

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet
AUTHOR/S: Chief Executive / Chief Accountant

13 July 2006

EXPENDITURE OUTTURN 2005/06

Purpose

1. To inform Members of the actual expenditure figures for 2005/06 and how they compare to the original estimates when the Council Tax and rents were set and to the revised estimates.

Effect on Corporate Objectives

2.	Quality, Accessible Services	This report has no direct implications for any of the Corporate Objectives but any variation in the expenditure on individual services might affect the achievement of those Objectives
	Village Life	
	Sustainability	
	Partnership	

Background

3. The actual outturn figures are normally compared to the original estimate as it is the original estimate which is used for setting the Council Tax and rents. However, many of the variations between the actual and original estimate will be the result of the Council's budget being capped by the Government and were anticipated in the revised estimates. The actual figures are, therefore, also compared to the revised estimate.

Considerations

4. Some of the underspendings in this report are due to slippage and the expenditure will be incurred in the current year instead of last year. The full list of budgets approved by the Resources, Staffing, Information and Customer Services Portfolio Holder at his meeting on 9th June for rollover from 2005/06 to 2006/07 is attached at **Appendix A**.

Options

5. None.

Financial Implications

General Fund

6. The actual outturn for Net Portfolio Expenditure is £15.771 million and a summary is shown in **Appendix B**. This compares with an original pre-capping estimate of £18.155 million and a revised estimate of £16.319 million, variances of £2.384 million and £0.548 million respectively. The main variations over £50,000 are:

Service	Compared to estimate		Compared to revised	
	Overspending + / Budget reductions and Underspendings () £	% (see note below)	Overspending + / Underspendings () £	% (see note below)
Council Tax Benefit	(131,807)	(43)		
Corporate Management	+278,776	+40	+203,956	+27
Performance Plan / CPA	(68,990)	(31)		
Cost of Council Tax Collection	+63,594	+8		
Democratic Representation	(91,228)	(7)		
Public Relations, Library and Information	(68,792)	(30)		
Integrated Waste Management and Street Cleansing Strategy	(71,313)	(21)		
Refuse Collection Service			* (83,901)	(4)
Kerbside Recycling	+79,908	+23		
Environmental Protection	(68,962)	(20)		
Licences	(93,815)	(49)		
Home Improvement Agency	(55,871)	(32)		
Housing Association Support	(85,682)	(38)		
Homelessness	(57,527)	(16)	(55,457)	(15)
Sheltered Housing Recharge	(75,000)	(25)		
Rent Allowances	(188,543)	(69)		
Planning Service	(653,794)	(23)	* (223,634)	(9)
Building Control	(138,351)	(60)		
Economic Development	(63,987)	(81)		
Conservation	(64,437)	(21)		
New Communities	(96,618)	(49)		
Community Development	(239,787)	(48)		
Sports Development	(103,179)	(36)		
Gershon Efficiency Savings – reallocated in revised and actual	+259,000	+100		
Precautionary Items	(100,000)	(100)		
Other Items	(547,823)		(389,432)	
Total	(2,384,228)		(548,468)	

* part rolled over

Note: the percentages are a crude measure of the size of the variance relative to the size of the budget but they can sometimes overstate the variation. For example, for Council Tax Benefit, the underspending of £131,807 is 43% of the net cost to the General Fund of £309,520 but, compared to a gross expenditure budget of over £4 million, the percentage would be negligible.

- The budget reduction/underspend of £2,384,228 comparing actual to original estimate is at net portfolio level. Additional variances in the General Fund summary total to a further underspend of £208,421, mainly due to the capital financing credit. These two figures total £2,592,650 which is the reduction from a budget requirement for 2005/06 of £13,942,650 to the Government imposed maximum budget of £11,350,000.

8. The General Fund working balance as at 31st March 2006 is £6.179 million compared to a revised estimate of £5.532 million, an increase of £0.647 million. Compared to the original estimate of £4.933 million, the increase is £1.246 million. The original estimate of £4.933 million was made before the outturn for 2004/05 was known and the variance consists of underspendings of £1.266 million in 2004/05 and an overspending of £0.020 million in 2005/06, i.e. the reduction in council tax income due to capping was almost exactly offset by the budget reductions/underspendings so that only an additional £0.020 million had to be taken from balances.

Housing Revenue Account

9. The actual deficit for the year is £0.156 million and a summary is shown in **Appendix C**. This compares with an original estimate for the deficit of £0.620 million and a revised estimate of £0.652 million, net underspendings of £0.464 million and £0.496 million respectively. The main variations over £50,000 are:

Service	Compared to estimate		Compared to revised	
	Underspending () £	%	Underspending () £	%
Repairs and Maintenance	250,867	+3	70,867	+1
Less non revenue financing	<u>(373,784)</u>		<u>(148,284)</u>	
Repairs financed from revenue	(122,917)		(77,417)	
Administration	(144,425)	(7)	(77,345)	(4)
Sheltered Housing (net)	123,298	+14	57,058	+6
Provision for Unanticipated Expenditure	(135,070)	(75)		
Provision for Bad and Doubtful Debts	62,988	+252	(62,012)	(41)
Direct Labour Organisation	(124,464)	(67)	(124,464)	(67)
Corporate Management	170,158	+76	137,738	+54
Gross Rents from dwellings	(248,515)	(1)	(198,515)	(1)
Other Items	(44,257)		(150,647)	
Total	(463,204)		(495,604)	

The Housing Revenue Account working balance is £1.900 million as at 31st March 2006 compared to an original estimate of £1.001 million and a revised estimate of £1.404 million, variances of £0.899 million and £0.496 million respectively. The original estimate was made before the outturn for 2004/05 was known and £0.436 million of the variance of £0.899 million relates to 2004/05.

Capital Programme

10. The actual outturn for capital expenditure adjusted for grant commitments is £12.943 million and a summary is shown in **Appendix D**. This compares with an original estimate of £12.571 million and a revised estimate of £13.849 million, an overspending of £0.372 million and an underspending of £0.906 million respectively. The main variations over £100,000 are:

Service	Compared to estimate		Compared to revised	
	Overspending + / Underspendings () £	%	Overspending + / Underspending () £	%
New Build	+124,083	+60		
Acquisition of existing dwellings	(357,393)	(12)	(307,393)	(10)
Improvement of housing stock	+158,809	+2	+111,899	+2
Cash incentive grants	(120,000)	(100)		
Cambourne offices			* (309,876)	(94)
ICT development inc. CASCADE	(128,869)	(25)	* (334,169)	(46)
St Denis Church, East Hatley	+154,974	-		
Recycling vehicles	+432,750	-		
Other Items	+107,722		(66,085)	
Total	+372,076		(905,624)	

*part rolled over

Legal, Staffing and Risk Management Implications

11. None.

Consultations

12. None.

Conclusions/Summary

13. By extensive and painful budget reductions, some underspendings and a small appropriation from the General Fund reserve, the Council has complied with meeting the Government imposed maximum budget requirement of £11.350 million in 2005/06.
14. The performance target for 2005/06 was a variance of less than 3% between actual and the original estimate at net portfolio level. With capping, this target has little relevance. The variance between actual and the pre-capping original was 13.1% and between actual and revised was 3.4%.

Recommendations

15. It is recommended that Members note the contents of this report.

Background Papers: the following background papers were used in the preparation of this report: Estimate Book for year ending 31st March 2007 and working papers
Reports from Financial Management System

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