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18 March 2009

To: Councillor AG Orgee, Portfolio Holder

R Hall
RB Martlew
RT Summerfield

Scrutiny Monitor
Opposition Spokesman
Opposition Spokesman

Officers: Greg Harlock

Chief Executive

Dear Sir / Madam

Please find attached papers, which were received after the publication of the agenda, for the next meeting of **FINANCE PORTFOLIO HOLDER'S MEETING**, which will be held in **MEZZANINE, SECOND FLOOR** at South Cambridgeshire Hall on **THURSDAY, 19 MARCH 2009** at **10.00 a.m.**

Yours faithfully
GJ HARLOCK
Chief Executive

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

AGENDA

6. Financial Position

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SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: SMT and Finance Portfolio Holder 18 March 2009

AUTHOR/S: Best Value & Management Accountant

FINANCIAL POSITION – APRIL TO FEBRUARY 2009 & PROJECTED OUTTURN
Executive Summary

- The information in this report indicates the following outturn (under)/overspends for 2008/09. These figures are projections from the position at the end of February as compared to the working estimates. These are the revised estimates as approved by Council on 26th February 2009 adjusted for approved virements. Below is a summary of February's projections and for comparative purposes the corresponding January's projections.

	February's Projected Outturn		January's Projected Outturn		
	Compared to Revised		Compared To Revised	Compared to Original + Rollovers	Compared to Original
	£	%	£	£	£
General Fund	(34,900)	(0.25)	(11,300)	(485,800)	(53,010)
Housing Revenue Account (HRA)	(131,500)	(0.60)	1,200	(256,000)	(243,500)
Capital	(393,800)	(3.39)	1,200	(1,052,200)	(741,200)

As the above table illustrates, rollovers distorts the reporting of the financial position and essentially accounts for the large underspends as reported in January. Therefore, to aid better comparison and reporting, the rollover process is under consideration so that rollovers are only released when there is not sufficient budget to cover that expenditure from existing resources including virements.

Background

- This report provides an update to the January's financial position.
- 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.
- This position statement is reporting on any variances from the revised budgets as approved by Council and the working budgets.

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 revised estimates as reported to Cabinet on 11th December, is attached in **Appendix B**. which indicates a net overspend of £2,400;
- b. **Homelessness** is predicted to underspend by £25,000 as the demand for accommodation has been less than expected even in light of the economic climate;
- c. **Development Control** is expected to overspend by £18,700 due to unexpected expenditure on the audit of planning systems;
- d. **Development Control income** is lower than estimated owing to the slow down in the housing market and consequential effect on income. The current shortfall equates to a predicted overspend of £37,000;
- e. **Building Control** fee income is less than estimated. The current shortfall equates to a predicted overspend of £28,500. However, this will be offset at the end of the financial year by a transfer from reserves;
- f. Data from the bus operators and County Council indicates the 2008/09 **Concessionary Fares** budget is estimated to underspend by £8,000, after making adjustments for the future transfer of Cowley Road Park & Ride Site into our boundary. However, we are still awaiting invoices from the County Council which may change this position;
- g. **Planning Policy** is predicted to overspend by £7,000 which is due to information from the planning inspectors altering the expected spending in this financial year;
- h. **Economic Development** Strategy & Business Forum expenditure is not now expected to be fully utilised in this year as the tender has only just go out. It is expected that £50,000 will be requested to be rolled over into 2009/10;
- i. **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;

Housing Revenue Account (HRA)

- j. **Supported Housing** is underspent by £50,000 of vacancies and delays in obtaining CRB checks;

- k. **General Administration** will underspend by £50,000 following the recent consultancy report on IT which recommended investment in the integration of various systems used by the Council and particularly the Housing Services which will not be spent in this financial year but will need to be rolled over into next year. Additionally Service Charge Implementation will underspend by £30,000.

Capital

- l. **The acquisition of existing dwellings** is now expected to be £320,000 less than the revised £2,000,000 estimate;
- m. **Improvement Grants** is expected to underspend by £130,000 but this will requested to be rolled over into 2009/10;
- n. **Right to Buy & Equity Share Sales** net of the transfer to the DCLG are now predicted to be £54,700 less than the revised estimate.

Implications

7. 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.

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 Corporate Objectives and Service Priorities

10.	<p>Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future</p> <p>Deliver high quality services that represent best value and are accessible to all our community</p> <p>Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work</p>	<p>The effect of any under or overspending on the achievement of corporate objectives, service priorities and performance indicators and the linking of budgets with service performance is an outstanding issue which needs to be addressed.</p>
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Conclusions/Summary

11. The forecast underspend on the General Fund as compared to the revised estimates adjusted for approved virements is a net underspend of £34,900 which amounts to 0.25% of Net District Council Expenditure for the financial year ending 2008/09.
12. The HRA predicted underspend of £131,500 equates to 0.60% of gross expenditure.

13. Capital has a predicted underspend of £ 393,800, which is 3.39% of gross expenditure.

Recommendation

14. SMT is requested to note the projected expenditure position and to refer the report to the next meeting of the Finance Portfolio Holder for more detailed consideration.

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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APPENDIX A

Significant Budget Items

Previously Reported (Under) Over Spend Compared to Working Estimate £	Revenue	Revised Estimate 2008/09 £	Working Estimate 2008/09 £	Actual Income & Expenditure to 28th February as at 16/03/09 £	Projected (Under)/ Over Spend Compared to Working Estimate £	Movement from Previous Months Position £	Report Paragraph References
(8,900)	<u>Expenditure</u>	16,240,000	16,247,850	14,621,946	2,400	11,300 a & Appendix B	
0	Departmental Accounts (note 1)	1,139,470	1,139,470	997,512	2,000	2,000	
0	Central Overheads (note 2)	(205,930)	(205,930)	(204,166)	0	0	
0	Land Charges	2,055,270	2,055,270	1,446,145	0	0	
0	Refuse Collection	490,940	490,940	496,431	0	0	
0	Street Cleansing	703,530	703,530	701,249	0	0	
0	Kerbside Recycling	98,780	77,930	25,226	(25,000)	(25,000) b	
0	Homelessness	521,130	521,130	0	0	0	
0	Housing Futures Recharge from HRA	249,190	249,190	0	0	0	
0	Other Net HRA Recharges	242,930	242,930	195,994	18,700	18,700 c	
0	Development Control (Gross Expenditure)	(1,100,240)	(1,100,240)	(977,266)	37,000	37,000 d	
0	Development Control (Income)	(459,670)	(459,670)	(397,383)	0	0 e	
0	Building Control	357,520	357,520	38,556	(8,000)	(8,000) f	
0	Concessionary Fares	120,300	133,300	22,237	7,000	7,000 g	
0	Planning Policy	(1,065,350)	(1,065,350)	(437,277)	(64,000)	(64,000) h,i	
0	Other	(100,000)	(100,000)	0	0	0	
0	Efficiency Savings						
(8,900)	Total	19,287,870	19,287,870	16,529,204	(29,900)	(21,000)	
0	Interest on Balances	(2,080,000)	(2,080,000)	(1,967,273)	(5,000)	(5,000)	
0	Interest transferred to Housing Revenue account	128,000	128,000	0	0	0	
(8,900)	Total	17,335,870	17,335,870	14,561,931	(34,900)	(26,000)	
(2,400)	Less Departmental/Overheads recharged to HRA & Capital	(3,469,920)	(3,469,920)	0	0	2,400	
(11,300)	General Fund Total	13,865,950	13,865,950	14,561,931	(34,900)	(23,600)	

Monthly Budgetary Control Report - Staff Related Costs**Appendix B****Analysis of Departmental Over/Underspending as at 28th February 2009**

Departmental Accounts	Cost Centre Manager	Over/ (Under) Spend	Over/ (Under) Spend
<u>Salaries & Other Staff Related Costs</u>			
<u>Chief Executive</u>			
FSS Corporate Manager/Executive Director		17,700	
HR/Payroll	S Gardner-Craig	(700)	
Housing Futures	D Lewis	(2,500)	
Land Charges	C Dunnett	(12,100)	
Partnerships/Community Safety	D Lewis	(2,800)	
Policy & Performance	P Swift	1,800	
Partnership Officer	G Barron	1,300	
Democratic Services	R May	(2,100)	
Accountancy	A Burns	(1,300)	
Rent Collection & Accounting	L Phanco	(3,000)	
Revenues	L Phanco	(6,300)	
ICT / Street Naming & Numbering	S Rayment	(7,300)	
Other		100	
Chief Executive's Total			(17,200)
<u>Executive Director</u>			
New Communities Corporate Manager	J Mills	800	
Community Infrastructure	J Thompson	500	
Growth Agenda	J Green	(4,200)	
Development Control	D Rush	10,600	
Planning Administration	R Fox	5,000	
Conservation	D Grech	400	
Joint Urban Design	G Richardson	(300)	
Building Control	A Beyer	(2,400)	
Caretakers	B O'Halloran	(900)	
Housing Strategic Services	M Knight	700	
Housing Aid/Homelessness	S Carter	(3,100)	
Housing Property Services	B O'Halloran	1,200	
DLO Manager/Admin	A Clarke	500	
Environmental Health	D Robinson	(4,200)	
Other		1,100	
Executive Director Total			5,700
(Under)/Overspending on Revised Departmental Staff Related Costs			<u>(11,500)</u>
Pro rated projected (under)/overspend for the year assuming (under)/overspendings occur at the same rate			(14,400)
Adjustment for current (under)/overspends not continuing for the remainder of year			(25,200)
Gross projected (under)/overspend for the year assuming underspendings occur at the same rate			<u>(39,600)</u>
Less:			
Assumed reduction for vacancies			42,000
Net projected (under)/overspend for the year assuming underspendings occur at the same rate			<u><u>2,400</u></u>

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