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8 June 2009

To: Chairman – Councillor SM Edwards

Members of the Finance and Staffing Portfolio Holder's Meeting – Councillors  
R Hall and MB Loynes

Quorum: 3

Dear Councillor

This is a supplement to the previously published agenda for the meeting of **FINANCE AND STAFFING PORTFOLIO HOLDER'S MEETING** on **TUESDAY, 9 JUNE 2009**, containing those reports which had not been received by the original publication deadline.

Yours faithfully  
**GJ HARLOCK**  
Chief Executive

Requests for a large print agenda must be received at least 48 hours before the meeting.

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## AGENDA

**4. INTEGRATED BUSINESS MONITORING REPORT**

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Agenda Item: 4

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Finance and Staffing Portfolio Holder  
9 June 2009

**AUTHOR/S:** Best Value & Management Accountant

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## INTEGRATED BUSINESS MONITORING REPORT

## Executive Summary

1. The information in this report indicates the following provisional outturn (under)/overspends for 2008/09 as compared to the working estimates. The working estimates are the revised estimates as approved by Council on 26<sup>th</sup> February 2009 adjusted for approved virements. Below is a summary of March's projections and for comparative purposes the previously reported March's projections.

	Current March's Projected Outturn		Previous March's Projected Outturn	
	Compared to Revised*		Compared to Revised*	
	£	%	£	%
General Fund	(227,300)	(1.64)	(23,700)	(0.17)
Housing Revenue Account (HRA)	(112,700)	(0.52)	(234,600)	(1.07)
Capital	(244,600)	(2.11)	(183,900)	(1.58)

\* As there are no virements between General Fund, Housing Revenue Account and Capital, the working and revised estimates are the same.

## Background

2. This report provides an update to the previous provisional outturn-report but is subject to finalisation and approval by the External Auditors of the Final Accounts.
3. In light of the previous year's underspending the methodology for selecting the areas to be individually reported has been reviewed. The individual budgets identified in **Appendix A** 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.
4. This report does not, therefore, itemise all under/overspendings that have occurred in 2008/09 but all under/overspendings are included in the summary figures in paragraph 1 above.

## Considerations

### Financial Position

5. A summary position statement is provided at **Appendix A** and a more detailed breakdown of the Departmental Salary underspends is provided at **Appendix B**.
6. Highlighted below are the significant items.

### Revenue

#### General Fund

- a. An analysis of the under/over spends for Salary related costs, as compared to the working estimates, is attached in **Appendix B**. which indicates a net overspend of £10,200;
- b. Departmental Travel underspends are £31,700;
- c. Other non-salary related expenditure has underspent by £91,400. The main reason for this has been the award by the Courts, in March, of our legal fees in respect a health and safety prosecution for the sum of £78,200;
- d. **Land Charges** income was exceptionally high in March giving rise to an underspend of £16,300;
- e. **Refuse Collection, Street Cleansing and Kerbside Recycling** have underspent by a combined £84,500 due to higher than anticipated stock levels of refuse bins/boxes. This is due to the slowdown in the property market meaning that the bins/boxes purchased have been stockpiled, thus reducing expenditure;
- f. **Homelessness** have underspent by £19,200 as the demand for accommodation has been less than expected even in light of the economic climate;
- g. **Housing Futures** allocations between General Fund and HRA have been revised as a result of different spending profile and more detailed examination of staff time allocations and analysis of expenditure meaning that there is an underspend of £19,300 because of recharging to other Housing activities. Previously this was an anticipated overspend of £40,000;
- h. **Other Net HRA Recharges** are underspent by £74,400 and the HRA is correspondingly overspent by the same amount. This occurs when services over/underspend and a proportion of that expenditure is recharged either to or from the HRA. The £74,400 is mainly due to:-
  - i) **Corporate Management (GF)** has incurred additional expenditure totalling £80,700 of which £46,400 has been recharged to the HRA;
  - ii) **Outdoor Maintenance (HRA)** underspending by £32,400 of which £17,000 proportionally falls as an underspend on the General Fund; and

- iii) **Sheltered Housing (HRA)** underspending by £140,500 of which £15,000 proportionally falls as an underspend on the General Fund;
- i. **Development Control income** is lower than estimated owing to the slow down in the housing market and consequential effect on income. The current shortfall is an overspend of £86,500;
- j. **Building Control** fee income is less than estimated. The shortfall is £32,900. However, this has been offset by a transfer from reserves to give a net underspend position of £2,200;
- k. **Concessionary Fares** budget is underspent by £6,500 based on projections for the full year; final data from the bus operators and the County Council has not yet been received for the second half of 2008/09;
- l. **Planning Policy** is predicted to overspend by £6,400 which is due to information from the planning inspectors altering the expected spending in this financial year;
- m. **Economic Development** Strategy & Business Forum expenditure is not now expected to be fully utilised in this year as the tender has only just gone out. It is expected that £24,500 will be requested to be rolled over into 2009/10;
- n. **Community Development** is expected to underspend by £10,000 as the Community Facilities Audit will not be completed in this year but will be requested to be rolled over into 2009/10;
- o. The employment of consultants for the **Waste Management** procurement options has not gone ahead as planned leading to an underspend of £9,000;
- p. **Awarded Watercourses** costs of £5,000 for putting the contract out to tender have not been spent;
- q. **Benefits** has received £28,000 more in subsidy from Central Government than we had anticipated following audit of our 2007/08 claim;
- r. The balance of the **Efficiency Savings** totalling £100,000 have not been identified leading to a consequential overspend;

#### Housing Revenue Account (HRA)

- s. **Housing Repairs Revenue** has incurred more expenditure than anticipated mainly due to work completed by the in-house **Building Maintenance Contractor** and there has also been a movement from capital to revenue repairs to comply with Accounting regulations;
- t. **Supported Housing** is underspent by £140,500 due to vacancies, delays in obtaining CRB checks, additional income and unanticipated slippage of building maintenance expenditure into 2009/10;
- u. **General Administration** will underspend by £81,400 mainly on payments for to tenants re management moves which have slipped into 2009/10 and thus will be requested to be rolled over;

- v. **Outdoor Maintenance** is underspent by a net £15,400 (after the recharge to the General Fund) because of slippage of anticipated expenditure into 2009/10;
- w. **Rent Income** is slightly higher than anticipated by £43,100 which equates to 0.2% of the expected income;

**Capital**

- x. **Housing Repairs Capital:** large ongoing contracts have progressed faster than expected, possibly due to the availability of contractors in the economic slowdown and favourable weather conditions. The resultant overspend has been accommodated within the Housing Capital Programme as a whole;
- y. **The acquisition of existing dwellings** is £235,200 less than the working estimate of £1,705,000;
- z. **ICT Development** programme has slipped to the value of £64,100 into 2009/10;
- aa. **Improvement Grants/Loans** has underspend by £87,800 but this will requested to be rolled over into 2009/10;
- bb. **Other General Fund Capital & Grants** have a net underspend of £29,600. These items need to be considered together because expenditure that was offset by matching grants will now be part of the 2009/10 expenditure;
- cc. **Right to Buy & Equity Share Sales** net of the transfer to the DCLG, are now predicted to be £66,100 more than the revised estimate.

**Housing Repairs (Revenue and Capital)**

The overall situation on Housing repairs is:

Original Estimate		£9,549,800
Revised Estimate	£9,884,800	
Approved Virements	£440,000	
Working Estimate		£10,324,800
Provisional Outturn		£10,610,474
Overspend on Working Estimate		£285,674

**Implications**

- 7. The Council needs to ensure that it spends within its budgets, because of the impact on the level of balances and the implications for the Medium Term Financial Strategy and the Housing Business Plan.

8.	Financial	As detailed in the report.
	Legal	None.
	Staffing	No immediate impact.
	Risk Management	As Above.
	Equal Opportunities	None.

**Consultations**

9. None.

**Effect on Strategic Aims**

10.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>	The effect of any under or overspending on the achievement of strategic aims, service priorities and performance indicators and the linking of budgets with service performance is an outstanding issue which needs to be addressed.
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>	
	<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>	
	<b>Commitment to assisting provision for local jobs for all.</b>	
	<b>Commitment to providing a voice for rural life.</b>	

**Conclusions/Summary**

11. The underspend on the General Fund as compared to the revised estimates adjusted for approved virements is a net underspend of £227,300 which amounts to 1.64% of Net District Council Expenditure for the financial year ending 2008/09.
12. The HRA underspend of £112,700 equates to 0.52% of gross expenditure.
13. Capital has a predicted underspend of £ 244,600, which is 2.11% of gross expenditure.

**Recommendation**

14. The Finance and Staffing Portfolio Holder is requested to note the contents of the report.

**Background Papers:** the following background papers were used in the preparation of this report: Revised Estimates 2008/09, Financial Management System Reports.

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**Significant Budget Items**

**APPENDIX A**

Previously Reported (Under)/ Over Spend Compared to Working Estimate £		Revised Estimate 2008/09 £	Working Estimate 2008/09 £	Actual Income & Expenditure to 31st March as at 04/06/09 £	Projected (Under)/ Over Spend Compared to Working Estimate £	Movement from Previous Month's Position £	Report Paragraph References
	<b>Revenue</b>						
	<b>Expenditure</b>						
(112,900)	Departmental Accounts (note 1)	16,198,000	16,205,850	16,092,907	(112,900)		0 a,b,c & Appendix B
2,900	Central Overheads (note 2)	1,139,470	1,139,470	1,142,335	2,900		0
(15,000)	Land Charges	(205,930)	(205,930)	(222,245)	(16,300)	(1,300)	d
(42,000)	Refuse Collection	2,055,270	2,055,270	1,973,255	(82,000)	(40,000)	e
0	Street Cleansing	490,940	490,940	507,796	16,900	16,900	e
(17,000)	Kerbside Recycling	703,530	703,530	684,162	(19,400)	(2,400)	e
(16,000)	Homelessness	98,780	77,930	58,778	(19,200)	(3,200)	f
40,000	Housing Futures Recharge from HRA	521,130	521,130	501,837	(19,300)	(59,300)	g
0	Other Net HRA Recharges	249,190	249,190	174,790	(74,400)	(74,400)	h
0	Development Control (Gross Expenditure)	242,930	242,930	241,844	(1,100)	(1,100)	
75,000	Development Control (Income)	(1,100,240)	(1,100,240)	(1,013,735)	86,500	11,500	i
0	Building Control	(463,230)	(463,230)	(465,400)	(2,200)	(2,200)	j
(6,500)	Concessionary Fares	283,970	283,970	277,496	(6,500)	0	k
7,000	Planning Policy	120,300	133,300	139,700	6,400	(600)	l
(56,500)	Other	(923,740)	(923,740)	(1,037,104)	(113,400)	(56,900)	h1,m,n,o,p,q
100,000	Efficiency Savings	(100,000)	(100,000)	0	100,000	0	r
(41,000)	<b>Total</b>	<b>19,310,370</b>	<b>19,310,370</b>	<b>19,056,416</b>	<b>(254,000)</b>	<b>(213,000)</b>	
(6,200)	Interest on Balances	(2,080,000)	(2,080,000)	(2,076,810)	3,200	9,400	
19,200	Interest transferred to Housing Revenue account	128,000	128,000	147,180	19,200	0	
(28,000)	<b>Total</b>	<b>17,358,370</b>	<b>17,358,370</b>	<b>17,126,786</b>	<b>(231,600)</b>	<b>(203,600)</b>	
4,300	Less Departmental/Overheads recharged to HRA & Capital	(3,469,920)	(3,469,920)	(3,465,609)	4,300	0	
(23,700)	<b>General Fund Total</b>	<b>13,888,450</b>	<b>13,888,450</b>	<b>13,661,177</b>	<b>(227,300)</b>	<b>(203,600)</b>	

Previously Reported (Under)/ Over Spend Compared to Working Estimate £		Revised Estimate 2008/09 £	Working Estimate 2008/09 £	Actual Income & Expenditure to 31st March as at 04/06/09 £	Projected (Under)/ Over Spend Compared to Working Estimate £	Movement from Previous Month's Position £	Report Paragraph References
<b><u>Housing Revenue Account</u></b>							
30,000	Housing Repairs - Revenue	2,981,300	3,071,300	3,154,181	82,900	52,900	s
(35,000)	Building Maintenance Contractor (net less recharges)	(315,840)	(315,840)	(355,327)	(39,500)	(4,500)	s
(70,000)	Supported Housing (Gross Expenditure)	1,819,770	1,799,770	1,739,813	(60,000)	10,000	t
(30,000)	Supported Housing (Gross Income)	(1,403,700)	(1,403,700)	(1,469,216)	(65,500)	(35,500)	t
(70,000)	General Administration	259,210	183,530	102,101	(81,400)	(11,400)	u
0	Outdoor Maintenance	221,360	221,360	205,920	(15,400)	(15,400)	v
(40,000)	Housing Futures	382,150	382,150	403,442	21,300	61,300	g
(19,200)	Other (including Payment to Government & Capital Charges)	14,641,680	14,647,360	14,735,790	88,400	107,600	h
0	Rent Income	(21,090,000)	(21,090,000)	(21,133,094)	(43,100)	(43,100)	w
(400)	Recharged Departmental & Overhead Accounts	3,141,750	3,141,750	3,141,350	(400)	0	
=====							
(234,600)	Housing Revenue Account Total	637,680	637,680	524,960	(112,700)	121,900	
=====							
<b><u>Capital</u></b>							
<b><u>Capital Expenditure</u></b>							
<b><u>HRA Capital</u></b>							
230,000	Housing Repairs - Capital	6,899,000	7,249,000	7,436,814	187,800	(42,200)	s,x
(235,000)	Acquisition of Existing Dwellings	2,000,000	1,705,000	1,469,785	(235,200)	(200)	y
0	Other	214,000	149,000	122,574	(26,400)	(26,400)	
<b><u>GF Capital</u></b>							
(96,500)	ICT Development	383,750	393,750	329,634	(64,100)	32,400	z
(85,000)	Improvement Grants	794,820	794,820	706,971	(87,800)	(2,800)	aa
(26,500)	Other	1,040,100	1,040,100	633,559	(406,500)	(380,000)	bb
<b><u>Capital Receipts</u></b>							
256,000	Right to Buy Sales	(612,600)	(612,600)	(354,450)	258,100	2,100	cc
(43,000)	Equity Share & Other Sales	(2,641,280)	(2,641,280)	(2,640,295)	1,000	44,000	cc
0	Other Capital Receipts	(307,780)	(307,780)	(307,650)	0	0	
(200,000)	Transfer to DCLG re pooling of capital receipts	1,200,000	1,200,000	1,007,000	(193,000)	7,000	cc
20,000	Other Grants & Allowances	(4,034,200)	(4,034,200)	(3,708,819)	325,400	305,400	bb
(3,900)	Recharged Departmental & Overhead Accounts	328,170	328,170	324,259	(3,900)	0	
=====							
(183,900)	Capital Total	5,263,980	5,263,980	5,019,382	(244,600)	(60,700)	
=====							

Notes:

1. This excludes sheltered housing and manual workers in the Housing and Environmental Services Department and capital charges which are reversed out in the General Fund summary.
2. This includes office accommodation at Cambourne and the depot at Landbeach but it excludes capital charges, which are reversed out in the General Fund summary and departmental recharges as the cost is already included in Departmental Accounts. It also includes Central Expenses and Central Support Services.
3. General Fund gross expenditure on services excluding recharges, capital charges and capital financing.

**Monthly Budgetary Control Report - Staff Related Costs****Appendix B****Analysis of Departmental Over/Underspending as at 31st March 2009**

<b>Departmental Accounts</b>	<b>Cost Centre Manager</b>	<b>Over/ (Under) Spend</b>	<b>Over/ (Under) Spend</b>
<b><u>Salaries &amp; Other Staff Related Costs</u></b>			
<b>Chief Executive</b>			
FSS Corporate Manager/Executive Director		12,900	
Housing Futures	D Lewis	(3,100)	
Partnerships/Community Safety	D Lewis	(6,000)	
Policy & Performance	P Swift	2,400	
Partnership Officer	G Barron	(1,000)	
Other		4,900	
<b>Chief Executive's Total</b>			<b>10,100</b>
<b><u>Executive Director (Corporate Services)</u></b>			
Democratic Services	R May	(2,100)	
Accountancy	A Burns	(9,700)	
HR/Payroll	S Gardner-Craig	(1,000)	
Rent Collection & Accounting	L Phanco	(1,500)	
Revenues	L Phanco	(9,400)	
ICT / Street Naming & Numbering	S Rayment	(3,300)	
Land Charges	C Dunnett	(14,700)	
Other		(600)	
<b>Executive Director Total</b>			<b>(42,300)</b>
<b><u>Executive Director (Operational Services)</u></b>			
New Communities Corporate Manager	J Mills	3,800	
Community Infrastructure	J Thompson	13,700	
Growth Agenda	J Green	(2,000)	
Development Control	D Rush	12,400	
Planning Policy	K Miles	5,700	
Planning Administration	R Fox	4,700	
Conservation	D Grech	(2,700)	
Joint Urban Design	G Richardson	200	
Building Control	A Beyer	(700)	
Caretakers	B O'Halloran	(11,300)	
Housing Strategic Services	M Knight	600	
Housing Aid/Homelessness	S Carter	(5,300)	
Housing Property Services	B O'Halloran	1,700	
DLO Manager/Admin	A Clarke	700	
Environmental Health	D Robinson	(10,500)	
Other		(10,600)	
<b>Executive Director Total</b>			<b>400</b>
<b>(Under)/Overspending on Revised Departmental Staff Related Costs</b>			<b><u>(31,800)</u></b>
Less:			
Assumed reduction for vacancies			42,000
<b>Net projected (under)/overspend for the year</b>			<b><u>10,200</u></b>
<b>assuming underspendings occur at the same rate</b>			<b><u>10,200</u></b>

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