



## Considerations

### Financial Position

7. A summary position statement is provided at **Appendix 1**.
8. Highlighted below are the significant items.

### Revenue

#### General Fund

- a. An analysis of the under/over spends for **Departmental Accounts**, as compared to the working estimates indicates a net overspend of £81,500 this is an increase of £86,200 from the September's reported underspend. This reflects the increases for approved use of rollover, Planning Cover Arrangements, Redundancy Costs and DLO Additional Costs as per the Capital & Revenue Estimates Report Appendix C. The other items are detailed below or will be offset by corresponding reductions in the Service Accounts estimates;
- b. **Central Overheads** as per the revised estimates are expected to underspend by £62,400 this is mainly due to the slippage of the relocation of the Waterbeach Depot into 2012/13;
- c. **Land Charges** is estimated to have a net overspend of £42,000 because of a potential refund of income;
- d. **Refuse Collection** is predicted to overspend by £7,000. This is because the ambitious savings target on the commercial trade waste service is not currently being achieved; the shortfall is estimated to be £68,000. This is offset by a saving due to active management of sickness levels on the Household and Trade Waste Services to give the net position;
- e. **Street Cleansing** is predicted to underspend by £15,000 because of vacant posts;
- f. **Dry Recycling Collection Service** income from paper sales, material value and recycling credits is greater than originally anticipated. This is the result of greater tonnages being collected and advantageous conditions negotiated within the contract for processing the recycling materials collected through the blue bin scheme. The predicted year end over-recovery is estimated to be £150,000;
- g. **Environmental Health General** will underspend by a net £19,000 because of £27,000 savings on the procurement of the private sector housing stock condition survey offset by £8,000 extra expenditure on prosecutions. This additional expenditure may be able to be recovered;
- h. **Licensing Income** is £20,000 greater than originally estimated;
- i. The cost of bringing responsibility for maintaining **Footway Lighting** back to SCDC from Parish Councils is estimated in 2011/12 to be £28,000

- j. **Flood Defence Work** at Covills Drain of £90,000 has been approved. Whilst a grant application has been submitted to DEFRA for the purposes of this report no amount has been assumed to be received in this financial year;
- k. If current **Development Control Income** were projected forward then there would be a £11,100 shortfall. However, it is expected that we will receive further large-scale development fees so for the purpose of this report a break-even position has been assumed.
- l. **Corporate Management** will save £9,100 because of reduced fees on External Audit and £2,000 on the Local Government Association Subscription. Of the £11,100 it is estimated that £3,200 will be recharged to the HRA leaving a net £7,900 saving on the General Fund;
- m. The effect on salary costs this year of the Job Evaluation exercise is estimated at £62,300 of which £59,600 relates to the General Fund and £2,700 to the HRA. This does not include any additional costs which may arise from the appeals process;
- n. Cabinet has agreed to the proposal to restructure the £150,000 **Support for Economic Downturn** so that £60,000 will now be spent in 2012/13 so giving an underspend in this year but increasing the budget in next year;
- o. The **New Homes Bonus** received from Central Government is £868,600 which is £68,600 more than the figure used in setting the estimates;
- p. **Elections** is expected to underspend by £20,000 because some of the costs originally expected to be incurred in holding District elections can be claimed from Central Government as the Alternative Vote Referendum was held at the same time;
- q. **Democratic Representation** is currently underspent by £28,700 re the Standards Board, Scrutiny Committee and Computer for Members budgets. As these items are demand led it has been assumed that these items will be fully spent;
- r. **Interest on Balances** has an expected surplus of £29,000 because of favourable rates achieved through direct dealing with clearing banks and balances being higher than expected;

#### Housing Revenue Account (HRA)

- s. Housing Repairs on current projected expenditure and commitments would be expected to underspend by £167,200. However, as expenditure increases during the winter months it is expected that this position will be managed to ensure that roughly a break-even outturn occurs;
- t. The **Building Maintenance Contractor** is predicted to have a surplus of £12,200 because they have won additional work than that originally budgeted for;
- u. **Sheltered Housing** is predicted to underspend by £22,000 because of vacancies and long-term sickness. This is after £108,000 has been vired from this budget to fund the out of hours response service;

- v. **Tenant Participation** is expected to underspend by £5,000 mainly because of savings re printing and consultation expenditure;

#### Capital

- w. Only £54,500 of the revised £839,000 **ICT Development** programme has been spent so far. The major part of this programme is for the PC Virtualisation Project, which is in the proof of concept stage but is on target as per the project plan. However, any unforeseen delays/programme changes would impact on the spend this year and the requirement for roll-over and could also impact on the saving target in 2012/13;
- x. Council approved additional expenditure of £190,000 for the installation of photovoltaic panels at South Cambs Hall. Following the Government review of the feed in tariff this project is being reviewed and therefore these monies will not be spent in this financial year. However, the revised estimates have been increased to take account of the South Cambs Hall Vestibule £22,000 and Office Furniture for the transferred Contact Centre Staff £6,000. The net position is a reduction of £162,000: and
- y. We have managed to partially offset the cost of the replacement precinct sweeper by trading in the old vehicle for £7,500 when the new vehicle is delivered.

#### Implications

- 9. The Council needs to ensure that it spends within its budgets, because of the impact on the level of balances and the implication for the Medium Term Financial Strategy.

10. Financial	As detailed in the report.
Legal	None.
Staffing	No immediate impact.
Risk Management	As Above.
Equality and Diversity	None.
Equality Impact Assessment completed	No Report is for Information and in itself has no equality impact
Climate Change	None.

#### Consultations

- 11. None.

#### Consultation with Children and Young People

- 12. None.

#### Effect on Strategic Aims

- 13. 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 outstanding issue which needs to be addressed.

### **Conclusions/Summary**

14. The forecast outturn on the General Fund is a net underspend of £151,600. This net underspend amounts to 1.01% of the Net District Council Expenditure for the financial year ending 2011/12. Of this £117,000 will be required in 2012/13 so this is a real underspend of £34,600 0.23% of the Net District Council Expenditure.
15. The HRA predicted underspend of £72,200 equates to 0.30% of gross expenditure.
16. Capital Expenditure has a predicted overspend of £39,400, which is 0.46% of gross expenditure.

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

Original Estimates 2011/12,  
Revised Estimates Staffing and Central Overheads 2011/12,  
Financial Management System Reports

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