
Meeting: Sustainable Communities Overview & Scrutiny Committee
Date: 25 July 2013
Subject: Revenue Report for the quarter ended 31st March 2013
Report of: Cllr Nigel Young– Executive Member for Sustainable Communities Planning & Economic Development
Cllr Brian Spurr – Executive Member for Sustainable Communities Services
Summary: Provisional outturn of £45,921k resulting in under spend of £879k after the use of reserves.

Advising Officer: Marcel Coiffait - Community Services Director
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 former Sustainable Communities budget had direct impact on the stated Council priorities of:
 - Creating Safer Communities, and
 - Managing Growth effectively.

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. The former Sustainable Communities was 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 note:

- (a) The provisional net expenditure outturn of £45,921,
- (b) The proposed use of specific reserves of £1,147k with a proposed transfer to reserves of £1,768k, and
- (c) The provisional under spend of £879k after the use of specific reserves.

Introduction

9. The former Sustainable Communities directorate managed a gross expenditure budget of £58,562k and income budget of £10,850k leaving a net expenditure budget of £47,712k.

Executive Summary Revenue

10. The former Sustainable Communities' overall financial position was £879k under budget after the use of earmarked reserves of £1,147k for one-off specific projects, with a proposed transfer to reserves of £1,768k.

The former Directorate had an annual savings target of £3,988k. At the end of March, the savings delivered totalled £3,874k with compensatory savings of £120K, i.e. the target was exceeded.

11. Table A shows the full year 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.

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

Division	Approved Budget	Outturn for year	Variance for year (-under) / over spend	Variance after use of earmarked reserves (-under) / over spend
	£'000	£'000	£'000	£'000
Director of Sustainable Communities	768	810	42	-43
Economic Growth Skills & Regeneration	5,030	5,351	321	36
Highways & Transportation	11,289	12,009	720	599
Planning	6,822	5,854	-968	-457
Environmental Services	23,512	21,897	-1,615	-1,014
Total DIRECTORATE Spend	47,421	45,921	-1,500	-879

13. **Director of Sustainable Communities**

The Director's Group had an actual outturn of £43k under spend which is due to lower than expected training costs and agency costs.

14. **Economic Growth Skills & Regeneration**

The Economic Growth Skills & Regeneration had an actual outturn of £36k overspend.

An overspend on libraries and adult services due to a short term pressure on the staffing budget adjustment. This is being handled in year and corrected in the 2013/14 revenue budget.

This is offset by an underspend on project work and additional income received.

15. **Highways & Transportation**

Highways & Transport Division had an actual outturn of £599k overspend.

This largely relates to winter maintenance payments including snow clearance and additional spend on pot holes. There has also been overspends on costs of red diesel and rechargeable works.

16. **Planning**

The Planning Division outturned at £457k underspent.

The change is mainly due to reduced expenditure on consultancy costs as less work has been commissioned this year than was originally envisaged. There was also an underspend on salaries in year and additional income

achieved with Development Management.

17. **Environmental Services (earlier known as Community Safety Public Protection Waste & Leisure)**

Environmental Services Division outturned at £1,014k under spent.

The main underspend is on Waste Service from the new Residual Waste and Recycling Treatment and Disposal contracts. This is an anticipated under spend, full year savings are declared in 13/14 in the new MTFP. There was a further saving due to reduced amount of green waste disposal costs.

Further underspends in the service are: reduction in cost of the leisure contracts, a delay in the project work, salary and related savings, delay in Amey works and additional income.

Revenue Virements

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

Achieving Efficiencies

19. Sustainable Communities was set an efficiency target of £3,988k. There were 24 savings initiatives being implemented across the Directorate.
- At the end of March, the Directorate had achieved efficiency savings of £3,874K and compensatory savings of £120K which is £6k in excess of the target.

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

Reserves

20. It is proposed that £1,147k of earmarked reserves are used to fund specific one-off projects and a proposed transfer to reserves of £1,768k. A breakdown is provided in Appendix C.

There are seven new reserves as a result of how the spend/income is treated and one other for waste services. In total there are 24 earmarked reserves going forward.

Debt management

21. The total debt at the end of March was £6,868k, an increase of £3,618k over December figures. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for 82% of debt. About 89% of debt is less than three months old. All debt recovery is in accordance with Council policy.

22. **Table B – Debt Outstanding**

Debt profile	>£100K	>=£50K	>=£10K	>=£1K	<£1K	Total	Age Ratio
No of debtors	14	6	24	31	12	87	
Current	£2840	£423	£240	£123	£3	£3629	52.8%
1 month	£142	£0	£61	£8	£0	£211	3.1%
2 months	£1532	£1	£0	£0	£0	£1533	22.3%
3 months	£565	£70	£93	£32	£1	£762	11.1%
3-12 months	£554	£0	£127	£6	-£1	£685	10.0%
> 12 months	£8	£0	£39	£1	£0	£48	0.7%
Total Debt	£5640	£494	£560	£170	£4	£6868	100.0%

Appendices:

Appendix A1 – Revenue Summary Position by Division

Appendix A2 – Revenue Summary Position by Service

Appendix A3 – Movement in variance

Appendix B – Efficiencies

Appendix C – Earmarked Reserves

Appendix D – Debt Analysis

Background Papers: None

Location of papers: Technology House, Bedford