

AUDIT COMMITTEE AGENDA

TUESDAY 29 SEPTEMBER 2009
7.30pm

ROOM 2
CIVIC OFFICES
CENTRAL MILTON KEYNES

<http://cmis.milton-keynes.gov.uk/CmisWebPublic>

Membership: Councillor White (Chair)
Councillors Bint, Burke, Dransfield, Gerrella, Tunney and Williams

Independent Members: Mr C Fogden and Mr A Peck

If you have any enquires about this agenda please contact Lesley Sung, Senior Committee Manager, Tel: 01908 252325 or E-mail: Lesley.sung@milton-keynes.gov.uk

TERMS OF REFERENCE

(Approved by Council on 23 May 2006 and amended 11 July 2006)

1. Constitution

- 1.1 The Committee will be a fully constituted committee and act independently of the Authority's Executive and scrutiny functions.
- 1.2 It will meet at least 4 times per year.
- 1.3 The Committee will maintain the technical capability to discharge the Audit Committee responsibilities of the Council.
- 1.4 The Committee will have a policy on matters that will be considered in public and those considered in private.
- 1.5 The business of the Committee will be conducted apolitically.

2. Statement of Purpose

- 2.1 To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakness of the control environment and to oversee the financial reporting process.
- 2.1 To review matter relating to internal audit, external audit, risk management, governance, assurance statements, anti-fraud and anti corruption arrangements as well as any other function to meet the Council's Audit Committee requirements.
- 2.2 To enhance and promote the profile, status and authority of the internal audit function and to demonstrate its independence.
- 2.3 To contribute towards making the authority, its committees and departments more responsive to the audit function.
- 2.4 To review compliance with the relevant standards, codes of practice and corporate governance policies.
- 2.5 To act within the Council's Constitution.

3 Core Functions

3.1 Audit Activity

- 3.1.1 To consider Internal Audit's strategic and annual plans including monitoring performance against those plans.
- 3.1.2 To consider the Annual Report and opinion of the Head of Audit and a summary of internal audit activity and the level of assurance it can give over the Council's corporate governance arrangements.
- 3.1.3 To consider summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary
- 3.1.4 To consider reports dealing with the management and performance of the Internal Audit function
- 3.1.5 To consider reports from Internal Audit on agreed recommendations not implemented within reasonable timescales

- 3.1.6 To consider the External Auditor's Annual Inspection Letter, relevant reports and the reports of those charged with governance
- 3.1.7 To consider specific reports as agreed with the external auditor to ensure agreed action is taken within reasonable timescales.
- 3.1.8 To comment on the scope and depth of the external audit work and to ensure it gives value for money
- 3.1.9 To liaise with the Audit Commission over the appointment of the Council's external auditor
- 3.1.10 To consider the reports of inspection agencies relevant to the Council
- 3.1.11 To suggest work for Internal and External Audit.
- 3.2 Regulatory Framework
 - 3.2.1 To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations, codes of conduct etc.
 - 3.2.2 To review any issue referred to it by the Chief Executive or Corporate Director or any Committee of the Council.
 - 3.2.3 To monitor the effective development and operation of risk management and corporate governance throughout the Council.
 - 3.2.4 To monitor council policies on "raising concerns at work" and anti-fraud and anti-corruption policies including the Council's complaints process
 - 3.2.5 To oversee the production of the Council's Annual Governance Statement and recommend its adoption
 - 3.2.6 To consider the arrangements for corporate governance and to agree necessary actions to ensure compliance with best practice.
 - 3.2.7 To consider the Council's compliance with its own and published standards and controls.
- 3.3 Accounts
 - 3.3.1 To review the annual statement of accounts.
 - 3.3.2 Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council
 - 3.3.3 To consider the external auditor's report to those charged with the governance issues arising from the audit of the accounts.
- 3.4 Risk Management
 - 3.4.1 To consider the effectiveness of the Council's risk management arrangements
 - 3.4.2 To seek assurances that action is being taken on risk related issues
 - 3.4.3 To be satisfied that the Council's assurance statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it.

AGENDA

1. Welcome and Introductions

2. Apologies for Absence

3. Disclosure of Interests

Members to disclose any personal or prejudicial interests they may have in the business to be transacted and officers to declare any interest in contracts to be considered by the Committee.

4. Public Involvement

(a) Deputations and Petitions

No deputations have been received for this meeting and any petitions received will be reported at the meeting.

(b) Questions from Members of the Public

To receive questions from members of the public.

5. Appointment of Second Vice-Chair

To appoint a second Vice-Chair of the Committee for the Council year 2009/10.

6. Statement of Accounts 2008-09

To consider Item 6 (**Pages 6 to 36**)

7. Revenue and Capital Budget Monitoring Report – To End July 2009 (Period 4)

To consider Item 7 (**Pages 37 to 109**)

8. Overview and Scrutiny Budget Review Group

At its meeting on 13 August 2009, the Overview and Scrutiny Management Committee (Minute MC16 refers), considered the Terms of Reference for a Budget Review Group and requested the views of this Committee on the draft Terms of Reference.

A copy of the draft Terms of Reference are attached at Item 8 (**Page 110**)

Agendas and reports for the majority of the Council's public meetings can be accessed via the Internet at: <http://cmis.milton-keynes.gov.uk/cmiswebpublic/>

Health and Safety

Please take a few moments to familiarise yourself with the nearest available fire exit, indicated by the fire evacuation signs. In the event of a continuous alarm sounding during the meeting you must evacuate the building immediately and follow all instructions provided by the fire evacuation officer who will identify him/herself should the alarm sound. You will be assisted to the nearest designated assembly point until it is safe to return to the building.

Any persons unable to use the stairs will be assisted to the nearest safe refuge. The yellow call point alarm will be sounded to alert the fire service as to your presence.

Mobile Phones

Please ensure that your mobile phone is switched to silent or is switched off completely during the meeting.

Comments, Complaints and Compliments

Milton Keynes Council welcomes comments, complaints and compliments from members of the public in order to make its services as efficient and effective as possible. We would appreciate any suggestions regarding the usefulness of the paperwork for this meeting, or the conduct of the meeting you have attended.

Please detach the slip below and return to the Committee Manager.

Meeting Attended: Audit Committee

Date of Meeting: 29 September 2009

Comments:.....
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STATEMENT OF ACCOUNTS 2008/09

Contact Officers: Tim Hannam (Corporate Director of Finance and Risk Management)
- 01908 252756

Gary Waghorn (Deputy Head of Finance) – 01908 254591

1. Purpose

- 1.1 To note the Audit Commission's Draft Annual Governance report, this includes the 2008/09 audit opinion, financial statements and use of resources.

2. Recommendations

- 2.1 That the Audit Commission's opinion on the 2008/09 accounts be noted.
2.2 That the updated 2008/09 Accounts be noted.

3. Issues and Choices

- 3.1 The Audit Commission is required by the statutory Code of Audit Practice for Local Government bodies to issue a report to those charged with governance summarising the conclusions from its audit work. For the purposes of this report, the Audit Committee is considered to fulfil the role of those charged with governance.
- 3.2 The Audit Commission is required to give an opinion on whether the Council's financial statements present fairly the position of the Council as at 31 March 2009 and its income and expenditure for the year then ended.
- 3.3 The Accounts have been completed on time both for the June 2009 approval of the draft accounts and for the post audited accounts in September 2009.
- 3.4 Attached as an **Annex** is the Draft Annual Governance Report which sets out the position as at 17 September 2009, identifies what work is outstanding and the key issues arising to date that Members should consider before the District Auditor issues his opinion, conclusion and certificate. The District Auditor will provide an update to the Audit Committee on 29 September 2009.
- 3.5 This report includes only matters of governance interest that have come to the auditor's attention in performing the audit. The audit is not designed to identify all matters that might be relevant to Members.

3.6 Member's attention is particularly drawn to the key messages from the District Auditor contained within the draft report, which contains the following:

“Audit Opinion

3.7 *Subject to satisfactory clearance of outstanding matters, we plan to issue an audit report including an unqualified opinion on the financial statements.*

Financial Statements

3.8 *This report summarises the position as at 17th September 2009 and identifies what work is outstanding and the key issues arising to date that you should consider before we issue our opinion, conclusion and certificate.*

Use of Resources

3.9 *We assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources Key Lines of Enquiry (KLOE) are the relevant criteria for the value for money conclusion at each type of audited body.*

3.10 *We have identified weaknesses in your arrangements. We have concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2009, except for those areas highlighted in paragraph 34 (of the Draft Annual Governance Report).*

Next steps

3.11 *This report identifies the key messages that you should consider before we issue e our financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to our attention in performing our audit. Our audit is not designed to identify all matters that might be relevant to you.*

3.12 *We ask the Audit Committee to:*

- *consider the matters raised in the report before approving the financial statements (pages 7 to 25 in the Draft Annual Governance Report);*
- *take note of the adjustments to the financial statements which are set out in this report (Appendix 2 in the Draft Annual Governance Report);*
- *agree to adjust the errors in the financial statements we have identified which management has declined to amend or set out the reasons for not amending the errors (Appendix 3 in the Draft Annual Governance Report);*
- *take note of the value for money conclusion and use of resources score;*

- *approve the representation letter on behalf of the Council before we issue our opinion, conclusion and certificate (Appendix 4 in the Draft Annual Governance Report); and*
- *agree your response to the proposed action plan (Appendix 5 in the Draft Annual Governance Report)."*

3.13 Officers are working with Audit Commission staff to address the outstanding issues identified within the Draft Annual Governance Report to allow the District Auditor to issue his audit opinion.

3.14 Members' attention is drawn to the **Use of Resources** judgement contained on page 11 of the Draft Annual Governance Report. A detailed report on the findings will be issued separately and the scores are subject to the national quality assurance process. The judgement at this stage is that **overall the Council is at Level 2** (i.e. meeting the minimum requirements). However, the scored judgement for the Managing Finances theme is Level 1 for the reasons set out in the Draft Annual Governance Report.

3.15 There is already an ongoing programme of work underway within the Finance and Risk Management Directorate, largely captured within the Milton Keynes Improvement Plan, to address the issues raised by the District Auditor both against the Managing Finances theme and the wider issues within the Draft Annual Governance Report.

3.16 The Audit Commission will notify councils of their organisational assessment score, including the overall use of resources score and theme scores on Monday 19 October. This will trigger the 5 day review request period which ends on Friday 23 October.

4. Implications

4.1 Policy

The Use of Resources score is a significant element within the scoring of the new Comprehensive Area Assessment

4.2 Resources and Risk

None

No	Capital	No	Revenue	No	Accommodation
No	IT	No	Medium Term Plan	No	Asset Management

4.3 Legal

None

4.4 Other implications:

None

No	Equalities/Diversity
No	E-Government

No	Sustainability
No	Stakeholders

No	Human Rights
No	Crime & Disorder

Background Papers: Report to the Audit Committee in June on the Statement of Accounts.
Statement of Accounts 2008/09 and associated working papers.

Draft Annual Governance Report

Milton Keynes Council

Audit 2008/09

Date

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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Ladies and Gentlemen

2008/09 Annual Governance Report

We are pleased to present the draft version of our report on the results of our audit work for 2008/09.

The draft report was discussed with the Director of Finance on 14 September 2009 .

The report sets out the key issues that you should consider before we complete the audit.

It asks you to:

- consider the matters raised in the report before approving the financial statements (pages 4 to 25);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- agree to adjust the errors in the financial statements we have identified, which management has declined to amend or set out the reasons for not amending the errors; (Appendix 3);
- approve the letter of representation on behalf of the Council before we issue our opinion and conclusion (Appendix 4); and
- agree your response to the proposed action plan (Appendix 5).

Yours sincerely

Mick West
District Auditor
XX September 2009

Key messages

This report summarises the findings from the 2008/09 audit which is substantially complete. It includes the messages arising from our audit of your financial statements and the results of the work we have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.

Financial Statements	Results	Page
Unqualified audit opinion	Yes	6
Financial statements free from error	No	7
Adequate internal control environment	Yes	7
Use of resources	Results	Page
Use of resources judgements	Yes	9
Arrangements to secure value for money	No	11

Audit opinion

- 1 Subject to satisfactory clearance of outstanding matters, we plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of our draft audit report.

Financial statements

- 2 This report summarises the position as at 17 September 2009 and identifies what work is outstanding and the key issues arising to date that you should consider before we issue our opinion, conclusion and certificate.

Use of resources

- 3 We assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the value for money conclusion at each type of audited body.
- 4 We have identified weaknesses in your arrangements. We have concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2009, except for those areas highlighted in paragraph 34 below.

Next steps

This report identifies the key messages that you should consider before we issue our financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to our attention in performing our audit. Our audit is not designed to identify all matters that might be relevant to you.

5 We ask the Audit Committee to:

- consider the matters raised in the report before approving the financial statements (pages 7 to 25);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- agree to adjust the errors in the financial statements we have identified which management has declined to amend or set out the reasons for not amending the errors (Appendix 3);
- take note of the value for money conclusion and use of resources score;
- approve the letter of representation on behalf of the Council before we issue our opinion and conclusion (Appendix 4); and
- agree your response to the proposed action plan (Appendix 5).

Financial statements

The Council's financial statements and annual governance statement are an important means by which the Council accounts for its stewardship of public funds. As Council members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.

Opinion on the financial statements

- 6 Subject to satisfactory clearance of outstanding matters, we plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.
- 7 This report summarises the position as at 17 September 2009 and identifies what work is outstanding and the key issues arising to date that you should consider before we issue our opinion, conclusion and certificate.
- 8 The key areas of work outstanding are:
 - Letter of representation (attached at Appendix 4)
 - Annual Governance Statement
 - Statement of movement on the General Fund Balance
 - Fixed assets – see key issues below
 - Cash flow statement
 - Statement of total recognised gains and losses
- 9 The key issues that we are currently discussing with management are set out in the following paragraphs.

Writing out of in-year additions to council dwellings of £11.5m

- 10 The valuer, in assessing the value of the properties, assumes that all properties meet the decent homes standard. The Council spent £11.5m modernising its council dwellings in 2008/09, for example replacing kitchens and bathrooms. The valuer therefore needs to reflect in his valuation, both at the 1 April 2008 and 31 March 2009, the fact that some homes are not at decent homes standard. Should the expenditure attributable to the decent homes programme not impact on the valuation, this expenditure cannot be treated as capital expenditure and would be charged to revenue. The valuer has agreed to revisit his valuation at the two dates to assess the impact of some homes not being at decent homes standard and the change in valuation arising from the in-year expenditure on the decent homes programme.

Valuation of the proposed waste transfer station site (Collosus)

- 11 Land owned by the Council, earmarked for the proposed waste transfer station, was previously categorised under fixed assets as investment property. In 2008/09 £11.6m

Financial statements

has been transferred from investment properties to operational land and buildings and the site has been valued on the basis of existing use value. The Council has agreed this is an asset that is currently in the course of development, but not yet completed and occupied for the proposed service, and should be valued at market value. It is seeking a valuers opinion of the appropriate valuation.

Cash flow statement

- 12** A number of errors were identified within the cash flow statement and this is being reviewed by the Council.

Errors in the financial statements

- 13** During the audit, management have agreed to a number of amendments to the accounts. We have identified these (other than those of a trivial nature) in Appendix 3. Additional adjustments may be identified as the audit is completed.

Material weaknesses in internal control

- 14** We have not identified material weaknesses in internal control that might result in material errors in the financial statements in the course of our work that we wish to raise with you. We have identified a number of recommended actions following our review of the key financial systems and have provided a report to management to which they are responding.

Letter of representation

- 15** Before we issue our opinion, auditing standards require us to obtain appropriate written representations from you and management about your financial statements and governance arrangements. Appendix 4 contains the draft letter of representation we seek to obtain from you.

Key areas of judgement and audit risk

- 16** In planning our audit we identified specific risks and areas of judgement that we have considered as part of our audit. Our findings are set out in Table 1.

Table 1 **Key areas of judgement and audit risk**

Issue or risk	Finding
We have previously highlighted concerns about the Council's accounting for fixed assets and capital. This was again viewed as a risk area for 2008/09.	Whilst overall we have noted an improvement in terms of accounting practice and supporting working papers, a number of significant issues have arisen from the audit that need to be resolved.

Issue or risk	Finding
The timeliness and quality of responses to queries need to be further improved.	We have noted an improvement in the timeliness and quality of responses. 20% of queries led to further queries being raised. Whilst some of these were due to additional queries legitimately arising from the initial response, others were due to incomplete or unsatisfactory responses being provided initially.

Accounting practice and financial reporting

17 We consider the qualitative aspects of your financial reporting. Table 2 contains the issues we want to raise with you.

Table 2

Issue or risk	Finding
Capital accounting	Our work on fixed assets and capital accounting has identified a number of issues where accounting and disclosures are not consistent with our interpretation of the SoRP and Financial Reporting Standards. Although we have noted an improvement on previous years, further improvement is required to ensure the Council's capital accounting complies with relevant accounting standards. This will become even more critical with the introduction of International Financial Reporting Standards in 2010/11.
Cash flow statement	We identified a number of errors within the cash flow statement.

Recommendation

- R1** The Council needs to continue to focus its efforts in improving its arrangements for fixed assets/capital in the financial statements, particularly given the imminent implementation of International Financial Reporting Standards.
- R2** Review the compilation of the cash flow statement to ensure it is compliant with the SoRP when submitted for audit.

Use of resources

We are required to consider how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and give a scored use of resources judgement.

We are also required to conclude whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion.

Use of resources judgements

- 18 In forming our scored use of resources judgements, we have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2.
- 19 We have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit and inspection work.
- 20 The Council's use of resources theme scores are shown in Table 3 below. The key findings are summarised in the paragraphs below. A detailed report on the findings and conclusion, including an action plan, for the three themes, and the underlying KLOE will be reported separately. These scores are subject to the national quality assurance process. The Audit Commission will notify Councils of their organisational assessment score, including the overall use of resources score and theme scores on Monday 19 October. This will trigger the 5 day review request period which ends on Friday 23 October.

Table 3 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	1
Governing the business	2
Managing resources	2
Overall	2

Managing finances

- 21 Whilst the Council does meet basic requirements in understanding its costs and performance, improvements are needed in: financial planning to deliver strategic priorities and secure sound financial health; and in ensuring financial reporting is

timely, reliable and meets the needs of internal users, stakeholders and local people to achieve basic standards.

- 22** The Council made some value for money challenges as part of its annual budget and service planning round but some of the approach is at a very basic level with greater corporate and service level challenge planned. Its 2008/09 planned efficiencies were not stretching and the Council failed to achieve its efficiency programme by £2m. Furthermore, in 2009/10 the Council has within its budget £2.6m of non-identified efficiencies. Overall, the Council remains relatively low cost but with mixed service performance.
- 23** The Council has started to integrate financial planning with the strategic and service planning process on a medium to long term basis, but the links need to more explicit. It has recognised it faces a resource gap going forward and has historically managed its spending within budget in the past. In 2008/09, a particular issue has led to a directorate overspend and a reduction in balances below the range set. Weaknesses have been identified in budget monitoring and forecasting. We are as yet uncertain as to how the Council will manage its spending in the medium term, although we recognise that there is work ongoing to do develop a robust medium term financial plan with explicitly identified efficiency savings. Within the latest Cabinet report, it is reported that the Council has to identify a further £7m of savings during the current financial year (2009/10) which will need to be addressed as part of the annual budget process and medium term financial plan. Overall, the Council is low cost with mixed service performance.

Governing the business

- 24** Arrangements for commissioning and procuring services and supplies; producing relevant and reliable data and information meet basic standards but improvements are required in the promotion and demonstration of the principles and values of good governance and the management of risks.
- 25** Commissioning is insufficiently strategic. Although the Council has a clear corporate vision linked with partnership aims, this is not directly linked with a procurement strategy. The Council's approach is not consistent. Adult social care has a strong commissioning vision, but commissioning for children has lacked direction and leadership. The Council has been using service redesign and evaluation to achieve some efficiencies. Procurement practice is generally sound but service users are not sufficiently engaged and market understanding is under-developed and inconsistent. It is not clear how far equality and diversity, and sound options appraisal, are at the heart of commissioning and procurement.
- 26** Data quality meets basic requirements with the implementation of Performance Plus during 2008/09 strengthening arrangements. Performance Plus and associated data quality procedures now needed to be embedded across the Council. The Council has good arrangements for ensuring data security.
- 27** Governance weaknesses were reported in our March 2009 Annual Audit and Inspection Letter, which assessed the Council as not improving adequately in its Direction of Travel. A key inhibiting factor was the lack of a coordinated approach due

Use of resources

to a lack of political cohesion. Three of the six good governance principles were lacking: effective focus on purpose; performing effectively in clearly defined functions and roles; and promoting and demonstrating values through behaviours. The Council's performance in the other principles of good governance was not strong enough to overcome these weaknesses. The DCSF children's services review identified several governance failings. Partnership governance is also underdeveloped.

- 28** We identified weaknesses in the Council's risk management and counter fraud arrangements. Although work has been ongoing throughout 2008/09 to identify risks within services, there is not evidence of a corporate focus on or strategic management of risk. This has been recognised by the Corporate Leadership Team and is being actively developed. Risk management of significant partnerships is developing.
- 29** Although some proactive fraud work is carried out e.g. with the police, there is not a proactive programme of counter fraud and corruption work. Fraud is not being explicitly managed as a corporate risk; nor an assessment made of the resources and activities required to target fraud.
- 30** The Council has a sound system of internal control, including internal audit.

Managing resources

- 31** The Council is meeting basic requirements in making effective use of natural resources. It has taken steps to understand and quantify its use of natural resources, and the main influencing factors and has set up initiatives to reduce its environmental impact. It is working with partners to deliver targets under the Climate Change Act. However, staff engagement is underdeveloped and delivery plans and policies are insufficiently integrated.
- 32** Asset management meets the basics, with policies, strategies and manager responsibilities. It is not clear how much value for money is achieved in terms of social, economic and environmental sustainability – including through asset management on the Council's capital programme. The Council has started to work with partners and others to consider how to make best use of its assets but has not developed plans for shared and accessible facilities.

Value for money conclusion

- 33** We assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the value for money conclusion at each type of audited body. Detailed conclusions on each of the KLOE areas will be provided separately.
- 34** As set out above, we have identified weaknesses in your arrangements:
 - to plan your finances effectively to deliver strategic priorities and secure sound financial health;
 - for timely, reliable financial reporting that meets the needs of internal users, stakeholders and local people; and

- for the promotion and demonstration of the principles and values of good governance.
- to manage its risks and, including the risk of fraud and corruption.

35 We intend to issue a qualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources, except in these areas.

36 Appendix 1 contains the wording of my draft report.

Appendix 1 – Independent auditor’s report to Members of Milton Keynes Council

Opinion on the financial statements

I have audited the Authority accounting statements and related notes of Milton Keynes Council for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Housing Revenue Account, the Statement of Movement on the Housing Revenue Account, the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Milton Keynes Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Responsible Financial Officer and auditor

The Responsible Financial Officer’s responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Authority and its income and expenditure for the year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

Opinion

In my opinion the Authority financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I

Appendix 1 – Independent auditor’s report to Members of Milton Keynes Council

considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I identified the following:

- Strategic and service planning and financial planning are not sufficiently integrated with stronger links needed with other key Council strategies;
- The medium term financial plan agreed in 2008/09 includes projected deficits for 2010/11 and 2011/12 and it is unclear how this will be addressed. Processes for identifying how efficiency savings will be realised need to be strengthened;
- There is inconsistent quality in financial monitoring and forecasting with some significant variances reported at year-end, surrounding a number of one-off events;
- There needs to be stronger use of financial and related performance information to monitor performance;
- There Council has not demonstrated that it promotes and demonstrates the principles and values of good governance;
- The Council’s risk management arrangements need to have more of a corporate focus and be managed strategically;
- Fraud is not being managed as a corporate risk, nor an assessment made of the resources and activities required to manage the risk of fraud and corruption.

For the reasons set out above, I am satisfied Milton Keynes Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2009, except for:

- Planning finances effectively to deliver strategic priorities and sound financial health
- Having reliable financial reporting that meets the needs of internal users, stakeholders and local people
- Promoting and demonstrating the principles and values of good governance
- Managing its risks

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

M West
District Auditor

Audit Commission
Unit 5
ISIS business Centre
Horspath Road
Cowley
Oxford
OX4 2RD

Appendix 2 – Adjusted amendments to the accounts

The following misstatements (other than those of a trivial nature) were identified during the course of my audit and the financial statements have been adjusted by management. I bring them to your attention to assist you in fulfilling your governance responsibilities.

Table 4

Adjusted misstatements	Nature of Adjustment	Income and Expenditure Account		Balance Sheet	
		Dr £000s	Cr £000s	Dr £000s	Cr £000s
Internal recharges for HRA debt charges and notional interest and interest on HRA balances were included in both interest receivable and interest payable rather than being netted off.	Interest receivable Interest payable	4,712	4,712		
Prudential borrowing recharges were incorrectly made to services. The SoRP states that services should not bear the cost of capital financing charges.	Interest receivable Net cost of services	1,549	1,549		
HRA income was incorrectly analysed between charges for services and facilities and tenants contributions to the cost of repairs and court costs.	Charges for services and facilities – tenants Contributions to expenditure	464	464		

		Income and Expenditure Account		Balance Sheet	
Adjusted misstatements	Nature of Adjustment	Dr £000s	Cr £000s	Dr £000s	Cr £000s
To account for land sold in relation to Bletchley Leisure Centre: - reclassify land as a surplus asset - account for the revaluation of the land based on market value	Surplus assets Operational land and buildings			181	181
	Surplus assets Revaluation Reserve			2,175	2,175
To account for the disposal of land relating to Bletchley Leisure Centre: - to account for gain/loss on the sale - to write out the revaluation gains - to account for the gain in the SMGFB	Fixed assets Creditors/Cash Income and expenditure gain		42		2,357 6
	Revaluation reserve Capital adjustment account			2,175	2,175
	General Fund Capital adjustment account			48 2,357	
To account for further piece of land earmarked for sale - reclassify from operational land and buildings to investment properties - account for the revaluation of the land based on market value	Fixed assets- investment properties			98	
	Fixed assets - operational land and buildings				98
	Fixed assets - investment properties			1,985	
	Revaluation reserve				1,985

Appendix 2 – Adjusted amendments to the accounts

		Income and Expenditure Account		Balance Sheet	
Adjusted misstatements	Nature of Adjustment	Dr £000s	Cr £000s	Dr £000s	Cr £000s
To account for the revaluation of the remaining land and buildings relating to Bletchley Leisure Centre	Fixed assets – operational land and buildings Fixed assets – accumulated depreciation Revaluation reserve			8,311 1,000	9,311

Appendix 3 – Unadjusted misstatements in the accounts

The following misstatements (other than those of a trivial nature) were identified during the course of my audit and the financial statements have not been adjusted by management. I bring them to your attention to assist you in fulfilling your governance responsibilities. If you decide not to do so, please tell us why in the representation letter. If you believe the effect of the uncorrected errors, individually and collectively, is immaterial, please reflect this in the representation letter. Please attach a schedule of the uncorrected errors to the representation letter.

Table 5

Description of error	Accounts effected	Value of error £Million
An accrual for capital creditors in relation to the Milton Keynes Academy was overstated by £1.2m.	Creditors Fixed assets	1.261

Appendix 4 – Draft letter of representation

To:

M West
District Auditor
Audit Commission
Unit 5
ISIS business Centre
Horspath Road
Cowley
Oxford
OX4 2RD

Milton Keynes Council - Audit for the year ended 31 March 2009

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other Council members, Corporate Directors and other officers of Milton Keynes Council the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2009.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Council and for making accurate representations to you.

Uncorrected misstatements

I confirm that I believe that the effects of the uncorrected financial statements misstatements are not material to the financial statements, either individually or in aggregate. These misstatements have been discussed with those charged with governance within the Council and the reasons for not correcting these items are listed on the attached schedule.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information,

including minutes of all Council and Committee meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Group entities

There are no groups which are required to be disclosed in the financial statements.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Appendix 4 – Draft letter of representation

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts. Except as disclosed in Notes 29 and 34 to the financial statements we have no other lines of credit arrangements.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Related party transactions

I confirm the completeness of the information disclosed regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

Post balance sheet events

Since the date of approval of the financial statements by the Council no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Specific representations

All relevant fixed assets are included in the balance sheet.

Signed on behalf of Milton Keynes Council

I confirm that the this letter has been discussed and agreed by the Council on [date]

Signed

Name

Position

Date

Appendix 5 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
9	R1 The Council needs to continue to focus its efforts in improving its arrangements for fixed assets/capital in the financial statements, particularly given the imminent implementation of International Financial Reporting Standards.	3				
9	R2 Review the compilation of the cash flow statement to ensure it is compliant with the SoRP when submitted for audit.	3				

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

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REVENUE AND CAPITAL BUDGET MONITORING REPORT – TO END JULY 2009 (P04) [INCORPORATING P03]

Contact Officers: Tim Hannam (Corporate Director of Finance and Risk Management) - 01908 252756

Gary Waghorn (Deputy Head of Finance) – 01908 254591

Ceri Davies (Finance Manager – Capital and Treasury) – 01908 253268

1 Purpose

- 1.1 To advise Audit Committee of the forecast outturn position for the General Fund, Housing Revenue Account (HRA) and the Collection Fund, at the end of July 2009.
- 1.2 To advise Audit Committee of the forecast outturn position for the Capital Programme, at the end of July 2009, and programme slippage brought forward from 2008/09 into the 2009/10 Capital Programme monitor.
- 1.3 To advise Audit Committee of the progress officers have made in addressing the need to make £7m of in-year savings.
- 1.4 To advise Audit Committee of the risks affecting the forecasts.

2 Recommendations

- 2.1 That the forecast outturn positions reported by Directorates be noted.
- 2.2 That the identified risks and areas of concern, reflecting the views of the Corporate Director of Finance and Risk Management and other relevant Corporate Directors, be noted.
- 2.3 That these risks be monitored closely and effectively managed by the Corporate Leadership Team to ensure the Council manages its spending within the approved budget.
- 2.4 That the expenditure to date, projected outturn and funding position for the 2009/10 Capital Programme be noted.
- 2.5 That the variations approved by delegated decision to 9 September 2009 and set out at **Annex H** be noted.

3 Summary

- 3.1 Previous reports to Cabinet have highlighted the significant financial challenges facing the Council. This report indicates that, without further management action, there would be a projected overspend at 31 March 2010 of £1.431m, which, together with the other planned changes in general reserves would lead to a reduction in the General Fund balance of close to £1m, which in the view of the Corporate Director of Finance and Risk Management would be wholly inadequate.
- 3.2 As a consequence of earlier projections Cabinet agreed on 22 July 2009 that officers were required to seek savings of £7m to underpin the financial position of the Council, which in turn would restore the General Fund balance to a level that the Corporate Director of Finance and Risk Management assessed as being adequate in the light of the risks.
- 3.3 Period 4 monitoring also identifies a number of pressures at directorate level, totalling £1.949m which officers have been required to address through management action. The action to address these pressures together with the savings called for by Cabinet are consolidated into the savings plans referred to below.
- 3.4 Following Cabinet on 22 July 2009, officers have been working to identify savings in line with the target and to address the forecast overspend. To date savings of £7.306 m have been identified, which is in line with the target set by Members. However, to fully address both the savings target set by Members and the overspend position at directorate level will require further savings of £1.643m to be found. Corporate Directors are committed to continue to seek these further savings to fully address the financial position and to minimise the impact of any further changes arising from budget pressures and emerging risks, as well as any shortfall in the achievement of the savings set out in this report.
- 3.5 Officers have worked to identify savings which would have a modest impact on service delivery. In broad terms these management actions fall into five broad categories:
- (i) More efficient management of workforce, including holding vacancies and deletion of posts
 - (ii) Managing externally commissioned services more effectively
 - (iii) Reducing spend on supplies and services and other non-critical budgets
 - (iv) Maximising use of grant opportunities and capital resources
 - (v) Increasing income

These are listed on a directorate by directorate basis, in addition to which, there are some savings falling outside these categories and a number which require further Member consideration, these are listed separately. The Corporate Director of Finance and Risk Management's view is that the majority of savings are deliverable, with the exception of the recovery of costs from contractors which I am content should be included in the list of savings but recognise that this item (£1.5m) is a particularly high risk item both in terms of achieving the recovery, the timing of any recovery, and the accounting treatment.

- 3.6 Inevitably there are a number of risks around the forecast and the savings, which are reflected in the commentary at a directorate level. These create some very real challenges to the delivery of the forecasts and savings, however the Corporate Leadership Team is reasonably confident that the budget pressures can be managed and, as referred to above, further savings identified. In addition there are some potential upside risks which would further strengthen the Council's overall financial position, notably:
- (i) A lower pay award than was anticipated at the time the budget was set. A settlement of c1% is being discussed, compared to a planning assumption of 2.5%. This would benefit the Council by £0.5m.
 - (ii) The transfer out of the General Fund to the Value for Money Fund can be revised as the funds remain largely uncommitted
 - (iii) Any recoveries from the Radcliffe Initiative can be taken to the General Fund reserve.

4 Revenue Period 4 Monitoring

- 4.1 Table 1 overleaf summarises the forecast revenue outturn figures reported by the Directorates at the end of July 2009.

Table 1: General Fund Provisional Outturn Summary (£000)

An overall £1,431k deficit to the General Fund before implementation of in-year saving action plans.

Projected Directorate variances for the year ending 31st March 2009	Per SAP accounting system			Reported position		
	Latest budget	Projected Outturn	Variance including DSG	Known issues not in SAP	Remove DSG Variance	General Fund Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Children and Young People's Services	64,907	66,604	1,697	99	205	2,001
Environment	56,977	57,883	906	0	0	906
Community Wellbeing	65,982	65,402	(580)	(303)	0	(883)
Chief Executive's Office	(68)	0	68	240	0	308
Finance & Risk Management	(7,455)	(7,945)	(490)	184	0	(306)
Strategy & Partnership	8,006	7,897	(109)	32	0	(77)
Debt Financing	19,052	18,534	(518)	0	0	(518)
Total directorate variance	207,401	208,375	974	252	205	1,431

4.2 The projected directorate variations summarised in Table 1 do not include those savings identified to date as part of the £7million savings target programme, which are discussed in further detail below.

Significant Variances

4.3 From Table 1 above it can be seen that the General Fund variance is projected at Period 4 to be an overspend of £1,431k. **Annexes A and B** give a detailed analysis by directorate of the variances in comparison with the budget.

4.4 **Annex B** also sets out the significant risks identified for each directorate. These risks apply both to the services provided and the savings identified within each directorate.

In-year Savings

4.5 As at the end of Period 4, £7,306k of in-year savings had been identified by the directorates. If pressures in those directorates to which the savings targets apply are taken into account, a further £1,643k of savings are still to be identified and implemented in order to achieve the agreed £7m target.

4.6 The progress of the relevant directorates against their respective shares of the £7m savings target is summarised in Table 2, below.

Table 2: Progress against the agreed £7m In-year Savings Target

Directorates presently need to identify and implement a further £1,643k of savings to meet the agreed target of £7 million, as detailed below					
Projected Directorate variances for the year ending 31st March 2009	General Fund Variance	In-year Savings identified and not reflected in GF variance	Variance if identified in-year savings achieved	Share of £7m savings target	Savings still to be found
	£'000	£'000	£'000	£'000	£'000
Children and Young People's Services	2,001	(3,249)	(1,248)	(1,750)	502
Environment	906	(2,519)	(1,613)	(1,950)	337
Community Wellbeing	(883)	(471)	(1,354)	(2,450)	1,096
Chief Executive's Office	308	0	308	(10)	318
Finance & Risk Management	(306)	(587)	(893)	(570)	(323)
Strategy & Partnership	(77)	(480)	(557)	(270)	(287)
Total of directorates included in Efficiency Target exercise	1,949	(7,306)	(5,357)	(7,000)	1,643
Debt Financing	(518)	Debt Financing is excluded from this analysis because no Savings Target is applicable to this section.			
Total directorate variance	1,431				

4.7 Table 3 summarises the savings identified to date.

Table 3: In-year Savings identified to date by Directorates

Projected Directorate variances for the year ending 31st March 2009	Management actions	Already included within directorate forecast	Management actions not already in forecast	Member consideration	Total savings identified at P4
	£'000	£'000	£'000	£'000	£'000
Children and Young People's Services	(1,749)	0	(1,749)	(1,500)	(3,249)
Environment	(1,987)	0	(1,987)	(532)	(2,519)
Community Wellbeing	(1,641)	1,170	(471)	0	(471)
Chief Executive's Office	0	0	0	0	0
Finance & Risk Management	(587)	0	(587)	0	(587)
Strategy & Partnership	(202)	0	(202)	(278)	(480)
Total of directorates included in Savings Target exercise	(6,166)	1,170	(4,996)	(2,310)	(7,306)

- 4.8 Those savings identified by directorates include items which it is felt should be the subject of Member consideration. These are:

Item	Savings £000
Children and Young People	
PCP Schools Capital – Recovery of costs from contractors	(1,500)
Environment	
Waste - Extension of Contract	(130)
Waste - Charge for special collections by appointment	(2)
Traffic - Extension of Contract/increase in parking spaces	(400)
Strategy and Partnerships	
Economic Development – LABGI additional allocation received in 2009-10 which had not been expected or taken into account in previous budget discussions. This is believed to be the final allocation from this tranche of the LABGI fund.	(251)
Human Resources – Delay introduction of Employee Assistance Scheme	(15)
Communications – Reduce Live MK by 2 editions	(12)
TOTAL	(2,310)

- 4.9 **Annex C** provides a detailed analysis of the in-year savings identified by each directorate categorised by the five headings referred to in paragraph 3.5 to this report.

- 4.10 In addition, two schemes for further in-year savings have been considered by officers but are not recommended and so are not included in Tables 2 and 3 above. These are set out below to allow Members to consider them:

Item	Savings £000
Strategy and Partnerships	
Member Initiatives Fund	(102)
Parish Regeneration Fund	(200)
TOTAL	(302)

Collection Fund

- 4.11 At 31 March 2009, the closing balance on the Collection Fund was a £177k surplus.
- 4.12 The 2009/10 budget assumed a projected year-end deficit, of which the MKC share was a significant call on budgeted Council Tax income. The better than-expected-outturn should benefit the Council in the formulation of the 2010/11 budget.

Impact on General Fund Balances

4.13 The Period 4 projection of directorates' progress in respect of the savings programme indicates that £7,306k of in-year savings have been identified to date and that directorates are forecasting a net pressure of £1,431k. If these are brought into the projection of General Fund balances, the projected position would be £8,832k at 31 March 2010, falling to £7,832 k by 31 March 2011.

4.14 This remains a very serious potential position in the context of the minimum approved level of balances. It is vital that sufficient savings are identified, implemented and delivered in order to achieve the £7m target and thereby restore the General Fund reserves to an acceptable level. Failure to meet the target identified for in-year savings will bring with it the risk that General Fund balances will be below the minimum agreed level of £8m.

4.15 Table 4 below summarises the General Fund balances.

Table 4: General Fund Balance 2009-12

	Outturn £'000
General Fund balance at 1st April 2009	7,678
Projected variation in Directorates, as forecast at P04	(1,431)
Earmarked for Value For Money Fund	(1,560)
Council priorities deferred from 2008/09	(1,350)
Earmarked reserves returned to General Fund	1,000
Budgeted use of earmarked reserves (agreed by Council 26th February 2009)	(1,000)
Budgeted 2008/09 Use of Reserves (agreed by Council 26th February 2009)	(1,811)
In-year Savings identified (target £7m)	7,306
General Fund movement in 2009/10	1,154
Estimated General Fund Balance at 31st March 2010	8,832
Budgeted 2010/11 Use of unearmarked Reserves (approved 26th February 2009)	(1,000)
Estimated General Fund Balance at 31st March 2011	7,832
Budgeted 2011/12 Use of unearmarked Reserves (approved 26th February 2009)	0
Estimated General Fund Balance at 31st March 2012	7,832

4.16 The approved £7m savings programme is intended to address budget pressures and to deliver sufficient savings to restore General Fund balances to acceptable levels.

Dedicated School Grant

4.17 At Period 4 the projected position is that there will be an in-year surplus of £205k in 2009/10.

Dedicated Schools Grant	Expenditure variance £'000	Income variance £'000	Net pressures in SAP £'000	Known issues not in SAP £'000	Adjusted net pressure £'000
Reported variance	(205)	0	(205)	0	(205)

Housing Revenue Account

4.18 The Period 4 projected outturn position for the HRA shows an overspend of £1,838k, being £2,748k in-year deficit less £(910k) additional uncommitted reserve brought forward.

4.19 **Annex D** provides a more detailed analysis of projected budget variances for the HRA, while **Annex E** provides further detail of variances

4.20 The outturn data indicates that the HRA will have a balance on reserves of (£4,029k) surplus as at the 31 March 2010.

4.21 Table 5 below summarises the HRA provisional outturn position.

Table 5: HRA Outturn Summary (£'000)

	Revised 2009-10 Budget £'000	Provisional Outturn per SAP £'000	Known issues not in SAP £'000	Adjusted provisional outturn £'000	Variance £'000
Uncommitted reserve b/f	(5,026)	(5,936)	0	(5,936)	(910)
Net (surplus)/deficit in year	(841)	1,907	0	1,907	2,748
Uncommitted reserve b/f	(5,867)	(4,029)	0	(4,029)	1,838

5 Capital Period 4 monitor

2008/09 Capital Programme Outturn

5.1 The 2008/09 Capital Programme Outturn was reported to the Cabinet meeting held on 23 June 2009 (Minute C22 refers). This report outlined the position for each directorate and also set out the reasons for major variances when the outturn was compared with the approved budget

5.2 The bulk of these variances relate to slippage and re-phasing of capital projects, which now require revisions to the 2009/10 Capital Programme.

- 5.3 £5.655m of the Children and Young People Services (CYPS) slippage relates to school projects. Of this, £2.1m arose through delays in settlement of final accounts, and a further £2.1m through delays through bad weather at the Sir Frank Markham academy. The balance of schools slippage is largely from delays on site.
- 5.4 £2.658m of the Environment slippage is for the Coachway, on which works had not begun at 31 March 2009. A further £1.070m is for Portway/North Grafton, where the Council is involved in a partnership scheme, but is not responsible for all of the budgeted cost. £2.924m of the slippage is a further delay to implementation of the Street Lighting 'spend to save' scheme, which has experienced a series of implementation difficulties. The balance of £2.815m slippage on Environment is spread over a wide range of projects which had started but were not complete at the year-end. Some of the delays are directly attributed to bad weather.
- 5.5 The Radcliffe Initiative, which has developed from the Radcliffe project for development of the school and the pool on the adjacent site, has changed dramatically from what was proposed when a contract for the sale of land to Lagan Homes was in place in mid-2008. That contract was not completed, since when the funding and nature of the scheme remain to be determined. Any further costs incurred until the details of the project are clearer will be charged to revenue rather than capital, and it is proposed that capital funding for Radcliffe be removed until resources are confirmed. This will require a reduction in the 2009-10 programme in respect of Radcliffe of £13,845,164.
- 5.6 During 2009/10 a revised appraisal for Radcliffe will be completed and the scheme added to the capital programme along with details of the revised funding.
- 5.7 Overall, slippage of £18.455m has now been included within the 2009-10 Capital Programme (as reflected in Table 7 below and **Annex F**). Members are requested to approve the changes to the Capital Programme that result from slippage.

2009/10 Capital Programme

- 5.8 The original Capital Programme for 2009/10 was approved by Council on 26 February 2009. The value of the approved programme was £103.371m.
- 5.9 The revised programme for 2009/10 following inclusion of approved variations is £132.044m.
- 5.10 The requirements of the Financial Regulations in respect of the project appraisals and project variations which are required to support any changes to the programme are outlined at **Annex G**.

Expenditure to date and outturn forecast

- 5.11 At the end of July the forecast outturn is £114.134m, an under-spend of £23.721m against the latest approved budget plus slippage. The summarised data is represented in Table 6 below.
- 5.12 The reasons for any major variances in forecast outturn against budget in the table below are reported at **Annex H**. As noted later in the report, this underspending typically reflects deferments and re-programming of schemes, and so the associated financing will also be rolled forward to future years.

Table 6: Capital Programme 2009/10 – Summary of capital budgets, forecasts and expenditure as at 31 July 2009

Directorate	Latest Approved Budget	Forecast Outturn	(Under)/ Over spend	Expenditure to 31 May 09 (excluding commitments)	Expenditure to 31 May 09 (including commitments)
	£m	£m	£m	£m	£m
Children & Young Peoples Services	57.749	55.004	(2.745)	11.962	19.592
Environment	52.100	26.427	(25.673)	3.289	7.208
Strategy, Governance & Performance	0.560	0.569	0.009	0.037	0.187
Community Wellbeing	16.413	16.382	(0.031)	3.419	4.399
Community Wellbeing HRA	10.884	15.752	4.868	3.336	12.538
Total	137.706	114.134	(23.572)	22.043	43.924

5.13 2009/10 Appraisals for:

- (a) Purchase of a new database facilitated by additional DCSF grant of £0.024m, approved by delegated decision on 11 August 2009;
- (b) Upgrade of the air conditioning at the Civic Offices (£0.250m) approved by delegated decision on 30 June 2009; and
- (c) Play area refurbishment (£0.528m) approved by delegated decision on 30 June 2009

are being reported to Cabinet on 22 September 2009 for noting. Details are shown at **Annex I**.

- 5.14 A 2009/10 project variation enabling essential works to the computer room with no net effect on the value of the programme, which was approved by delegated decision on 30 June 2009, is being reported to Cabinet on 22 September 2009. Details are shown at **Annex I**.
- 5.15 The value of the latest proposed programme is £137.706m.
- 5.16 Table 7 below summarises the financial impact of the actual and proposed changes outlined above

Table 7: Original, latest and proposed Capital Programme 2009/10 to 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14 onwards
	£m	£m	£m	£m	£m
Original Programme agreed by Council 26 Feb 09	103.371	48.792	19.148	29.075	10.184
Variations agreed by Cabinet after Original Programme (detailed in Cabinet report 17 July)	28.673	2.892	(0.100)	(0.190)	0
Financing adjustment - Radcliffe	(13.845)	0	0	0	0
Variation agreed by Cabinet 21 July 2009	0.250	0.050	0	0	0
Slippage from 2008-09	18.455	0	0	0	0
<u>Items brought to this Cabinet</u>					
Appraisal/Variations to be approved	0.802	0	0	0	0
Latest Proposed Programme	137.706	51.734	19.048	28.885	10.184

- 5.17 In line with the Comprehensive Performance Assessment (CPA) Use of Resources recommendations, the Council uses a traffic light system in its monthly revenue and capital budget monitoring reports. The RAG (Red, Amber, and Green) criteria are used to highlight the level of concern over forecast outturns at directorate level. For capital monitoring, this compares the forecast overspend to the latest approved budget as follows:

<u>RAG Criteria</u>	Percentage Forecast Overspend	OR	Value Forecast Overspend
Red (R)	>5%		>£500,000
Amber (A)	2.5% to 5%		£250,000- £499,999
Green (G)	<2.5%		<£250,000

- 5.18 Forecast underspends against latest approved budget will normally be shown as Green unless there are adverse service implications.
- 5.19 The RAG status of all directorates is currently green. A short commentary on the main variations is given below.
- 5.20 At Period 4 the Environment Directorate is showing an underspend. However, revisions are being made to reflect changes in profile, schemes not attracting Government funding (thus withdrawn) and where there is double counting of one scheme. The following shows these changes:
- CMK Superstop (£3.500m) has been previously included along with CMK Public Transport Access Improvements
 - The following schemes have been withdrawn due to not attracting Government funding – East/West Core routes (£0.5m), Westcroft Bus stop (£0.5m) & A422 improvements (£3.5m). There are no service implications as a result.
 - The following scheme has been re-profiled due to delay in receiving Government funding – CMK Public Transport Access Improvements (£2.429m) nb the funding has been subsequently secured.
- 5.21 There are further reductions in projected expenditure for 2009/10 from delays to projects, rather than changes in total expected cost. In Environment, these include Western Expansion Area (£2.000m), CMK Public Transport Access Improvements (£1.916m), Station Square (£3.035m), Wolverton Station (£0.820m), Street Lighting Spend to Save (£2.374m), Crematorium (£1.361m), Waste Depot (£1.300m) and Green Space Provision (£1.200m).
- 5.22 The Children and Young Peoples Services Directorate is showing projected savings on Walton High Roof Replacement (£1.053m) and a delay on Walton High (additional Form of Entry) of £(1.000m). There is also a funding adjustment required on Tattenhoe Rise Primary to the value of £1.172m).
- 5.23 All directorates have a RAG status of Green.

Directorate	RAG Status
Strategy, Governance & Performance	Green
Environment	Green
Children & Young Peoples Services	Green
N'hood GF	Green
N'hood HRA	Green

- 5.24 Housing Revenue Account investment is forecast to exceed the 2009/10 budget by £4.868m, taking advantage of the opportunity to bring forward Major Repairs Allowance from 2010/11. This will lead to a reduction in the later year's allocation and expenditure.
- 5.25 Project variations will be produced for these changes to amend the programme in line with forecasts.
- 5.26 **Annex H** explains, by directorate, the most significant factors impacting upon projected outturn variations from budget.

Future allocations

- 5.27 The Council has a contractual commitment to provide a new waste vehicle depot for the new waste contractor by autumn 2010. Milton Keynes Partnership has approved the Business Case for Tariff funding (£2.1m) for this project. As this Tariff money is not yet available, funding is proposed to be loaned from a Growth Fund project - expansion areas green spaces. A legal agreement is currently being drafted between the Council and Milton Keynes Partnership to reimburse the GAF project with Tariff and to ensure that delivery of green spaces projects is not prejudiced by this loan arrangement.
- 5.28 It is expected that the remaining £0.973m of Growth Fund monies will be reserved pending the outcome of further investigations and capital appraisals of additional projects. In order of priority, these projects are a Park and Ride Site at Denbigh Stadium, the new Waste Depot, and Broughton Pavilion. This is the subject of a further report elsewhere on this agenda

6 Implications

6.1 Policy

The recommendations of this report are consistent with the Council's Revenue and Capital Strategies.

6.2 Resources and Risk

Revenue Budget Monitoring

Resources

The minimum level of General Fund reserves is £8 million.

Significant Risks

Where these are known they are listed in **Annex B**

Capital implications are fully considered throughout the report.

Revenue implications may arise from capital schemes in respect of:

- (a) Borrowing to fund capital expenditure (principal and interest),
- (b) Running costs associated with capital schemes, and
- (c) Efficiency savings (e.g. reduced maintenance costs).

These are built into the Council's debt financing and other revenue budgets as appropriate through the Medium Term Planning process.

x	Capital	x	Revenue		Accommodation
	IT	x	Medium Term Plan		Asset Management

6.3 Legal

Legal implications may arise in relation to specific capital schemes. In particular a capital scheme may be needed to meet a specific legal requirement. These implications are addressed in the individual project appraisals.

There are no significant legal implications arising as a result of this report.

6.4 Other Implications

All implications are outlined within the report.

	Equalities / Diversity	x	Sustainability		Human Rights
	E-Government		Stakeholders		Crime and Disorder
	Carbon Management				

Background Papers: Officer Working Papers, report to all Members

Previous reports to both Cabinet and Council as mentioned within the body of the report

CHILDREN AND YOUNG PEOPLE'S DIRECTORATE
BUDGET MONITORING REPORT FOR MONTH ENDING: July 2009

	Risk L/M/H	2009/10 ORIGINAL BUDGET £	2009/10 REVISED BUDGET £	2009/10 ACTUAL TO DATE £	2009/10 PROJECTED OUTTURN £	2009/10 PROJECTED VARIATION £	% variation %	GF Non -Schools £	DSG Schools £
OBJECTIVE ANALYSIS									
CORPORATE DIRECTOR									
STRATEGIC MANAGEMENT	L	6,946,540	2,245,691	29,869	2,299,690	54,000		54,000	0
EDUCATION GRANT FUNDING	H	(154,460,859)	(154,460,859)	(55,280,339)	(154,460,859)	0		0	0
		(147,514,319)	(152,215,168)	(55,250,470)	(152,161,168)	54,000		54,000	0
ACHIEVEMENT (UNIVERSAL SERVICES)									
ACHIEVEMENT GROUP MANAGEMENT	L	202,332	0	(30,946)	16,310	16,310		16,310	0
EARLY EXTENDED AND ENHANCED LEARNING	H	6,891,509	8,025,836	3,078,690	7,940,062	(85,774)		(85,774)	0
LEARNING 5-11	L	546,897	563,843	164,873	563,843	0		0	0
LEARNING 11-19	M	3,904,402	4,329,865	(1,124,058)	4,249,523	(80,341)		(80,341)	0
		11,545,140	12,919,544	2,088,559	12,769,739	(149,805)		(149,805)	0
ACCESS AND INCLUSION (TARGETED SERVICES)									
ACCESS AND INCLUSION GROUP MANAGEMENT	L	157,935	0	62,800	79,845	79,845		79,845	0
VIRTUAL HEADTEACHER	M	742,309	902,702	302,753	903,512	810		(4,838)	5,648
INCLUSION	H	10,262,790	10,587,747	3,950,667	10,431,629	(156,118)		(100,528)	(55,590)
YOUTH SUPPORT AND PLAY SERVICES	L	5,089,344	5,639,151	1,358,724	5,653,946	14,795		14,795	0
YOUTH JUSTICE AND TARGETED SUPPORT	L	1,344,710	1,509,172	341,128	1,501,329	(7,843)		(7,576)	(267)
		17,597,088	18,638,772	6,016,073	18,570,261	(68,511)		(18,302)	(50,209)
SOCIAL CARE (SPECIALIST SERVICES)									
SOCIAL CARE GROUP MANAGEMENT	L	578,137	463,261	240,272	463,504	243		243	0
FAMILY SUPPORT	H	8,185,454	9,839,254	3,231,605	10,474,000	634,746	6	337,337	297,409
CHILDREN IN CARE	H	10,220,073	10,240,630	3,229,757	10,245,744	5,115		5,115	0
SAFEGUARDING AND REVIEW	L	799,253	1,006,559	169,619	1,010,949	4,390		4,390	0
		19,782,916	21,549,703	6,871,252	22,194,197	644,494		347,085	297,409
PLANNING, COMMISSIONING AND PERFORMANCE									
PCP GROUP MANAGEMENT	H	1,841,350	1,712,379	72,663	1,428,085	(284,294)	(17)	167,700	(451,994)
SCHOOL ORGANISATION, ADMISSIONS AND TRANSPORT	H	4,194,435	4,411,160	1,220,601	4,411,160	0		0	0
COMMISSIONING	M	3,449,000	3,576,455	1,857,365	4,502,233	925,778	26	907,583	18,195
KNOWLEDGE AND INFORMATION	L	760,205	963,686	573,898	963,686	0		0	0
SCHOOLS CAPITAL	H	15,426,422	15,750,067	503,883	16,344,052	593,985		593,985	0
		25,671,412	26,413,747	4,228,409	27,649,216	1,235,469		1,669,268	(433,799)
INDIVIDUAL SCHOOLS BUDGETS									
	L	137,600,413	137,600,413	50,928,702	137,581,484	(18,929)		0	(18,929)
Directorate total per SAP									
		64,682,650	64,907,011	14,882,525	66,603,728	1,696,717		1,902,245	(205,528)
Known issues not in SAP					99,000	99,000		99,000	0
Action Plan agreed by DMT -To be processed						0		0	0
Directorate Total									
		64,682,650	64,907,011	14,882,525	66,702,728	1,795,717		2,001,245	(205,528)

**ENVIRONMENT DIRECTORATE
BUDGET MONITORING REPORT FOR MONTH ENDING: July 2009**

	Risk L/M/H	2009/10 ORIGINAL BUDGET £	2009/10 REVISED BUDGET £	2009/10 ACTUAL TO DATE £	2009/10 PROJECTED OUTTURN £	2009/10 PROJECTED VARIATION £	% variation if %
OBJECTIVE ANALYSIS							
MANAGEMENT & BUSINESS SUPPORT							
Strategic Management & Support Services	L	(855,483)	(745,715)	244,546	50,380	796,095	(107)
Central Administration Buildings	H	0	0	728,269	(145,932)	(145,932)	
Community Safety	L	852,286	1,312,302	(323,558)	1,292,302	(19,999)	
		(3,197)	566,587	649,257	1,196,750	630,163	111
DEVELOPMENT & DESIGN							
Development & Design Management	M	0	0	2,324	0	0	
Architecture (MK)	H	0	0	(104,250)	0	0	
Sponsorship	M	(120,433)	(136,826)	(41,375)	(136,826)	0	
Property	M	(18,026)	(71,401)	64,239	(71,401)	0	
Corporate Property	M	192,928	192,928	(220,215)	192,928	0	
		54,469	(15,300)	(299,277)	(15,300)	0	
PLANNING							
Planning & Transport Management	H	(810,200)	(810,200)	(620,793)	(660,386)	149,814	(18)
Urban Design & Landscape Architecture	M	312,102	312,102	83,768	312,102	0	
Development Control	H	948,451	987,451	(17,233,625)	1,024,951	37,500	
Spatial Planning	M	1,953,875	1,983,354	396,099	2,021,190	37,837	
		2,404,228	2,472,707	(17,374,552)	2,697,857	225,151	9
TRANSPORT							
Transport Management		0	0	44,085	0	0	
Passenger Transport	H	6,139,780	6,159,780	616,697	6,377,523	217,742	
Traffic & Transportation	H	(3,035,726)	(3,055,726)	(1,958,843)	(3,012,726)	43,000	
Highway Network	M	466,578	446,578	(1,589,255)	446,579	0	
Highways	H	7,815,463	7,890,463	728,499	8,438,651	548,189	7
Street Lighting	H	4,098,297	4,098,297	760,359	4,098,297	(0)	
Transport Development	L	2,034,259	2,034,259	285,559	2,023,679	(10,579)	
		17,518,650	17,573,650	(1,112,899)	18,372,002	798,352	
ENVIRONMENTAL SERVICES							
Environmental Services Management	M	0	0	85,760	0	0	
Building Control	L	742,995	742,995	(438,401)	742,995	0	
Environmental Health	L	2,144,539	2,026,194	369,381	1,826,194	(200,000)	(10)
Trading Standards & Registration	L	1,442,595	1,560,940	284,949	1,560,940	0	
Coroner's Service	M	673,403	673,403	101,781	664,910	(8,493)	
Emergency Planning	L	210,486	210,486	49,993	210,486	0	
Safer Communities Unit	L	1,168,439	1,243,439	209,939	1,221,476	(21,963)	
Waste & Energy Management	H	22,590,968	22,590,968	4,086,200	22,290,968	(299,999)	
		28,973,425	29,048,425	4,749,602	28,517,970	(530,456)	
STREET CARE							
Administration Buildings Catering	L	0	0	0	0	0	
Specialist Services (Taxi Licensing)	M	273,841	273,841	60,858	251,189	(22,652)	(8)
Landscape Services	M	5,333,718	5,319,542	1,766,683	5,320,743	1,200	
Parish & Localities Services	L	1,684,085	1,734,085	(142,435)	1,691,442	(42,643)	
NRSWA	M	228,437	228,437	36,794	205,318	(23,119)	(10)
Streetcare Management		0	0	135,191	50,292	50,292	
		7,520,081	7,555,906	1,857,091	7,518,984	(36,922)	
STREET CARE - TRADING ORGANISATIONS							
	H	(123,151)	(84,976)	788,961	(266,759)	(181,783)	214
GROWTH DELIVERY							
		(139,832)	(139,832)	(131,882)	(137,957)	1,875	
Directorate total per SAP							
		56,204,673	56,977,167	(10,873,697)	57,883,547	906,380	
Known issues not in SAP							
					0	0	
Action Plan agreed by DMT -To be processed							
					0	0	
Directorate Total							
		56,204,673	56,977,167	(10,873,697)	57,883,547	906,380	

**COMMUNITY WELLBEING DIRECTORATE
BUDGET MONITORING REPORT FOR MONTH ENDING: JULY 2009**

	2009/10 ORIGINAL BUDGET	2009/10 REVISED BUDGET	2009/10 ACTUAL TO DATE	2009/10 PROJECTED OUTTURN	2009/10 PROJECTED VARIATION	% variation if >5%
	£	£	£	£	£	%
OBJECTIVE ANALYSIS						
DIRECTORATE MANAGEMENT AND SUPPORT	(411,659)	277,071	312,437	291,804	14,733	5
SERVICE STRATEGY AND REGULATION						
Head of Commissioning & Customer Care	0	15,570	45,752	0	(15,570)	(100)
Commissioning, Contracts & Customer Care	4,450,451	2,549,500	(432,273)	2,586,272	36,772	
	4,450,451	2,565,070	(386,521)	2,586,272	21,202	
HOUSING GENERAL FUND						
Head of Housing Strategy & Needs	0	0	35,366	0	0	
Homelessness	1,042,426	1,042,426	32,755	1,123,142	80,715	8
Housing Needs & Strategy	659,460	659,460	39,070	639,681	(19,779)	
	1,701,886	1,701,886	107,191	1,762,822	60,936	
ADULT CARE SERVICES						
Head of Adult Social Care	750,583	735,013	(1,697,839)	656,648	(78,365)	(11)
Mental Health	3,074,650	3,074,650	836,270	2,819,670	(254,980)	(8)
Learning Disability	12,758,741	14,659,692	4,114,451	14,352,765	(306,927)	
Physical Disability	3,582,508	3,582,508	1,142,279	3,877,573	295,064	8
Older People	22,707,388	21,959,712	7,882,180	21,750,091	(209,621)	
Other Adult Services	732,475	805,151	113,253	767,372	(37,779)	
Community Alarm & Sheltered Housing	1,829,970	1,829,970	200,631	1,816,446	(13,524)	
	45,436,316	46,646,697	12,591,224	46,040,564	(606,133)	
PERFORMANCE IMPROVEMENT						
Head of Performance	0	0	128,659	(36,126)	(36,126)	
Information	0	0	165,824	11,083	11,083	
Performance & Quality	(150,393)	(150,393)	0	(150,393)	0	
Building Maintenance	552,758	552,758	31,519	549,769	(2,989)	
	402,365	402,365	326,002	374,333	(28,032)	(7)
LLC						
Senior Management	200,488	150,488	(197,449)	200,488	50,000	33
Communities & 3rd Sector	2,305,937	2,279,937	814,688	2,260,488	(19,449)	
Leisure Facilities	4,054,869	4,080,869	541,521	4,043,234	(37,635)	
Outdoor Education	435,956	435,956	103,355	417,185	(18,771)	
Sports & Events	303,926	403,926	143,118	258,783	(145,143)	(36)
Libraries, Learning & Heritage	5,788,528	5,863,045	1,416,115	6,201,153	338,108	6
Arts Development	1,116,072	1,121,072	229,767	925,317	(195,755)	(17)
Redundant Centres	53,462	53,462	8,123	39,462	(14,000)	(26)
	14,259,238	14,388,755	3,059,238	14,346,110	(42,645)	
Directorate total per SAP	65,838,596	65,981,844	16,009,570	65,401,904	(579,939)	
Known issues not in SAP				(303,000)	(303,000)	
Action Plan agreed by DMT -To be processed	0	0	0		0	
Directorate Total	65,838,596	65,981,844	16,009,570	65,098,904	(882,939)	

**CHIEF EXECUTIVES
BUDGET MONITORING REPORT FOR MONTH ENDING: July 2009**

	Risk L/M/H	2009/10 ORIGINAL BUDGET	2009/10 REVISED BUDGET £	2009/10 ACTUAL TO DATE £	2009/10 PROJECTED OUTTURN £	2009/10 PROJECTED VARIATION £	% variation if >5% %
OBJECTIVE ANALYSIS							
Chief Executive and Support	L	0	(67,755)	119,597	0	67,755	(100)
Directorate total per SAP		0	(67,755)	119,597	0	67,755	(100)
Known issues not in SAP					240,000	240,000	
Action Plan agreed by DMT -To be processed							
Directorate Total		0	(67,755)	119,597	240,000	307,755	(454)

**FINANCE AND RISK
BUDGET MONITORING REPORT FOR MONTH ENDING: July 2009**

	Risk L/M/H	2009/10 ORIGINAL BUDGET	2009/10 REVISED BUDGET £	2009/10 ACTUAL TO DATE £	2009/10 PROJECTED OUTTURN £	2009/10 PROJECTED VARIATION £	% variation if >5% %
OBJECTIVE ANALYSIS							
Unallocated Central Overheads	L	805,646	805,646	135,513	778,467	(27,179)	
Information Technology	M	(0)	92,503	518,746	109,448	16,944	18
Partnership Delivery	M	0	(158,389)	8,825,999	(48,989)	109,400	(69)
Procurement	M	0	154,144	296,801	207,550	53,406	35
Portfolio	L	0	(537,208)	107,986	(547,689)	(10,482)	
Strategic Finance	L	(10,448,207)	(11,053,729)	(3,302,537)	(11,085,413)	(31,684)	
Internal Audit, Risk Management and Corporate Anti-Fraud	L	0	6,942	373,671	0	(6,942)	(100)
Externally Provided Services	L	0	(172,000)	1,971,512	(104,434)	67,566	(39)
Subtotal excluding Revenues and Benefits		(9,642,561)	(10,862,090)	8,927,691	(10,691,060)	171,030	
Discretionary Rate Relief	L	394,114	394,114	0	394,114	0	
Housing Benefits & Council Tax	H	734,009	734,009	8,792,252	373,771	(360,238)	(49)
Revenue & Benefits Administration	L	2,324,449	2,279,449	(979,127)	1,978,249	(301,200)	(13)
Subtotal for Revenues & Benefits		3,452,572	3,407,572	7,813,125	2,746,134	(661,438)	(19)
SAP Total for Finance & Risk Management		(6,189,989)	(7,454,519)	16,740,815	(7,944,926)	(490,408)	7
Known issues not in SAP					184,000	184,000	
Action Plan agreed by DMT -To be processed						0	
Directorate Total		(6,189,989)	(7,454,519)	16,740,815	(7,760,926)	(306,408)	

**STRATEGY AND PARTNERSHIP
BUDGET MONITORING REPORT FOR MONTH ENDING: July 2009**

	Risk L/M/H	2009/10 ORIGINAL BUDGET	2009/10 REVISED BUDGET	2009/10 ACTUAL TO DATE	2009/10 PROJECTED OUTTURN	2009/10 PROJECTED VARIATION	% variation if >5%
		£	£	£	£	£	%
OBJECTIVE ANALYSIS							
Corporate & Democratic Core	L	6,411,622	6,388,622	400,722	6,388,622	0	
Central Services to the Public	M	295,413	266,413	54,828	266,413	0	
Strategy, Governance	L	0	464,000	103,885	449,643	(14,357)	
Strategy & Regeneration	L	0	671,412	(74,016)	633,850	(37,562)	(6)
Policy & Performance	L	0	2,142	9,809	0	(2,142)	(100)
Communications	L	0	32,002	84,678	32,002	0	
Human Resources	L	0	162,375	(236,699)	162,375	0	
Legal Services	M	0	9,535	682,299	(20,745)	(30,280)	(318)
Democratic Services Office	L	0	9,232	495,622	(15,268)	(24,500)	(265)
Directorate total per SAP		6,707,035	8,005,733	1,521,128	7,896,892	(108,841)	
Known issues not in SAP					32,000	32,000	
Action Plan agreed by DMT -To be processed							
Directorate Total		6,707,035	8,005,733	1,521,128	7,928,892	(76,841)	

DEBT FINANCING
BUDGET MONITORING REPORT FOR MONTH ENDING: July 09

	2009/10 ORIGINAL BUDGET	2009/10 REVISED BUDGET	2009/10 ACTUAL TO DATE	2009/10 PROJECTED OUTTURN	2009/10 PROJECTED VARIATION	% variation if >5%
	£	£	£	£	£	%
OBJECTIVE ANALYSIS						
PRINCIPAL - MINIMUM REVENUE PROVISION						
Statutory Calculations:						
General Fund	8,372,390	8,372,390	0	8,192,390	(180,000)	
Debt Transferred from BCC	1,959,490	1,959,490	0	1,959,490	0	
NET MINIMUM REVENUE PROVISION	10,331,880	10,331,880	0	10,151,880	(180,000)	
NET INTEREST COSTS						
External Transactions						
Long Term Loans	16,985,960	16,985,960	960,423	16,319,840	(666,120)	
Temporary Loans and Investments (Net)	(3,017,120)	(3,017,120)	345,121	(2,584,560)	432,560	(14)
Net Debt Financing Costs	13,968,840	13,968,840	1,305,543	13,735,280	(233,560)	
Internal Transactions						
External Interest Transactions						
Probation Service/Magistrates Courts Service	0	0	0	0	0	
Cheque Book schools	60,000	60,000	0	60,000	0	
Developer Contributions	180,000	180,000	35,112	120,000	(60,000)	(33)
Staff Car Loans	(9,000)	(9,000)	(1,778)	(9,000)	0	
Housing Act Advances Mortgages	(240)	(240)	(45)	(240)	0	
External Interest Transactions	14,199,600	14,199,600	1,338,832	13,906,040	(293,560)	
Internal Transactions						
Payments of Interest to Other Funds re Revenue Balances:						
Housing Revenue Account	232,000	232,000	0	208,000	(24,000)	(10)
Insurance and Other Funds	(1,822,910)	(1,822,910)	(24,335)	(1,842,990)	(20,080)	
Amortised Discounts and Premiums on Rescheduling	66,240	66,240	(206,291)	66,240	0	
Contribution to Debt Equalisation Reserve	0	0	0	0	0	
Internal Interest Transactions	(1,524,670)	(1,524,670)	(230,626)	(1,568,750)	(44,080)	
Recharges to Housing Revenue Account						
Interest on Debt Outstanding	(4,003,670)	(4,003,670)	0	(4,003,670)	0	
Discounts and Premiums on Rescheduling	(52,900)	(52,900)	0	(52,900)	0	
NET INTEREST COSTS	8,618,360	8,618,360	1,108,206	8,280,720	(337,640)	
DEBT MANAGEMENT COSTS						
External Consultants and Brokers	41,100	41,100	6,930	41,100	0	
Other Debt Financing Costs	8,210	8,210	1,512	8,210	0	
Recharge - Chief Executive's Finance	85,960	85,960	0	85,960	0	
	135,270	135,270	8,442	135,270	0	
Recharge to Housing Revenue Account	(33,860)	(33,860)	0	(33,860)	0	
NET DEBT MANAGEMENT COSTS	101,410	101,410	8,442	101,410	0	
Directorate total per SAP						
	19,051,650	19,051,650	1,116,648	18,534,010	(517,640)	
Known issues not in SAP						
					0	
Action Plan agreed by DMT -To be processed						
					0	
Directorate Total	19,051,650	19,051,650	1,116,648	18,534,010	(517,640)	

ANALYSIS OF GENERAL FUND VARIANCES

CHILDREN AND YOUNG PEOPLE'S SERVICES

Reported variance:

£2,001k General Fund overspend at the end of Period 4.

Savings:

Directorate share of £7m target is **£1,750k**

Savings identified to date **£3,249k**

Savings to be identified (share of target plus removal of pressures) **£502k**

Income and expenditure variance analysis

CHILDREN AND YOUNG PEOPLE'S SERVICES [General Fund]					
General Fund	Expenditure variance	Income variance	Net pressures in SAP	Known issues not in SAP	Adjusted net pressure
	£'000	£'000	£'000	£'000	£'000
Reported variance	2,152	(250)	1,902	99	2,001
Savings identified	(3,249)	0	(3,249)	n/a	(3,249)
TOTAL	(1,097)	(250)	(1,347)	99	(1,248)

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	GF £'000	DSG £'000	Narrative – This should be a note of what the variation is and why it has occurred.
Inclusion (Targeted Services)	(100)	(56)	GF: Reinstatement of Educational Psychology income target £(60k) ; net underspend on SENDIS budgets £(33k) ; other £(7k) . DSG: SENDIS staff cost underspend re vacancies £(49k) ; other £(7k) .
Family Support (Specialist Services)	337	297	GF: Agency Staff overspend due to workloads, vacant posts and maternity cover £353k ; one-to-one support for extraordinary Children With Disabilities case £58k ; various non-staffing costs £53k ; External Placements saving due to placements within MK £(155k) ; other (mainly legal costs) £28k . DSG: Placements at a registered independent school £298k ; other £(1k) .

PCP Group Management (Planning, Commissioning & Performance)	168	(452)	GF: PCT non-recovery of joint-funded posts £75k ; other smaller items £93k . DSG: Reduction in forecast re Schools in Financial Difficulty £(234k) ; NNDR refunds due £(218k) .
Commissioning (PCP)	908	18	GF: Termination costs of brokered school meals contract with Sodhexo £330k ; Cygnet pre-contract costs £296k ; Long-term sickness absence (based on P1-P4 activity) £88k ; Service Development overspend on existing contracts £74k ; PCT non-recovery of joint-funded posts £50k ; other £70k . DSG: Schools Licences £18k .
Schools Capital (PCP)	594	0	GF: Giles Brook estimated further legal costs £233k ; Schools Legal Investigations estimated further costs £195k ; Property Support Team set-up and under-recovery of project income £161k ; other £5k .
Miscellaneous	(5)	(13)	Notable smaller items include Early Extended and Enhanced Learning £(86k) ; Learning 11-19 £(80k) ; Access&Inclusion Group Management £80k ; Strategic Management £54k .
(Under)/Overspend reported for P4 in SAP	1,902	(206)	
Known issues not in SAP forecast			
Commissioning (PCP)	(101)	0	<i>CAF Service potential underspend £(78k); Service Development contribution £(23k).</i>
<i>Achievement Group Management (Achievement)</i>	75	0	<i>Radcliffe Academy Development Project. A Cabinet Report from 23rd June highlighted £100k of Revenue costs for Legal/HR/Project Management costs for the authority. These are expected to be incurred across financial years 2009/10 £75k and 2010/11 £25k.</i>
<i>Targeted Services</i>	65	0	<i>Correction of misstatement of pay inflation variance in SAP £65k.</i>
<i>Schools Capital</i>	60	0	<i>Demolition of unsafe caretakers' houses £60k.</i>
Total adjustment for known issues not in SAP	99	0	
Adjusted (Under)/Overspend at P4	2,001	(206)	

Significant Risks

The main areas of risk affecting both the achievement of the savings target and ongoing budget constraints are:

Contractors: This issue is part of the savings proposals, recorded as a £1.5m potential payment from contractors. This is a very commercially sensitive area as it is still under negotiation. Should agreement be made a decision still needs to be made as to what extent the payment can actually be offset against revenue targets.

Family Support: External Placements – This is a volatile budget which is relatively demand led and as such is prone to financial swings. The savings included within this document have removed all flexibility should any new cases present themselves. Each new case has the potential to cost up to £250k.

Broadband: A change in funding arrangements by the DCSF has meant that the costs of broadband trading now have to be fully met by schools. An appropriation from the reserve has potentially balanced the budget in 2009/10, however the full costs of the service are not fully known and the reserve will have been fully utilised. There is potential for exposure here of £150k-£300k.

ENVIRONMENT

Reported variance:
£906k overspend at the end of P4.

Savings:
Directorate share of £7m target is **£1,950k**
Savings identified to date **£2,519k**
Savings to be identified (share of target plus removal of pressures) **£337k**

Income and expenditure variance analysis

General Fund	Expenditure variance £'000	Income variance £'000	Net pressures in SAP £'000	Known issues not in SAP £'000	Adjusted net pressure £'000
Reported variance	819	87	906	0	906
Savings identified	(2,339)	(180)	(2,519)	n/a	(2,519)
TOTAL	(1,520)	(93)	(1,613)	0	(1,613)

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Strategic Management & Support Services	796	Pressures identified within 2009/10 Environment budget build £399k ; Environment share of workforce savings still to be found £365k ; overspend on DC software £32k . [The first two of these items are included in the directorate's action plan].
Central Administration Buildings	(146)	Savings re utility costs and the end of the Lloyds Court lease £(182k) ; additional prudential borrowing for capital works on chillers £36k .
Planning & Transport Mgmt	150	The downturn in the housing market has continued into 2009-10. This is resulting in lower than budgeted Land Charge income.
Passenger Transport	218	Fares increase not budgeted for in Concessionary Fares £220k ; additional costs of bus subsidies £18k ; salary pressures £13k ; service development overspend £11k ; savings on Community Transport £(45k) .
Highways	548	Insufficient budget for grid roads landscaping due to budget reductions in 2008/9 pending the decision to transfer land to the Parks Trust £295k ; Cabinet agreed use of reserves for pothole repairs £155k ; Cabinet decision to fund additional pothole repairs £95k ; other £3k .
Environmental Health	(200)	Additional income from cemeteries, community and food safety prosecutions.
Waste	(300)	Savings on LATS are anticipated due to the current cost of permits being lower than budgeted.
Trading organisations	(182)	Improved trading positions for Highways Trading £(129k) and Landscape Trading £(59k) ; other £6k .
Miscellaneous	22	Significant smaller service area variances include Parish & Localities £(42k) ; Development Control £38k ; Spatial Planning £38k .
(Under)/Overspend Reported for P4	906	

Significant Risks

Traffic: Parking income continues to be of a volatile nature, and despite rate increases is still considerably lower than that achieved in the early part of 2008/09. There is a risk that income expectations will not be reached;

Facilities: No provision has been made for additional costs of facilities volumetric charges from Mouchel;

COMMUNITY WELLBEING (formerly Neighbourhood Services)

Reported variance:

£(883k) underspend at the end of P4.

[This figure takes account of £1,170k of the £1,641k of efficiencies identified by the directorate].

Savings:

*Directorate share of £7m target is **£2,450k***

*Savings identified to date **£1,641k** [of which £1,170k have been taken into account in the directorate forecast variance]. Therefore **£471k** of additional savings identified.*

*Savings to be identified (share of target plus removal of pressures) **£1,096k***

Income and expenditure variance analysis

General Fund	Expenditure variance £'000	Income variance £'000	Net pressures in SAP £'000	Known issues not in SAP £'000	Adjusted net pressure £'000
Reported variance	3,585	(4,165)	(580)	(303)	(883)
Savings identified	(457)	(14)	(471)	n/a	(471)
TOTAL	3,128	(4,179)	(1,051)	(303)	(1,354)

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Mental Health	(255)	Incomplete Pooled Budget forecasts.
Learning Disability	(307)	Placements underspend £(852k) ; Internal Daycare underspend £(113k) ; Supported Living overspend £532k ; Direct Payments £150k ; Other £(24k) .
Physical Disability	295	Placements overspend £301k ; other £(6k) .
Older People	(210)	FE Residential & Nursing underspend £(203k) ; Domiciliary Care underspend £(191k) ; EMH Daycare underspend £(113k) ; EMH Domiciliary care overspend £206k ; EMH Residential & Nursing overspend £189k ; other £(98k) .
Learning, Leisure &	(43)	Arts Development underspend £(196k) ;

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Culture		Sports & Events underspend £(145k) ; Libraries/Learning/Heritage overspend £338k ; other £(40k) .
Miscellaneous	(60)	Significant smaller service area variances include Head of Adult Social Care £(78k) ; Homelessness £81k .
(Under)/Overspend Reported for P4 in SAP	(580)	
Known issues not in SAP forecast		
<i>Homelessness</i>	(109)	<i>Outstanding correction to SAP forecast.</i>
<i>Mental Health</i>	192	<i>Outstanding corrections to SAP forecast including Pooled PCT budgets £205k [bringing the underspend down to £(50k)] and income variances £(13k).</i>
<i>Physical Disability</i>	(139)	<i>Outstanding corrections to SAP forecasts comprising Domiciliary Care £(125k) and Other £(14k).</i>
<i>Alarms & Sheltered Housing</i>	(266)	<i>Outstanding corrections to SAP forecasts re Control Centre £(120k); Schemes £(83k); Co-ordination £(41k); other £(22k).</i>
<i>Learning, Leisure & Culture</i>	28	<i>Outstanding corrections to SAP forecasts re Sports & Events £145k; Arts Development £(48k); Communities & Third Sector £(52k); Management £(46k); other £29k.</i>
<i>Other</i>	(9)	<i>No residual service area adjustments over £50k.</i>
Total adjustment to reflect known issues not in SAP	(303)	
Adjusted (Under)/Overspend at P4	(883)	

Significant risks

Adult Social Care: No contingency in the adult social care commissioning budget to fund unpredictable individual packages of complex expensive care. Demand on social care is relatively predictable based on known volumes and costs but there can be individuals with a very high levels of need, previously unknown to social care who suddenly (typically through accident/severe illness or moving to the city) require a high level of care.

General: Need to respond to any unprecedented/unpredictable demand on front line services. The management of in-year efficiencies means that 10 posts in social care and housing are being held vacant on a temporary basis until the end of this financial year. This is manageable with tight controls but should demand increase beyond what is currently anticipated then there will be a requirement to cover these vacancies.

CHIEF EXECUTIVE

Reported variance:
£308k overspend at the end of P4.

Savings:

Directorate share of £7m target is **£10k**

Savings identified to date **£Zero**

Savings to be identified (share of target plus removal of pressures) **£318k**

Income and expenditure variance analysis

CHIEF EXECUTIVE'S OFFICE					
General Fund	Expenditure variance	Income variance	Net pressures in SAP	Known issues not in SAP	Adjusted net pressure
	£'000	£'000	£'000	£'000	£'000
Reported variance	308	0	308	0	308
Savings identified	0	0	0	n/a	0
TOTAL	308	0	308	0	308

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Chief Executive and Support	68	Senior Staff pay review £71k ; Realignment of vacancy provision £(3k) . This will be dealt with at directorate level and removed as part of the P5 monitor
(Under)/Overspend Reported for P4 in SAP	68	
Known issues not in SAP forecast		
<i>Radcliffe project</i>	240	<i>Committed spend which may only be recovered if the land sale takes place but will be funded from reserves should the sale not proceed £240k.</i>
Total adjustment to reflect known issues not in SAP	240	
Adjusted (Under)/Overspend at P4	308	

Significant risks

None identified.

FINANCE & RISK MANAGEMENT

Reported variance:

£(306k) underspend at the end of P4.

Savings:

Directorate share of £7m target is **£570k**

Savings identified to date **£587k**

Savings to be identified (share of target plus removal of pressures) **£Zero**

[Savings identified are sufficient to cover share of £7m target and all forecast pressures for the directorate, with £323k to spare].

Income and expenditure variance analysis

FINANCE & RISK					
General Fund	Expenditure variance	Income variance	Net pressures in SAP	Known issues not in SAP	Adjusted net pressure
	£'000	£'000	£'000	£'000	£'000
Reported variance	468	(958)	(490)	184	(306)
Savings identified	(587)	0	(587)	n/a	(587)
TOTAL	(119)	(958)	(1,077)	184	(893)

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Partnership Delivery	109	Allocation of saving target £159k ; Salary savings due to vacant posts £(50k) .
Procurement	53	Supplies&Services overspend £32k ; forecasting adjustment to be actioned £21k .
Externally Provided Services	68	Additional Audit Commission costs re restatement of accounts in IFRS format £68k .
Miscellaneous (non Revenues & Benefits)	(59)	Significant smaller service area variances include Strategic Finance £(32k).
Benefit overpayments recovered	(350)	This is recognition that there will be additional income for sundry debtor overpayments recovered.
Court Fee income	(150)	This is an estimate of the additional income which will be generated from the change in policy on raising court costs income.
Housing and Council Tax Benefits	(227)	Additional income receivable from DWP.
Other Revenues & Benefits	66	Predominantly the additional costs of implementing Audit Commission inspection £50k.
(Under)/Overspend Reported for P4 in SAP	(490)	
Known issues not in SAP forecast		

<i>Housing Benefits</i>	211	<i>Provision for post-audit changes to Housing Benefits client</i>
<i>Miscellaneous</i>	(27)	<i>Additional income £(19k); other £(8k)</i>
Total adjustment to reflect known issues not in SAP	184	
Adjusted (Under)/Overspend at P4	(306)	

Significant risks

Housing & Council Tax Benefits: The manager has estimated that there could be an additional income receivable from DWP of (£199,000) due to improvements in the processes for rent allowances and council tax benefits. However due to the uncertainty re the current year and previous year's audit and the effect of the increased demand, this has not been included in the SAP forecasts and is being held as a provision. There is also the possibility with the downturn in the economy that the case load and subsequently work load of the benefits section increases. This may lead to an increased backlog and more Local Authority overpayments being created which leads to a reduction in the subsidy recovery percentage. A 0.1% change in the recovery percentage has an impact of £50,000 based on current levels of spend;

Rent Rebates - There has been a change to the DCLG rent restructuring regime. As a result, the HRA rents (and associated benefit payments) will change. This is currently being worked through and will be completed for P5;

Court Costs Income: The Revenues section has changed the procedure re raising of court costs to claimants. There are now different costs depending on whether it is a summonses or a liability order. It is hoped that this will both generate more income and also increase debt recovery. The Revenues Manager has estimated that this could be an additional £80,000;

STRATEGY AND PARTNERSHIP

Reported variance:
£(77k) underspend at the end of P4.

Savings:

*Directorate share of £7m target is **£270k***

*Savings identified to date **£480k***

*Savings to be identified (share of target plus removal of pressures) **£Zero***

[Savings identified are sufficient to cover share of £7m target and all forecast pressures for the directorate, with £287k to spare].

Income and expenditure variance analysis

STRATEGY & PARTNERSHIP					
General Fund	Expenditure variance	Income variance	Net pressures in SAP	Known issues not in SAP	Adjusted net pressure
	£'000	£'000	£'000	£'000	£'000
Reported variance	(111)	2	(109)	32	(77)
Savings identified	(480)	0	(480)	n/a	(480)
TOTAL	(591)	2	(589)	32	(557)

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Strategy & Regeneration	(38)	Savings identified in printing budget and release of element of roll-forward £(38k) .
Legal Services	(30)	Savings on staffing costs due to vacancies not yet filled £(30k) .
Miscellaneous	(41)	Significant smaller service area variances include Democratic Services £(25k) .
(Under)/Overspend Reported for P4 in SAP	(109)	
<i>Known issues not in SAP forecast</i>		
<i>Legal Services/Policy&Performance</i>	32	<i>SAP forecasts do not yet reflect the appropriate budget adjustments.</i>
Total adjustment to reflect known issues not in SAP	32	
Adjusted (Under)/Overspend at P4	(77)	

Significant risks

Strategy, Governance & Performance: There is £41,000 of unallocated savings remaining on the Corporate Director's cost centre

Legal Services: Legal have not been able to raise any bills due to issues related to the new system therefore costs and income for Legal services are still outstanding. The recovery of income targets is also not clear but could be anticipated in the region of £100,000 below target;

HR: There is scope for savings from the carry forward of Corporate Training budgets which could be used to fund the new employee development assistance programme which is awaiting approval;

DEBT FINANCING

Reported variance: £(518k) underspend at the end of P4.

Efficiencies:

Debt Financing was excluded from the scope of the Savings Target exercise.

Income and expenditure variance analysis

General Fund	Expenditure variance £'000	Income variance £'000	Net pressures in SAP £'000	Known issues not in SAP £'000	Adjusted net pressure £'000
Reported variance	(930)	412	(518)	0	(518)
Savings identified			0	n/a	0
TOTAL	(930)	412	(518)	0	(518)

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Minimum Revenue Provision – General Fund	(180)	Lower revenue charge in 2009/10 for statutory repayment of debt due to slippage in capital programme £(180k) .
Interest – Long Term Loans	(666)	Premature repayment of £20m PWLB borrowing, therefore lower interest payable £(666k) .
Interest – Temporary Loans and Investments	433	Reduced cash balances because of decision to repay long-term borrowing, coupled with lower interest rates £433k .
Miscellaneous	(105)	Predominantly reduced interest payable because of lower interest rates.
(Under)/Overspend Reported for P4 in SAP	(518)	
Known issues not in SAP forecast		
<i>None</i>	<i>0</i>	<i>Not applicable.</i>
Total adjustment to reflect known issues not in SAP	0	
Adjusted (Under)/Overspend at P4	(518)	

Significant risks

No areas of concern are reported at Period 4.

ANALYSIS OF SAVINGS**SUMMARY – GENERAL FUND**

	Category	Saving £'000
1	More efficient management of workforce, including holding of vacancies and deletion of posts	(898)
2	Managing externally-commissioned services more effectively	(2,968)
3	Reducing spend on supplies and services and other non-critical budgets	(877)
4	Maximising use of grant opportunities and capital resources	(662)
5	Increasing income	(547)
6	Items requiring Member consideration	(2,310)
7	Other	(214)
	TOTAL	(8,476)
	Less already included in directorate forecasts	1,170
	TOTAL AS PER REPORT	(7,306)

ANALYSIS OF DIRECTORATE SAVINGS**Children and Young People's Services**

	Category	Saving £'000
1	More efficient management of workforce, including holding of vacancies and deletion of posts	(128)
2	Managing externally-commissioned services more effectively	(1,164)
3	Reducing spend on supplies and services and other non-critical budgets	(33)
4	Maximising use of grant opportunities and capital resources	(424)
5	Increasing income	0
6	Items requiring Member consideration	(1,500)
7	Other	0
	TOTAL	(3,249)

Environment

	Category	Saving £'000
1	More efficient management of workforce, including holding of vacancies and deletion of posts	(344)
2	Managing externally-commissioned services more effectively	(504)
3	Reducing spend on supplies and services and other non-critical budgets	(356)
4	Maximising use of grant opportunities and capital resources	(203)
5	Increasing income	(366)
6	Items requiring Member consideration	(532)
7	Other	
	- Realignment of NNDR budgets to match actuals	(64)
	- Review of Leasing budgets	(10)
	- Reduction in waste tonnage	(100)
	- Rateable Value Savings	(40)
	TOTAL	(2,519)

Community Wellbeing (formerly Neighbourhood Services)

	Category	Saving £'000
1	More efficient management of workforce, including holding of vacancies and deletion of posts	(374)
2	Managing externally-commissioned services more effectively	(850)
3	Reducing spend on supplies and services and other non-critical budgets	(368)
4	Maximising use of grant opportunities and capital resources	(35)
5	Increasing income	(14)
6	Items requiring Member consideration	0
7	Other	0
	TOTAL	(1,641)

Of the £1,641k of efficiencies identified by the directorate, £1,170k are already reflected in the projected outturn.

Chief Executive

	Category	Saving £'000
1	More efficient management of workforce, including holding of vacancies and deletion of posts	0
2	Managing externally-commissioned services more effectively	0
3	Reducing spend on supplies and services and other non-critical budgets	0
4	Maximising use of grant opportunities and capital resources	0
5	Increasing income	0
6	Items requiring Member consideration	0
7	Other	0
	TOTAL	0

Finance & Risk Management

	Category	Saving £'000
1	More efficient management of workforce, including holding of vacancies and deletion of posts	0
2	Managing externally-commissioned services more effectively	(400)
3	Reducing spend on supplies and services and other non-critical budgets	(20)
4	Maximising use of grant opportunities and capital resources	0
5	Increasing income	(167)
6	Items requiring Member consideration	0
7	Other	0
	TOTAL	(587)

Strategy & Partnerships

	Category	Saving £'000
1	More efficient management of workforce, including holding of vacancies and deletion of posts	(52)
2	Managing externally-commissioned services more effectively	(50)
3	Reducing spend on supplies and services and other non-critical budgets	(100)
4	Maximising use of grant opportunities and capital resources	0
5	Increasing income	0
6	Items requiring Member consideration	(278)
7	Other	0
	TOTAL	(480)

**HOUSING REVENUE ACCOUNT
BUDGET MONITORING REPORT FOR MONTH ENDING: July 2009**

	Risk L/M/H	2009/10 ORIGINAL BUDGET £	2009/10 REVISED BUDGET £	2009/10 ACTUAL TO DATE £	2009/10 PROJECTED OUTTURN £	2009/10 PROJECTED VARIATION £	if >5% %
OBJECTIVE ANALYSIS							
INCOME							
Dwelling Rents	H	(46,901,400)	(46,901,400)	(15,576,151)	(45,660,000)	1,241,400	
Non-Dwelling Rents:							
Garages	L	(729,000)	(729,000)	(263,379)	(789,000)	(60,000)	8
Commercial	L	(710,000)	(710,000)	(252,400)	(710,000)	0	
Heating Charges	H	(450,000)	(450,000)	(149,850)	(450,000)	0	
Leaseholders' Service Charges	L	(2,543,400)	(2,543,400)	0	(1,637,400)	906,000	(36)
Other Charges for Services and Facilities:							
Service Charges	L	(99,500)	(99,500)	(32,527)	(97,500)	2,000	
Other	M	(1,020,640)	(1,020,640)	(156,868)	(1,017,640)	3,000	
Interest Receivable	L	(183,950)	(183,950)	(1,361)	(183,950)	0	
GROSS INCOME		(52,637,890)	(52,637,890)	(16,432,535)	(50,545,490)	2,092,400	
EXPENDITURE							
Repairs and Maintenance	H	9,287,249	9,287,249	524,078	10,702,249	1,415,000	15
General Management	L	9,222,136	9,219,192	1,573,248	9,772,694	553,502	6
Special Services	M	4,204,932	4,188,144	674,217	3,954,341	(233,803)	(6)
Rents, Rates, Taxes and Other Charges	L	384,942	404,673	(78,918)	370,923	(33,750)	(8)
Housing Revenue Account Subsidy Payable	L	19,020,930	19,020,930	3,326,160	17,764,000	(1,256,930)	(7)
Housing Benefits Transfers	M	1,842,959	1,842,959	497,345	2,004,425	161,466	9
Provisions:							
Bad and Doubtful Debts	M	751,300	751,300	0	601,300	(150,000)	(20)
Capital Financing Costs:							
Debt Charges Net of Mortgagors' Interest	L	4,004,965	4,004,965	(9,500)	4,004,965	0	
Transfer to Capital Reserves	H	3,077,000	3,077,000	0	3,277,000	200,000	6
GROSS EXPENDITURE		51,796,412	51,796,412	6,506,630	52,451,898	655,485	
NET (SURPLUS)/DEFICIT FOR THE YR		(841,477)	(841,477)	(9,925,905)	1,906,408	2,747,885	(327)
Uncommitted Reserve Brought Forward		(5,025,872)	(5,025,872)	(5,935,691)	(5,935,691)	(909,819)	18
Action Plan agreed by DMT & PFL. Member-To be processed						0	
UNCOMMITTED RESERVE CARRIED FORWARD		(5,867,349)	(5,867,349)	(15,861,596)	(4,029,283)	1,838,066	(31)

ANALYSIS OF HRA VARIANCES

Housing Revenue Account

Analysis of SAP Variations against Revised Budget

Service Area – Ideally at Objective Analysis level	£'000	Narrative – This should be a note of what the variation is and why it has occurred.
Dwelling Rents	1,241	Fall in rent income because rent increased by 2.75% rather than 5.5%, £1,101k ; fall in rental income because of increased voids £140k .
Leaseholders' Service Charges	906	Fall in expected recharges to leaseholders because of slippage in window replacement programme £906k .
Repairs & Maintenance	1,415	Responsive repairs overspend £970k ; Demolition costs re Bramley Sheltered Scheme £280k ; Structural Surveys overspend £95k ; other £70k .
General Management	554	Right-to-Buy administration costs overspend (due to it being no longer possible to capitalise admin costs on incomplete right-to-buy sales) £278k ; Vacancy savings target not met £115k ; Agency and Salary overspend £112k ; other £49k .
Special Services	(234)	Underspends on Gas £(160k) and Electricity £(100k) ; other £26k .
HRA Subsidy Payable	(1,257)	Subsidy payable reduction in response to smaller-than-budgeted rent increase £(1,257k) . [Largely contras against "Dwelling Rents"].
Housing Benefits Transfers	161	Further additional payment to General Fund because of smaller-than-budgeted rent increase, £104k ; additional payment to GF because of increase in Housing Benefit cases £57k .
Provision for Bad & Doubtful Debts	(150)	Reduced provision required
Transfer to Capital Reserves	200	Capital project variation request to complete kitchens element of Decent Homes agenda £1,100k ; Capital project variation request for heating works £700k ; Approved RCCO in Capital £1,679k ; Approved RCCO in Revenue £(3,077k) ; Additional 2009/10 MRA to replace RCCO £(200k) .
HRA reserve b/f	(910)	Opening HRA reserve higher than anticipated.
Miscellaneous	(88)	The largest of the remaining service area variances is Garages £(60k).
(Under)/Overspend Reported for P4 in SAP	1,838	
Known issues not in SAP		
<i>None</i>	<i>0</i>	<i>Not applicable.</i>
Total adjustment to reflect known issues not in SAP	0	
Adjusted (Under)/Overspend at P4	1,838	

All Directorates 2008-09 Programme	Current Year Budget		Proposed Budget Changes		Outturn		Slippage		Current Year Forecast		Total Scheme Costs	
	Latest Approved Budget £		Delegated Decisions Pending £	Latest Approved Budget £	2008-09 Actuals £	Variance to Proposed Budget £	Slippage Adjustment £	Slippage £	Period 11 Forecast Outturn £	Variance to 2008/09 Actuals £	Expenditure to Date £	Total Budget £
Children and Young People	61,254,998		(2,521,929)	58,733,069	51,569,300	(7,163,768)	(768,926)	6,394,843	54,164,040	(2,594,740)	205,118,390	333,591,934
Environment	41,151,470		592,977	41,744,446	30,707,779	(11,036,667)	(1,569,760)	9,466,907	37,021,314	(6,313,534)	101,408,046	161,978,925
Strategy Governance & Performance	589,301		696	589,997	330,226	(259,772)	(24,278)	235,494	549,589	(219,363)	917,620	1,260,831
Neighbourhood GF	16,044,269		641,567	16,685,837	14,761,419	(1,924,418)	(3,212)	1,921,206	15,640,214	(878,796)	63,274,342	79,909,501
Neighbourhood HRA	11,957,687		244,370	12,202,057	11,765,633	(436,424)	0	436,424	12,531,110	(765,477)	25,998,557	26,390,611
Total	130,997,726		(1,042,320)	129,955,406	109,134,357	(20,821,049)	(2,366,175)	18,454,873	119,906,267	(10,771,910)	396,716,956	603,131,802

CYPS Directorate 2008-09 Programme		Budget	Outturn		Slippage	
Budget Book Page	Approved Budget	Actuals	Variance to Approved Budget	Slippage Adjustment	Slippage to 2009-10	
	£	£	£	£	£	£
Schools, Planning & Resources	54,207,541	47,787,459	(6,420,082)	(764,766)	5,655,316	
Quality Assurance	235,336	178,835	(56,501)	0	56,501	
Sure Start	3,961,221	3,362,640	(598,581)	(4,160)	594,421	
Children's Social Care	328,971	240,366	(88,605)	0	88,605	
Total	58,733,069	51,569,300	(7,163,768)	(768,926)	6,394,843	

Code	Project Name	Variance to Proposed Budget £	Slippage £	Explain the reason for Slippage
Schools, Planning & Resources				
4/C/00006	Giles Brooks Combined	(38,079)	38,079	The final account for the original scheme is yet to be settled. Due to the legal dispute with the contractor, this will not be settled prior to any agreements. The remaining budget is to fund this once the agreement has been reached.
4/C/00007	Middleton Combined School	(2,658)	2,658	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00009	Shenley Brook End School Final Phase	(96,833)	96,833	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00021	New Oxley Park Combined school	(35,716)	35,716	We have been waiting for copy invoices from the school before we reimburse the funds to them. These have now been received and the majority of these monies will be paid in the June schools payment run.
4/C/00022-00	Oakgrove Secondary School, Phase 1a	(13,919)	13,919	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00022-00	Oakgrove Secondary School, Phase 1b	(40,167)	40,167	Landscaping on this project is currently progressing. Works have been delayed due to the works on Phase 3 (access to the school site has been affected) and seasonal landscaping. The remaining budget will be required to fund these works.
4/C/00023	New Hazeley Secondary School Phase 1	(504,321)	504,321	We are currently in dispute with the contractors over the project with regards to the final account, extension of time and damages claims. The remaining budget is for the final payments and settlement of final account. This is to be slipped in anticipation of the final account settlement.
4/C/00027	Ousedale - SSR Extension	(364,383)	364,383	Currently in dispute with the contractor with regards to the final account, extension of time and damage claims all of which is delaying the final payment and the final account settlement. The remaining budget is for the final payment and the final account figures.
4/C/00061	Oakgrove Secondary School, Phase 2	(138,410)	138,410	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00062	Hazeley Secondary School Phase 2	(419,118)	419,118	The final account settlement is currently outstanding. We are awaiting an agreement with the contractor relating to defective works. The remaining budget is for the final account settlement, retention and any defective work corrections.
4/C/00068-00	Howe Park First School Nursery Provision	(18,885)	18,885	The final account is currently with external cost consultants for agreement with the contractor. The remaining budget is to fund the final account settlement once received.
4/C/00068-00	Kents Hill First School Nursery Provision	(24,925)	24,925	The final account is currently with external cost consultants for agreement with the contractor. The remaining budget is to fund the final account settlement once received.

4/C/00087	AMP Improvement Programme 2005/06	(13,245)	0	All projects are complete, remaining budget will be slipped into the AMP contingency 4/C/00226-100.
4/C/00093	St Bernadette's VA Playing Field Construction	(14,894)	14,894	Due to the cold winter, the landscaping works did not take place. As a result the settlement of the final account has not yet been reached. The budget will be required to fund the remaining landscaping and the final account.
4/C/00095	Walton High - new post 16 accommodation	(35,842)	35,842	The project is complete and we are now waiting for the settlement of the final account.
4/C/00111	Long Meadow Combined	(2,161)	2,161	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00113	Walton High (Phase 1a)	(7,305)	7,305	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00115	Shenley Brook End School Phase 2	(13,342)	13,342	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00155	Non-Schools Education Properties	(131,882)	131,882	This budget is a contingency and any expenditure from this project is entirely dependant on demand. Remaining sums to be slipped to 09/10 contingency sum.
4/C/00177	Drayton Park - Targeted Capital scheme	(5,664)	5,664	The project is complete but retention is yet to be paid.
4/C/00178	Leon (New Library Block) TCF Scheme	(14,921)	14,921	The final account is currently with Cyril Sweett, awaiting agreement with the contractor for final account settlement and payment.
4/C/00179	Lord GreyTCF	(82,098)	82,098	A delay to the start of the reception works caused slippage to the entire programme. This is due to the closure of AMK, meaning programmed works are now out of sequence.
4/C/00183	Capitalise significant element of Development Teams Budget 10%	(89,028)	0	Due to tightened audit restrictions, the amount of staff time able to be capitalised was less than that expected at time of appraisal. The underspend will be reallocated to the unallocated pot.
4/C/00192	Stanton Middle Heating & Hotwater	(17,954)	10,000	The project is complete and awaiting the final account settlement figure. The saving is as a result of an overestimated figure by AMK in the early stages of the project. This was kept within the budget as a final account contingency, The unspent budget will be used to fund this once agreed, with the remaining budget to slip into AMP contingency 4/C/00226-100.
4/C/00193	Southwood Jnr Replace Distribution pipes	(17,124)	0	The project is complete and remaining budget will be slipped into the AMP contingency 4/C/00226-100. The saving is as a result of an overestimated figure by AMK in the early stages of the project. This was kept within the budget as a final account contingency.
4/C/00196	Stantonbury Campus Heating and Hot Water	(82,971)	82,971	The project is complete and awaiting the final account settlement figure. This will be agreed once minor defects works are completed. The remaining budget will be used to fund this once agreed.
4/C/00201	Abbey Primary External Windows and Doors	(7,192)	5,000	The project is complete and awaiting the retention payment. The unspent budget will be used to fund this with the remaining budget to slip into AMP contingency 4/C/00226-100.
4/C/00205	Knowles Nursery External Windows & Doors	(2,363)	0	The project is complete and the remaining budget will be slipped into the AMP contingency 4/C/00226-100.
4/C/00207	Olney Infant External Windows and Doors	(12,661)	12,000	The project is complete and awaiting the final account settlement figure. The unspent budget will be required to fund this once agreed and the remaining budget will be slipped into the AMP contingency 4/C/00226-100.
4/C/00210	Wood End Infant External Windows & Doors	(2,629)	0	The negative expenditure is as a result of the reversal of a goods receipt in a prior year and will be reallocated to the AMP contingency 4/C/00226-100.

4/C/00214	Riverside/Lovat Staffroom & Library	(18,864)	9,864	The project is complete and awaiting the retention payment. The unspent budget will be required to fund this once agreed and the remaining budget will be slipped into the AMP contingency 4/C/00226-100.
4/C/00217	Caroline Haslette Extension	(3,667)	3,667	Remaining works to the weather station was delayed due to school access issues. The project is currently in defects period and awaiting the final payment.
4/C/00226-10	AMP Programme contingency	0	207,766	Slippage from the underspent AMP projects.
4/C/00233	Giffard Park Primary - Extensions & Adaptations	(50,738)	30,000	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10. The reason for the saving on this project is due to AMK overestimating costs at the feasibility stage. The surplus funds were held as a contingency. Unspent funds to be returned to the unallocated pot.
4/C/00287	Oakgrove Secondary Phase 3	(655,000)	0	Originally £655k of this budget was part funded by English Partnerships. However, at the end of the financial year (08-09) we discovered that we would no longer be receiving this contribution and another funding source was increased by £655k. At the same time the EP contribution should have been removed but was not.
4/C/00293	The 'Base' Relocation	(23,271)	23,271	The project has been delayed due to closure of AMK and the need to recruit a new design team. Project has started on site (in 2009/10) and the budget will be required to fund this.
4/C/00294	Chesnuts Primary - Classroom Conversion	(9,759)	0	The project is now complete and the remaining budget will be slipped into the AMP contingency 4/C/00226-100.
4/C/00297	Sir Frank Markham School - Boilers	(14,384)	0	The project has now been agreed and the final account has been settled. Remaining budget to slip into AMP Contingency 4/C/00226-100. The saving is a as a result of an overstated estimate of costs provided by AMK. The excess budget was held within the project as a contingency until completion.
4/C/00314	Simpson Heating	(40,430)	5,000	The project is complete and awaiting the final account settlement figure. The unspent budget will be used to fund this once agreed, and the remaining budget will be slipped into the AMP contingency 4/C/00226-100. The saving is a as a result of an overstated estimate of costs provided by AMK. The excess budget was held within the project as a contingency until completion.
4/C/00315	Eaton Mill Combined Heating	(1,766)	0	The project is complete and the remaining budget will be slipped into the AMP contingency 4/C/00226-100.
4/C/00316	Langland Heating	(18,426)	15,000	The project is now complete and the remaining budget will be used to fund the retention, with the remaining budget to slip into AMP contingency 4/C/00226-100. Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00317	Bradwell Village Heating	(18,359)	0	The project is complete and the remaining budget is to be slipped into the AMP contingency 4/C/00226-100. The saving is a as a result of an overstated estimate of costs provided by AMK. The excess budget was held within the project as a contingency until completion.
4/C/00318	Stantonbury Windows and Doors	(19,976)	19,976	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00319	Southwood Windows and Doors	(61,015)	37,843	The project is complete and awaiting the final account settlement figure. The remaining budget will be required to fund this once agreed.
4/C/00320	Riverside Windows and Doors	(16,436)	16,436	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00322	Brookward Windows and Doors	(10,000)	10,000	The project is currently under review. The project was originally put on hold when capital funding was frozen.
4/C/00323	Knowles Infant Windows and Doors	(14,293)	14,293	The project is on hold due to the amalgamation review of Knowles Junior and Knowles Infant which is currently underway. The budget will need to be carried forward for the scheme, which is anticipated to commence in 09/10 if the amalgamation process is dropped.
4/C/00327	School Security	(26,037)	26,037	There has been delay with regards to the planning for this project (application was submitted late). Budget will be spent on Greenleys infant school fencing and alarm system.

4/C/00363	Heronsgate Middle Windows/Doors	(22,300)	4,000	The project is complete and awaiting the final account settlement. The underspend will be used to fund this once received and the remaining budget will be slipped into the AMP contingency 4/C/00226-100. The saving is as a result of an overstated estimate of costs provided by AMK. The excess budget was held within the project as a contingency until completion.
4/C/00365	Downs Barn Infant PIP	(20,560)	20,560	The remaining budget is for retention. Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00366	Heelands Infant PIP	(3,000)	0	The project is complete and the remaining budget will be slipped into the AMP contingency 4/C/00226-100. The project budget was overestimated because the tender came back lower than expected.
4/C/00368	Holne Chase Primary PIP	(97,368)	97,368	The tender award and start on site was delayed (started on site in February half term) due to the closure of AMK and the need to commission a new design team as a result of this. The budget will be required in 09-10 to continue this project.
4/C/00369	New Bradwell Primary PIP	(9,129)	9,129	The project is complete and awaiting the settlement of the final account. The remaining budget will be used to fund the agreed final account settlement.
4/C/00372	Music Centre Move to Walnuts School	(10,297)	10,297	The project is complete and awaiting the settlement of the final account. The remaining budget will be used to fund the agreed final account settlement.
4/C/00377	Walton High School (Additional 1 FOE)	(124,000)	124,000	The underspend is due to HCA (Home and Communities Agency) delaying land transfer agreement. Land designated for build currently held by HCA and we are now hoping to exchange by May 09.
4/C/00378	Schools Access Initiative 2008/09	(24,908)	24,908	This budget is a contingency and expenditure occurs as and when the demand arises. The remaining budget will be carried forward to add to the 09/10 SAI budget.
4/C/00382	West Bletchley Review (Rickley)	(67,795)	67,795	Planning has been delayed by 3 months due to design delays by design team. This is due to feedback from the school and client officer requiring re-design. Work is progressing, with a planning application expected soon.
4/C/00396	The Boulevard Primary Partnership	(34,613)	34,613	The school manage this project and are reimbursed costs when they can provide appropriate documentation. The remaining budget should be spent by August 2009.
4/C/00403	Radcliffe Replacement Heating	(100,000)	100,000	This budget is for the replacement of the heating system at the school. As the school is currently under review for Academy status, the scheme is on hold until a decision is made. If the school is to become an Academy, or new build, the budget will be required until the last winter has passed prior to completion of the new school.
4/C/00408	Chestnuts PIP	(3,855)	3,855	There was concern over the amount of items missing from the original tender and the effect that would have on the budget. A decision was made to re-tender, delaying the project. The project originally went out to tender in July 08 and was re-tendered in May 09. The latest tender is due to be returned mid June 09.
4/C/00411	Hanslope Heating	(36,713)	36,713	The project is complete and the remaining budget is for the final account settlement, retention release and payment of remaining fees.
4/C/00413	Cold Harbour Boilers	(20,000)	20,000	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00414	Brookward Boilers	(20,000)	20,000	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00415	Rickley Boilers	(100,000)	100,000	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00419	Sir Frank Markham Academy	(2,115,924)	2,115,924	The bad weather in Jan 09 has delayed the project and the contractor is also behind with the programme due to programming issues with deliveries and design issues. All of these delays have been reported through and accepted by the DCSF Project Board and Council School Build Programme Board. The Directors at Marriotts (the contractors) have committed to completing the project on schedule with the school opening as planned on 11 September 2009.

4/C/00420	Walton High Roof Replacement	(53,352)	53,352	Legal negotiations taking place with original contractors, should this fail a 3rd party will be used to undertake remedial works. To date these negotiations are progressing well
4/C/00421	Music Centre New Build	(20,000)	20,000	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00433	Hazeley Secondary School Phase 4	(142,000)	142,000	Phase 4 of the Hazeley School build is the extension of Phase 2a and 3 (4/C/00292). When the budgets were set for these projects it was anticipated that Phase 2a, 3 and 4 could all be on site at the same time. However due to site access restrictions (limited entrances/space), both contractors could not be on site at the same time. A decision was made that the Phase 2a and 3 works would take priority and works on Phase 4 will commence once these have been completed.
4/C/00434	Green Park School - Drainage Works	(50,000)	50,000	The Landscape team are currently investigating a solution to the drainage problems recently identified near Green Park school. However, at present there is an ongoing debate with regards to which school should be responsible for the works - Green Park or Ousedale, as they both back onto the same site. This has delayed the commencement of any works.
4/C/00435	Greenleys First School - Boiler Replacement	(75,000)	50,000	The original budget of £75k was over estimated by AMK. Tenders are due back 10/06/09 budget will be spent once works begin. The underspend will be reallocated into the AMP Contingency 4/C/00226-100. Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00437	Haversham School - Fire Alarms	(3,136)	3,136	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10.
4/C/00445	Two Mile Ash - Fire Alarms	(13,020)	13,020	Due to the discontinuation of AMK in 08/09, a review is now required of the entire Education Capital Programme in respect of the changes in how architects fees are to be charged (from a percentage to a salary basis). This will be undertaken in 2009-10. There are also outstanding monies due to the contractors for retention.
Total Schools, Planning & Reesources		(6,420,082)	5,655,317	

Quality Assurance

4/C/00137	Extension for Furze House	(18,888)	18,888	Due to the economic climate the tenders came in lower than the figures predicted by AMK. However the extension to the powerzone for a young person with very specific needs meant the loss of the activity room used by the other children. The proposal is to construct a log cabin type building outside with electric heating and running water to provide a new activity room for the children which can be used all the year round.
4/C/00313	Integrated Children's Services Grant	(6,930)	6,930	The additional DCSF grant was only received in March however most of it was spent by year end on product. The rest is for project implementation which will take place in 2009/10, therefore funding needs to be carried forward to cover this spend. We have to implement ICS phase 1C by October 09.
4/C/00395	ICT Capital Grant for Mobile Technology to support Children's Social Workers	(30,683)	30,683	The project manager responsible for this project has now left the organisation. A plan is in place to pick this project up by the new project manager in the next financial year.
Total Quality Assurance		(56,501)	56,501	

Sure Start

4/C/00042	Fullers Slade Sure Start Building	(4,160)	0	The budget has slipped continuously from 06-07 and has not incurred any spend in the last two years. Nobody will take responsibility for this project therefore the project will be removed from the programme.
4/C/00285-00	Bradville North Children's Centre	(20,216)	8,251	The project is complete and we are waiting the agreement on the final account. The under spend will be reallocated to the Phase 2 Contingency.
4/C/00285-00	Central Bletchley Children's Centre	(13,716)	14,750	The project is complete and we are waiting the agreement on the final account. The under spend will be reallocated to the Phase 2 Contingency.
4/C/00285-00	Conniburrow Children's Centre	(281)	9,411	The project is complete and we are waiting the agreement on the final account. The under spend will be reallocated to the Phase 2 Contingency.
4/C/00285-00	Woughton - Playzone / Langland School	(91,356)	45,013	The project is complete and we are waiting the agreement on the final account. The under spend will be reallocated to the Phase 2 Contingency.
4/C/00285-00	Stantonbury Children's Centre	(21,374)	7,274	The project is complete and we are waiting the agreement on the final account. The under spend will be reallocated to the Phase 2 Contingency.
4/C/00285-00	Heelands Children's Centre	(10,470)	0	The project is complete and we are waiting the agreement on the final account. The under spend will be reallocated to the Phase 2 Contingency.

4/C/00285-01	New Bradwell Children's Centre	(6,545)	0	The project is complete and we are waiting the agreement on the final account. The under spend will be reallocated to the Phase 2 Contingency.
4/C/00285-01	Childrens Centre - Contingency	0	131,904	The Phase 2 build programme is complete with the exception of the final account payments. The remaining underspend will be allocated back to the Children's Centre contingency until the additional improvement works have been identified.
4/C/00285-01	Hanslope Children's Centre	(52,644)	0	The project is complete and the under spend will be reallocated to the Phase 2 Contingency.
4/C/00417	Tickford Park Childrens Centre	(59,889)	25,000	The project is coming to an end and we are now waiting on the final account payment which has recently been agreed. The project has come under budget because some items included in the tender value (which the budget was based on) were not required when the works were undertaken on site. The underspend will be reallocated to the Phase Three Children's Centre Contingency 4/C/00431.
4/C/00418	West Bletchley Childrens Centre (Abbeys)	(57,842)	20,000	The project is coming to an end and we are now waiting on the final account payment which has recently been agreed. The project has come under budget because some items included in the tender value (which the budget was based on) were not required when the works were undertaken on site. The underspend will be reallocated to the Phase Three Children's Centre Contingency 4/C/00431.
4/C/00430	Oxley Park (Community 5/C/00066) & Childrens Centre	(34,212)	34,212	As there are more people involved in this project (the Children's Centre is a joint project with Leisure Services) it has at times slowed the project down - issues must be agreed with all parties involved before moving forward. The project has also had to proceed with a level of caution due to the funding issue (delay in receiving the section 106 money) on the Leisure side of the project. This has now been resolved and prudential borrowing will be used to cover the timing shortfall.
4/C/00431	Phase Three Children's Centre Programme	(63,000)	193,375	This budget is a contingency to cover risks which did not materialise. The budget will be slipped to cover forthcoming projects.
4/C/00447	East Flank Children's Centre	(16,699)	16,699	The design works have taken longer than anticipated at the appraisal stage. Some investigations and surveys that we thought we would need have not had to be completed. Forecasting was incorrect as it was the first phase of Children's Centres that had been completed by this team. Works are moving at a slower rate than scheduled on the appraisal, meaning unspent budget is to be slipped to 2009-10.
4/C/00448	Furztown Children's Centre	(28,941)	28,941	When the appraisal for this project was submitted the exact details of the project were not known. We had expected that more fees would be paid earlier on in the project but we discovered too late to adjust the phasing of the budget that they would not be. Due to the late approval of the appraisal, there was not sufficient time to submit a project variation and therefore the funds will be required in next financial year.
4/C/00449	Grange Farm Children's Centre	(46,020)	46,020	This is a joint project with Christ the Sower school and will be led by the Diocese. We are contributing to the cost of the project based on the allocation of space that will be used by the Children's Centre. The Programme Board delayed the commencement of the project until particular items had been clarified; project programme and allocation of space. This has now been resolved and the project is moving forward.
4/C/00450	Kingston Children's Centre	(71,216)	13,573	The feasibility study for this project had not been undertaken when the appraisal was submitted and the budget allocated was a cautious estimate because the specification of works were largely unknown at the time of the bid. Also Construction Services will now be undertaking the project meaning that there will now be no additional fees to pay and an external project manager will also not be required meaning that the project will now cost less than originally estimated. The underspend will be reallocated to the Phase Three Children's Centre Contingency 4/C/00431.
Total Sure Start		(598,581)	594,421	
Children's Social Care				
4/C/00388	Building Adaptations - Children in Foster Care	(43,200)	43,200	This project budget is in place to provide any necessary building adaptations for when children are placed permanently with foster carers. As this budget is almost like a contingency it is difficult to predict when the budget will be required and it was unspent in 08-09. However, plans are currently underway to build a ground floor extension to an adopters property who has recently adopted 2 children, one of whom has a sight problem. These works will be undertaken in 09-10.
4/C/00423	Childrens Services Integration Hub	(45,405)	45,405	There has been a delay in the national ContactPoint project which is closely aligned to the Hub project which has meant that we were not able to fully detail the requirement in 08-09. The delay in ContactPoint is a central government (DCSF) decision consequential to software development taking longer than originally expected. At the end of 08-09 we had not yet signed off the final payment on the ClearCore product from Infoshare. We had expected to do this in 08-09 but a final review meeting was delayed until May. The budget will
Total Children's Social Care		(88,605)	88,605	
Total CYPS		(7,163,769)	6,394,843	

Environment Directorate 2008-09 Programme	Budget	Outturn		Slippage	
Budget Book Page	Approved Budget	Actuals	Variance to Approved Budget	Slippage Adjustment	Slippage to 2009-10
	£	£	£	£	£
Strategic Management & Support Sevices	2,131,988	2,131,988	0	0	-
Central Administrative Buildings	721,682	277,693	(443,989)	0	443,989
Development & Design Management	55,000	31,487	(23,513)	0	23,513
Architecture (MK)	0	-	0	0	-
Urban Design & Landscape Architecture	243,884	117,542	(126,342)	0	126,342
Development Control	0	-	0	0	-
Property	0	-	0	0	-
Spatial Planning	18,000	16,000	(2,000)	0	2,000
Passenger Transport	11,406,104	9,790,011	(1,616,093)	(1,531,092)	85,001
Traffic and Transportation	1,994,654	1,545,589	(449,065)	(0)	449,065
Highway Network	1,016,184	835,748	(180,436)	(10,000)	170,436
Highways	16,201,635	12,269,074	(3,932,561)	121,332	4,053,892
Street Lighting	2,958,694	34,486	(2,924,208)	0	2,924,208
Environmental Health	2,816,910	2,456,191	(360,720)	0	360,720
Safer Communities Unit	0	-	0	0	-
Waste and Energy	779,275	186,191	(593,084)	(150,000)	443,084
Landscape Services	212,445	119,544	(92,902)	0	92,902
Parish & Localities Services	1,187,990	896,236	(291,755)	(0)	291,755
Streetcare Trading Organisations	0	-	0	0	-
Total	41,744,446	30,707,779	(11,036,667)	(1,569,760)	9,466,907

Code	Project Name	Variance to Proposed Budget £	Slippage £	Explain the reason for Slippage
Central Administrative Buildings				
3/C/00148	Admin Buildings 5Y Essential Improvement	(87,136)	87,136	The remaining £87k will be slipped to 09/10. Work completed, snagging in progress. Retention fees outstanding on Fire Doors scheme. Will be finalised in 09/10.
3/C/00268	Admin Buildings 5 Year Essential Improvement Plan Yr 2 (part)	(51,137)	51,137	The remaining £51k will be slipped to 09/10. Retention fees are outstanding on the Saxon washrooms and kitchenettes schemes. Will be completed in 09/10.
3/C/00490	Replacement and Enhancement Chillers at Saxon Court	(290,562)	290,562	The remaining £290k will be slipped to 09/10. The exchange rates were unfavourable for the purchase of the chillers but once the situation improves they will be purchased. This is expected early on in 09/10. Work programmed to be carried out in the early part of 2009-10.
3/C/00491	Civic Offices Toilets	(15,154)	15,154	The remaining £15k will be slipped to 09/10. Works have been completed. Retention and fees to be cleared. Final accounts expected to be completed in 09/10.
Total Central Admin Buildings		(443,989)	443,989	
Development & Design Management				
3/C/00307	Western Expansion Area Common Infrastructure	(18,513)	18,513	The remaining £87k will be slipped to 09/10. Work completed, snagging in progress. Retention fees outstanding on Fire Doors scheme. Will be finalised in 09/10.
3/C/00493	Western Expansion Area - Land Value Enhancement - Property Surveyors	(5,000)	5,000	The remaining £51k will be slipped to 09/10. Retention fees are outstanding on the Saxon washrooms and kitchenettes schemes. Will be completed in 09/10.
Total DDM		(23,513)	23,513	

Urban Design & Landscape Architecture

3/C/00057	Station Road Carpark/Union St Traffic Calming	(26,100)	26,100	The remaining £87k will be slipped to 09/10. Work completed, snagging in progress. Retention fees outstanding on Fire Doors scheme. Will be finalised in 09/10.
3/C/00101	Improvements to Queensway & Town Centre Bletchley	(67,297)	67,297	The remaining £51k will be slipped to 09/10. Retention fees are outstanding on the Saxon washrooms and kitchenettes schemes. Will be completed in 09/10.
3/C/00194	Western Expansion Area - Land Value Enhancement - Urban Design	(16,946)	16,946	The remaining £51k will be slipped to 09/10. Retention fees are outstanding on the Saxon washrooms and kitchenettes schemes. Will be completed in 09/10.
3/C/00269	Heelands Local Centre	(16,000)	16,000	The remaining £290k will be slipped to 09/10. The exchange rates were unfavourable for the purchase of the chillers but once the situation improves they will be purchased. This is expected early on in 09/10. Work programmed to be carried out in the early part of 2009-10.
Total UDLA		(126,342)	126,342	

Spatial Planning

3/C/00297	Limehouse Publisher Software	(2,000)	2,000	The remaining £87k will be slipped to 09/10. Work completed, snagging in progress. Retention fees outstanding on Fire Doors scheme. Will be finalised in 09/10.
Total Spatial Planning		(2,000)	2,000	

Passenger Transport

3/C/00150	SCF PT Scheme	(121,332)	0	The £121k will be slipped to 09/10. In 08/09 the scope of scheme was reduced, as some elements had been delivered previously under the MKP North Grafton scheme. The final job costs were less than expected and the balance of budget will be transferred back to GAF element 3/C/00217 J14 (Highways).
3/C/00300	MK Central Station Improvements BC	(1,409,760)	0	£1,410k of CMK S106 funding was not available in time to cover the expenditure therefore Prudential Borrowing used in 2008/09. The CMK S106 should be available in 2009/10.
3/C/00469	CMK Station Approach	(85,001)	85,001	The £85k will be slipped to 09/10. The feasibility report and design works have taken longer than expected but are to be completed early in 09/10.
Total Passenger Transport		(1,616,093)	85,001	

Traffic and Transportation

3/C/00049	Wolverton Signing	(3,990)	3,990	This project is closed, the remaining £4k will be slipped to 09/10. In 09/10 it'll be transferred to a new project via a project variation.
3/C/00147	Buckingham Road Footpath	(11,462)	11,462	The remaining £11k will be transferred to 09/10. Initial works were completed. Local member has been contacted on the requirement for further phases of work. If required this would run into 09/10.
3/C/00149	Olney & Stony Stratford Traffic Management	(1,947)	1,947	The remaining £2k will be slipped to 09/10. The works were completed in 08/09 the remaining budget will be for final accounts in 09/10.
3/C/00173	Responsive Traffic Management Scheme	(956)	956	The £1k will be slipped to 09/10 and consolidated with 3/C/00505 - "Responsive Traffic Management Systems" that has been approved in 09/10.
3/C/00180-00	Heronsgate Middle School	(2,400)	0	The £2k will be slipped to 09/10 on project 3/C/00410 Safer Journeys to School (SJTS).
3/C/00192	Newport Pagnell Traffic Review	(13,974)	13,974	The £14k will be slipped to 09/10 for final stage of project. Works are to be completed in 09/10.
3/C/00210	Theatre Car Park Refurbishment	(49,254)	49,254	The £49k will be slipped to 09/10. In 08/09 not all works were completed due to regulatory issues. The works also came in under estimate. The works will be completed in 09/10.
3/C/00284	Road Safety Route Actions	(5,998)	5,998	The £6k will be slipped to 09/10 and consolidated with 3/C/00506 - "Casualty Reduction Measures" that has been approved in 09/10.
3/C/00309	CMK Cycle Redway	(27,857)	27,857	The £28k will be slipped to 09/10. The project was not completed in 08/09 due to the adverse weather. The programme will continue into 09/10.

3/C/00406	Collision Remedial Measures 2008-09 - Cluster sites	(70,355)	70,355	The £70k will be slipped to 09/10. The works were not completed due to Parish Council re-consultation leading to change in the design. Works are now expected to be completed in 09/10.
3/C/00409	Speed Indicating Devices / Vehicle Activated Signs (SIDVAS)	(2,881)	2,881	The £3k will be slipped to 09/10. There was a delay to the works in 08/09 due to the physical location of the sites when new 'services' were found this meant a new locations had to be found. The order was placed once it was confirmed that the signs could still be located there. Works to be completed in 09/10.
3/C/00410	Safer Journeys to School (SJTS)	(23,367)	25,767	The £23k will be slipped to 09/10. The delay was caused by rescheduling of works due to comments received in the consultation relating to the design which had to be addressed first. Will be completed in 09/10.
3/C/00415	Improved Cycle Facilities - Cycle Parking	(26,317)	26,317	The slippage of £26k will be moved to 09/10 and consolidated with 3/C/00502 - "Cycle Routes" that has been approved in 09/10. The delays were caused by the adverse weather conditions leading to frozen ground or unsuitable conditions for operation. Will be completed in 09/10 under project 3/C/00502.
3/C/00416	Improved Cycle Facilities - Cycle Monitoring	(1,138)	1,138	The £1k will be slipped to 09/10 and consolidated with the new code 3/C/00502 "Cycle Routes" that has been approved in 09/10.
3/C/00417	Lorry Management	(4,413)	4,413	The £4k will be slipped to 09/10 and consolidated with the new code 3/C/00504 - "Lorry Management Strategy Actions" that has been approved in 09/10. This will allow more work to be carried out under the project.
3/C/00418	Pedestrian Facilities - Various	(17,155)	17,155	The slippage of £17k will be moved to 09/10. The delays were caused by the adverse weather conditions leading to frozen ground or unsuitable conditions for operation. Will be completed in 09/10.
3/C/00424	Redway Improvements - Priority Routes	(45,697)	45,697	The slippage of £46k will be moved to 09/10 and consolidated with 3/C/00502 "Cycle Routes" that has been approved in 09/10. The delays were caused by the adverse weather conditions leading to frozen ground or unsuitable conditions for operation. Will be completed in 09/10 under project 3/C/00502.
3/C/00449	Rural Traffic Management & Speed Limit Reviews	(10,024)	10,024	The slippage of £10k will be moved to 09/10 and consolidated with 3/C/00501 "Traffic Management Speed Limits" that has been approved in 09/10. The delays were caused by the adverse weather conditions leading to frozen ground or unsuitable conditions for operation. Will be completed in 09/10 under project 3/C/00501.
3/C/00457	Redway Improvements - Priority Routes	(40,515)	40,515	The slippage of £41k will be moved to 09/10. The delays were caused by the adverse weather conditions leading to frozen ground or unsuitable conditions for operation. Will be completed in 09/10.
3/C/00461	Traffic Management Works (Safety Related)	(54,365)	54,365	The slippage of £10k will be moved to 09/10 and consolidated with 3/C/00501 "Traffic Management Speed Limits" that has been approved in 09/10. The delays were caused by the adverse weather conditions leading to frozen ground or unsuitable conditions for operation. Will be completed in 09/10 under project 3/C/00501.
3/C/00463	Urban Traffic Calming - New Bradwell	(35,000)	35,000	The £30,850 will be slipped to 09/10. MK Digital requires completion due to issues with CRM (customer Relationship Management) and lack of data through research. The project will be completed in 09/10.

Total Traffic & Transportation		(449,065)	449,065	
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Highway Network

3/C/00059	H9 Canal Bridges Strengthening	(118,597)	118,597	The £119K will be slipped to 09/10. This will be used during the final accounts and retention in 09/10.
3/C/00115	9 Weak Bridge Deck Edges/Parapet Supports	(164)	164	The remaining budget is due to design costs been lower then estimates. The programmes works to begin in 09/10.
3/C/00204	Castle Meadow Footbridge	(10,000)	0	The project has been completed, the remaining balance of £10k - which is a saving and will either be returned to the funding source or transferred to another project that qualifies for this type of funding in 09/10.
3/C/00375	Highway Structures Asset Management	(25,381)	25,381	The £25k will be moved to 09/10. the works were not completed in 08/09 as there were unforeseen delays in the procurement of hardware. The items have been purchased and implementation will take place in 09/10.

3/C/00376	Bridge Joint Replacement and Deck Waterproofing	(5,619)	5,619	The £6k will be moved to 09/10. Adverse weather in 08/09 lead to the delay in works been carried out. Project will be completed in 09/10.
3/C/00428	Western Underwood Bridge Pedestrian Access Bridge	(17,933)	17,933	The £18k will be transferred to 09/10. During 08/09 there was a redesign due to the unexpected discovery of a water mains junction. The programme will continue and be completed in 09/10.
3/C/00431	City Centre Footbridge Strengthening - Phase 1	(2,742)	2,742	The £3k will be slipped to 09/10. In 08/09 it was necessary to carry out design modifications in light of experience learned from the Cransebill Place footbridge refurbishment. The programme is expected to be completed in 09/10.
Total Highway Network		(180,436)	170,436	
Highways				
3/C/00217	J14 Area Improvements	(2,536,396)	2,657,727	The £2,658k will be slipped to 09/10. In 08/09 there has been a delay to the start of the new Coach Terminal Building as its £2M budget currently sits within the J14 funds. J14 contractor still to justify some Compensation Events which has deferred settlement. In 09/10 the coachway project will be completed and settlement resolved with the contractor.
3/C/00223	Portway/North Grafton Capacity Improvement Scheme	(1,069,589)	1,069,589	The £1,070k is to be slipped to 09/10. This is a contribution to HCA in respect of a long-completed MKP scheme. The contribution is intended to come from S106 monies associated with the CMK redevelopment and HCA have deferred payment until such time as the redevelopment goes ahead. It is expected that redevelopment planning will take place over 09/10.
3/C/00240	Highway Inventory Software	(17,384)	17,384	The remaining budget is to be slipped into 09/10. The project was not completed in 08/09 as there was a delay in the software development but it is expected the implementation will be completed in 09/10. The programme will continue into 09/10.
3/C/00296	Redway Reconstruction at Various Locations	(31,606)	31,606	The remaining budget is to be slipped into 09/10. The project was not completed in 08/09 due to the adverse weather. The frozen ground halted works and the unexpected snow meant that the work teams had to be diverted to new priority works. The programme will continue into 09/10.
3/C/00302	Drainage Investigatory Operations	(55,908)	55,908	The remaining budget is to be slipped into 09/10. The project was not completed in 08/09 due to the adverse weather. The frozen ground halted works and the unexpected snow meant that the work teams had to be diverted to new priority works. The programme will continue into 09/10.
3/C/00340	Western Road Bletchley	(14,000)	14,000	The remaining budget is to be slipped into 09/10. The project was delayed due to adverse weather experienced in early 2009, this caused the ground freeze or be water logged. The programme will continue and be completed in 09/10.
3/C/00388	Footway Reconstruction schemes 2008/09	(52,324)	52,324	The remaining budget is to be slipped into 09/10. The project was not completed in 08/09 due to the adverse weather. The frozen ground halted works and the unexpected snow meant that the work teams had to be diverted to new priority works. The programme will continue into 09/10.
3/C/00392	Subway Pump Control Boxes Renewal	(11,320)	11,320	The £11k will be slipped to 09/10. Final accounts will be prepared in 09/10.
3/C/00452	Land Drainage and Flood Relief Works Stoke Goldington	(133,626)	133,626	The remaining budget is to be slipped into 09/10. The slippage occurred because of a hold up in the planning application and legalities with land owners. This led to restriction of access to site. A habitat survey's taken place identifying key protected creatures. The programme will continue into 09/10 and be completed.
3/C/00484	Footway Reconstruction, Various	(10,408)	10,408	The remaining budget is to be slipped into 09/10. The project was not completed in 08/09 due to the adverse weather. The frozen ground halted works and the unexpected snow meant that the work teams had to be diverted to new priority works. The programme will continue into 09/10.
Total Highways		(3,932,561)	4,053,892	
Street Lighting				
3/C/00291	Street Lighting Spend to Save	(2,924,208)	2,924,208	The £2,924k will be slipped to 09/10. If the project does not begin to deliver on its targets then the funding will be removed and any expenditure will be transferred to revenue.
Total Street Lighting		(2,924,208)	2,924,208	

Environmental Health

3/C/00341	MKGG Mortuary Expansion	(242,770)	242,770	The £243k will be slipped to 09/10. The final accounts including retention fees are to be completed in 09/10.
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3/C/00394	Second Crematorium at Crownhill	(117,950)	117,950	The £118k will be slipped to 09/10. Closure of AMK lead to significant problems associated with the appointment of replacement consultants. The delays caused by the need to follow the procurement process and the absence of in house expertise in the required areas has lead to the slippage. Programme will continue into 09/10.
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Total Environmental Health		(360,720)	360,720	
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Waste and Energy

3/C/00381	Carbon Management Programme - Phase 2	(200,000)	0	The £200k will need to be transferred to 09/10 under 3/C/00451, this will lead to a more focused approach. The rate of project spending in 08/09 was nil due to various blockages and staff time being reallocated to DEC surveys and climate change work.
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3/C/00451	Carbon Management Programme - Phase 1	(393,084)	443,084	£443k to be slipped to 3/C/00381 for 09/10. The rate of project spending in 08/09 was less than forecast due to various blockages and staff time being reallocated to DEC surveys and climate change work. The budget is still required for on going carbon management measures in 09/10.
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Total Waste and Energy		(593,084)	443,084	
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Landscape Services

3/C/00024	Linear Park/Hanson Centre	(780)	780	The budget is to be slipped to 09/10 where the remainder of the budget was transferred earlier in the year. The project is expected to be completed in 09/10.
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3/C/00091	Improvements to Emberton Park: Toilets and Access Roads	(19,857)	19,857	The remaining budget will be slipped to 09/10. Project was stalled due to uncertainties over the future of the Park. It may be passed to the Parks Trust at some point this year. It is expected the project will be completed in 09/10
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3/C/00167	Emberton Park Improvements	(13,646)	13,646	The remaining budget will be slipped to 09/10. Project was stalled due to uncertainties over the future of the Park. It may be passed to the Parks Trust at some point this year. It is expected the project will be completed in 09/10
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3/C/00212	Newton Blossomville BW Bridge	(36,427)	36,427	The £36k is to be slipped to 09/10. It was not possible to access the site in 08/09 due to extreme wet weather causing the ground to be too soft to support the required machinery. Looking to access the site this year and complete the programme in 09/10.
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3/C/00225	Grand Union Canal Towpath Rebuild	(6,341)	6,341	There is insufficient funds to complete the operation, however further funding is being pursued. If this is not successful the remaining funds will be used to complete as much as possible.
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3/C/00259	Footpaths in Landscape Service Car (ERLAS)	(15,851)	15,851	The remaining £16k will be moved to 09/10. Work carried out by contractor was not satisfactory, to be redone. Programme completion expected early in 09/10.
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Total Landscape Services		(92,902)	92,902	
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Streetcare and Localities Services

3/C/00198	Community Park Partnership Scheme 2006/07	(17,665)	0	The remaining budget of £18k to be slipped onto 3/C/00446 "Heelands Improvement Project" in 09/10.
3/C/00207	Bradwell Abbey Improvements Programme	(102,320)	102,320	The remaining budget of £102k will be slipped to 09/10. The works were delayed due to weather conditions / lime mortar curing issue, the delayed consents process and AMK closure. The remaining works will be completed in 09/10, which will include refurbishment of the buildings to make them safe, weather tight and in a fully serviceable condition.
3/C/00211	Improvements to Strategic Open Spaces	(33,229)	33,229	The remaining £33k will need to be slipped to 09/10. The adverse weather caused delays to the completion (frozen or very wet ground). The works are planned to be completed in 09/10.
3/C/00256	Play Area Improvement Fund	(59,855)	59,855	The £56k will be slipped to 09/10. Delays in 08/09 we're due to technical issues. The programme will run through 09/10 and the budget will be spent.
3/C/00273	Community Project Partnership Scheme 2007/08	(37,870)	37,870	The £38k will be slipped to 09/10. The surveys came in over the actual estimate leading to insufficient funds been available for the project to be completed. The project will be completed in 09/10 as additional funding will be available.
3/C/00292	Newport Pagnell Riverside Meadow - Footpath Reconstruction	(2,000)	2,000	The £2k will be slipped to 09/10. This is to cover final accounts.
3/C/00382	Community Parking Partnership Fund	(33,149)	33,149	The £33k will be slipped to 09/10. The surveys came in over the actual estimate leading to insufficient funds been available for the project to be completed. The project will be completed in 09/10 as additional funding will be available.
3/C/00446	Heelands Improvement Project	(5,667)	23,332	The remaining budget of £23k will be slipped to 09/10. This budget will be used for retention and final accounts in 09/10.
Total Streetcare and Localities Services		(291,755)	291,755	
Total Environment		(11,036,667)	9,466,907	

Strategy Governance & Performance Directorate 2008-09		Budget	Outturn		Slippage	
Budget Book Page	Approved Budget	Actuals	Variance to Approved Budget	Slippage Adjustment	Slippage to 2009-10	
	£	£	£	£	£	£
Information Technology Policy and Performance	489,997 100,000	262,504 67,722	(227,494) (32,278)	0 (24,278)	227,494 8,000	
Total	589,997	330,226	(259,772)	(24,278)	235,494	

Code	Project Name	Variance to Proposed Budget £	Slippage £	Explain the reason for Slippage
Information Technology				
2/C/00006	Kiosks	(15,640)	15,640	This project was initiated in (02/03) and has consequently been slipped since. The £15,640 will be slipped to 09/10. The project was delayed in 08/09 due to changes in location of the kiosks by the Parish, this lead to delays in implementation. The project will be completed in 09/10.
2/C/00009	Local Land & Property Gazetteer	(43,686)	43,686	This project was initiated in (03/04) and has consequently been slipped since. The £43,686 will be slipped to 09/10. The project was delayed in 08/09 due to change in operating platforms, from SQL based to Oracle. The implementation process and project will be completed in 09/10.
2/C/00010	Wireless Broadband	(20,053)	20,053	This project was initiated in (03/04) and has consequently been slipped since. The £20,053 will be slipped to 09/10. The project was delayed in 08/09 because of regulatory issues with regards to access to specific roof tops. This has been resolved and the project will be completed in 09/10.
2/C/00019	EDRMS 04-05	(16,150)	16,150	This project was initiated in (04/05) and has consequently been slipped since. The £16,150 will be slipped to 09/10. The project was delayed in 08/09 as additional sites had been identified for implementation causing an extension of timescale and rescheduling. This will be carried out in 09/10 and the project will be completed in 09/10.
2/C/00025	Corporate GIS	(39,743)	39,743	The £39,743 will be slipped to 09/10. The project was delayed by the Stratus Software supplier not releasing the software. Software now released in April (after several months of waiting) . Will be able to implement in 09/10.
2/C/00030	Care First System Upgrade or Replacement	(52,701)	52,701	The £52,701 will be slipped to 09/10. The project was delayed in 08/09 due to critical personnel being diverted to other projects. The implementation process and project will be completed in 09/10.
2/C/00031	New Call Management System	(8,358)	8,358	The £8,358 was slipped to 09/10 and the project will be completed. The 08/09 delays were caused by system glitches causing "dropped calls", this has taken sometime to diagnose.
2/C/00045	Telehealth	(313)	0	The £313 will be slipped to 2/C/00041 in 09/10. The project will be completed in 09/10.
2/C/00041	MK Digital / Telehealth	(30,850)	31,163	The £30,850 will be slipped to 09/10. MK Digital requires completion due to issues with CRM (customer Relationship Management) and lack of data through research. The project will be completed in 09/10.
Total Information Technology		(227,494)	227,494	
Policy and Performance				
2/C/00043	Performance Management Information System	(32,278)	8,000	Only £8k will be slipped to 09/10 to cover the Licence fees. The remaining £24,278 will not be required as the project has been completed.
Total Policy and Performance		(32,278)	8,000	
Total Strategy, Governance & Performance		(259,772)	235,494	

SLIPPAGE OF PROJECTS FROM 2008-09

Neighbourhood Services Directorate 2008-09 Programme (GF)	Budget	Outturn		Slippage	
Budget Book Page	Approved Budget	Actuals	Variance to Approved Budget	Slippage Adjustment	Slippage to 2009-10
	£	£	£	£	£
Directorate Management	163,958	134,821	(29,136)	0	29,136
Commissioning and Customer Care	1,862,079	1,859,264	(2,815)	(2,815)	-
Housing Strategy and Needs	1,624,614	891,880	(732,734)	0	732,734
Mental Health	0	0	0	0	-
Learning Disability	68,095	66,969	(1,126)	(0)	1,126
Physical Disability	60,182	58,158	(2,024)	(0)	2,024
Older People	58,605	50,328	(8,277)	(397)	7,880
Learning, Leisure and Culture	12,848,304	11,699,998	(1,148,307)	0	1,148,307
Total	16,685,837	14,761,419	(1,924,418)	(3,212)	1,921,206

Code	Project Name	Variance to Proposed Budget £	Slippage £	Explain the reason for Slippage
Directorate Management				
5/C/00043	Health & Safety	(4,277)	4,277	Where budget was expected to be fully spent, it now hasn't because some expenditure was journalled to Revenue . The remaining money will be used for two new shower trolleys in Tower Drive Special Needs unit to enable a safe showering and personal needs service.
5/C/00049	Improving Information Systems for S.C.	(24,859)	24,859	The budget was not spent because there was a delay in the next release of the upgrade for the CONTROCC system. The system is now being tested by the Council and will be purchased subject to any necessary changes to the specification
Total Directorate Management		(29,136)	29,136	
Commissioning & Customer Care				
5/C/00029	Mental Health Social Inclusion Part 2	(2,280)	0	Project has now finished remaining money to be written off
5/C/00064	Ernest Fryer New Build - internal fixtures and fittings for fitness for purpose	(555)	0	Project has now finished remaining money to be written off
Total CCC		(2,815)	0	
Housing Strategy & Needs				
5/C/00051	Re-Development of Calverton Traveller's Site	(608,691)	608,691	The money wasn't spent in 08/09 due to initial delays which were caused by difficulties removing the travellers from the site, some equipment was left and the contractors couldn't begin work until this was removed from the site. Also there was a need to appoint an additional technical manager to assist with this project which is currently still in progress. This has led to the project being 8 weeks behind schedule. The money is needed in 09/10 to complete Phase 1 of the project which is due to be completed end of July, beginning of August. The project can then move on to phase 2
5/C/00054	Travellers Site Refurbishment Grant	(30,815)	30,815	The money wasn't spent in 08/09 due to initial delays which were caused by difficulties removing the travellers from the site, some equipment was left and the contractors couldn't begin work until this was removed from the site. Also the utilities required were not explored at beginning of project which has also led to the project being 8 weeks behind schedule. The money is needed in 09/10 to continue with the works on this project

5/C/00058	Disabled Facilities Grant	(32,804)	49,391	1. Not spent because works were not undertaken by the Home Improvement Agency. 2. Budget needed in 2009/10 for DFG works to be carried out for clients on the waiting list
5/C/00059	Renovation and Home Repairs Assistance Grants	(34,129)	37,615	1. Not spent because successful grant applicants did not commence works. 2. Budget needed in 2009/10 for properties 4 Swan Terrace extensive renovation works are being carried out with building control
5/C/00071	Fenny Lock Travellers site	(6,222)	6,222	The money wasn't spent in 08/09 due to the fact that this was a very late appraisal in the programme, so project is only just progressing in initial stages now with land enquiries taking place of works needed to be carried out. Money is needed in 09/10 to carry on with the land enquiries and to start commencing works in this project
5/C/00034	Renovation and Home Repairs Assistance Grants	(94)	0	Negative expenditure was caused by a reversal of an overstated Good Receipt in previous year. The remaining budget will be slipped to 5/C/00059 to assist with the extensive Property Works required on this
5/C/00035	Disabled Facilities Grant	(2,881)	0	Negative expenditure was caused by a reversal of an overstated Goods Receipt in previous year. The remaining budget will be slipped to 5/C/00058 for DFG works to be carried out for clients on the waiting list
5/C/00036	Private Sector Housing Empty Homes	(3,392)	0	The remaining budget will be slipped to 5/C/00059 to assist with the extensive Property Works required on this project
5/C/00047	Disabled Facilities Grant	(13,706)	0	Negative expenditure was caused by the reversal of an overstated Goods Receipt in previous year. The remaining budget will be slipped to 5/C/00058 for DFG works to be carried out for clients on the waiting list
Total Housing Strategy & Needs		(732,734)	732,734	
Learning Disability				
5/C/00019	Tower Drive	(1,125)	1,125	Still awaiting upgrading of flooring as room use has changed. The existing floor does not meet the current safety standards required in wet activity areas. - existing floor covering is sheet linoleum stuck on a backing with no slip resistant properties. However upgraded flooring is a slip resistant floorcovering constructed from vinyl with deep laid carborundum particles. It is reinforced with a glass fibre grid and treated with an antibacterial and fungicidal treatment to make sure it meets the safety standards required.
Total Learning Disability		(1,125)	1,125	
Physical Disability				
5/C/00055	Aids & Adaptations in the Community	(2,024)	2,024	Late order cancelled as no longer required for client. The PCT panel will approve equipment for another client on the waiting list at their monthly panel meeting
Total Physical Disability		(2,024)	2,024	
Older People				
5/C/00039	Age Concern Lunch Clubs	(397)	0	Project has finished remaining budget to be written off
5/C/00044	St. Giles Centre of Excellence	(7,880)	7,880	The money wasn't spent because some of the planned work which included the creation of a new shower area and alterations to the staff room had to be put on hold due to the appointment of a new manager. The money is needed in 09/10 as it is likely the shower room will go ahead as well as the provision of a staff training area in the existing garage
Total Older People		(8,277)	7,880	
Learning, Leisure & Culture				
4/C/00044	Athletics Clubhouse at Stantonbury Campus	(8,077)	0	Project is complete - remaining funds to be transferred to Emerson Valley 4/C/00236 to assist with the increased tender value. Checking note AB (NOF funding of 328.65 NOF checking this is ok to transfer) - have response AB to check with Janet/Anna
4/C/00075	Wolverton Library relocation	(423)	0	The project is complete and the surplus funds will be used to support the unexpected roofing works at Stony Stratford library 4/C/00373 (garage conversion).
4/C/00082-00	DDA Works - Leisure Facilities - Community Centre	(912)	0	Project is complete - remaining funds to be transferred to Emerson Valley 4/C/00236 to assist with the increased tender value.
4/C/00109	Woburn Sands Library External Renovation	(1,125)	0	The project is complete and the surplus funds will be used to support the unexpected roofing works at Stony Stratford library 4/C/00373 (garage conversion).
4/C/00143	Libraries MIS Replacement	(39,526)	39,526	The final payment to CIVICA for the MIS replacement has been held back until issues relating to the contract (functionality) are agreed with legal services and the other members of the consortium. This is expected to be resolved in 09-10.

4/C/00172	DDA Works on CEC Buildings	(3,370)	3,370	The main works have been completed but discussions are ongoing with the management committee to agree how the remaining budget will be spent. The delay in agreeing this will mean that the final works will not be carried out until 09-10. The budget may be spent on knocking down a dividing wall to enhance the use of the room, making wheelchair movement easier.
4/C/00181	Shenley Leisure Centre Capital Replace Improvements	(7,553)	0	We are still awaiting the signing of the lease by the Leisure Trust. There is still a requirement to undertake some additional works due to obligations under the lease but these will not be capital works and will be funded from revenue. The underspend on this project will be moved to Emerson Valley 4/C/00236 to assist with the increased tender value.
4/C/00188	Bletchley Leisure Centre Redevelopment	(407,747)	407,747	A small delay was incurred due to SDC Builders (the contractors) replacing the roof covering the pool as it was not to their satisfaction. There was also a slight delay in the pool plant equipment and air handling units being delivered to site. The inclement weather also delayed the overall progress of the project.
4/C/00206	Manor Road Centre External Windows & Doors	(378)	0	The project is complete and the expenditure is due to the reversal of a goods receipt in a prior year. The underspend will be used on Emerson Valley 4/C/00236 to assist with the increased tender value.
4/C/00225	CMK Library : Meet DDA Requirements	(42,983)	42,983	The final payments to ThyssenKrupp Elevator have been withheld pending resolution of the issues relating to the installation of the new lift at the Central library. This is expected to be resolved in 09-10.
4/C/00236	Emerson Valley Community Sports Pavillion	(412,839)	429,759	The original tender return exceeded the budget for this project so we have had to go out to tender for a second time which has delayed the progress of this project. Due to the nature of part of this project (ground works) it is very reliant on having good weather. As we had a very bad spell, the project was delayed considerably therefore expenditure slowed as a consequence. The project will continue into 09-10 when hopefully these issues would have been resolved.
4/C/00256	Bletchley Youth Centre Redevelopment	(9,320)	9,320	We had already slipped most of the budget to 09-10 due to previous delays in the project following the issues relating to AMK. The funds held back in 08-09 were to allow for the work that we were beginning to do with CYPs Capital Division, Property Support Team. To date we have not been invoiced for any of the work they have done so these remaining funds now need to be slipped across as well.
4/C/00257	Mathiesen Youth & Community Centre Underpinning	(11,773)	11,773	The main underpinning is complete and we are waiting for the final bill from Synergy. As we are uncertain as to the value of the final bill, we were waiting for this to be received before proceeding with the minor remaining works to ensure that the project remains within budget. We will therefore require the budget in 09-10 to cover this.
4/C/00267	Westcroft Community Centre Internal Refurbishment	(10,000)	0	This project has now been completed but the costs have been charged to revenue. This is because the final costs fell short of the £10k diminimus. The underspend on this project will be transferred to Watling Way Centre 4/C/00311.
4/C/00311	Watling Way Centre - Refurbishment	0	10,000	The budget on Westcroft Community Centre 4/C/00267 is to be moved to this project as the Westcroft project was completed in revenue (see comment above). The budget for this project was only enough to cover the works to the exterior of the building. The money from Westcroft will enable works to the interior to be completed to the same standard as the exterior.
4/C/00373	Stony Stratford Garage Conversion	(15,428)		The reorganisation of MKC surveyor services has delayed our access to specialist advice. Partial roof renewal is needed to maintain the integrity of the newly converted space and we are working with surveyors and the Energy conservation team to find the best solution for ensuring weatherproofing as well as maximum energy efficiency. The remaining funds on Woburn Sands 4/C/00109 and Wolverton Library 4/C/00075 will be used to help fund the unexpected roof works. The Mouchel finance team have requested a copy of the surveyors report and a breakdown of proposed works, to ensure that the spend will be capital.
4/C/00424	Olney Library Extension of Public Space	(16,992)	16,992	The delivery date for the main fit out was delayed. The suppliers delivery (for the fit out) is usually within 8 weeks. Most of the project work and spend has been happening in the last 2 months of the financial year, making scheduling very tight and forecasting difficult. The project is nearing completion and £10.5k is already committed: (£8.7K for fit out which was delivered on 6th May and £1.8k due in 2 weeks). Fire protection works and IT Network equipment are also about to be commissioned (approx £4k) and other sundry works to be dealt with in the next 2 months.
4/C/00428	Westcroft Pavilion	(46,500)	46,500	The project has started by appointing a Project Manager. The client officer (Jill Dewick) was on 3 month secondment to Education (but has since returned) this led to the project not progressing as quickly as originally anticipated.
5/C/00066	Oxley Park Community (& Childrens Centre 4/C/00430)	(113,360)	113,360	This is a joint project with Oxley Park Children's Centre 4/C/00430, between Education and Leisure. To date, all of the expenditure has been charged to the Education budget. The project has been delayed due to late Cabinet approval (January), the delay in receiving the S106 income (this will now be covered by borrowing in the interim) and the process of combining the project into one budget.
Total LLC		(1,148,307)	1,131,331	
Total Neighbourhood General Fund		(1,924,418)	1,904,231	

SLIPPAGE OF PROJECTS FROM 2008-09

Neighbourhood Services Directorate 2008-09 Programme (HRA)		Budget	Outturn		Slippage	
Budget Book Page		Approved Budget	Actuals	Variance to Approved Budget	Slippage Adjustment	Slippage to 2009-10
		£	£	£	£	£
Housing Repairs		11,637,370	11,552,482	(84,888)	0	84,888
General Management		564,687	213,151	(351,536)	0	351,536
Special Services		0	-	0	0	-
Total		12,202,057	11,765,633	(436,424)	0	436,424

Code	Project Name	Variance to Proposed Budget £	Slippage £	Explain the reason for Slippage
Housing Repairs				
9/C/00066	Decent Homes Programme	(14,500)	0	Old project code will need to be offset against 9/C/00080
9/C/00067	Heating System Replacement	(22,879)	0	Old project code will need to be offset against 9/C/00083
9/C/00080	Decent Homes Programme	0	14,500	Slippage to cover end of year reconciliation costs
9/C/00082	Loft & Cavity Wall Insulation	(12,305)	12,305	Poor access rates meant that we were unable to carry out all the works that we planned in 2008-09. As we are in receipt of match-funding (not £ to £) we are slipping the unspent budget into 2009-10 to carry on with the works planned
9/C/00083	Heating System Replacement	(35,204)	58,083	This is a result of year end reconciliation of funding it is to be released back to HRA unassigned (for reallocation next year) and not slipped against heating.
Total Housing Repairs		(84,888)	84,888	
General Management				
9/C/00036	I-World IT business system improvements	(450)	0	Negative expenditure was caused by a reversal of an overstated Goods Receipt. Budget will be slipped onto Project 9/C/00076 to assist with the completion of the original project
9/C/00071	MKC Housing Forum Grant	(26,101)	26,101	The budget was not spent in 08/09 because there was a dispute about the invoice. This has now been resolved and so we need the money to pay the invoice. The project is to lay floor coverings in 5 council-owned blocks of flats in West Bletchley.
9/C/00073	IT Business Improvements 2007/08	(159,453)	159,453	This is due to "uncertainty and indecision". Both Neighbourhood Services and the Housing Service have had a change in Directorships, in addition a change in Councillors has caused a delay in the development and implementation programme for these projects. Specific examples are the decision or not to implement a Corporate Management Information System, the decision or not to develop and implement a new Rent Collection Module and the decision or not to develop and implement a Tenancy Support module. These problems have been highlighted by a recent Audit Report, however these projects will be continued as soon as stability and direction returns to the organisation, and the slippage will enable the fulfilment of the original projects as planned.
9/C/00076	IT Business Improvements 2008/09	(113,087)	113,537	As above
9/C/00084	Estate Improvement Grants	(52,447)	52,447	The budget was not spent in 08/09 because we had a new system in place that has taken a long time to 'bed in'. We have asked our local housing teams to take the lead in identifying projects in conjunction with local residents but it has taken a long time for our teams to get used to this new approach and so ideas for projects have only started to flow in the latter part of the year. The money is required in 09/10 because: 1) There are 2 project commitments on SAP which we need to meet (these total £4,766). 2) Over the past 2 months a number of other projects have been proposed that we would like to complete. These are all projects that benefit the community and contribute to sustainable estates. For example, there are proposals to improve security lighting at our sheltered housing schemes. 3) We would like the remainder of the money to prolong our grants regime which unfortunately is not receiving any 'new' money this year. Again, any projects that come forward during the year will benefit the community and help to maintain sustainable estates.
Total General Management		(351,538)	351,538	
Total Neighbourhood HRA		(436,426)	436,426	

PROJECT APPRAISALS AND VARIATIONS – SUMMARY OF REQUIREMENTS OF FINANCIAL REGULATIONS

Project Appraisals

- 1.1 Project appraisals are submitted, as required by Financial Regulations and Instructions, for all new capital schemes.
- 1.2 All new schemes (other than those for Single Regeneration Budget schemes approved by the SRB Board) require Cabinet approval before inclusion in the programme.

Project Variations

- 1.3 Project variations are submitted as required by Financial Rules and Instructions, in the following circumstances:
 - Forecast total scheme outturn is in excess of budget by £25,000 or more
 - Additional funding has become available to support a scheme
 - A forecast overspend is to be funded by a forecast underspend in another service block
 - Funding is released due to a forecast underspend on a scheme
 - A scheme is to be withdrawn from the programme
- 1.4 Formal variations to budgets for existing projects must be completed and authorised. The approval limits are as follows:
 - Variations contained within the existing programme budget, up to and including a value of £50k can be approved by the Corporate Director;
 - Variations contained within the existing programme budget, up to and including a value of £100k can be approved by the Cabinet Member with Portfolio;

Urgent Decisions

- 1.5 In circumstances where it is not possible to take programme changes to Cabinet or Council due to a requirement for a speedy or urgent decision, the usual rules on delegated decision-making and urgent decisions will apply. For decisions not defined by the delegated decision rules as 'Key Decisions' the Section 151 Officer, in consultation with the Member with Portfolio for Finance, will have authority to approve the decision, which must be notified retrospectively to Cabinet.

Period 4 2009/10 Capital Monitoring Report

Overview

The reported position for all Directorates is an underspend of (£23,721k). The intention is that £19,932k will be transferred into future years as slippage. Project Managers have advised that part of the slippage £8,019k for Environment and £789k for Children and Young Peoples has funding or approval related issues (see Appendix A).

The detailed information on a Directorate basis is included as part of this monitoring report, including the identification of funding issues and other aspects which may impact on the ability of the project to be delivered to budget and in a timely manner.

The main aspects of the current year forecast and slippage changes are as follows for each Directorate.

Strategy Governance & Performance £9k

- Essential Works on Computer Rooms £9k

Environment (£25,823k)

- CMK Public Transport Access Improvements (£4,345k)
- A422 - Corridor Improvement (£3,500k)
- CMK "Superstop" (£3,500k)
- CMK Station Square Approach (£3,285k)
- Street Lighting Spend to Save (£2,374k)
- Western Expansion Area Common Infrastructure (£2,000k)
- New Waste Depot at Colts Holm Road, Old Wolverton (£1,300k)
- Green Space Provision (£1,200k)
- Second Crematorium at Crownhill (£1,118k)
- Portway / North Grafton Capacity Improvement Scheme (£1,070k)

Children and Young Peoples Services (£2,744k)

- Children's Centre Contingency (Phase 2) (£1,096k)
- Walton High Roof (£1,053k)
- Walton High School (Additional 1 Form of Entry) (£1,000k)
- Radcliffe Replacement Heating (£750k)
- New Tattenhoe Park Primary School £1,172k
- New Walnut (Special School) £550k

Community Wellbeing (£31k)

- Extracare Retirement Village (£880k)
- Medbourne Pavilion (£200k)
- Tattenhoe Pavilion £516k
- Beanhill Children's Centre £297k
- Willen Village Extension £166k
- Hodge Lea Pavilion £54k

Community Wellbeing HRA £4,868k

- Decent Homes Programme £3,942k
- Heating Replacements £975k

Strategy Governance & Performance Period 4 2009/10 Capital Monitoring Report

Introduction:

This report focuses on current year movements between budget and forecast for the directorate, further information on changes covering future years is located in the detailed report.

Strategy Governance and Performance latest approved budget for the year is £560k. No significant changes to the budget to be reported for period 4.

The reported position may change in future periods due to funding and slippage.

Risks

2/C/00020 Essential Works on Computer Rooms £9k – Presently the computer rooms are undertaking substantive challenges (failing of cooling systems in computer rooms) and works are urgently required. Additional funds have been transferred from Mobile Computing to cover the costs but this is insufficient, funds maybe needed from the Revenue budget

DMT Approval:

The monitoring report was approved by Strategy Governance and Performance DMT on 13 August 2009.

Environment

PERIOD 4 2009/10 Capital Monitoring Report

Introduction

This report focuses on current year movements between budget and forecast for the directorate. Further information on changes covering future years is located in the detailed report.

The reported position in Environment is an underspend of (£25,823k); of this (£17,038k) will be slipped into future years. The largest movements into future years are Central Milton Keynes Public Transport Access Improvements (£4,345k), CMK Station Square Approach (£3,035k), Street Lighting Spend to Save (£2,374K), Western Expansion Area Common Infrastructure (£2,000k), Green Space Provision (£1,200k), New Waste Depot at Colts Holm Road - Old Wolverton (£1,300k), Second Crematorium at Crownhill (£1,118k), Wolverton Station (£820K) and East to West Bus Service (£700k).

The remaining balance of (£8,785k) is a result of projects that have not received funding and will be withdrawn, the largest are A422 - Corridor Improvement (£3,500k), CMK Superstop (£3,500k), Westcroft District Centre Bus Stop Improvements (£500k), East - West Public Transport Core Route (£500k), Contactless Smartcard Ticket Machines (£350k), CMK Station Square Approach (£250k), Carbon Management Programme - Phase 1 (£200k) and Play Area Improvement Fund (£100k). In addition to this is Portway/North Grafton Capacity Improvement Scheme (£1,070), all works have been completed. The decision has been taken to transfer the unspent funding to a holding account and hold it there.

The reported position may change in future periods due to funding and slippage.

Development & Design Management (£2,000k)

3/C/00307 Western Expansion Area Common Infrastructure (£2,000k) – Project reprofiled - £2,000k is being moved to future years due to slippage resulting from decline in economic circumstances and the assumption that Collaboration agreement is signed in October by the developer. Potential that expenditure may exceed prudential borrowing limit previously set for budget but this is dependant upon the housing market picking up. The probability of this occurring in 2009/2010 is low.

Spatial Planning (£2k)

3/C/00297 Limehouse Publisher Software (£2k) – The works are completed, remaining funding to be returned.

Passenger Transport (£13,924k)

3/C/00045 Central Milton Keynes Public Transport Access Improvements (£4,345k) – DFT allocation of £5m is to be spent before end of March 2011. The forecasted £500k will be spent this financial year to progress preliminary designs and carry out consultation - during the 3rd quarter. The future years forecast will be adjusted (via a PV) to reflect a total budget of £5m. The delay in receiving the DFT funding has resulted in a reduction in the level of work to be carried out in 2009/2010. The £4,345k will be transferred via a PV to 2010/2011.

3/C/00469 CMK Station Square Approach (£3,285k) – It is estimated that £550k will be spent this financial year on progressing detailed design/consulting of the preferred option and commencing the procurement process. Originally the total 09/10 budget was expected to be spent but due to a requirement to undertake further consultation and proceed with an alternative design this has proved not possible. £250k will be re-allocated to the MK Multi-Modal Model rebuild project (project now active). The remainder of £3,035k will be transferred to 2010/2011.

3/C/00497 CMK "Superstop" (£3,500k) – This project will be closed as it forms part of the 3/C/00045 project. This funding is already included on 3/C/00045 and will be removed. The PV is being processed.

3/C/00471 Wolverton Station (£820k) – Originally a delay was caused by inability to agree appointment of relevant engineer to progress next stage of project. A meeting between the relevant parties has taken place to resolve this issue. It is expected that the £1.08m will be spent in 2009/2010. But due to the delay in the agreement a PV is being processed to transfer £820k to 2010/2011.

3/C/00444 East to West Bus Service (£700K) – The original budget was set based on a high pre-tender estimate. The tender received was lower than estimated hence the reduced budget of £800k, to be spent in 2009/2010 on Bus Service subsidy (PV to be setup to transfer remaining budget to 2010/2011), marketing costs, and extension of RTPI to service. This will be spent over whole year (contract does not end until Mar 2017). The remainder will be slipped to 2010/2011.

3/C/00470 East - West Public Transport Core Route (£500k) – No funding available, will be withdrawn. This project was originally withdrawn last year as sufficient funding was not available to take the project to completion - the remaining £500k was future years funding and was simply missed. The PV is being processed.

3/C/00495 Westcroft District Centre Bus Stop Improvements (£500k) – This project has no funding available to take the project to completion. This will be withdrawn - a project variation will be setup to clear the budget.

3/C/00499 Contactless Smartcard Ticket Machines (£350k) – Project is to be withdrawn as much more time is required to develop a robust business case which would require committed funding over more than one year. There is also a DfT consultation paper out that may result in changes to administration of concessionary fares re-imburement. The PV is being processed.

3/C/00496 MK "Busways" £100k – Once award of contract takes place the initial task will be to revise the forecast expenditure - given we will be starting at least 4 months later than anticipated - this is due to Government not issuing grant award confirmation. A PV will need to be setup to transfer back £100k from future years as the level of spend will need to cover the schemes early design phase, this change can be met from within the total grant award.

3/C/00150 SCF PT Scheme (£24k) - The project is completed; the remaining funding will be transferred to J14 - 3/C/00217.

Traffic and Transportation £255k

There are a number of projects that are being cleared and will be closed; their budgets and current year expenditure are being transferred to new codes. Overall the net movement is zero except for £205k of additional funding (Road Safety Grant funding £106k, RSG £93k & Revenue

funding £6k). Plus there is an additional £50k to be transferred from Traffic and Transport to highway Network.

3/C/00524 Milton Keynes Multi Modal Model £50k – The project is on track and to be completed by March 2009.

Highway Network £0k

The largest change in forecast is Loughton Bridge Strengthening £132k. This project has a large overspend due to additional site works, time spent on Project Management/ supervision as the site works overran by approximately 1 month. This will be offset by various other projects.

Highways (£3,412k)

3/C/00513 A422 - Corridor Improvement (£3,500k) – No funding is available the project is to be withdrawn.

3/C/00223 Portway/North Grafton Capacity Improvement Scheme (£1,070) – Following a review it's been confirmed that all works have been completed. The decision has been taken to transfer the unspent funding to a holding account and hold it there.

3/C/00217 J14 Area Improvements (including Coachway North Fox Milne and Pineham Junctions) £1,158k – Compensation events will put the scheme into an overspend situation - awaiting final figures. These compensation figures will range from £121k to £1.3m. These figures are expected by end of August 2009. Coachway costs to be separated and separate project code setup. Additional funding is being sourced from other projects; some funding has already been transferred. The funding source for the temporary Coachway facility needs to be reviewed and a decision made on whether it is part of J14 project.

There are a number of projects within Highways (e.g. Surface Dressing/Remaking Roads) that are forecasting minor over and underspends. Any overspends at year end will be off set by other Highways projects underspends.

There are also a number of old projects that are being cleared and will be closed. Their budgets and/or expenditure will be transferred to new codes.

Street Lighting (£2,374k)

3/C/00291 Street Lighting Spend to Save (£2,374k) – Trial to take place in the next 8 weeks, if successful will roll out across CMK in 09/10. Expected spend will be £750k. Further stages are also being identified for 2009/2010 and 2010/2011. Work had started on tendering for a framework contract but was halted by head of service. A project variation is being setup to transfer the £2,374k to 2010/2011.

Environmental Health (£1,361k)

3/C/00341 MKGH Mortuary Expansion (£243k) – All payments received, remaining underspend will be shared between MKC and MKGH. Project works were over estimated and project completed ahead of schedule as no complications were experienced. A PV is to be setup to clear project.

3/C/00394 Second Crematorium at Crownhill (£1,118k) - Works are expected to start on site in October. Quantity surveyor recently appointed with initial build cost assessment within budget. Delay in start of project in 2009 is due to the appointment of new project manager and architects. This has led to a slippage of £1,118k to 2010/2011.

Waste and Energy (£1,550k)

3/C/00516 New Waste Depot at Colts Holm Road, Old Wolverton (£1,300k) – Spend in 09/10 will be £200k and the remainder in 2010/11. Works will commence in January 2010. The Tariff money is being secured (Oct/Nov 2009), a legal agreement is currently being drafted (outcome expected end of September) between MKC and the HCA to pay the tariff money once available to the green spaces project. The loan is dependant upon formal Council approvals and an agreement that it does not impact on the delivery of green spaces. Currently a review of GAF funding is taking place, the depot intended to loan money from it.

3/C/00451 Carbon Management Programme - Phase 1 (£200k) – The project is currently at design and tendering stage. A PV is to be setup to transfer £200k from the project, £100k of which will go to Salix and the other £100k will go to VFM. The remaining budget is expected to be fully spent in 2009/2010.

3/C/00518 Renewable Energy Schemes (£50k) – The projects currently obtaining planning and regulation approvals. Expected to spend £92k in 2009/2010, works to start in Sept 2009. £50k can therefore be moved to 2010/11. There is also a grant that will be sought to refund 50% of the costs.

Landscape Services (£96k)

3/C/00024 Linear Park/Hanson Centre (£96k) – This project is using a contribution (£106) from the NEA which is subject to payment on trigger points in the development. It is currently expected that funds will become available to undertake works to value of £35k. Further works are subject to remainder of the funds being paid to MKC as work has to be completed in stages with set costs.

Streetcare & Localities Services (£1,360k)

3/C/00474 Green Space Provision (£1,200k) – Forecast will be finalised in period 5 - awaiting outcome of developers agreement to cooperate. This delay has led to the expectation that the current total budget will not be spent, £1.2m to be transferred to 10/11. Project manager to provide a more accurate forecast in period 5 for the remaining budget.

3/C/00256 Play Area Improvement Fund (£100k) – The budget includes funding from a Parish source through match funding but this was never actually received – the budget of £240k will be reduced by £100k via a project variation.

3/C/00254 Access Improvements to Deprived Housing (£60k) - Project Managers to remove commitments - project has now completed. Waiting reply from project manager as to why the scheme has finished early and well under budget.

Risks

Strategic Management & Support Services – the overspends on 3/C/00242, 3/C/00243 & 3/C/000425 are still increasing this year, the works are still continuing but the funding is now being finalised.

3/C/00217 J14 Area Improvements – The contractor has submitted compensation events and early warning notices which if all paid in full would result in a significant overspend. However these events have not yet been agreed by the project manager and it is unlikely that these will be paid in full. As the amount to be paid cannot yet be determined a risk of a potential overspend has been highlighted.

3/C/00400 Loughton Bridge Strengthening – Currently there is no further expenditure expected but the projects overspend will be covered by funding from various other projects under Highways network. This may cause strain on some of the project budgets later in 09/10.

Street lighting – 3/C/00291 Street Lighting Spend to Save – the majority of funding for 10/11 has been slipped, if the trial is not successful then the project may be withdrawn and expenditure incurred to date transferred to revenue.

A number of projects will be affected by a reduction in the amount of GAF funding that's been awarded in 2009/2010. Currently there is no time frame as to when a decision will be made by members.

DMT Approval:

The monitoring report was approved by Environment DMT on the 13 August 2009.

Children and Young People Period 4 2009/10 Capital Monitoring Report

Introduction:

This report focuses on current year movements between budget and forecast for the directorate. Further information on changes covering future years is located in the detailed report.

The reported position in Children and Young People is an underspend of (£2,744k) with £2,894k being slipped into future years. The largest movements into future years are Walton High School (Additional 1 Form of Entry) (£1,000k), Radcliffe Replacement Heating (£750k), Middleton Primary (£380k), Newton Leys Primary (£305k) and Western Expansion Primary (£255k).

The remaining in year overspend of £150k arises mainly as a result of New Tattenhoe Park Primary School £1,172k (although this is not a true overspend but a reinstatement of the budget that was reduced by a financing adjustment), New Walnut (Special School) £550k, Sir Frank Markham Academy £258k (rephasing of the budget from future years), Brooksward Windows and Doors £186k. This together with underspends on the Children's Centre Contingency (Phase 2) (£1,096k) (duplication of the budget), Walton High Roof (£1,053k), the AMP Contingency (£270k) and Oakgrove 1a (£211k).

The reported position may change in future periods due to funding and slippage.

Schools, Planning and Resources (£1,517k)

4/C/00019 Heronsgate Replace Temp Classroom £52k - AMK had previously reported that the final account on this project had been agreed. Upon further investigation it was found that this was not the case and Cyril Sweett have had to resolve this. The final account has now been agreed at £47k and there will also be some fee payments outstanding.

4/C/00022-002 Oakgrove Secondary Phase 1a (£211k) - The project is nearly complete with the exception of some additional traffic calming measures that need to be undertaken (a left turn only layout near the entrance of the school). There has been a saving on the original contract sum because the final account came in less than originally anticipated.

Some of the unspent budget will be used to cover the overspend on Oakgrove Phase 1b (4/C/00022-003) and the remaining will be moved into the unallocated pot.

4/C/00022-003 Oakgrove Secondary School Phase 1b £100k - The budget has not been apportioned correctly between Phase 1a and 1b. The adaptation works on the Science Labs on Phase 1b cost more than anticipated so budget from Phase 1a will be used to cover this. There are also some landscaping works to be completed along with the final account payment for this. The total cost for this along with the adaptation works are currently being investigated and the commitments are also being reviewed.

4/C/00025 Lord Grey – SSR Extension £110k - Cyril Sweett are currently trying to settle the final account on this project. The estimated worst case scenario at present is £92k however negotiations with the contractor have stalled which will delay the agreement. There will also be fee payments to be made to Cyril Sweett.

4/C/00052 New Walnut (Special School) £550k - There has been an ongoing legal dispute with the contractors over elements of the doors and lights. It has now been agreed with the advice from legal services to settle this dispute with the contractor which has resulted in increased costs. The Capital team have not yet been informed how this will be funded.

4/C/00061 Oakgrove Secondary School Phase 2 £108k - Cyril Sweett have been reviewing the final account on this project which has now been agreed at £149k. This is £108k more than originally anticipated due to the theatre enhancements. There has also been a dispute with the contractors over the assembly hall.

4/C/00066 Western Expansion Primary 1 (£255k) - Due to the slow down in the economic climate the housing developments in the Western Expansion area have not developed as originally anticipated. This means that the opening of the primary school will also be delayed.

4/C/00067 CMK Primary (SRQ) (£104k) - The project was originally put on hold by Cabinet at the interim capital programme stage pending discussions for school requirements within the area. A review meeting will take place in 2010 to discuss whether this project will continue. There is a risk that if the project is withdrawn, the costs already incurred will be abortive and will have to be transferred to revenue.

4/C/00091 Newton Leys Primary (£305k) - The project is on hold due to the slow down in the housing market. The estimated opening of the primary school is now expected to be 2016.

4/C/00094 New Tattenhoe Park Primary School £1,172k - At the end of last financial year a financing adjustment was made to reduce the budget because Basic Need Safety Valve was not to be used to fund this project. This should have been replaced with an alternative source of funding to ensure that the overall budget remained the same, but it wasn't. The budget will now be increased in the current year to reinstate to its original value.

There is currently an ongoing dispute with the contractor over elements of the roof which may affect the project budget, although the level of risk is currently not known. We are waiting on an update from the QS with regards to the programme staging so the budget may be reviewed as a result of this.

4/C/00111 Long Meadow Combined £98k - Cyril Sweett are currently investigating the status of the final account on this project after AMK had reported it as closed. They have discovered that the final account has not been agreed and are currently working on a settlement. At present they are estimating £80k plus their own fees, however this may change as discussions progress.

4/C/00178 Leon (New Library Block) TCF Scheme £20k - AMK had previously reported that the final account on this project had been agreed. Upon further investigation it was found that this was not the case and Cyril Sweett are now reviewing the project. At present they estimate that the final account will be £46k (best case) - £72k (worst case scenario) although nothing has been agreed as yet. We will also have fee payments to make to Cyril Sweett.

4/C/00180 New Waterhall School Targeted Capital Scheme £115k - Additional budget will be required due to the unexpected drainage issues on the demolished site. At the time of the demolition, the drainage was also destroyed. It has since been discovered that this drainage was also used by some of the local houses and therefore needs to be restored.

4/C/00196 Stantonbury Campus Heating and Hot Water (£33k) – The project is split into a number of phases with each phase representing a separate block within the school grounds. The heating and hot water works have been managed and carried out under a number of larger

contracts. The final phases are now coming to an end and the project is reporting a saving. The underspend will be reallocated to the AMP Contingency (4/C/00226-100).

4/C/00217 Caroline Haslette Extension £36k - Cyril Sweett have been reviewing the status of the final account on this project as AMK had previously reported this as closed. The final account has now been agreed at £25k and will be paid shortly along with the outstanding fee payments to Cyril Sweett.

4/C/00226-100 AMP Contingency (£270k) - This project is a contingency and budget will be allocated to individual projects as and when the need is identified. At present, £5k will be returned to the contingency from Simpson Heating (4/C/00314), £17k from Greenleys First School Boiler Replacement (4/C/00435) and £33k from Stantonbury Campus Heating (4/C/00196) as a result of savings on these projects. £9k will be allocated to Willows First School Day Nursery (4/C/00029), £100k to Stantonbury Windows and Doors (4/C/00318), £186k to Brooksward Windows and Doors (4/C/00322) and £30k to Brooksward Boilers (4/C/00414) to cover overspends and to allocate to new projects.

4/C/00291 Middleton Primary Extension (£380k) - The project has progressed to advanced design stage however it is now on hold pending a Cabinet decision based on an assessment of the schooling requirements are within the Oakgrove area.

4/C/00318 Stantonbury Windows and Doors £100k - The scheme was originally put on hold when capital funding was reduced. Enough budget was left on the Programme to enable the initial design works and tenders to commence. The replacement of the windows and doors will now go ahead as part of the 09-10 AMP Programme to be funded from the AMP Contingency (4/C/00226-100).

4/C/00322 Brooksward Windows and Doors £186k - The scheme was originally put on hold when capital funding was reduced. Enough budget was left on the Programme to enable the initial design works and tenders to commence. The replacement of the windows and doors will now go ahead as part of the 09-10 AMP Programme to be funded from the AMP Contingency (4/C/00226-100).

4/C/00377 Walton High School (Additional 1 Form of Entry) (£1,000k) - The design stage for this project has been extended which has caused rephasing to the project budget. The design stage was extended by approximately 6 weeks to ensure that this is done to the best possible standard, to avoid any potential problems later on in the project. The extension does not have to be open by a set date, so the delay should not cause any problems.

4/C/00403 Radcliffe Replacement Heating (£750k) - The replacement of the heating at Radcliffe will need to take place prior to the redevelopment of the school to enable it to continue to function normally. Any underspend on this project will be used to support the new project where it has been proposed that the school will become an Academy.

4/C/00408 Chestnuts PIP £23k - After the original tender was returned, it was discovered that there were significant omissions that required a re-tender. This has resulted in increased costs. This will be funded from the PIP Contingency (4/C/00226-200).

4/C/00414 Brooksward Boilers £30k - The tender return came back higher than originally anticipated resulting in increased costs. The increase will be funded from the AMP contingency.

4/C/00415 Rickley Boilers (£100k) - It is unlikely that any money will be spent from this project as a result of the amalgamation of Rivers/Rickley. However the budget will be held until the amalgamation is complete at which point it will be withdrawn.

4/C/00419 Sir Frank Markham Academy £258k - The budget on this project is currently under review with regard to the phasing. The project will not overspend but some budget may need to be brought forward from next financial year because the budget was phased incorrectly at the appraisal stage. Phase 1 of the project will be complete by September 2009 (the opening of the Academy) and phase 2 of the project (demolition of the Secklow building, landscaping etc) is expected to run from October 2009 to March 2010. Retention will be paid next financial year.

4/C/00420 Walton High Roof Replacement (£1,053k) - This project was originally approved to be a complete replacement of the roof at Walton High with new contractors because the original contractors refused to correct the problems. However, they are now responding positively and will be completing the roofing works. This means that all of the costs incurred to date should actually have been charged to the original Walton High projects and treated as defects works. However, there may be some costs that relate to the instruction of new contractors and these will now be classified as abortive costs and transferred to revenue. The costs incurred to date are currently being reviewed in light of this.

4/C/00435 Greenleys First School - Boiler Replacement (£17k) - A competitive tender return has resulted in reduced costs on this project. The original costs were based on a 5 year old condition survey. The underspend will be reallocated to the AMP Contingency (4/C/00226-100).

Quality Assurance £36k

4/C/00313 Integrated Children's Services Grant £36k - The DCSF have approved an additional £36k capital grant for the ICS development for 2009-10. Phase C of the development is due to be implemented in October 2009. The grant will be used to purchase upgrades to the current system and to fund the project work.

Sure Start (£1,263k)

4/C/00285-008 Heelands Children's Centre £14k - The additional works are for architectural services in relation to agreeing the final account and the final retention payment. The information regarding final fees was received after the slippage was submitted and nothing was slipped on this project. Budget will be moved from the Children's Centre Contingency project to cover this (4/C/00285-012).

4/C/00285-012 Children's Centre Contingency (Phase 2) (£1,096k) - The budget on this project has been overstated by £1,078k. This is because the Phase 3 future years budget was accounted for in the Phase 3 Children's Centre Programme (4/C/00431) as well as this project. £14k will be moved from the Contingency to cover overspends on Heelands Children's Centre (4/C/00285-008) and £4k will be moved to New Bradwell Children's Centre (4/C/00285-011). At present, no other works have been identified.

4/C/00440 Resurfacing of the Galley Hill Education Centre Access Road/Small Car Park (£36k) - This project was approved on the 09-10 Capital Programme. It was approved and to be funded by some of the unallocated Education funds. In the meantime, Education had allocated all of this funding for use elsewhere in the programme and there is not any alternative funding available to cover this project. Therefore the project will now not be going ahead.

4/C/00441 Replacement of the Galley Hill Education Centre Heating Distribution System (£149k) - This project was approved on the 09-10 Capital Programme. It was approved and to be funded by some of the unallocated Education funds. In the meantime, Education had allocated all of this funding for use elsewhere in the programme and there is not any alternative funding available to cover this project. Therefore the project will now not be going ahead.

Risks

Projects on hold – there are two projects currently on the programme that are at present on hold pending Cabinet discussions. The projects CMK SRQ (4/C/00067) and Middleton Primary Extension (4/C/00291) have been completed to design stage and both projects have incurred costs in prior years. There is a risk that if these projects do not proceed, the expenditure incurred to date will be deemed as abortive costs and may have to be transferred to revenue.

Final Accounts – Cyril Sweett are currently reviewing the status of the final accounts on a number of projects in the programme that had been previously reported as closed by AMK. As a result of this review additional costs have been incurred to cover Cyril Sweett's fees and it has also been discovered that some of the final accounts are yet to be paid. Some of these projects have little or no budget at present and it is yet to be identified how these will be funded.

Additional Finance Comment

Schools, Planning and Resources / Sure Start :

The processing of capital project variations to date has been delayed by the review currently being undertaken of the 2009/10 capital financing position. The review will soon be complete and it is anticipated that a large proportion of the capital project variations will therefore be processed in period 5.

DMT Approval

The monitoring report was approved by Children and Young People's DMT on the 13 August 2009.

Community Wellbeing Period 4 2009/10 Capital Monitoring Report

Introduction :

This report focuses on current year movements between budget and forecast for the directorate. Further information on changes covering future years is located in the detailed report.

The reported position in Community Wellbeing is an underspend of (£31k). This arises mainly as a result of (£880k) worth of duplicated funding on Extracare Retirement Village which is to be removed. This aside there is an overspend of £849k which is as a result of Tattenhoe Pavilion £516k, Beanhill Children's Centre £297k, Willen Village Extension £166k and Hodge Lea Pavilion £54 together with an underspend on Medbourne Pavilion (£200k)

The reported position may change in future periods due to funding and slippage.

Commissioning and Customer Care (£880k)

5/C/00067 Milton Keynes Council and Extracare Charitable Trust – Retirement Village No.2 (£880k) - The staging of when payments were received from the Department of Health differed to what was originally expected and approved on the appraisal. £880k was received earlier than expected (in 2008/09) and therefore paid out as a grant to Extracare in March 2009. Therefore the extra budget in 09/10 needs to be reduced by £880k this year to take this into account

Housing Strategy and Needs £0k

5/C/00051 Re-Development of Calverton Traveller's Site £31k – The main reason behind the increased costs/forecast is due to the late instruction by external Project Managers which has led to a delay of the utilities being ready in time for the project to progress. The project is 17 weeks behind schedule, and there has been additional works, time and cost involved in moving the gypsies from the site for the works to commence.

Learning, Leisure & Culture £849k

4/C/00039 Medbourne Pavilion (£200k) - This project has been run closely in line with Tattenhoe Pavilion (4/C/00040) and in light of the issues on Tattenhoe, some of the budget on Medbourne will be used to support the additional costs that have arisen. Enough budget will be left on Medbourne to cover the final account payment which is currently close to agreement and is expected to be settled in the autumn.

4/C/00040 Tattenhoe District Park Pavilion & Drainage £516k - Some design and execution issues in relation to roof are under investigation at present. Some of the roof is leaking which has also caused damage to parts of the building and we are currently in discussions with legal services because of this. At present it is estimated that the cost of correcting these problems will be approximately £525k, however until the detailed specification of works is known we cannot identify whether the expenditure will be revenue or capital. 25% of this cost should be reimbursed by the contractor and £200k will be moved from Medbourne Pavilion (4/C/00039) however, it is not yet known how the remaining costs will be funded.

4/C/00127 Hodge Lea Pavilion £54k – At the time of the Radcliffe reconciliation (at the end of the financial year), funding that was loaned to Radcliffe from Hodge Lea should have been returned. In error, this did not happen and the budget on Hodge Lea was reduced due to the shortfall in funding (not receiving the capital receipt from the sale of land at Radcliffe). A project variation will be created to reinstate the Hodge Lea budget to its true value.

4/C/00166 Willen Village Extension £166k - At the time of the Radcliffe reconciliation (at the end of the financial year), funding that was loaned to Radcliffe from Willen should have been returned. In error, this did not happen and the budget on Willen was reduced due to the shortfall in funding (not receiving the capital receipt from the sale of land at Radcliffe). A project variation will be created to reinstate the Willen budget to its true value.

4/C/00288 Beanhill Children's Centre £297k - This project is currently over budget due to increased costs as a result of a number of factors – a poorly specified tender, poor bill of quantities, and the contractor starting on site without a full set of drawings. The Capital team have not yet been informed how this will be funded. There was also an overspend (£212k) in the last financial year which had to be covered by borrowing until the funding source is confirmed.

4/C/00373 Stony Stratford Garage Conversion £15k - The roof at Stony Stratford library is in urgent need of replacement. The extensive leaks are penetrating into the library area. If left in its current condition there will be continual damage to the fabric of the building and other materials within the library area. The works on the roof are a part of the continuing works of the garage conversion at the library. The roof in its present condition is not suitable to be used for its new adapted purpose (i.e. an office rather than a garage) - there is no insulation for example. At present the area is rented out to the Town Council as office space. The new roof will include the following additions to make the roof more suitable for the converted room - new velux windows, new lead gulley's, soakers, extrusions, insulation and tiles. The additional cost for these items will be met from the revenue budget from 3 libraries; £5k from 423201, £5k from 423202 and £5k from 423205.

Risks

5/C/00051 Re-development of Calverton's Traveller's Site – There has been recent information supplied that this project might go significantly over budget, awaiting clarification of funding from Project Manager.

4/C/00040 Tattenhoe District Park Pavilion & Drainage – This project is now forecasting an overspend of £516k due to issues with the leaking roof. £200k of this will be funded from another project currently on the programme, however at present, it is uncertain how the remaining costs will be funded. It is expected that the contractor will reimburse us with 25% of the cost but we will have to cover all of the expenditure in the first instance.

4/C/00188 Bletchley Leisure Centre Redevelopment – There are two risks associated with the funding for this project. First of all, over the life of the project there is a shortfall in funding of £1,331k. In addition to this and as stated in the approved project variation PV553, a capital receipt from the sale of land is due in 2011; however this will be spent against the project before it is received. There is a risk that if this receipt is not received, there will be an additional shortfall in funding. Funding to cover the shortfall remains to be identified. Due to the urgent and strategic nature of the scheme and the need to protect the Council's investment to date, if suitable funding alternatives are not identified, this project will have to be funded from the capital programme. As per the June CLT, this project will remain "Red" until the funding is secured in the capital programme.

4/C/00288 Beanhill Children's Centre - This project is now forecasting an overspend of £297k due to increased costs. This is in addition to the overspend incurred last financial year of £212k which has been funded by borrowing in the interim. Whilst the building opened in April, final accounts have still not been received. The matter is being escalated internally but as yet, no resolution to the overspend has been reached.

DMT Approval

The monitoring report was approved by Community Wellbeing DMT on the 13 August 2009.

Community Wellbeing - HRA Period 4 2009/10 Capital Monitoring Report

Introduction:

This report focuses on current year movements between budget and forecast for the directorate, further information on changes covering future years is located in the detailed report.

The reported position in Community Wellbeing HRA is an overspend of £4,868k this arises mainly as a result of Decent Homes Programme (2009/10) £3,942k and Heating Replacements £975k both receiving additional funding. Neither have any slippage into future years.

The reported position may change in future periods due to funding and slippage

Housing Repairs £4,868k

9/C/00085 Heating Replacements (2009/10) £975k – The original budget was set at the level of funding available, which was lower than demand. Securing of additional funding is now in the final stages of agreement therefore the forecast is being increased to a revised demand level. The funding sources are as follows: - £700k from HRA reserves (RCCO), £250k MRA brought forward per central government initiative and £25k is unfunded; the Finance Team is still to be advised where this funding is to come from.

9/C/00086 Decent Homes Programme (2009/10) £3,942k – The increase in forecast is mainly due to receiving additional funding of which the works will consist of improvements to Kitchens and Bathrooms. Funding of £2,750k from Central Government Initiative to stimulate the economy within the Construction Industry by allowing Local Authorities to receive Major Repairs Allowance funding from 2010-11 to 2009-10. This is in the final stages of being agreed by the government and a project variation is to be prepared. Funding of £1,100k is from HRA reserves (RCCO). Funding of £49k is anticipated to be transferred from unspent balances on last years projects 9/C00083 Heating 08/09 and 9/C/00080 Decent homes. Unfunded balance of £68k, the Finance Team is still to be advised where this funding is to come from.

9/C/00088 Loft & Cavity Wall Insulation (2009/10) £12k - The works on this project are driven by available funding; the increase in forecast is due to the transfer of funds and work from 9/C/00082. Project Manager is forecasting full spend of the budget. Works are expected to commence September/October time and at present there are no issues which should affect progression of the project

DMT

The monitoring report was approved by Community Wellbeing DMT on the 20 August 2009.

Appraisals for New Projects approved by Delegated Decision 11 August 2009 - for Noting											
Directorate	Project Variation Reference	Appraisal reference	project name	Value of Appraisal					Total	Funding	Brief Description
				2009/10	2010/11	2011/12	2012/13	2013/14 onwards			
CYPS		CYP32	New IT system for Families Information Service	23,534	-	-	-	-	23,534	DCSF Grant	Purchase of new database system including hardware and software to replace the current system in line with DCSF requirements. Additional requirement is for daily updates of information to be sent to a national database and the Council's web site. The new database system is the replacement for ICHIS and will enable the Family Information Service to deliver its service to the public. It will automatically receive data from Ofsted and transfer the data required to the national PKHD (Parent Know How Directory) system. Additionally, data will be automatically extracted from the system to feed a new MKWeb-based web area that allows public access to local information; it is the replacement for the Childcare Link web site.

Appraisals for New Projects approved by Delegated Decision 30 June 2009 - for Noting											
Directorate	Project Variation Reference	Appraisal reference	project name	Value of Appraisal					Total	Funding	Brief Description
				2009/10	2010/11	2011/12	2012/13	2013/14 onwards			
Environment		ENV108	Upgrade of Chilliers at Civic Offices	250,000	-	-	-	-	250,000	Prudential Borrowing	The chilliers at Civic Offices are failing and need to be replaced as a matter of urgency. This plant is at the end of life expectancy and is unable to be repaired to perform to its capacity. Chilliers lost 25% capacity last year and are currently maintaining 75%. This may be insufficient during any prolonged hot spell but in any case chilliers are at a point of critical failure. A further percentage loss of capacity or total failure could happen at any time. The new chilliers would bring the capacity of the system back up to 100%.
Environment		ENV107	MK Playbuilder Project	528,000	596,000	-	-	-	1,124,000	DCSF Grant	The project will be a major play areas refurbishment programme over a 2 year period. The project is funded by Department for Children, Schools and Families [DCSF]. The aim is to undertake substantial capital improvements to not less than 22 sites in Milton Keynes. The project focuses on major upgrading of the selected play areas by the introduction of new facilities, play equipment and infrastructure on each of the sites. It is also important to note that a holistic view is being taken of improving the wider "play environment" and the open spaces within which children's play takes place. The Project includes improvements in this wider environment in accordance with DCSF requirements. The Project also has a substantial component of community and Parish consultation and involvement. Working with the community to design and build bespoke play sites in accordance with the playbuilder guidelines. The landscaped play areas will provide free play opportunities aimed at 8 to 13 years old, develop environmental awareness and contribute to health and well being and enable them to develop a range of problem solving and risk assessment skills. The project will furthermore, promote and contribute

Variation approved by Delegated Decision 30 June 2009 - for Noting											
Directorate	Project Variation Reference	Appraisal reference	project name	Value of Variation					Total	Funding	Brief Description
				2009/10	2010/11	2011/12	2012/13	2013/14 onwards			
Finance & Risk Management	2/C/00020		Essential Works on Computer Rooms	66,135	-	-	-	-	66,135		The funding of the Essential Works on Computer Rooms project will be sourced from Mobile computing. Unexpected and very essential works have caused expenditure to increase on the computer rooms. Previously the focus was on implementing the new Saxon Court computer room (replaced the pre-existing) - and that has been completed, but it is also essential that the Civic Offices computer room has its air conditioning systems/services completely replaced or overhauled, that the UPS system is replaced and that the power supplies are upgraded. The UPS is at end of life, it should be noted that the current air conditioning services the post room and the registry as well as the computer room. The system draws cold air, via fans, to those areas to cool them and it appears that insufficient cool air is allowed to circulate into the computer room. This weakness has to be resolved. Also the existing air conditioning systems are extremely old, very carbon inefficient and badly in need of replacement. If these works are not undertaken there is a high risk of loss of IT services and possible damage to IT equipment.
	2/C/00027		Mobile Computing	(66,135)	0	0	0	0	(66,135)		The mobile computing project is still needed but is being severely reduced in scope. The case for mobile computing has not changed and the project remains important. However, as this is the only practicable source of funds available we have no choice but to significantly reduce the scope of this project in favour of doing the works on the Civic computer room. Essential upgrades to the BlackBerry Enterprise Server will still proceed under the mobile computing project funding - which is around £8k.

**DRAFT TERMS OF REFERENCE FOR THE BUDGET REVIEW GROUP
(BRG)**

1. To provide dedicated, cross-party consideration of the Budget and the Council's finances with a view to establishing and maintaining resources which are fit for purpose and address the needs and aspirations of the people of Milton Keynes and the Council's priorities.
2. To contribute to the delivery of Council Priorities by making recommendations on:
 - (a) Priority of Services
 - (b) Service efficiencies
 - (c) Value for money
 - (d) Financial strategies
3. To monitor the in-year progress of the Revenue and Capital Budgets.
4. To scrutinise and comment upon annual out-turn reports for the Revenue and Capital Budgets, and identify learning points.
5. To be consulted during the preparation of the annual Revenue and Capital Strategies and Budgets.
6. To scrutinise the draft Revenue and Capital Budgets.
7. To make recommendations to the Cabinet on any of the above matters at any time, and to submit comments to the Council in relation to the Cabinet's proposed Revenue and Capital Budgets at the appropriate time.