

Appendix E Significant items of variances

Listed below are significant items covering the variances identified in **Appendix D**. New items are underlined.

General Fund

- a. An analysis of **Departmental & Overhead Accounts** compared to the original estimates resulted in an adverse position of £250,800. This figure is arrived at after allowing for a reduction of £500,000 for vacancies which was included in the estimates and after taking into account the use of temporary staff to manage turnover and cover vacancies. This is a significant change from the previously reported position which has occurred because of changes to how staff were allocated at the year end and an energy bill back dated to 2009 for £107,000 for the Waterbeach Depot which is being disputed but has prudently been allowed for in the 2014/15 accounts. The £250,800 has been allocated to Portfolios, the HRA and Capital in **Appendix D**;

Leader

- b. **Sustainability** has received additional income of £16,800 from another authority in respect of staffing costs related to the Green Deal initiative. Additionally the Parish Energy Partnership Reserve has been released back to Revenue giving a saving of £11,700 and other costs makes up the total of £21,700;
- c. Cabinet has agreed to vire £20,000 from the additional Planning Income to the **Community Chest**. This together with other grants gives a total additional expenditure of £32,000 ;

Finance & Staffing

- d. Benefits Payments net of Government Grant was £273,100 less than the estimate. This was because of recovery of over-payments and the type of claimant moving more towards people claiming in-work benefits, because of the changing economic conditions;
- e. A Government Grant of £258,000 for **NNDR** was received in March which mainly related to the national reconciliation process for 2013/14;

Environmental Services

- f. Refuse Collection & Recycling Service A growth in revenue derived from the trade waste service, the development of new operational and working arrangements and lower fuel costs have been the main drivers behind a saving of £288,500. Of this, £200,000 was included within the £300,000 corporate savings target thus giving an additional £88,500 saving. It should be recognised that this saving has been achieved against the back drop of delivering an improvement and efficiency programme and developing a single shared waste delivery service, which together have required pump prime investment of £76,000. A further £95,000 has been transferred to earmarked reserves to fund future developments;
- g. The **Street Cleansing Service** supports the refuse collection service through the diversion of staff when there are vacancies and sickness and there is a lack of

availability of agency staff cover. This management of staff resources has resulted in savings against budget of £54,200;

Housing General Fund

- h. **Homelessness** has received additional income from Housing Associations because of changes to the private rental scheme this together with savings on prevention measures has given a favourable variance of £19,700;
- i. There has been savings of £42,500 on **General Fund Sheltered Properties** which have mainly been because of Service Charge Income being greater than originally estimated;

Planning

- j. **Planning Income** was £749,900 more than originally estimated because of a number of large fees relating to planning permission for solar panels developments. The tariffs for feeding into the national grid changed in April 2015 and to receive the enhanced tariffs developments had to be built by this date. Fees for these applications are only expected to continue until the autumn and this is reflected in the projection.
- k. **Planning Expenditure** on appeals legal costs was £38,600 more than the budgeted amount. This expenditure is dependent upon the number of appeals and their complexity and is outside the control of officers;
- l. Legal costs associated with the **Local Plan** process have been £50,000 higher than originally estimated but as Members have previously agreed to fund other costs associated with the Local Plan from New Homes Bonus (see paragraph r below), this has also been met from this source;

Unallocated

- m. Budget provision of £50,000 was included in the original estimates to support **Council Actions** this has been transferred to reserves to supporting the Shared Services initiative, for example Building Control project management and ICT feasibility study;
- n. When the budget was set £75,000 was included for **Precautionary Items** and has not been called upon in 2014/15;
- o. **Additional Expenditure** of up to £50,000 to invest in the Local Government Association's Bond Agency was agreed by Cabinet;
- p. Budgeted **Local Plan** Expenditure totalling £181,600 has been funded from New Homes Bonus;
- q. The **Interest on Balances** was £28,200 more than the budget. This is because of a combination of increase balance and managing the loans portfolio to achieve the most favourable rates;
- r. 2013/14 was the first year of the new **Retained Business Rates** (RBR) regime. Throughout the year, MTFs forecasts of RBR had been calculated on guidance from the Department for Communities and Local Government; however, year-end accounting requirements resulted in RBR being recorded £2.152m higher than forecast, but offset by a deficit on the Business Rates Collection Fund (BRCF) of £2.231m, which for accounting purposes is shown in the following (i.e. this) financial

year (see s). Similarly, in 2014/15, RBR is now £486k higher than originally estimated; but this is similarly offset by a deficit on the BRCF, to be shown in 2015/16;

- s. The deficit on the **Business Rates Collection Fund** in respect of 2013/14 attributable to SCDC was £2,231,000, which is shown in 2014/15, as above;
- t. There are significant amounts in Usable Earmarked Reserves totalling approximately £5.7m. Of this the major items are:-
 - New Homes Bonus Infrastructure Reserve £2,247,437;
 - Pension Deficit Reserve £1,033,648;
 - Parish Liaison & Site Development Reserve £580,305;
 - Planning Enforcement Reserve £500,000 (Capped);
 - Business Efficiency Reserve £240,000;
 - Major Developments Fees Reserve £179,461: and
 - Shared Waste Service £126,000.

Housing Revenue Account (HRA)

- u. Savings of £171,300 was achieved on **Housing Repairs** by managers' action in monitoring the repairs contracts and additional income;
- v. **Sheltered Housing** generate savings of £130,800 on salaries, communications and training ;
- w. Various items in the **Tenant Participation** budget generated £15,500 savings;
- x. By proactively engaging with tenants £42,000 of **Discretionary Benefit Payments** has not been required;

Capital

- y. Funding of £434,200 identified for investment in **New Build Homes Programme** was not spent in 2014/15 due to the lead in time required to facilitate new build projects. It is anticipated that these projects will instead be delivered in 2015/16. A rollover into 2015/16 has been requested ;
- z. Funding of £477,300 identified for investment in **Reprovision of Existing Homes Programme** was not spent in 2014/15 due to the lead in time required to facilitate new build projects. It is anticipated that these projects will instead be delivered in 2015/16. A rollover into 2015/16 has been requested;
- aa. **Housing Repairs** has generated a saving of £360,300. This is mainly by the management of work undertaken on empty properties;
- bb. **Communal Facilities upgrades** of £624,600 are not expected to be completed until 2015/16. As this was known before the 2015/16 budget was set this has been reflected in the revised 2015/16 programme;
- cc. £7m advance funding for South Cambs Ltd **Housing Company** pilot scheme should be rolled forward, as the refinance will be capital expenditure and should be in place before 31/3/16;

- dd. **Repurchases of General Fund Sheltered Properties** are £375,800 less than the budget. These are subject to properties becoming empty and thus not within the control of Officers;
- ee. When the Capital Programme was compiled in December 2013 it was expected that major refurbishments to the **Traveller's Sites** would be completed this year to be funded by Grants. This work did not take place in 2014-15 and consequently the grant will also not be received. As this was known when the 2015-16 budget was set, this was included in the 2015-16 budget and thus no rollover is required;
- ff. The **Improvement Grants** budget has not been fully utilised by £26,900. This expenditure is dependent upon demand and scheduling of work which is outside the control of managers;
- gg. There has not been any significant demand for **Affordable Housing Grants** and £308,000 of the budget has been not required but this is offset by a corresponding reduction in income. A rollover to bring these forward in 2015/16 has been requested;
- hh. Expenditure of £752,500 has been incurred on the provision of the Webb Holes Sluice. This was not included in the original estimates but approved later and is offset by Grant Funding: and

Capital Receipts

- ii. HRA Land/Property has been sold which has generated receipts of £1,015,600. This can only be used to fund HRA Capital expenditure it will remain in reserve to fund future year's expenditure.