+£9,000). Other Children and Families services are projecting a saving of (-£100,000). Staff savings amount to (-£78,000) across the service and a reduction in payments in support of young adults due to supported lodging assistance of (-£22,000). A saving of (-£22,000) is anticipated due to delays in filling the vacant Assistant Directors post. Reduced insurance costs have saved (-£3,000).
- 16 **Sure Start:** Work is continuing to review the use of the Sure Start Grant. It is considered that these grants enable the redirection of up to (-£799,000) of mainstream service funding within Children, Families and Learning.
- 17 **Dedicated Schools Grant** The 2007/08 DSG grant amounted to £75,446,000. Savings of (-£355,000) have been identified from within the LEA element of DSG. It is propose to carry forward £135,000 into 2008/2009 for Schools contingency balances. The balance of £220,000 is to be set-a-side as a reserve to meet the costs of developments in the future provision of schools
- 18 The majority of cashable Gershon efficiency savings will be achieved by CFL. However the target for retirements in the Pupil Support – Attendance and Behaviour Support team will only be partly met. Details are provided at Appendix B.
- 19 An update as to Children Families & Learning Actions from the 2007/2008 2nd quarters budget clinic together with proposed new actions is set out in Appendix C.

Social Care

20. The service are predicting a net budget saving of (-£37,000) after the use of £170,000 from the provision to meet demand led pressures as summarised below:

| | Estimated Qtr 2 Outturn £,000s | Estimated Qtr 3 Outturn £,000s | Variance £,000s |
|--|---|---|--------------------|
| Older People | +353 | +237 | -116 |
| Physical disability / Sensory impairment | -162 | -88 | +74 |
| Learning Disabilities | +14 | -65 | -79 |
| Mental Health | +42 | +85 | +43 |
| Other adults services | 0 | 0 | 0 |
| Adults Holding Accounts | -87 | -117 | -20 |
| Asylum Seekers | 0 | 0 | 0 |
| Personal Care | +336 | +370 | +34 |
| Ayresome Industries | 0 | 0 | 0 |
| Performance & Modernisation | -170 | -289 | -119 |
| Service Strategy | -31 | 0 | 31 |
| Street Wardens | 0 | 0 | 0 |
| Contribution from Social Services Provision | -307 | -170 | -253 |
| | -12 | -37 | -25 |

21. **Older People (+£237,000)** There is a pressure of (+£170,000) on staffing budgets due to a lower than expected staff turnover. In addition, there are unbudgeted costs of (+£77,000) for two former employees of Albert Cocks/Levick still to be redeployed. There is a pressure on residential care costs of (+£77,000) as a result of increased placements. A net drop of 21 service users in the third quarter has resulted in a projected saving of (-£95,000) on Community Care budgets.
22. Work to promote Pennyman House, an extra care-housing scheme has produced positive results. The service is now anticipated to generate savings of (-£62,000). A pressure of (+£23,000) is forecast on the Warden Control budget due to the effects of abatement.
23. The delays associated with the demolition and redevelopment of the Levick House site has required the site to be kept secure. The anticipated additional cost of security to the end of the financial year is (+£70,000).
24. The increase in the Independent Sector prices for residential care of (+£398,000) will be covered by the corporate provision.
25. **Physical Disabilities (-£88,000)** There is a projected saving of (-£20,000) due to the increase in the number of clients being less than projected. This is slightly offset by a pressure of (+£11,000) on purchased community support packages. and a pressure on staff budgets of (+£21,000) due to lower than expected staff turnover. The service also received (-£100,000) one off unbudgeted income from the PCT.

26. **Learning Disabilities: Outturn (-£65,000)** Savings of (-£100,000) are forecast on Independent Supported Living budgets due to lower than budgeted unit costs and additional income contributions. Day Care Service budgets project savings of (-£93,000) as a result of additional income and action to re-direct service users to employment support. Additional income within Community Inclusion Team has resulted in savings of (-£29,000).
27. The above savings are partially offset by demand led pressures of (+£119,000) from increases in Direct Payments and new community support packages. There are further pressures of (+£38,000) on staffing budgets.
28. **Mental Health (+£76,000)** There is a pressure of (+£72,000) on staffing budgets. The pressures from reduced Section 117 income (+£44,000) and a refund of costs to the PCT of (+£22,000) are partly offset by savings of (-£37,000) on the contract with the Shaw Trust. Demand led pressures have increased by 15 clients since the start of the year and are estimated to cost an additional (+£29,000). The service received (-£54,000), a one off unbudgeted income from the PCT.
29. **Personal Care (+£370,000)** Sitting Services are projecting a saving of (-£27,000) which is fully offset by pressure in relation to "In-house Home Care" (+£77,000). There has been an increase of 433 personal (domiciliary) care hours per week since the start of the year and are estimated to cost an additional (+£320,000).
30. **Performance & Modernisation Holding Accounts (-£289,000)**. The service has generated short-term efficiencies totalling (-£289,000).
31. **Social Care efficiency:** Most cashable savings will be achieved in 2007/2008 with the exception of the closure of Albert Cocks & Levick target, which will be slightly under due to 2 staff waiting to be redeployed. The Homecare review will not be implemented until March 2008 therefore no savings will be produced in 2007/2008. The service has identified additional savings on staff abatement and the Pennyman scheme to cover the shortfall. Further details are shown in Appendix B.
32. **Adult Holding Accounts (-£118,000)** Reduced implementation costs in 2007/2008 in respect of the introduction of the Carers Card (-£80,000) and Tele-care start up costs (-£38,000).
33. The Service has requested to carry forward the unutilised Adult Holding Account funding into 2008/2009. This will be considered at year-end.
34. **Bad Debt Provision** It is anticipated that Bad Debt provision will be reduced by (-£22,000) by the end of the financial year.
35. An update as to Social Care Actions from the 2006/2007 3rd quarters budget clinic together with proposed new actions is set out in Appendix C.
36. **Provision for demand led pressures.** The Council has set aside a provision of £720,000 to meet costs associated with the increased demand for Social Services (Children and Older people). The above projection assumes a contribution of

£170,000 to meet the net pressure on residential and personal care as a result of increased placements.

Environment and Neighbourhood Services

37. The service predicts net budget pressures of (£48,000) at the end of the 3rd quarter. The outturn position is summarised below:

| | Estimated Qtr 2 Outturn £,000s | Estimated Qtr 3 Outturn £,000s | Variance £,000s |
|----------------------|---|---|--------------------|
| Transport & Design | +64 | +22 | -42 |
| Community Protection | 0 | -59 | -59 |
| Streetscene | +70 | +86 | +15 |
| | +134 | +48 | -86 |

- 38 **Transport & Design (+£22,000)**. A budget pressure of (+£208,000) has been projected for the cost of providing the enhanced concessionary travel scheme, (£118,000) will be funded from corporate provisions and the rest from increased grant funding from central government. There is a pressure of (+£50,000) on parking income due to a poor Christmas trading period. The review of the operating arrangements at the Bus Station will not be achieved this year. This will result in a pressure of (+£70,000). There is a pressure in the infrastructure and intervention team of (+£40,000) due to additional workload on the new code of practice.
- 39 Laboratories, are projecting net budget pressures of (+£26,000), Middlesbrough's share of this pressure will be (+£7,000). These pressures will be partly offset by an additional saving for abandoned shopping trolleys of (- £95,000) and on staff salaries in the road safety section due to vacant posts (-£50,000).
- 40 **Community Protection (-£59,000)** A (+£45,000) pressure is projected for North Ormesby Market. There has been a fall in the number of traders partly due to the adverse weather during the summer months.
- 41 There is a pressure of (+£74,000) on the use of casual staff in leisure. This is offset by staffing savings of (-£90,000) within Private Sector Housing and the Community safety section. There is a one off income of (-£88,000) from the Organised and Financial Crime Unit as part of a court case brought by trading standards.
- 42 The Golf Centre is projecting a pressure of (+£50,000) this is due to a reduction in the number of season ticket, green fee sales and income from the Golf Centre Bar and Cafe. Savings in management costs and a one off additional grant have

mitigated this pressure. A review is to be undertaken as to options for the future of the Golf Centre.

- 43 **Streetscene (+£65,000):** A saving of (-£210,000) is estimated on Waste Disposal as a result of a review of disposal arrangements, encouraging residents to recycle and the minimisation of extra costs for implementing new waste legislation. The saving is offset by an increase in expenditure on wheeled bins of (+£60,000) to meet 95% provision, the introduction of Green Waste Collection (+£60,000) and kerbside recycling boxes (+£30,000) and increased fuel costs (+50,000). Further pressures within the service relate to increased staffing costs of (+£10,000) in the Junk Jobs service and a net pressure on running costs of (+£25,000) on Trade Waste Services.
- 44 Landscape and Countryside has a predicted income shortfall of (+£180,000) this is partly offset by salary savings of (-£93,000) and savings on running costs of (-£37,000). There is a (-£10,000) saving on running the public conveniences.
- 45 Streetscene Trading (+£15,000) A (-£25,000) surplus is currently projected on Horticultural Services. A (+£40,000) deficit for the year is projected on Building Works. The main areas contributing to this deficit are a shortfall in electrical and joinery work. A review of the operations in this area is being undertaken to examine the work levels, along with the pricing structure. Both Building Cleaning and Building Security are expected to make a (-£10,000) surplus.
- 46 Environment efficiency cashable savings will be achieved in 2007/2008 except for a saving of (+£20,000) on the review of caretaking scheme. Further details are shown in Appendix B.
- 47 An update as to Environments actions from the 2007/2008 2nd quarter budget clinic together with proposed new actions is set out in Appendix C.
- 48 Environment have agreed to examine their spend over the 4th quarter to address the identified spending pressures.

Reserves and Balances

49. Details in respect of Environment service schemes approved in the "Reserves & Balances" report to Executive in August 2006 are shown at Appendix D.

Regeneration

50. The service predicts a net budget saving of (-£41,000) at the end of the 3rd quarter. The outturn position is summarised below: -

| | Estimated Qtr 2 Outturn £,000s | Estimated Qtr 3 Outturn £,000s | Variance £,000s |
|----------------------------|---|---|--------------------|
| Planning & Regeneration | -10 | -25 | -15 |
| Cultural Services | -15 | -36 | -21 |
| Economic & Community Regen | -6 | -6 | 0 |
| Libraries | +46 | +25 | -21 |
| Museums | +34 | +54 | +20 |
| Regeneration | -33 | -53 | -20 |
| Gershon Savings | +41 | 0 | -41 |
| | <u>+57</u> | <u>-41</u> | <u>-98</u> |

51. **Planning and Regeneration (-£25,000)** : A surplus of (-£95,000) is projected for Planning Fee income. This is partly offset by specialist design advice studies at Central Gardens and Dunning Street Police Station (+£20,000), and costs related to a public enquiry in relation to 135 Guisborough Road of (+£31,000). There are net staff savings of (-£10,000) within the Urban Policy and Implementation team due to the utilisation of grant funding. Net savings of (-£8,000) are projected on the Building Control team staffing budget. A pressure of (+£30,000) has been identified within the Housing Mortgages account. There is an additional pressure of (+£7,000) relating to Middlehaven.
52. The Local Development Framework (LDF) is comprised of several plans (Development Plan Documents or DPDs) for the authority, which are drafted and refined over a period of years. An outline covering the amounts, period and type of expenditure was produced in 2005/2006 and funding was allocated over a number of years in the Medium Term Financial Plan (MTFP). The budget for 2007/2008 is £249,000 of which £121,000 will be spent. The balance will be carried forward into 2008/2009.
53. After the original spend profile was drafted the government introduced a new Test of Soundness into the LDF process. The service has spent (+£123,000) on a series of studies to put in place additional supporting material to ensure as far as possible that the Middlesbrough LDF documents would not be found unsound. The studies have been reviewed and have been found to directly cover the LDF requirements for producing the framework and add "soundness" to the plan documents. The additional LDF expenditure will be funded from savings within the service (-£75,000) and central reserves (-£48,000).
54. **Cultural Services (-£36,000)** There is an anticipated saving of (-£49,000) due to the vacancy of Audience Development Manager. There is a projected pressure within the Events programming budget of (+£12,000) on the Music Live event.
55. **Economic & Community Regeneration (-£6,000)** A saving is expected on staffing of (-£29,000), offset by a pressure of (+£9,000) from early retirement packages in connection with merger of TVDC and Tees Valley Regeneration. There is an underachievement of income within the Enterprise Centres of (+£24,000) due to a reduction in the number of businesses using the centres and bad debt provision adjustment of (+£10,000).

56. **Libraries (+£25,000)** A pressure of (+£25,000) relating to Peoples network, courier and user survey costs has been identified within the service.
57. **Regeneration Group (-£53,000)** The service has received a windfall income of (-£20,000) repayment of support service costs from WMNT and (-£33,000) savings from a review of outstanding orders.
58. **Museums (+£34,000)** There is an anticipated pressure of (+£10,000) due to an under-achievement of sales income for the shop and (+£10,000) under-achievement of sales income for the corporate hires for MIMA. There is also a pressure of (+£10,000) on the staffing budget due to staff turnover and the cost of national advertising. It should be noted that there are uncertainties on certain budget heads for MIMA i.e. utilities and income and it is likely that trends and estimates for both income and expenditure will not become meaningful until 2 - 3 years of operation.
59. An update as to Regeneration's actions from the 2007/2008 2nd quarter budget clinic together with proposed new actions is set out in Appendix B.
60. Whilst the majority of Regeneration Gershon savings will be met a shortfall of £4,000 is being predicted. Further details are shown in Appendix C.

Corporate Services and Provisions

- 61 Corporate Services and provisions are predicting a net saving of (-£223,000) at the end of the 3rd quarter. The outturn position is summarised below:

| | Estimated Qtr 2 Outturn £,000s | Estimated Qtr 3 Outturn £,000s | Variance £,000s |
|-----------------------------|---|---|------------------------|
| Legal & Democratic Services | -167 | -184 | -17 |
| Strategic Resources | -138 | -460 | -322 |
| Performance & Policy | -6 | -14 | -8 |
| Provisions | -36 | +435 | +471 |
| | <u>-347</u> | <u>-223</u> | <u>+124</u> |

- 62 **Legal and Democratic Services (-£184,000)** : Savings due to vacant posts within the staffing establishment for senior management (-£20,000) and Common Law (-£41,000) are expected. These savings are offset by general service running cost pressures of (+£61,000).
- 63 Due to the additional costs associated with postal ballots, the service has incurred pressures totalling (+£167,000) on Local and Mayoral election budgets. This cost is met from corporate provisions.

- 64 There are two bye-elections due in March 2008 which will create a spending pressure of (+£20,000)
- 65 The service has spent (+£355,000) to date this year on Barrister's fees and other costs associated with dealing with Equal Pay claims. Total spending for the year is estimated to be in the region of (+£650,000). These costs will be met from the Equal Pay earmarked reserve as in previous years.
- 66 A pressure of (+£10,000) is forecast on the Coroners budget, as a consequence of higher than expected forensic costs and other hospital charges. Registration Services are projecting a pressure of (+£50,000) due to shortfall in income, offset by staffing savings of (-£31,000).
- 67 The Members office is projecting savings on Members allowances and hospitality/development budgets of (-£116,000), staff vacancies across the service of (-£136,000), an unbudgeted contribution of (-£20,000) from the other Tees Valley authorities. The savings have been partly offset by pressures (+£44,000) on the Resources Team and Electoral Services staffing budgets.
- 68 **Strategic Resources (-£460,000)** A net saving of (-£422,000) is forecast on Housing Benefits budgets principally on the recovery of overpayments due to a greater focus on changes to benefit entitlement. A net saving of (-£4,000) is projected on Local Taxation budgets due to a reduction in cash collection costs as more people switch to electronic methods of payment.
- 69 A saving is forecast for the Industrial and Commercial Property budgets due to additional income of (-£110,000) and a reduction in Urban Programme grant payments (-£24,000) back to central government.
- 70 Difficulties in recruiting staff in the Internal Audit section has led to a need to employ agency staff on short-term contracts, resulting in a projected budget pressure of (+£70,000). In addition the need to employ agency staff to carry out council projects has produced a pressure of (+£34,000). A review of options to deliver a service in the future is underway. Staffing savings across the service are projected to be (-£57,000) and there is a saving on the corporate subscription budget of (-£11,000).
- 71 Allocations made from the Corporate Initiatives budget have exceeded the total available resources by (+£70,000).
- 72 The Housing Benefit Service received grant income from the DWP totalling (-£190,000) for the implementation of the Local Housing Allowance. Any unspent balance is required to be carried forward to fund on-going work in this area in 2008/2009.
- 73 **Performance & Policy (-£14,000)** There is net saving on staffing of (-£25,000) offset by pressures on advertising and printing of (+£11,000).
- 74 An update as to Corporate Services actions from the 2007/2008 2nd quarter budget clinic together with proposed new actions is set out in Appendix C.

- 75 **Central Costs and Provisions** predict a net pressure of (+£435,000) at the end of the 3rd quarter. The outturn position is summarised below:

| | Estimated Qtr 2 Outturn £,000s | Estimated Qtr 3 Outturn £,000s | Variance £,000s |
|---|---|---|--------------------|
| Pay & Prices | -156 | -168 | -12 |
| Independent Sector Price rises | +175 | +191 | +16 |
| Unsociable Hours / Red Book Buy Out | +218 | +189 | -29 |
| Less use of equal pay reserve | -218 | -189 | +29 |
| Trainee allowances | +120 | +120 | 0 |
| Capital financing | -850 | -914 | -64 |
| Custodian Properties | +250 | +250 | 0 |
| Right to Buy Receipts | +77 | +418 | +341 |
| Trading Services - surpluses | +250 | +265 | +15 |
| LDF Surveys | 0 | +48 | +48 |
| Ex Trading Services – non trading costs | -25 | +55 | +80 |
| Local Elections | +120 | +167 | +47 |
| Designated Authority | -40 | -40 | 0 |
| Environment Agency | +19 | +19 | 0 |
| River Tees Port Authority | +24 | +24 | 0 |

76. A significant change in respect of the provisions is in respect of the Council's entitlement to Right to Buy receipts under the contract arrangement with Erimus Housing. It was estimated that approximately £1 million of receipts would be received during 2007/2008, however current projections indicate that the outturn will be in the region of £582,000. An exercise is underway to re-profile the expected receipts over the medium to long term.

OPTION APPRAISAL / RISK ASSESSMENT

77. Not applicable to this report.

Gershon savings

78. The Council has monitoring procedures embedded within its budget for reporting on Gershon savings. The Council has exceeded its cashable savings by (£90,000). The table below summaries the projected outturn position: -

| | Cashable | | Non-Cashable | |
|---------------------------------|--------------|--------------|--------------|--------------|
| | Target | Outturn | Target | Outturn |
| | £000's | £000's | £000's | £000's |
| Children, Families and Learning | 483 | 483 | 483 | 483 |
| Social Care | 1,095 | 1,160 | 666 | 795 |
| Environment | 360 | 385 | 568 | 415 |
| Regeneration | 135 | 135 | 150 | 146 |
| Corporate Services | 66 | 66 | 0 | 0 |
| Total | 2,139 | 2,229 | 1,867 | 1,839 |

The Council is expected to exceed its overall targets. Appendix C provides a detailed analysis across each service.

FINANCIAL, LEGAL AND WARD IMPLCATIONS

79. A net budget saving of (-£253,000) is forecast within general fund services for the year as summarised below-

| | £,000s |
|-----------------------------------|--------|
| Children, Families and Learning | 0 |
| Social Care | -37 |
| Environment | +48 |
| Regeneration | -41 |
| Corporate Services and Provisions | -223 |
| | -253 |

80. A statement of projected revenue balances is set out below: -

| | General Fund £000s | Back Dated RSG £000s | Lane Rental Income £000s |
|---|-----------------------|----------------------------|--------------------------------|
| Opening Balance | 5,740 | 2,459 | 444 |
| Add/less | | | |
| Forecast Net Savings | 253 | | 0 |
| Less | | | |
| Used in 2007/2008 | 753 | | 236 |
| Estimated Balance as at 31st March 2008 | 5,240 | 2,459 | 208 |

81. The Director of Finance has advised that over the medium term the Council should maintain General Fund Revenue Balances at between £4 million and 4.5 million. A review of the level of balances and the requirements of the change programme will be undertaken at the close of the financial year.

RECOMMENDATIONS

82. Overview and scrutiny Board are asked to:

- a) Note and consider the contents of report;

REASONS

- a) To ensure that Middlesbrough Council reports on resource utilisation against approved budgets
- b) To consider implications upon the Medium Term Financial Plan.

BACKGROUND PAPERS

The following papers were used in the preparation of the report

- 2007/2008 Revenue Budget Executive Report 13th February 2007
- 2006/2007 – 2010/2011 Medium Term Financial Plan: Executive Report 19th December 2006
- 2nd Quarter Revenue Budget Outturn Report 2007/2008: Executive 13th November 2007.

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