
Meeting: Customer and Central Services Overview and Scrutiny Committee
Date: 26th July 2010
Subject: Budget Management Outturn Report Quarter ended 31st March 2010 for the Directorate formerly known as Corporate Resources
Report of: Portfolio Holder for Finance, Governance and People
Summary: The report sets out the provisional outturn position as at the 31st March 2010.

Contact Officer: Director of Customer and Shared Services
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to the delivery of the Council's 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
 - (a) Notes and considers this report
 - (b) Considers any issues from this report that could form part of their work programme.

Introduction

1. The report sets out the provisional outturn for the financial year 2009/10.

Executive Summary Revenue

2. The year end outturn is £145k (0.4%) under budget compared to December's forecast position of £221k over budget.
3. Table A below shows the provisional outturn net revenue position and the movements compared to December's forecast. A more detail table by operational area is shown at Appendix A1.
4. Table A Revenue Position Summary

Assistant Director	Budget	Provisional Outturn Variance	Movement since the December Forecast
	£k	£k	£k
Director of Corporate Resources	344	39	-55
Financial Services (including Procurement)	3,028	-115	-47
Human Resources and Organisational Development	1,845	-37	30
ICT	6,997	-438	58
Legal and Democratic	2,126	47	172
Property and Asset Management	4,651	561	93
Audit, Risk and H&S	611	77	-22
Sub Total	19,602	134	229
Operational			
Corporate costs	14,686	-279	139
TOTAL – Director of Business Transformation	34,288	-145	368

5. Procurement has a year end under spend of £123k due to the recovery of rebates, which was not included in the original budget.
6. ICT is has a year end under spend of £438k. The year to date under spend reflects the risks surrounding the centralised ICT and telephony costs, which are being incurred within the service areas and have as yet to be transferred into ICT.
7. Within Property there is a full year over spend of £561k. There are risks surrounding the SLAs and recharges from Bedford Borough Council, for which final agreement on costs has not been reached. The property over spend reflects unavoidable unbudgeted costs, establishment pressures, insufficient budgets for non rechargeable costs and the transfer of £109k net income budget from Children's Services for the Schools Catering.

8. Corporate Costs has a full year outturn under spend of £279k largely due to insufficient budget allocation for the Pension fund costs of £876k, which is being hosted by Bedford Borough Council, offset by a reduction in debt management costs due to debt restructuring and a review of PFI interest payable, together with a forecast saving of £80k in Audit fees.

Not included in the report are the Nominates Costs (costs incurred that are to be shared between Central Bedfordshire and Bedford Borough Councils) which at year end total £1,671k. Central Bedfordshire's share could be up to £1,053k (63%).

Executive Summary Capital

6. The full year outturn position is £2,893k compared to December's position of £4,523k.
7. Table B below shows the overall year end capital position and the movement compared to December's forecast. A more detailed table by scheme is shown at Appendix B.
8. Table B Capital position summary (net)

	Budget	Provisional Outturn	Variance	Change since Dec
Expenditure	4,102	2,893	1,209	(1,630)
Income	0	0	0	0
Net	4,102	2,893	1,209	(1,630)

9. The variance includes £200k for HAZ Manor demolition scheme which was increased by £100k since January. The £340k budget for this project was slipped into 2010/11 but due to the political nature of the project it has become necessary to bring it forward. There is a £241k variance relating to ICT Infrastructure which includes expenditure and commitments to the end of November, before the budget was revised downwards. A Business case for both over spends was considered at the January Executive Meeting. The following projects have budgets but no spend to date: Legal case management system - £130k and Implementation of ECM - £80k. It is suggested that the potential slippage into 2010/11 of these projects is considered.

Key Management Actions

10. The budget managers with assistance of Finance staff need to review their respective areas and identify any actions required for 2010/11 budget monitoring.

Operational

Director of Corporate Resources

11. The Director of Corporate Resources has a year end over spend outturn of £39k due to consultancy and reorganisation costs.

Assistant Director Financial Services

12. Procurement has a full year under spend of £123k due to the recovery of rebates, which was not included in the original budget.
13. There were two transfers from Reserves:
 - A £100k transfer from reserve to cover redundancy payments.
 - A £43k transfer from reserve to fund an income project.

AD HR & Organisational Development

14. HR & Organisational Development has a year end outturn under spend of £37k against a budget of £1,845k which includes an £147k under spend against Organisational Development and Corporate Training budgets, offset by an £100k over spend against the HR Domestic budget. This over spend against the HR Domestic Budget is primarily due to additional staff costs resulting from the employment of temporary staff and additional consultancy costs incurred in support of work for new management structure and salary bench marking.
15. The provisional outturn position incorporates the following transfers from and proposed transfers to Earmarked Reserves:
16. Transfers from Reserves:
 - A £115k transfer from reserve to cover redundancy and single status payments
17. Transfers to Reserves:
 - A proposed new £70k Reserve drawn from a £78k under spend against the Occupational Health Budget to be used in 2010/11 to offset budget pressures against HR staff costs

Assistant Director ICT

18. There is a full year under spend of £438k. This under spend reflects establishment vacancies, including the Head of ICT, and the £250k savings measure for software licenses.

Assistant Director Legal & Democratic Services

19. Legal & Democratic services have a full year over spend of £44k. This is due additional costs procuring specialist lawyers, partly offset by an under spend in Registration of Electors and higher than budgeted land charge income.
20. There was one transfer from Reserves:
 - A £52k transfer from reserves to cover election funds.

Assistant Director Property & Asset Management

21. Property has a full year over spend of £561k. The year to date over spend reflects the risks surrounding the SLA and recharges from Bedford Borough Council, for which final cost recharges are still awaited, together with unavoidable unbudgeted costs for Bedford Square, Surplus Properties, increased security costs, establishment pressures, insufficient budgets for County Farms, non rechargeable costs, i.e. printing & post and the transfer into the Properties budget of £109k net income for the Schools Catering.
22. For capital, of the £2,000k Accommodation project, £1,040 has been assigned to date.

Assistant Director Audit, Risk and H&S

23. There is a full year over spend of £77k due to lower levels of income arising from insurance, health & safety and schools toolkit audit work, over spend on agency and pay costs, which is partly being off set by applied savings measures, such as the vacant Head of Corporate Risk.
24. There was one transfer from Reserves:
 - A £30k transfer from reserves to cover insurance for the carry forward from BedsCC.

Non-Operational

Corporate Costs

25. Corporate Costs has a full year under spend of £279k. This is made up by the insufficient budget allocation for the Pension fund costs of £915k and £53k overspend in Members' costs due to insufficient budgets for Members' IT allowances. This is offset by an under spend of £1,175k Debt Management due to Debt Restructuring and PFI interest, and £80k for Audit fees.

Transitional costs

26. The provisional outturn for Transitional Costs is a cumulative spend of £17,391k. Of this spend, £11,738k is included in the legacy authorities' 2008/09 accounts and £5,653k in Central Bedfordshire 2009/10 accounts.

27. The forecast spend for Transitional Costs was £16,500k, against an original estimate of £15,500k. The key reason for the over spend is higher than budgeted redundancy costs.

Revenue Virement Request

None

Key Cost Drivers

None

Achieving Efficiency Savings

21. Savings Measures identified within the Directorate can be found in Appendix D.

Reserves Position

22. Detail in Appendix C

Carry forward Requests

24. None

Workforce Data

27. Detail in Appendix E.

Aged Debt Analysis

Detail in Appendix F.

Appendices:

Appendix A1 – Net Revenue Position full analysis
Appendix A2 – Annual Budget V Expected Outturn with commentary
Appendix B1 – Overall Capital Monitoring - Summary
Appendix B2 – Capital position for Directorate payments and receipts
Appendix C – Earmarked Reserves
Appendix D - Efficiencies
Appendix E – Workforce Data
Appendix F – Outstanding Debts over £10k

Background Papers: (open to public inspection)

Location of papers: Priory House, Chicksands