

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO ALL MEMBERS OF THE
CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE**

01 September 2010

Dear Councillor

**CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE –
MONDAY, 6 SEPTEMBER 2010**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following report which was marked to follow:-

12. Q1 Budget Monitoring

To consider first quarter budget monitoring.

Please note that this report will consist of three parts as follows:

- a) Quarter 1 Budget Management Report 2010 (originally considered by the Executive on 17 August 2010)
- b) Budget Management Report Quarter ended 30th June 2010 – Office of the Chief Executive;
- c) Budget Management Report for the Quarter ended 30th June 2010 – Directorate of Customer and Shared Services.

Should you have any queries regarding the above please contact me.

Yours sincerely

Leslie Manning
Democratic Services Officer

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Meeting: Executive
Date: 17 August 2010
Subject: Quarter 1 Budget Management Report 2010
Report of: Cllr Maurice Jones , Portfolio Holder for Finance, Governance and People
Summary: The report provides information on the forecast budget position as at 31st March 2011.

Advising Officer: Richard Ellis, Director of Customer and Shared Services
Contact Officer: Matt Bowmer, Assistant Director Finance
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to the Council's value for money and enables the Council to successfully deliver its priorities.

Financial:

The financial implications are set out in the report

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

Any staffing reductions as a result of compensatory efficiencies will be carried out in accordance with the Council's Managing Change Policy and in consultation with the Trades Unions.

Equalities/Human Rights:

Equality Impact Assessments were undertaken prior to the allocation of the 2010/11 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Community Safety:

None

Sustainability:

None

Summary of Overview and Scrutiny Comments:

- The report will be presented to Central and Customer Services Overview and Scrutiny Committee on 6 September 2010.

RECOMMENDATION(S):

that the Executive

- (a) Note the forecast outturn position of a £5.809M overspend**
- (b) Approve the £0.366M compensatory efficiencies as shown at Appendix B1.**
- (c) Endorse the actions brought forward by Directors to date and commitment to identify and implement actions to fully address the £5.809M forecast overspend; to be reported in the September report.**
- (d) Notes the £0.700M pressure arising from Appendix E costs and the need to bring forward further efficiency savings.**
- (e) Approves the reduced contribution of £0.167M to the Redundancy Reserve as set out in paragraph 35.**

Reason for Recommendation(s): To facilitate effective financial management and planning

Executive Summary

This report sets out the forecast financial position of the Council for 2010/11 based on the information available as the 30th June 2010. There are significant financial pressures reported giving rise to a forecast overspend of £5.809M. The majority of these pressures are new and emerging due to demographic pressures in Adult social Care, increased safeguarding referrals in Children's Services and inflationary pressures on Sustainable Community contracts. The commentary sets out the emerging actions being taken by Directors to address the gap. Given the low level of General Fund Balances it is essential that robust actions are both identified and implemented.

INTRODUCTION

1. This is the first budget management report to the Executive for 2010/11 and is the first budget produced for Central Bedfordshire which has had the opportunity to take account of business and financial intelligence from its first year of operation.
2. The 2010/11 budget includes £12.076M of efficiencies which are being specifically monitored by the Efficiencies Implementation Group. Good progress is being made in realising these efficiencies, but there are some risks to the achievement of these efficiencies detailed in this report. These are however mitigated through additional compensatory savings in order to deliver a balanced budget.
3. The Coalition Government announced details of its £1.66bn in year savings on 10th June which has a significant in year impact on Central Bedfordshire. The is a £1.505M reduction is mainly in respect loss of Area Based Grant along with the cancellation of Housing and Planning Delivery Grant (HPDG) an Local Area Business Growth Incentive (LABGI). The proposed spending reductions by Directorate were reported to the Executive on 13th July for approval. The adjustments to the income and expenditure budgets in line with those proposals will be reflected in the September Budget Management Report.
4. Overall, 2010/11 is going to be a challenging year. There is continuous pressure to deliver quality services against the backdrop of reduced public finances, including reductions not planned for in the approved Medium Term Financial Plan.

REVENUE POSITION

5. Central Bedfordshire is experiencing new demands in a number of areas – continued upward trend on referrals for children with a view to assessment of their social care needs since the death of Baby Peter in Haringey; demographic pressures over and above the provision in the Medium Term Financial Plan for Learning Disability Transitions; and annual inflationary uplift of contracts in Sustainable Communities in excess of the 1.8% allowed for. The current revenue forecast position based on information available as at the end of the first quarter, is an overspend of £5.976M. This is a worst case scenario and is typical of first quarter forecasting in local government which focuses on emerging pressures.
6. The following table shows a summary by Directorate, the full breakdown by Assistant Director level is available at Appendix A. Budgets have been profiled where appropriate to give a more accurate variance to date and support justification of the forecasts. Commentary on the financial position of the individual directorates is set out at paragraph's 11 to 33. This commentary includes emerging actions to address the £5.976M overspend.
7. Efficiencies from the Senior Management Review have been double counted with reductions which had also been included in the original budget efficiencies. These amount to £0.167M and it is proposed these are corrected by the reduction of the contribution to the redundancy reserve. This action will reduce this overspend £5.809M.

8. The report identifies emerging actions and whilst they will help bridge this gap they are not fully quantified at this time. However, there is more to be done; further detailed action is required and will be considered by Directors on a monthly basis before being reported to the Executive in the September Budget Management Report. There will be detailed action plans in place for each directorate.
9. As at June £10.930M of the £12.037M efficiencies are on track to be achieved. The £10.930M includes £0.366M of compensatory savings which require Executive approval to confirm their implementation. £1.145M remains 'at risk' and further compensatory efficiencies will need to be found if the risk materialises.
10. The Efficiencies Tracker summary is shown at Appendix B and details of the compensatory savings at Appendix B1.

Table A: Revenue position by Directorate

Directorate	Approved Budget £000	2010/11 Forecast Outturn £000	Variance (-) under/ overspend £000
Children's Services	32,159	34,562	2,403
Contingency and Reserves.	1,455	1,455	0
Corporate Costs	18,891	19,083	192
Customer and Shared Services	21,867	23,467	1,601
Office of the Chief Executive	4,586	4,479	-106
Social Care Health and Housing	50,985	51,824	839
Sustainable Communities	47,197	48,244	1,047
Schools	-114	-114	0
Total	177,0255	183,001	5,976
Correct SMR double counting as per paragraph 7.			167
Revised Forecast			5,809

Note: the forecast outturn above is the sum of the forecast outturn and use of reserves – columns E and G in Appendix A

Children's Services

11. Children's services are forecasting an overspend of £2.4M. £1.5M is within the Children's Services Operations area of which £1.25M being due to the increase in the number of Children requiring social care intervention and Out of County placements.

12. £0.9M is within the Learning and Strategic Commissioning Service area. The majority of this is due to as yet unidentified savings (Music Service and Pupil Referral Unit) and redundancy payments due to the disaggregation of shared services with Bedford Borough Council. It is hoped that there will be sufficient funds remaining in the redundancy reserve to fund these costs once all the Council's efficiency redundancy costs have been met. Should the savings in the Music Service and PRU not be resolved by the time of the next quarterly report compensatory savings will be identified.
13. The Directorate is actively seeking alternative savings to bring the budget back in balance including freezing any discretionary spend, challenging high cost pupil placements and bringing forward staff reorganisations. All out of authority placements are being actively reviewed to ensure that plans are being appropriately progressed and where possible placement costs are reduced. The Music Service restructure is currently subject to statutory consultation and due to the HR timescale requirements the savings are unlikely to be achieved until January 2011.

Contingency and Reserves

14. Currently these are not reporting a variance and forecast to be utilised although to date no calls have been made on contingency.

Corporate Costs

15. Pressures due to some premature retirement costs being omitted from the budget are being offset by savings in financing costs. The reported overspend of £0.2M is due to incorrect budget build in the provision for members allowances.

Customer and Shared Services

16. The forecast overspend is £1.6M and is spread across most of the service areas in this Directorate, all of which are planning management action to considerably reduce the overspend.
17. Within the Customer and Systems service area £0.5M overspend is forecast due to staffing pressures and additional IT and maintenance costs. The need to stabilise the overall ICT infrastructure will continue to put pressure on this budget, but a restructuring of the service after completion of the Your Space programme in August is expected to considerably reduce this forecast overspend.
18. £0.2M in the Assets service area is attributable the likely non achievement of efficiencies and uncertainties of some property costs. This will be offset by savings generated by bringing the Property Development Contract (ex Mouchel) back in-house mid year.
19. For the Finance service areas £0.6M has been forecast mainly through pressures on staffing budgets arising from the continued use of contractors in Revenues and Benefits whilst developing a skills base following systems integration. There has also been a delay in implementing the restructuring of the finance team which has incurred additional costs. Action plans are being drawn up to identify savings to bring the budget in on target.

20. The loss of the transitional £0.8M funding available to HR in 2009/10 has put pressure on this service. The management actions are being implemented to address this and achieve the required in year efficiencies, although due to timing of the necessary staff reductions it is proving difficult to achieve all the required savings and there is a forecast overspend of £0.3M.
21. In Legal Services £0.08M of pressures have been identified relating to the need employ locum lawyers to support the Adult, Children's and Education work. National adverts are currently in place to recruit permanent positions and compensatory savings will be found within the service to ensure the overspend is reduced.

Office of the Chief Executive

22. The forecast position is currently a £106k under spend after the planned use of reserves. This is all in the Strategy and Performance service area and is mainly attributed to staff vacancies.
23. The planned use of reserves is to support the Sustainable Neighbourhood Project, the Targeted Support for Empowerment Project and the Implementation of Community Engagement Work.

Social Care, Health and Housing

24. The forecast position is currently £0.840M over budget after the use of reserves. The forecast assumes full achievement of the 2010/11 efficiency target and the additional savings required to offset the loss of Area Based Grant. There are significant pressures on budgets, particularly 65+ demography and increases in high care costs. The challenging efficiencies built into this year's budget will not all be achieved but compensatory efficiencies have been identified to meet the target.
25. Overall, Adult Social Care is forecasting an overspend of £1.110M which is being offset in part by under spends in Commissioning services and Business and Performance services.
26. An over spend of £500k is forecast for external home care packages. Demand for community based packages has increases circa 4% compared to the same period in 2009/10 and the average cost has also increased by circa 6%, with a 12% increase in the high cost packages which reflects the increasing complexity and needs of clients.
27. There is a projected overspend of £240k on residential and nursing care relating partly to full year costs and also to changes in the demographics in Older People services. The non achievement of financially assessed income is also creating a small pressure.
28. There is a projected overspend of £250k on under 65 Physical Disability care packages.
29. There is a net pressure in Learning Disabilities assessment and commissioning of £0.500M where the costs of Transitions exceed the additional budget of £0.800M provided in the 2010/11 base. Also included are additional care package costs and unforeseen costs arising from the emergency closure of a direct services unit.

30. There are offsetting projected under spends within direct services and the Rapid Intervention and Intermediate Care Teams.
31. The Directorate is actively formulating options to identify savings to reduce the overspend. The key actions to achieve this include reviewing the BUPA contract to provide more cost effective service provision, the service delivery options within the Learning Disability contracts and reducing the costs of high care packages.

Sustainable Communities

32. The full year forecast position is £1.047M over budget with pressures in waste services (£0.6M), traffic management (£0.2M), community safety (£0.2M) and passenger transport (£0.1M). All of these areas have identified income budgets where there were no receipts in 2009/10 and first quarter 2010/11. Waste service had a £0.5M annual contractual inflation uplift in April 2010 at an indexation of 7.4%. However, the larger £3M contract to be renewed in October 2010 is forecast at about 4.0% uplift versus budget inflation of 1.8%.
33. The Directorate are actively seeking savings in order to achieve a balanced budget and particularly to adjust operations for the reduction in grants as notified by the Government: road safety £0.2M , and free swimming £0.15M.

Other Financial Issues

34. There are two areas of corporate risk that have yet to be included in the forecast outturn. Firstly, costs in respect of Appendix E for Your Space Project have been identified as £0.700M in a full year; work is ongoing to calculate the part year impact for 2010/11.
35. Directors are currently bringing forward outline proposals for efficiencies in 2011/12 and the medium term to address the financial pressures faced by Central Bedfordshire as reported in the Budget Strategy report, also on this agenda. There are emerging pressures in the current year along with the Appendix E costs set out above. Where possible directors will bring forward 2011/12 efficiencies into the current financial year in order to bring spend in line with budget at year end.
36. Secondly, £1.438M has been set aside from this year's budget to fund redundancy costs arising from the 2010/11 budget efficiencies. The full extent of these costs is yet to be identified.

CAPITAL POSITION

37. The current capital position based on the information as at 30th June shows the current programme as £68.924M and expenditure to date as £6.088M. Few schemes have had detailed business cases approved to enable them to start, the exceptions being rolling programmes such as highways structural maintenance. As a consequence spend to date is relatively low and is mainly in respect of schemes slipped from 2009/10 and the approved rolling programmes. Slipped schemes from 2009/10 have been identified at £8.104M (net) at this stage but will be reviewed as part of the overall Capital Programme Review which will be reported to the Executive in September. There have also been in year cuts to capital grants from Central Government and reductions are being made by Central Bedfordshire in response.
38. There have been delays in inputting approved schemes budgets into SAP due to the pressures of closure. As a result forecasts are not comprehensive. This will be corrected next month and comprehensive forecasts will have been supplied in time for the 2nd quarter report.
39. The budgets will also have been profiled to give a more accurate position of planned expenditure and actual expenditure. Additionally, any amendments to the programme following the Capital Programme Review will be incorporated.

REVENUE VIREMENTS

40. There are no virements requiring Executive approval.

KEY COST DRIVERS

41. The key costs drivers for each Directorate have been reviewed for 2010/11. These are where activity levels have a key impact on the overall Council's budget. These budgets are considered high risk to the financial stability of the Council and are therefore reported on specifically. Details are shown at Appendix D.
42. In Sustainable Communities planning fee income is below the value as at the same time last financial year which demonstrates the pressures reported and reflects the downturn in the economy.
43. Both Children's Services and Adult Social Care are experiencing increased numbers and increased costs for their client based services which supports the increased forecasts.
44. The increased case loads in customer accounts have so far been managed within current resources; however, further increases may result in additional overtime and staffing costs.

RESERVES POSITION

Earmarked Reserves

45. The closing balance for earmarked reserves was £10.5M excluding schools and HRA. Council approved an increase to the redundancy reserve of £1.438M in recognition of costs that may be required in order to meet this year's efficiencies. This increases the planned level of earmarked reserves to £11.9M. It is currently proposed to use £1.157M of earmarked reserves this year and there is an expected closing balance of £10.9M. Full details of the earmarked reserves are shown at Appendix E.

General Reserves

46. The closing balance on General reserves for 2009/10 was £4.711M which is below the policy minimum requirement. The MTFP allows for a reinstatement of reserves with an annual contribution of £1.9M. This brings the current balance to £6.6M which is above the minimum level identified for 2010/11 although below the optimum. It is imperative that expenditure is kept within budget to preserve this level.

OTHER FINANCIAL INDICATORS

Aged Debt.

47. Debt outstanding for Central Bedfordshire as at the end of June was £8.7M which is an increase on the £ 6.4M debt reported at provisional outturn. It is good news in that there is only a very minor amount still outstanding that is over 1 year old and 78% is under 3 months old. £6.066M of this debt is due from Bedford Borough which has put a hold on payments to Central Bedfordshire. Officers are working with Bedford Borough to remedy the position. Appendix F shows a breakdown of debt outstanding by Directorate.
48. Targets have been set for monitoring performance of debt recovery. They are a 2.5% reduction on balances as at the same time last year. Debt reporting was not available for the last financial year until September. Performance against the target will therefore be reported in the 2nd Quarter Report.
49. Outstanding debt for the legacy authorities has also reduced. Bedfordshire County Council debt now stands at £1.2M, a reduction of £1.5M since provisional outturn 2009/10 which is largely due to the final settlement of the NHS Bedfordshire debt and Mid and South Beds £0.6M which is unchanged. The outstanding legacy debts have now been passed to the Authority's debt collection agency.
50. The total debt written off for the first quarter 2010/11 was £66,697.18.

Payments

51. The following table shows the performance for the prompt payment of invoices:

Table C

	2009/10 Performance	2010/11 Performance
Target	90% at year end	90%
June Month	82.2%	81.8%
Year to Date	85.1%	86.0%

52. Performance is below target due to a backlog of invoice processing attributed to resource issues. There has also been a high volume of rejected invoices (no POs, no commitment) which continue to be monitored. Additional training/workshops are planned across the authority to increase understanding of P2P (procure to pay) process.

Treasury Management

56. Treasury management activities are on track in accordance with the current budget plan and the MTFP. There are no further debt restructuring activities planned.

Appendices:

Appendix A – Summary of Revenue Position
 Appendix B – Efficiency Tracker Summary
 Appendix B1 – Compensatory Savings
 Appendix C – Summary of Capital Position
 Appendix D – Key Cost Drivers
 Appendix E – Earmarked Reserves
 Appendix F - Debt

Background Papers: None

Location of papers: Priory House, Chicksands

Revenue Summary Position June 2010

Appendix A

Director	Latest Annual Budget	Profiled Budget to date	Actual to date	Variance	Adjusted Forecast Outturn	Forecast Variance	Proposed Transfer from reserves/provisions	Forecast Variance after proposed new reserves.
	A	B	C	D=C-B	E	F=E-A	G	H=F+G
	£000	£000	£000	£000	£000	£000	£000	£000
Director of Childrens' Services	-1,187	-297	-303	-7	-1,186	0	0	0
Childrens Services Operations	19,715	4,929	5,380	451	21,219	1,504		1,504
Learning and Strategic Commissioning	13,631	3,408	3,354	-54	14,530	899		899
Sub Total Childrens Services (excluding Schools)	32,159	8,040	8,431	391	34,562	2,403	0	2,403
Contingency and Reserves	1,455	364	0	-364	1,455	0		0
Corporate Costs	18,891	4,723	4,875	152	19,083	192		192
Dir. Of Customer & Shared Services	525	131	116	-16	525	0		0
AD Customer & Systems	8,997	2,249	2,334	85	9,449	452		452
AD Finance	3,604	901	1,301	400	4,181	577	-8	569

Director	Latest Annual Budget	Profiled Budget to date	Actual to date	Variance	Adjusted Forecast Outturn	Forecast Variance	Proposed Transfer from reserves/provisions	Forecast Variance after proposed new reserves.
	A	B	C	D=C-B	E	F=E-A	G	H=F+G
	£000	£000	£000	£000	£000	£000	£000	£000
AD People	1,883	450	784	334	2,204	320	-21	299
AD Governance Monitoring Officer	2,565	653	604	-50	2,646	82		82
AD Assets	4,291	1,073	199	-874	4,491	199		199
Sub Total Customer and Shared Services	21,867	5,457	5,338	-120	23,496	1,630	-29	1,601
Chief Executive	307	77	73	-4	307	0		0
Communications	808	202	181	-21	808	0		0
Strategy & Performance	3,472	1,231	1,176	-55	3,437	-34	-72	-106
Sub Total Office of the Chief Executive	4,586	1,509	1,429	-81	4,551	-34	-72	-106
Director of Social Care, Health, Housing	222	55	60	4	237	15		15
Housing Services (HRA)	-84	-21	-71	-50	-84	0		0

Director	Latest Annual Budget	Profiled Budget to date	Actual to date	Variance	Adjusted Forecast Outturn	Forecast Variance	Proposed Transfer from reserves/provisions	Forecast Variance after proposed new reserves.
	A	B	C	D=C-B	E	F=E-A	G	H=F+G
	£000	£000	£000	£000	£000	£000	£000	£000
Housing Management (GF)	1,949	487	285	-202	1,949	0		0
Adult Social Care	46,123	11,531	12,307	777	47,232	1,110		1,110
Commissioning	1,418	355	245	-110	1,423	5	-200	-195
Business Systems & Market Strategy	1,357	339	222	-117	1,266	-90		-90
Sub Total Social Care Health and Landlord Services	50,985	12,746	13,048	302	52,024	1,039	-200	839
Director of Sustainable Communities	1,484	371	181	-190	1,484	0		0
Economic Growth, Skills & Regeneration	4,889	1,230	998	-232	5,643	754	-706	48
Highways Transportation	11,885	2,971	2,173	-798	12,147	262		262
Planning	6,875	1,719	1,400	-319	7,299	424	-151	273
Comm Safety Public Protec Waste Leisure	22,064	5,522	5,423	-99	22,529	465		465

Director	Latest Annual Budget	Profiled Budget to date	Actual to date	Variance	Adjusted Forecast Outturn	Forecast Variance	Proposed Transfer from reserves/provisions	Forecast Variance after proposed new reserves.
	A	B	C	D=C-B	E	F=E-A	G	H=F+G
	£000	£000	£000	£000	£000	£000	£000	£000
Sub Total Sustainable Communities	47,197	11,813	10,176	-1,636	49,101	1,904	-857	1,047
TOTAL Excluding Schools	177,139	44,652	43,295	-1,357	184,273	7,134	-1,158	5,976
Schools only	-114	-29	-327	-298	-114	0		0
Total	177,025	44,623	42,969	-1,655	184,159	7,134	-1,158	5,976

Targeted Efficiency Savings Monitoring - Summary

Appendix B

Month: June 2010

Central Bedfordshire Council	Month			Year to date			Full Year		
	Budget £m	Actual £m	Variance	Budget £m	Actual £m	Variance	Budget £m	Forecast £m	Variance
Efficiencies									
Office of the Chief Executive	0.002	0.002	0.000	0.124	0.124	0.000	0.205	0.205	0.000
Children's Services	0.161	0.137	(0.024)	0.423	0.367	(0.056)	2.932	2.299	(0.633)
Customer and Shared Services	0.225	0.110	(0.114)	0.572	0.367	(0.205)	3.017	2.879	(0.138)
Social Care, Health & Housing	0.193	0.109	(0.084)	0.562	0.324	(0.238)	2.753	2.382	(0.371)
Sustainable Communities	0.125	0.125	0.000	1.743	1.743	0.000	3.168	3.165	(0.002)
TOTAL	0.706	0.484	(0.223)	3.424	2.925	(0.498)	12.075	10.930	(1.145)

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COMPENSATORY SAVINGS

Appendix B1

Director	Total £M
Children's Services	
L&SC - Governor Support	0.020
Children's Services Operations - Rent on Stephenson Court. Use own building to reduce costs.	0.022
Children's Services Operations - Integrated Processes. Restructure of Integrated Proceses Teams	0.210
	0.252
Customer & Shared Services	
Vacancy for the Head of Democratic Serivces	0.012
	0.012
Social Care Health & Housing	0.000
Sustainable Communities	
Definitive Map management budget savings	0.003
GIS Budget allocation reduction	0.025
Savings from the Business Support Budget (furniture, equiptment and supplies)	0.010
Highway Order income target	0.011
Fund Raiser Target	0.023
Reducing cuts to Seasonal Vegetation Cuts on public rights of way	0.030
	0.102
Total Compensatory Savings	0.366

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Summary Capital Monitoring - June 2010

Appendix C

General Fund	Current Budget Approved			Actual to Date			Forecast Outturn		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Directorate:									
Childrens Services	23,752	(19,417)	4,335	1,628	(3,272)	(1,644)	27,968	(24,068)	3,900
Customer & Shared Services	7,275	(883)	6,392	1,771	(26)	1,745	2,866	(690)	2,176
Social Care Health & Housing Services	4,269	(2,452)	1,817	826	(52)	774	0	0	0
Sustainable Communities (Sustainable Communities (leisure & culture)	23,268	(15,191)	8,077	1,024	(1,629)	(605)	0	0	0
Less Budgeted Net Slippage going forward	4,310	(1,525)	2,785	(47)	0	(47)	1,031	(133)	898
	0	0	0	0	0	0	0	0	0
Total	62,874	(39,468)	23,406	5,202	(4,979)	223	31,865	(24,891)	6,974
Existing Capital Receipts		(11,562)	11,562						0
Borrowing		(11,004)	11,004						0
Grants & Contributions		(40,308)	40,308						0
NET General Fund	62,874	(62,874)	86,280	5,202	(4,979)	223	31,865	(24,891)	6,974

Summary Capital Monitoring

General Fund	Slippage to 10/11		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Directorate:			
Childrens Services	6,911	(4,841)	2,070
Customer & Shared Services	1,278	(697)	581
Social Care Health & Housing Services	1,914	(5,538)	(3,624)
Sustainable Communities (leisure & culture)	8,749	0	8,749
Less Budgeted Net Slippage going forward	328	0	328
	0	0	0
Total	19,180	(11,076)	8,104
Existing Capital Receipts			0
Borrowing			0
Grants & Contributions			0
NET General Fund	19,180	(11,076)	8,104

Housing Revenue Account	Current Budget Approved			Actual to Date			Forecast Outturn		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Director									
SCH&H	6,050	0	6,050	886	0	886	0	0	0
Total	6,050	0	6,050	886	0	886	0	0	0
Revenue Contribution		343	(343)					343	(343)
Borrowing		0	0					0	0
Grants & Contributions		3,748	(3,748)					0	0
Capital Receipts		1,959	(1,959)					1,481	(1,481)
NET Housing Revenue Account	6,050	6,050	0	886	0	886	0	1,824	(1,824)
NET TOTAL Capital Programme	68,924	(56,824)	86,280	6,088	(4,979)	1,109	31,865	(23,067)	5,150

Housing Revenue Account	Slippage to 10/11		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Director			
SCH&H	124	0	124
Total	124	0	124
Revenue Contribution	0	0	0
Borrowing	0	0	0
Grants & Contributions			
Capital Receipts	0	0	0
NET Housing Revenue Account	124	0	124
NET TOTAL Capital Programme	19,304	(11,076)	8,228

Appendix D

Key cost drivers

<u>Directorate and cost driver</u>	<u>Target</u>	<u>Numbers/volumes</u>
Children's Services – safeguarding activity		<p>Local referral rates increased from 307 per 10,000 in 09/10 to 477 per 10,000 during the current year.</p> <p>This means that compared to the same period last year referrals have increased 52%. Initial Assessments have gone up by 76%</p> <p>Open cases:</p> <p>April - 1363 May - 1400 June - 1340</p> <p>Child Protection cases:</p> <p>April -169 May - 183 June 193</p>
Children's Services – Looked After Children (excluding respite care)		<p>2010</p> <p>March - 160 April - 163 May - 169 June - 177</p>
Children's Services – Residential placements		<p>June – 7 children in residential care outside the block purchase contract</p> <p>3 special education residential placements supported from Social Care budget because child is also looked after</p> <p>(unchanged since March)</p>
Children's Services – Special Educational Needs Out of Authority residential School Placements		<p>March 2010 - 25 pupils June – 28 pupils.</p> <p>Total forecast cost £2.285M, against a budget of £1.446M.</p>
Children's Services – Independent Fostering Agency		<p>2010</p> <p>March - 47 Children June - 56 children.</p> <p>Daily average cost £118.</p> <p>The number of days forecast is 19,810, total forecast cost £2.3M against a budget of £2.2M.</p>
Social Care Health and Housing - Demographic pressure in the +65 age group and Social Care		<p>4% increase in community based packages with an average increase of 6% in cost.</p> <p>High cost packages have seen up to a 12%</p>

Health and Housing – Care packages		increase in cost
Social Care Health and Housing - Spot rates for personal care within direct payments and personal budgets		The rates under Personal Support/Homes Care vary and harmonisation of these rates will present both risks and opportunities which are currently being worked through.
Social Care Health and Housing - Occupational therapy waiting lists are being worked through, resulting in an increased forecast of Disabled Facilities Grants expenditure		The effect of the increasing referrals could lead to additional pressure on the DFG capital budget of £0.515M
Customer and Shared Services –Benefits case load		Live cases – April 17,075 Live cases – May 17,700
Sustainable Communities - Waste tonnages sent to landfill	53,000 tonnes	April to June 2010 – 12,300 tonnes April to June 2009 12,400 tonnes Average cost per tonne including Landfill Tax is £81.
Sustainable Communities – planning and development fees	£5.7M	April to June 2010 - £1.19M April to June 2009 - pro rata £1.33M
Sustainable Communities – contractual commitments	1.8% annual percentage uplift	Waste Household Waste Recycling Centres - £1.988M contract with Viridor. Uplifted 1 April annual by mix of LNMM Average Earnings Index and 3% written into contract. Waste Collection - £7.2M contract with Verdant. Uplifted 4 October for north and 1 April for south elements. Mix of Baxter and bespoke. Waste disposal - £3.1M through Service Level Agreement.

Appendix E

Earmarked Reserves

Description	Closing Blance 2009/10 £000	New for 2010/11 £000	Proposed use 2010/11 £000	Proposed transfers to £000	Closing balance £000
Corporate Reserves					
Redundancy/Harmonisation Reserve	90	1,438	29		1,499
Insurance reserve	3,076				3,076
Elections Fund	42			146	188
	3,208	1,438	29	146	4,763
Office of the Chief Executive					
Performance Reward Grant	218				218
LSP Sustainable Neighbourhoods	48		48		0
Community Engagement work	6		6		0
Targetted Support for Empowerment Improvement Project	18		18		0
	290	0	72	0	218
Children's Services					
School Forum	3				3
Standards Fund	33				33
Local Safeguarding Children Board (LSCB)	25				25
Developing Specialist Provisions - ASD Lower Sch	191				191
Developing Specialist Provisions - ASD Middle Sch	232				232
Family Link	73				73
School Specific Contingency	874				874
Long Term Absence (Schools)	64				64
	1,495	0	0	0	1,495
Social Care Health and Housing Reserves					
Social Care Reform Grant	200		200		0
Learning Disabilities	583				583
	783	0	200	0	583
Sustainable Communities Reserves					
Local Development Framework	200				200
Conservation Fund	34		17		17
Dunstable Master Plan	1,791				1,791
Housing Planning Delivery Grant	750		11		739
Bedford & Luton Resilience Forum	65		53		12
Business growth grants	96		96		0
Development growth	82		82		0
EEDA	60		60		0
Economic participation	413		413		0
Regeneration Euro office	19		19		0
Euro Co-financing	36		36		0
Development planning	69		69		0
Transport policy	50				50
Financial Investigations Unit	12				12
Domestic abuse contribution	17				17
Grant Aid Fund	219				219
NIRAH	108				108
Crimebeat	12				12

Earmarked Reserves

Description	Closing Blance 2009/10	New for 2010/11	Proposed use 2010/11	Proposed transfers to	Closing balance
	4,033	0	856	0	3,177
Leisure and Culture					
Cemeteries Fund	97				97
Flitwick Leisure centre profit share fund	54				54
Houghton Regis Leisure Centre	12				12
Sandy Sports and Leisure Centre and Dual use Profit Share Account	31				31
Saxon Pool profit share	-13				-13
Flitwick Leisure Centre Build	63				63
Adaptation of open space	449				449
incl in Sustainable Communities	693	0	0	0	693
Total Earmarked Reserves	10,502	1,438	1,157	146	10,929
Housing Revenue Account Reserves					
HRA	4,282				4,282
Major Repairs (HRA)	200				200
	4,482	0	0	0	4,482
School Reserves					
Revenue 3030050	7,888				7,888
Capital 3030033	6,030				6,030
	13,918	0	0	0	13,918
GRAND TOTAL	28,902	1,438	1,157	146	29,329
GENERAL RESERVES	4,711	1,900			6,611

Central Bedfordshire Debts Summary Detail - 30 June 2010

Appendix F

DIRECTORATE	15 to 30 Days		31 to 60 Days		61 to 90 Days		91 to 365 days		1 year and over		Total Due Debts	
	£k	%	£k	%	£k	%	£k	%	£k	%	£k	%
Children's Services	474	5%	746	9%	142	2%	828	9%	8	0%	2,198	25%
Social Care Health & Housing	394	5%	245	3%	662	8%	420	5%	10	0%	1,730	21%
Sustainable Communities	717	8%	196	2%	213	2%	597	7%	3	0%	1,725	19%
Office of Chief Executive	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
NHS Bedfordshire	31	0%	86	1%	17	0%	0	0%	0	0%	135	1%
Customer & Shared Services	482	6%	155	2%	261	3%	642	7%	5	0%	1,545	18%
Unallocated & Non Directorate	1,576	18%	245	3%	147	2%	-546	-6%	-20	0%	1,401	17%
GRAND TOTAL	3,674	42%	1,673	19%	1,442	17%	1,941	22%	6	0%	8,734	101%

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Meeting: *Customer & Central Services Overview and Scrutiny Committee*
Date: *6th September 2010*
Subject: **Budget Management Report Quarter ended 30th June 2010
– Office of the Chief Executive**
Report of: **Cllr Richard Stay – Deputy Leader of the Council**
Summary: The report sets out the financial position to the end of June 2010 and the latest forecast position

Contact Officer: Richard Carr - Chief Executive
Contact Officer: Phil Ball - Senior Finance Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to ensuring the Council delivers value for money, enabling the Council to successfully deliver its priorities

Financial:

The financial implications are set out in the report

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

None

RECOMMENDATION(S):

1. **that the Committee** notes and considers this report

Introduction

1. The report sets out the financial position to the end of June 2010 and the latest forecast position.

Executive Summary Revenue

2. The full year forecast position is £106k (2.3%) under budget, after planned contributions from reserves.
3. The following Table A shows a summary position analysed by CE and Assistant Director, with more detailed commentary in the following paragraphs.
4. Table A

Assistant Director	Net Budget full year £k	Budget to date £k	Variance to date £k	Forecast Variance £k
Chief Executive	307	77	(4)	0
Communications	808	202	(21)	0
Strategy and Performance	3,471	1,231	(270)	(106)
TOTAL	4,586	1,509	(295)	(106)

5. **Chief Executive**

The Chief Executive has a year to date under spend of £4k and is currently forecasting to spend to budget. The budget for the Chief Executive includes a Corporate efficiency saving of £4.6k expected to be derived from the roll out of the Procurement card. The Corporate Procurement team is developing a methodology for delivering these savings.

6. **AD Communications**

AD Communications has a year to date under spend of £21k and is currently forecasting to spend to budget. The budget for this Assistant Directorate is £808k and includes a staff cost budget of £683k and a supplies and services budget of £125k.

7. AD Communications is currently in the process of putting in place a new organisational structure which includes the replacement of two Heads of Service posts with both an Internal and an External Communications Manager and the transfer across of the Consultation Team from AD Strategy and Performance. Once this transfer has been finalised and the new structure put in place, the three existing budgets within AD Communications will be re-aligned and a more informed forecast formulated.
8. A financial risk which could have an adverse effect on the AD Communications forecast is whether there will be sufficient advertising revenue generated for the publication of the News Central magazine.

9. **AD Strategy and Performance**

AD Strategy and Performance has a year to date under spend of £270k and is currently forecasting a £106k under spend after the use of reserves. Reserve funding is planned to be used in support of the Sustainable Neighbourhood Project, the Targeted Support for Empowerment Improvement Project and the Implementation of Community Engagement Work.

10. The £106k forecast under spend consists of an £125k under spend against the staff costs budget offset by a £19k over spend against the supplies and services budget. The under spend against the staff cost budget is largely due to a decision to leave vacant the Performance Improvement Manager post until the end of the financial year and to 2 further posts currently vacant within the Planning and Programme Management Team. The £20k over spend against the supplies and services budget is largely due to the corporate decision to write off £38k of existing and proposed AD Strategy and Performance reserves to the general fund.
11. The delay in achieving the efficiency saving for the Senior Management Review has been offset by other staff vacancies.
12. The £270k year to date under spend includes an £136k under spend against the £800k Invest to Save (ITS) Programme. This is due to a low level of project expenditure being incurred during the year to date. Profiling this budget in line with planned expenditure will address this issue. Two ITS projects which account for £289k of the £800k funding available are currently in progress. These projects are the Passenger Transport Review and the feasibility study for Web Strategy Development. This leaves approximately £511k for allocation to further projects that are currently under development (the Income Maximisation Programme and Implementation of the Web Strategy)

13. Grant Funding

As a result of the local government budget cuts announced on 10th June 2010 the Central Bedfordshire ABG allocation has been reduced from £13.115m to £11.610m. The £11.610m Area Based Grant (ABG), the estimated £1.367m LAA Performance Reward Grant (LAA PRG) and the £0.080m Target Support Grant are all managed within this Assistant Directorate by the Head of Partnership and Insight. The reductions overall include £1.172m from Department for Education revenue, £0.104m for Supporting People Administration revenue, £0.204m for Road Safety revenue and £0.025m from the Home Office. CMT have agreed that each Director will manage their own reductions and where this may involve redundancy costs, the LAA PRG may be used to offset these. The LAA PRG has also been reduced by 50% as a result of in year budget cuts which will mean a total reduction of £1.367m. Consequently, the existing model for allocation and investment of this funding which is based on the assumption that CBC would receive the full amount of the reward grant will now have to be reviewed by the Local Strategic Partnership. As a condition of the grant imposed by CLG, 50% of the total grant must be used for capital expenditure and 50% for revenue expenditure.

Capital Position

14. Details of the OCE Capital programme are shown at Appendix B.
15. The following Table B shows a summary of capital projects including slippage from 2009/2010 which is still subject to approval.
16. Table B

Title	Budget £000s	Expenditure to Date £000s	Forecast £000s
EDRMS – (Slippage of £39k from 2009/10)	39	4	39
Implementation of ECM – (Slippage of £36k from 2009/10)	36	0	36
LPSA and LAA Grant Payout – (Slippage of £697k from 2009/10)	697	0	697
LAA PRG Capital Reward Grant	690	0	690
Performance Management System	90	0	90
Net	1,552	4	1,552

Revenue Virement Requests

17. There are currently no proposed virements over £100k to report.

Key Risks and Opportunities

18. The financial risk associated with the publication of News Central.

Achieving Efficiencies

19. A number of efficiency savings are built into the 2010/11 base budget. A full analysis of efficiencies is provided at Appendix C. Currently these are all on track to be delivered which is borne out by the forecast outturn position.

Reserves position

20. Appendix D shows the full list of reserves for OCE. The total balance available as at April was £290k. £72k is currently planned to be used. This leaves the balance of £218k for the PRG.

Debt analysis

21. There are currently no outstanding debts greater than £10k.

Appendices:

- Appendix A – Net Revenue Position Full Analysis
- Appendix B – Capital Monitoring
- Appendix C – Efficiencies
- Appendix D – Earmarked Reserves

Background Papers: None

...

Location of papers: Technology House, Bedford.

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NET REVENUE POSITION Full Analysis

Appendix A

OFFICE OF THE CHIEF EXECUTIVE	Annual Budget A	Profiled Budget B	Actual to Date C	Variance D	Forecast Outturn E	Proposed transfers from earmarked reserves F	Non-Discretionary Carry Forwards G	Forecast Variance (E)-(A)-(F)-(G)	Report Paragraph reference
	£000	£000	£000	£000	£000	£000	£000	£000	
Chief Executive	307	77	73	(4)	307	0	0	0	
Sub Total Chief Executive	307	77	73	(4)	307	0	0	0	5
AD Communications	166	41	34	(7)	166	0	0	0	
Corporate Communications	308	77	61	(16)	308	0	0	0	
Brand & Channel Management	334	83	85	1	334	0	0	0	
Sub Total Communications	808	202	181	(21)	808	0	0	0	6
AD Strategy and Performance	156	39	37	(2)	155	0	0	(0)	
Total Place	0	0	0	0	0	0	0	0	
Invest to Save Programme	800	200	64	(136)	800	0	0	0	12
Invest to Save Programme Management Policy	644	161	139	(22)	597	0	0	(47)	12
Head of Partnerships & Insight	677	228	213	(16)	676	0	0	(1)	9
Targeted Support Grant	825	501	476	(25)	899	54	0	20	
Head of Performance & Risk	0	8	0	(8)	18	18	0	0	9
	371	93	31	(61)	292	0	0	(79)	
Sub Total Strategy and Performance	3,472	1,231	961	(270)	3,437	72	0	(106)	
Total Office of the Chief Executive	4,586	1,509	1,214	(296)	4,551	72	0	(106)	

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Office of the Chief Executive Capital Monitoring Report

Appendix B

Title	2010/11 Gross Budget	2010/11 Spend to Date	2010/11 Forecast	Brief Description of Scheme	Narrative
	£'000	£'000	£'000		
EDRMS (£30k of budget moved to 2010/11 plus £9k of further slippage)	39	4	39	DIP System (EDRMS)	Part funding for procurement of ECM. Bal from 2009/10 carried forward for future implementation of business improvement using ECM and workflow.
Implementaton of ECM (Transitional)	36	0	36	Procurement of ECM	Funding of ECM. Bal of £36k fm 2009/10 carried forward for future implementation of business improvement using ECM and workflow.
LPSA & LAA Grant Payout	697	0	697	Business Case outlining description has not yet been submitted	The Budget Manager is working with Strategic Partners to determine how this funding will be spend.
2006-2009 LAA Performance Reward Grant	690	0	690	Business Case outlining description has not yet been submitted	The Budget Manager is working with Strategic Partners to determine how this funding will be spend.
Performance Management System	90	0	90	New System for CAA Performance Management with plans to procure in either 2009/10 or 2010/11.	Outline Business Case / PID has now been approved and work is due to commence in 2010/11.
TOTAL	1,552	4	1,552		

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Targeted Efficiency Savings Monitoring - Summary

Appendix C

Month: Jun-10

Service Area	2010/11 Budget £m	Comments (please include here explanations around the current status of the efficiency i.e why it is or is not on target and the full year implications)	Month			Year to date			Full Year		
			Budget £m	Actual £m	Variance	Budget £m	Actual £m	Variance	Budget £m	Forecast £m	Variance
Office of the Chief Executive											
Efficiencies											
Updated on : 8th July 2010											
Communications	0.015	Current forecast and actuals to date indicate that AD Comms are on target to meet this target.	0.000	0.000	.0000	0.015	0.015	.0000	0.015	0.015	.0000
Corporate Efficiencies	0.015	Current forecast and actuals to date indicate that AD Comms are on target to meet this target.	0.000	0.000	.0000	0.013	0.013	.0000	0.015	0.015	.0000
Policy, Partnerships & Performance	0.119	On Target. £92k of targeted efficiencies relating to the deletion of 2 posts has been realised. Other efficiencies will either be met from the supplies and service budget or be offset by in year savings that have been identified against the staffing budget.	0.002	0.002	.0000	0.096	0.096	.0000	0.119	0.119	(0.000)
SMR Review	0.056	The post given up as a result of the SMR is not due to be vacated until later in the financial year. The full efficiency saving will however still be realised as a further post is being left vacant to ensure that the £56k efficiency is achieved.	0.000	0.000	.0000	0.000	0.000	.0000	0.056	0.056	(0.000)
TOTAL	0.205		0.002	0.002	.0000	0.124	0.124	.0000	0.205	0.205	0.000

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OFFICE OF THE CHIEF EXECUTIVE

Appendix D

Earmarked Reserves and Carry Forwards	Proposed Balance as at 1/4/2010	Planned Use 2010/11	Proposed Balance as at 31/3/11
	£000's	£000's	£000's
Existing Reserves:			
Climate Change	0	0	0
Sustainable Neighbourhood	48	(48)	0
LAA Multi Area Agreement	0	0	0
Business Transformation Programme	0	0	0
Local Area Agreement PRG	218	0	218
Proposed New Reserves and Carry Forwards (2009/10):			
Implementation of Community Engagement Work	6	(6)	0
Voluntary and Community Sector Organisations	0	0	0
Targeted Support for Empowerment Improvement Project (Grant carried Forward)	18	(18)	0
Total	290	(72)	218

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Meeting: *Customer & Central Services Overview and Scrutiny Committee*
Date: *6th September 2010*
Subject: **Budget Management Report for the Quarter ended 30th June 2010 – Directorate of Customer and Shared Services**
Report of: **Cllr Maurice Jones - Portfolio Holder for Finance, Governance and People**
Cllr Steve Male – Portfolio Holder for Customers, Systems & Assets
Summary: The report sets out the financial position to the end of June 2010 and the latest forecast position

Advising Officer: Richard Ellis - Director of Customer & Shared Services
Contact Officer: Phil Ball - Senior Finance Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to ensuring the Council delivers value for money, enabling the Council to successfully deliver its priorities.

Financial:

The financial implications are set out in the report.

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

None

RECOMMENDATION(S):

1. **that the**

- (a) The current projected full year forecast overspend of £1,692k is noted
- (b) Management actions proposed at paragraphs 12 – 13 are noted

Introduction

1. The report sets out the financial position as at the 30th June 2010 and the latest forecast position

Revenue position

2. The forecast overspend for the Directorate is £1,692k (4.0%) after the use of reserves. The key reasons for the forecast variance are, firstly within AD Customers & Systems there are staffing cost pressures and additional IT support and maintenance costs. Secondly, there are pressures around efficiency achievement and uncertainty over property costs within AD Assets. Thirdly, there are staff cost pressures within AD Finance, as a result of maternity cover, restructuring delays and salary protection. Additionally pressures are being forecast, within AD People due to the loss of Transitional funding from 09/10 and within AD Governance due to a reduction in income together with the need for use of specialist agency staff.
3. The following table A shows a summary position analysed by the Director of Customer and Shared Services, with a more detailed commentary in the following paragraphs.

Table A Revenue Budget Summary

Assistant Director	Current Budget	Budget to Date	Variance to Date	Forecast Variance
	£k	£k	£k	£k
Dir. Of Customer & Shared Services	525	131	(16)	0
AD Customer & Systems	8,997	2,216	118	452
AD Assets	4,292	1,073	14	199
AD Finance	3,604	909	305	518
AD People	1,883	449	182	299
AD Governance	2,565	641	(38)	32
SUB TOTAL – Operational	21,866	5,419	565	1,500
Corporate Costs	15,233	3,808	236	192
TOTAL – Dir. of Customer & Shared Services	37,099	9,227	801	1,692
Contingency & Reserves	5,113	1,278	0	0

4. AD Customer & Systems -

Net Pressures of £428k have been identified in ICT, of which £353k relate to staff and contractor costs, the majority of which is due to Stabilization (£120k), SAP FICO (£84k) and SAP Payroll (£84k). In addition to this, software licence and maintenance costs amounting to £404k have been identified by the business during the last 12 months. These pressures have been partly offset by £91k salary savings, a reduction in SAP licenses therefore reducing maintenance and support costs by £86k, discontinuation of SERCO second line support of £133k, and £19k savings due to a general review of ICT budgets.

There is an over spend forecast in the region of £24k against staff costs in Coroners service due to under funding of HM Coroners post.

5. AD Finance -

Revenues Management – shows a net forecast overspend of £287k, made up of a £362k overspend on Contractor costs in Customer Accounts following the systems conversion, Agency staff have been retained longer than anticipated whilst building on the skills base, partially offset by salary slippage, an increase in Housing Benefit payments of £89k, increased in Admin Subsidy £107k, in line with DWP 2010/11 Estimate Form, and additional income of £17k in Revenues from DCLG for 'Efficiency on Council Tax bills'.

Finance – There is a net forecast overspend in Financial Services of £181k, due to Agency Staff covering vacant posts and maternity leave, delay in implementing the restructure, and salary protection associated with the restructure.

A forecast over spend of £50k in Audit is due to a budget efficiency, incorrectly allocated to Audit.

6. AD Assets –

Final agreement is still to be reached around some areas of recharges from Bedford Borough Council.

There are pressures within Surplus Properties, Schools Catering, Facilities Management Rechargeable and County Farms.

The Mouchel contract review should realise savings in the latter part of the year, which should mitigate the forecast overspend in AD Assets.

7. AD People –

AD People has a year to date over spend of £182k and is currently forecast to over spend by £320k at year end. This is due to £390k staff costs budget offset by a £70k under spend in Occupational Health.

The HR staffing budget, excluding the Health and Safety Team, has reduced from £2.730m in 2009/10 to £1.733m in 2010/11. This reduction is due to the loss of £800k of transition funding that was available in 2009/10 only. £44k of administrative efficiency savings are expected to be achieved through the co-location of HR staff, and a further reduction of £115k due to the loss of two management posts. A corresponding reduction in the number of HR posts has not yet taken place; a pressure is therefore emerging. To mitigate this, a re-structure is planned to take effect on 1st October 2010 which is forecast to reduce staff costs for 2010/11 by £182k with a full year effect for future years of £364k, together with a review of the Organisational Development budget requirement.

The forecast under spend against the Occupational Health budget is based on the assumption that costs for 2010/11 will be reflect the actual SLA charges from Bedford Borough Council for 2009/10 which were £70k under budget.

Since 2009/10 the Income budget for the CRB team has increased by £15k. In order to generate this additional income, HR will need to ensure that they review the current level of their administrative charge which is applied to external customers and fully funded schools.

8. AD Governance –

The forecast includes a part year salary cost saving for AD Governance.

In respect of the Legal Services, there are particular pressures on the salaries budget caused by the continuing need to employ locum lawyers to cover vacancies in the Adults, Children and Education team. The vacancies are currently being advertised nationally. There is also a problem with the income target which was set for 2009/10 and has been increased in 2010/11; the target assumes that income will be generated from legacy BCC external contracts which were not passed to CBC on 1 April 2009. In addition to this, income from section 106 agreements etc. has suffered as a result of the downturn in the housing market.

9. Corporate Costs -

There is a pressure as a result of some PRC Pension costs being omitted from the budget. This will be mitigated by better than budgeted savings in financing costs.

The provision for Members' Allowances remains insufficient to meet the budget requirement as well as there being no budget provision for Members' ICT allowances from when the new scheme was approved by Executive in 2009/10.

Capital Position

10. Customer and Shared Services has a capital budget of £7,372k, plus £590k of slippage from 2009/10, which is still subject to approval.
11. A summary of capital projects including slippage from 2009/2010 is shown in Appendix B.

Key Management Actions

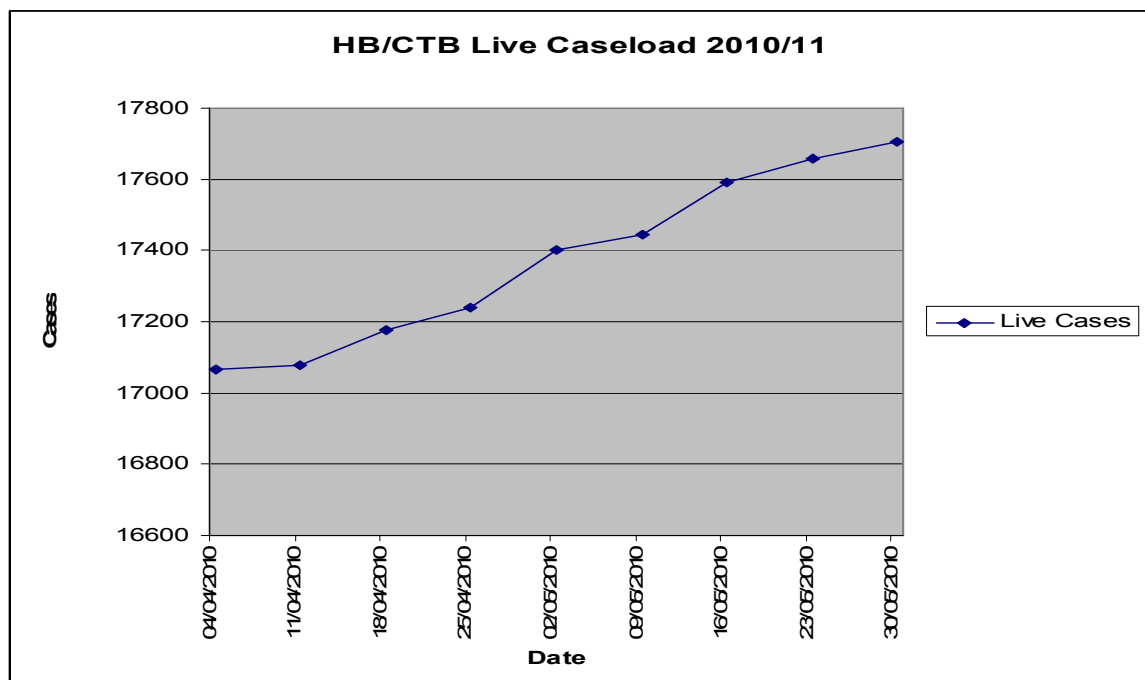
12. To ensure that all AD Assets budget transfers are finalised in time for July Budget Monitoring Report.
13. To ensure all journals and technical adjustments are completed in time for July's Budget Monitoring Report.

Revenue Virements

14. There have been no Revenue Virements.

Key Cost Drivers

15. Benefits Caseload - The number of live Benefits cases within Customer Accounts can have a large impact on the budget. The chart below as at 31st May 2010 shows a large increase in the number of cases this year. This could result in an increase in overtime and agency costs in order to meet the demand although none have been forecast as yet.



Achieving Efficiencies

16. A number of efficiency savings are built into the 2010/11 base budget. There is currently a forecast shortfall in achievement of these efficiencies of £138k. A summary is provided in Appendix C.

Reserves position

17. Reserves for 2010/11 include:

There is a £29k proposed transfers from reserves to fund redundancy costs within Financial Management and HR.

Debt analysis

18. A debtor listing of all outstanding invoices with a value greater than £10k is shown within Appendix E.

Appendices:

Appendix A	Net Revenue full analysis
Appendix B	Capital position for Directorate (to follow)
Appendix C	Efficiencies
Appendix D	Earmarked Reserves
Appendix E	Outstanding Debts over £10k

Location of papers: Technology House, Bedford.

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NET REVENUE POSITION - Full Analysis

Appendix A

	Annual Budget	Profiled Budget	Actual to Date	Variance	Forecast Outturn	Proposed transfers from earmarked reserves	Forecast Variance (E)-(A)-(F)-(G)	Note Para.
	£000	£000	£000	£000	£000	£000	£000	
Director of Customer & Shared Services	525	131	116	(16)	525	0	0	
AD Customer & Systems	90	22	0	(22)	90		0	
Customer Services	2,588	614	546	(68)	2,612		24	
Systems	6,320	1,580	1,788	208	6,748		428	
Sub Total Customer & Systems	8,997	2,216	2,334	118	9,449	0	452	4
AD Finance	104	26	17	(9)	104		0	
Revenues Management	1,033	266	320	54	1,321		287	
Finance (excl Revenues Management)	2,467	617	877	260	2,705		230	
Sub Total AD Finance	3,604	909	1,214	305	4,130	8	518	5
Sub Total AD People	1,883	449	631	182	2,204	21	299	7
Procurement	467	117	80	(37)	467		0	
Legal & Democratic	2,098	525	524	(1)	2,130		32	
Sub Total AD Governance	2,565	641	604	(38)	2,596	0	32	8
AD Assets	(4)	(1)	40	41	(4)		0	
Head of Assets	202	50	92	41	441		239	
Head of Facilities, Maintenance & Development	4,093	1,023	955	(68)	4,053		(40)	
Sub Total AD Assets	4,292	1,073	1,087	14	4,491	0	199	6
Director of Customer & Shared Services - Operational	21,867	5,420	5,986	566	23,395	29	1,500	
Corporate Costs	15,233	3,808	4,042	234	15,425	0	192	9
Director of Customer & Shared Services	37,100	9,228	10,028	800	38,820	29	1,691	
Contingency & Reserves	5,113	1,278	1,278	0	5,113		0	
Sub Total Contingency & Reserves	5,113	1,278	1,278	0	5,113	0	0	

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**CAPITAL REPORT FOR JUNE 2010 BUDGET MONITORING
CUSTOMER AND SHARED SERVICES CAPITAL PROJECTS**

Appendix B

DESCRIPTION	BUDGET	2009/10 SLIPPAGE (To be approved)	ACTUAL	FORECAST
	£'000			
Points of Presence	50	-	-	50
Call Recording & Workforce Management	116	29	-	145
Complaints Management System-Pship BDCs	47	67	-	114
Planning IT/ Other Equipment	186	-	-	186
ICT Infrastructure	753	-	-	753
Addition Construct Works-Technology Hse	400	-	-	400
Relocate Data Cntr & acq equip acm move	566	-	-	566
HAZ Manor Demolition	340	-	3	340
Corporate Property	2,000	-	1	2,000
CBC Medium Term Accommodation	2,000	1,047	1,700	3,047
Istop Kiosks	-	5	-	5
Legal Services Case Management System	-	130	8	130
Total	6,458	1,278	1,706	7,736

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Targeted Efficiency Savings Monitoring - Summary

Month: Jun 2010

Service Area	2010/11 Budget		Month			Year to date			Full Year		
	Budget £m	Actual £m	Budget £m	Actual £m	Variance	Budget £m	Actual £m	Variance	Budget £m	Forecast £m	Variance
Customer & Shared Services											
Efficiencies											
Customer Services	0.043	0.002	0.002	0.002	0.000	0.007	0.007	0.000	0.043	0.043	0.000
Revenues & Benefits	0.230	0.010	0.010	0.000	(0.010)	0.030	0.000	(0.030)	0.230	0.230	0.000
Finance	0.586	0.046	0.013	0.013	(0.034)	0.139	0.083	(0.057)	0.586	0.567	(0.020)
Audit	0.061	0.005	0.005	0.005	0.000	0.015	0.015	0.000	0.061	0.061	0.000
Legal & Democratic	0.133	0.011	0.006	0.006	(0.005)	0.033	0.018	(0.015)	0.133	0.130	(0.003)
Property	0.554	0.028	0.000	0.000	(0.028)	0.084	0.000	(0.084)	0.554	0.470	(0.084)
HR	0.158	0.009	0.008	0.008	(0.001)	0.026	0.015	(0.011)	0.157	0.124	(0.033)
ICT	0.750	0.063	0.063	0.063	0.000	0.188	0.188	0.000	0.750	0.750	0.000
Corporate Costs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SMR	0.503	0.050	0.014	0.014	(0.036)	0.050	0.042	(0.008)	0.503	0.504	0.001
TOTAL	3.018	0.225	0.110	0.110	(0.114)	0.572	0.367	(0.205)	3.017	2.879	(0.138)

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Earmarked Reserves

Appendix D

Reserve	Proposed Balance as at 1/4/10	Planned Use 2010/11	Proposed Balance as at 31/3/11	Notes
	£000's	£000's	£000's	
Elections Fund	42	0	42	Equalised annual revenue contributions from service
Corporate Reserves	218	0	218	
Performance Reward Grant	108	0	108	
NIRAH	-	29	62	
Redundancy/Harmonisation Reserve	970	0	970	
Insurance Reserve				
Total	1,429	29	1,400	

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**Aged Debt Analysis >£10k
excludes schools.**

Customer	Invoice reference	Payment Dte	Total Debt	Amt. Due	Amt. Overdue
109572	7010043646	17/06/10	497,688.00	497,688.00	-
109572	7010032637	15/03/10	202,103.18	-	202,103.18
109572	7010025101	25/01/10	112,851.53	-	112,851.53
109572	7010036329	04/05/10	44,926.51	-	44,926.51
109572	7010036329	04/05/10	13,601.08	-	13,601.08
109783	7010042024	01/06/10	12,780.00	-	12,780.00
109783	7010042025	01/06/10	11,720.95	-	11,720.95
113498	7010044546	01/07/10	91,447.20	91,447.20	-
114867	7010041231	26/05/10	67,151.52	-	67,151.52
114867	7010035883	29/04/10	46,084.71	-	46,084.71
114867	7010043957	25/06/10	27,169.80	27,169.80	-
116833	7010041154	25/05/10	30,125.32	-	30,125.32
121565	7010034250	31/03/10	206,687.02	-	206,687.02
121630	7010036342	04/05/10	10,716.00	-	10,716.00
121630	7010042060	01/06/10	10,594.51	-	10,594.51
124091	7010044547	01/07/10	20,178.25	20,178.25	-
124503	7010020990	25/11/09	27,700.00	-	27,700.00
147103	7010020676	19/11/09	10,117.92	-	10,117.92
			£ 1,443,643.50	£ 636,483.25	£ 807,160.25

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