
Meeting: Sustainable Communities Overview & Scrutiny Committee
Date: 25 April 2013
Subject: Revenue Report for the Quarter ended 31st December, 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 third quarter revenue report is provided below forecasting a year end under spend of £723k after the use of specific reserves.

Advising Officer: Trevor Saunders, Assistant Director Planning and Development
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 forecast net expenditure outturn of £47,433,**
 - (b) The proposed use of specific reserves of £789k with a proposed transfer to reserves of £345k, and**
 - (c) The Director's year-end forecast of an under spend of £723k 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.

Executive Summary Revenue

- 2 Sustainable Communities' overall financial position is forecast at £723k under budget after the use of earmarked reserves of £789k for one-off specific projects, with a proposed transfer to reserves of £345k.

The Directorate has an annual savings target of £3,988k. At the end of December, the savings delivered totalled £2,618k.

- 3 Table A shows the full year forecast variance by budget group. The main financial performance changes of each group are described in the following paragraphs.

Appendices A1 to A3 provide further tables showing estimates and movements by services.

4 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	769	0	0
Economic Growth Skills & Regeneration	5,389	5,836	447	151
Highways & Transportation	11,239	11,443	204	92
Planning	6,823	6,830	7	-75
Environmental Services	23,492	22,555	-937	-891
Total DIRECTORATE Spend	47,712	47,433	-279	-723

5 Director of Sustainable Communities

The Director's Group has forecast a break even position compared to the £5k overspend reported in September figures.

6 Economic Growth Skills & Regeneration

The Economic Growth Skills & Regeneration has forecast an overspend of £151k which is an adverse change of £126k from September.

The change is due to the carry forward of the short term pressure of the staffing budget adjustment. This is being handled in years and corrected in the 2013/14 revenue budget..

7 Highways & Transportation

Highways & Transport Division has forecast an over spend of £92k, which is an improvement of £55k on the September figures.

The over spend on Highways relates to a one-off expenditure on potholes due to the bad weather earlier in the year. This overspend of £150k is partly offset by forecast under spend in salary and related spend.

8 Planning

The Planning Division has forecast an under spend of £75k which is an increase of £10k on September quarter.

The change is mainly due to reduced expenditure on consultancy cost as less work has been commissioned this year than was originally envisaged.

9 Environmental Services (earlier known as Community Safety Public

Protection Waste & Leisure)

This division now includes traffic management.

Environmental Services Division has forecast an under spend of £891k which is an improvement of £645k on the last quarter.

The Waste Service forecast underspend reflects the in year savings from the new Residual Waste and Recycling Treatment and Disposal contracts. This is an anticipated underspend, full year savings are declared in 13/14 in the new MTFP

Revenue Virements

10 Sustainable Communities net budget has not changed since the second quarter.

Achieving Efficiencies

11 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 December, the Directorate had achieved efficiency savings of £2,618k, which is £134k below profile. The forecast for the end of the year is to be 40£k less than the efficiency targets.

The full year forecast per division is shown in Appendix B.

Reserves

12 The Directorate proposes to use £789k of earmarked reserves to fund specific one-off projects and a proposed transfer to reserves of £345k. A breakdown is provided in Appendix C.

Debt management

13 The total debt at the end of December was £3,250k, a decrease of £785k over September figures. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for £2,288k or 71% of debt. About 60% of debt is less than three months old. All debt recovery is in accordance with Council policy.

Table B – Debt Outstanding

Debt profile	>£100K	>=£50K	>=£10K	>=£1K	<£1K	Total	Age Ratio
No of debtors	10	6	18	36	87	157	
Current	£401	£53	£17	£15	£4	£489	15.1%
1 month	£112	£38	£35	£29	£9	£223	6.9%
2 months	£607	£136	£44	£24	£2	£813	25.0%
3 months	£346	£1	£42	£5	£2	£396	12.2%
3-12 months	£319	£0	£177	£53	£6	£555	17.1%
> 12 months	£446	£209	£108	£11	£0	£775	23.8%
Total Debt	£2231	£437	£422	£138	£22	£3250	100.0%

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