

**ECONOMIC AND COMMUNITY INFRASTRUCTURE**

## 1. Financial Outturn

The table below shows the total in-year underspends of £1.631m broken down by service areas.

| Service                           | Total budget approvals | 2017/18 Outturn | Variance Underspend (-) / Overspend | Earmarked Reserves | Underspend (-) / Overspend |
|-----------------------------------|------------------------|-----------------|-------------------------------------|--------------------|----------------------------|
|                                   | £m                     | £m              | £m                                  | £m                 | £m                         |
| <b>Somerset Waste Partnership</b> | 27.212                 | 26.094          | (1.118)                             | 0                  | <b>(1.118)</b>             |
| <b>Highways</b>                   | 10.811                 | 11.298          | 0.487                               | (0.286)            | <b>0.202</b>               |
| <b>Other ECI Service Budgets</b>  | 24.735                 | 23.277          | (1.458)                             | 0.744              | <b>(0.715)</b>             |
| <b>Total</b>                      | <b>62.758</b>          | <b>60.669</b>   | <b>(2.089)</b>                      | <b>0.458</b>       | <b>(1.631)</b>             |

**Summary by Service**

- **Somerset Waste Partnership: £1.118m Underspend**

The overall underspend on Waste Services represents 4.1% of the SCC contribution to the Somerset Waste Partnership Annual Budget. The adverse weather in March will have impacted on the waste arisings, although it is possible that this will re-emerge in April.

Waste volumes remained low in the first six months as the full year effect of the introduction of the Household Waste Recycling Centre (HWRC) Permits continued to drive down the tonnages on our sites.

Refuse, recycling and food presented at kerbside were all below budgeted levels, which were calculated with regard to household growth. It is a positive performance that waste arisings did not increase in line with household growth (kerbside tonnage up 0.5% against household growth of 1.08%).

The cost of fly tips was also below budget, which is entirely linked to the number of incidents reported.

In accordance with the spending freeze, Head Office expenditure was halted in the latter part of the year, and SCC's share of this was £70,000.

There was also a one-off contractual payment ahead of the new Energy From Waste contract with Viridor that improved the in-year position.

It is requested that £0.246m is carried forward for Recycle More, where there will be a need for disposal infrastructure such as delivery and tipping points. There is also a need for additional staffing support for the tendering and roll-out phases of the project, which will need one-off funding.

The balance (£0.872m) is available for return to general reserves.

- **Highways: £0.202m Overspend**

An overspend of £0.385m across winter and emergency services was caused by the sustained adverse weather in March. This was unavoidable expenditure. However, this has been partly mitigated through savings in the street lighting energy budget and the capitalisation of additional asset replacement works.

Routine works budgets remain under significant pressure and a potential overspend in these services have only been offset in the year through the drawdown of commuted sums balances where it is appropriate to do so. To achieve the maximum rebate (and therefore best unit rates) under the Term Maintenance Contract requires a given level of throughput, which is now in increasing danger of not being achieved as budgets are reduced.

Highways budgets are also experiencing increased insurance charges, which is which is consistent with the insurance market nationally.

Other service areas have largely been managed within budget, and the MTFP savings for the service were delivered in full.

This overspend can be written off against underspends elsewhere within Economy and Community Infrastructure, and therefore there is no impact on General Reserves.

- **Other Services: £0.715m Underspend**

The outturn position is made up of a number of individual over and under spends across ECI services, the largest of which are detailed below. In many cases, the underspend was caused by the services delaying or ceasing expenditure in accordance with the corporate directive.

Parking Services were underspent against budget by £0.313m because of increased income from received from Bus Gate Penalty Charge Notices (PCNs) and because some electronic equipment was not received in the financial year. Obviously, this is not guaranteed to continue in the future, and both On-street and Off-Street operations both remained within £10k of their budget.

Flood and Water Management in Commissioning was underspent by £0.250m, which is largely caused by a conscious decision to delay slightly the schemes undertaken to support the spending freeze.

Traffic Management was underspent by £0.154m, partly because additional income was raised for survey work and under the New Roads and Street Works Act, and also because the replacement of equipment was delayed until 2018/2019.

Transporting Somerset was underspent by £0.150m because of additional income made through the charging out of SCC fleet vehicles, reaching agreement with an operator on Concessionary Fares and by delaying some IT expenditure.

Small overspends were recorded in a number of ECI services such as Highways and Transport Commissioning (£0.084m, staffing support for the Transport Board and planning liaison costs); the Infrastructure Programme Group (£0.078m, staff sickness costs that could not be charged to capital); and Trading Standards (£0.042m, unfunded contract inflation costs).

Other variations were minor.

**Carry Forward requests (See Annex A and Annex B, and text above)**

**In-year carry forwards requests:- £0.246m**

**Waste £0.246m**

For one-off disposal costs associated with the roll-out of Recycle More, such as delivery and tipping points, plus additional staffing support. The move to Recycle More was approved by the Somerset Waste Board in February 2017, and the procurement approach to be taken was agreed by the Board in November 2017.

**Write-off requests:-**

There are no write off requests. Any service overspends in this area have been offset with underspends.

**Return to General Reserves:-**

A balance of £1.385m would be returned to General Reserves

**Debts**

Debts owed to the Service at 31 March 2018 are summarised below:

**Aged debt analysis:**

| <b>31 March 2017<br/>£m</b> | <b>Age of Debt</b> | <b>31 March 2018<br/>£m</b> |
|-----------------------------|--------------------|-----------------------------|
| 0.352                       | Not Overdue        | 0.320                       |
| 2.178                       | 0-30 days          | 4.199                       |
| 0.316                       | 1-3 months         | 0.216                       |
| 0.094                       | 3-12 months        | 0.113                       |
| 0.146                       | Over 12 months     | 0.247                       |

|              |                 |              |
|--------------|-----------------|--------------|
| <b>3.086</b> | <b>Total</b>    |              |
| 0.000        | Unassigned Cash | 0.000        |
| <b>3.086</b> |                 | <b>5.086</b> |

- Only 7.07 % of debts were over 90 days old as at 31<sup>st</sup> March 2018, which is significantly below the previous corporate target of no more than 15% of debt over 90 days old. This has been the situation for much of the latter part of the financial year.
- Specific bad debt provisions of £268,483.61 were made in respect of the outstanding debts as at 31<sup>st</sup> March 2018.
- Of the older debts, larger amounts relate to highways claims, contributions and payments due under the New Roads and Street Works Act. All are being actively pursued.
- Debts totalling £13,364.06 were written off in the year. These were all small debts from transport provision, including County Ticket, individual libraries charges and minor damage to the highway.

For further information please contact:

Martin Gerrish on extension 5303 or (01823) 355303.

Email: [MGerrish@somerset.gov.uk](mailto:MGerrish@somerset.gov.uk)