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**Meeting:** Sustainable Communities Overview & Scrutiny Committee  
**Date:** 26 September 2012  
**Subject:** Revenue Report for the Quarter ended 30<sup>th</sup> June 2012  
**Report of Executive Member:** Cllr Nigel Young– Executive Member for Sustainable Communities Planning & Economic Development  
**Member:** Cllr Brian Spurr – Executive Member for Sustainable Communities Services  
**Summary:** The first quarter revenue report is provided below forecasting a year end underspend of £97K after the use of specific reserves.

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**Contact Officer:** Sue Templeman, Senior Finance Manager  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

1. Sound financial management contributes to the delivery of the Council's value for money, enabling the Council to successfully deliver its priorities. In particular the Sustainable Communities budget has direct impact on the stated Council priority of Enhancing Central Bedfordshire – creating jobs, managing growth, protecting our countryside and enabling businesses to grow.

### **Financial:**

2. The financial implications are set out in the report.

### **Legal:**

3. All expenditure is in accordance with the Constitution of the Council and Public Procurement Regulations

### **Risk Management:**

4. All of services have been risk rated, and actions agreed with managers to work within budget tolerances.

### **Staffing (including Trades Unions):**

5. A number of minor staffing changes are being implemented in line with resourcing proposals approved in the 2012/13 budgets.

### **Equalities/Human Rights:**

6. None

**Community Safety:**

7. None

**Sustainability:**

8. Sustainable Communities is the lead Directorate with regards to making Central Bedfordshire a more sustainable place to live and work, tackling climate change and reducing environmental impact. Many of the services delivered e.g. waste and highways directly control or influence this. The success of delivering against this agenda is directly related to how budget is managed.

**RECOMMENDATION(S):**

1. **That the Overview & Scrutiny Committee considers and provides appropriate comments in relation to:**
- (a) **The forecasted net expenditure outturn of £48,225k**
  - (b) **The proposed use of specific reserves of £611k, and**
  - (c) **The Director's year-end forecast of an underspend of £97k after the use of specific reserves.**

**Introduction**

9. Sustainable Communities manages a gross expenditure budget of £58,069k and income budget of £10,357k leaving a net expenditure budget of £47,712k.

**Executive Summary Revenue**

10. Sustainable Communities' overall financial position is forecast at £97k under budget after the use of earmarked reserves of £611k for one-off specific projects.
- The Directorate has an annual savings target of £3,988k. At the end of June, the savings delivered totalled £814k.
11. Table A shows the full year forecast variance by budget group. The main financial performance of each group is described in the following paragraphs. Appendices A1 to A3 provide further tables showing estimates, movements and risk ratings by services.

12. **Table A – Directorate Overall Position**

Division	Approved Budget	Forecast outturn for year	Forecast variance for year (-under) / over spend	Forecast variance after use of earmarked reserves (-under) / over spend
	£'000	£'000	£'000	£'000
Director of Sustainable Communities	768	759	-10	-10
Economic Growth Skills & Regeneration	5,389	5,823	435	79
Highways & Transportation	11,538	11,633	96	46
Planning	6,823	6,850	27	-3
Community Safety Public Protection Waste & Leisure	23,195	23,160	-34	-209
<b>Total DIRECTORATE Spend</b>	<b>47,712</b>	<b>48,225</b>	<b>514</b>	<b>-97</b>

13. **Director of Sustainable Communities**

The Director's Group has forecasted a small underspend of £10K

14. **Economic Growth Skills & Regeneration**

The Economic Growth Skills & Regeneration has forecasted an overspend of £79K

In order to deliver the major remodelling of library service and support role out of the superfast broadband in 2013 the service has forecast an overspend on salaries but this is partly offset by a drawdown of the external funded regeneration reserve.

The service secures significant external grants during the year and the effect on the budget of the division is closely monitored and forecasts will be amended and reported once the amounts of such grants have been confirmed.

15. **Highways & Transportation**

Highways & Transport Division has forecast an over spend of £46K .

Due to projecting lower income from car parks than expected as a result of issues with dealing with backlog of Penalty Charge Notices appeals traffic management has forecasted an overspend of £40K. The technical issue which led to the backlog has been resolved and work continues to deal with the outstanding appeals. The service area is closely monitoring the situation and forecasts will be reviewed accordingly.

An increase in landfill tax has resulted in an overspend of £32K in highways contracts.

These are partly offset by an underspend in the Assistant Director area.

**16. Planning**

The Planning Division has forecasted a small underspend of £3K

**17. Community Safety Public Protection Waste & Leisure**

Community Safety Public Protection Waste and Leisure Division has forecasted for an under spend of £209k

Due to the renegotiation of the interim Household Waste Recycling Centre contract until March 2013, lower gate fees from the retendered green disposal contracts and the effect of indexation for contract uplift there is a forecasted underspend on waste of £155K

There is a forecasted underspend on salaries in Community Safety.

**Revenue Virements**

18. Sustainable Communities budgets have been reduced by about £13k as a result of processing the virement for car lease budgets, as a result of a corporate exercise.

**Achieving Efficiencies**

19. Sustainable Communities has been set an efficiency target of £3,988k. There are 24 savings initiatives being implemented across the Directorate.

At the end of June, the Directorate had achieved efficiency savings of £814k, which is £73k below profile. The forecast for the end of the year is to be £75k less than the efficiency targets. However, the Directorate is actively pursuing appropriate compensatory savings. The full year forecast per Division is shown in Appendix B.

**Reserves position**

20. The Directorate proposes to use £611k of earmarked reserves to fund specific one-off projects. A breakdown is provided in Appendix C.

**Debt management**

21. The total debt at the end of June was £2,937k, an increase of £164k over May's figures. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for £2,266k or 77% of debt. All debt recovery is in accordance with Council policy. About eighty three percent of debt is less than three months old. Two debtors owe £760k between them, accounting for 26% of the total debt

22. **Table B – Debt Outstanding**

Debt profile	>£100K	>=£50K	>=£10K	>=£1K	<£1K	Total	Age Ratio
No of debtors	7	5	20	31	39	<b>102</b>	
Current	£605	£86	£33	£21	£1	<b>£746</b>	25.4%
1 month	£23	£19	£20	£21	£1	<b>£83</b>	2.8%
2 months	£1163	£161	£118	£28	£4	<b>£1475</b>	50.2%
3 months	£25	£31	£68	£4	-£2	<b>£126</b>	4.3%
3-12 months	£3	£0	£39	£4	£0	<b>£46</b>	1.6%
> 12 months	£101	£50	£253	£46	£12	<b>£461</b>	15.7%
<b>Total Debt</b>	<b>£1920</b>	<b>£346</b>	<b>£532</b>	<b>£124</b>	<b>£15</b>	<b>£2937</b>	<b>100.0%</b>

**Appendices:**

Appendix A1 – Revenue Summary Position by Division

Appendix A2 – Revenue Summary Position by Service

Appendix A3 – Movement in forecast variance

Appendix B – Efficiencies

Appendix C – Earmarked Reserves

Appendix D – Debt Analysis

**Background Papers:** None

**Location of papers:** Technology House, Bedford