

## Appendix D Significant items of variances

Listed below are significant items covering the variances identified in **Appendix C**.

### General Fund

- a. An analysis of **Departmental & Overhead Accounts** compared to the original budgets currently indicates an adverse position of £106,200. This figure is arrived at after allowing for a reduction of £500,000 for vacancies which was included in the budgets and after taking into account the use of temporary staff to manage turnover and cover vacancies. The £106,200 has been allocated to Portfolios, the HRA and Capital in **Appendix C**.

### Finance & Staffing Portfolio

- b. Additional costs of £30,000 are estimated to be incurred because of a change in the way Debit Card Charges are calculated. The majority of this will fall on **Council Tax Collection**.

### Environmental Services Portfolio

- c. **Refuse Collection & Recycling Service** Successful over-achievement of trade waste income is anticipated to generate an additional surplus of £44,090.
- d. **Sports Development** has generated £16,000 extra income from activities.

### Housing Portfolio (General Fund)

#### Planning Portfolio

- e. **Planning Income** is projected to be £500,000 more than originally budgeted because of a number of large fees received relating to large applications that take up a considerable amount of staff time, which unfortunately has an adverse impact on performance indicators.
- f. **S106 Administration fees** are expected to generate £38,600 more than originally estimated.

### Strategic Planning & Transport Portfolio

- g. Planning Fee income for **Growth Agenda/New Communities** is likely to be in the region of £80,000 for 2015/16 as compared to the £195,000 income budget. This reduced income level is because an outline planning application for Darwin Green had been expected, but has been delayed.
- h. **Northstowe** Planning Fee income is likely to be around £4,500 for 2015/16, as opposed to a budgeted £40,000. This is because an expected development has been delayed.

### Unallocated

- i. Budget provision of £50,000 was included in the original budgets to support **Council Actions**. £36,000 of this has been used on an invest to save basis to facilitate the re-organisation of the 2<sup>nd</sup> Floor at the Cambourne Offices and so release space to

generate rental income in the future, and £10,000 has been used for additional Community Chest Grants. This leaves a balance of £4,000.

- j. When the budget was set £75,000 was included for **Precautionary Items**. A pro-rated sum of £43,700 has been assumed to not be required in the projected spending position.
- k. An **Additional Income/Savings Target** of £670,000 was included in the budget of which £295,000 was not allocated. Savings so far identified total £340,500 which leaves £329,500 still to find (see table below). It is now anticipated that savings from the Systems Contract Terminus Review will be delivered indirectly through the ICT shared service.

<b>Areas identified to meet additional income/savings target</b>	<b>Savings Target</b>	<b>Savings Identified</b>
Single Shared Waste Service and other waste initiatives	£125,000	£52,000
Increased Planning Pre-App fee income	£100,000	£100,000
Supplies & Services procurement	£50,000	£50,000
Systems Contract Terminus Review	£25,000	£0
Office Space Management	£25,000	£37,000
Shared Services/ Commercialisation Programme	50,000	£0
<b>Sub-total</b>	<b>£375,000</b>	<b>£239,500</b>
Other income/savings to be identified	£295,000	£101,500
<b>Total</b>	<b>£670,000</b>	<b>£340,500</b>

- l. **Interest on Balances** is predicted to be £99,500 more than the budget. This is mainly because of increased balances. This could be used to offset the unidentified additional income/savings.
- m. Amounts in Usable Earmarked Reserves include the following major items; there are plans in place for each of these over the period of the Medium Term Financial Strategy:
- New Homes Bonus Infrastructure Reserve £2,247,437;
  - Pension Deficit Reserve £1,433,168;
  - Parish Liaison & Site Development Reserve £580,305;
  - Planning Enforcement Reserve £500,000 (Capped);
  - Business Efficiency Reserve £240,000;
  - Northstowe Reserve £181,365;
  - Major Developments Fees Reserve £179,461; and
  - Shared Waste Service £126,000.

### **Housing Revenue Account (HRA)**

- n. **Responsive Repairs** – There is an underspend of £430,000 against the profiled budget to date; however, as the impact of the winter weather is yet to be realised, and expenditure demands and patterns can be hugely variable from year to year, no adjustment has been made to the projected outturn figure at this stage.
- o. **Administration** – A net underspend / over-achievement in income of £150,000 possible due to reduced take up for the under-occupation incentive scheme, receipt of costs associated with decant of Fairview from the registered provider, where costs were incurred by SCDC in prior years, and other areas of minor underspending.
- p. **Tenant Participation** is now expected to generate savings of £20,000.

- q. **Rent Income** – Under-achievement of approximately £120,000 is anticipated due to void levels, no new build completions in 2015/16 and holding both Robinson Court and Fairview vacant when tenants moved out in anticipation of demolition and transfer to a registered provider respectively.

## **Capital**

### ***Capital Expenditure***

- r. **Provision of New Homes** – Budget of £4.5 million, has anticipated spend of approximately £3 million in 2015/16, with the need to rollover £860,000 of the balance to meet the costs of a scheme in Pembroke Way, Teversham.
- s. **Re-provision of Existing Homes** – Budget of £1.2 million will not be used in 2015/16, but will be utilised in part in 2016/17 to meet the costs of the Robinson Court, Gamlingay scheme, subject to rollover.
- t. **Repurchase-HRA Shared Ownership** - £300,000 budget not expected to be fully utilised in 2015/16. This will be offset by an under-achievement in anticipated capital receipts, where reduced activity overall means that little recycling of properties has taken place.
- u. **Improvement of Housing Stock** – Underspending of £1.7 million across energy conservation, full refurbishments and improvements to non-traditional houses is anticipated, with the expectation that this will need to be rolled over in full unless alternative decisions are made as part of the year end / strategic financial planning processes.

### ***Capital Receipts***

- v. Three parcels of land have been sold which has generated receipts of £314,800. These receipts are ring-fenced for the HRA but will add to the resources available to fund capital expenditure.