

Significant Items of Variance from Working Budget

General Fund Budget 2016/17- Major Variances from Budget

Service Grouping	Reason for Variance	Actual (Favourable) / Adverse Variance £
Finance & Staffing Portfolio		
Housing and Council Tax Benefit	Actual admin grant higher than estimate by £45k. Expenditure on the private and HRA claims to date is below budgeted level, this is due to reduced number of claimants and the amount claimed being lower than budgeted. Overpayment recovery has been higher than expected.	(127,706)
Corporate Management	The variance is mainly due to saving of £145k on staff costs, offset by £52k early retirement (pension strain) costs.	(84,769)
Cost of NNDR Collection	The variance is driven by the £42k overspend on Surveyors/valuers (Analyse Local) and recharge higher than estimate by £26k, despite savings in other areas and income from In-house Bailiff fees.	35,660
Cost of Council Tax Collection	The main element is a DCLG Family Annexes £51k grant not budgeted for plus savings on Bank Charges (introductory free banking from Barclays saved £11.5k), lower recharges £21k and less expenditure on legal costs/bankruptcy proceedings £14.5k.	(110,862)
3C Shared Services Programme Hub	No budget was set for this service for the year as decision to set up the Hub was taken later than the budgeting work was completed.	59,931
Other net variances		(3,531)
Total variance for Portfolio		(231,277)
Corporate & Customer Services		
Land Charges	A £182k contingent liability was brought forward from the 2015-16 accounts regarding a nationwide litigation case brought against local authorities by personal search organisations. Settlement has now been reached and paid and this has been assumed is a full and final settlement of the case. The final settlement is a lot less than was assumed in the accounts - a decision will need to be made as to whether this is returned to GF reserves or specific earmarked reserves. The loss on the land charges "trading" account has been accounted for within the outturn variance.	(152,787)
Democratic Representation	The main element of the variance is £131k lower than budget staff costs due to vacancies in the department and the rest coming through from overhead recharges. Other costs undercharged to the department were due to the allocation based on FTE, which affected it more compared to the other service areas.	(144,822)
Street Naming and Numbering	The main element of the variance is £63k lower than budget staff costs due to the service being transferred to become a shared service.	(69,492)
Other net variances		(7,875)
Total variance for Portfolio		(374,976)
Economic Development		
Economic Development	The positive variance is based on a number of factors: £8k income carried forward from 2015/16 to 2016/17 from Huntingdon DC to cover Business Support Workshops commissioned in 2015/16, but not carried out until 2016/17, £7k income carried forward from "IDeA Growth Advisers", £15k underspend because Business Support workshops haven't run while providers are being changed (resulting in £15k income) and £44k underspend on staff costs due a vacancy.	(80,819)
Other net variances		(7,153)
Total variance for Portfolio		(87,972)
Environmental Services Portfolio		
Awarded Watercourses	The positive variance is partly due to the Drainage Manager post being worked part-time, the key element of the variance is due to a budget virement of £110k during the year for the purchase of Plant and Equipment, this has not been spent. 110k virement was made up a saving from additional paper income of £65k in SWS and £45k staff saving elsewhere.	(86,225)

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Webbs Hole Sluice Pumping Station	When the budget was set, it was assumed that the on-going costs of operating and maintaining the Webbs Hole Sluice pumping station could be met from the s106 contributions that have been built-in to the Northstowe development agreements. It now appears that the full on-going costs will have to be funded through the District council. This has meant that there is an on-going spending pressure of £48k (although £25k of this is a depreciation charge which is reversed out on the GF summary) - so a pressure of £23k on the local tax payer. These costs have now all been included in the estimates going forward from 2017-18.	48,179
SSWS	Numerous ups and downs within the overall budget but the main reasons are: <ul style="list-style-type: none"> • under-utilised street cleansing budget, vacant posts have not been filled and programmed mechanical sweeping has not been carried out. • fuel price has remained relatively stable through the year at a lower price than was budgeted for • benefitted from the high market price obtained for recycled paper tonnages collected through the paper-out contract with Palm Recycling. This has manifested itself into high income generation when the paper is sold on to the paper mill. • greater surplus through delivery of the commercial waste service 	(38,028)
Environmental Health General	Vast majority of this is in the departmental recharges and overhead costs. The H&ES staffing budgets were underspent by c. £220k a large proportion of which would be allocated within the Environmental Health - General cost centre.	(75,779)
Environmental Protection	Vacant posts which have only partly been backfilled has led to a staff saving.	(27,845)
Licences	Vacant post within the role of "Assistant Licensing Officer" - now filled with effect from November.	(31,553)
Health and Wellbeing	Departmental, support service and overhead recharges approx. £20k underspent Greater promotion and therefore participation of the school holiday and adult taster sessions sports camps have led to a £14k increase in income generation. General other expenditure budgets have been underspent by £29k.	(62,861)
Other		(21,463)
Total variance for Portfolio		(295,575)
Housing (General Fund)		
Homelessness	The saving is largely (£70k) due to the saving from minimising spend on B&B accommodation. The rest of the saving is on staff costs, due to secondments and vacancies.	(56,110)
Travellers' Sites	£199k capital charge (depreciation) was not provided for in the budget. This is a notional charge and is reversed out on the GF summary and therefore will not impact on the overall financial position.	180,531
Self-Build Vanguard	This service had no budget allocated to it in the 2016/17 budgets, therefore all costs have created an overspend. This will be recovered through income in future years.	85,534
Improvement Grants	This is a capital charge not provided for in the budgets. This is a notional charge and is reversed out on the GF summary and therefore will not impact on the overall financial position.	78,271
Other		(9,930)
Total variance for Portfolio		278,296
Planning Portfolio		
Development Control	Overspends on Appeals and Compensation payments of £187k, Archaeological Services (Cambridge County Council) £10k and Departmental Recharges £245k higher than budgeted for, have been offset by income received being £376k higher than budgeted for.	63,349

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Planning Policy	The variance is made up of the unspent consultancy budget of £239k and use of £327k New Homes Bonus to fund Local Plan expenditure in accordance with MTFs. Departmental recharges £14k higher than budget, and legal fees £14k higher than budgeted.	(544,827)
Building Control Services	The overspend is South Cambridgeshire's £131k share of overspend by the Building Control Shared Service.	122,589
Conservation	The variance is due to the £60K spend on the sale of St Denis's church. This expense was approved by the Portfolio holder on 22 March 2013 and then by the Council on 27 February 2014, but was not included in the budget for 2016/17. This is partially offset by £8K saving on other grants, and increase of £50k for Departmental Recharges.	104,092
Travellers Issues	No expenditure was required for Travellers issues in 2016/17.	(88,473)
Illegal Encampments	The overspend is due to higher than budgeted departmental recharges.	53,297
Other net variances		(233)
Total variance for Portfolio		(290,206)
Strategic Planning & Transport Portfolio		
Northstowe	This positive variance is due to £18k underspend on Consultancy, £26k lower Departmental Recharges than budgeted, income £73k higher than budgeted and £70k budgeted contribution from Reserves not being required.	(46,918)
Other		2,811
Total variance for Portfolio		(44,107)
Total for General Fund Revenue		
		(1,079,828)
Unallocated		
City Deal Funding Contribution and (Surplus)/Deficit on Infrastructure Reserve Fund	The variance is due to some of the infrastructure funding requirement remaining unused in the year as work did not take place.	226,652
Council Actions	Only £10k of this allocation was used with the rest due to be moved to an earmarked fund.	(40,000)
Capital Charges	Capital Charges were higher than budgeted in the year. This is reflected in slightly higher costs of depreciation within services, with minor differences arising across many lines. This, however, is the reversal of the charges for the accounting purposes, which consolidates all variances, therefore is a more significant number. MRP, budgeted at £400k, has not been calculated to date, therefore the budgeted value was used instead.	(300,780)
Provision/Contingency for business rates appeals/revaluations	No expenditure required in the year	(1,800,000)
Other		(1,923)
Total variance for Unallocated		(1,916,051)

Appendix C (2)

Significant Items of Variance from Working Budget

Housing Revenue Account 2016/17- Major Variances from Budget

Service Grouping	Reason for Variance	Actual (Favourable) / Adverse Variance £
Housing Repairs - Revenue		
Revenue Maintenance	Underspending of £1,036,075 against the budget for revenue repairs was reported at year end, which was due to £364k underspending in respect of internal response repair works, £260k savings from re-tendered cyclical maintenance contracts, £90k underspend due to a delayed start of the drainage survey programme, £235k predominantly due to underspending in asbestos survey activity and the resulting removal works and specialist investigations, which are demand led budgets. £43k additional income received from recoverable repair costs (tenants and leaseholders).	(1,036,075)
Other net variances		0
Total variance for Service		(1,036,075)
Sheltered Housing		
Sheltered Housing	Net underspend of £151,700 resulting predominantly from the restructure of the service at the beginning of 2016/17, which took place after budgets for the year were set.	(151,700)
Other net variances		0
Total variance for Service		(151,700)
Flats		
Flats	The overspend of £40,016 was predominantly due to the write off of historic balances of prior year expenditure in excess of service charge income received, that can't now be recovered from leaseholders.	40,016
Other net variances		0
Total variance for Service		40,016
Tenant Participation		
Tenant Participation	The service reported a £96,239 underspend at year end due to a combination of underspending in tenant led estate investment and tenant led scrutiny support. Savings in taxi & travel costs were also achieved through the restructure of tenant forums.	(96,239)
Other net variances		0
Total variance for Service		(96,239)
Re-provision and New Homes		

Re-provision and New Homes	The underspend of £34,098 resulted from the limited use of the abortive costs budget and costs relating to County owned sites being recharged to the County Council.	(34,098)
Other net variances		0
Total variance for Service		(34,098)
Other (including Transfer to Reserves & Capital Charges)		
Depreciation	Depreciation of the housing stock for 2016/17 was £118,700 greater than budgeted as a result of the year end asset revaluation exercise.	118,701
Direct Revenue Financing of Capital (DRF)	£3,252,137 underspend as a direct result of the slippage in delivery of the housing capital programme resulting in lower demand for revenue funding in 2016/17. Some of this will be required in 2017/18.	(3,252,137)
Other net variances		9,685
Total variance for Service		(3,123,752)
Income		
Rental Income	Rental income was marginally over-achieved due to quicker than anticipated occupation of the first new build homes and acquisition of market homes which were available for let immediately.	(89,906)
Interest Income	Interest income was greater than estimated due to additional capital receipts from right to buy sales and delays in capital investment, which mean that the HRA currently holds more resource than expected.	(124,038)
Other net variances		(13,872)
Total variance for Service		(227,816)
Other Services		
Other net variances		(3,264)
Total variance for Service		(3,264)
Total for Housing Revenue Account		(4,632,928)

Significant Items of Variance from Working Budget

HRA Capital Budget 2016/17 - Major Variances from Budget

Service Grouping	Reason for Variance	Actual (Favourable) / Adverse Variance £
Housing Revenue Account - Land		
HRA Land	The up-front costs associated with preparing HRA land for self-build plots has not been as extensive as initially expected, although costs are now increasing as more plots are progressed.	(80,381)
Other net variances		0
Total variance for Capital Programme		(80,381)
Housing Revenue Account - New Homes Programme		
New Homes - Teversham	Delays in the development of the site at Pembroke Way, Teversham mean that an underspend of £22,800 requires funds to be carried forward into 2017/18.	(22,800)
New Homes - S106 Funded	Section 106 funds of £341,100 identified for investment in shared ownership homes were not utilised in year, and are requested as a carry forward into 2017/18 where schemes are being considered which will utilise the resource.	(341,100)
Acquisitions	An underspend of £218,700 of the budget identified for the acquisition of 13 market homes needs to be carried forward into 2017/18 to complete the final acquisition, which took pace in April 2017. Underspending was partially offset by a marginal overspend in the scheme at Foxton once all costs, including payment of retention, had been accounted for.	(218,700)
Other net variances		33,445
Total variance for Capital Programme		(549,155)
Housing Revenue Account - Re-provision of Existing Homes		
Reprovision Robinson Court, Gamlingay	The budget to meet the costs of the Robinson Court, Gamlingay scheme has not been spent as quickly as anticipated, due to the need to secure vacant possession and planning permission for this site, following consultation. Robinson Court is now on site, but with the majority of spend now to be in 2017/18.	(143,429)
Reprovision of Existing Homes	Budget of £1,193,000 identified for the re-provision of other HRA dwellings was not required in 2016/17, and resource is now released for other HRA investment.	(1,193,000)
Other net variances		0
Total variance for Capital Programme		(1,336,429)
Housing Revenue Account - Repurchase of Shared Ownership		

Repurchase of Shared Ownership	This budget is reactive, and spend is dependent upon the number of homes which are re-presented to the Council in any year, and the value at which they are re-acquired.	(80,381)
Other net variances		45,782
Total variance for Capital Programme		(34,599)

Housing Revenue Account - Improvement of Housing Stock

Improvement to the Housing Stock	Spending in the housing stock was less than anticipated, predominantly in respect of re-wiring (£520,000), where a carry forward is requested to undertake the installation of hard-wired smoke / carbon-monoxide alarms in sheltered housing, improvements to non-traditional houses (£873,000), where cost effective alternatives were adopted, refurbishments (£119,000), major voids (£101,000), heating replacements (£107,000) and energy conservation (£107,000).	(2,000,782)
Other net variances		0
Total variance for Capital Programme		(2,000,782)
	Other Net Variations	0
Total for Housing Revenue Account Capital		(4,001,346)

General Fund

Cambourne Offices	Most of this budget was allocated for the project to relocate the meeting rooms in South Cambridgeshire Council building. This project has not commenced in the year, leading to the underspend.	(75,000)
ICT Development	With the ICT function effectively being managed through the 3c ICT shared service by HDC, the investment in capital has been scaled-back over the last year. It is recognised that there is a collective desire to streamline ICT investment through the 3c development programme with the ultimate goal of achieving large-scale shared savings through a more collaborative investment policy. This representative variance is not withstanding the £472,000 that has already been approved by Cabinet through the budget rollover process. The Head of 3c ICT has been requested to re-structure and fully cost the ICT capital investment programme in time for the next estimate cycle with the aim to provide some clarity which should inform the MTFs whilst facilitate partnership working through the shared service.	(112,264)
Waste Collection & Street Cleansing	On appraising the condition of the current fleet of refuse collection and street cleansing vehicles, management decided that it was not necessary to replace the vehicles on the scheduled replacement programme and therefore deferred the replacement of a trade RCV and a street pavement sweeper until further notice.	(234,751)
Repurchase of GF Sheltered Properties	The variance is due to the difficulty of correct budget profiling as expenditure only occurs when property is vacated. Properties are repurchased as they become available.	210,957
Improvement Grants	Underspend due to a combination of the Home Improvement Agency's capacity to process grant claims received and the demand presented within the year, which can fluctuate.	(101,815)
Grants-Provision of Social Hsg	Underspend of (£259,000) was anticipated at P10. Award of grants from S.106 monies held. Money earmarked for contribution to the redevelopment of Robinson Court, Gamlingay (delayed) will now be utilised in 2017/18.	(312,000)
Refurbishment of GF Equity Share Properties	Minimal spend required to date as property repurchased by GF were in acceptable condition for resale without significant investment in refurbishment.	(183,038)
	Other Net Variations	(44,599)
Total for GF Capital expenditure		(852,510)

Capital Expenditure Total	(4,853,856)
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