

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Policy & Performance Portfolio Holder's Meeting

20 July 2010

AUTHOR/S: Executive Director Corporate Services

FINANCIAL PERFORMANCE

Purpose

1. To provide the Portfolio Holder with the Policy and Performance Portfolio financial performance information for the year 2009-10 and to provide an update on quarter 1 performance for the year 2010-11.
2. This is not a key decision but provides key performance information necessary to assess the authority's performance against its strategic aims and effectiveness of its budgetary control in doing so.

Recommendations and Reasons

3. The Policy and Performance Portfolio Holder is requested to note the contents of the report.

Background

4. The financial performance review for 2009-10 is reporting on the variance between the revised budgets and the actual outturn for the Communications and Policy and Performance services and is shown in Appendix A.
5. The 2010-11 estimates for the Policy and Performance Portfolio form part of the overall considerations for the Council's annual budget setting exercise and were presented for endorsement by the Portfolio Holder, prior to being confirmed by Council in February 2010. The financial performance review for quarter 1 in 2010-11 reports on the variance between the profiled budget and the total expenditure and commitments for that period, and is shown in Appendix B.

Considerations

Financial Performance 2009-10

6. The 2009-10 financial performance for this Portfolio has been analysed between direct costs, capital charges (none at present) and recharges so that the direct costs can be identified for comparison. This is considered appropriate because direct costs are specifically within the control of the relevant cost centre manager. By contrast the Staffing and Overhead allocation and costs determine the recharges and capital charges are notional charges that do not affect the overall expenditure of the Council. Compared with the 2009-10 original estimates, the net direct costs decreased by £23,140 and by £9,430 when compared to the revised estimate.

7. Overall, when compared to the revised estimates, the Policy and performance Portfolio shows an under-spend of £19,510 in 2009-10.

	Estimate 2009/10 £	Revised 2009/10 £	Actual 2009/10 £
Analysis of Total Net Expenditure			
Net Direct Costs	130,970	117,260	107,830
Recharges to Housing Revenue Account	0	0	0
Recharges to Democratic Representation	(32,980)	(30,460)	(29,770)
Recharges to other revenue accounts	(7,340)	(7,340)	(10,785)
Recharges from Staffing & Overheads A/cs	403,260	339,470	332,145
	<u>493,910</u>	<u>418,930</u>	<u>399,420</u>

8. **Communications**
When compared to the revised estimate 2009-10 the Communications service is under-spent by £6,427, the variance is due to direct cost savings achieved through in-house printing of the South Cambs magazine reader survey and Central, Departmental and Support Service recharge savings through staff vacancies and allocation of staff time to the service.
9. **Policy and Performance**
When compared to the revised estimate 2009-10 the Policy and Performance service is under-spent by £13,083. A saving of £8,000 on customer satisfaction surveys accrued from work on the Council's Community Engagement Strategy and Action Plan which identified planned and ongoing customer satisfaction work rendering a separate survey unnecessary. Other variances include an under-spend of £864 relating to slippage on the Customer Service Excellence project and Central, Departmental and Support Service recharge savings through staff vacancies and allocation of staff time to the service.

Financial Performance Quarter 1 2010-11

10. When compared to the profiled estimate for the first quarter 2010-11 the Policy and Performance Portfolio shows an under-spend of £4,280, this variance is attributable to direct costs the recharges being shown as a commitment equal to the profiled estimate for the year.
11. **Communications**
The contract for the printing of the South Cambs magazine has been subject to retender since Council agreed the estimates in February 2010; this has resulted in an annual saving of £12,000. The variance of £2,385 reflects the expected under-spend.
12. **Policy and Performance**
When compared to the profiled quarter 1 estimate the Policy and Performance service shows an under-spend of £1,705, this is due to slippage on the Customer Service Excellence project caused by delays in receiving feedback from consultants,

the project timetable is to be reviewed and will be reflected in future profiled estimates.

Implications

13. The Council needs to ensure that it spends within its budget, because of the impact on the level of balances and the implication for the Medium term Financial Strategy.

14.

Financial	As detailed in the report.
Legal	None
Staffing	None
Risk Management	As above
Equal Opportunities	None
Climate Change	None

Consultations

15. The relevant cost centre managers who are responsible for setting the level of their respective budgets and controlling the expenditure within them have been consulted.

Effect on Strategic Aims

16. The effect of any under or overspending on the achievement of corporate aims, service priorities and performance indicators and the linking of budgets with service performance is an ongoing challenge which the Council must continue to meet.

Conclusions / Summary

17. In 2009-10 services within the Policy and Performance Portfolio showed an underspend of £19,510 when compared to the revised estimate 2009-10, the total net expenditure is shown below to show the percentage increase between budgets, and between the actual expenditure in 2009-10 and the estimate for 2010-11.

Year	Amount £	Movement £	Increase/ (decrease) %
2009-10 Estimate	493,910		
2009-10 Revised	418,930	(74,980)	-15.1%
2009-10 Actual	399,420	(19,510)	-4.7%
2010-11 Estimate	448,300	48,880	12.2%

18. In the first quarter 2010-11 expenditure shows an underspend of £4,280 against the profiled budget for the period due to slippage on the Customer Service Excellence Project and renegotiated contract savings within the Communications service.

Background Papers: the following background papers were used in the preparation of this report:

Original Estimates 2009/10

Revised Estimates 2009/10

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