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**Meeting:** Sustainable Communities Overview & Scrutiny Committee  
**Date:** 13<sup>th</sup> December 2012  
**Subject:** Revenue Report for the Quarter ended 30<sup>th</sup> September 2012  
**Report of Executive Member:** Cllr Nigel Young– Executive Member for Sustainable Communities Planning & Economic Development  
Cllr Brian Spurr – Executive Member for Sustainable Communities Services  
**Summary:** The second quarter revenue report is provided below forecasting a year end underspend of £134K after the use of specific reserves.

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**Advising Officer:** Gary Alderson - Director of Sustainable Communities  
**Contact Officer:** Sue Templeman, Senior Finance Manager  
**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. In particular the Sustainable Communities budget has direct impact on the stated Council priorities of:

- Creating Safer Communities, and
- Managing Growth effectively.

### **Financial:**

The financial implications are set out in the report.

### **Legal:**

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

### **Risk Management:**

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

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

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

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

None

**Community Safety:**

None

**Sustainability:**

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:**

- (a) The forecasted net expenditure outturn of £48,008k,
- (b) The proposed use of specific reserves of £625k with a proposed transfer to reserves of £195K, and
- (c) The Director's year-end forecast of an underspend of £134k after the use of specific reserves.

**Introduction**

1	Sustainable Communities manages a gross expenditure budget of £58,562k and income budget of £10,850k leaving a net expenditure budget of £47,712k.
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**Executive Summary Revenue**

2	Sustainable Communities' overall financial position is forecast at £134k under budget after the use of earmarked reserves of £625k for one-off specific projects, with a proposed transfer to reserves of £195K.  The Directorate has an annual savings target of £3,988k. At the end of September, the savings delivered totalled £1,685k.
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3	Table A shows the full year forecast variance by budget group. The main financial performance of each group is described in the following paragraphs. There is one aspect which impacts on all four service divisions which is a projected shortfall in an EIG saving. This is detailed within section 11, and for forecasting purposes the shortfall has been split evenly over the above areas  Appendices A1 to A3 provide further tables showing estimates and movements by services.
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4	<b>Table A – Directorate Overall Position</b>				
	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	773	5	5
	Economic Growth Skills & Regeneration	5,389	5,810	421	25
	Highways & Transportation	11,537	11,734	197	147
	Planning	6,824	6,789	-35	-65
	Community Safety Public Protection Waste & Leisure	23,194	22,902	-292	-246
	<b>Total DIRECTORATE Spend</b>	<b>47,712</b>	<b>48,008</b>	<b>296</b>	<b>-134</b>
5	<b>Director of Sustainable Communities</b> The Director's Group has forecasted a small overspend of £5K.				
6	<b>Economic Growth Skills &amp; Regeneration</b> The Economic Growth Skills & Regeneration has forecasted an overspend of £25K which is an improvement of £54K from quarter one Extra grant funding of £23k has been secured to support the delivery of the regeneration projects.				
7	<b>Highways &amp; Transportation</b> Highways & Transport Division has forecast an over spend of £147K which is an increase of £116K from quarter one.  The unforeseen prolonged wet weather caused additional damage to the roads by accelerating the rate at which pot holes form. There has also been an increase the number of call outs to deal with flooding incidents. This has resulted in an increased spend of £150K.  A previous reported overspend of £32K on land fill tax is being absorbed by the service  The previous reported under achievement of car park income of £40K due to issues when the service was first transferred is being offset by reduced expenditure in parking and traffic management.				

8	<p><b>Planning</b></p> <p>The Planning Division has forecasted an underspend of £65K which is an improvement on quarter one.</p> <p>The professional services budget within Development Planning is forecast to underspend by £100K. This reflects the prudent procurement of specialist work and legal advice to support Development Strategy and other Local Plan document preparation.</p>
9	<p><b>Community Safety Public Protection Waste &amp; Leisure</b></p> <p>Community Safety Public Protection Waste and Leisure Division has forecasted for an under spend of £271k which is an improvement of £62K to quarter one.</p> <p>There is additional £36K income within public protection. The money related to a prosecution has been forecasted and it is proposed to transfer this to a reserve at the end of the year. This is to support case management and court action.</p> <p>To enable the reconfiguration of the North waste collection fleet to fit in with the Council's long term waste management solution the purchase of new residual vehicles was temporarily delayed incurring additional maintenance costs of £55K.</p> <p>Additional savings have been generated from the renegotiation of the Household Waste Recycling Centre contract and lower green waste contract costs have contributed to an underspend</p> <p>There has been an increase in advisor costs of £32K for the BEaR project due to the consultancy work on funding options and investigation works at the Thorn Turn site.</p> <p>Leisure Service have forecast an underspend of £130K due to salaries and related spend, renegotiation of the leisure contract for the south area and additional income from the physical activity programme .</p>
<b>Revenue Virements</b>	
10	Sustainable Communities net budget has not changed since the first quarter
<b>Achieving Efficiencies</b>	
11	<p>Sustainable Communities has been set an efficiency target of £3,988k. There are 24 savings initiatives being implemented across the Directorate.</p> <ul style="list-style-type: none"> <li>• At the end of September, the Directorate had achieved efficiency savings of £1685k, which is £110k below profile. The forecast for the end of the year is to be £100k less than the efficiency targets.</li> <li>• The efficiency saving of £30K related to drainage fees is not going to be realised but is being covered by a compensatory use of reserves.</li> <li>• Following completion and analysis at the six month period, of the £400k saving related to capitalised salaries, £300k is now been identified as the full year forecast. Further detailed work is on going to identify further capitalisation opportunities.</li> <li>• Lease council owned vehicles rather than buy to reduce overall operating costs. The efficiency of £50k related to leasing Council owned vehicles rather than purchasing will not be achievable this year. A one off compensatory saving has been identified from Development Planning Professional Services to compensate for this shortfall.</li> </ul>

Work continues to reach a firm conclusion about whether or not these efficiencies can be achieved in full by year end, and if this is not the case compensatory savings will be identified. The full year forecast per division is shown in Appendix B

### Earmarked Reserves

- 12 The Directorate proposes to use £625k of earmarked reserves to fund specific one-off projects and a proposed transfer to reserves of £195K. A breakdown is provided in Appendix C.

### Debt Management

- 13 The total debt at the end of September was £2,465k, a decrease of £475K over June's figures. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for £1,711K or 69% of debt. About 70% of debt is less than three months old. All debt recovery is in accordance with Council policy.

14 **Table B – Debt Outstanding**

Debt profile	>£100K	>=£50K	>=£10K	>=£1K	<£1K	Total	Age Ratio
No of debts	7	5	31	40	68	151	
Current	£78	£75	£188	£36	£6	£384	15.6%
1 month	£261	£54	£163	£46	£7	£530	21.5%
2 months	£218	£64	£82	£14	£1	£379	15.4%
3 months	£36	£0	£1	£1	-£71	-£34	-1.4%
3-12 months	£543	£0	£164	£38	£3	£748	30.3%
> 12 months	£206	£146	£109	£9	-£11	£458	18.6%
<b>Total Debt</b>	<b>£1342</b>	<b>£339</b>	<b>£706</b>	<b>£143</b>	<b>-£65</b>	<b>£2465</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

APPENDIX A1 – NET REVENUE POSITION BY DIVISION SEPTEMBER, 2012

Division	Year to date				Full Year				
	Budget	Actual	Use of reserves	Variance	Approved Budget	Forecast Outturn	Proposed transfer to reserves	Proposed use of reserves	Forecast Variance after use of reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Director of Sustainable Communities	384	335	0	-49	768	773	0	0	5
Economic Growth Skills & Regeneration	2,661	2,667	-59	-53	5,389	5,810	0	-396	25
Highways & Transportation	5,332	5,204	0	-128	11,537	11,734	0	-50	147
Planning	3,147	2,849	0	-298	6,824	6,789	0	-30	-65
Community Safety Public Protection Waste & Leisure	11,225	11,233	-2	6	23,194	22,902	195	-149	-246
<b>Total DIRECTORATE Spend</b>	<b>22,749</b>	<b>22,288</b>	<b>-61</b>	<b>-523</b>	<b>47,712</b>	<b>48,008</b>	<b>195</b>	<b>-625</b>	<b>-134</b>

APPENDIX A2 – NET REVENUE POSITION BY SERVICE SEPTEMBER 2012

Service	Cumulative to Date				Full Year							
	Budget	Actual	Use of reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed transfer to reserves (+ve)	Proposed use of reserves (-ve)	Total	Forecast Variance after use of reserves	Forecast % of Budget
	£000	£000	£000	£000	£000	£000	£000		£000		£000	
<b>Director of Sustainable Communities</b>												
Director of Sustainable Communities	122	120		-2	245	275	30			0	30	12%
Service Development	262	215		-47	523	498	-25			0	-25	-5%
<b>Sub Total</b>	<b>384</b>	<b>335</b>	<b>0</b>	<b>-49</b>	<b>768</b>	<b>773</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>1%</b>
<b>Economic Growth, Skills &amp; Regeneration</b>												
AD Econ Growth,Skills & Regen	402	415		13	804	824	20			0	20	2%
Business Investment & Marketing	147	151	-20	-16	294	445	151		-166	-166	-15	-5%
Economic Dev & Physical Regen	36	-1	-9	-46	152	151	-1		-75	-75	-76	-50%
Community Regeneration	76	31	-30	-75	139	195	56		-50	-50	6	4%
Adult Skills	628	638		10	1,255	1,353	98		-60	-60	38	3%
Libraries	1,372	1,433		61	2,745	2,842	97		-45	-45	52	2%
<b>Sub Total</b>	<b>2,661</b>	<b>2,667</b>	<b>-59</b>	<b>-53</b>	<b>5,389</b>	<b>5,810</b>	<b>421</b>	<b>0</b>	<b>-396</b>	<b>-396</b>	<b>25</b>	<b>0%</b>
<b>Highways &amp; Transportation</b>												
AD Highways & Transportation	25	87		62	51	49	-2			0	-2	-4%
Highways Contracts	2,297	2,392		95	5,466	5,616	150			0	150	3%
Traffic Management	149	-105		-254	298	298	0			0	0	0%
Passenger Transport Services	2,861	2,830		-31	5,722	5,771	49		-50	-50	-1	0%
<b>Sub Total</b>	<b>5,332</b>	<b>5,204</b>	<b>0</b>	<b>-128</b>	<b>11,537</b>	<b>11,734</b>	<b>197</b>	<b>0</b>	<b>-50</b>	<b>-50</b>	<b>147</b>	<b>1%</b>



Service	Cummulative to Date				Year							
	Budget	Actual	Use of reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed transfer to reserves (+ve)	Proposed use of reserves (-ve)		Forecast Variance after use of reserves	Forecast % of Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Planning</b>												
AD Planning	23	84		61	46	51	5			0	5	11%
Dev Plan & Strategic Housing	1,052	547		-505	2,105	1,986	-119			0	-119	-6%
Development Management	674	535		-139	1,348	1,376	28			0	28	2%
Transport Strategy & Countryside	1,107	1,210		103	2,520	2,557	37			0	37	1%
Building Control & Albion Arch	291	473		182	805	819	14		-30	-30	-16	-2%
<b>Sub Total</b>	<b>3,147</b>	<b>2,849</b>	<b>0</b>	<b>-298</b>	<b>6,824</b>	<b>6,789</b>	<b>-35</b>	<b>0</b>	<b>-30</b>	<b>-30</b>	<b>-65</b>	<b>-1%</b>
<b>Community Safety Public Protection Waste &amp; Leisure</b>												
CSPPWL Management	20	75		55	41	56	15			0	15	37%
Emergency Planning	33	105	-30	42	222	272	50		-30	-30	20	9%
Public Protection	713	805		92	1,472	1,346	-126	140		140	14	1%
Community Safety	494	455		-39	1,281	1,284	3		-99	-99	-96	-7%
Waste Service	9,431	9,372		-59	19,080	19,011	-69			0	-69	0%
Leisure Services	534	421	28	-85	1,098	933	-165	55	-20	35	-130	-12%
<b>Sub Total</b>	<b>11,225</b>	<b>11,233</b>	<b>-2</b>	<b>6</b>	<b>23,194</b>	<b>22,902</b>	<b>-292</b>	<b>195</b>	<b>-149</b>	<b>46</b>	<b>-246</b>	<b>-1%</b>
<b>Total DIRECTORATE Spend</b>	<b>22,749</b>	<b>22,288</b>	<b>-61</b>	<b>-522</b>	<b>47,712</b>	<b>48,008</b>	<b>296</b>	<b>195</b>	<b>-625</b>	<b>-430</b>	<b>-134</b>	<b>0%</b>

Appendix A3 – Movement in forecast variance

<b>Division</b>	<b>Full Year Forecast Variance September</b>	<b>Full Year Forecast Variance June</b>	<b>Change in Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Director of Sustainable Communities	5	-10	15
Economic Growth Skills & Regeneration	25	79	-54
Highways & Transportation	147	46	101
Planning	-65	-3	-62
Community Safety Public Protection Waste & Leisure	-246	-209	-37
<b>Total DIRECTORATE Spend</b>	<b>-134</b>	<b>-97</b>	<b>-37</b>

APPENDIX B – EFFICIENCIES SEPTEMBER 2012

Service Area	Year to date			Full Year		
	Budget £m	Actual £m	Variance	Budget £m	Forecast £m	Variance
<b>EFFICIENCIES</b>						
CSPPWL	0.241	0.240	-0.001	0.645	0.595	-0.050
Highways & Transport	0.681	0.683	0.002	1.515	1.515	0.000
Planning	0.196	0.180	-0.016	0.385	0.355	-0.030
Directorate	0.597	0.502	-0.095	1.193	1.093	-0.100
Economic Growth Skills & Regen	0.079	0.079	0.000	0.250	0.250	0.000
<b>SUB TOTAL</b>	<b>1.795</b>	<b>1.685</b>	<b>-0.110</b>	<b>3.988</b>	<b>3.808</b>	<b>-0.180</b>
<b>COMPENSATORY SAVINGS</b>						
Planning			<b>.0000</b>		0.030	<b>.0300</b>
Planning			<b>.0000</b>		0.050	<b>.0500</b>
<b>SUB TOTAL</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.080</b>	<b>0.080</b>
<b>TOTAL</b>	<b>1.795</b>	<b>1.685</b>	<b>-0.110</b>	<b>3.988</b>	<b>3.888</b>	<b>-0.100</b>

## APPENDIX C – RESERVES BALANCE & USAGE SEPTEMBER 2012

Description	Opening Balance 2012/13	Proposed transfer to reserves	Proposed spend against reserves	Release of reserves	Proposed Closing Balance 2012/13	Notes
	£000	£000	£000	£000	£000	
<b>Planning</b>						
Local Development Framework	100				100	To assist with the cost of developing the new CBC Local Development Framework
Career Development Framework	80		0		80	Cost of implementing Career Development Framework following decisions in 2011/12.
Planning Performance Agreement	200		0		200	Funds to embed pre application process to give assurance to developers that the service is adequately resourced and supported
<b>Sub Total</b>	<b>380</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>380</b>	
<b>Economic Growth Skills and Regeneration</b>						
External Funded Regeneration reserve	492		-190		302	External funds to support economic participation, regeneration and European programmes.
Physical Regeneration Projects	40		-40		0	To assist with the costs of stage 2 of Employment sites acceleration project.
Business growth grants	111		-96		15	External funds and partnership contributions to support business growth. Includes match funding for pilot schemes.
Woodside Connection options appraisal	50		0		50	Cost of developing business case for Woodside Connection.
<b>Sub Total</b>	<b>693</b>	<b>0</b>	<b>-326</b>	<b>0</b>	<b>367</b>	
<b>Community Safety Public Protection Waste and Leisure</b>						
Adoption and maintenance of play facilities	489		-20		469	Maintenance funds (commuted sums) for CBC adopted open space and play sites, allocated on a site by site specific basis.
Integrated Consumer Protection	0	140	0	0	140	To support case management and court action
Leisure Centre Reinvestment Fund	34	55			89	Contractual requirement for share of profits from leisure contracts for the reinvestment in building and worn out equipment.
<b>Sub Total</b>	<b>523</b>	<b>195</b>	<b>-20</b>	<b>0</b>	<b>698</b>	
<b>Highways and Transport</b>						
Transport Fund	125				125	Parking income directed to transport infrastructure improvements.
<b>Sub Total</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>	
<b>Partnerships</b>						
Community Safety partnership fund	159		-99		60	Contributions from community safety partners, Home Office (IOM), and money held on behalf of HMCS relating to cash seizures.
Bedford & Luton Resilience Forum	65				65	Contributions from partners with CBC acting as treasurer to Forum.
Minerals and Waste partnership funds	104				104	Partners income contributions to service costs which are to cover the costs of LDF and enforcement inquiries of this shared service which CBC hosts.
NIRAH	60		0		60	Shared reserve with Bedford Borough to support NIRAH project costs.
<b>Sub Total</b>	<b>388</b>	<b>0</b>	<b>-99</b>	<b>0</b>	<b>289</b>	
<b>Forecast Nil Closing Balance</b>						
PTR2 Business Process Reengineering	50		-50		0	Delivery of new IT solution and business processes.
Arts and theatre service reviews	70		-70		0	External funds and partnership contributions to support business growth. Includes installation of digital equipment and relocation of services.
Internal Drainage Board Dispute Resolution Fund	30		-30		0	Funds set aside for resolution of Environment Agency / Internal Drainage Board claims.
Emergency Incidents	30		-30		0	Funds to cover contingencies relating to Olympic events.
<b>Sub Total</b>	<b>180</b>	<b>0</b>	<b>-180</b>	<b>0</b>	<b>0</b>	
<b>Total earmarked reserves</b>	<b>2,289</b>	<b>195</b>	<b>-625</b>	<b>0</b>	<b>1,859</b>	

APPENDIX D - AGED DEBT REPORT SEPTEMBER 2012

Selective debts greater than £10,000

Debtor (£'000)	Total Debt	Due Current Month	1-30 days	31-60 days	61-90 days	91-365 days	Over 12 months
Debtor 1	£376	£78	£9	£68	£35	£80	£106
Debtor 2	£251	£0	£251	£0	£0	£0	£0
Debtor 3	£194	£0	£0	£0	£0	£194	£0
Debtor 4	£150	£0	£0	£150	£0	£0	£0
Debtor 5	£144	£0	£0	£0	£0	£144	£0
Debtor 6	£126	£0	£0	£0	£0	£126	£0
Debtor 7	£102	£0	£1	£0	£1	-£1	£100
Debtor 8	£94	£63	£0	£0	£0	£0	£31
Debtor 9	£74	£0	£0	£0	£0	£0	£74
Debtor 10	£65	£0	£1	£64	£0	£0	£0
Debtor 11	£53	£13	£0	£0	£0	£0	£41
Debtor 12	£52	£0	£52	£0	£0	£0	£0
Debtor 13	£50	£2	£47	£0	£0	£0	£0
Debtor 14	£47	£0	£47	£0	£0	£0	£0
Debtor 15	£46	£0	£0	£0	£0	£9	£37
Debtor 16	£41	£0	£0	£0	£0	£0	£41
Debtor 17	£38	£0	£0	£0	£0	£38	£0
Debtor 18	£30	£0	£0	£0	£0	£30	£0
Debtor 19	£30	£30	£0	£0	£0	£0	£0
Debtor 20	£29	£0	£0	£0	£0	£29	£0
Debtor 21	£28	£28	£0	£0	£0	£0	£0
Debtor 22	£25	£25	£0	£0	£0	£0	£0
Debtor 23	£24	£0	£0	£0	£1	£24	-£1
Debtor 24	£23	£0	£0	£0	£0	£22	£0
Debtor 25	£21	£0	£0	£0	£0	£0	£21
Debtor 26	£20	£0	£20	£0	£0	£0	£0
Debtor 27	£19	£0	£19	£0	£0	£0	£0
Debtor 28	£19	£0	£0	£19	£0	£0	£0
Debtor 29	£18	£5	£0	£13	£0	£0	£0
Debtor 30	£18	£0	£0	£18	£0	£0	£0
Debtor 31	£17	£17	£0	£0	£0	£0	£0
Debtor 32	£17	£17	£0	£0	£0	£0	£0
Debtor 33	£17	£0	£1	£16	£0	£0	£0
Debtor 34	£17	£17	£0	£0	£0	£0	£0
Debtor 35	£17	£0	£17	£0	£0	£0	£0
Debtor 36	£15	£0	£0	£15	£0	£0	£0
Debtor 37	£12	£12	£0	£0	£0	£0	£0
Debtor 38	£12	£12	£0	£0	£0	£0	£0
Debtor 39	£12	£0	£12	£0	£0	£0	£0
Debtor 40	£12	£12	£0	£0	£0	£0	£0
Debtor 41	£12	£0	£0	£0	£0	£0	£12
Debtor 42	£11	£11	£0	£0	£0	£0	£0
Debtor 43	£10	£0	£0	£0	£0	£10	£0
Debt > £10,001	£2387	£342	£477	£364	£36	£707	£460