

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 12 February 2009
AUTHOR/S: Chief Executive/Best Value & Management Accountant

FINANCIAL POSITION – APRIL 2008 TO JANUARY 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 January as compared to the working estimates. These are the original estimates as approved by Council on 28th February 2008 adjusted for approved roll-overs and other adjustments in the case of service accounts and the revised estimates for the staffing and overhead accounts as approved by Cabinet on 11th December 2008. Below is a summary of January's projections and for comparative purposes the corresponding December's projections.

	January's Projected Outturn		December's Projected Outturn	
	£	%	£	%
General Fund	(485,800)	(3.39)	(480,800)	(3.35)
Housing Revenue Account (HRA)	(256,000)	(1.17)	(243,600)	(1.12)
Capital	(1,052,200)	(16.50)	(1,053,400)	(16.52)

- There are no significant changes from the previous month's report.
- The December's projected outturn has been reflected in the Medium Term Financial Strategy (Appendix C to Item 5 on this agenda).

Background

- This report provides an update to the December's financial position that forms part of the Integrated Business Monitoring report (Item 11 on this agenda).
- 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.
- During the first eight months of the financial year the budgets are those approved by Council in the previous February plus any approved additions, mainly rollovers. In November/December managers have the opportunity to revise their budgets, which are then compiled into the revised estimates.
- This position statement is reporting on any variances from the working budgets i.e. the original estimates plus approved additions in the case of service accounts or the revised budget for the staffing and overhead accounts.

Considerations

Financial Position

8. A summary position statement is provided at **Appendix A** and a more detailed breakdown of the Departmental Salary underspends is provided at **Appendix B**.
9. The Integrated Business Monitoring report details in paragraph 16 the considerable variations that were identified early in January. This report itemises the changes from that report.
10. 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, indicates a net underspend of £8,900;
- b. Central Overheads is now expected to breakeven as the previously reported overspend is now being offset by other underspending areas;
- c. **Concessionary Fares** data from the bus operators and County Council indicates the 2008/09 budget is estimated to underspend by £252,200, after making adjustments for the future transfer of Cowley Road Park & Ride Site into our area. However, the reliability of this data is questionable and could mean that this underspend will increase. The position will not be known until the actual charges are received from the County Council;

Housing Revenue Account (HRA)

- d. **The Building Maintenance Contractor (DLO)** is now predicted to overspend by £17,570: a total deficit of £35,000 as reflected in the revised estimates which was adjusted after the December's position was prepared;

Capital

- e. There has been no **acquisition of existing dwellings** in January. The re-purchase of these properties is demand led and is difficult to estimate. However, if this continues then the underspend will increase. An analysis of potential acquisitions is being undertaken to clarify the position;

Implications

11. 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.

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

Consultations

13. None.

Effect on Corporate Objectives and Service Priorities

14. Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future	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.
Deliver high quality services that represent best value and are accessible to all our community	
Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work	

Conclusions/Summary

15. The forecast underspend on the General Fund as compared to the original estimates adjusted for approved virements and roll-overs is a net underspend of £485,800 which amounts to 3.39% of Net District Council Expenditure for the financial year ending 2008/09. This is marginally greater than the performance indicator target of 3%.
16. The HRA predicted underspend of £256,000 equates to 1.17% of total expenditure.
17. Capital has a predicted underspend of £1,052,200, which is 16.50% of net expenditure.

Recommendation

18. Cabinet 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: Estimate Book 2008/09,
Revised Estimates 2008/09,
Financial Management System Reports.

Contact Officer: Greg Harlock – Chief Executive
Telephone: (01954) 713081
Adrian Burns – Chief Accountant, Telephone: (01954) 713072
Graham Smith – Best Value/Management Accountant,
Telephone: (01954) 713126