

- SUBJECT:** Budget Management Report for the period as at 31st December 2009
- REPORT AUTHOR:** Finance Manager on behalf of Director of Corporate Resources
- PURPOSE:** To provide information on the budget position at 31st December 2009 to enable decisions to be taken on resource allocation and service delivery.
- RECOMMENDATIONS:** The Service Management Team/Portfolio Holder/Executive is recommended to:
- a) Note the latest budget projections for the year and the associated service implications.
 - b) Agree to any management actions proposed at paragraphs 4.3 – 4.4(b), 4.5-4.6(c), 4.7(b), 4.8(c), 4.9(b),4.10(c) & 10.2(b) and determine whether any other changes to service provision need to be made in the light of these.
 - c) Note budget virements since last report.

Introduction

1. The report sets out the financial position to the end of December 2009 and the latest forecast position at year end. Table A shows the net revenue position, Table B the forecast revenue movements to year and Table C the capital position

Executive Summary Revenue

2. The full year forecast position for Corporate Resources is £221k (0.6%) over spend, against a budget of £34,385k. This is an increase of £141k since the position reported last month largely due to a review of Members costs (£85k) and inclusion of forecast revenue cost of the Medium Term Accommodation Programme (£75k), for which no budget exists.

3. The full year over spend can be broken down as follows: An over spend of £361k of operational costs which is being offset by an under spend of £140k on non operational costs. The key reasons for the operational costs over spend are establishment pressures within Legal Services and Property totalling £534k, Reduction in the achievable income within Audit, Legal Services, Property and ICT totalling £214k. Included within this figure is a net reduction in the Property income due to a shortfall of £132k in County Farms agreed income which was partially offset by an increase in commercial rental income of £104k. These over spends are being offset by increased Procurement and HR income of £194k, and a reduction in ICT establishment and software costs totalling £380k. There are some minor unbudgeted unavoidable costs which are included in the remaining over spend. The key reason for the non operational costs under spend are a reduction in the Audit fees of £80k and the restructuring of the debt saving £145k this year, which is being offset by £85 increase in Members costs for ICT allowances which were not included in the original budgets. The movement since last month can be attributed to the inclusion of £75k for the revenue impact of the Accommodation Programme for this financial year for which no provision has been made. Not included in the report are Central Bedfordshire's share of the Nominates Costs which for the year to date are £4k.

Executive Summary Capital

The forecast capital position at the year end is currently showing a forecast over spend of £341k on a revised budget of £4,182k. This over spend includes £100k for the HAZ Manor demolition scheme, due to the budget of £340k being slipped into 2010/2011. This £100k is for initial inspection and securing of the site this year. Although, if the demolition works need to be started this will increase this amount with the remaining required for completion in 2010/11. The remaining £241k over spend relates to ICT Infrastructure and includes what has been spent and committed to the end of November before the budget was revised. A Business case for both over spends has been prepared for consideration at the January Executive meeting.

1.0 Detailed Revenue Analysis by Operational Group

1.1 Table A – Revenue Actuals to date and Forecast Year End position.

		Annual Budget	Profiled Budget	Actual to Date	Actual Variance C-B	Forecast Outturn	Forecast Adj	Proposed Trf to/from Reserves	Forecast Variance E - A
		£000	£000	£000	£000	£000	£000	£000	£000
DCR									
Director of Corporate Resource	Income	-	-	-	-	-	-	-	-
Director of Corporate Resource	Expenditure	344	258	316	58	329	-	-	(16)
Director of Corporate Resource	Net Inc/Exp	344	258	316	58	329	-	-	(16)
Sub Total Director of Corporate Resource		344	258	316	58	329	-	-	(16)
Financial Services	Income	(1,280)	(960)	(957)	4	(1,280)	-	-	1
Financial Services	Expenditure	3,816	2,862	2,751	(111)	3,814	-	-	(2)
Financial Services	Net Inc/Exp	2,535	1,902	1,794	(107)	2,534	-	-	(2)
Procurement	Income	-	-	(118)	(118)	(159)	-	-	(159)
Procurement	Expenditure	492	369	376	7	491	-	-	(2)
Procurement	Net Inc/Exp	492	369	258	(111)	332	-	-	(161)
Sub Total Financial Services (incl. proc)		3,028	2,271	2,053	(218)	2,865	-	-	(162)

		Annual Budget	Profiled Budget	Actual to Date	Actual Variance C-B	Forecast Outturn	Forecast Adj	Proposed Trf to/from Reserves	Forecast Variance E - A
		£000	£000	£000	£000	£000	£000	£000	£000
Head of HR and OD	Income	(730)	(547)	(582)	(34)	(765)	-	-	(35)
Head of HR and OD	Expenditure	2,563	1,922	1,891	(31)	2,590	-	-	28
Head of HR and OD	Net Inc/Exp	1,833	1,375	1,310	(65)	1,825	-	-	(7)
Sub Total Human Resources & Organisation		1,833	1,375	1,310	(65)	1,825	-	-	(7)
Head of Service ICT	Income	(861)	(645)	(647)	(1)	(720)	-	-	140
Head of Service ICT	Expenditure	7,924	5,943	4,362	(1,581)	7,404	-	-	(521)
Head of Service ICT	Net Inc/Exp	7,064	5,298	3,715	(1,583)	6,684	-	-	(380)
Sub Total ICT		7,064	5,298	3,715	(1,583)	6,684	-	-	(380)

		Annual Budget	Profiled Budget	Actual to Date	Actual Variance C-B	Forecast Outturn	Forecast Adj	Proposed Trf to/from Reserves	Forecast Variance E - A
		£000	£000	£000	£000	£000	£000	£000	£000
Head of Legal & Democratic Ser	Income	-	-	-	-	-	-	-	-
Head of Legal & Democratic Ser	Expenditure	133	100	105	6	133	-	-	-
Head of Legal & Democratic Ser	Net Inc/Exp	133	100	105	6	133	-	-	-
Legal Services	Income	(465)	(348)	(316)	32	(432)	-	-	32
Legal Services	Expenditure	1,610	1,207	1,333	126	1,778	-	-	169
Legal Services	Net Inc/Exp	1,145	859	1,017	158	1,346	-	-	201
Democratic Services	Income	(397)	(298)	(365)	(67)	(436)	-	-	(39)
Democratic Services	Expenditure	1,245	934	1,090	156	1,354	52	52	57
Democratic Services	Net Inc/Exp	848	636	725	88	918	-	52	18
Sub Total Legal & Democratic		2,126	1,595	1,847	252	2,397	-	52	219

		Annual Budget	Profiled Budget	Actual to Date	Actual Variance C-B	Forecast Outturn	Forecast Adj	Proposed Trf to/from Reserves	Forecast Variance E - A
		£000	£000	£000	£000	£000	£000	£000	£000
Head of Property & Facilities	Income	(171)	(128)	(128)	-	(171)	-	-	-
Head of Property & Facilities	Expenditure	166	124	93	(32)	205	-	-	39
Head of Property & Facilities	Net Inc/Exp	(5)	(4)	(36)	(32)	34	-	-	39
Property Assets	Income	(2,045)	(1,534)	(1,344)	190	(1,943)	-	-	102
Property Assets	Expenditure	941	706	655	(50)	1,000	-	-	59
Property Assets	Net Inc/Exp	(1,104)	(828)	(689)	139	(943)	-	-	161
Property Capital Development	Income	-	-	-	-	-	-	-	-
Property Capital Development	Expenditure	184	138	180	42	218	-	-	34
Property Capital Development	Net Inc/Exp	184	138	180	42	218	-	-	34
Maintenance & Facilities	Income	(133)	(100)	(1,077)	(977)	(1,344)	-	-	(1,211)
Maintenance & Facilities	Expenditure	4,492	3,369	3,729	360	6,012	-	-	1,520
Maintenance & Facilities	Net Inc/Exp	4,359	3,269	2,652	(617)	4,668	-	-	309
Property Business	Income	-	-	-	-	-	-	-	-
Property Business	Expenditure	1,259	944	974	30	1,369	-	-	110
Property Business	Net Inc/Exp	1,259	944	974	30	1,369	-	-	110
Sub Total Property & Asset Management		4,693	3,519	3,081	(438)	5,346	-	-	654

		Annual Budget	Profiled Budget	Actual to Date	Actual Variance C-B	Forecast Outturn	Forecast Adj	Proposed Trf to/from Reserves	Forecast Variance E - A
		£000	£000	£000	£000	£000	£000	£000	£000
Internal Audit & Risk Manageme	Income	(356)	(267)	(199)	69	(243)	-		114
Internal Audit & Risk Manageme	Expenditure	967	726	689	(37)	924	-	15	(59)
Internal Audit & Risk Manageme	Net Inc/Exp	611	458	490	32	681	-	15	55
Sub Total Audit, Risk and H&S		611	458	490	32	681	-	15	55
Sub Total Director of Corporate Resources - Operational		19,699	14,774	12,812	(1,962)	20,127	-	67	361
Corporate Costs	Income	(2,140)	(1,605)	(2,692)	(1,087)	(2,140)	-	-	-
Corporate Costs	Expenditure	16,827	12,620	12,761	141	16,687	-	-	(140)
Corporate Costs	Net Inc/Exp	14,686	11,015	10,069	(946)	14,546	-	-	(140)
Sub Total Corporate Costs		14,686	11,015	10,069	(946)	14,546	-	-	(140)
Sub Total Director of Corporate Resources - Non Operational		14,686	11,015	10,069	(946)	14,546	-	-	(140)
Total Director of Corporate Resources		34,385	25,789	22,881	(2,908)	34,673	-	67	221

Table B – Movement on Forecast Year End Position (to previous month)

	Forecast Variance November	Forecast Variance December	Movement	Comments
	£000	£000	£000	
DCR				
Director of Corporate Resource	(16)	(16)	-	
Sub Total Director of Corporate Resource	(16)	(16)	-	
Financial Services	(2)	(2)	-	
Procurement	(161)	(161)	-	
Sub Total Financial Services (incl. proc)	(162)	(162)	-	

	Forecast Variance November	Forecast Variance December	Movement	Comments
	£000	£000	£000	
Head of HR and OD	(16)	(7)	9	Movement due to £2k increased forecast income for the Heart Agency, £3k reduction in the forecast for the CRB administrator post which was transferred from Sustainable Communities, and £4k reduced forecast for Heart Agency professional services costs.
Sub Total Human Resources & Organisation	(16)	(7)	9	
Head of Service ICT	(384)	(380)	4	Movement due to various adjustments within pay, supplies and services and recharge income offsetting to provide a £4k decrease in forecast.
Sub Total ICT	(384)	(380)	4	

	Forecast Variance November	Forecast Variance December	Movement	Comments
	£000	£000	£000	
Head of Legal & Democratic Ser	-	-	-	
Legal Services	176	201	25	Movement due to reduced income forecast based on activity to date.
Democratic Services	41	18	(23)	Movement due to minor decreases in forecasts across supplies and services.
Sub Total Legal & Democratic	217	219	2	

	Forecast Variance November	Forecast Variance December	Movement	Comments
	£000	£000	£000	
Head of Property & Facilities	(36)	39	75	Movement due to forecasting for unbudgeted revenue costs of Medium Term Accommodation Programme.
Property Assets	132	161	30	Movement due to increased rental income forecast of £104k and decreased County Farms mineral income of £132k.
Property Capital Development	34	34	-	
Maintenance & Facilities	335	309	(26)	Movement due to increased income from recharges.
Property Business	134	110	(24)	Movement due to reduced pay forecasts
Sub Total Property & Asset Management	600	654	54	

	Forecast Variance November	Forecast Variance December	Movement	Comments
	£000	£000	£000	
Internal Audit & Risk Management	68	55	(13)	Movement due to the inclusion of reserve income as part of the savings action plans.
Sub Total Audit, Risk and H&S	68	55	(13)	
Corporate Costs	(225)	(140)	85	Movement due to increased forecast for Members Allowances as previously understated.
Sub Total Corporate Costs	(225)	(140)	85	
Total DCR	80	221	140	

4.3 Director of Corporate Resources

Explanations for key variances are detailed in the following table.

4.3a Budget and Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	0	0	0	0	0	
Staff Costs	330	0	330	314	-16	The forecast was reduced in line with actual costs.
Agency Staff Costs	0	0	0	0	0	
Supplies and Services	15	0	15	15	0	
Total	344	0	344	329	-16	

4.3b Management Actions – Budget Manager to review forecasts in preparation for the January monitoring report.

4.4 Financial Services (including procurement)

Explanations for key variances are detailed in the following table.

4.4a Budget v Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	-1,280	0	-1,280	-1,439	-159	This under spend is due to unbudgeted income for the recovery of rebates within Procurement.
Staff Costs	3,082	0	3,082	2,911	-171	Under spend within pay costs for unfilled vacancies being covered by agency staff and £14k for the savings measures outlined in Appendix C.
Agency Staff Costs	0	0	0	154	154	Over spend within agency staff covering vacancies within the establishment.
Supplies and Services	1,227	0	1,227	1,240	13	Minor over spend being forecast. Potential increase due to inflation of SERCO contract costs, which have now been quantified.
Total	3,028	0	3,028	2,865	-162	

4.4b Management Actions – Budget Manager to review forecasts in preparation for the January monitoring report, in particular the increased SERCO contract costs due to inflation.

4.5 Human Resources & Organisation

Explanations for key variances are detailed in the following table.

4.5a Budget and Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	-730	0	-730	-765	-35	The increase in income against budget reflects an additional £42k of CRB and HEART generated income. These increases are offset by a £15k shortfall in budgeted income for Schools buy back of HR services.
Staff Costs	1,920	0	1,920	1,828	-92	This under spend is due to 3 posts being vacant for a part of the financial year and to a mis-match between actuals costs (on which the forecast is based) and budgeted costs.

4.5a Budget and Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Agency Staff Costs	0	0	0	149	149	This over spend is due to the temporary employment of approximately 25 agency members of staff for a part of the financial year to undertake various roles within HR. Some of these staff are assisting with heavy workloads and others are filling vacant HR posts. The net staff cost forecast position is a £57k over spend.
Supplies and Services	642	0	642	613	-29	This reflects an £80k forecast under spend against the Corporate Training and OD budgets and a £5k underspend against the Heart Agency professional services budget. These underspends are offset by a £56k forecast over spend against the HR domestic budget and CRB budgets. The CRB overspend is offset by an increase in forecast income. The HR over spend primarily relates to the requirement for the external provision of professional services.
Total	1,833	0	1,833	1,825	-7	

4.5b. HR Staff Costs. The £2.72m HR pay budget for 2009/10 has been arbitrarily split between HR and Transition. The HR element of this budget amount to £1.92m for 43 funded posts and the amount held in transition amounts to £0.8m for 18 funded posts. Whilst the HR element of the forecast is showing an over spend of £58k, the transition element is forecasting an under spend of £370k. The net position is therefore an under spend of £312k.

4.5c Management Actions. To review the Corporate Training, Organisational Development and Agency staff forecasts to ensure that the forecasts remain robust and achievable.

4.6 ICT

Explanations for key variances are detailed in the following table.

4.6a Budget and Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	-861	0	-861	-720	141	Reduced forecast for recharges income due to uncertainty of achievability.
Staff Costs	3,077	0	3,077	2,454	-623	This under spend is due to existence of 20 vacant posts including the Head of ICT.
Agency Staff Costs	0	0	0	13	13	
Supplies and Services	4,848	0	4,848	4,937	90	This over spend reflects the Microsoft enterprise agreement savings measure, of £250k, which is being offset by increased professional services costs.
Total	7,064	0	7,064	6,684	-380	

4.6b There are some risks surrounding the centralised ICT and telephony costs, which are being incurred within the service areas. Although these have been identified in the main, they are yet to be transferred from the service areas. In addition the cost of services hosted by Bedford on behalf of Central Bedfordshire have yet to be fully identified and recharged. Therefore at present we are unsure of the impact within these areas.

4.6c Management Actions – Budget Manager to review forecasts in preparation for the January monitoring report. ICT are to review the contacts and renewal dates to provide a comprehensive list for next year. There are some risks which have no financial impact at the moment. These are highlighted in 6.5.

4.7 Legal & Democratic

Explanations for key variances are detailed in the following table.

4.7a Budget v Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	-861	0	-861	-869	-7	The increase in Local Land charges income following increased activity within the year which is being offset by a decreased forecast within Legal services based on actuals to date.
Staff Costs	2,287	0	2,287	2,060	-227	Due to vacant posts within the establishment, covered by agency staff, mainly in Legal Services, Forecast figure includes a reduction of £17k for the saving measure outlined in Appendix C. Minor reduction from last month.

4.7a Budget v Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Agency Staff Costs	0	0	0	442	442	Due to agency staff covering vacant established posts within Legal Services. Over spend partly being offset by under spend on pay costs above.
Supplies and Services	701	52	753	764	11	The over spend reflects minor forecast adjustments within supplies and services. Includes a forecast reduction of £20k for the savings measures outlined in Appendix C.
Total	2,126	52	2,178	2,397	219	

4.7b Management Actions – There is to be regular monitoring of the agency staff forecast to enable the Budget Manager to ensure robust forecasting and reduce the risk of increased over spends.

4.8 Property & Asset Management

Explanations for key variances are detailed in the following table.

4.8a Budget v Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	-2,349	0	-2,349	-3,458	-1,109	Schools catering income, which is not in the original budget but the cost centre should be net nil. Increased rental income of £104k which is being offset by a shortfall in the agreed County Farms income of £132k.
Staff Costs	1,904	0	1,904	2,223	319	Establishment pressures within all three areas. Maintenance & Facilities £257k, Property Assets and Capital Development £62k. Which have been partly reduced by the savings measures outlined in Appendix C.

4.8a Budget v Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Agency Staff Costs	0	0	0	143	143	Unbudgeted costs incurred to cover establishment vacancies, security staff,
Supplies and Services	5,137	0	5,137	6,438	1,301	Partly costs associated with the Schools catering cost centre, which are being offset by the income to be received. The others are unavoidable costs with no budgets. There has been an increase of £75k since last month for unbudgeted revenue costs of Medium Term Accommodation Programme.
Total	4,693	0	4,693	5,346	654	

4.8b There are a number of risks surrounding the SLA's and recharges to be incurred, as yet we are still unable to quantify them and therefore have no reassurance that there is adequate budget provision. Also, the revenue costs associated with the accommodation programme have been quantified and 30% are expected to be incurred in 2010, circa £75k, for which there is no budget provision. The remaining 70% (£175k) will need to be provided for in 2011.

4.8c Management Actions – Budget Manager to review forecasts in preparation for the January monitoring report and to ensure that both the forecasts and finance are fully updated. Further work is required around additional risks with a view to quantifying them. See 6.4 for detail.

4.9 Audit, Risk and H&S

Explanations for key variances are detailed in the following table.

4.9a Budget v Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	-356	0	-356	-243	114	Over spend due to lower levels of income arising from insurance, health & safety and schools toolkit audit work.
Staff Costs	869	15	884	827	-57	Under spend due to vacant positions unfilled for periods throughout the year. Also, savings measures due to vacant Head of Corporate Risk which is to remain unfilled to the end of the financial year.
Agency Staff Costs	0	0	0	26	26	Over spend due to covering of established posts. Being off set by under spend on staff costs.
Supplies and Services	99	0	99	71	-28	Under spend due to savings measures for the reduction in Professional services costs.
Total	611	15	626	681	55	

4.9b Management Actions – Budget Manager to review forecasts in preparation for the January monitoring report.

4.10 Corporate Costs

Explanations for key variances are detailed in the following table.

4.10a Budget v Forecast

	Budget	Transfer to and from Reserves	Total Budget	Forecast	Variance	Explanation for Variance
	£000	£000	£000	£000	£000	
Income	-2,140	0	-2,140	-2,140	0	
Staff Costs	3,198	0	3,198	3,281	83	Over spend due to costs for Members ICT allowances which was not included within the original budget.
Agency Staff Costs	0	0	0	0	0	
Supplies and Services	13,629	0	13,629	13,406	-223	Under spend due to savings measures implemented for Debt Restructuring and reduced Audit fees.
Total	14,686	0	14,686	14,546	-140	

4.10b Not included in the above figures is Central Bedfordshire's of the Nominated cost which for the year to date are £4k.

4.10c Management Actions – Budget Manager to review forecasts in preparation for the January monitoring report.

4.11 Transitional Costs

Transitional costs have a cumulative spend of £15,664k. Of this spend, £11,738k is included in the legacy authorities' 08/09 accounts and £3,926k in Central Bedfordshire 09/10 accounts.

The Transitional Costs area is under review.

The forecast for Transitional costs is £16,500k, against an original estimate of £15,500k.

2.0 Revenue Virement Requests

There are currently no proposed virements over £100k to report. A table detailing the virements and technical adjustments processed during the financial year to date can be found at Appendix B.

3.0 Key Risks and Cost Drivers

- 3.1 Total HR staff costs, including permanent and Agency are currently forecasting an over spend of £58k. This is due to the £2.72m HR pay budget for 2009/10 which has been arbitrarily split between HR and Transition. The HR element of this budget amount to £1.92m for 43 funded posts and the amount held in transition amounts to £0.8m for 18 funded posts. Whilst the HR element of the forecast is showing an over spend of £58k, the transition element is forecasting an under spend of £370k. The net position is therefore an under spend of £312k. The over spend against the HR element is primarily due to the fact that all Agency staff costs have been forecast against the HR budget and that a number of Agency staff are not filling budgeted vacant posts. The under spend against the transition element is due to posts being vacant during the financial year and to the budget provision for many of the filled posts being greater than the actual requirement. Regular monitoring of the agency staff budget and forecast required to reduce the risk.
- 3.2 Legal Services' projected overspend has been mentioned in previous reports. It is due to the use of agency staff to cover vacancies within establishment. Recruitment to vacant positions would reduce this cost and it anticipated that two of the posts will be filled shortly. However, in certain specialist areas it has so far proved difficult to attract applicants. There is also reduced income due to the cessation of anticipated contracts and the downturn in the housing market which has reduced the section 106 income. It now seems unlikely that the overspend will be significantly reduced in the current financial year.
- 3.3 Procurement under spend due to the recovery of rebate income. Regular monitoring is required to ensure income forecast is being met as it is being used to off set expenditure within supplies & services, which would otherwise result in an over spend position. To date the recovery has achieved £71.8k.
- 3.4 Establishment Pressures - Property has a budget pressure within their establishment of £338k due to some posts having insufficient budgets and extra inherited posts not originally budgeted for. This will be an ongoing issue which will need to be addressed in future budget setting. In a number of cases staff have been transferred into Property without the relevant staffing budget, this is currently being investigated and may reduce the staffing overspend.

Insufficient Budgets - There is no budget for surplus properties which will incur costs for legal & professional services, maintenance, security, NNDR on empty properties. There is no budget for the security of council buildings. There are issues being raised about centralised stationery, as there is no centralised stationery budget.

Reduced Income – The forecast has been adjusted now an agreement has been reached on the split of Farms income with Bedford Borough. This agreement has resulted in a reduction.
- 3.5 BBC Recharges - There is uncertainty over the expected hosting costs passed from BBC, re: the Mouchel contract. There are concerns over whether the £500k budget for the recharged costs for Borough Hall will be sufficient, particularly as there is no agreement yet as to how these will be calculated. Agreement on the Property SLA's is very close although the acceptance by CBC that staff costs should be included

may well have a major impact as these were not included in previous budget forecast . Within ICT there are uncertainties surrounding the recharge expectations due to the lack of SLA's.

- 3.6 Insurance Fund - further work is needed on the insurance fund to determine what the ongoing contributions are going to be and therefore any potential shortfall, and how it will be funded.
- 3.7 Interest Rate Risk - The Council is currently operating in an environment of extremely low interest rates, and returns on investments are consequently at a historically low level. Interest rates are now generally forecast not to increase for the remainder of the year. This interest rate environment was largely built into the 2009/10 budget; although rates are a little lower than anticipated. At present, indications are that overall investment interest should be around or slightly under budgeted levels.
- 3.8 Bursary Services Income – possible reduction in income due to the reduced uptake of the service by schools. Further clarification will be provided in the January monitoring.

4.0 Achieving Efficiency Savings

Corporate Resources has a 5% vacancy efficiency saving which equates to £417k. Of this savings target at present the directorate are achieving it, with £599k under spend being forecast on pay costs. Although the majority of this saving is being achieved it is offsetting over spends in other areas of the budget within Corporate Resources.

5.0 Reserves Position

This will be reported in the January monitoring report.

6.0 Carry forward Requests – None

7.0 Detailed Capital Analysis

- 7.1 Table C – Capital Actuals to date and Forecast Year End position can be found at Appendix D
- 7.2 Detailed Commentary on Capital
- 7.3 10.2a Due to the revised capital programme for 2009/10, there is an over spend of £100k for the HAZ Manor demolition scheme, due to the budget of £340k being slipped into 2010/2011. This £100k is for initial inspection and securing of the site this year. Although, if the demolition works need to be started this will increase this amount with the remaining required for completion in 2010/11. The remaining £241k over spend relates to ICT Infrastructure and includes what has been spent and committed to the end of November before the budget was revised. A Business case for both over spends has been prepared for consideration at the January Executive meeting.

10.2b Management Actions - Budget Managers with the assistance of Finance staff to undertake a detailed review of their forecasts in preparation for the January budget monitoring report.

8.0 Workforce Data

This will be reported in the January monitoring report.

9.0 Aged Debt Analysis

This will be reported in the January monitoring report.

10.0 Payments Indicator

This will be reported in the January monitoring report.

11.0 List of Appendices

Appendix A	Overall Position for Central Bedfordshire Council by Directorate
Appendix B	Details of Technical Adjustments and Virements
Appendix C	Corporate Resources Update Savings Plan.
Appendix D	Corporate Resources Capital Programme 2009/10.

Appendix A

Director	Annual Budget	Profiled Budget to date	Actual to date	Variance	Adjusted Forecast Outturn	Forecast Variance	Revised Forecast Variance	Proposed Transfer to/from reserves/provisions	Forecast Variance after proposed new reserves.
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Business Transformation	6,496	4,872	1,073	-3,799	8,134	1,638	1,638	-1,407	231
Chief Executive	309	232	366	134	274	-35	-35		-35
Children, Families & Learning (excluding Schools)	38,127	28,543	28,097	-446	40,729	2,602	2,602	-501	2,101
Corporate Costs	14,687	14,774	10,069	-4,705	14,546	-141	-141		-141
Corporate Resources (Excluding 7800 Corporate Costs)	19,698	11,015	12,813	1,798	20,127	429	429	-67	362
SCH&H	46,704	35,028	36,634	1,606	51,340	4,636	4,636	-104	4,532
Sustainable Communities	39,256	29,442	28,813	-629	39,037	-219	-219		-219
Repayment of Transitional Costs	4,600	3,450	3,450	0	4,600	0	0		0
TOTAL Excluding Schools	169,877	127,356	121,315	-6,041	178,787	8,910	8,910	-2,079	6,831
Schools only	766	575	286	-289	766	0	0		0
Total	170,643	127,931	121,601	-6,330	179,553	8,910	8,910	-2,079	6,831
Transitional Costs	3,762	2,822	3,926	1,104	4,762	1,000	1,000		1,000

Detail of Virement Processed within the month

Appendix B

Technical Adjustments/Virements for Corporate Resouces

PC	Description	2009/10 Opening Budget	Apr/Mar Virement 5	Apr/Mar Virement 11	Apr/Mar Virement 12	Apr/Mar Virement 13	Apr/Mar Virement 14
710000	Director of Corporate Resource	232,607.00		128,334.00	204,000.00	153,147.35	-90,000.00
720000	Head Of Financial Services & P	505,347.00					
720100	Corporate Finance	792,615.00					
720200	Business Support	1,395,624.00					
720500	Bursary	-238,593.00					
720800	Procurement	559,334.00					
730000	Human Resources	1,834,159.34				-142,134.35	
730400	CRB	-48,512.00					
740100	ICT Infrastructure & Support	4,176,837.50					
740200	ICT Assurance & Applications	2,842,340.50					
752000	Democratic Services	0.00					
752100	Registration of Electors	320,245.00					
752120	Committee Services	360,790.00					
752130	Democratic Representation and	381,668.00					
752200	Local Land Charges	-261,618.00					
763000	Maintenance & FM - Staff & Ove	927,252.00					
764000	Property Business - Staff & Ov	187,904.00					
764002	Property Contracts	1,008,000.00					
770000	Head of Internal Audit & Risk	-143,551.00	-70,500.00				
770100	Internal Audit	414,514.00	31,750.00				
770200	Corporate Risk	318,045.00	38,750.00				
780300	Members' costs	1,352,940.00		-128,334.00			
	TOTAL	34,258,853.28	0.00	0.00	204,000.00	0.00	-90,000.00

Detail of Virement Processed within the month

Appendix B

Technical Adjustments/Virements for Corporate Resouces

		Apr/Mar	Apr/Mar	Apr/Mar	Apr/Mar	Apr/Mar	Budget
PC	Description	Virement 18	Virement 21	Virement 22	Virement 23	Virement 25	May-09
710000	Director of Corporate Resource				45,583.00	-2,481.00	671,190.35
720000	Head Of Financial Services & P						505,347.00
720100	Corporate Finance		-238,112.00				554,503.00
720200	Business Support						1,395,624.00
720500	Bursary		238,112.00	481.00	-65,583.00		-65,583.00
720800	Procurement						559,334.00
730000	Human Resources						1,692,024.99
730400	CRB						-48,512.00
740100	ICT Infrastructure & Support						4,176,837.50
740200	ICT Assurance & Applications						2,842,340.50
752000	Democratic Services	60,907.57					60,907.57
752100	Registration of Electors	-28,298.10					291,946.90
752120	Committee Services	-21,971.40					338,818.60
752130	Democratic Representation and						381,668.00
752200	Local Land Charges	-10,638.07					-272,256.07
763000	Maintenance & FM - Staff & Ove						927,252.00
764000	Property Business - Staff & Ov						187,904.00
764002	Property Contracts						1,008,000.00
770000	Head of Internal Audit & Risk				22,000.00		-192,051.00
770100	Internal Audit						446,264.00
770200	Corporate Risk						356,795.00
780300	Members' costs						1,224,606.00
	TOTAL	0.00	0.00	481.00	2,000.00	-2,481.00	34,372,853.28

Detail of Virement Processed within the month

Appendix B

Technical Adjustments/Virements for Corporate Resouces

PC	Description	June Virement 26	June Virement 27	June Virement 28	June Virement 31	Budget Jul-09
710000	Director of Corporate Resource				-2,310.00	668,880.35
720000	Head Of Financial Services & P		-378,540.00	-19,200.00		107,607.00
720100	Corporate Finance		378,540.00	5,500.00		938,543.00
720200	Business Support			13,200.00		1,408,824.00
720500	Bursary					-65,583.00
720800	Procurement			500.00		559,834.00
730000	Human Resources	40,000.00				1,732,024.99
730400	CRB					-48,512.00
740100	ICT Infrastructure & Support					4,176,837.50
740200	ICT Assurance & Applications					2,842,340.50
752000	Democratic Services					60,907.57
752100	Registration of Electors					291,946.90
752120	Committee Services					338,818.60
752130	Democratic Representation and					381,668.00
752200	Local Land Charges					-272,256.07
763000	Maintenance & FM - Staff & Ove					927,252.00
764000	Property Business - Staff & Ov					187,904.00
764002	Property Contracts					1,008,000.00
770000	Head of Internal Audit & Risk					-192,051.00
770100	Internal Audit					446,264.00
770200	Corporate Risk					356,795.00
780300	Members' costs				2,310.00	1,226,916.00
	TOTAL	40,000.00	0.00	0.00	0.00	34,412,853.28

Detail of Virement Processed within the month

Appendix B

Technical Adjustments/Virements for Corporate Resources

PC	Description	Aug Virement 37	Sep Virement 41	Sep Virement 42	Sep Virement 43	Sep Virement 44	Budget Sep-09
710000	Director of Corporate Resource			-40,000.00	-38,700.00	-146,000.00	444,180.35
720000	Head Of Financial Services & P			40,000.00		146,000.00	293,607.00
720100	Corporate Finance						938,543.00
720200	Business Support						1,408,824.00
720500	Bursary						-65,583.00
720800	Procurement						559,834.00
730000	Human Resources						1,732,024.99
730400	CRB						-48,512.00
740100	ICT Infrastructure & Support						4,176,837.50
740200	ICT Assurance & Applications						2,842,340.50
752000	Democratic Services	57,696.00					118,603.57
752100	Registration of Electors	57,796.00					349,742.90
752120	Committee Services	73,179.00					411,997.60
752130	Democratic Representation and	-188,671.00					192,997.00
752200	Local Land Charges						-272,256.07
763000	Maintenance & FM - Staff & Ove		25,266.26				952,518.26
764000	Property Business - Staff & Ov						187,904.00
764002	Property Contracts						1,008,000.00
770000	Head of Internal Audit & Risk						-192,051.00
770100	Internal Audit						446,264.00
770200	Corporate Risk						356,795.00
780300	Members' costs						1,226,916.00
	TOTAL	0.00	25,266.26	0.00	-38,700.00	0.00	34,399,419.54

**Detail of Virement Processed within the month
Technical Adjustments/Virements for Corporate Resources**

Appendix B

PC	Description	Oct Virement 45	Oct Virement 46	Oct Transport	Oct Virement 47	Oct Virement 48	Nov Virement 51	Nov Virement 52	Budget Nov-09
710000	Director of Corporate Resource								444,180.35
720000	Head Of Financial Services & P	-40,000.00					40,000.00		293,607.00
720100	Corporate Finance						-40,000.00		898,543.00
720200	Business Support								1,408,824.00
720500	Bursary								-65,583.00
720800	Procurement					-67,475.00			492,359.00
730000	Human Resources								1,732,024.99
730400	CRB			25,630.00					-22,882.00
740100	ICT Infrastructure & Support				-21,858.00			-10,353.00	4,144,626.50
740200	ICT Assurance & Applications				-21,858.00			10,353.00	2,830,835.50
752000	Democratic Services								118,603.57
752100	Registration of Electors								349,742.90
752120	Committee Services								411,997.60
752130	Democratic Representation and								192,997.00
752200	Local Land Charges								-272,256.07
763000	Maintenance & FM - Staff & Ove					67,475.00			1,019,993.26
764000	Property Business - Staff & Ov				43,716.00				231,620.00
764002	Property Contracts								1,008,000.00
770000	Head of Internal Audit & Risk								-192,051.00
770100	Internal Audit								446,264.00
770200	Corporate Risk								356,795.00
780300	Members' costs								1,226,916.00
	TOTAL	-40,000.00	0.00	25,630.00	0.00	0.00	0.00	0.00	34,385,049.54

Detail of Virement Processed within the month

Appendix B

Technical Adjustments/Virements for Corporate Resources

PC	Description	Dec	Dec	Budget
		Virement 53	Virement 55	Dec-09
710000	Director of Corporate Resource	-100,000.00		344,180.35
720000	Head Of Financial Services & P			333,607.00
720100	Corporate Finance			858,543.00
720200	Business Support			1,408,824.00
720500	Bursary			-65,583.00
720800	Procurement			424,884.00
730000	Human Resources			1,732,024.99
730400	CRB			2,748.00
740100	ICT Infrastructure & Support		-19,149.00	4,112,415.50
740200	ICT Assurance & Applications			2,819,330.50
752000	Democratic Services			118,603.57
752100	Registration of Electors			349,742.90
752120	Committee Services			411,997.60
752130	Democratic Representation and			192,997.00
752200	Local Land Charges			-272,256.07
763000	Maintenance & FM - Staff & Ove			1,087,468.26
764000	Property Business - Staff & Ov		19,149.00	275,336.00
764002	Property Contracts			1,008,000.00
770000	Head of Internal Audit & Risk			-192,051.00
770100	Internal Audit			446,264.00
770200	Corporate Risk			356,795.00
780300	Members' costs	100,000.00		1,326,916.00
	TOTAL	0.00	0.00	32,466,391.54

1200200 Transition

Note

This table only includes virements between profit centres and excludes those that redistributes budget within profit centres.

The following movement to the budgets occurred within November:

Virement 53 - Trf for Members Allowances from the Dir Corp Res (contingency).

Virement 55 - Funding for 3 posts, 2 in ICT and 1 in Property from ICT Support.

Updated Savings Plan as at January

Appendix C

Details of planned action	Expected Savings £k	Savings Achieved to date £k	Status (RAG)
Financial Services			
Streamline Vendor Creation process. Internal promotion to E-Procurement Manager will free up Procurement Officer post which will be frozen. Possible full year efficiency for 2010/11.	14	14	Agreed.
Vacancy Freeze Will review all posts becoming vacant. None appropriate at this time.	TBA		
Debt Restructuring Plans are in place to convert seven fixed rate loans totalling £26m to variable over the short term. The rates are being monitored on a daily basis to assess to right time to move.	143	143	Discount rates have started moving in Central Beds' favour and rumour of reduced premiums do make this feasible.
Total	157	157	

Internal Audit and Risk Management

Staff recharge to the BCC Insurance run off fund	12.5	12.5	This represents staff time spent on claims for BCC.
Reduce the professional services budget	30	30	Removes any contingency for any additional or specialist internal audit work.
Freeze Staff vacancies	20	20	Head of Strategic Risk leaving at the beginning of December, so freeze recruitment
Reduce training budget	2	2	Not all PDR's are completed but this would impact on the development of the new team.
Insurance admin.	15	15	There is a possibility that we will receive further fees in respect of insurance admin. fees payable by schools, highways claims and maybe H&S training courses
Sub Total	79.5	79.5	

Reduce Central Costs budget for the Audit Commission fees	80	80	Not really a saving but Audit Commission fees under projected budget by £80k
Total	159.5	159.5	
Human Resources and Organisational Development			
Project and under spend (rather than current full spend forecast) on L&D / OD budgets (saves £50k on L&D and £30k on OD)	80	80	May limit the development work we are able to do across directorates, particularly as we begin to engage with employees, ensure PDR's are completed, and obtain a clearer mandate for OD
Reduce projection for HR training spend	5	5	Reduced capacity to commission L&D – half year remaining.
Total	85	85	
Property – Asset Management			
Additional work to be undertaken around associated charges so as to maximise income. The existing shortfall is less than 4% of the existing budget and in the current climate represents good value. This is subject to existing resource levels continuing as current.	None	None	

Reduce spend on Depots and Storage facilities – dependent upon review.	33	33	
Total	33	33	
Property - Capital Development			
Continuing to not backfill post caused by Maternity leave	14	14	
Total	14	14	
Property – Facilities and Management			
Identify and arrange for budgets for the two staff at Dunstable who were mapped into other areas to be transferred into Property. Not a saving as such but this will reduce overspend.	58	58	
Total	58	58	
ICT			
Software Enterprise arrangement not renewed one off partial costs in 2009/10. Full year costs included within the 2010/2011 Budget Reductions. This will meet part of the forecast overspend by Property.	450	250	
Total	450	250	
Total Savings for ICT and Property	555	355	

Business Management

The revenue budgets cover two costs, staff and Mouchel Fees. Mouchel Fees represents one of the currently unquantified risks, or an opportunity, because of the unresolved contractual position. CBC are liable for the costs of the contract.

Staff forecast costs are showing an over spend. As Business Management now straddles both Property & ICT, a structure has been agreed to accommodate this development, which has led to an overspend against original Budget. This has now been agreed to be supported by a virement from ICT. Once this has taken place the forecast will therefore be on the revised budget.

Legal and Democratic

Reduction in training and development for all lawyers	10	10	
Contract hire costs	10	10	Finance amendment as over costed
Freeze post 35022 whilst on maternity leave	7	7	Reduce conveyancing capacity
Delete Member Training/Development post	10	10	No dedicated Training Development Officer
Total	37	37	

Appendix D

CENTRAL BEDFORDSHIRE COUNCIL CAPITAL PROGRAMME 2009/10

Predecessor Authority	Title	2009/10 Original Budget (excludes slippage)	2009/10 Gross Budget	Revised Budget Expend	Revised Budget Income	Revised Budget Net	Actuals to Date	Forecast	Variance	Income c/f to 2010/11	Exp c/f to 2010/11
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Corporate Resources											
BCC	Desktop Refresh	318	318	0	0	0	165	0	0	0	0
BCC	Infrastructure refresh	195	195	0	0	0	9	0	0	0	0
MBDC	Capitalised Equipment	75	75	0	0	0	0	0	0	0	0
MBDC	Server & Disk Storage Refresh Programme	30	30	0	0	0	1	0	0	0	0
MBDC	Microsoft Software Licensing Enterprise Agreement	64	64	64	0	64	0	64	0	0	0
MBDC	IT Infrastructure Project	75	75	0	0	0	35	0	0	0	0
MBDC	Members IT (Rolling Budget)	15	15	0	0	0	24	59	59	0	0
SBDC	ICT Infrastructure	200	200	0	0	0	15	0	0	0	0
CBC	ICT Infrastructure	0	0	108	0	108	0	290	182	0	800
CBC	CBC Corporate Property Block Budget	4,000	4,000	131	0	131	3	131	0	0	1,000
	TOTAL Corporate Resources	4,972	4,972	303	0	303	252	544	241	0	1,800

Appendix D

CENTRAL BEDFORDSHIRE COUNCIL CAPITAL PROGRAMME 2009/10

Predecessor Authority	Title	2009/10 Original Budget (excludes slippage)	2009/10 Gross Budget	Revised Budget Expend	Revised Budget Income	Revised Budget Net	Actuals to Date	Forecast	Variance	Income c/f to 2010/11	Exp c/f to 2010/11
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
	<u>Slippage from 2008/09</u>										
MBDC	Planning IT / Other Equipment	0	186	0	0	0	0	0	0	186	186
MBDC	Priory House-Hearing Induction Loop	0	30	30	0	30	0	30	0	0	0
BCC	HAZ Manor demolition	0	340	0	0	0	0	100	100	0	340
	Total Slippage from 2008/09	0	657	30	0	30	0	130	100	186	526

Appendix D

**CENTRAL BEDFORDSHIRE COUNCIL
CAPITAL PROGRAMME 2009/10**

Predecessor Authority	Title	2009/10 Original Budget (excludes slippage)	2009/10 Gross Budget	Revised Budget Expend	Revised Budget Income	Revised Budget Net	Actuals to Date	Forecast	Variance	Income c/f to 2010/11	Exp c/f to 2010/11
	<u>New Schemes</u>										
NEW	CBC Medium Term Accommodation Programme	0	0	2,000	0	2,000	253	2,000	0	0	2,000
NEW	Transitional Capital Budget	0	0	339	0	339	0	339	0	0	0
NEW	LAMP Project (Transitional Costs)	0	0	1,060	0	1,060	0	1,060	0	0	0
NEW	IBS System (Transitional Costs)	0	0	240	0	240	0	240	0	0	0
NEW	Legal Services Case Management System	0	0	130	0	130	0	130	0	0	0
NEW	Implementation of ECM (Transitional Costs)	0	0	80	0	80	33	80	0	0	0
	Total New Schemes	0	0	3,849	0	3,849	286	3,849	0	0	2,000
	TOTAL Corporate Resources including Slippage	4,972	5,629	4,182	0	4,182	538	4,523	341	186	4,326