

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

**REPORT TO:** Finance and Staffing Portfolio Holder

17 January 2012

**AUTHOR/S:** Executive Director (Corporate Services) / Head of Accountancy

### FINANCE MONITORING REPORT FOR ALL SERVICES FINANCIAL POSITION – NOVEMBER 2011 & PROJECTED OUTTURN

#### Purpose

1. To provide Finance and Staffing Portfolio Holder with a monthly position statement on the General Fund, HRA and Capital Expenditure.
2. This is not a key decision but is providing information to Finance and Staffing Portfolio Holder.

#### Recommendation

3. The Finance and Staffing Portfolio Holder is requested to note the projected expenditure position.

#### Executive Summary

4. This position statement is reporting on the variance between the working estimates and the projected Outturn at the end of November. Below is a summary of November's projections and for comparison purposes the corresponding October's projections.

	November's Projected Outturn		October's Projected Outturn		Movement
	Compared to Working Estimate		Compared to Working Estimate		Appendix 1
	Overspend + / Underspend ( )				
	£	%	£	%	£
General Fund	(197,500)	(1.32)	(151,600)	(1.01)	(45,900)
Housing Revenue Account (HRA)	(62,900)	(0.27)	(72,200)	(0.30)	9,300
Capital	(422,000)	(4.95)	39,400	0.46	(461,400)

#### Background

5. This report provides an update to the report to the Finance and Staffing Portfolio Holder on 20 December 2011.
6. In view of the previous year's underspending the individual budgets identified in **Appendix 1** have been selected on the basis of either the size of the budget, the risk associated with that budget, or on the basis of previous over/under spending.

## 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 underspend of £29,600;
- b. Additionally the revised departmental and overhead accounts are £19,100 more than the original estimates as previously reported in October;
- c. **Land Charges** is estimated to have a net overspend of £46,000 because of a potential refund of income;
- d. **Refuse Collection** is predicted to overspend by £4,000. 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. In previous reports it had been assumed this would be completed in this year but now it is planned to be completed in 2012/13;
- k. **Corporate Management** will save £9,100 because of reduced fees on External Audit and £2,000 on the Local Government Association Subscription. However, because of various departmental re-organisations it is estimated

that we will incur early retirement costs of £52,000 giving a net increase of £40,900;

- l. 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;
- m. 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;
- n. The **New Homes Bonus** received from Central Government is £868,600 which is £68,600 more than the figure used in setting the estimates;
- o. **Elections** is expected to underspend by £26,000 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;
- p. **Democratic Representation** is currently underspent by £33,500 re the Standards Board, Scrutiny Committee and Computer for Members budgets. As these items are demanded it has been assumed that these items will be fully spent;
- q. Negotiations to transfer the ownership of the **Shopping Car Park** at Great Shelford has not proceeded as quickly as assumed and therefore it is estimated we will incur additional expenditure of £15,600 in this year. In order to minimise future costs the Council is considering giving notice to the landlord;
- 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 £222,200. 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 £70,700 of the revised £839,000 **ICT Development** programme had been spent to the end of November. To date this has increased to £141,100. 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. Repurchase of **General Fund Sheltered Properties** is estimated to be £300,000 less than the original estimate. These repurchases are demand led and it is only at this point in the year when it is possible to project forward with any accuracy;
- y. 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;
- z. The purchase of £160,000 **Awarded Watercourse** plant & equipment has been deferred until 2012/13: and
- aa. 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 £197,500. This net underspend amounts to 1.32% 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 £80,500 0.53% of the Net District Council Expenditure.
15. The HRA predicted underspend of £62,900 equates to 0.27% of gross expenditure.
16. Capital Expenditure has a predicted underspend of £422,000, which is 4.95% of gross expenditure.

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

Original Estimates 2011/12,  
Revised Estimates 2011/12,  
Financial Management System Reports

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