

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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