



Cabinet Agenda

Wednesday, 1 May, 2013 at 10.30 a.m.

HMS Phoebe Committee Room Town Hall, Bournemouth

Cabinet Member

Councillor John Beesley

Councillor Nicola Greene

Councillor Blair Crawford

Councillor Anne Filer

Councillor Michael Filer

Councillor Mike Greene

Councillor Jane Kelly

Councillor Robert Lawton

Councillor David Smith

Councillor Lawrence Williams

Portfolio - area of responsibility

Leader of the Council, Resources and Chair

Deputy Leader of the Council, Education & Children's Services and Vice-Chair

Adult Social Care

Corporate Efficiency

Transport, Cleansing and Waste

Corporate Policy & Strategy

Partnerships and Regeneration

Housing

Planning and Environment

Tourism, Leisure and Culture

For further information please contact: Karen Tompkins, Senior Democratic Services Officer, Legal and Democratic. Tel: 01202 451255 E-Mail: karen.tompkins@bournemouth.gov.uk

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<http://www.bournemouth.gov.uk/CouncilDemocracy/Councillors/BoardsPanels/Cabinet.aspx>

Request to speak - 'Deputation': Persons may send a request for a deputation in relation to items on this agenda. The request shall be sent in writing or email to Karen Tompkins at the address shown above. **The deadline for receiving deputation requests is Tuesday 30 April 2013 at 10:30am.**

Public Questions: Any member of the public whose name appears on the Electoral Roll for Bournemouth - which includes a person under the age of 16 years living in Bournemouth and who is escorted by a qualifying adult - may ask a question on items on this agenda. Questions shall be sent in writing or email to Karen Tompkins at the address shown above. **The deadline for receiving questions is Tuesday 30 April 2013 at 10:30am.**

Petitions: Persons may present a petition in relation to items on this agenda. The request shall be sent in writing or email to Karen Tompkins at the address shown above. **The deadline for receiving petition requests is Tuesday 30 April 2013 at 10:30am.**

Councillors' Call-in to Overview and Scrutiny Panels: The record of decisions made at this meeting will be published by **Friday 3 May 2013**. Councillors may require items set out in Section II of the record of decisions to be called-in to the relevant Overview and Scrutiny Panel.

The deadline for receiving call-in requests is: **Monday 13 May 2013 at 5.00pm.**

Members of the Public and any Councillor are welcome to attend this meeting.

A loop system for hearing impairment is provided. There is disabled access to the building.

Councillors and visitors with particular needs should inform the Council before arriving at the meeting.

Items for Discussion with the Press and Public Present

1. **APOLOGIES**
2. **DECLARATIONS OF INTEREST** from Cabinet Members on matters before the meeting.
3. **MINUTES** from the meeting held on 27 March 2013 to be confirmed.
4. **PUBLIC ITEMS**
 - A. **Public Questions** under Procedure Rule 32.
 - B. **Deputations** under Procedure Rule 37.
 - C. **Petitions** under Procedure Rule 40.
5. **KEY DECISIONS** - circulated at '5'
6. **REPORTS TO FULL COUNCIL** - circulated at '6'.
7. **NON-KEY DECISIONS** - circulated at '7'
8. **REPORT FROM EXECUTIVE GATEWAY BOARD** - circulated at '8'.
9. **CHANGES TO CABINET FORWARD PLAN** - Cabinet will be asked to note the latest changes to the Forward Plan as agreed by the Leader of the Council. The latest Forward Plan can be found at the link below:

<http://www.bournemouth.gov.uk/CouncilDemocracy/AllaboutyourCouncil/TheCabinet.aspx>
10. **ANY OTHER BUSINESS - NOT BEING A KEY DECISION - OF WHICH PRIOR NOTICE HAS BEEN RECEIVED AND BY REASON OF SPECIAL CIRCUMSTANCES, WHICH SHALL BE SPECIFIED IN THE RECORD OF DECISIONS, THE CHAIR IS OF THE OPINION THAT THE ITEMS SHOULD BE CONSIDERED AS A MATTER OF URGENCY.**

Key Decisions

TO CONSIDER THE FOLLOWING KEY DECISIONS INCLUDED ON THE COUNCIL'S PUBLISHED FORWARD PLAN:			
	Portfolio	Subject	Report reference
a	Transport, Cleansing and Waste	The Department of Communities and Local Government (DCLG) Weekly Collection Support Scheme - Inter Authority Agreement relating to the Strategic Waste Facility Project	5a

6

Reports to Full Council

TO CONSIDER THE FOLLOWING REPORTS FOR SUBMISSION TO FULL COUNCIL:			
	Portfolio	Subject	Report reference
a	Leader of the Council and Resources	Capital Strategy and Corporate Asset Management Plan 2013-2016	6a

Non-Key Decisions

TO CONSIDER THE FOLLOWING NON-KEY DECISIONS:			
	Portfolio	Subject	Report reference
a	Leader of the Council and Resources	Monthly Budget Monitoring Report to 28 February 2013	7a

CABINET KEY DECISION

5a

Subject: The Department of Communities and Local Government (DCLG) Weekly Collection Support Scheme - Inter Authority Agreement relating to the Strategic Waste Facility Project

Cabinet Portfolio: Councillor Michael Filer -Transport, Cleansing and Waste

Corporate Lead: Bill Cotton, Executive Director - Environment & Economy

Service Director: Roger Ball, Director - Technical Services

Meeting Date: 1st May 2013

Status: Public

Contact: Larry Austin
☎ 01202 451690 📧 larry.austin@bournemouth.gov.uk

1.0 Purpose:

- 1.1 This report is to seek approval to enter into an Inter Authority Agreement between Bournemouth Borough Council (BBC) and the Dorset Waste Partnership (DWP) and to delegate authority for certain decisions to enable officers to progress the Strategic Waste Facility project (the Project).

2.0 Recommendation:

The Cabinet is recommended to:

- i) Delegate authority to the Executive Director-Environment & Economy, in consultation with the Cabinet Portfolio Holder for Transport, Cleansing & Waste, to agree and finalise an Inter Authority Agreement; and
- ii) Delegate authority to the Project Manager and the Partnership Board for those actions set out in Annex 1.

3.0 Reason for recommendation:

- 3.1 The legally binding Inter Authority Agreement underpins the partnership commitment to this Project and details the major principles and key objectives of the partners.
- 3.2 The Inter Authority Agreement includes definitive Terms of Reference (Annex 2) together with Heads of Terms within the Inter Authority Agreement to ensure effective leadership, governance, decision making and project management.

- 3.3 As part of the partnership between BBC and DWP to deliver a Strategic Waste Facility, it is necessary to submit key reports on the Project to the executive body of both partners where timely and joint decisions are required to progress the Project.
- 3.4 To ensure that the Project is delivered in accordance with the project timelines (on time and within budget).
- 3.4 To ensure both parties receive consistent information, BBC as the designated lead authority has prepared this Cabinet report which will then be appended to a DWP Joint Committee report.

4.0 Background detail:

- 4.1 As lead authority, officers obtained approval from Bournemouth Borough Council Cabinet to develop the Strategic Waste Facility funding bid, and the final bid submitted to DCLG for this Project was fully approved by the Dorset Waste Partnership Joint Committee and the Dorset County Council Cabinet as the Host Authority for the DWP.
- 4.2 At the meeting on 27th March 2013, Cabinet approved that officers from BBC, as designated Lead Authority proceed with the Strategic Waste Facility Project in partnership with the DWP.

5.0 Consultation:

- 5.1 Consultation involved the immediate and wider project team consisting of:
BBC - Executive Director Environment & Economy; Executive Director Finance; Director of Technical Services; Director of Legal Services; Head of Operations; Head of Strategic Finance; Head of Procurement; Senior Solicitor; Risk Manager.
DWP- Director for DWP; Group Finance Manager; Head of Legal Services; Contracts Manager.
- 5.2 The immediate project team also includes the Chair of the DWP and BBC Portfolio Holder for Transport, Cleansing and Waste. Project progression and wider project approval will also be subject to the appropriate scrutiny and decision making processes. This will include the Dorset Waste Partnership Joint Committee, Cabinet approval and adoption by Full Council as required.
- 5.3 Additionally a 'steering group' of Councillors was established to challenge, inform and review this project. This group consisted of Councillor Michael Filer, Councillor Robert Lawton, Councillor Mark Anderson and Councillor Mike Greene.

6.0 Alternative options considered and rejected:

- 6.1 The option does exist to not agree and finalise the Inter Authority Agreement but this would prevent the development of the Strategic Waste Facility Project. This could have a detrimental effect on the Council's current recycling and waste management performance and compromise the Council's ability to ensure cost effective compliance with all statutory obligations.
- 6.2 If this Project does not proceed, the partnering authorities will be impacted by the following:
- Reduced flexibility, resilience and adaptability in relation to the emerging MRF Code of Practice and EU guidance for the Waste Framework Directive for 'high quality recycling'.
 - Reduced flexibility, resilience and adaptability to maintain a co-mingled recycling collection service which aligns with the EU guidance for the Waste Framework Directive and remains 'technically, environmentally and economically practicable'.
 - Reduced income potential from MRF in relation to higher quality recyclates (inputs and outputs);
 - Unable to fully comply with the aims and objectives of the respective waste management strategies and Bournemouth, Dorset and Poole Waste Local Plan, in particular following the Proximity Principle, reducing the total household waste arisings and reducing the carbon burden of waste management activities.

7.0 Summary of Financial/Resource Implications:

- 7.1 The award of £14.2million from the Department of Communities and Local Government (DCLG) represented the full amount of the Final Bid to the Weekly Collection Support Scheme. Market analysis and industry discussions have demonstrated an indicative headline cost of £13m for construction of a local Material Recovery Facility and therefore, it is officer's view that the award should provide sufficient funds to support the cost of development.
- 7.2 BBC and DWP fully recognise the potential cashable benefits, whole life costings and inevitable financial implications associated with this project. As a consequence, the Partnership is formulating an Inter Authority Agreement which clearly determines the financial arrangements and agreed profit share mechanism for this project.

8.0 Summary of legal implications:

- 8.1 To ensure due diligence, resource allocation and governance, this Project will be delivered in accordance with Bournemouth Borough Council's Project Management Gateway Process. A Partnership Board has been established and includes senior representation from each of the partnering authorities. The Project Manager will be responsible for preparing and submitting the necessary documentation for each stage of the Project and project progression will require approval from the Partnership Board. Key decisions and wider project approval will be subject to the appropriate scrutiny and decision making processes of the respective partners and is set out in Annex 1. This will include the Dorset Waste Partnership Joint Committee, Cabinet approval and adoption by Full Council where appropriate.
- 8.2 The legally binding Inter Authority Agreement underpins the partner's commitment to the Project and details the major principles and key objectives.

9.0 Summary of Environmental Impact

- 9.1 The Inter Authority Agreement is a crucial component in enabling the Partnership to deliver a strategic waste facility and fully comply with the aims and objectives of the respective waste management strategies and Bournemouth, Dorset and Poole Waste Local Plan.

10.0 Summary of Equalities and Diversity Impact

- 10.1 No adverse affects.

11.0 Summary of Risk Assessment

- 11.1 In collaboration with senior officers within the Strategic Finance and Risk & Insurance departments a comprehensive Project Risk Register has been produced and will be developed further in accordance with project progression.

Background papers:

The Waste Strategy for England 2007

<http://www.official-documents.gov.uk/document/cm70/7086/7086.asp>

Government Review of Waste Policy in England 2011

<http://www.defra.gov.uk/publications/2011/06/14/pb13540-waste-review/>

EU Waste Framework Directive 2008

<http://www.defra.gov.uk/environment/waste/legislation/eu-framework-directive/>

Issue: Strategic Waste Facility project
 Meeting Date: 27th March 2013
 Accountable Manager: Reg Hutton
 Impact Assessor: Larry Austin

Key	
+	Balance of positive Impacts
?	Balanced or unclear impacts
-	Balance of negative impacts
n/a	Not applicable

Impact Criteria	Impact	Comments
Natural resources impact on use of natural resources - for example energy, water, raw materials	+	A strategic waste facility would enable all partners to fully comply with the aims and objectives of the respective waste management strategies and Bournemouth, Dorset and Poole Waste Local Plan. In particular, following the Proximity Principle and dealing with waste within or as close to borough boundaries as possible and thereby reducing the impact on climate change caused by waste movement to treatment facilities further afield. Construction of local Materials Recovery Facility (MRF) capable of processing 85,000 tonnes per annum of the same range of co-mingled recyclable material collected by all partnering authorities would also offer route optimisation and cross boundary working opportunities, and full compliance with the emerging materials recovery Code of Practice will ensure the facility meets the highest environmental standards.

<p>Quality of environment contribution to safe and supportive environments for living, recreation and working</p>	<p>+</p>	<p>A strategic waste facility would enable all partners to fully comply with the aims and objectives of the respective waste management strategies and Bournemouth, Dorset and Poole Waste Local Plan. In particular, following the Proximity Principle and dealing with waste within or as close to borough boundaries as possible and thereby reducing the impact on climate change caused by waste movement to treatment facilities further afield. Construction of local Materials Recovery Facility (MRF) capable of processing 85,000 tonnes per annum of the same range of co-mingled recyclable material collected by all partnering authorities would also offer route optimisation and cross boundary working opportunities, and full compliance with the emerging materials recovery Code of Practice will ensure the facility meets the highest environmental standards.</p>
<p>Bio-diversity protects and improves wildlife and habitats</p>	<p>+</p>	<p>A strategic waste facility would enable all partners to fully comply with the aims and objectives of the respective waste management strategies and Bournemouth, Dorset and Poole Waste Local Plan. In particular, following the Proximity Principle and dealing with waste within or as close to borough boundaries as possible and thereby reducing the impact on climate change caused by waste movement to treatment facilities further afield. Construction of local Materials Recovery Facility (MRF) capable of processing 85,000 tonnes per annum of the same range of co-mingled recyclable material collected by all partnering authorities would also offer route optimisation and cross boundary working opportunities, and full compliance with the emerging materials recovery Code of Practice will ensure the facility meets the highest environmental standards.</p>

<p>Waste and pollution effects on air, land and water from waste and emissions</p>	<p>+</p>	<p>A strategic waste facility would enable all partners to fully comply with the aims and objectives of the respective waste management strategies and Bournemouth, Dorset and Poole Waste Local Plan. In particular, following the Proximity Principle and dealing with waste within or as close to borough boundaries as possible and thereby reducing the impact on climate change caused by waste movement to treatment facilities further afield. Construction of local Materials Recovery Facility (MRF) capable of processing 85,000 tonnes per annum of the same range of co-mingled recyclable material collected by all partnering authorities would also offer route optimisation and cross boundary working opportunities, and full compliance with the emerging materials recovery Code of Practice will ensure the facility meets the highest environmental standards.</p>
<p>Council Priority and Objectives for Improving our Environment:</p> <ul style="list-style-type: none"> • Reduce traffic congestion • Improve streetscene • Improve recycling & energy management • Respond to climate change • Improve quality of existing space 	<p>+</p>	<p>A strategic waste facility would enable all partners to fully comply with the aims and objectives of the respective waste management strategies and Bournemouth, Dorset and Poole Waste Local Plan. In particular, following the proximity principle and dealing with waste within or as close to borough boundaries as possible and thereby reducing the impact on climate change caused by waste movements to treatment facilities further afield. Construction of a local Materials Recovery Facility (MRF) capable of processing 85,000 tonnes per annum of the same range of co-mingled recyclable material collected by all partnering authorities would also offer route optimisation and cross boundary working opportunities, and full compliance with the emerging materials recovery Code of Practice will ensure the facility meets the highest environmental standards.</p>

Please complete and save your checklist, and email a copy to Lee Green, Environment Strategy & Sustainability Manager @ lee.green@bournemouth.gov.uk

If you would like help in completing this checklist or would like to request a change, again contact Lee Green by email or call on 01202 451144.

ANNEX 1

PARTNERS SHOULD NOTE THAT THESE PROCUREMENT MILESTONES AND ASSOCIATED CATEGORISATION ARE INDICATIVE ONLY

Procurement Milestones

MILESTONE KEY PROCUREMENT FUNCTION	PROJECT MANAGER MATTER	PARTNERSHIP BOARD MATTER	MATTER RESERVED TO PARTNERS
1. Procurement of external advisers to the Project	Yes		
2. Approval and confirmation of external advisers to the Project		Yes	
3. Approval of Inter-Authority Agreement		Yes	Yes
4. Review of the Outline/Full Business Case to be submitted to EGB		Yes	
5. Approval of Outline/Full Business case		Yes	Yes
6. Agreement as to recommendation for the Partners to procure an Option and/or Site.		Yes	
7. Decision to acquire an option on or any or all of the Sites			Yes
8. Drafting and issuing Prior Indicative Notice	Yes		
9. Undertake options appraisal of available procurement models.	Yes		
10. Review and agree to proceed with the preferred procurement model		Yes	
11. Preparation of the Descriptive Document and Pre Qualification Questionnaire ("PQQ")	No		
12. Agreeing final version of the Descriptive Document and PQQ		Yes	
13. Drafting OJEU Notice	Yes		
14. Agreeing OJEU Notice		Yes	

MILESTONE KEY PROCUREMENT FUNCTION	PROJECT MANAGER MATTER	PARTNERSHIP BOARD MATTER	MATTER RESERVED TO PARTNERS
15. Issuing OJEU Notice	Yes		
16. Preparation of Evaluation Criteria for all stages of the procurement process	Yes		
17. Agreeing Evaluation Criteria for all stages of the procurement process		Yes	
18. Organising open days prior to return of PQQ's and Expressions of Interest	Yes		
19. Evaluation and Long-listing of Bidders	Yes		
20. Agreement of long list		Yes	
21. Inform successful and unsuccessful applicants.	Yes		
22. Drafting Invitation to Submit Outline solutions ("ISOS") ¹	Yes		
23. Reviewing and agreeing ISOS ²		Yes	
24. Issue ISOS ³	Yes		
25. Arrange the interviews/bidder presentations	Yes		
26. Evaluation and short listing of ISOS bidders	Yes		
27. Final agreement to ISOS shortlist		Yes	
28. Drafting Invitation to Submit Detailed Solutions ("ISDS")	Yes		
29. Reviewing and agreeing ISDS		Yes	
30. Issue of ISDS ⁴	Yes		
31. Evaluation of initial responses to ISDS.	Yes		
32. Organising clarification meetings	Yes		
33. Provisional selection of Bidders to go	Yes		

¹ Dependent on following the CD procedure

² Dependent on following the CD procedure

³ Dependent on following the CD procedure

⁴ Dependent on following the CD procedure

MILESTONE KEY PROCUREMENT FUNCTION	PROJECT MANAGER MATTER	PARTNERSHIP BOARD MATTER	MATTER RESERVED TO PARTNERS
to Final Stage			
34. Review and approval of evaluation and selection of Bidders to go to Final Stage.		Yes	
35. Evaluation of final Bids and selection of Preferred Bidder	Yes		
36. Review of final Bids and selection of Preferred Bidder		Yes	
37. Agreement to selection of Preferred Bidder			Yes
38. Clarification and Final Close	Yes		
39. Dispatch of Alcatel letters	Yes		
40. Agreement and execution of Project Agreement and Second Inter Authority Agreement		Yes	
41. Collation of information and provision of information in respect of Project Agreement award procedures required under Regulation 23 Public Services Contracts Regulations	Yes		
42. Approval of additional expenditure for the Project in excess of the £ million budget referred to in the Outline Business Case			Yes

NB Gateway Reviews to be included in the Milestones.

ANNEX 2

Strategic Waste Partnership Project Board

Terms of Reference

The Project Board is the main decision making body and approves the overall strategic direction of the Project. Ideally these roles will be covered by a group of individuals who will stay with the project throughout its life-span.

The Project Board is responsible for overseeing the progress of the Project and reacting to strategic issues.

The Project Board will meet on a monthly basis and shall:

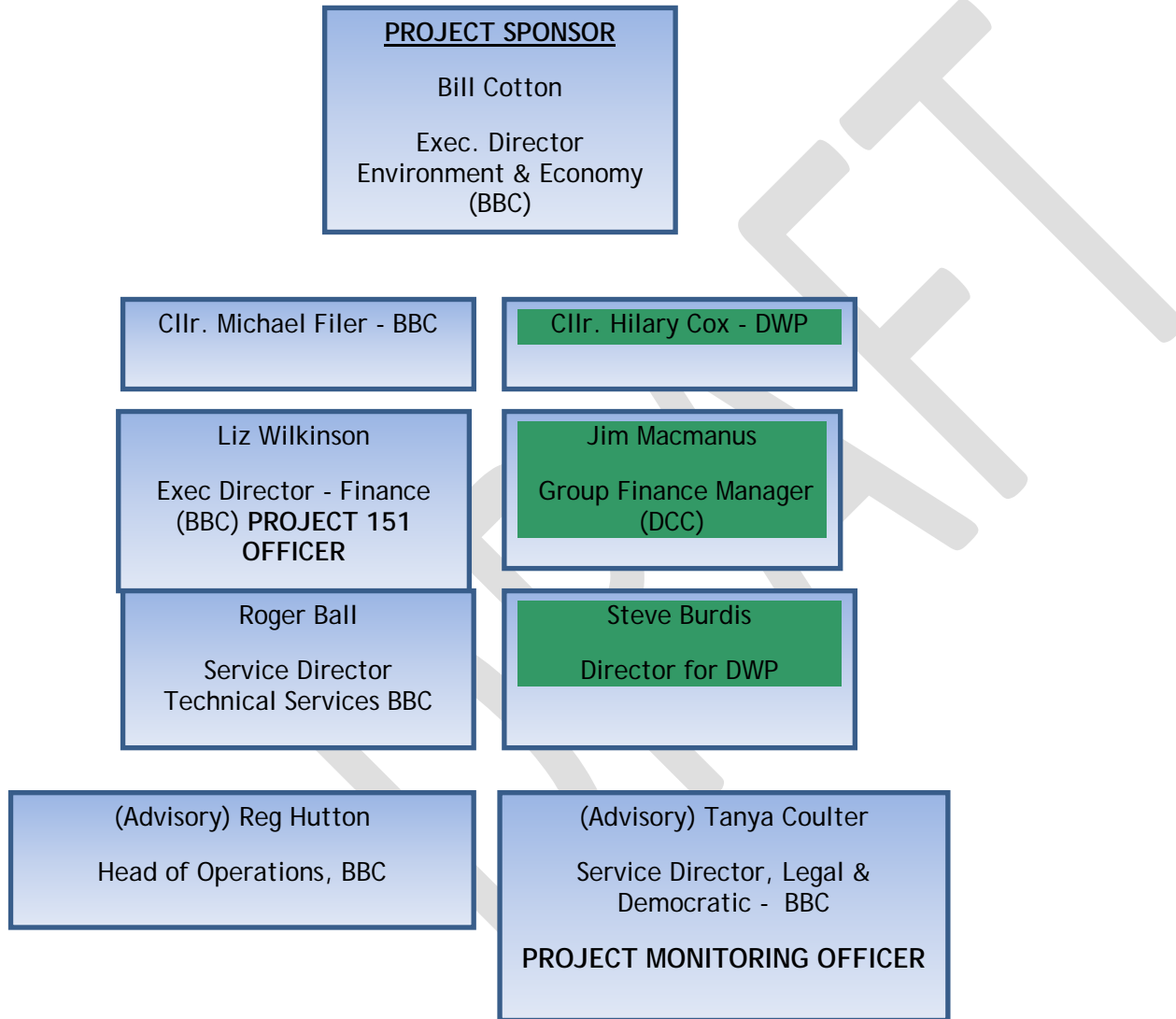
- provide visible leadership and commitment;
- negotiate for and commit resources to the Project;
- monitor use of the Project budget.
- own the Risks and take action to reduce them;
- authorise changes; and
- review progress made to ensure that the Project is meeting its objectives.

The Project has received funding from DCLG as part of a bidding process to increase the efficiency of the disposal of waste in the Dorset, Bournemouth and Poole conurbation. The purpose of the Project is the provision of a Material Recycling Facility (MRF) for recycled waste and services for the recycling of waste through a fifteen year period.

Bournemouth Borough Council has been elected the Lead Authority for delivery of the Project. Representatives from neighbouring authorities, who are not a party to the SWP, will periodically be invited to attend Board meetings to ensure that the Board have an understanding of the needs of the conurbation.

The Project is currently funded to establish a MRF, the associated management services, together with Project costs (Resources, Procurement costs and Contract Management). The long term aspiration of the Project is to produce a financially sustainable waste recycling facility.

Voting - Non-advisory members of the Project Board will have 1 vote each. The project Sponsor will have a casting vote.



REPORT TO CABINET & FULL COUNCIL

6a

Subject: Capital Strategy & Corporate Asset Management Plan 2013 - 2016
Cabinet Portfolios: Councillor John Beesley, Leader of the Council & Portfolio Holder for Resources
Corporate Lead: Liz Wilkinson, Executive Director
Service Director: Roger Ball, Service Director Environmental Services & Corporate Property Officer
Meeting Date: 1 May 2013
Status: Public
Contact: Gary Platt, Property Services
☎ 01202 451477 ✉ gary.platt@bournemouth.gov.uk
Martin Wilkins, Property Services
☎ 01202 458236 ✉ martin.wilkins@bournemouth.gov.uk

1.0 Summary:

- 1.1 This report seeks approval of the Capital Strategy and Corporate Asset Management Plan 2013 - 2016. This Plan is the link between the Council's priorities set out in the Corporate Plan and the capital resources available to deliver them.
- 1.2 The Capital Strategy and Corporate Asset Management Plan is one of the Council's strategic planning documents. It is split into 3 parts: the *Handbook*, the *Performance Review* and the *Action Plan*, all of which are reviewed annually.
- 1.3 This year's Plan mirrors the previous Plan covering the period 2011 - 2014 and is an interim arrangement pending a fundamental review of the Capital Strategy. This will be undertaken over the next twelve months and the revised capital planning processes will be reflected in next year's Plan.

2.0 Recommendation:

- 2.1 That the Capital Strategy and Corporate Asset Management Plan 2013 - 2016 is adopted.
- 2.2 That Council notes that the Capital Strategy will undergo a fundamental review during 2013/14 and the new arrangements will be documented within the next update of the Capital Strategy and Corporate Asset Management Plan.

3.0 Reason for recommendation:

- 3.1 The Council needs to maintain an up-to-date Capital Strategy and Corporate Asset Management Plan to ensure that the Council's assets are proactively managed, continue to be fit for purpose, and directly support the delivery of council services and strategic objectives.
- 3.2 One of the outcomes for the *Efficient Council* priority is achieving *increased returns from the management of Council assets*. This Plan plays a key role in the delivery of this objective.

Supporting Information:

4.0 Background detail:

- 4.1 The current Capital Strategy & Corporate Asset Management Plan covered the three year period from 2011 to 2014. The *Performance Review* assesses not only the performance of the Council's assets but also our progress in delivering the *Action Plan* for 2011 - 2014. This reports that in the first year of a 3 year programme 24 projects had been successfully completed and 69 were on target for successful delivery.
- 4.2 Notable successes include the opening of the new Drama and Movement Centre and Terrace Bistro at the Pavilion and the completion of a new extra care housing scheme on the former Purdy House site. The better use of Council assets is demonstrated by the completion of the latest phase of the office rationalisation programme which saw the release of Parkway House. A novel and new approach to maximise the benefit of our assets is demonstrated by the use of Bournemouth's award winning beaches for weddings for the first time in the UK.
- 4.3 The Capital Strategy & Corporate Asset Management Plan is usually updated annually. The last update for 2012 - 2015 was postponed because of the work being undertaken by the Council to re-base its revenue budgets, as set out in the new Medium Term Financial Plan.
- 4.4 This new Plan for 2013 - 2016 is an interim update that mirrors the arrangements in the 2011 - 2014 Plan. This is a stop gap arrangement pending a fundamental review of the Capital Strategy that is planned to take place over the coming months.
- 4.5 The 2013/16 Plan comprises 3 key documents:
- The *Handbook* provides guidance on asset management in the Council. It catalogues the systems, procedures and controls that underpin this strategic planning process. Key points of note in this year's *Handbook* refresh include:
 - A revision of roles and responsibilities in light of the update of the Council's *Financial Regulations & Procurement Rules* which are part of the Council's Constitution and go live on 1 April 2013.
 - Updated facilities management arrangements, including building repairs, provided in partnership with Mouchel.
 - The *Performance Review* monitors the performance of the Council's assets and its ability to meet future service requirements. This information informs the strategic planning process by identifying issues that will need to be addressed through the *Action Plan*. Key performance issues and service drivers include:
 - The need to attract inward investment into Bournemouth to drive economic regeneration, to build new homes and create new jobs.
 - A rise in the number of children in Bournemouth. As a result, there is current pressure on school places available.
 - A shift in the residential care requirements of older people. There is a need to reshape the current market in terms of the type of care it delivers. This requires a change from high-need frailty to dementia care.
 - The *Action Plan* translates these key priorities into a commitment to action and delivery of targets. The *Action Plan* is updated each year in line with the service planning process. Some of the key activities for the Council in 2013 - 2016 include:
 - Economic regeneration. Key activities involve the Town Centre Vision, the Seafront Strategy, the construction of new affordable housing, and the creation of a new strategic partnership with a leading Pension Investment Fund for major inward investment over the next 5 to 10 years.

- Expanding existing Bournemouth schools and building new ones to meet the increasing demand for primary and secondary school places.
 - Procurement of up to four new dementia care homes.
 - A strategic review of asset holdings in terms of their condition, suitability and strategic value. The review will also address the shortfall between repair budgets and the maintenance requirements of the Council's buildings and major structures.
- 4.6 Next year's Capital Strategy and Corporate Asset Management Plan will encompass a fundamental review of the Capital Strategy. This will include the more transparent allocation of capital, a better informed capital planning process, and an improved Capital Programme. The new arrangements will anticipate future capital requirements and earmark funding up to three years in advance in order to achieve greater certainty around project development and delivery.
- 4.7 In this way, the Capital Strategy & Corporate Asset Management Plan will support the Council's wider financial strategy, as detailed in section 7 below.
- 5.0 Consultation:**
- 5.1 The three sections of the Plan have been developed in consultation with internal stakeholders, through the Corporate Asset Management Group, which includes the Council's facilities management and ICT contractor Mouchel.
- 6.0 Alternative options considered and rejected:**
- 6.1 None. An up to date Capital Strategy & Corporate Asset Management Plan is essential to the Council's overall planning process and supporting the priority *An Efficient Council*. It is also considered good practice by the Chartered Institute of Public Finance & Accountancy (CIPFA).
- 7.0 Summary of Financial/Resource Implications - including comments from the Council's Chief Financial Officer:**
- 7.1 The reaction of many councils faced with substantial losses in funding has been to down-size their ambitions, cut services, increase Council Tax and forego potential opportunities in seeking to avoid risk. Inevitably, this type of approach weakens their ability to act and respond effectively over time by using their resources to invest in their communities to promote economic growth and re-generation, create employment and bring forward new housing development.
- 7.2 The first phase of Bournemouth Borough Council's current Financial Strategy was introduced in 2007/08 and focused on establishing a strong financial base and an efficient organisation to cope better with the possibility of substantial cuts in future public sector funding. This has established a stable and strong financial base, enabling this Council to think differently, remain ambitious and deliver a Financial Strategy for growth and investment in the Town.
- 7.3 The Medium Term Financial Plan 2013/16 and the Budget for 2013/14 brings forward the next phase in the evolution of the Council's Financial Strategy. The principal objectives of the Strategy are to invest significant resources to:
- safeguard priority services without increasing costs to local Council taxpayers;
 - secure the early delivery of the Council's strategic housing ambitions;
 - facilitate growth and investment in the Town to support economic development and regeneration;

- drive forward the Council’s commitment to improving the quality of life in the most deprived areas in Bournemouth;
 - ensure organisational competence and efficiency, driving out further savings and efficiencies wherever possible;
 - drive value for money and added value from the Council’s strategic partnerships.
- 7.4 The integrated deployment and planned utilisation of all available Council resources through the Capital Strategy and Corporate Asset Management Plan is a key element in the delivery of the Council’s ambitions. This will span the General Fund, Housing Revenue Account, Capital Programme, reserves and other assets to support the roll-out over the medium to long term.
- 7.5 The *Action Plan* identifies the initiatives by which the Council will look to create innovative and sustainable funding streams in the future, to help mitigate losses in central government funding and so protect services to the public without increasing costs to the Council taxpayer.
- 7.6 This is an ambitious and ground breaking financial strategy and one which bucks the national trend for economic retrenchment and risk aversion. This positive and long term approach clearly demonstrates the Council’s commitment to local government playing a pivotal role in driving recovery and shaping community regeneration in these very difficult economic times. The need for councils to act in this way to support economic recovery fully reflects the Government’s agenda.
- 7.7 By bringing forward this strategy at this time, it is expected that the Council will also create opportunities for further inward investment in Bournemouth by Government and other bodies such as the Homes & Communities Agency who have repeatedly shown great confidence in the ability of the Council to deliver. They have awarded the Council and its partners large amounts of additional capital and revenue funding recently in respect of a number of major schemes as set out in the following table.

Funding Source	Scheme	Amount
Private Sector Investment	Madeira Road West Student Accommodation Scheme (delivered by the Bournemouth Development Company)	£22,202,000
Homes & Communities Agency	Leyton Mount development (mixed use residential & retail)	£5,100,000
Dorset LEP Growing Places Fund	Build costs associated with the 11 new affordable houses at Gladstone Mews	£1,500,000
Recreate (EU Interreg Funding)	New creative industries & business hub at Gladstone Mews	£208,000
Department for Communities & Local Government	Joint Materials Recycling Facility and improvements to Big Bin Little Bin	£22,000,000
	The National Coastal Tourism Academy	£2,000,000
Local Sustainable Transport Fund	BE SMaRT and Joint Three Towns Corridor schemes	£16,800,000
Better Bus Area Fund	Sustainable Transport Projects	£3,440,000
Total additional investment		£73,250,000

- 8.0 Summary of legal implications - including comments from the Monitoring Officer**
- 8.1 No specific issues have been identified. However, the legal implications of each key activity within the *Action Plan* will be assessed as each of these projects are taken forward.
- 9.0 Summary of environmental impact**
- 9.1 An Environmental Impact Assessment has been completed for the Capital Strategy & Corporate Asset Management Plan. The identified impacts are generally positive.
- 9.2 The *Handbook* explains how the Council's assets are mitigating adverse impacts on the environment and preparing for climate change. The *Handbook* also includes the Council's Sustainable Construction Policy.
- 9.3 The *Performance Review* measures the environmental performance of the Council's assets including carbon emissions and energy and water consumption. It makes recommendations for improvement that will be taken forward in the *Action Plan*.
- 10.0 Summary of equalities and diversity impact**
- 10.1 An Equality Impact Needs Assessment (EINA) has been completed for the CS CAMP and did not identify any actual or potential negative outcomes. Each activity within the CS CAMP *Action Plan* will complete an EINA in their own right as the project progresses.
- 10.2 Specific improvements identified in this *Action Plan* include the Council's Accessibility Investment Improvement Programme. In 2013/14 planned improvement work focuses on installing an accessible WC at Kinson Manor Cricket Club and various school access works for individual pupils.
- 11.0 Summary of Risk Assessment**
- 11.1 An initial risk assessment has been undertaken. This indicates that the Capital Strategy & Corporate Asset Management Plan is high risk, largely because of the value of the Council's asset base, as opposed to any inherent risk in the Plan itself.
- 11.2 Individual activities in the *Action Plan* will be subject to separate assessment as these project are progressed and appropriate risk management arrangements will be adopted in accordance with the Council's project management procedures.

Background papers:

1. The Capital Strategy and Corporate Asset Management Plan 2013 - 2016 comprising the *Handbook*, *Performance Review* and *Action Plan* will be located on the Council's website and can be accessed via the following link:
<http://www.bournemouth.gov.uk/CouncilDemocracy/CouncilPerformance/CapitalStrategyandCorporateAssetManagementPlan.aspx>
2. The Equality Impact Needs Assessment, Risk Assessment and Environmental Impact Assessment can be viewed on the Council's website:
<http://www.bournemouth.gov.uk/CouncilDemocracy/CouncilPerformance/CapitalStrategyandCorporateAssetManagementPlan.aspx>

CABINET NON KEY DECISION

7a

Subject: Monthly Budget Monitoring Report to 28 February 2013

Cabinet Portfolio: Cllr John Beesley, Leader of the Council & Portfolio Holder for Resources

Corporate Lead: Liz Wilkinson, Executive Director (Finance)

Senior Responsible Officer: Rob Ingleton, Head of Strategic Finance

Meeting Date: 1 May 2013

Status: Public

Report Author: Tina Worthing, Head of Accountancy Services
01202 454770
tina.worthing@bournemouth.gov.uk

1. Purpose:

- 1.1 This report presents the Council's performance against budget for the period 1 April 2012 to 28 February 2013 and the forecast financial outturn for the year.
- 1.2 The purpose of the Council's Budget Monitoring reporting process is to:
 - a) promote principles of sound and effective financial management within the Authority; to promote an efficient closure of the Authority's accounts with consistency between in-year and year-end financial reporting; and to ensure consistency of reporting towards the Authority's year-end financial position;
 - b) ensure the Council's Revenue & Capital Management Statements are produced regularly on a timely basis throughout the year with the information being reliable, relevant and understandable;
 - c) ensure the Council manages performance against budget with prompt action being taken when material variances arise or deficits are forecast. The management of these variances has been designed to avoid an adverse impact on service delivery or on the achievement of corporate objectives.

2. Recommendation:

- 2.1 It is recommended that Cabinet:
 - a) note the contents of the report, and the attached Revenue & Capital Management Statements.

3. Reason for Recommendation:

- 3.1 To ensure that the overall financial management and financial standing of the Council is subject to effective review, that appropriate management action is initiated to deliver spend within the approved budget and also, to ensure compliance with the Financial Framework.

4. Executive Summary

- 4.1 The Council approved a budget of £140.025m for 2012/13. This includes the use of Council Tax Freeze Grant of £2.013m received in 2012/13. The financial statements show the activity for the first eleven months of the financial year to 28 February 2013.
- 4.2 Table 1 shows service cost projections and indicates an adverse variation of £2.781m for the year end based on the current forecast. In the previous monitoring report the service outturn projection was for an over-spend of £2.953m. There is a decrease in the projected outturn service over-spend of £172k which is mainly due to the continued improvement in Adult Social Care and an improvement in the position for Housing and Parks. Explanations of all service outturn projections greater than £100k are given in paragraphs 5.4 to 5.9.
- 4.3 Senior Officers will continue to make all efforts to manage down the residual pressures, where possible, in order to achieve a balanced budget position by the end of the financial year.
- 4.4 The year end Carry Forward Policy will be applied in accordance with the Council's Financial Framework. Under this policy all overspends should be carried forward, unless it is determined through the revenue outturn process that this action would be inappropriate. Under-spends can be carried forward in specific purposes, and subject to Cabinet approval.
- 4.5 As at 28 February 2013 the forecast outturn position against budget for Savings & Efficiencies was £997k and Other Corporate items was £2.769m, totalling £3.766m, as detailed in paragraphs 5.10 and 5.11. After taking account of all corporate budgets, and assuming these monies are not otherwise applied, the overall net position for the Council will improve to a projected under-spend of £985k compared to a £813k projected under-spend in the last budget monitor report. The forecast surplus is mainly attributable to a one-off payment made to the Council from Her Majesty's Revenue and Customs (HMRC). This was as a result of a successful VAT claim made by the Council regarding a change in guidance and notified late in the financial year by HMRC. At this time it is envisaged that any year end surplus achieved by 31 March 2013 will be designated to support the following:-
- a) an additional contribution of £100k to the Recession Fund to further support the Council and the local community in addressing some of the difficult issues arising from the current economic climate during 2013/14.

- b) a provisional allocation of £250k for initial investment in supporting economic development within Bournemouth, subject to final agreement and further to the requisite business cases being submitted and tested through the Gateway process.
- c) an additional revenue allocation of £635k to better support the Council's Capital Programme requirements in 2013/14 and beyond.

4.6 The Housing Revenue Account is approaching the end of its first year of self-financing, and is performing strongly. The current projected year-end forecast is for a surplus of £3.09m. Under the approved Treasury Management Strategy the HRA has re-borrowed £3m loan debt due for repayment. This was fully reported as part of the HRA Budget approved by Full Council on 26 February 2013. These funds have been applied to the new build reserve to develop affordable housing within the Borough in line with Corporate Priorities. Further details can be found in paragraph 6 and Appendix A.

4.7 The Council's approved Capital Programme as at 28 February 2013 is £58.817m. Overall Capital spend for the first eleven months of the year was £30.982m against the profiled estimated expenditure of £44.728m representing 69.97% spend against profile. Further details can be found in paragraph 8.

5. General Fund

5.1 As reported previously by the Executive Director (Finance), development work continues to strengthen the Council's financial management and reporting arrangements overall to better assist the transparency and understanding of the Council's financial position and strategy. Work is on-going to review the processes involved in producing the monthly management statements to improve the efficiency and effectiveness of financial reporting. Further changes may be implemented in the new financial year.

5.2 It is important to monitor projected over/(under) spends for the end of the financial year. Service Directors have been charged with providing robust and considered projections with regard to the year-end budget position.

5.3 Updated position for the Council's General Fund as at 28 February is as set out in table 1 overleaf. All variances in excess of £100k are explained in paragraphs 5.4 to 5.11.

General Fund Analysis

Table 1

Summary Forecast Outturn for 2012/13 - February 2013

Significant Variances by Principal Service Areas	Adjusted Annual Budget	Forecast Outturn	Forecast Variance
	£000	£000	£000
<u>Service Budgets</u>			
Children's Services	46,968	48,826	1,858
Adult Social Care	49,327	49,427	100
Planning & Transport	13,982	14,374	392
Technical Services	23,727	24,019	292
Tourism & Corporate Communication	4,034	4,234	200
Environmental Health & Consumer Services	1,700	1,740	40
Housing & Parks	4,592	4,492	(100)
Corporate & Strategic Services	14,994	14,993	(1)
Customer	907	907	0
Executive Board	21	21	0
Projected Service Position	160,252	163,033	2,781
<u>Corporate Budgets</u>			
Savings & Efficiencies	(3,363)	(4,360)	(997)
Other Corporate Items	(16,864)	(19,633)	(2,769)
Projected Corporate Items	(20,227)	(23,993)	(3,766)
Total	140,025	139,040	(985)

Children's Services - £1.858m ↑

- 5.4 Children's Social Care was previously forecasting an over-spend of £1.872m, which has increased to £1.902m, this is mitigated by a projected under-spend of £44k for Children & Young People resulting in a net position of £1.858m. The pressure is mainly within Looked After Children. The Core Service Transformation programme was agreed by Cabinet in January 2013 and work has begun on the implementation of the new operating model. The Service has launched a recruitment drive which is intended to recruit 50 new foster carers over 2 years. Private fostering pressures have resulted in the need for two agency social workers, pending recruitment of the agreed new team. The Service will continue to work towards mitigating the current financial year end forecast over-spend as much as possible.

Adult Social Care - £100k ↓

- 5.5 At the start of the financial year, based on current spend on care packages, it was anticipated that a £1.7m budget gap would occur this year, even allowing for the on-going savings through the Financial Improvement Plan. A further review of known care packages and staff vacancy projections takes place each month and this enabled the service to reduce the forecast to £200k in January. Service Managers continue to focus on delivering improved efficiencies and the forecast outturn is now £100k. There does still remain some risk regarding the forecast outturn because of the unknown future demand for care packages in the remaining month and uncertainties around the current significant changes across the Health Services nationally. The forecast over-spend has taken account of the £1m contingency agreed at Cabinet in July.

Planning & Transport - £392k ⇔

- 5.6 Pressure remains on forecast income achievement in both Planning and Building Control (£700k). Planning application fee rates increased by 15% in November but despite this, and contrary to the usual pattern, February income figures show a small decrease. March is expected to pick up and recoup some of this shortfall. The shortfall in projected fee income is partly offset by the expectation that more staff time will be charged to grant funded capital projects and procedures are in place to ensure that this income is recorded by year-end. However, the grant funded activities will not be sufficient to cover the income shortfall.

Technical Services - £292k ↓

- 5.7 Changes to certain waste regulations and recycle disposal markets (particularly wood) have resulted in additional cost for the year (£80k and £100k respectively). Price indexation clauses on principal waste contracts have increased costs by £331k and together these factors are likely to result in an over-spend. The service is endeavouring to reduce this over-spend and has identified approximately £219k from operational cost reduction and contributions from grants awarded, where possible further reductions are being sought. The harshness of the winter weather and the level of winter service and road damage will influence the ability to mitigate the additional costs being incurred. Spend on reactive highways maintenance continues to be a significant pressure on overall Technical Services budgets.

Tourism & Corporate Communications - £200k ↑

- 5.8 Tourism & Corporate Communications is projecting a total shortfall of £200k with small budget savings on Communications and Town Centre Manager. However, these two areas would like to carry forward the projected under-spends, if these carry forward bids are successful the outturn projection would increase by approximately £50k. The slight change in outturn forecast is due to increased insurance costs.

Housing & Parks - (£100k) ↓

- 5.9 The Housing element of the service unit is performing well, especially with regards to surpluses generated on the photovoltaic section (£284k) and unfilled vacancies (£45k). This surplus is reduced by parks and golf courses projected over-spends (£248k and £56k) respectively. Both these services have been going through a difficult year due to the impact of the economy and poor weather affecting income targets. Bereavement services are also contributing to the overall projected under-spend for the year end with income greater than estimated (£137k).

Savings and Efficiencies - (£977k) ⇒

- 5.10 Savings & Efficiencies identify the anticipated savings and other work carried out to improve the effective working of the Council. It includes the one-off HMRC receipt in relation to a claim made by the Council.

Other Corporate Items - (£2.769m) ⇒

- 5.11 Other Corporate Items includes interest on investments and the provision for inflation. It also includes the reduced appropriation to the Superannuation Reserve reported to Cabinet in January 2013 as part of November's Budget Monitoring Report.

6. Housing Revenue Account (HRA): ↑

- 6.1 Appendix A presents the Housing Revenue Account for the period 1 April 2012 to the 28 February 2013. The year-end projected surplus is £3.09m.
- 6.2 The service is anticipating a significant saving at outturn mainly as a result of new HRA borrowing as opposed to debt repayment as detailed in paragraph 4.6. The surplus will contribute to the development of affordable housing within the Borough in line with Corporate Priorities. Additional income from photovoltaic installations and savings across the service also continue to contribute towards the predicted surplus.

7. Revenue Virements:

- 7.1 A revenue virement is required if the proposed budget of a service changes. As the overall General Fund budget has to remain in balance, if the budget for one service changes there has to be an equal and opposite change elsewhere in the General Fund. The Financial Framework requires a revenue virement to have Cabinet approval if it affects more than one Portfolio.
- 7.2 There are no revenue virements requiring approval for February.

8. Capital:

- 8.1 The Council's approved Capital Programme as at 28 February 2013 is £58.817m. The reasons for the change in the total value of the Capital Programme since the last monthly report are shown in the Table below.

Change in Capital Programme	£m
January 2013 Approved Capital Programme Budget	64.480
Amendments approved by Gateway Board/Cabinet	
Reprofiling to 2013/14 - mainly schools programme	-5.648
Other minor capital amendments approved	-0.015
February 2013 Approved Capital Programme	58.817

- 8.2 The actual Capital Programme spend for the period was £30.982m, representing 52.68% of the total approved budget for 2012/13 on a straight line basis. However, the profiled estimated expenditure to the end of February 2013 was £44.728m against spend of £30.982m, representing 69.97% spend against profile. It is not uncommon for schemes to be delayed or slip into the following financial year and this is being monitored to avoid this happening where possible. A summary by Service Unit of approved capital schemes for 2012/13 is included in the attached Revenue & Capital Management Statements.

9. Capital Exceptions:

- 9.1 The attached statements include details of significant budget variances within the Capital Programme. Capital schemes are classed as exceptions where the year to date spend is either 10% above, or below, the profiled budget for the scheme. As the financial year end approaches it is more apparent to project managers where budgeted capital spend will not occur within the financial year, as a result the number of exceptions is greater than normally reported in the monthly statements. It is anticipated that a number of slippage requests in relation to these schemes will be prepared at year end to allow the budget to be transferred into 2013/14 in line with Council's normal year end procedures.
- 9.2 There are also a number of schemes where expenditure has been incurred before the final completion of the Capital Gateway Process. Details of all capital exceptions are set out on pages 6 to 8 of the attached statements.
- 9.3 The Capital Programme is managed on an on-going basis, which has caused timing issues between the completion of the Capital Gateway Process and projects starting. Arrangements for setting and managing the Capital Programme are under review by the Section 151 Officer as part of overall development and improvement work regarding financial management and reporting.

10. Capital Budget Virements:

- 10.1 Capital virements are required if:-
- The proposed budget of the scheme changes,
 - The profiled spend of the scheme changes,
 - The funding for the scheme changes.
- 10.2 There are no capital virements requiring approval for February.

11. Other Capital Change Requests:

11.1 In accordance with the Council's Financial Framework all capital changes must be approved by Cabinet, with the exception in specific circumstances relating to Schools, the Local Transport Plan and HRA capital projects which are funded through approved programme budgets.

11.2 There are no capital change requests requiring approval for February.

12. Consultation:

12.1 This report and the attached statements have been prepared in consultation with Service Directors and Executive Directors, and on the basis of information provided by them.

13. Alternative Options Considered and Rejected:

13.1 This report provides financial performance information, and as a result there are no alternative options to consider.

14. Summary of Financial/Resource Implications - including comments from the Council's Chief Financial Officer:

14.1 The body of the report covers the financial and resource implications.

15. Summary of Legal Implications - including comments from the Monitoring Officer:

15.1 The report presents information on the financial performance of the Council, and as such there are no legal implications.

16. Summary of Environmental Impact:

16.1 The Environmental impact of the budget allocation is considered by Service Directors and Portfolio Holders in preparing their budget and Service Plan proposals.

17. Summary of Equalities and Diversity Impact:

17.1 Equality and diversity issues are considered as part of the budget and services planning process that support the allocation of Council resources.

18. Summary of Risk Assessment:

- 18.1 The effective management of the Council's budgets is a fundamental aspect of good governance. Failure to monitor and take appropriate action over emerging budget pressures will create major financial and reputation risks. Without addressing these financial pressures the Council will not be able to develop a sustainable Medium Term Financial Plan and will not be able to effectively invest in its service priorities as identified in the Council's Corporate Plan. Strategic risks are updated quarterly.
- 18.2 This report and the outlined actions will form part of the mitigation strategy associated with the financial risks identified in the Council's Strategic Risk Register.

Background papers:

- Report to Cabinet 27 March 2013 entitled 'Monthly Budget Monitoring Report to 31 January 2013'.
<http://www.bournemouth.gov.uk/CouncilDemocracy/Councillors/CouncillorCommitteeMeeting/Cabinet/2013/03/27/Cabinet27-Mar-2013.aspx>
- Report to Cabinet 25 July 2012 entitled 'Revenue Outturn 2011/12'.
<http://www.bournemouth.gov.uk/CouncilDemocracy/Councillors/CouncillorCommitteeMeeting/Cabinet/2012/07/25/Agenda/120725-Agenda-and-reports-package-for-uploading.pdf>
- Report to Cabinet 15 February 2012 entitled 'Medium Term Financial Plan 2012/13 - 2016/17 and 2012/13 Budget Options'.
<http://www.bournemouth.gov.uk/CouncilDemocracy/Councillors/CouncillorCommitteeMeeting/Cabinet/2012/02/15/Agenda/SpecialCabinet15February2012.pdf>

Appendix A

HOUSING REVENUE ACCOUNT SUMMARY - 1 APRIL 2012 - 28 FEBRUARY 2013

	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000	Projected Outturn £000
Income					
Rental Income	(20,369)	(18,801)	(18,791)	10	(20,357)
Repairs Income	(74)	(64)	(135)	(72)	(148)
Photovoltaic Income	(318)	(291)	(516)	(224)	(501)
Other Income	(838)	(768)	(593)	175	(774)
Total Income	(21,599)	(19,924)	(20,035)	(111)	(21,780)
Expenditure					
Head of Service	122	111	113	2	124
Housing Management	4,284	3,862	3,586	(276)	4,112
Mouchel Charges	564	517	518	1	564
Tenants/Leaseholders/IT	378	323	248	(75)	269
Repairs	3,156	2,863	2,946	83	3,214
Depreciation	3,996	3,663	3,663	0	3,996
Recharges	462	457	352	(105)	402
Housing Subsidy (adj)	15	15	7	(8)	7
Partnership Works Team			150	150	163
Other	93	85	83	(2)	91
Total Expenditure	13,070	11,896	11,666	(230)	12,942
Net (profit)/loss for service	(8,529)	(8,028)	(8,369)	(341)	(8,838)
Appropriations & Other Adjustments	8,529	7,811	4,949	(2,862)	5,748
Net(income)/expenditure for the period	0	(217)	(3,420)	(3,203)	(3,090)

Revenue & Capital Management Statements 2012/13

1 April 2012 - 28 February 2013



GRAND SUMMARY**MONTHLY REVENUE MANAGEMENT STATEMENT**

1 April 2012 - 28 February 2013

ANNUAL BUDGET 2012/13 £000	Service Unit	YEAR TO DATE			PROFILED	PROJECTED
		ACTUAL	BUDGET	VARIANCE	BUDGET	YEAR END
		£000	£000	£000	VARIANCE %	VARIANCE £000
21	EXECUTIVE BOARD	(321)	(326)	5	1.5%	0
49,327	ADULT SOCIAL CARE	43,458	42,930	528	1.2%	100
5,788	CHILDREN & YOUNG PEOPLE	3,931	4,781	(850)	(17.8%)	(44)
19,759	CHILDREN'S SOCIAL CARE	18,611	17,285	1,326	7.7%	1,902
21,421	COMMUNITY LEARNING & COMMISSIONING	18,988	19,075	(87)	(0.5%)	0
14,994	CORPORATE & STRATEGIC SERVICES	11,233	13,769	(2,536)	(18.4%)	(1)
907	CUSTOMER	1,521	1,542	(21)	(1.4%)	0
1,700	ENVIRONMENTAL HEALTH & CONSUMER SERVICES	1,586	1,585	1	0.1%	40
4,592	HOUSING & PARKS	4,121	4,707	(586)	(12.4%)	(100)
13,982	PLANNING & TRANSPORT	13,689	12,936	753	5.8%	392
23,727	TECHNICAL SERVICES	20,135	19,790	345	1.7%	292
4,034	TOURISM & CORPORATE COMMUNICATIONS	3,213	3,075	138	4.5%	200
160,252	NET COST OF SERVICES (GROSS EXPENDITURE LESS INCOME AND RECHARGES)	140,165	141,149	(984)	(0.7%)	2,781
						Adverse

ANNUAL BUDGET 2012/13 £000		YEAR TO DATE			PROFILED	PROJECTED
		ACTUAL	BUDGET	VARIANCE	BUDGET	YEAR END
		£000	£000	£000	VARIANCE %	VARIANCE £000
0	SCHOOLS	59,067	59,455	(388)	(0.7%)	0
0	HOUSING REVENUE ACCOUNT (HRA)	(3,420)	(217)	(3,203)	(1,476.0%)	0
<u>160,252</u>	NET COST OF SERVICES INCLUDING SCHOOLS & HRA	<u>195,812</u>	<u>200,387</u>	<u>(4,575)</u>	<u>(2.3%)</u>	<u>2,781</u>
223	LEVIES					
(2,012)	NON-SERVICE OPERATING ITEMS					
(18,858)	DEPRECIATION					
(389)	INTEREST ITEMS					(1,400)
<u>139,216</u>	NET OPERATING EXPENDITURE					<u>1,381</u>
	RESERVE FUNDS :-					
838	NET CONTRIBUTION TO/(FROM) CORPORATE FUNDS					(310)
(3,363)	SAVINGS & EFFICIENCIES					(997)
1,635	CORPORATE REVENUE CONTRIBUTION TO THE CAPITAL FUND					
1,840	REVENUE PROVISION FOR LOAN REPAYMENT					
1,059	OTHER CORPORATE ITEMS					(1,059)
<u>141,225</u>	TOTAL NET EXPENDITURE					<u>(985)</u>
(1,200)	GENERAL FUND - USE OF BALANCES					
<u>140,025</u>	BUDGET REQUIREMENT					<u>(985)</u>

Capital Monitoring 2012/13

February

Statement

	Original Budget	Slippage	Budget Adjustments	Total Revised Budget	Spend to Date	Budget Remaining	Percentage of Total Budget Spent to Date
	£000	£000	£000	£000	£000	£000	%
CAPITAL EXPENDITURE							
Executive Board	0	0	0	0	0	0	0.00%
Adult Social Care	0	215	-94	121	26	95	0
Children & Young People	0	0	16	16	10	6	62.50%
Children's Social Care	0	0	44	44	44	0	100.00%
Community Learning & Commissioning	4,277	3,002	15,461	22,740	16,067	6,673	70.66%
Corporate Strategic Services	70	856	-716	210	94	116	44.76%
Customer	0	0	0	0	0	0	0.00%
Environmental Health & Consumer Services	1,138	492	0	1,630	914	716	56.07%
Housing & Parks	1,427	4,384	6,936	12,747	8,006	4,741	62.81%
Planning & Transport	400	1,525	8,770	10,695	3,027	7,668	28.30%
Technical Services	1,045	3,346	4,668	9,059	2,441	6,618	26.95%
Tourism & Corporate Communications	0	353	451	804	289	515	35.95%
Corporate Asset Management	669	167	-85	751	64	687	8.52%
TOTAL CAPITAL PROGRAMME	9,026	14,340	35,451	58,817	30,982	27,835	52.68%

Site or title	Description of scheme	Project Officer	Revised Budget £'000	Total Expenditure £'000	Projected Outturn as at March £'000	Variation of Forecast outturn against Revised Budget £'000	Variation of Spend against profiled budget to date £'000	Scheme Status Comments
Pavilion	Pavilion Drama and Movement Centre - incl lift (funded from DDA030)	Ian Kendall	499	438	499	0	(62)	Final Account being assessed - together with additional works to rectify building defect.
Pelham's Park Leisure Centre	New Leisure Centre	John Cox	110	0	110	0	(110)	Work Completed. Final account still to be agreed.
Heathlands Mitigation	Queen's Park	David Ifould	53	0	53	0	(53)	Works to be completed in 2013/14 Q1 and Q2. No invoices to be received against this in this financial year. Some works will be undertaken under playground contract (all connected).
Heathlands Mitigation	River Restoration Muscliff	Paul Ambrose	55	0	55	0	(55)	Scheme delayed due to poor weather. G3 change request required to alter funding source from Capital to Heathlands and increase budget to £73k. Estimate £1.5k to be spent in 2012/13 Q4, remainder in 2013/14 Q1-Q3.
Parks Investment Plan 2009/10-2012/13 (part)	Parks Investment Plan	Michael Rowland	150	0	150	0	(150)	Work is underway to adjust the plan. A change form has been submitted.
Queen's Park	Play Area	David Ifould	192	10	192	0	(182)	Works started. The majority will be completed in 2013/14 Q1/Q2, and then retention 1 year later. No additional spend this year.
Slades Farm park Extension/Cycle Track	Park Extension/Cycle Track	Michael Rowland	228	7	228	0	(221)	Final accounts being prepared, awaiting final contribution from British Cycling and management agreement to be signed off. This scheme will under-spend and return monies to Capital/S106. BC Grant only covers 50% of scheme, regardless of cost. The remainder to be completed in Q1 2013/14.
Hengistbury Head Visitor Centre		Stuart Clarke	1,000	358	1,000	0	(642)	Expected spend of £400k for 12/13. Rest to be slipped into 2013/14 Q1. Retention of 10% contract value to be held until May 2014/15 (approx £75k). Will be some transfer of grant into revenue in 2013/14.
Elizabeth Gardens Allotment		David Ifould	84	29	84	0	(54)	Works in progress will be substantially complete in 2012/13, with some slippage. Invoice for £46.7k to be processed in March.
Boscombe Cresent	Regeneration	David Ifould	124	30	124	0	(94)	Works being tendered in March 2013 and undertaken in 2013/14. 5% retention to be held after April 2014.
Lower Gardens	Kiosks	David Ifould	265	35	265	0	(230)	Work underway. Budget changed to £299k via Gateway. Expected spend for 2012/13 is £125k. Rest slipped to 2013/14.
Seafront	Bournemouth Pier Renovations (Feasibility)	Chris Saunders	3	19	19	16	16	Project manager working to reduce over-spend on scheme. Any over-spend remaining at year end will be funded from revenue.
Boscombe Spa Village	Boscombe Spa Village - Surf reef and refurb of seafront and pier	Richard Carpenter	146	58	146	0	(88)	Project closed Gateway 09-06-11. There has been a budget reduction of £185k which was agreed at Gateway 05/12/12 which has been vired to Seafront Coastal Activity Park.
Jewell Academy	New Provision	Kim Burton	150	17	350	200	(133)	Extension to Children's Centre under construction. Tenders for main build received and being analysed.
Project Officer fees	Recharges from revenue	Sally Lissenden	159	0	159	0	(159)	Additional staff required due to volume of work. Recruitment underway.

Site or title	Description of scheme	Project Officer	Revised Budget £'000	Total Expenditure £'000	Projected Outturn as at March £'000	Variation of Forecast outturn against Revised Budget £'000	Variation of Spend against profiled budget to date £'000	Scheme Status Comments
Heathlands Primary	Autistic Spectrum Disorders Provision	Gillian Glutz	75	12	75	0	(63)	Early conditions works underway. About to appoint contractor for main build.
The Bourne Academy	Capital Investment:Main Scheme	Kim Burton	7,103	5,381	7,103	0	(1,722)	Delay due to further discoveries of uncharted condition items, asbestos and inclement weather. Project end date reprofiled to August 2013.
The Bishop of Winchester Academy	Capital Investment:Main Scheme	Anita Ellis	5,877	3,470	5,877	0	(2,407)	Project delayed by late contract execution and extreme weather conditions. Programme running approx 10 weeks behind. However project completion date unchanged, planning permission granted for working outside of normal hours. Therefore sectional catch ups to be achieved.
Vehicle Replacement Rolling Programme	Year 3	David Harrop	221	19	221	0	(202)	£37k to be funded by service revenue. The remaining £184k to be slipped into 2013/14 once funding to repay prudential borrowing has been identified.
Mortuary	New mortuary	Peter Grayson	106	88	90	-16	(18)	Post project review being prepared.
Crematorium	Mercury abatement unit	Peter Grayson	0	-3	-20	-20	(3)	Post project review being prepared.
ECP - Aff Homes/Empty Property Grant	Council Managed	Nicky Thomas	446	0	446	0	(446)	This has been set aside particularly for improvements to homes as part of the Boscombe Regeneration Partnership work and will support the bid being submitted for Townscape Heritage Initiative funding. It is likely that this funding will need to be carried over for use during the next monitoring period.
Disabled Facilities Grants	Council Managed	Nicky Thomas	796	711	796	0	(85)	Funding for this year has been unexpectedly supported through an additional allocation from Government of £173k. This will enable the Public Sector Renewal Grant funding (which was originally set aside to provide a top-up to the Disabled Facility Grant budget) to be carried over to the next financial year to ensure the continued delivery of Disabled Facility Grants to those in need.
Vale Road Phase 2 & 3	Curtis Lodge	Simon Ludgate	152	3	150	-2	(148)	The majority of budget is anticipated to be spent by the end of financial year.
Bradpole Road/Craigmoor Ave	Strouden Community Centre & 17 new build units	John Findley	350	251	350	0	(99)	Projected on time and within business case specifications. The under-spend due to the contingency built into the budget was not spent in full. Change form submitted.
Transformation Board	Solar PV panels (Corp Bldgs)	Graham Twigg	189	40	189	0	(149)	The project's budget is expected to be spent by the year end. Any under-spends will need to be slipped into 2013/14.
Houses in Multiple Occupation	Purchase & conversion	John Findley	275	0	275	0	(275)	It is anticipated that the budget will be spent in last quarter of 2012/13 any under-spend to be slipped into 2013/14.
Waterfront redevelopment	IMAX Acquisition	Gary Platt/S May	1,994	361	1,994	0	(1,633)	Main Contractor, appointed. Agreed Contract sum, scheme within budget. Works commenced 5/11/12. Completion date June 2013. Approx spend £1m Jan- Mar 2012/13, the rest to be slipped into 2013/14 for payments in April -Jun period.
Parkway House - Office Accommodation Strategy	Internal Improvements	Roger Ball/M Wilkins	78	0	78	0	(78)	EGB approved time extension to 31/3/13 to complete fire safety improvement works to the annexe. I anticipate spending approx £20k on this work leaving an under-spend of £57.6k to return at project closure.
Madeira Road car park	phase B	Martin Tiffin	3,906	0	3,906	0	(3,906)	Planning Application has been approved (August 12) for the construction of a 400 space multi storey car park. Construction expected to commence in December/January lasting 30 weeks. Now commencing March/April. Main contractor costs will be slipped into 2013/14.
Town Hall	Replacement Generator	Colin Wellman	164	3	164	0	-160	A business case is being developed, appraising the option for a Combined Heat and Power unit.
Russell Cotes Art Gallery and Museum	Water/Roof Refurb	Beccy Brookwell	281	25	281	0	(256)	Tenders received but were over budget, therefore we are looking to break the scheme into phases to match affordability.

Site or title	Description of scheme	Project Officer	Revised Budget £'000	Total Expenditure £'000	Projected Outturn as at March £'000	Variation of Forecast outturn against Revised Budget £'000	Variation of Spend against profiled budget to date £'000	Scheme Status Comments
Town Hall Complex	Replace fire alarm panel & detectors	Beccy Brookwell	83	1	83	0	(82)	£4.5k fees to be paid from this, remaining £78k to be slipped to next year as work will not commence on site until April 2013 due to technical difficulties.
Transformation Board	EDRMS	Sarah Good	53	0	53	0	(53)	Work has been undertaken to develop an Outline Business Case. However, this is not due to be considered by Transformation Board until April and will therefore not be invoiced within this financial year.
Transformation Board	Mobile Workers	Sarah Good	55	0	55	0	(55)	Work has been undertaken to draft an Outline Business Case for consideration at Transformation Board in March. Work will then continue to develop the full business case. Therefore it is unlikely that an invoice will be raised before 31st March.

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected
		Actuals	Budget	Variance	Outturn
£000	<u>EXECUTIVE BOARD</u>	£000	£000	£000	£000
1,441	Expenditure	1,095	1,090	5	0
(1,305)	Income	(1,305)	(1,305)	0	0
136	Net Cost of Service	(210)	(215)	5	0
(115)	Appropriations	(111)	(111)	0	0
21	Net Cost to Revenue	(321)	(326)	5	0

COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS

Outturn forecast to be on budget.

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected
		Actuals	Budget	Variance	Outturn
£000		£000	£000	£000	£000
66,776	Expenditure	64,337	63,090	1,247	100
(16,255)	Income	(18,525)	(17,802)	(723)	0
50,521	Net Cost of Service	45,812	45,288	524	100
(1,194)	Appropriations	(2,354)	(2,358)	4	0
49,327	Net Cost to Revenue	43,458	42,930	528	100

COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS

At the start of the financial year, based on current spend on care packages, it was anticipated that a £1.7m budget gap would occur this year, even allowing for the ongoing savings through the Financial Improvement Plan. Review of known care packages & staff vacancy projections takes place each month and this enabled us to reduce the forecast outturn to £200k in January. Service Managers continue to focus on delivering improved efficiencies and the forecast outturn is now £100k. Some risks still remain regarding the forecast outturn because of the unknown future demand for care packages in the remaining month and the uncertainties around the current significant changes across the Health Service nationally. The forecast over-spend has taken account of the £1m contingency agreed at Cabinet in July.

Adult Social Care - External Adult Social Care Commissioning

NOTE: Due to improvements in the amount of information now held on RAISE, and new reporting extracts, this information is not a like for like comparison with previous years. The current analysis now includes all external costs for Nursing/Residential, Domestic Care, Direct Payments and Day Care (previously it was just Nursing/Residential and Domestic Care).

EXPENDITURE Original Budget	<u>Current Year</u>	2012/13		VARIANCE TO BUDGET	PROJECTED YR END VAR.
	COMMITMENTS	BUDGET	PROJECTED		
	£000	£000	YR END COM. £000		
April-May					
April-June					
April-July					
April-August					
April-September					
April-October	40,638	39,638	41,113	2.5%	3.6%
April-November	41,008	39,638	41,031	3.3%	3.4%
April-December	40,924	39,638	40,967	3.1%	3.2%
April-January	40,829	39,638	40,936	2.9%	3.2%
April-February	41,258	39,638	41,369	3.9%	4.2%
April-March		39,638			

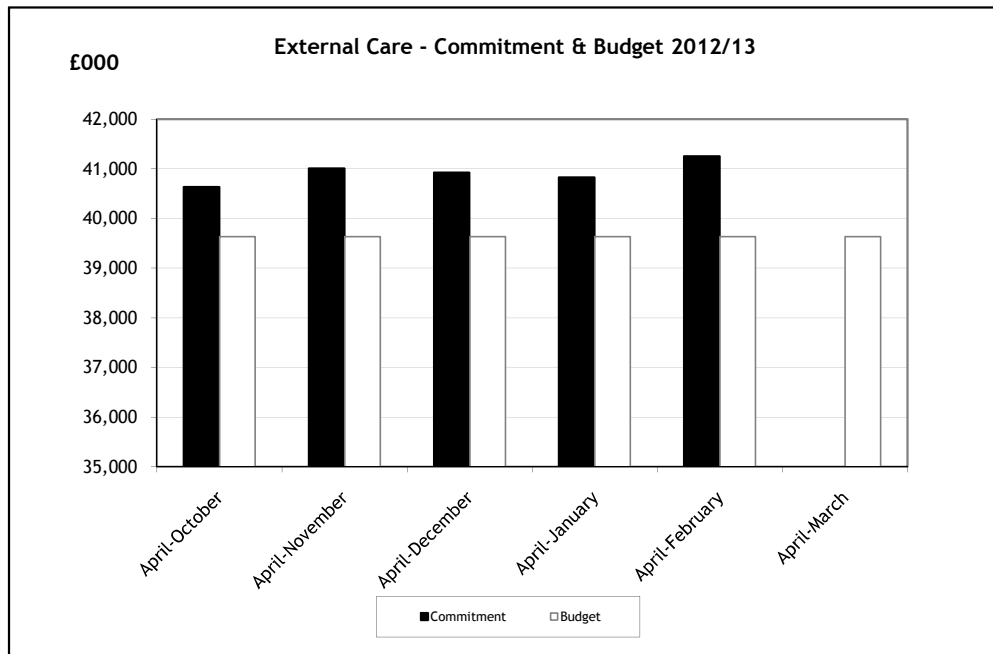
COMMENTS OF RESPONSIBLE BUDGET HOLDERS

Pressures have been building in Adult Social Care over a number of years. The service has experienced a significant increase in demand for services, creating pressures on existing budgets. Bournemouth has a higher population of older people with 3.3% aged over 85 (the national average is 2.2%). We have strengthened the entrance criteria to reflect our policy of offering residential care as a last resort.

ACTION PLANS (where required)

to bring over-spend under control)

The expectation is that older people placement numbers will stabilise at current levels although the frailty and the cost of those packages is increasing. The service also experiences seasonal fluctuations in this care group. In order to avoid an increase in placements and associated costs, Adult Social Care currently operates a gate keeping panel who have the final say on placing all ages of people in residential care. However, long term it is intended to support team managers in deciding the appropriateness of placements and review of the cost implications.



Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected
		Actuals	Budget	Variance	Outturn
£000	<u>CHILDREN & YOUNG PEOPLE</u>	£000	£000	£000	£000
14,390	Expenditure	12,564	13,211	(647)	(44)
(8,134)	Income	(8,188)	(7,984)	(204)	0
<u>6,256</u>	Net Cost of Service	<u>4,376</u>	<u>5,227</u>	<u>(851)</u>	<u>(44)</u>
(468)	Appropriations	(445)	(446)	1	0
<u>5,788</u>	Net Cost to Revenue	<u>3,931</u>	<u>4,781</u>	<u>(850)</u>	<u>(44)</u>

COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS

Variances to date relate to external (ringfenced) funds committed but not yet expended; income received ahead of profile; variances due to the embedding of the Connexions Service within the Integrated Youth Service (IYS) and commitments not yet reflected within the ledger. The projected year end under-spend relates to a 2011/12 liability which was settled in February 2013 for less than expected.

Despite continued pressure within the service, particularly in relation to SEN transport (current over-spend projected to be £133k), overall a small under-spend is currently forecast for year end.

Special Educational Needs (Including Inter Authority Recoupment)

EXPENDITURE	Previous Year	Current Year			PROJECTED YR END VAR. %
	2011/12	2012/13	2012/13	VARIANCE	
	ACTUALS £000	ACTUALS £000	BUDGET £000	TO BUDGET %	
April-May	407	616	814	(24.3%)	0.0%
April-June	472	300	739	(59.4%)	3.0%
April-July	1,085	1,144	664	72.3%	0.8%
April-August	1,841	2,121	2,059	3.0%	(0.2%)
April-September	1,937	2,459	1,983	24.0%	1.0%
April-October	2,631	3,016	2,670	13.0%	1.0%
April-November	2,590	3,129	2,605	20.1%	(0.2%)
April-December	3,217	3,527	3,571	(1.2%)	1.0%
April-January	4,092	4,545	4,461	1.9%	0.8%
April-February	4,299	4,943	4,386	12.7%	0.1%
April-March	5,664		6,172		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS

In January 2012 a forecast over-spend of £1.5m led to Schools Forum agreeing an additional £1.0m to be added to the budget, alongside the introduction of a strategy to reduce the spend. The current year end forecast is within the January 2012 forecast, and as the effect of the strategy takes effect during the year we are seeing a reduction in the growth of spend on mainstream school placements, but the main effects will be felt most strongly in 2013/14.

Particular pressure has come from increased numbers of pupils with Autism Spectrum Disorder (ASD) and post-16 pupils with complex needs staying on in schools.

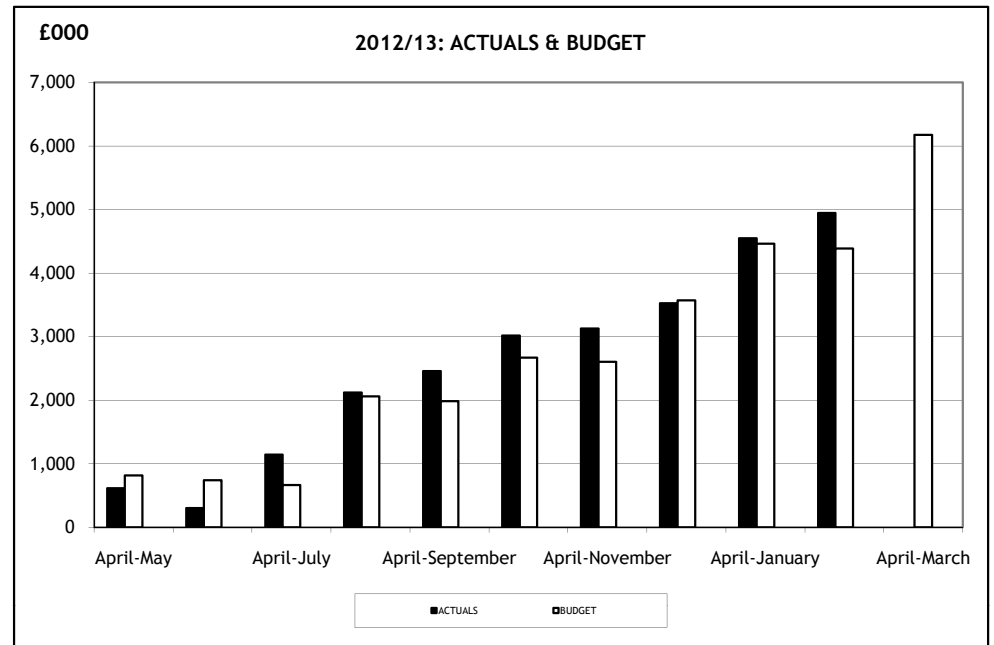
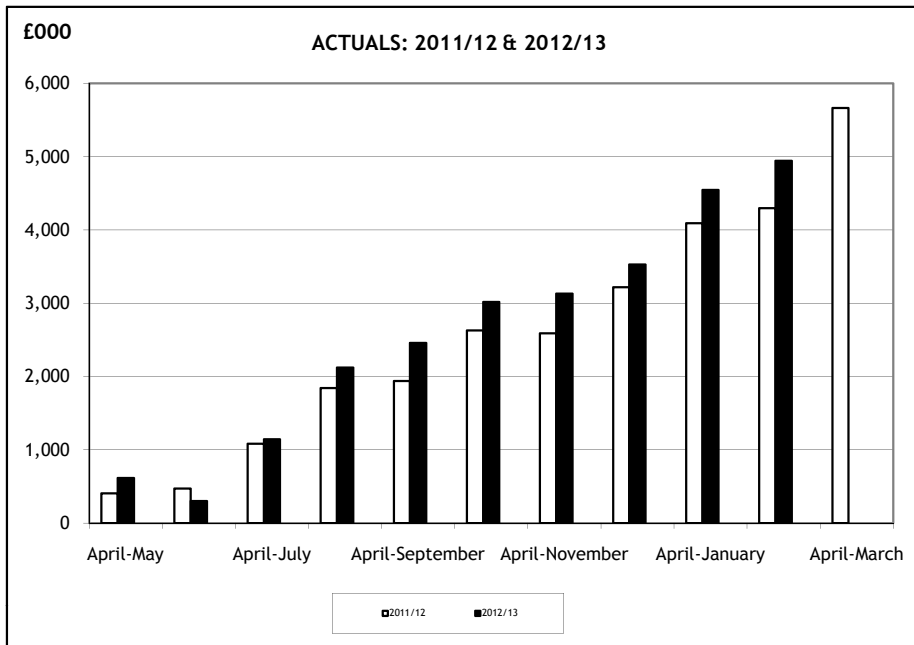
Any year end variance within this budget will be offset against variances in the wider schools budget, funded by Dedicated Schools Grant (DSG), and any resulting variance carried forward as per DSG guidance.

ACTION PLANS (where required to bring over-spend under control)

A scheme to define mainstream schools' financial contribution to children with SEN was implemented in April 2012. 44.4% of mainstream Statements were reviewed in the summer term 2012, resulting in a whole year saving of £250,000 to the SEN provision budget from Statements of children remaining in mainstream schools and a further £109,000 from Statements of children transferring to more specialist provision. The local authority manages the SEN provision budget on behalf of all schools and Academies.

Increased numbers of special school places for ASD are planned for Linwood School and Tregonwell Academy in order to avoid the need to make unnecessary and costly out of area placements in Independent/Non-Maintained Special Schools.

Improved commissioning arrangements as a result of the Core Service Transformation process and further provision development in partnership with post 16 providers to enable the needs of learners with more complex needs to be met in local Further Education provision are underway.

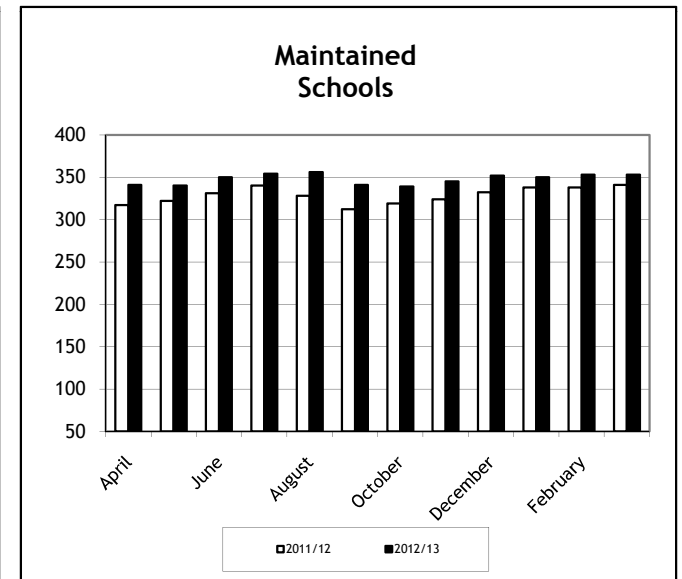
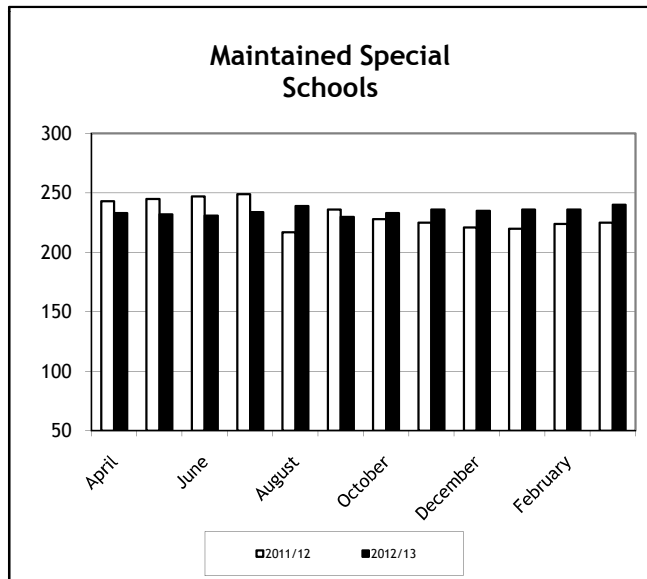
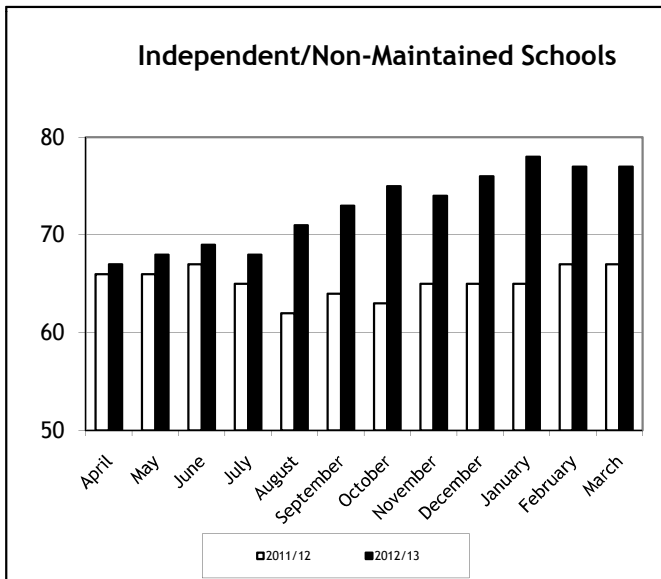


CHILDREN & YOUNG PEOPLE - HIGH RISK BUDGET

SEN Provision
No. of Statements* maintained

	Independent/Non-		Maintained Special		Maintained Schools		Total	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
April	66	67	243	233	317	341	626	641
May	66	68	245	232	322	340	633	640
June	67	69	247	231	331	350	645	650
July	65	68	249	234	340	354	654	656
August	62	71	217	239	328	356	607	666
September	64	73	236	230	312	341	612	644
October	63	75	228	233	319	339	610	647
November	65	74	225	236	324	345	614	655
December	65	76	221	235	332	352	618	663
January	65	78	220	236	338	350	623	664
February	67	77	224	236	338	353	629	666
March	67	77	225	240	341	353	633	670

* statements of special educational needs as governed by the Education Act 1996, (amended 2001)



Home to School Transport - SEN

	<u>Previous Year</u>	<u>Current Year</u>		VARIANCE YTD	PROJECTED YR END VAR.
	2011/12 ACTUALS £000	2012/13 ACTUALS £000	2012/13 BUDGET £000		
April-May	99	198	235	(15.8%)	13.0%
April-June	214	309	311	(0.6%)	13.0%
April-July	312	408	388	5.2%	14.8%
April-August	480	484	409	18.3%	14.8%
April-September	503	501	496	1.0%	14.8%
April-October	572	602	586	2.7%	14.8%
April-November	705	689	675	2.1%	13.3%
April-December	806	822	748	9.9%	13.3%
April-January	874	942	835	12.8%	13.3%
April-February	981	982	907	8.3%	13.3%
April-March	1,127		997		

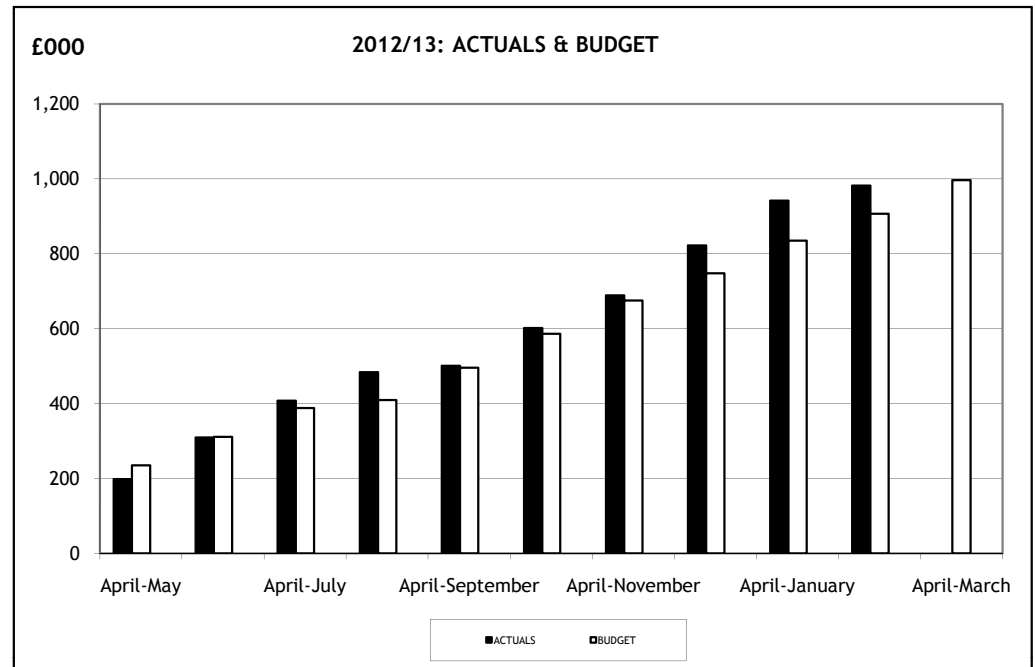
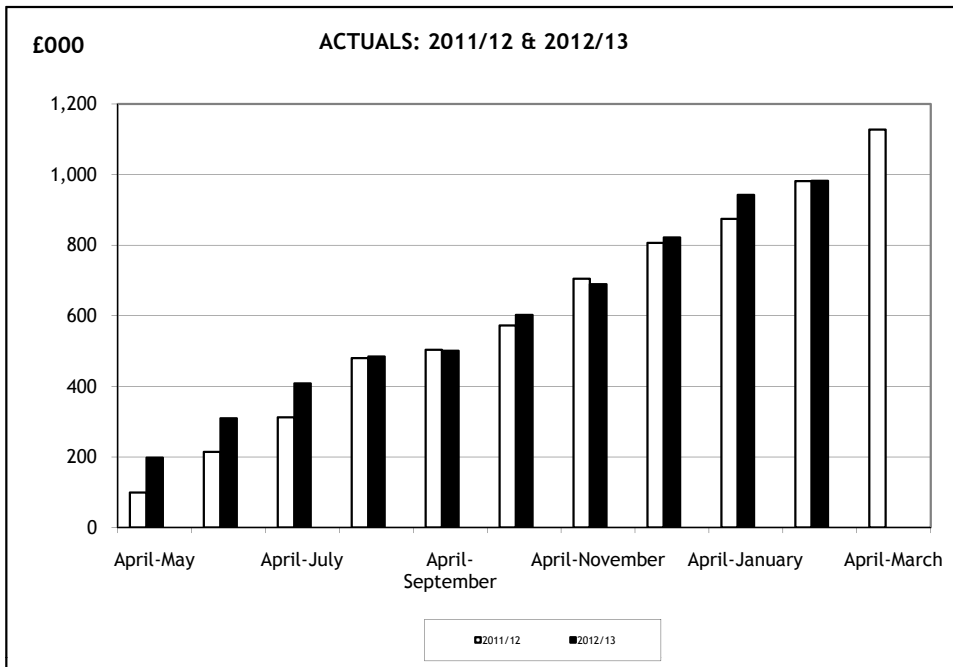
COMMENTS OF RESPONSIBLE BUDGET HOLDERS

This continues to be an area of budget pressure; the budget has not seen any growth in recent years and between 2006 and 2010 the number of pupils with statements of SEN increased by 33%. There has been a corresponding need for transport from home to school for some of these particularly vulnerable children.

Over the last 2-3 years the demand has been actively managed downwards through a range of measures, and the impact of inflationary pressures on operators, on our contract prices has been minimised by effective re-tendering (which more recently has been achieved through joint working with Borough of Poole and therefore expansion of the framework of approved operators), however the total cost has not been significantly reduced as pupils needs become more complex and access to appropriate provision is becoming more difficult so numbers of out of borough placements are increased.

ACTION PLANS (where required to bring over-spend under control)

The Integrated Transport Transformation Review is looking at a revised policy, with particular emphasis on annual reviews of pupil's needs, including a review of eligibility criteria.

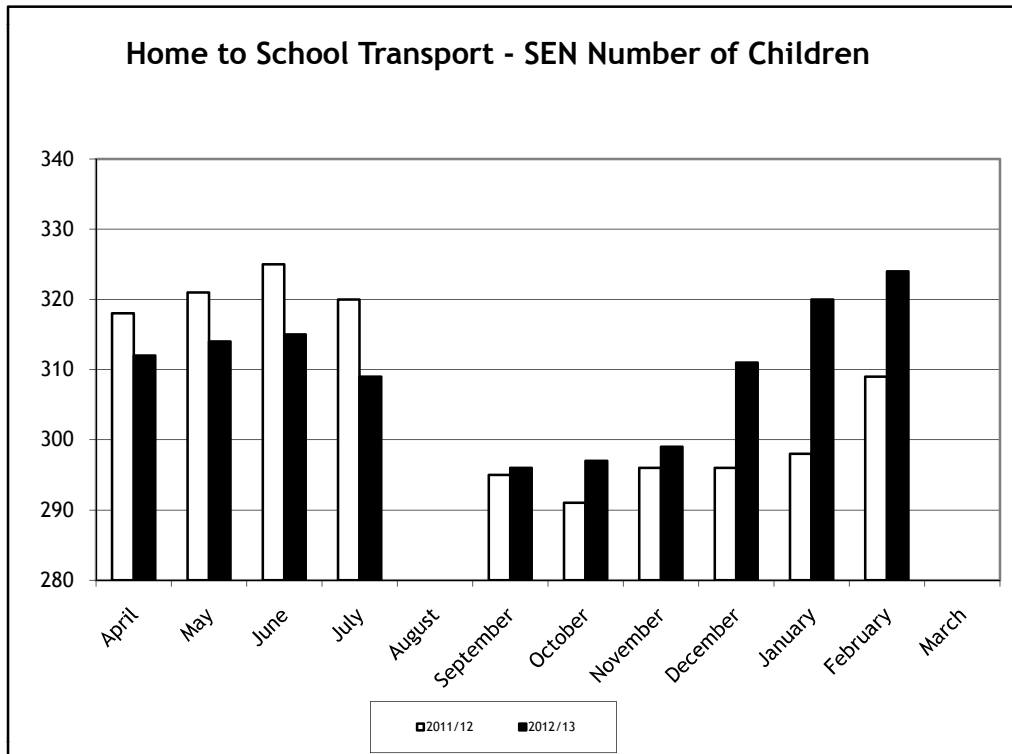


CHILDREN & YOUNG PEOPLE - HIGH RISK BUDGET

Home to School Transport - SEN

Number of Children

	<u>2011/12</u>	<u>2012/13</u>
April	318	312
May	321	314
June	325	315
July	320	309
August		
September	295	296
October	291	297
November	296	299
December	296	311
January	298	320
February	309	324
March		



Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected
		Actuals	Budget	Variance	Outturn
£000	<u>CHILDREN'S SOCIAL CARE</u>	£000	£000	£000	£000
22,379	Expenditure	20,931	19,879	1,052	1,902
(2,516)	Income	(2,255)	(2,490)	235	0
<u>19,863</u>	Net Cost of Service	<u>18,676</u>	<u>17,389</u>	<u>1,287</u>	<u>1,902</u>
(104)	Appropriations	(65)	(104)	39	0
<u>19,759</u>	Net Cost to Revenue	<u>18,611</u>	<u>17,285</u>	<u>1,326</u>	<u>1,902</u>

COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS

The demand, particularly for LAC Services, remains high and has been significant during February. Core Service Transformation programme was agreed by Cabinet in January 2013 and work has begun on the implementation of the new operating model, which aims to reduce overall demand over the next few years.

Children's Residential Placements

EXPENDITURE	Previous Year		Current Year			
	2010/11	2011/12	2012/13	2012/13	VARIANCE	PROJECTED
	ACTUALS	ACTUALS	ACTUALS	BUDGET	YTD	YR END VAR.
	£000	£000	£000	£000	%	%
April-May	643	512	477	382	24.9%	42.1%
April-June	908	655	690	572	20.7%	34.8%
April-July	1,213	800	854	763	11.9%	33.7%
April-August	1,461	1,077	1,311	954	37.4%	35.9%
April-September	1,768	1,371	1,294	1,145	13.0%	45.3%
April-October	2,142	1,403	1,604	1,335	20.1%	41.9%
April-November	2,429	1,667	1,741	1,526	14.1%	41.8%
April-December	2,650	1,684	1,972	1,717	14.9%	47.5%
April-January	2,934	2,220	2,297	1,908	20.4%	58.5%
April-February	3,105	2,530	2,789	2,099	32.9%	62.0%
April-March	3,349	2,960		2,289		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS

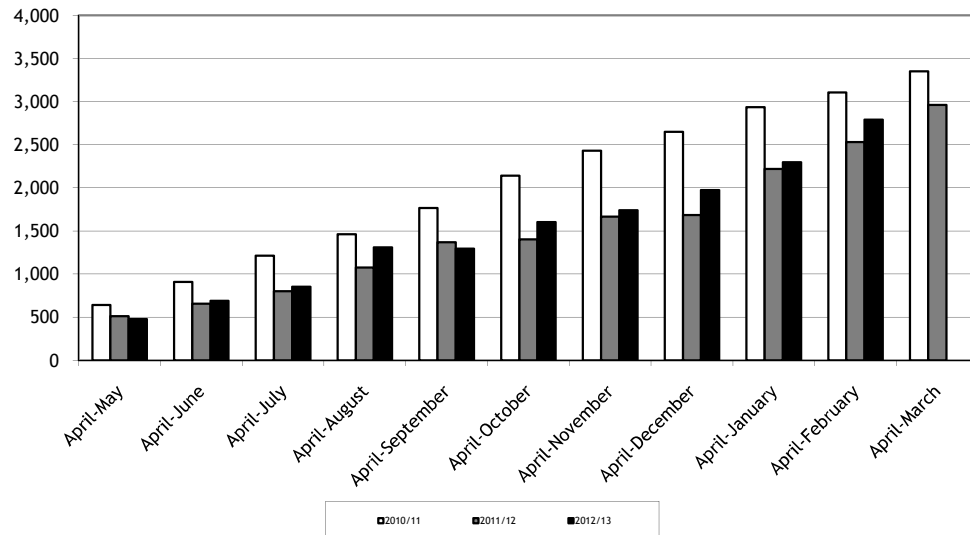
There have been new residential placements agreed in February. Placements continue to be monitored by the Service Director and Service Manager on a monthly basis and the Access to Resources Team continues to support CSC through rigorous negotiations on cost. Numbers of children needing a residential placement have continued to slowly decline, although costs of individual placements remain high. Work to reduce reliance on residential placements has been effective but has had the effect of putting additional pressure on Independent Foster Agency budgets.

ACTION PLANS (where required to bring over-spend under control)

Continued scrutiny of budgets and placement plans. The plan through CST is to increase in-house fostering capacity and to increase the number of children placed for adoption. Also we are planning a focussed push on establishing placements for children with relatives wherever possible with a revised Special Guardianship Order procedure from April 2013.

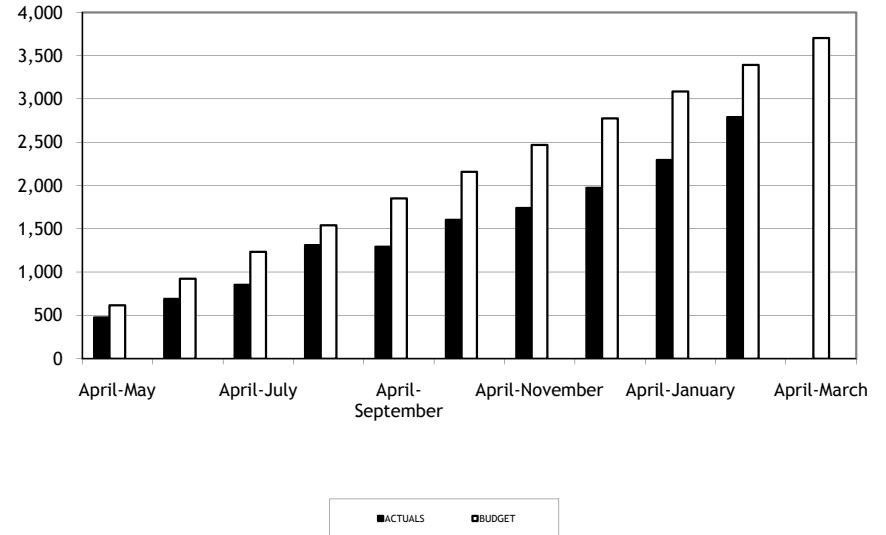
£000

ACTUALS: 2010/11, 2011/12 & 2012/13



£000

2012/13: ACTUALS & BUDGET



Independent Foster Agency Placements

EXPENDITURE	Previous Year		Current Year		VARIANCE TO BUDGET %	PROJECTED YR END VAR. %
	2010/11	2011/12	2012/13	2012/13		
	ACTUALS £000	ACTUALS £000	ACTUALS £000	BUDGET £000		
April-May	311	382	476	408	16.8%	33.9%
April-June	452	630	782	613	27.6%	41.0%
April-July	593	751	1,056	817	29.2%	51.4%
April-August	786	994	1,497	1,022	46.6%	54.7%
April-September	975	1,217	1,764	1,226	43.9%	54.8%
April-October	1,135	1,439	1,960	1,430	37.1%	58.9%
April-November	1,315	1,846	2,240	1,635	37.0%	58.9%
April-December	1,493	2,092	2,566	1,839	39.5%	60.8%
April-January	1,656	2,436	2,995	2,043	46.6%	62.2%
April-February	1,840	2,712	3,301	2,248	46.8%	62.2%
April-March	2,011	3,250		2,452		

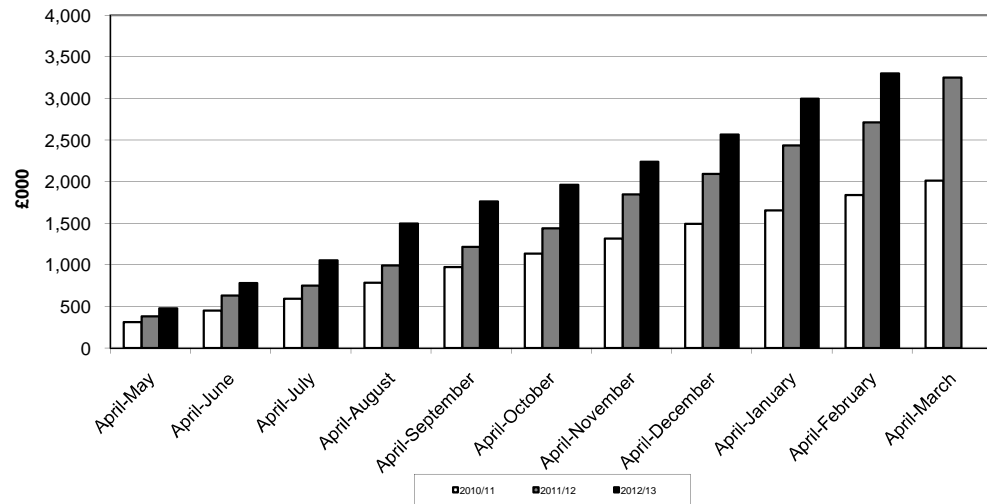
COMMENTS OF RESPONSIBLE BUDGET HOLDERS

Despite movement of placements the forecast in this area has remained stable.

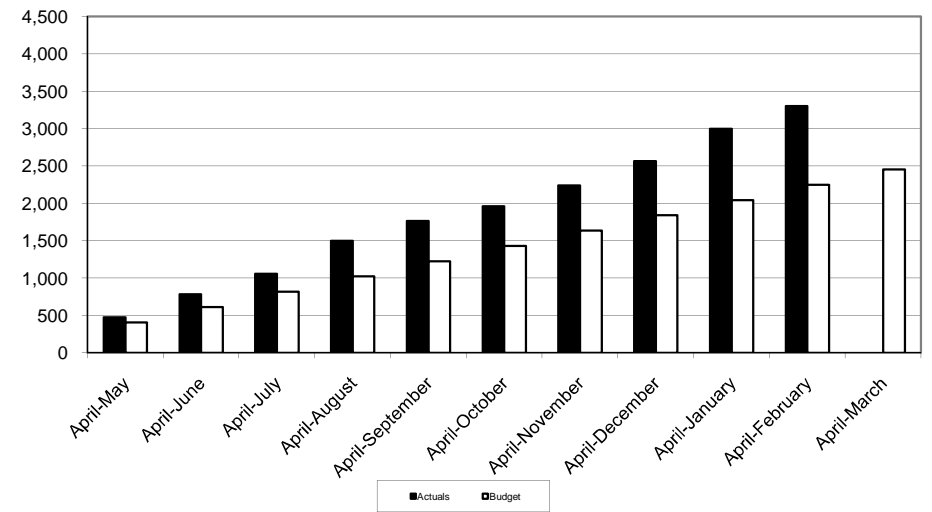
ACTION PLANS (where required to bring over-spend under control)

Implementation of the Core Service Transformation to increase in house carers and move children more swiftly through care system as well as prevent care where possible.

Actuals 2010/11 - 2012/13



2012/13: Actuals & Budget



Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected Outturn	COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS
		Actuals	Budget	Variance		
£000	<u>COMMUNITY LEARNING & COMMISSIONING</u>	£000	£000	£000	£000	
24,853	Expenditure	23,668	23,603	65	(9)	Variances to date due to: -Latest monthly Library PFI payment. -Training income received in advance of courses being run. Significant on-going pressures such as premature retirement costs, home to school transport and high income targets have been carefully managed within the broader budget by identification of (non-recurring) savings to offset potential over-spends and ensure a balanced outturn can be achieved.
(3,475)	Income	(3,407)	(3,232)	(175)	9	
<u>21,378</u>	Net Cost of Service	<u>20,261</u>	<u>20,371</u>	<u>(110)</u>	<u>0</u>	
<u>43</u>	Appropriations	<u>(1,273)</u>	<u>(1,296)</u>	<u>23</u>	<u>0</u>	
<u>21,421</u>	Net Cost to Revenue	<u>18,988</u>	<u>19,075</u>	<u>(87)</u>	<u>0</u>	

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected Outturn
		Actuals	Budget	Variance	
£000	<u>SCHOOLS</u>	£000	£000	£000	£000
68,567	Expenditure	60,620	62,228	(1,608)	0
(68,772)	Income	(1,750)	(2,965)	1,215	0
(205)	Net Cost of Service	58,870	59,263	(393)	0
205	Appropriations	197	192	5	0
0	Net Cost to Revenue	59,067	59,455	(388)	0

COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS

Variances on income and expenditure to date, which are largely offsetting, are due to 2011/12 accruals awaiting payment. This is in relation to SEN recoupment for which invoices are to be finalised. Any year end variance will have no impact on the General Fund as Schools budgets are self-contained.

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected	COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS
		Actuals	Budget	Variance	Outturn	
£000	<u>CORPORATE & STRATEGIC SERVICES</u>	£000	£000	£000	£000	
143,192	Expenditure	40,065	39,171	894	(100)	<p>Legal & Democratic: The Legal and Democratic Service Unit are forecast to have a minor over-spend of £47k as a result of in year under-spends due to timing of recruitment and associated spending and holding back on other spend wherever possible, offsetting the unreceivable income due to changes in the Land Charges regulations and changes in organisational processes, and also income contribution expectations from partners relating to the capital spend on the new Mortuary.</p> <p>Strategic Finance: Forecast under-spend mainly due to vacancies and planned recruitment delays, audit fee reduction, as well as recoveries of Housing Benefits overpayments offset by recovery costs. The change in forecast is due mainly to forecast insurance costs.</p> <p>Strategic Services: The overall forecast over-spend is due mainly to historic structural issues relating to transformation and HR budgets that have been dealt with for next year as part of the Medium Term Financial Plan refresh, as well to the remaining contract inflation pressures remaining after mitigation has been taken account of. The change in forecast from last month is due to £40k income being received from the mobile phone provider following negotiations, and rental being received from the Strategic Partner for premises being utilised for work other than for the Council. The movement in the year to date variation is due mainly to carrying out the HRA recharges for Partner services (£565k), Telecoms depreciation recharges (£251k) and £130k credits from partners.</p>
(128,604)	Income	(28,380)	(24,979)	(3,401)	111	
14,588	Net Cost of Service	11,685	14,192	(2,507)	11	
406	Appropriations	(452)	(423)	(29)	(12)	
14,994	Net Cost to Revenue	11,233	13,769	(2,536)	(1)	

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected
		Actuals	Budget	Variance	Outturn
£000	<u>CUSTOMER</u>	£000	£000	£000	£000
4,118	Expenditure	2,309	2,324	(15)	0
(761)	Income	(766)	(760)	(6)	0
<u>3,357</u>	Net Cost of Service	<u>1,543</u>	<u>1,564</u>	<u>(21)</u>	<u>0</u>
(2,450)	Appropriations	(22)	(22)	0	0
<u>907</u>	Net Cost to Revenue	<u>1,521</u>	<u>1,542</u>	<u>(21)</u>	<u>0</u>

COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS

Outturn forecast to be on budget.

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected Outturn
		Actuals	Budget	Variance	
£000	<u>ENVIRONMENTAL HEALTH & CONSUMER SERVICES</u>	£000	£000	£000	£000
2,455	Expenditure	2,342	2,295	47	72
(691)	Income	(692)	(646)	(46)	(32)
<u>1,764</u>	Net Cost of Service	<u>1,650</u>	<u>1,649</u>	<u>1</u>	<u>40</u>
(64)	Appropriations	(64)	(64)	0	0
<u>1,700</u>	Net Cost to Revenue	<u>1,586</u>	<u>1,585</u>	<u>1</u>	<u>40</u>

**COMMENTS OF BUDGET HOLDERS ON CURRENT
AND FORECAST POSITIONS**

Favourable year to date income variance due to better than anticipated income under Licensing Act 2003 obligations. The forecast outturn reflects increased costs associated with agency staff partly offset by increased income from Environment group and recharges.

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected	COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS
		Actuals	Budget	Variance	Outturn	
£000	<u>HOUSING & PARKS</u>	£000	£000	£000	£000	
15,341	Expenditure	15,068	14,446	622	615	<p>Housing General Fund: The Service is likely to end the year with a surplus due to unfilled vacancies in the Corporate Surveyors team and the significant surpluses on the Photovoltaic Section as a result of bringing the expertise of PV installations in house.</p> <p>Strategic Housing: The projected outturn is expected to be a £62k over-spend due to costs of project works being undertaken. The Strategic Housing part of the service is seeking the permission for creation of the maintenance reserve for Morrell House and end of lease commitments on PAS properties.</p> <p>Parks: The Service has been going through a difficult year since most of their income is weather and economy dependant. The management is currently investigating actions available to help mitigate some of the over-spends.</p> <p>Bereavement Services: A 10% increase in the number of cremations has contributed to better than anticipated income levels.</p>
(10,657)	Income	(10,664)	(9,469)	(1,195)	(715)	
4,684	Net Cost of Service	4,404	4,977	(573)	(100)	
(92)	Appropriations	(283)	(270)	(13)	0	
4,592	Net Cost to Revenue	4,121	4,707	(586)	(100)	

Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected Outturn
		Actuals	Budget	Variance	
£000	<u>HOUSING (HRA)</u>	£000	£000	£000	£000
17,337	Expenditure	15,938	15,867	71	140
(25,866)	Income	(24,307)	(23,895)	(412)	(449)
<u>(8,529)</u>	Net Cost of Service	<u>(8,369)</u>	<u>(8,028)</u>	<u>(341)</u>	<u>(309)</u>
8,529	Appropriations	4,949	7,811	(2,862)	0
<u>0</u>	Net Cost to Revenue	<u>(3,420)</u>	<u>(217)</u>	<u>(3,203)</u>	<u>(309)</u>

COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS

Year to date variance is mainly due to additional income from Photovoltaic and PWT but offset by higher level of expenditure on direct materials. The Service is anticipating a significant saving due to a decision to reborrow to the level of a maturing loan (variance on appropriations line) and some additional income from Photovoltaic electricity generation. This balance of £3.0m will be transferred into the HRA reserve and will contribute to new build and acquisition of property as per the HRA 30 year business plan and strategy assumptions.

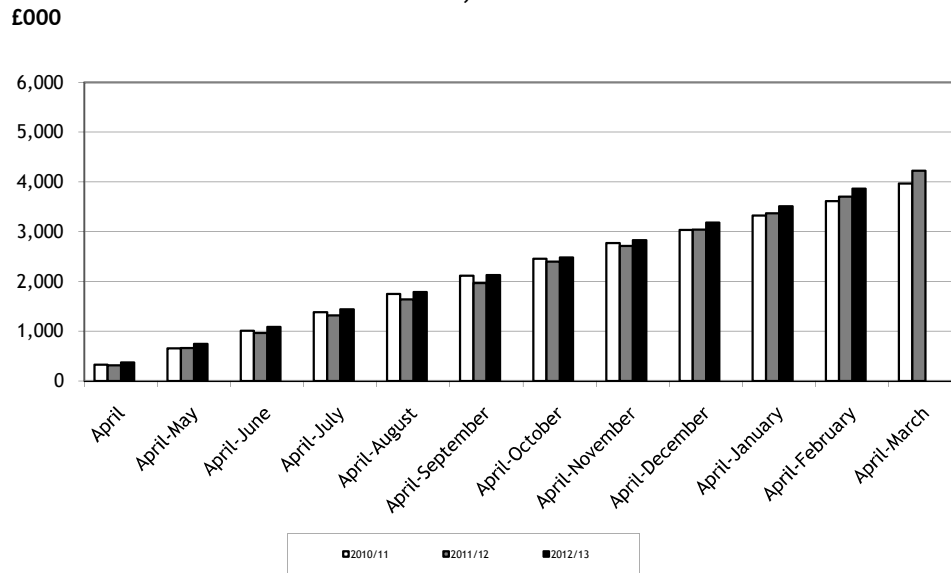
Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected Outturn	COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS
		Actuals	Budget	Variance		
£000	<u>PLANNING & TRANSPORT</u>	£000	£000	£000	£000	
30,151	Expenditure	26,769	26,934	(165)	(93)	<p>There is expenditure under-spend to date due to savings within Transportation Services and a significant outstanding invoice on Economic Development.</p> <p>Year to date under achievement of income due to fall in Planning and Building Control fees, Parking charges and penalty charge notices. Despite the fall in fees, total planning application numbers remain comparable to prior years but more applications are for non income generating projects. Forecast expenditure reflects receipt of Economic Development's invoice, with the savings made in Transportation Services expected to remain.</p> <p>Pressure remains on forecast income achievement in both Planning and Building Control (£0.7m). Planning application fee rates increased by 15% in November but despite this, and contrary to the usual pattern, February income figures show a small decrease. March is expected to pick up and recoup some of this shortfall. The shortfall in projected fee income is partly offset by the expectation that more staff time will be charged to grant funded capital projects and procedures are in place to ensure that this income is recorded by year end. However, the grant funded activities will not be sufficient to cover the income shortfall.</p>
(15,096)	Income	(12,654)	(13,500)	846	485	
<u>15,055</u>	Net Cost of Service	<u>14,115</u>	<u>13,434</u>	<u>681</u>	<u>392</u>	
<u>(1,073)</u>	Appropriations	<u>(426)</u>	<u>(498)</u>	<u>72</u>	<u>0</u>	
<u><u>13,982</u></u>	Net Cost to Revenue	<u><u>13,689</u></u>	<u><u>12,936</u></u>	<u><u>753</u></u>	<u><u>392</u></u>	

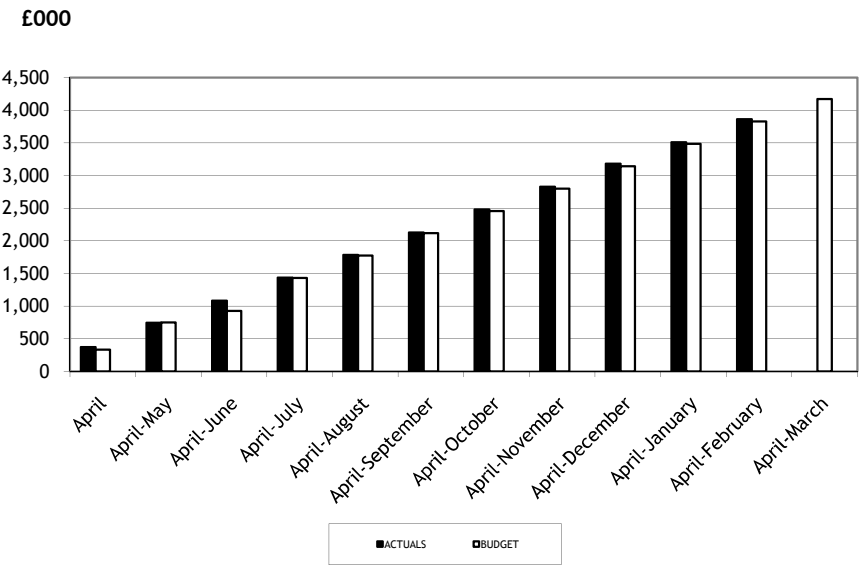
Concessionary Fares

EXPENDITURE	2010/11	2011/12	Current Year			PROJECTED YR END VAR.	COMMENTS OF RESPONSIBLE BUDGET HOLDERS	ACTION PLANS (where required to bring over-spend under control)
	ACTUALS	ACTUALS	2012/13	2012/13	VARIANCE			
	£000	£000	ACTUALS	BUDGET	TO BUDGET			
			£000	£000	%			
April	327	312	371	332	11.7%	0.0%	£50k charge from external contractor due to resolution of outstanding capacity contribution. £11k costs in 2012/13 for the replacement of passes as part of the 5 year renewal programme.	
April-May	652	661	743	749	(0.8%)	0.0%		
April-June	1,008	966	1,085	928	16.9%	0.0%		
April-July	1,383	1,314	1,437	1,433	0.3%	0.0%		
April-August	1,749	1,641	1,783	1,775	0.5%	0.0%		
April-September	2,114	1,968	2,127	2,117	0.5%	1.5%		
April-October	2,452	2,394	2,479	2,458	0.9%	1.5%		
April-November	2,767	2,709	2,829	2,801	1.0%	1.5%		
April-December	3,034	3,041	3,182	3,143	1.2%	1.5%		
April-January	3,323	3,370	3,508	3,485	0.7%	1.5%		
April-February	3,615	3,703	3,861	3,827	0.9%	1.5%		
April-March	3,963	4,223		4,173				

ACTUALS: 2010/11, 2011/12 & 2012/13



2012/13: ACTUALS & BUDGET



Concessionary Fares

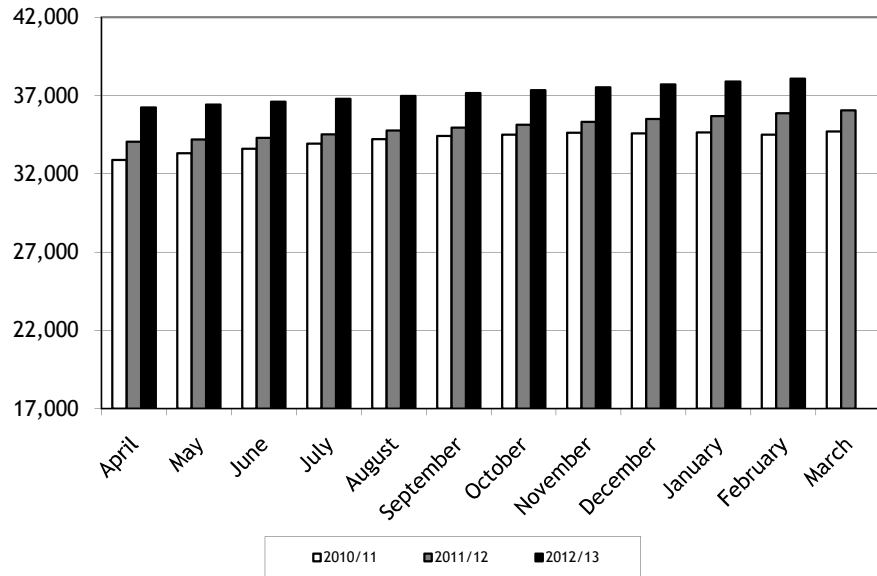
Number of Passes

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
April	32,887	34,048	36,238
May	33,320	34,189	36,422
June	33,600	34,289	36,606
July	33,928	34,511	36,790
August	34,208	34,766	36,975
September	34,419	34,950	37,158
October	34,493	35,134	37,342
November	34,616	35,318	37,526
December	34,580	35,502	37,710
January	34,647	35,686	37,894
February	34,494	35,870	38,078
March	34,695	36,054	

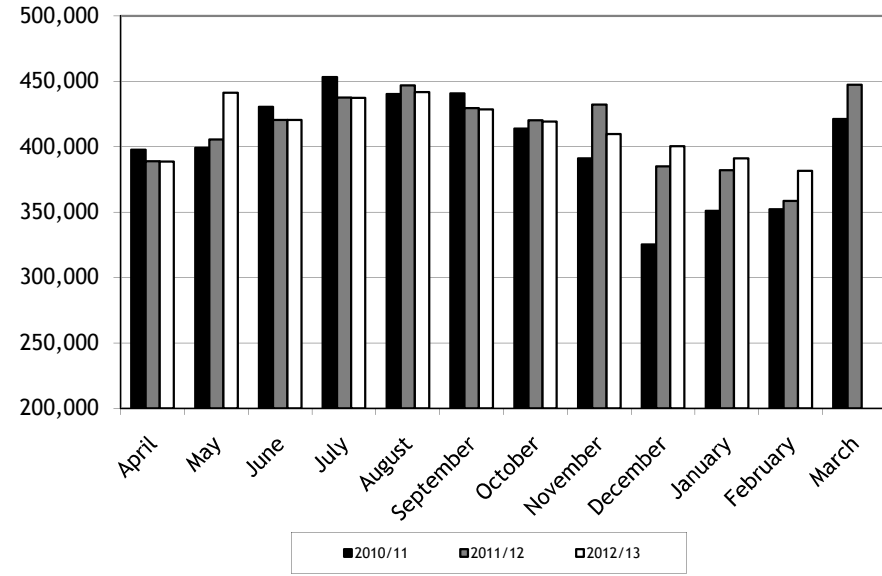
Number of Journeys

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
April	397,654	388,901	388,765
May	399,319	405,667	441,398
June	430,484	420,452	420,500
July	453,230	437,648	437,500
August	440,232	446,850	441,875
September	440,925	429,551	428,602
October	413,804	420,143	419,215
November	391,202	432,278	409,828
December	325,310	384,916	400,441
January	350,993	382,131	391,054
February	352,272	358,656	381,667
March	421,301	447,353	

Number of Passes



Number of Journeys



Planning Services - Income

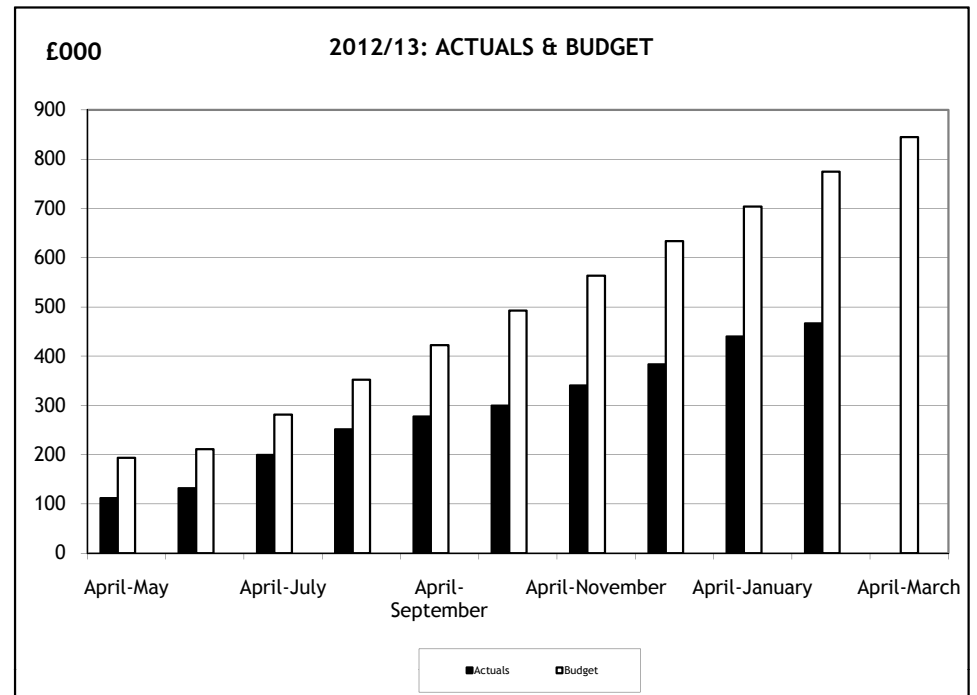
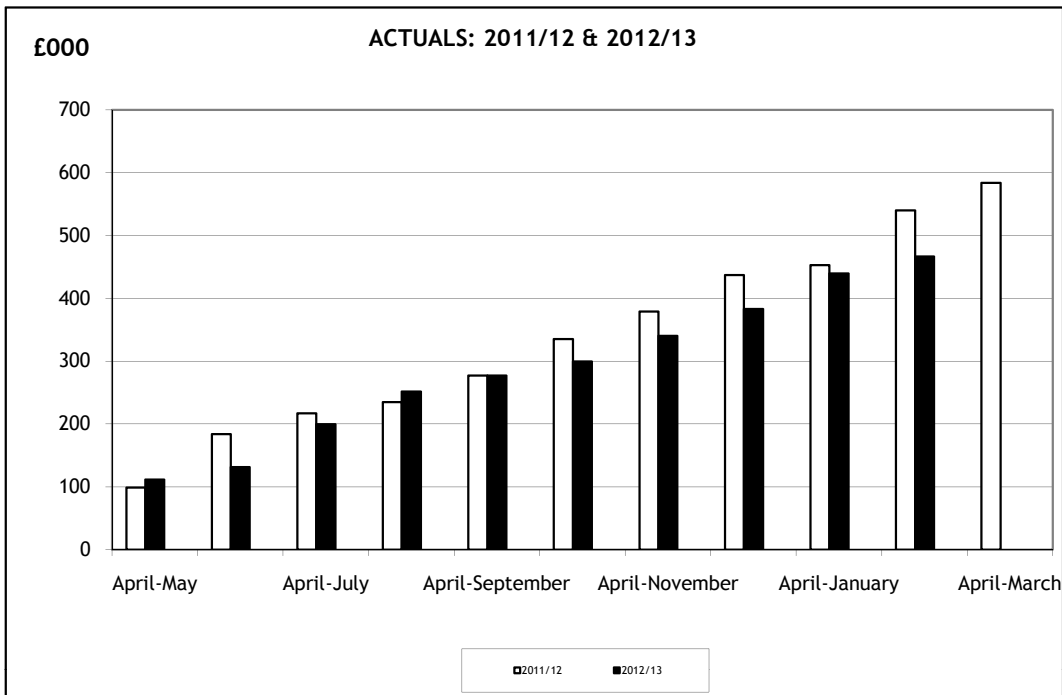
	<u>Previous Year</u>	<u>Current Year</u>		VARIANCE ON BUDGET YTD	PROJECTED YR END VAR. %
	2011/12 ACTUALS £000	2012/13 ACTUALS £000	2012/13 BUDGET £000		
April-May	99	112	193	(42.3%)	(53.3%)
April-June	184	132	211	(37.7%)	(39.3%)
April-July	217	200	282	(29.0%)	(30.9%)
April-August	235	252	352	(28.5%)	(30.9%)
April-September	277	277	422	(34.3%)	(30.9%)
April-October	335	300	493	(39.2%)	(31.4%)
April-November	379	341	563	(39.5%)	(31.4%)
April-December	437	383	634	(39.5%)	(30.8%)
April-January	453	440	704	(37.5%)	(30.8%)
April-February	540	467	774	(39.7%)	(30.8%)
April-March	584		845		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS

The continuing recession in the building industry has led to a reduction in the number of planning applications and pre-application advice requests submitted and reduced income.

ACTION PLANS (where required to bring over-spend under control)

There has been a 15% fee increase from 22 November. The increase is only an inflationary increase (since the last change in April 2008) rather than an increase to recover the costs of providing the service. Despite this, and contrary to the usual pattern, income figures show a small decrease. March is expected to pick up and recoup some of this shortfall.



Building Control - Income

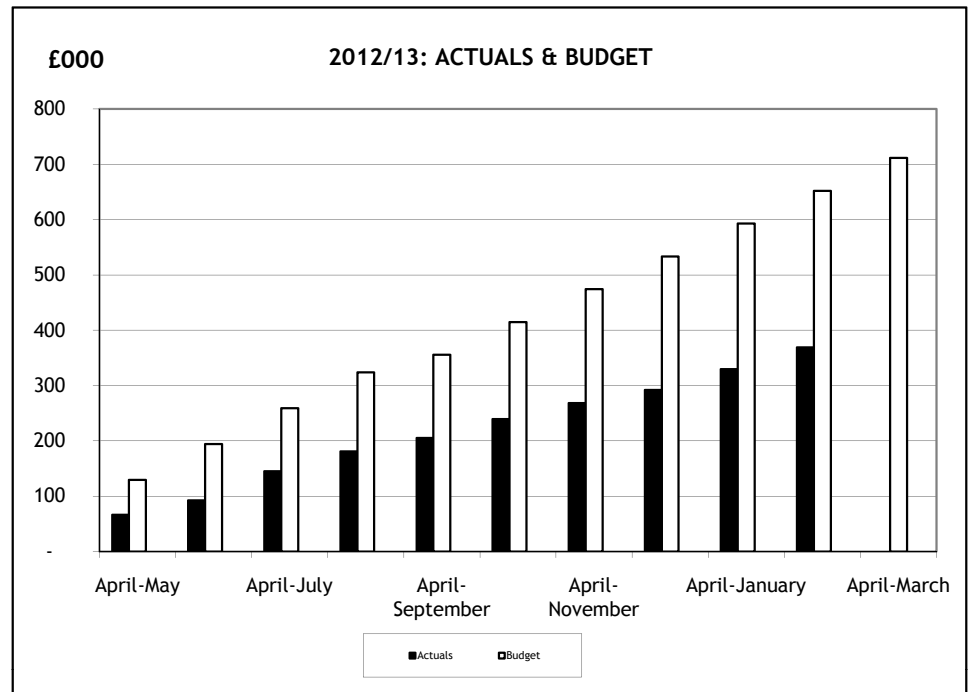
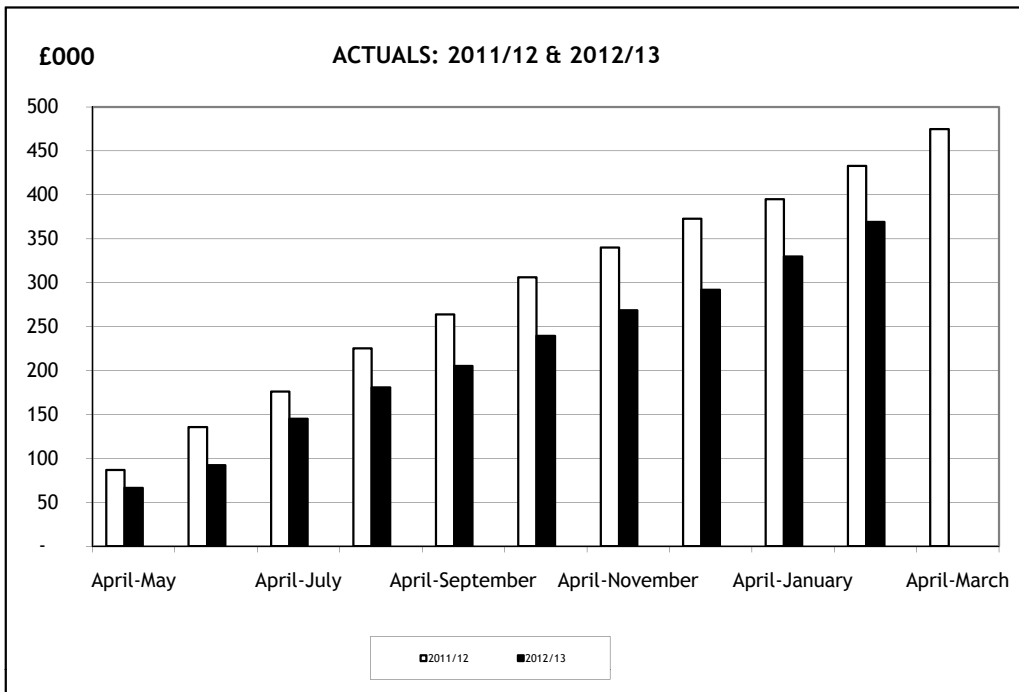
	<u>Previous Year</u>	<u>Current Year</u>		VARIANCE ON	PROJECTED
	2011/12 ACTUALS £000	2012/13 ACTUALS £000	2012/13 BUDGET £000	BUDGET YTD £000	YR END VAR. %
April-May	87	66	130	(48.7%)	(32.3%)
April-June	135	92	194	(52.5%)	(53.8%)
April-July	176	145	259	(44.0%)	(42.6%)
April-August	225	181	324	(44.2%)	(42.6%)
April-September	264	205	356	(42.3%)	(42.6%)
April-October	306	239	415	(42.3%)	(41.9%)
April-November	340	268	474	(43.4%)	(43.4%)
April-December	373	292	534	(45.3%)	(44.4%)
April-January	395	330	593	(44.4%)	(44.4%)
April-February	433	369	652	(43.4%)	(44.4%)
April-March	475		711		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS

The 45% decline in the construction industry is also impacting on Building Control fee income and is further complicated as this service operates in a competitive environment.

ACTION PLANS (where required to bring over-spend under control)

Fee levels are to be reviewed by the end of the year and increased if necessary.



Car Parking Pay & Display Income

Total No. of Spaces : 7511
 Income per space : April 2012 - February 2013
 Actual £516 Budget £526

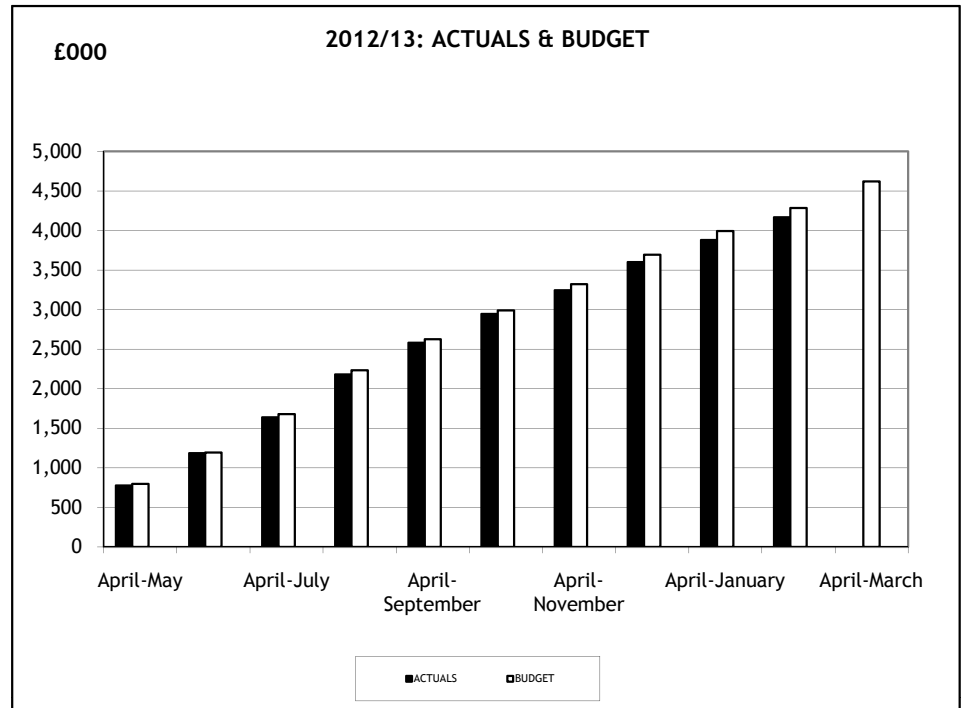
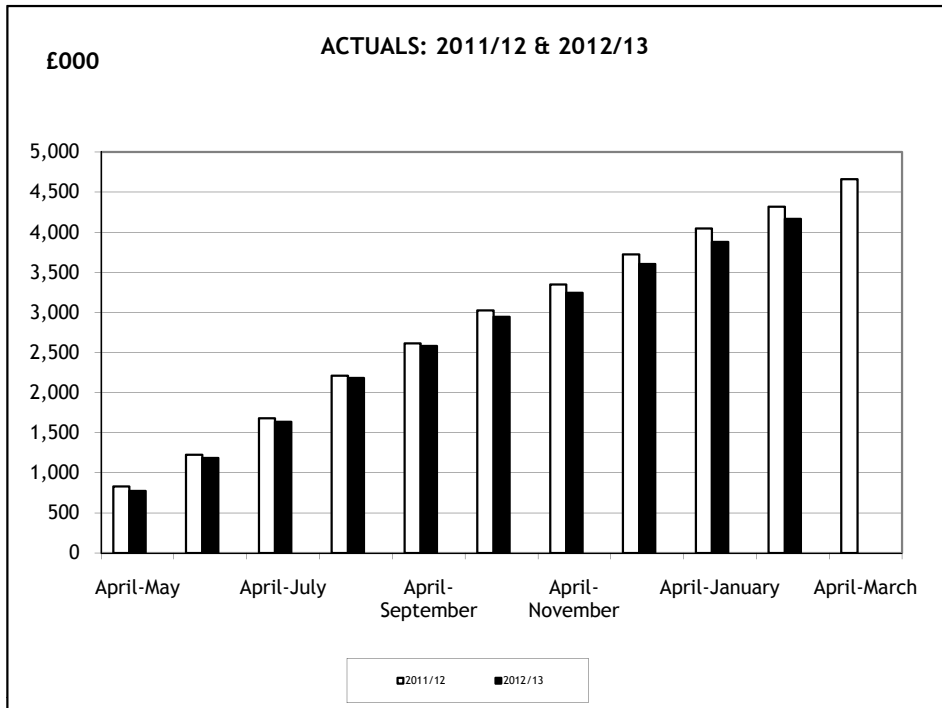
INCOME	Previous Year	Current Year		VARIANCE	PROJECTED
	2011/12	2012/13	2012/13		
Original Budget £ 4,139K	ACTUALS	ACTUALS	BUDGET	YTD	YR END VAR.
	£000	£000	£000	%	%
April-May	831	776	796	(2.5%)	(2.6%)
April-June	1,227	1,187	1,194	(0.6%)	(1.0%)
April-July	1,678	1,638	1,680	(2.5%)	(1.5%)
April-August	2,211	2,182	2,232	(2.2%)	0.4%
April-September	2,613	2,582	2,627	(1.7%)	0.3%
April-October	3,025	2,945	2,990	(1.5%)	(0.3%)
April-November	3,347	3,243	3,322	(2.4%)	(0.8%)
April-December	3,724	3,602	3,694	(2.5%)	(1.4%)
April-January	4,046	3,879	3,991	(2.8%)	(1.4%)
April-February	4,318	4,166	4,284	(2.8%)	(1.4%)
April-March	4,659		4,620		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS

The inclement weather from April-January has affected all car parks particularly the sea front. The recession and general downturn in retail performance has also had an effect on shopping car parks. Improved access to Glen Fern has resulted in an increase in turnover.

ACTION PLANS (where required to bring over-spend under control)

Seafront tariffs have been reviewed and overnight tariffs introduced. New methods of payment such as RingGo & CreditCall are proving popular. The usage profiles for off-street car parks are significantly affected by external factors such as weather & the economy.



Car Parking Permit Income

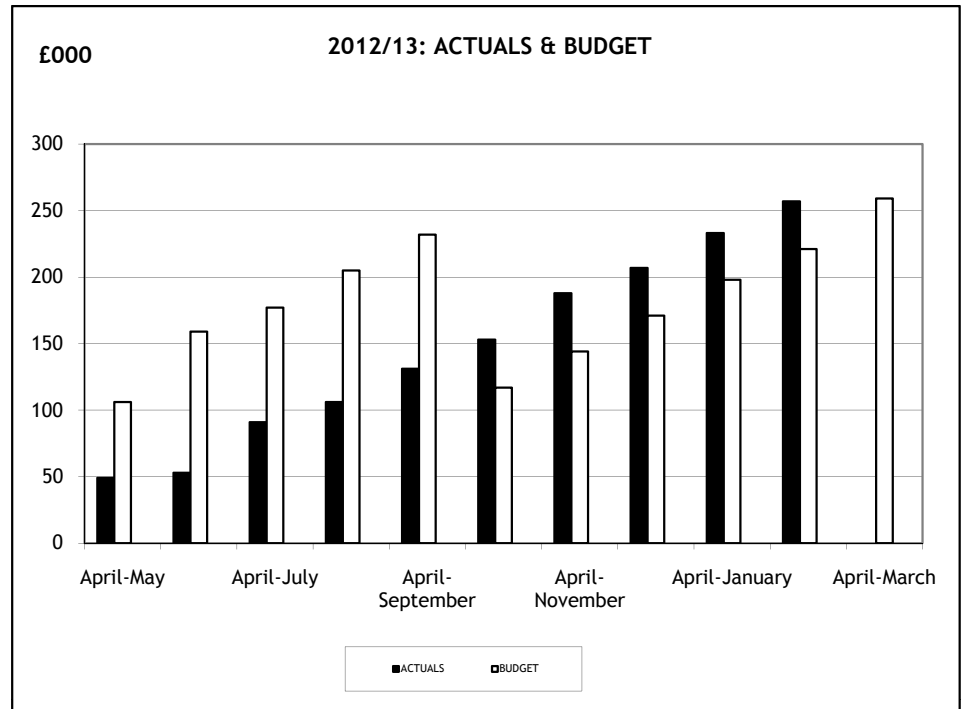
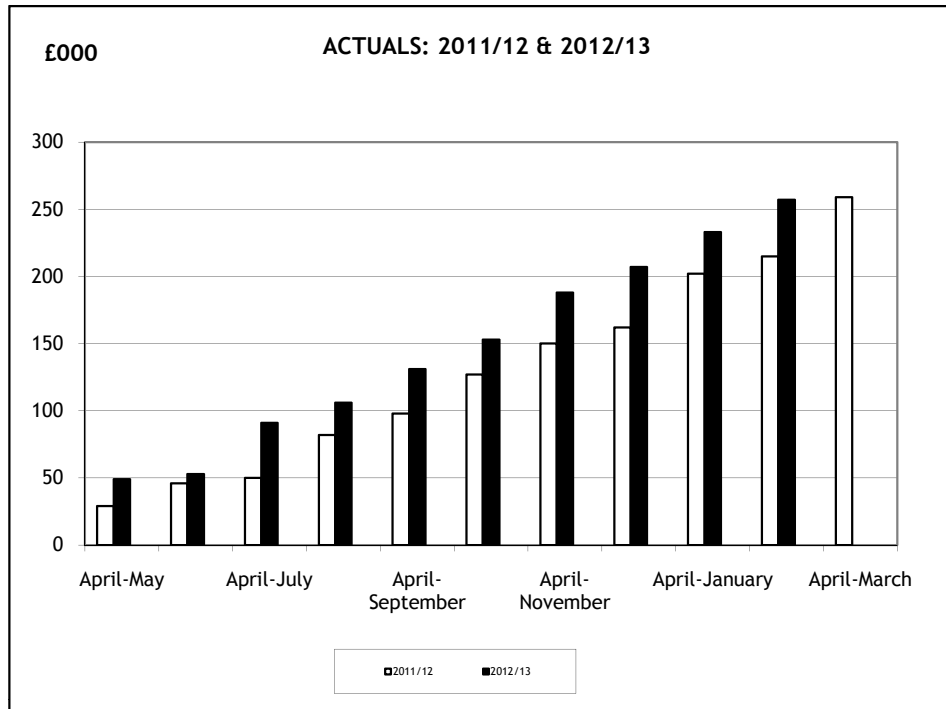
INCOME	Previous Year	Current Year		VARIANCE	PROJECTED
	2011/12	2012/13	2012/13		
Original Budget £ 690K	ACTUALS	ACTUALS	BUDGET	YTD	YR END
	£000	£000	£000	%	%
April-May	29	49	106	(53.8%)	(53.7%)
April-June	46	53	159	(66.7%)	(52.5%)
April-July	50	91	177	(48.6%)	(34.2%)
April-August	82	106	205	(48.3%)	(34.2%)
April-September	98	131	232	(43.5%)	(31.1%)
April-October	127	153	117	30.8%	19.7%
April-November	150	188	144	30.6%	23.6%
April-December	162	207	171	21.1%	18.5%
April-January	202	233	198	17.7%	16.2%
April-February	215	257	221	16.3%	16.2%
April-March	259		259		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS

There is a reduction in local companies purchasing permits for their staff coupled with a reduction in car parking spaces being paid for by council departments in line with the council's travel plan. However there is a 25% increase in permits purchased via RingGo. A budget virement of £162k has been transferred in October to address income pressures.

ACTION PLANS (where required to bring over-spend under control)

Additional marketing of permits and the introduction of new methods of payment (e.g. RingGo) has assisted in generating sales.



Car Parking PCN Income

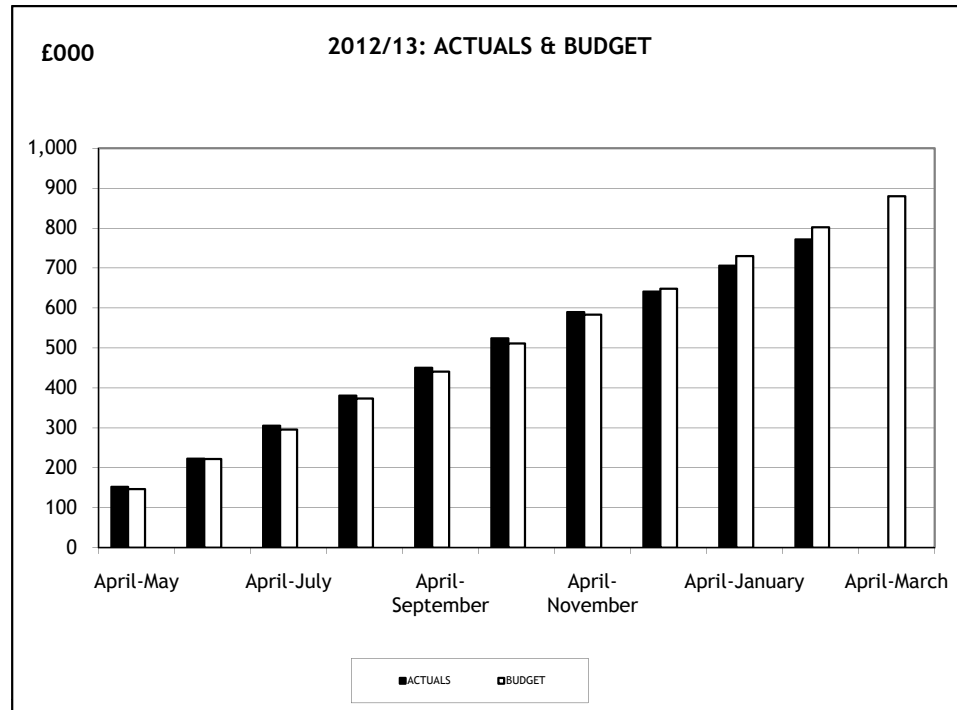
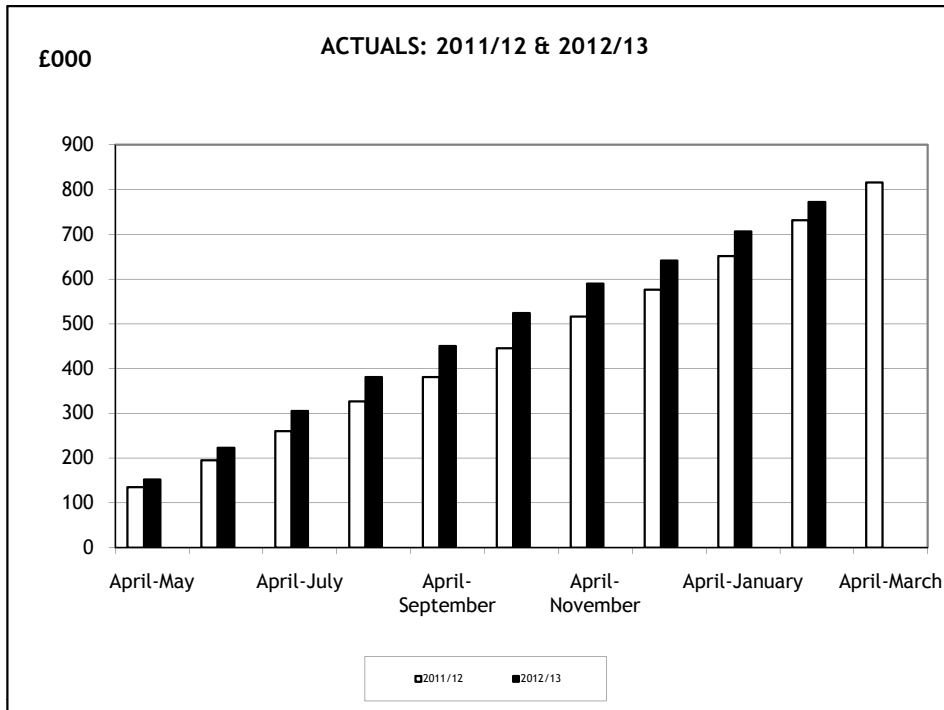
INCOME	Previous Year	Current Year		VARIANCE	PROJECTED
	2011/12	2012/13	2012/13		
Original Budget £ 1,076K	ACTUALS	ACTUALS	BUDGET	YTD	YR END
	£000	£000	£000	%	%
April-May	135	152	147	3.4%	2.3%
April-June	195	223	222	0.5%	3.4%
April-July	260	305	296	3.0%	4.5%
April-August	327	381	373	2.1%	1.1%
April-September	381	450	441	2.0%	2.3%
April-October	445	524	511	2.5%	2.3%
April-November	516	590	583	1.2%	1.7%
April-December	576	641	648	(1.1%)	0.0%
April-January	651	706	730	(3.3%)	(1.7%)
April-February	731	772	802	(3.7%)	(1.7%)
April-March	816		880		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS

With regard to off-street parking the number of PCNs issued has reduced because of increased compliance due to clamping notices and new methods of pay & display (e.g. RingGo). Changes in the deployment of enforcement officers between on and off street has increased the number of offences detected on street and increased income collected.

ACTION PLANS (where required to bring over-spend under control)

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Car Parking Permit / PCN Statistics

Car Parking
Permit Numbers

	2011/12	2012/13
June	179	181
July	202	219
August	248	272
September	289	305
October	345	363
November	401	420
December	435	461
January	476	505
February	534	559
March	568	

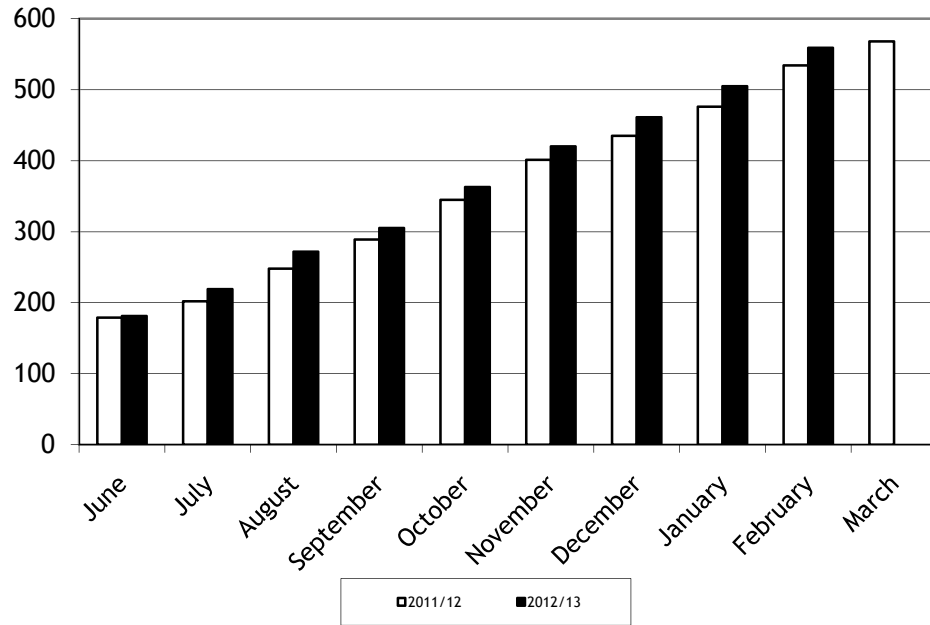
There have been significant changes to the sales of car parking permits. These changes include the introduction of monthly permit sales.

Due to this change, this data is currently being reviewed.

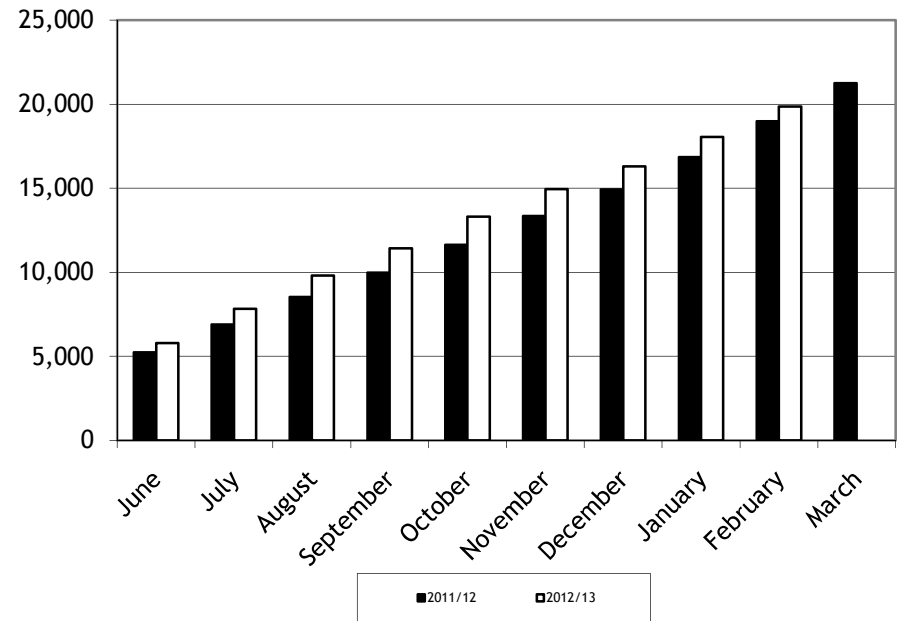
Car Parking
PCN Numbers

	2011/12	2012/13
June	5,237	5,789
July	6,899	7,828
August	8,535	9,797
September	9,974	11,429
October	11,627	13,311
November	13,350	14,939
December	14,936	16,307
January	16,858	18,050
February	18,982	19,850
March	21,255	

Car Parking Permit Numbers



Car Parking PCN Numbers



Revenue Management Statements 2012-13 Summary by Service Unit

Annual Budget		1 April 2012 - 28 February 2013			Projected	COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS
		Actuals	Budget	Variance	Outturn	
£000	<u>TECHNICAL SERVICES</u>	£000	£000	£000	£000	
29,532	Expenditure	28,102	27,600	502	252	Changes to certain waste regulations and recycle disposal markets (particularly wood) have resulted in additional costs for the year (£80k & £100k respectively). Price Indexation clauses on principal waste contracts has increased costs by £331k and together these factors are likely to result in an over-spend. The service is endeavouring to reduce this over-spend and has identified approximately £219k from operational cost reductions and contributions from grants awarded to us - where possible further reductions are being sought. The harshness of the winter weather and the level of winter service and road damage will influence the ability to mitigate the additional costs being incurred. Spend on reactive highways maintenance continues to be a significant pressure on overall Technical Services budgets.
(8,753)	Income	(7,979)	(7,823)	(156)	40	
<u>20,779</u>	Net Cost of Service	<u>20,123</u>	<u>19,777</u>	<u>346</u>	<u>292</u>	
<u>2,948</u>	Appropriations	<u>12</u>	<u>13</u>	<u>(1)</u>	<u>0</u>	
<u><u>23,727</u></u>	Net Cost to Revenue	<u><u>20,135</u></u>	<u><u>19,790</u></u>	<u><u>345</u></u>	<u><u>292</u></u>	

Revenue Management Statements 2012-13 Summary by Service Unit

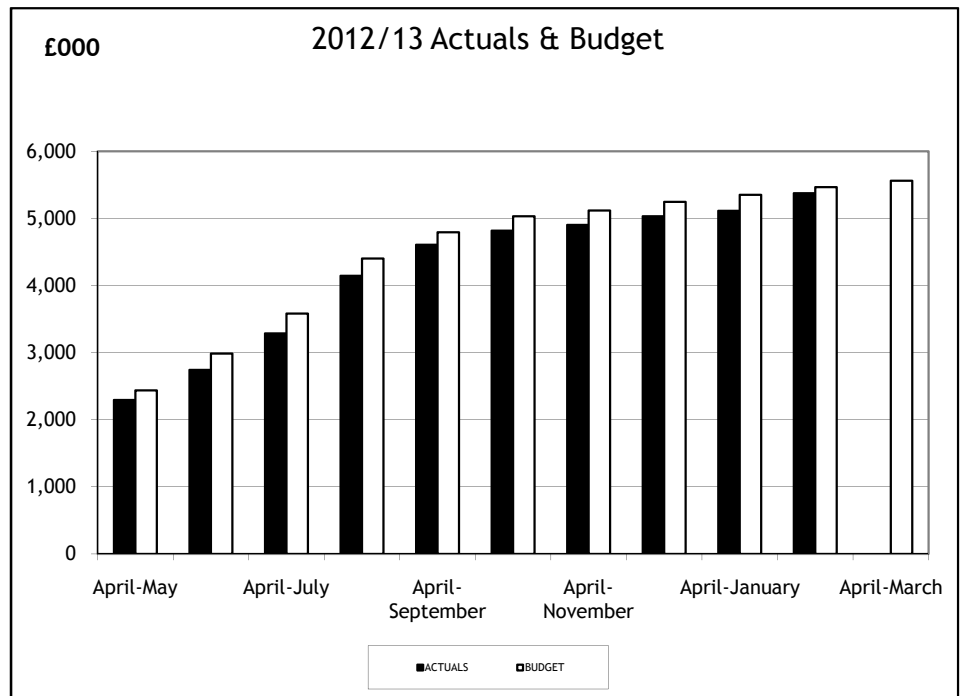
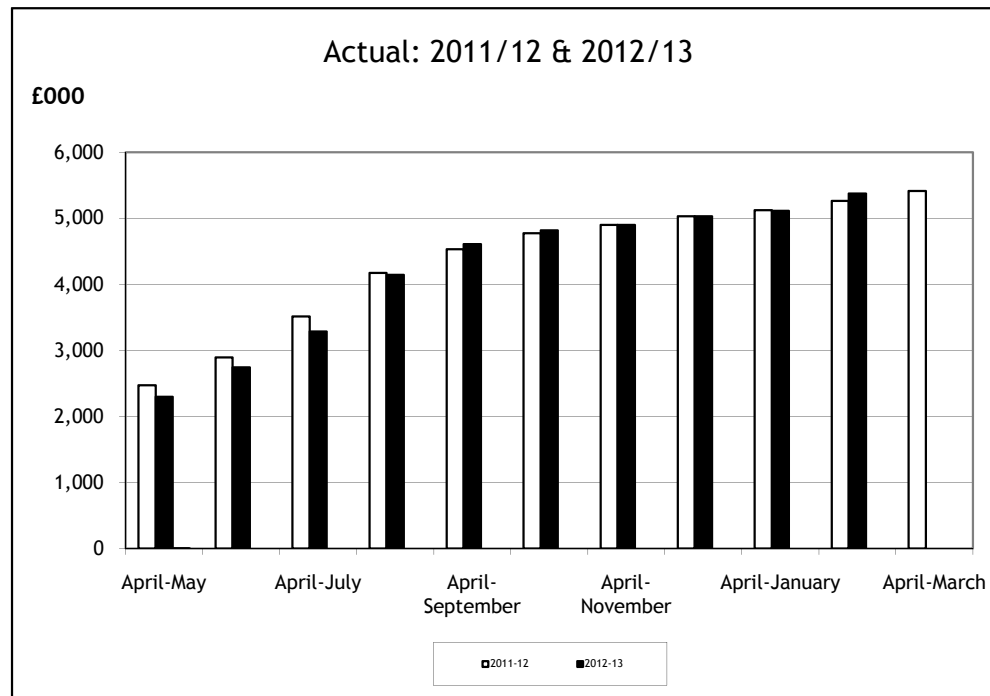
Annual Budget		1 April 2012 - 28 February 2013			Projected Outturn	COMMENTS OF BUDGET HOLDERS ON CURRENT AND FORECAST POSITIONS
		Actuals	Budget	Variance		
£000	<u>TOURISM & CORPORATE COMMUNICATIONS</u>	£000	£000	£000	£000	
11,684	Expenditure	11,294	10,816	478	12	<p>Year to date expenditure relates to festivals, events and promotional activities and is partly offset by income from those activities. The poor weather in the early season led to a decline in trading in both Seafront and Tourism, and this shortfall in income is reflected in the respective forecast outturns. Managers continue to review expenditure and are trying to reduce costs where possible.</p> <p>Tourism & Corporate Communications is projecting a total shortfall of £200k with small budget savings on Communications and Town Centre Manager. However, these two areas would like to carry forward the projected under-spends, if these carry forward bids were successful the outturn projection would increase by approximately £50k. The slight change in outturn forecast is due to increased insurance costs.</p>
(7,500)	Income	(7,862)	(7,522)	(340)	188	
4,184	Net Cost of Service	3,432	3,294	138	200	
(150)	Appropriations	(219)	(219)	0	0	
4,034	Net Cost to Revenue	3,213	3,075	138	200	

Seafront Income ~ All Income

INCOME	Previous Year	Current Year		VARIANCE TO LY %	PROJECTED YR END VAR. %
	2011-12	2012-13	2012-13		
	ACTUALS £000	ACTUALS £000	BUDGET £000		
April-May	2,474	2,295	2,439	(5.9%)	3.6%
April-June	2,891	2,742	2,986	(8.2%)	3.6%
April-July	3,515	3,287	3,583	(8.3%)	3.6%
April-August	4,171	4,144	4,404	(5.9%)	3.6%
April-September	4,532	4,608	4,795	(3.9%)	2.7%
April-October	4,774	4,817	5,033	(4.3%)	2.7%
April-November	4,901	4,901	5,118	(4.2%)	1.8%
April-December	5,029	5,031	5,248	(4.1%)	1.8%
April-January	5,123	5,113	5,350	(4.4%)	1.8%
April-February	5,265	5,377	5,465	(1.6%)	1.8%
April-March	5,414		5,563		

COMMENTS OF RESPONSIBLE BUDGET HOLDERS
Early season trading was very poor in comparison to 2011/12 although recent months show some recovery.

ACTION PLANS (where required to bring over-spend under control)
Spending on R&M and staffing has been held back and reduced in order to mitigate the impact of the reduced trading income.



Seafront Weather Analysis

Seafront Hours of Sunshine per Month

Non-Financial Information

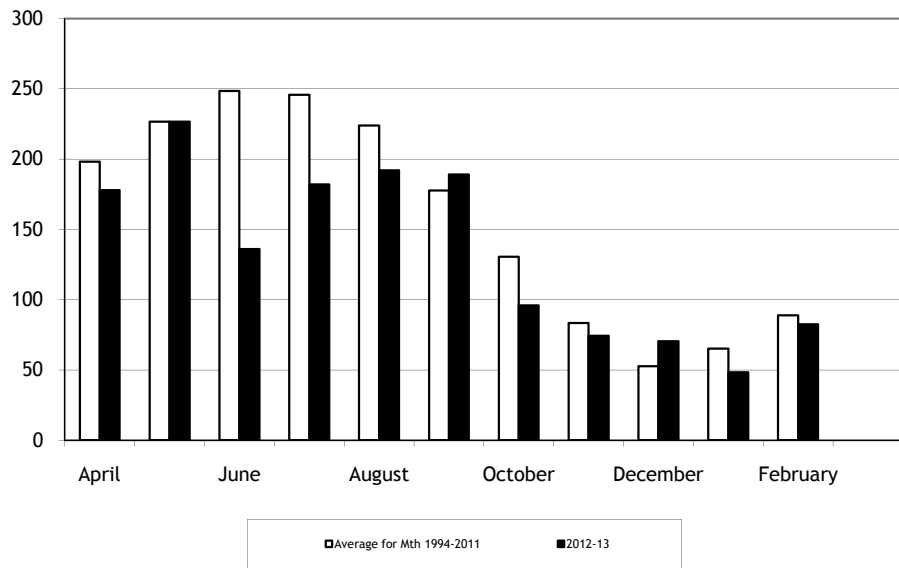
	Average for Mth 1994-2011	2012/13
April	198	178
May	227	227
June	249	136
July	246	182
August	224	192
September	178	189
October	131	96
November	83	74
December	53	70
January	65	48
February	89	83
March		

Mm of Rainfall

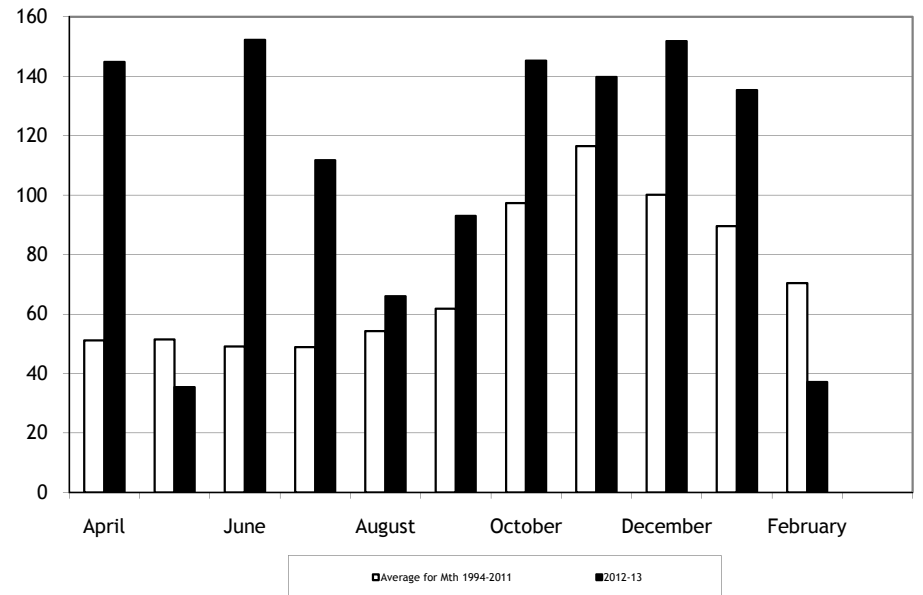
Non-Financial Information

	Average for Mth 1994-2011	2012/13
April	51	145
May	51	35
June	49	152
July	49	112
August	54	66
September	62	93
October	97	145
November	117	140
December	100	152
January	90	135
February	70	37
March		

Seafront Hours of Sunshine per Month



Mm of Rainfall



Subject: Recommended Changes from Executive Gateway Board
Cabinet Portfolio: Leader of the Council and Resources
Corporate Lead: Tony Williams, Chief Executive
Meeting Date: 2 May 2013
Status: Public
Contact: Jo Hooper, Senior Project Management Adviser
☎ 01202 458213
✉ jo.hooper@bournemouth.gov.uk

1.0 Summary

- 1.1 This report provides an update of the projects considered as part of the Gateway process by the Executive Gateway Board (EGB) on 17th April 2013.

2.0 Recommendations

That Cabinet asks Full Council to approve the funding changes to the following projects within the Council's Capital Programme:

- 2.1 Muscliff Primary School Extension Phase 2 - additional £60,000 to be funded from the schools Devolved Formula Grant.

3.0 Reason for the Recommendations

- 3.1 The Executive Gateway Board has considered proposals for amendments to the capital programme and, in line with Council policy; request that Cabinet confirm these changes. It considers that the proposals are robust and affordable and that the associated benefits are deliverable.

4.0 Background

On 17th April 2013 the Executive Gateway Board reviewed the following proposals:

4.1 Muscliff Primary School Extension Phase 2

The project is providing an additional four classrooms and further toilets to enable the school to offer 90 places per year group permanently from September 2014. This will contribute to the significant shortfall in school places in Bournemouth caused by a dramatic increase in births over the last five years.

The school wished to enhance their office and reception area, and had sufficient Devolved Formula Capital to do this. Economies of scale can be achieved through carrying out these works as part of the main contract to extend the school, and this makes the scheme affordable for the school.

5.0 Consultation

- 5.1 The EGB comprises the Chief Executive, Executive Directors, the Chief Finance Officer. The Leader and Deputy Leader provide a political steer to the Board.
- 5.2 Representatives from across the Council are consulted on project business cases through a Project Review Group.

6.0 Options

6.1 An option appraisal is part of the Council's project management procedures. It is considered when approval is sought to commit funding for a project.

7.0 Financial Implications

Muscliff Primary School Extension Phase 2

Financial Year	2012/13	2013/14	Total
Approved spend	£971,800	£25,000	£996,800
Proposed spend	£971,800	£85,000	£1,056,800
Total Change	£0	£60,000	£60,000
Source of funding for change			Devolved Formula Capital

8.0 Legal Implications

8.1 The legal implications of all projects are considered as part of the 'Business Justification' assessment at Gateway 2.

9.0 Environmental Impact

9.1 The environmental implications of all projects are considered as part of the 'Business Justification' assessment at Gateway 2.

10.0 Equality and Diversity

10.1 The equality and diversity implications of all projects are considered as part of the 'Business Justification' assessment at Gateway 2.

11.0 Summary of Risks/Benefits

11.1 An initial risk assessment is carried out for all projects and a risk log is maintained throughout the project lifecycle.

Background Paper

Change request - Muscliff Primary School - Extension Phase 2

<http://www.bournemouth.gov.uk/CouncilDemocracy/Councillors/CouncillorCommitteeMeeting/Cabinet/2013/05/01/Reports/Background-Paper-for-Executive-Gateway-Board.pdf>