

Budget 2019/20 Q3- Provisional Variance

Directorate	Full year Budget	Budget to date	Actual to date	Variance to date	Variance to date
	£'000	£'000	£'000	£'000	%
General Fund					
Corporate Services and unallocated	6,134	4,093	3,160	(933)	-23%
Health and Environmental Services	7,247	3,060	2,395	(665)	-22%
Housing General Fund	1,561	116	(217)	(333)	-286%
Planning	5,247	2,136	1,455	(681)	-32%
Net Service Costs	20,189	9,405	6,793	(2,612)	-28%
Overhead Costs (Not included in Full Year Budget Total)	6,293	3,913	4,038	125	3%
Savings not Included in Directorate Services					
Finance Charge Reversals	(1,063)	0	0	0	0%
Efficiency reserves and Precautionary	125	0	0	0	0%
City Deal Funding Contribution	742	0	0	0	0%
Internal Drainage Board Levies	202	202	197	(5)	-2%
Cost of Borrowing to fund Capital Expenditure	9	7	37	30	429%
Investment Income	(1,995)	(1,503)	(2,213)	(710)	-47%
Minimum Revenue Provision	176	0	0	0	0%
General Fund total costs	18,385	12,024	8,852	(3,172)	-26%
New Homes Bonus	(2,473)	(1,855)	(1,855)	0	0%
Rural Services Grant	(131)	(66)	(66)	0	0%
(Surplus) / Deficit on Collection Fund re Council Tax	(82)	(62)	(62)	0	0%
(Surplus) / Deficit on Collection Fund re Business Rates	0	0	(2,600)	(2,600)	-100%
Retained Business Rates (incl. Section 31 Grant)	(6,811)	(5,108)	(5,959)	(851)	-17%
Council Tax	(9,093)	(6,820)	(6,820)	0	0%
General Fund total income	(18,590)	(13,911)	(17,362)	(3,451)	-25%
General fund total	(595)	(1,887)	(8,510)	(6,623)	-351%
Earmarked Reserves	390	0	0	0	0%
Directorate					
	Full year Budget	Budget to date	Total expenditure	Variance	Variance
	£'000	£'000	£'000	£'000	%
HRA					
Housing Repairs - Revenue	4,151	3,114	2,337	(777)	-25%
Supervision and Management General	3,779	2,122	1,858	(264)	-12%
Supervision and Management Special	661	526	151	(375)	-71%
Corporate Management	988	0	0	0	0%
Interest on Loans	7,179	3,589	3,529	(60)	-2%
Depreciation	6,663	0	0	0	0%
Capital Expenditure funded from Revenue	12,622	0	0	0	0%
Other	279	7	4	(3)	-37%
Total HRA expenditure	36,322	9,358	7,879	(1,479)	-16%
Income	(27,986)	(20,979)	(21,201)	(222)	-1%
Interest Receivable	(546)	0	0	0	0%
Total HRA	7,790	(11,621)	(13,322)	(1,701)	-15%

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Directorate	Full year Budget	Budget to date	Total expenditure	Variance	Variance
	£'000	£'000	£'000	£'000	%
GF Capital					
ICT Development	983	737	109	(628)	-85%
South Cambridgeshire Hall	330	247	114	(133)	-54%
Waste Collection & Street Cleansing	399	230	203	(27)	-12%
Awarded Watercourses and Footway Lighting	750	0	0	0	0%
Repurchase of GF Sheltered Properties	525	394	808	414	105%
Environmental Protection	100	0	0	0	0%
Improvement Grants	962	722	371	(351)	-36%
Investments	64,645	37,770	28,490	(9,280)	-14%
Total GF Capital	68,694	40,100	30,095	(10,005)	-25%

Directorate	Full year Budget	Budget to date	Total expenditure	Variance	Variance
	£'000	£'000	£'000	£'000	%
HRA Capital					
Preparation of Self-Build Plots	190	143	16	(127)	-89%
New Homes Programme	14,803	11,102	11,447	345	3%
Repurchase of HRA Shared Ownership Homes	415	311	508	197	63%
Housing Repairs - Capital	7,341	5,506	3,095	(2,411)	-44%
Total HRA Capital	22,749	17,062	15,066	(1,996)	-12%

Significant Items of Variance from Working Budget

Budget 2019/20 Q3 - General Fund revenue

Service Grouping	Reason for Outturn Variance	Full year budget £'000	Budget to date £'000	Actual to date £'000	Actual (Favourable) / Adverse variance to date £'000	Variance to date %
Overhead Accounts						
Staffing Overheads Total		6,293	3,913	4,038	125	3%
HR Service costs	Variance not significant, therefore not investigated	76	42	38	(4)	-9%
ICT Development	The overspend is partly due to the payment for the use of the old finance system, which is a 3yr contract. 2/3rds of this payment (£33,000) relates to 2020-21 and 2021-22. An adjustment will be made at the year end.	1,917	785	834	50	6%
Cambourne Office	The cyclical maintenance budget is continuing to show an overspend on some catch up works that should have been carried out previously. There are still a few items outstanding and the latest projection shows an overspend is likely.	915	800	848	48	6%
Contact Centre Service costs	The budget to date includes £97,470 allocated to consultancy. This is now being used towards staffing costs of the project instead, so results in underspend here, and offset by an overspend in staff costs. The budget to date is higher than the full year budget set due a to £130,000 virement for the one-vu project from a previously unallocated budget.	202	231	135	(96)	-42%
Contact Centre Savings	Savings included in the budget to offset the costs of OneVu are really Employee related so although a small saving is shown here the bulk of the saving is staff related.	(75)	(79)	(15)	64	-81%
Corporate Services						
Service accounts total - CS		6,134	4,093	3,160	(933)	-23%
Electoral Registration Service costs	Savings here relate to costs of printing (£10,000) and postage and canvassing costs (£23,000). This budget will be underspent at the year end.	200	116	85	(31)	-27%
Democratic Representation Service costs	Underspend on members allowance/ subsistence make up the variance to date. The Budget was originally based on costs before the number of members was reduced and so will be underspent this year. The proposed 2020/21 budget has been reduced to reflect this change.	462	344	264	(80)	-23%
Corporate Management Service costs	Variance not significant, therefore not investigated	1,164	1,409	1,399	(10)	-1%
Health and Environmental Services						
Service Accounts Total - HES		5,247	2,136	1,455	(681)	-32%
Footway Lighting Service and Overhead costs	The favourable variance relates to accruals made in last year's accounts which were expected to be offset by payments to contractors in this financial year - therefore creating a credit in this year hence the - £16,000 in the actual to date. The invoices were in association with our previous contract and were originally in dispute. This dispute is now resolved but the corresponding invoices (£52,000) covering the period 01.07.17 - 31.03.18 have not been forthcoming despite several requests. A decision on how to treat this in the accounts will be made on closing the 2019/20 accounts. The remainder of the variance is a result of the in-year contract costs being lower than budgeted and delays in invoicing.	84	63	(16)	(79)	-125%
Street Cleansing Service costs	£19,000 of this adverse budget variance is derived from larger than expected maintenance costs incurred on our ageing Street Cleansing fleet. Many of these vehicles are due to be replaced during 2020-21 and 2021/22 so this spending pressure should be short term. The remaining over spend is in relation to the recent SCRAP campaign to promote a cleaner street scene and the expenditure incurred on this will be funded from a Government grant that is currently held in our earmarked reserves.	245	113	175	62	55%

Greater Cambridge Shared Waste Services - Service costs* Results shown are those of the Shared Service, not SCDC alone.	Vehicle fleet budgets are showing marked savings across the board. Maintenance and servicing comparators are lower by £23,000 ; the fuel budget is showing a saving of £109,000 and the budget in-place for the hiring of temporary RCV's is showing a £22,000 saving. There has also been a drive to reduce those collection and delivery services that are currently externalised; this has led to the budget heading for sub-contractor charges showing a saving of £23,000 . The service budget is also currently showing an underspend of £40,000 on the IT licence costs in relation to the new waste management software but it is felt that this is more of a budget profiling issue and that this money will be spent in quarter 4. Over all though the budget will be underspent.	5,142	2,643	2,432	(211)	-8%
Community Chest Grants	Budget profiling allocates the budget equally to all periods, expenditure though is not in line with this pattern. The budget is expected to be spent by the end of the year.	61	45	31	(14)	-32%
Renewable Energy Service costs	No income or spend profiled for Q3. All expenditure is expected in Quarter 4 though a degree of underspend is expected.	200	0	0	0	0%
Health and Wellbeing Service costs	A better understanding of service requirements and budgets has led to a saving of £25,000. This saving is also being included in the 2020/21 budget.	135	95	39	(56)	-59%
Taxi Licensing Service Income	Income is up but this offsets additional costs for the purchase of licence plates	(189)	(134)	(177)	(43)	-32%
Greater Cambridge Shared Waste Services - Income	Income generated from introducing a charge for collecting organic waste from residents with a 2nd green bin has surpassed all expectations and is over £140,000 more than budgeted. Greater income has also been attained from the charge imposed on collecting bulky household waste which is £31,000 above budgeted levels.	(7,020)	(5,648)	(5,842)	(194)	-3%
Housing General Fund						
Service Accounts Total - H GF		1,561	116	(217)	(334)	-287%
Homelessness Service costs	The budgeted contribution to the Trailblazer project was £20,000 but only £10,000 has been spent.	262	170	166	(4)	-2%
Private Sector Leasing Scheme Service costs	Variance not significant, therefore not investigated	348	181	183	2	1%
Travellers Sites Service costs	This is a demand led budget and is spent in response to maintenance requests which have been lower than expected.	42	30	24	(6)	-20%
Travellers Sites Income	Income is slightly below expectations so far this year and will probably fall short of the budget.	(115)	(86)	(80)	6	6%
Private Sector Leasing Scheme Income	This relates to cost recovery from Shire Homes and income is expected to be in line with the budget.	(107)	(80)	(68)	12	15%
Homelessness Income	Actual income has exceeded the full year budget to date and includes £42,000 recharged income from staff on secondment to neighbouring authorities and £40,000 invoiced to recover rent & deposits paid in advance to prevent homelessness. It is possible that some of the income from rents becomes irrecoverable and may need to be written off as it is notoriously difficult to collect. The figures also include government grant toward homelessness prevention initiatives.	(465)	(423)	(520)	(97)	-23%
Planning						
Service Accounts Total - PI		5,247	2,136	1,455	(681)	-32%
Development Management Service costs (net of Agency costs)	Majority of the underspend relates to the Transformation Budget, which was planned to be spent in the last 6 months of year (£500,000 budget profiled 1/12). Some of the transformation costs will be spent on additional staff, some on ICT additions.	1,107	894	493	(400)	-45%
Planning Policy Service costs (net of Agency costs)	The overspend relates to consultancy spend on, North East Cambridge Area Action Plan, Greater Cambridge Local Plan (Infographics, Publicity, Event Materials)	580	437	454	18	4%
Strategic Sites Service costs	Legal & Consultancy budget is underspent though should be fully spent by the year end.	97	73	34	(39)	-54%
Development Management Income	Shortfall in income relating to Cambridge City. Income partly mitigated salary underspends, but not in whole, leaving an adverse variance at Q3.	(3,897)	(2,847)	(2,680)	167	6%
Strategic Sites Income	Variance not significant, therefore not investigated	(607)	(455)	(446)	9	2%

Budget 2019/20 Q3 - Housing Revenue Account Monitoring

Service Grouping	Reason for Outturn Variance	Full year budget £'000	Budget to date £'000	Actual to date £'000	Actual (Favourable) / Adverse variance to date £'000	Variance to date %
Housing Revenue Account - Income						
Rental Income from dwellings	The 2019/20 budget was built on the assumption that the mandatory disposal of high value vacant housing stock, though deferred, may still be introduced and rental income was reduced accordingly for holding void stock. This assumption has been removed when forecasting future rental income and preparing budgets for year 2020/21	(27,560)	(20,670)	(20,883)	(213)	-1%
Housing Repairs - Revenue						
Cyclical and Responsive Repairs	Responsive Repairs currently reporting favourable variance however it is notoriously difficult to predict the timing and demand on a response-led budget like this though spending during the winter months tends to be higher for weather related reasons. It is likely that this budget will be underspent at the year end.	4,151	3,114	2,337	(776)	-25%

Significant Items of Variance from Working Budget

Capital Budget 2019/20 Q3 - Major Variances from Budget

Service Grouping	Reason for Variance	Full year budget £'000	Budget to date £'000	Actual to date £'000	Actual (Favourable) / Adverse variance to date £'000	Variance to date %
Housing Revenue Account - Land						
HRA Land	Minimal expenditure has occurred in respect of the preparation of HRA land as self-build plots. This will be underspent.	190	143	16	(127)	-89%
New Homes Programme	The budget was re-profiled as part of the HRA Capital update that was agreed by Cabinet last Month and expenditure is in line with revised expectations.	14,803	11,102	11,447	345	3%
Repurchase of Shared Ownership	This budget is reactive, and spend is dependent upon the number of homes which are re-presented to the Council in any year, and the value at which they are re-acquired.	415	311	508	197	63%
Improvement to the Housing Stock	A significant underspend is showing here for three main reasons. Firstly the main repairs contractor is significantly behind with their invoicing, secondly one contractor went into administration and re-tendering the work has delayed the project and thirdly the fire door replacement programme is behind schedule due to finalising the type of door to be used. The budget therefore needs to be moved into 2020/21 so that the work can be carried out then.	7,341	5,506	3,095	(2,411)	-44%
Total HRA Capital Programme		22,749	17,062	15,066	(1,996)	-12%
General Fund						
Cambourne Offices	The budget relates to a rollover from 2018/19 for works originally planned then but now programmed in 2019/20. Expenditure includes the refurbishment of the toilets and kitchen areas with further expenditure to come. It is now unlikely that all the work budgeted will complete by 31st March so £82,000 is now being slipped into 2020/21.	330	247	114	(133)	-54%
ICT Development	Expenditure in this year so far relates to the new Housing Management System and some expenditure on the planning system. There are a significant number of other systems where expenditure is expected such as the Yotta Waste system, Health and Environmental system, Council Anywhere and indeed further expenditure on the Housing Management Orchard system. Having said that it is extremely unlikely that the budget will be fully spent this year.	983	737	109	(628)	-85%
Waste Collection & Street Cleansing	The budget includes the purchase of five vehicles two for Street Cleansing and three for Shared Waste. The Street Cleansing vehicles and one of the waste vehicles have been purchased with a further purchase expected in quarter four. The final purchase will now not occur until 2020/21 so the budget needs to be reprofiled and £84,000 moved into 2020/21.	399	230	203	(27)	-12%
Footway Lighting	This budget relates to the upgrade to the parish maintained street lights. It was expected that the contract would commence in quarter four but this will now be early in the next financial year.	750	0	0	0	0%
Repurchase of GF Sheltered Properties	This budget is reactive, and spend is dependent upon the number of homes which are re-presented to the Council in any year, and the value at which they are re-acquired.	525	394	808	414	105%
Environmental Protection and Air Quality	The Air Quality monitoring equipment is expected to be purchased shortly	100	0	0	0	0%
Improvement Grants	Applications received for Disabled Facilities Grants throughout the year were lower than anticipated. Unless there is a significant increase in quarter four this budget will be underspent.	962	722	371	(351)	-49%
Ermine Street Housing Loans	Lending for house purchases is broadly in line with expectations.	13,500	10,125	10,571	446	4%
Ice Rink Loan	The loan for the Ice rink has now been completed and interest on the loan is being received.	1,145	1,145	1,145	0	0%
Investment Strategy	The actual includes the purchase of 140 Cambridge Science Park and Colmworth Business Park. The purchase of 270 Science Park was expected during quarter three but due to issues trying to resolve the land title this did not occur until late January hence the large variance. The full year budget assumes a further acquisition before the end of March but this will not happen now and the Capital Programme has been amended accordingly.	50,000	26,500	16,774	(9,726)	-37%
Total for GF Capital expenditure		68,694	40,100	30,095	(10,005)	-25%