



2008/2009 REVENUE OUTTURN

EXECUTIVE MEMBER FOR RESOURCES: Cllr N Walker

PAUL SLOCOMBE – EXECUTIVE DIRECTOR

26 MAY 2009

PURPOSE OF THE REPORT

1. To present the final outturn position for expenditure against the 2008/2009 Revenue Budget.

BACKGROUND AND EXTERNAL CONSULTATION

2. The Council on the 7th March 2008 set its revenue budget at £126.3 million for 2008/2009. A Council Tax increase of 4.9% for Middlesbrough Council was applied.
3. In setting the 2008/2009 budget, approximately £4.5 million of efficiency savings were identified. The Council approved an extra £5.1 million for key services; including:
 - £0.8m for Children, Families and Learning
 - £3.4m for Social Care for older people and disadvantaged groups
 - £0.6m for investment in the Environment
 - £0.3m for new investments
4. On the 3rd March 2009, Executive considered the 3rd Quarter Revenue Budget outturn report that projected a net budget pressure of (+£269,000). The actual outturn for 2008/2009 is reported as a net saving of (-£59,000). This represents a less than a 0.1% saving against the £126.3m 2008/2009 budget. The projected outturn position is summarised below:

	Qtr 3 Outturn £'000s	Actual Outturn £'000s	Variance £'000s
Children, Families and Learning	1127	756	-371
Social Care	-390	-591	-201
Environment	56	-13	-69
Regeneration	-178	-544	-366
Corporate Services & Provisions	-346	333	679
Total	269	(59)	(328)

A detailed breakdown of gross expenditure and income budgets against actual expenditure and income outturns are contained in Appendix A.

Children, Families and Learning: (+£756,000)

5. The service outturn position is a net budget pressure of (+£756,000). The outturn position is summarised below: -

	Qtr 3 Outturn £'000s	Actual Outturn £'000s	Variance £'000s
Commissioning & Resources	6	-109	-115
School Improvement	-163	-365	-202
Pupil Support	-164	-245	-81
Community Education	69	-60	-129
Strategic management	16	3	-13
Family Services	1,526	1,552	26
Grants	-163	-20	143
Total	1,127	756	-371

7. **Commissioning and Resources: (-£109,000)** The budget for matched funding of Standards Fund projects was temporarily reduced to find savings that were due to be met through service reviews and ASP streamlining. It also provided funding to cover the shortfall on the Common Assessment Framework (CAF) service when LAA grant expired. At the time of setting the budget, plans for restructuring and service reviews were not sufficiently advanced to provide detailed information on how savings targets were to be achieved. This was taken into account in the senior management team's plans to identify further in-year savings to try to reduce the overall projected overspend. A contribution of (-£199,000) was made from Sure Start Grants to offset the CAF shortfall and ASP pressures leaving a net pressure of (+£110,000).
8. At the Schools Management Forum on the 8th June 2008 it was agreed to subsidise the pressures on the catering service by up to (+£360,000) for 2008/2009 only, from DSG carry forward. The final requirement from DSG to offset the budget pressures and to balance this service area was (+£277,000).
9. A staff vacancy within the ICT Unit has delivered a saving of (-£24,000) offset by (+£9,000) pressure to cover maternity leave. A further (-£9,000) saving was made

on salary costs by charging Advisers' time to Area Based Grant (ABG). There were also savings of (-£3,000) within supplies and services.

10. There was a saving of (-£118,000) on Premature Retirement Costs due to prudent application of the budget. The Governor Support budget had a net saving of (-£13,000) due to increased income from clerking additional meetings. This was partly offset by increased costs on room hire for courses and on a governor recruitment drive in schools. There was a pressure on the Accommodation and Admissions budget of (+£16,000) due to the extension of an ASP post from June 2008 to March 2009. The Planning and places service had a pressure of (+£14,000) on Insurance charges) offset by a saving of (-£2,000) on printing costs.
11. There was a saving of (-£23,000) from maternity leave within the Commissioning service. There was a pressure of (+£21,000) on external investigating officers offset by savings of (-£25,000) from the delayed staff appointments and vacancies. There was also a saving from part of the Childrens Fund Grant being returned from Action for Children (-£38,000).
12. The Joint arrangement Outdoor Centres made savings of (-£22,000) from increased charges to schools and additional income.
13. **School Improvement: (-£365,000)** The retirement of a Senior Adviser and departure of another resulted in a salary saving of (-£76,000). This saving was offset by additional salary costs of (+£4,000) for temporary cover. Charging for management overheads generated additional income of (-£135,000). There was a saving of (£161,000) on Area Based Grants and (-£7,000) on the Travellers Children budget.
14. **Pupil Support: (-£245,000)** The Child Protection service ran "twilight" training sessions and did not need to provide supply cover to schools. A reduction in the contribution required to the Barnados Bridgeway project produced savings of (-£14,000). There were savings of (-£7,000) on the supply budget. There was a saving of (-£4,000) on the ASP recharges budget reduction.
15. An additional £150,000 was provided for the changes in free home to school transport. However limited take up resulted in a saving of (-£139,000). The service received (-£37,000) income from the LSC that was not anticipated. There was also a saving on Escort Staff salaries of (-£20,000) due to fewer staff contributing to the pension scheme. These savings were offset by the increase in contract costs as a result of fuel prices and increased demand across the whole of the service (+£25,000).
16. There was a pressure on the Attendance & Behaviour Support Team of (+£36,000) due to the under-recovery of school buy backs. Staff savings and recharging salaries to grants produced a saving of (-£84,000). Further saving of (-£10,000) were achieved on supplies and services. The behaviour support element of this team is included within the Dedicated Schools Grant; this is 60% of the total service costs leaving a saving of (-£23,000) for the service. The Middlesbrough Parent Partnership officer post vacancy resulted in a saving of (-£14,000). Education Psychologists have received a contribution of (-£14,000) from Sure Start.

17. **Community Education: (-£60,000)** An income shortfall within the Nautical Services section resulted in a pressure of (+£22,000). The refurbishment of some areas of Stainsacre resulted in reduced income and an increase in utility and fuel oil charges contributed to a pressure of (+£45,000).
18. The Connexions service produced savings from salaries (-£94,000), car mileage (-£5,000) and telephone rental (-£5,000). Staffing savings within the youth service amount totalled (-£14,000) further minor savings of (-£9,000) were realised in Extended Schools and Voluntary Sector Grants.
19. **Family Services: (+£1,552,000)** The use of Agency Social Work staff to cover vacancies within several of the Locality Teams and increased expenditure on transport resulted in a pressure of (+£509,000) on the Assessment and Care Management budget. This pressure was partially offset by staff vacancies (-£145,000). Additional premises related expenditure was incurred in relation to staff movements and the need for increased accessibility to buildings, produced a pressure of (+£46,000). Additional transport cost, equipment costs and ASP charges totalled (+£71,000). The pressures have been offset by a (-£21,000) contribution from Sure Start.
20. The Children Looked After team produced a pressure of (+£2,000). Further salary savings and the use of carried forward grant to fund the Document Management Officer produced savings of (-£79,000). However these savings were offset by agency staff costs to cover for long term sickness within the Review and Development unit and the cost associated with chairing of child protection cases (+£61,000). The requirement for serious cases, to be the subject of an independent review produced a pressure of (+£5,000). The pressures have been offset by a (-£13,000) contribution from Sure Start.
21. Social Work Management & Admin had a pressure from the costs of retirement / redundancy for one member of staff (+£75,000) and other running costs of (-£23,000). There was a pressure on legal fees for court costs of (+£43,000). The savings on transport of (-£22,000) and a (-£23,000) contribution from Sure Start were offset by pressure on supplies and services of (+£113,000).
22. In the Children Looked After service there was a saving of (-£36,000) on In House Fostering a (-£27,000) contribution from Sure Start and a pressure of (+£347,000) on Agency Fostering despite significant movements over the last three months.
23. There was a significant pressure of (+£881,000) on the Children's Agency budget partly due to a number of children's placements being extended to the full year. Fee re-negotiation for Five Rivers was implemented resulting in a saving of (-£7,000). There was a contribution of (-£163,000) from the Independent Schools budget. There were savings at Gleneagles from a (-£35,000) contribution from Sure Start and staff savings of (-£5,000).
24. A reduction in grant income for the parental support advisory service, which is one of the services provided from within the Family Resource Team resulted in a pressure of (+£188,000). Funding of (-£188,000) was identified from Parenting grants to support the PSA service. A saving of (-£12,000) was achieved as a result

of a contribution from Sure Start Grants. The pressure of (+£90,000) from the increased demand on section 17 payments across Family Support Services was mainly offset by a contribution of (-£88,000) from ABG and a (-£20,000) contribution from Sure Start.

25. Unaccompanied Asylum Seeker Children (UASC) pressure of (+£25,000) is due to the provision of services to UASC for which the Home Office does not provide grant funding.
26. There was a pressure of (+£146,000) within the Adoption Service due to increased demand for the service and increased costs. This was partly offset by staff savings of (-£24,000). There was a pressure of (+£4,000) on public transport charges due to increased client demand. Savings of (-£31,000) were achieved in the Leaving Care Services and (-£26,000) in General Admin.
27. There was a saving of (-£42,000) in Sure Start Early Years and Child Care Management due to staff salary recharges. Play schemes received more income (-£4,000) and made savings in supplies and services (-£2,000). There were savings of (-£16,000) on the main Sure Start grant.
28. **Dedicated Schools Grant** The 2008/09 DSG grant amounted to £77,195,000. Savings of (-£441,000) have been identified from within the LEA element of DSG. It is proposed to take an action plan to the Schools Management Forum in June that will detail how required the carry forward will be utilised.
29. A breakdown of the service efficiency savings are detailed in Appendix C. A schedule of Children Families and Learning Grant Carry forward requests is detailed in Appendix B.

Social Care: (-£591,000)

30. The service outturn position is a net budget saving of (-£591,000). The outturn position is summarised below: -

	Qtr 3 Outturn £'000s	Actual Outturn £'000s	Variance £'000s
Older people	130	161	31
Older people with Mental Health	0	10	10
Physical disability / Sensory Impairment	42	108	66
Learning Disabilities	-204	-374	-170
Mental Health	-320	-320	0
Other Adults Services	1	-16	-17
Adults Holding Accounts	-37	19	56
Asylum Seekers	30	29	-1
Ayresome Industries	108	78	-30
Personal Care	86	-26	-112
Supporting People	0	0	0
Performance & Modernisation	-70	-175	-105
Service Strategy	3	13	10
Street Wardens	-80	-68	12
Registrars	30	60	30
Ayresome Industries DDA Access	60	60	0
Social Care Demand Led Provision	-169	-150	19
Total	-390	-591	-201

31. **Older People: (+£161,000)** There was a pressure on the Carelink service budget due to the level of income received from outside bodies being (+£36,000) lower than budgeted. An additional pressure of (+£45,000) arose from the re-evaluation of staffing grades. The temporary requirement to provide additional night cover at the Middlesbrough Intermediate Care Centre owing to health and safety works produced a pressure of (+£37,000). Unbudgeted security costs of (+£66,000) were incurred in order to keep the Levick House site secure.
32. A delay in the registration with CSCI resulted in budgeted savings of (+£32,000) on the BUPA block contract not being achieved. The cessation of the Laundry Service at Kirkley Lodge at the end of September 2008 and other general efficiencies on non-pay costs resulted in savings of (-£29,000). There was savings from vacancies in the Hospital Social Work Team of (-£24,000).
33. **Older People with Mental Health Problems: (+£10,000)** The non achievement of efficiency savings for Nursing Band payments created a pressure of (+£25,000). This was partly offset by staff savings of (-£12,000) on the Hazeldene Day Centre.
34. **Physical Disabilities: (+£108,000)** The Equipment and Adaptations service is continuing to see an increase in demand for its services resulting in a net pressure of (+£122,000). An increase in charges from Redcar & Cleveland Council for Services for Sensory Loss resulted in a pressure of (+£28,000). Staff savings of (-£30,000) at the Lansdowne Day Centre and (-£10,000) on the occupational Therapy budgets partially offset the pressures within the service.

35. **Learning Disabilities: (-£374,000)** The on-going review of continuing health care eligibility identified a number of cases eligible for PCT funding backdated to October 2007 which produced additional income of (-£184,000) above the efficiency target of £118,000. Further savings of (-£86,000) were achieved on the Community Inclusion Team from the identification of additional income from the PCT, staff vacancies and a one-off rates rebate.
36. There were staffing savings from vacancies on the Forensic Team (-£38,000) and Progress Team (-£37,000). A lower than expected contribution to another local authority in relation to preserved rights costs produced a saving on residential care (-£30,000)
37. **Mental Health: (-£320,000).** Additional income from other Local Authorities and the PCT resulted in savings of (-£139,000) on the Sunningdale budget. Savings were achieved on the staffing budgets of the Community Mental Health Team (-£67,000) and the Community Support Team (-£45,000).
38. A lower than expected take-up for purchased enablement & support services resulted in a saving of (-£48,000). There were also savings on the ISL budget (£28,000) from the receipt of one-off income from the PCT relating to 2007/08 and on purchased residential care (-£35,000) as some care packages were charged on a lower banding rate than budgeted for. Funding was provided in the 2008/09 budget to cover the cost of S117 reviews that were previously funded from Supporting People grant. These costs proved higher than were originally forecast resulting in a pressure of (+£43,000).
39. **Asylum Seekers: (+£29,000)** There was a pressure of (+£29,000) on providing services for failed Asylum seekers.
40. **Other Adult Services: (-£16,000)** The late recruitment to an HIV/AIDS Services post resulted in a saving of (-£16,000).
41. **Ayresome Industries: (+£78,000)** The current economic downturn had an impact on sales and a trading loss of (+£78,000) was incurred as a consequence.
42. **Personal Care: (-£26,000)** Additional income from the PCT and service user contributions resulted in savings of (-£156,000) on the Personal Care and Sitting Service budgets. This was partly offset by a pressure of (+£87,000) on the Direct Payments management fee. The fee is based on the number of payments made and these had exceeded the estimated level. There was also a (+£43,000) pressure on inhouse home care.
43. **Adult Holding Accounts: (+£19,000)** This budget pressure was a result of additional printing and respite care costs partly offset by staff vacancies.
44. **Performance & Modernisation: (-£175,000).** The service strengthened its debt recovery process and following a review of outstanding debt, the bad debt provision was reduced by (-£99,000). There were savings from vacant posts of (-£59,000) on Operational Support, (-£37,000) on User / Carer Support, (-£19,000) on Commissioning and (-£10,000) on course fees.

45. These savings were partially offset by a pressure of (+£44,000) on Transport costs. This followed a delay in the review of the transportation service.
46. **Street Wardens (-£68,000)** Savings of (-£68,000) were achieved, mainly due to staff vacancies
47. **Registrars: (+£60,000)** There were pressures of (+£60,000) on the Registrar's due to income being lower than anticipated, the cost of an unbudgeted early retirement payment and maintenance costs in connection with the electronic diary system.
48. **Demand led Budgets (-£150,000)** Increase in demand across all service divisions exceeded the budgeted provision of £713,000 by (+£141,000). However, this was offset by the one-off repayment of unused Direct Payments totalling (-£292,000) following a review of payments to service users.
49. **Ayresome Industries - DDA Costs Carry Forward Requests:** The cost of funding essential DDA work at Ayresome Industries has been estimated at £100,000 of which £40,000 has been earmarked from the DDA capital block budget. The service is requesting that the balance be met from a DRF contribution from within the overall net service revenue saving in 2008/09. The capital work has slipped into 2009/10, so approval is sought to carry forward savings of £60,000 to fund this work.
50. A breakdown of the service efficiency savings is detailed in Appendix C. A schedule of Social Care Grant Carry forward requests is detailed in Appendix B.

Environment: (-£13,000)

51. The service outturn position is a net budget pressure of (-£13,000). The outturn position is summarised below:

	Qtr 3 Outturn £'000s	Actual Outturn £'000s	Variance £'000s
Transport & Design	-164	-107	57
Community Protection	-57	-150	-93
Streetscene – Revenue Funded	180	199	19
Director	0	-2	-2
Transport & Design Trading	20	95	75
Streetscene – Trading	77	-48	-125
Total	56	-13	-69

52. **Transport & Design: (-£107,000).** Highways Engineering Services made savings on insurance (-£80,000), additional Abandoned Trolleys income (-£44,000). This was partly offset by pressures from replacement of damaged Christmas lights (+£25,000), and the Street Lighting Maintenance contract of (+£77,000).

53. There were savings on Management & Admin salaries (-£48,000) and equipment (-£38,000), offset by pressures of (+£30,000) on Shopmobility & Tees Valley Metro contributions, and (+£21,000) of bad debt write offs.
54. There was a pressure on Parking Solutions of (+£51,000) from unexpected late rates charges. A parking income shortfall of (+£77,000) was mainly due to the current economic climate and a decrease in the number of penalty notices issued for Decriminalised Parking, as it appears that drivers are being more cautious with where they choose to park. These pressures were partly offset by a saving of (-£22,000) on salaries.
55. Savings on salaries within Transport and Policy amounted to (-£105,000). These were offset by an un-achieved Gershon saving of (+£72,000) in relation to the Bus Station and pressures of (+£15,000) on the Bus Station information systems maintenance. There was a small saving of (-£12,000) on management of Dial a ride. There were staff savings of (-£33,000) on Design Services, and additional savings of (-£89,000) on Road Safety and Traffic salaries.
56. **Community Protection: (-£150,000)** There were savings from staff vacancies (-£34,000) on Safer Middlesbrough Partnership, (-£44,000) on Environmental Protection, (-£59,000) on Food Health & Safety, (-£11,000) on Trading Standards, (-£17,000) on Environmental Sustainability and (-£52,000) on Community Safety.
57. Trading Standards received additional income (-£39,000), mainly due to the receipt of income from Proceeds of Crime, and there were savings of (-£14,000) on Selective Licensing / Other Licensing. These savings were offset by pressures on Pest Control (+£17,000) due to the cost of bad debt write offs, (+£5,000) on North Ormesby Market, (+£18,000) on Management & Admin due to the cost of computer licences, and (+£14,000) on reduced contributions from partners for CCTV. .
58. Within Sport & Leisure, Southlands Centre achieved a saving of (-£9,000) despite being closed for a period and Clairville Stadium has achieved a saving of (-£32,000). Central Management, & Sports Development / Events received additional income & made expenditure savings totalling (-£159,000). However, these were offset by deficits, mainly due to income underachievement, on Acklam Sports Centre (+£21,000), Ormesby Sports Complex (+£5,000), Rainbow Leisure Centre (+£145,000), Neptune Centre (+£67,000) and the Golf Centre (+£31,000).
59. **Streetscene: (+£199,000).** There was a pressure of (+£49,000) on Area Care revenue due to support services costs over budget. There was a pressure of (+£14,000) on Parks and Open Spaces and (+£19,000) on Business Development, mainly due to the costs of Centre Square.
60. There was a saving of (-£228,000) on Waste Disposal, due to reduced tonnages and controlled expenditure. The service also participated in the trial of the new 'Third Line' disposal plant during closure of the Energy from Waste site, which was less costly than disposing of waste to landfill. There was a pressure of (+£363,000) on Waste Collection including pressures on the fuel budget (+£140,000), (+£70,000) on support service charges, delays in the implementation of new collection rounds (+£30,000), increased costs from bad debt write offs (+£25,000),

depreciation (+£21,000), additional equipment purchases (+£43,000), and additional salary costs (+£13,000). A saving of (-£14,000) on LATS has been realised.

61. **Streetscene / Transport & Design Trading: (+£47,000).** There was a net surplus of (-£148,000) on Property Services, which was partly offset by a deficit of (+£100,000) on Area Care. There was a deficit of (+£95,000) on Transport & Design Trading due to bad debts write offs, costs of staff required to work on non fee earning work, and the knock on effect of Trading staff who also drive Winter Maintenance vehicles not being available for fee-earning work due to changes in driving legislation.
62. A breakdown of the service efficiency savings is detailed in Appendix C. A schedule of Environment Grant Carry forward requests is detailed in Appendix B.

Regeneration: (-£544,000)

63. The service outturn position is a net budget saving of (-£544,000). The outturn position is summarised below: -

	Qtr 3 Outturn £'000s	Actual Outturn £'000s	Variance £'000s
Planning & Regeneration	-11	-130	-119
Cultural Services	-5	-59	-54
Economic & Community Regeneration	-126	-215	-89
Libraries	-65	-134	-69
Executive Director	0	-37	-37
Museums	29	31	2
Total	-178	-544	-366

64. **Planning and Regeneration: (-£130,000).** Housing Planning Delivery grant of (-£32,000) was used to address the pressures in the Development Control section (+£10,000) and Building Control (+£22,000). The estimated resource requirement of £215,000 for LDF in 2008/09 was met in full from Housing Planning Delivery grant and there was a saving on the core revenue budget of (- £31,000). There was also a saving on the Building Control budget of (-£12,000) due to increased fee income
65. The costs associated with the disposal of the Councils interest in Acklam Hall site created a pressure of (+£30,000) on the Urban Policy budget. The costs were mainly for the engagement of external independent valuation services.
66. There were net staff savings after meeting costs of acting-up arrangements and abatements targets of (-£88,000) due to vacant posts, maternity leave and recharging of staff to externally funded projects to maximise grant income. There was also a saving of (-£11,000) on fee income for the Staying Put Agency after

meeting additional staff costs. There was a saving on the homelessness (-£16,000) due to a decrease in demand for the service.

67. **Cultural Services: (-£59,000).** There were staff savings of (-£56,000) across Cultural Services due to vacant posts and delays in appointments. A saving of (-£12,000) was achieved on the programming budget for the Town Hall and Theatre due increased ticket sales income. This was offset by a pressure of (+£43,000) on the events programming budget due to a rise in infrastructure costs for the Music Live event, a shortfall in contributions from one of the event's business partners and an income shortfall on the bars and catering franchises. The efficiency target (+£16,000) for a reduction in administrative support at the Tourist Information Centre was not achieved and consultation with Mouchel is ongoing.
68. Savings have been made due to the late delivery of a mobile stage (-£34,000) and the costs of the big screen not being as high as expected (-£16,000).
69. **Economic & Community Regeneration: (-£215,000)** Net savings on staffing for Economic Development and support of (-£133,000) and the Town Centre Team amounted to (-£50,000). There were savings on the Residual Town Centre budget of (-£60,000). There were also savings of (-£44,000) in the Community Regeneration budget as a result of staff vacancies, additional income and a saving on the Cohesion budget due to priority being given to the progression of the Harmony Initiative
70. There was an under achievement of income of (+£40,000) at the Enterprise Centres caused by businesses relocating and a reduction in unites re-let. One off pressures due to over payment of income and small pressure on the partnership budget amounted to (+£12,000). Efficiency targets for the Southland Centre of £40,000 were partly achieved and this created a pressure of (+£23,000)
71. **Libraries: (-£134,000)** There were staff savings from vacant posts and delays in appointments of (-£115,000). Savings on supplies and services amounted to (-£23,000). There was a pressure on the Archives budget of (£4,000) as the other local authorities paid their contributions based on what they believe they should be contributing.
72. **Museums: (+£31,000)** There was a net pressure on MIMA of (+£18,000) relating to telephones, printing, exhibitions and underachievement of income (corporate hires). These were partly offset by savings on premises and staff. There was a pressure on the Dorman Museum of (+17,000), primarily due to casual staffing costs and back dated pay. There was a saving on the Captain Cook Museum budget of (-£3,000) due to increased turnover at the café and the profit share agreement with the leaseholder.
73. **Executive Director: (-£37,000).** The saving was due staff vacancies in the performance management team (-£7,000) and a saving on the Regeneration Initiatives Fund of (-£30,000).

74. The service also increased its Bad Debt provision by (+£10,000). This is included within the individual service areas.
75. A breakdown of the service efficiency savings is detailed in Appendix C. A schedule of Regeneration Grant Carry forward requests is detailed in Appendix B.

Corporate Services and Provisions: (+£333,000)

76. The service outturn position is a net budget pressure of(+333,000). The outturn position is summarised below: -

	Qtr 3 Outturn £'000s	Actual Outturn £'000s	Variance £'000s
Legal & Democratic Services	-274	-299	-25
Strategic Resources	-511	-454	57
Performance & Policy	-37	-132	-95
Corporate Services Recharges	90	86	-4
Provisions	386	1132	746
Total	-346	333	679

77. **Legal & Democratic Services: (-£299,000)** A net saving of (-£91,000) was made on Legal Services' budgets. The effect of vacant posts partially offset by the costs of an unbudgeted retirement payment resulted in savings of (-£40,000) on Senior Management. There were also savings from staff vacancies on Welfare (-£40,000), Common Law (-£33,000) and Property & Regeneration (-£37,000). The savings were partly offset by a pressure of (+£59,000) on exam & course fees, books & publications, printing and advertising budgets.
78. Contributions from the neighbouring local authorities towards the cost of the Coroner's Service increased in 2008/09 following a review by Internal Audit. This produced a saving of (-£6,000) on Home Office Services.
79. Savings of (-£202,000) were achieved on the Members' Office budgets. There were staffing savings from vacant posts on the Political Assistants (-£44,000), Governance Team (-£34,000) and the Resource Team (-£27,000). Further savings were made on Members' Development costs (-£28,000), General Services' (-£21,000) the Chair's hospitality (-£11,000), Civic Ceremonial Functions (-£5,000) and Members' Office costs (-£5,000). Additional contributions from other local authorities were the main reason for savings of (-£28,000) on the scrutiny budget.
80. **Strategic Resources: (-£454,000)** Commercial Properties rent income exceeded the budgeted level by (-£175,000) and urban programme grant repayments were lower than originally forecast (-£111,000). The Council is still awaiting confirmation from GONE that they are prepared to write off the balance of potential urban programme repayments. If approval is given, the Council will have an additional (-£136,000) to reinvest. These savings were partially offset by the costs of

providing energy certificates for commercial properties (+£40,000) and the need to increase the service's bad debt provision by (+£61,000).

81. Further savings were made on Housing Benefits costs (-£100,000) mainly as a result of staff vacancies and the receipt of additional grant income. Savings were also made on Loans & Investment costs (-£51,000) mainly due to staff vacancies. Additional income from court cost recoveries reduced Council Tax collection costs by (-£37,000). Additional savings were made on Asset Management (-£55,000), Strategic Accountants (-£15,000), the Value For Money Team (-£22,000), SCPU (-£39,000) and Insurance Section (-£7,000) costs mainly as a consequence of staff vacancies.
82. A saving of (-£51,000) was made on the Mouchel Partnership budget after a transfer of (-£118,000) to the Partnership reserve. The saving was on the repairs and maintenance work that slipped into 2009/10. This saving has been carried forward to fund the additional work to be carried out in 2009/2010.
83. There were pressures on Senior Management due to increased use of employment of agency staff (+£35,000). On-going recruitment difficulties and the requirement to employ agency staff was the main reason for the pressure of (+£30,000) on Internal Audit.
84. **Performance & Policy: (-£132,000)** Staff vacancies across the service resulted in savings of (-£203,000).. This was partially offset by pressures on long service awards (+£12,000), exam & course fees (+£12,000) and staff advertising (+£19,000). A further pressure of (+£28,000) has resulted from the requirement to make a provision for the potential repayment of some European grant funding.
85. **Corporate Services Recharges: (+£86,000)** Income from support service recharges to trading services and outside bodies was (+£86,000) less than the budgeted level.
86. A breakdown of the efficiency savings is detailed in Appendix C. A schedule of Corporate Services Grant Carry forward requests is detailed in Appendix B.
87. **Central Costs and Provisions: (+£1,132,000)** The outturn position is a net budget pressure of (+£1,132,000) on Central Costs and Provisions. The outturn position and variance are summarised below:

	Qtr 3 Outturn £'000s	Actual Outturn £'000s	Variance £'000s
Pay & Prices	258	408	150
Job Evaluation	0	0	0
Capital Financing	125	14	-111
Custodian Properties	0	0	0
Right to Buy Receipts	784	812	28
Ex Trading Services	-99	-107	-8
Designated Authority Costs	-32	0	32
Demand Lead Pressures	0	0	0
Other	-246	-131	115
Unfunded Pensions	-197	-199	-2
Changes to specific Reserves			
Invest to Save Programme		250	250
Social Care & Vulnerable Children		500	500
Lane Rental Income		-208	-208
LDF Reserve	-207	-207	0
Total	386	1132	746

Efficiency Savings

100. The Council has embedded within its budget monitoring procedures reporting on efficiency savings. The Council has over achieved against its efficiency savings target by (-£100,000). The table below summaries the outturn position:

	Target £000's	Outturn £000's	Variance £000's
Children, Families and Learning	1,602	1,591	11
Social Care	1,134	1,134	0
Environment	860	931	-71
Regeneration	173	141	32
Corporate Services	677	749	-72
Total Savings	4,446	4,546	-100

Balance Sheet Management

101. **Reserves / Provisions:** The table below summarises the movements on reserves and provisions for 2008/2009. A detailed breakdown of the movements is shown in Appendix D - Reserves and Appendix E - Provisions.

	31 March 2007 £'000s	Receipts in Year £'000s	Payments in Year £'000s	31 March 2008 £'000s
School Reserves	5,579	0	0	5,579
Investment Reserves	1,131	0	183	1,314
Specific Revenue Reserves	11,372	7751 -	7,940	11,183
Provisions	7,705	1215 -	3,690	5,230
Total	25,787	8966	-11447	23,306

101. **Bad Debt Provision:** The Council has developed its budget monitoring process to incorporate Balance sheet management items including reporting on the aged debt across each service and the impact this may have on service budgets and bad debt provision. The table below summarises the outturn position: -

	Bad Debt Provision 31/03/2008 £000's	Actual Bad Debt Provision 31/03/2009 £000's	Projected Increase / Decrease £000's
Children, Families and Learning	224	243	19
Social Care	626	527	-99
Environment	417	437	20
Regeneration	313	323	10
Corporate Services	291	352	61
Total Bad Debt Provision	1,871	1,882	11

102. **Sale of Assets (Losses/Gains):** three assets were disposed of during 2008/2009:

ASSET	Net (Gain) or Loss
Sale of Skip Loader	£4,303
Trinity Crescent – Haslam Homes	£0
Riverside Park – Former Newbolds Site	(£214,000)
Victoria Street Car park	(0)
Sotherby Road - Land	(£4,000)
Sale of Trading Vehicle	(£6,183.25)
Brackenhoe West Marton Campus – Release of Restrictive Covenant	(£1,000,000)

OPTION APPRAISL / RISK ASSESSMENT

103. Not applicable to this report.

FINANCIAL, LEGAL AND WARD IMPLCATIONS

104. A net budget saving of (-£59,000) is forecast within general fund services for the year as summarised below:

	Outturn
	£000s
Children, Families and Learning	756
Social Care	-591
Environment	-13
Regeneration	-544
Corporate Services and Provisions	333
Net Contribution to/from Balances: -	(59)

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

	General Fund £000's	Lane Rental Income £000's
Opening Balance	5,477	208
Add		
Forecast net savings	- 59	
Less:		
Used in 2008/2009		-208
Estimated Balances 31st March 2009	5,536	0

106. The Council actively manages its General Fund Balance to ensure it maintains a prudent level of balances in order to fund any unforeseen events. The Council estimates a prudent level of reserves to be approx. 3.5% of annual budget. The use of General Fund balances above this level will be the subject of a report to the Executive titled "Reserves and Balances 2009" which will provided an analysis on how these resources will be utilised in future years.

RECOMMENDATIONS

107. Executive Members are asked to: -
- a) Note and consider the contents of report
 - b) Approve the carry forwards requested in Appendix B subject to the Council's overall financial position in 2008/2009

REASONS

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

BACKGROUND PAPERS

The following papers were used in the preparation of the report

- 2008/2009 Revenue Budget Executive Report 7th March 2008
- 2008/2009 Council Tax Report : Council 7th March 2008
- 2008/2009 – 2011/2012 Medium Term Financial Plan: Executive Report 8th January 2008
- Quarter Three Consolidated Revenue Projected Outturn – 3rd March 2009

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