

To: Communities Policy Overview Committee – 13th January 2009

From: Mike Hill, Cabinet Member and Amanda Honey, Managing Director

Subject: **Financial Monitoring 2008/09**

Classification: Unrestricted

Recommendation:- Members of the POC are asked to note the projected outturn figures for the directorate for 2008/09 based on the second quarterly monitoring report to Cabinet.

FOR INFORMATION

1. Introduction

- 1.1 This is a regular report to this Committee on the forecast outturn against budget for the Communities portfolio.

2. Background

- 2.1 Policy Overview Committees consider the draft Medium Term Financial Plan at their November and January meetings. To enable a more informed discussion, three reports are presented to the Committee on a regular basis:

a) Budget Monitoring reports

A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. A report for each directorate is annexed to the summary report, and the annex for the Communities directorate is presented to this Committee at the meetings following those Cabinet meetings. This will help inform this POC about current trends, pressures and management actions in advance of the next year's budget setting.

We are trying to address the gaps between these quarterly reports to Cabinet and the timing of POC meetings but this has to be treated as a corporate issue and cannot be easily be resolved by individual POCs. Timing is not an issue for this POC as the second quarter's budget monitoring was reported to Cabinet on 1st December 2008.

b) Performance data

An in-year update on service unit performance is reported to this Committee as Item B4 of this agenda in advance of the full annual review of performance to be reported to Members in July 2009.

c) Outturn report

Effectively an amalgam of the above two, the outturn report summarises financial and performance information for the whole of the preceding year. The outturn report for 2007/08 was reported to the September POC meeting.

- 2.2 In light of the above reports, the POCs are asked to question and comment on future budget and medium term proposals, as they were asked to do at the November meeting in terms of relative priorities, and again on this agenda as item B5 in relation to the detailed budget proposals for 2009/10 and medium term plan 2009/12.

3 Quarterly monitoring report

- 3.1 Attached is the monitoring report for the second quarter in 2008/09 for the Communities directorate. The table has been amended to show net variance as an amount and percentage as requested by the POC.
- 3.2 Revenue
The latest forecast outturn is an overspend of £594k before management action to bring the portfolio budget back into balance. The main issues including details of the £594k and the corrective management action are set out below.

Youth Offending Service

- a. The Youth Offending Service is now forecasting a balanced budget after identifying additional posts to hold vacant and other cost reductions.

Adult Education

- b. As previously reported a budget recovery plan has been agreed with and implemented by the Adult Education Service to deliver a balanced budget. Enrolments for 2008/09 academic year show a shortfall against planned numbers and the service has been able to reduce expenditure on sessional staff and other costs to ensure spending does not exceed income available from LSC and tuition fees.

Community Safety

- c. We are forecasting a small under spend on Community Safety of £20k due to slippage in recruiting staff to vacancies and to cover maternity leave and additional income from Kent Police for training. Further savings on staffing are to be considered as part of the voluntary vacancy restraint referred to in paragraph 3.3 below.

Coroners

- d. The Coroners service continues to forecast an overspend although this has reduced by £44k from the last exception report down to £249k following revisions to forecasts for venue hire, specialist fees and internal recharges. There are four Coroner's districts in Kent and the authority can do very little to direct the work of the Coroners and therefore control expenditure. The four Coroners are part-time and are paid according to the number of cases referred to them with additional payments for long inquests. We are continuing to work with other local authorities and the Local Government Association to lobby for changes to the funding/organisation of the Coroners service. The Queen's Speech heralded the Coroner's Bill and we await details of the ability this will afford to restructure the service to enable us to bring costs more under control.

Trading Standards

- e. Trading Standards are finding severe difficulties in attracting qualified/experienced staff into Kent and has to rely on appointing trainees. This has resulted in under spends due to the lower salaries and the number of posts that remain vacant. The overall forecast under spend on Trading Standards is £165k

Central Budgets

- f. There are a number of costs which are incurred and held centrally rather than charged to individual services for which inadequate budget provision was made. We have been developing protocols to manage these arrangements consistently across the directorate and need to transfer the appropriate funding from individual services. This includes some assumptions on income necessary to fund the central Policy and Resources unit which have proved unrealistic. The overall impact is an overspend of £530k on central costs.

3.3 The Senior Management Team has recommended further voluntary vacancy restraint to offset the residual overspend. We have identified 158 vacant posts across the directorate which were anticipated to be filled within the expenditure forecasts and asked managers to identify which are essential to be filled and which can be held vacant for the remainder of the year. We anticipate including the outcome from these discussions in the next exception report.

3.4 Capital

- a. As reported to the last POC meeting the County Council's entire capital programme has been reviewed due to the current economic situation with schemes deferred, deleted or reduced in cost in response to our reduced ability to raise capital receipts. For Communities this included deferring expenditure on Tunbridge Wells Library, Ashford Gateway Plus, Edenbridge Community Centre, Kent History Centre, Gravesend Library, Library Modernisation programme and Cheeseman's Green Library into later years. We also reduced planned spend on Tunbridge Wells Library and Village Hall grants and deleted the feasibility plans for Southborough Hub.
- b. Members are reminded that the Cabinet protocol is that reports only include projects that have already started or are planned to start in 2008/09. This means the cash limits reported to Cabinet in the attached appendix do not include Kent History Centre (£10,660k, Tunbridge Wells Library £600k, and Grove Green Library £175k) compared with the revised Medium Term Financial Plan.
- c. Since the revised cash limits were agreed there has been further slippage of £771k on Ashford Gateway Plus due to planning delays and £200k on Gravesend Library due to conservation issues. There has also been £49k forecast under spend on Ramsgate Library due to lower than expected cost for the ground source heat pump with a consequential reduction in energy grant funding.

4 Recommendations

- 4.1 Members of the POC are asked to note the projected outturn figures for the directorate for 2008/09 based on the second quarterly monitoring report to Cabinet.

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Appendix: Communities Directorate Summary July 2008-09 Full Monitoring Report

Appendix 1

COMMUNITIES DIRECTORATE SUMMARY OCTOBER 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in Appendix 2 to the executive summary.
- Cash limits have also been adjusted since the last full monitoring report to reflect a number of technical adjustments to budgets, including the transfer of the Contact Centre to Corporate Support & External Affairs portfolio.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Table 1

Budget Book Heading	Cash Limit			Variance			Net Variance as % of Gross	Comment
	G	I	N	G	I	N		
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s		
Communities portfolio								
Turner Contemporary	1,016	-200	816	39	-39	0	0.0	
Kent Drug & Alcohol Action Team	15,399	-13,414	1,985	456	-456	0	0.0	Additional investment for prescribing and alcohol services
Youth Offending Service	6,417	-2,639	3,778	172	-172	0	0.0	Additional costs & income for seconded officer to prison service & East Kent safer schools initiative
Youth Services	12,678	-5,207	7,471	892	-892	0	0.0	Unbudgeted expenditure & income for connexions, PAYP and various other minor over/underspends
Adult Education	13,472	-13,845	-373	-378	378	0	0.0	Fewer than anticipated enrolments with reduced sessional staff & other costs
Arts Development	1,305	-15	1,290	69	-69	0	0.0	

Table 1

Budget Book Heading	Cash Limit			Variance			Net Variance as % of Gross	Comment
	G	I	N	G	I	N		
Libraries, Information & Archives	£'000s 25,594	£'000s -3,210	£'000s 22,384	£'000s 59	£'000s -59	£'000s 0	0.0	
Sports, Leisure & Olympics	2,163	-1,083	1,080	0	0	0	0.0	
Key Training	4,001	-3,865	136	115	-115	0	0.0	Unaccompanied minors project. Funding agreed after budget set.
Kent Community Safety Partnership	4,379	-275	4,104	-10	-10	-20	-0.5	Maternity leave, slippage between current vacancies and planned recruitment. Income from Kent Police and Gravesham BC for section 17 training
Coroners	2,394	-384	2,010	249		249	10.4	Continuation of 2007-08 pressures on mortuary fees, pathology costs and long inquests
Emergency Planning	736	-142	594	-2	2	0	0.0	
Kent Scientific Services	1,628	-1,655	-27	-28	28	0	0.0	
Registration	4,321	-2,855	1,466	1	-1	0	0.0	
Trading Standards	4,515	-340	4,175	-140	-25	-165	-3.7	Staff underspends £145.5k. Remainder made up of various under/overspends.
Policy & Resources	1,369	-77	1,292	42	-42	0	0.0	
Business Development Team	203	0	203	50	-50	0	0.0	
Strategic Management	985	0	985	0	0	0	0.0	
Centrally Managed directorate budgets	278	-1,135	-857	208	322	530	190.6	Directorate costs for which no budget existed
Total Communities controllable	102,851	-50,339	52,512	1,794	-1,200	594	0.6	
Assumed Management Action				-594		-594		
Forecast after Mgmt Action				1,200	-1,200	0		

1.1.3 **Major Reasons for Variance:** *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

1.1.3.1 Adult Education

The adult education service has made significant progress to address the deficits it has incurred in previous years arising from a combination of reductions in funding from the Learning and Skills Council in 2005/06 and 2006/07, and lower than anticipated enrolments in 2007/08. The service has now agreed a budget plan to ensure expenditure does not exceed income in 2008/09 and to repay the £373k in year deficit made during 2007/08. To achieve this, the AE service will capitalise expenditure on the Education Business System which will be funded from a capital receipt from the sale of a redundant AE centre. This position is after the £750k virement from Finance portfolio to reflect the agreed recovery plan.

Enrolments for courses starting in September/October are on average 8% lower than the previous year and within manageable tolerances due to the economic downturn. The impact on tuition fees is not quite as severe, as take-up of premium courses has been slightly above the anticipated level. Nonetheless, the service has had to make compensatory savings on sessional staff and other expenditure headings to ensure targets on group sizes and a balanced budget can be achieved.

1.1.3.2 Youth Service

The budget assumed that the contract with Connexions to provide information, support and advisory services to young people would come to an end at the end of 2007/08. We have negotiated an extension with Connexions until the end of March 2009 with additional income and expenditure amounting to £475k. This contract may be extended further. The Youth Service has also received a contribution of £352k from CFE to support Positive Activities for Young People (PAYP). As with Connexions, PAYP has matching additional income and expenditure.

1.1.3.3 Coroners

Despite providing an additional £200k into the budget in 2008/09 the Coroner's service continues to be overspent. The demands placed on Coroners to investigate deaths are increasingly more complex resulting in more long inquests and thus additional expenses for the Coroners and other costs associated with conducting inquests. Coroners are also incurring additional expense for pathology fees (both as a consequence of investigating more cases and due to higher charges from hospital trusts) and for mortuary attendants. KCC has very little influence over the work of the Coroners and therefore little control over expenditure which is governed by the claims from Coroners themselves.

1.1.3.4 Libraries, Information and Archives

Income from the rental of audio visual materials in libraries has declined in recent years in line with changes in the market and despite the fact that action taken has slowed the decline the service has been unable to meet its income budgets. The service has explored other merchandising opportunities and this year is forecasting that it can make sufficient from these e.g. the sale of jute bags and Kent on Canvas, to meet income targets in the budget. However, there are additional costs associated with merchandising new products meaning the service has to make savings on staff costs through managing vacant posts and other expenditure budgets to ensure the overall budget is in balance.

1.1.3.5 Kent Drug and Alcohol Action Team

KDAAT has negotiated an additional £456k from the East Kent Primary Care Trust to fund additional investment in adults' prescribing service and alcohol treatment services. The additional income is matched by expenditure on commissioned services.

1.1.3.6 Trading Standards

Trading standards have delayed recruiting to a number of posts during the year in order to retain/hold positions for trainees as they qualify, which has resulted in a saving of £146k. The service continues to experience severe difficulties in attracting qualified staff to Kent mainly due to a national skills shortage, for example recent advertising produced no suitable applicants and hence the continued reliance on appointing trainees and using their well established career grade scheme.

1.1.3.7 KEY Training

The additional income and expenditure reflects a contribution from Children Families and Education for a contract to deliver a programme to be run for unaccompanied minors housed at Swattenden.

1.1.3.8 Central Budgets

There are a number of budgets which are managed centrally on behalf of the directorate rather than devolved to individual services. This includes expenditure on revenue building maintenance, directorate events, service level agreements and a range of specific projects that do not relate to individual services. Income from overhead recharges to Adult Education is also held centrally. The budget set for directorate events is unrealistic as it was based on activities before the new directorate was fully established. The income budget included unrealistic assumptions from services within Communities to meet the full cost of the Policy and Resources Unit.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	Youth expenditure on connexions covered by increased income	+475	CMY	Youth external contributions for Connexions	-475
CMY	KDAAT Additional investment for prescribing & Alcohol services	+456	CMY	KDAAT Additional income for prescribing & Alcohol services	-456
CMY	Central Budgets - Unrealistic income assumptions to meet the full cost of the Policy & Resources unit.	+290	CMY	Reduced expenditure within AE on sessional staff and other budget headings in response to lower than anticipated enrolments	-378
CMY	Loss of income due to lower than anticipated Adult Education enrolments	+378	CMY	Transfer of expenditure for Education Business System within AE to capital programme	-373
CMY	AE rolled forward deficit from 2007-08 due to lower than expected enrolments and restructure costs	+373	CMY	Youth - contribution from CFE for Positive Activities for Young People	-352
CMY	Youth expenditure on Positive Activities for Youth People covered by contribution from CFE	+352	CMY	Libraries & Archives Staff underspends to cover costs of stamps and merchandise	-161
CMY	Coroners long inquests payments	+139	CMY	Trading Standards staff underspends	-146

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	Coroners Pathology Fees, Mortuary Attendants and Histology fees	+110	CMY	Key Training: Unaccompanied minors project. Funding agreed after budgets set.	-114
CMY	Libraries & Archives Purchase of stamps & merchandise	+100			
CMY	Key Training: Costs associated with unaccompanied minors project.	+114			
CMY	Central Budgets: Unrealistic budgets set for directorate events	+116			
		+2,903			-2,455

1.1.4 Actions required to achieve this position:

1.1.4.1 The Adult Education Service has developed a financial recovery plan to address previous years' deficits and to ensure that in future it can respond more quickly to changes in income. Particular actions include:

- a review of terms and conditions for sessional lecturers so that their hours can be reduced without the individual having the right to redundancy benefits
- a reduction in fixed overheads through staff savings on management and administration
- significant progress in setting local managers increased targets for student numbers on individual courses to make courses financially viable
- review of course fees, freezing fees at 2007/08 levels for existing courses, and introducing a wider range of premium courses where the fees paid by students cover the full cost of courses
- transfer expenditure on Education Business System to the capital programme, to be funded by a combination of revenue contribution and proceeds from sale of redundant AE centre

These actions will resolve the deficit accrued in 2007/08 due to lower than expected enrolments and restructure costs.

In response to the lower than anticipated enrolments for courses starting in September and October the Service has reduced sessional tutors hours by 6,058 hours (8.4%)

1.1.4.2 The Youth Offending Service has taken further management action through vacancies and better use of joint funding arrangements to stay within its net budget. The County Youth Justice Board did not accept a recommendation that we should approach partners for additional funds to address budget pressures and that the service would have to agree a strategy to balance the budget. This has now been achieved and the consequences will be reported to the board.

1.1.4.3 The Arts Development Unit has completed a major staff restructuring to deliver the efficiency saving and staffing reductions assumed in the budget.

1.1.4.4 The Registration Service has increased charges for non-statutory services by an average of approximately 45% in order to deliver the increased income agreed through the medium term financial plan. At this stage this appears to have minimal impact on take-up of services.

1.1.4.5 Community Safety has ceased grants to Crime and Disorder Reduction Partnerships for community safety projects. This was taken as a saving in the 2008-11 MTP. This has not been well received by some partnerships although KCC remains committed that our priority for supporting crime and disorder reductions is through the warden service.

1.1.5 Implications for MTP:

The ongoing pressures faced by the Coroners Service and the full year impact of the recent fuel and electricity price rises remain the main additional medium term financial pressures for the portfolio. Coroners are being expected to investigate more cases leading to additional mortuary and specialist fees. Where these cases result in a long inquest Coroners can claim additional expenses.

The shortfalls in the central budgets for directorate events and income will be addressed in setting the 2009/10 budget.

1.1.6 Details of re-phasing of revenue projects:

N/A

1.1.7 Details of proposals for residual variance:

Compensatory savings elsewhere within the Coroners and central budgets are unlikely unless demands on services reduce. We are working with the individual Coroners to identify the underlying reasons for different patterns of investigations but this is unlikely to result in significant savings. We are working with other local authorities to lobby the Local Government Association for additional government funding to resolve the situation but in the meantime we will be looking to identify savings in other services to offset the Coroners overspend.

To balance the overall portfolio budget we are looking to make further savings on staffing budgets through holding posts vacant for the remainder of the year wherever possible. There is still a reasonable level of staff turnover and we will look to manage vacancies through covering work with existing staff rather than recruiting new staff. Individual services will be given target figures for vacancy savings based on their ability to make savings although we are not proposing a mandatory vacancy freeze. We are currently assessing the impact on services of further vacancy savings. If sufficient savings cannot be made without impact on front line services we will look to reduce spending on non-essential non-staffing budgets along the same lines as those achieved in 2007/08 to balance the portfolio.

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

The revised capital cash limits agreed by Cabinet on 13 October 2008 are now being used for monitoring purposes and are reflected in this report. However, these differ from the cash limits shown in appendix 3 of the October Cabinet report, as the cash limits reflected in this report only include those projects starting in the current or previous years, whereas the cash limits approved by Cabinet in October also include projects due to start in future years of the 2008-11MTP.

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

*[To include projects starting in the current year and previous years only including the rolling programmes but to **EXCLUDE** PFI projects]*

	Prev Yrs Exp £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	Future Yrs £000s	TOTAL £000s
Communities Portfolio						
Budget approved at Oct Cabinet	17,628	10,678	22,741	5,855	5,542	62,444
Adjustments:						
-						
-						
Revised Budget	17,628	10,678	22,741	5,855	5,542	62,444
Variance		-971	+865	+57		-49
split:						
- real variance		0	-49	0		-49
- re-phasing		-971	+914	+57		0
Real Variance		0	-49	0	0	-49
Re-phasing		-971	+914	+57	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2008-09 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
	None					
			+0	+0	+0	+0
Underspends/Projects behind schedule						
CMY	Ashford Gateway Plus	Phasing		-771		
			-0	-771	-0	-0
			+0	+771	+0	+0

1.2.4 Projects re-phasing by over £1m:

None

1.2.5 Projects with real variances, including resourcing implications:

[All real variances need to be explained in this section]

- (a) Modernisation of Assets – underspend of £10k planned to meet the extra costs incurred on the mortuaries refurbishments.
- (b) Mortuaries refurbishments – overspend of £10k due to furniture & equipment requirements not included in the revised figures, to be funded from modernisation of assets.
- (c) Ramsgate Library betterment – underspend in 2009-10 of £49k as a result of lower than expected costs for the ground source heat pump. This cost reduction is off-set by a corresponding reduction in the grant secured.

After allowing for these funding issues the true underlying variance is nil.

1.2.6 General Overview of capital programme:

(a) Risks

- Ashford Gateway Plus
 - Outstanding planning/design issues may delay project and/or increase costs.
 - If the promised GAF3 funding is not available from Government, the project will be unaffordable.
- Gravesend Library
 - There is currently forecast re-phasing of £200k into 2009-10 due to delays as a result of Gravesham BC raising new concerns with design/listed building consent as this is a Grade II listed building. Planning issues and listed building consent delays may increase project costs, which will have to be accommodated within the overall project budget.
- Turner Contemporary
 - External funding from Arts Council England (ACE) and SEEDA will not be provided pro rata to spend as had been expected. This will require upfront funding by KCC in advance of receipt of these funds, currently estimated at an additional £6.387m over 2 years. This is purely a phasing issue and not an overall increase in the level of prudential borrowing required.

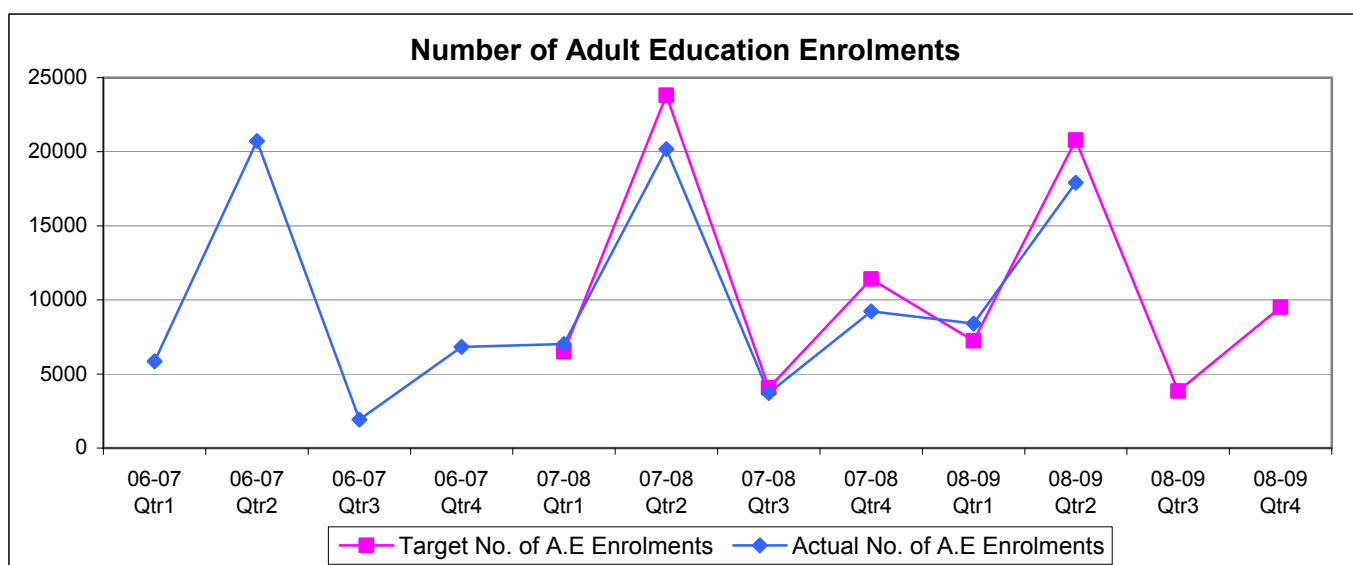
(b) Details of action being taken to alleviate risks

- Ashford Gateway Plus
 - Urgent detailed discussions with all parties, including the design team, are identifying the cost of measures on the Ashford B.C. planners/Ashford's Future 'shopping list' in order to support bids for additional funding. The planning application will be submitted in November.
 - A continuing dialogue with Ashford's Future Chief Executive is in place to ensure that, as far as possible, funding will be provided as agreed, including extra monies for additional requirements.
- Gravesend Library
 - A planning consultant has been appointed to support the project and to resolve outstanding concerns with Gravesham BC.
- Turner Contemporary
 - Tenders received, preferred contractor selected and when the contract is let we will have a revised spend profile. ACE and SEEDA funding agreements due to be signed imminently. Both ACE and SEEDA will provide £525k six months after construction starts (planned May 2009) and a further £750k half way through construction (planned October 2009). They will pay a further £1,480k on completion of construction (planned May 2010) and the balance (£1,095k ACE and £1,245k SEEDA) 6 months after opening (planned April 2011).
We are expecting to claim the remaining £2.9m of external funding required for the project from the Turner Contemporary Arts Trust during 2010-11.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of Adult Education Enrolments:

	Financial Year				
	2006-07	2007-08		2008-09	
	A.E Enrolments	Target	A.E Enrolments	Target	A.E Enrolments
Q1 07-08	5,849	6,501	7,030	7,241	8,416
Q2 07-08	20,713	23,803	20,183	20,788	17,907
Q3 07-08	1,925	4,071	3,727	3,839	
Q4 07-08	6,829	11,416	9,230	9,507	
TOTAL	35,316	45,791	40,173	48,205	26,323



Comments:

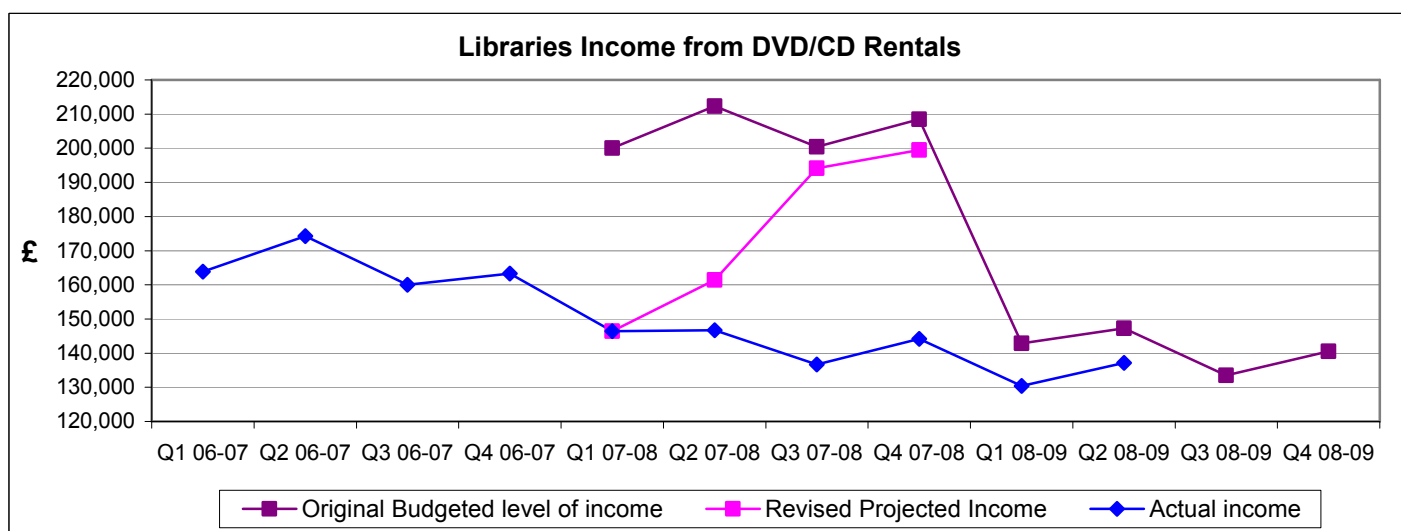
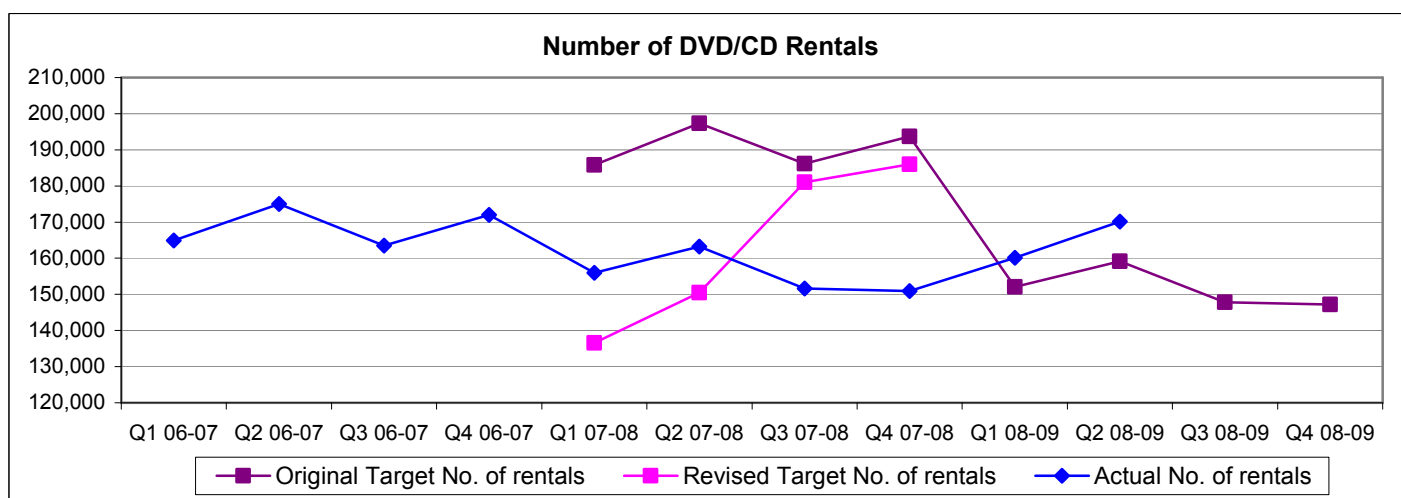
- The LSC grants depend partly on enrolments to courses and are subject to a contract agreement with LSC. Students taking courses leading to a qualification are funded via Further Education (FE) grant based upon the course type and qualification. However, students taking non-vocational courses not leading to a formal qualification are funded via a block allocation not related to enrolments, referred to as Adult and Community Learning Grant (ACL) grant.
- Students pay a fee to contribute towards costs of tuition and examinations. There is a concession on ACL tuition fees for those aged under 19, those in receipt of benefits and those over 60. FE courses are free for those aged under 19 or in receipt of benefits undertaking Basic Skills or Skills for Life Courses.
- The AE service reduced expenditure on course provision in 2007-08 as a result of lower than anticipated enrolments, however a residual pressure remained on the AE budget which was largely as a result of a reduction in tuition fee income due to the reduced enrolments, hence a rolled forward overspend of £0.373m into 2008-09.
- The target numbers of enrolments for 2008-09 reported in the outturn report to Cabinet on 16 June were indicative as they still needed to be negotiated and agreed with the LSC. The indicative figures were based on estimates used for curriculum plans to set the 2008-09 budget. The target numbers now reflect the figures agreed with the LSC,

the overall total remains the same as previously reported but the profile across the four quarters has changed.

- The target enrolments relate to courses starting in the stated periods i.e. April to June, July to September, October to December, January to March. The actual enrolments similarly relate to courses starting in those periods. In some instances students enrol for courses after the course has started. This means that the actual enrolments may be different from those previously reported. This is especially the case in the autumn when significant numbers may enrol in October or November for courses starting in September.

2.2 Number of Library DVD/CD rentals together with income raised:

	2006-07		2007-08						2008-09			
	No of rentals	Income (£)	No of rentals			Income (£)			No of rentals		Income (£)	
	actual	actual	Budgeted target	revised target	actual	budget	revised projected income	actual	Budgeted target	actual	Budget	actual
April–Jun	164,943	163,872	185,800	136,556	155,958	200,000	146,437	146,437	152,059	160,162	142,865	130,379
July–Sep	174,975	174,247	197,300	150,500	163,230	212,300	161,390	146,690	159,149	170,180	147,232	137,132
Oct–Dec	163,470	160,027	186,200	181,000	151,650	200,400	194,096	136,698	147,859		133,505	
Jan–Mar	171,979	163,269	193,700	186,000	150,929	208,500	199,458	144,136	147,156		140,533	
TOTAL	675,367	661,415	763,000	654,056	621,767	821,200	701,381	573,961	606,223	330,342	564,135	267,511



Comments:

- Target figures for 2006/07 have not been shown as this data was not presented in previous monitoring reports
- Rentals of audio visual materials (especially videos and CDs) continue to decline as videos become more obsolete and alternative sources for music become more widely available. Demand for DVDs has remained reasonably stable. Demand for spoken word materials has increased but these do not attract a loan charge as they replace the core

service (the printed word) for people with a visual impairment, hence why rentals are above target but income is below.

- Targets and income budgets set for 2008-09 are based on a continued decline. The service has increased income from other merchandising to offset the loss of income from AV issues.
- The actual number of rentals includes those from visits to lending libraries, postal loans and reference materials.