

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Finance and Staffing Portfolio Holder
AUTHOR/S: Best Value & Management Accountant
 9 June 2009

INTEGRATED BUSINESS MONITORING REPORT

Executive Summary

- The information in this report indicates the following provisional outturn (under)/overspends for 2008/09 as compared to the working estimates. The working estimates are the revised estimates as approved by Council on 26th February 2009 adjusted for approved virements. Below is a summary of March's projections and for comparative purposes the previously reported March's projections.

	Current March's Projected Outturn		Previous March's Projected Outturn	
	Compared to Revised*		Compared to Revised*	
	£	%	£	%
General Fund	(227,300)	(1.64)	(23,700)	(0.17)
Housing Revenue Account (HRA)	(112,700)	(0.52)	(234,600)	(1.07)
Capital	(244,600)	(2.11)	(183,900)	(1.58)

* As there are no virements between General Fund, Housing Revenue Account and Capital, the working and revised estimates are the same.

Background

- This report provides an update to the previous provisional outturn-report but is subject to finalisation and approval by the External Auditors of the Final Accounts.
- 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 report does not, therefore, itemise all under/overspendings that have occurred in 2008/09 but all under/overspendings are included in the summary figures in paragraph 1 above.

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 working estimates, is attached in **Appendix B**. which indicates a net overspend of £10,200;
- b. Departmental Travel underspends are £31,700;
- c. Other non-salary related expenditure has underspent by £91,400. The main reason for this has been the award by the Courts, in March, of our legal fees in respect a health and safety prosecution for the sum of £78,200;
- d. **Land Charges** income was exceptionally high in March giving rise to an underspend of £16,300;
- e. **Refuse Collection, Street Cleansing and Kerbside Recycling** have underspent by a combined £84,500 due to higher than anticipated stock levels of refuse bins/boxes. This is due to the slowdown in the property market meaning that the bins/boxes purchased have been stockpiled, thus reducing expenditure;
- f. **Homelessness** have underspent by £19,200 as the demand for accommodation has been less than expected even in light of the economic climate;
- g. **Housing Futures** allocations between General Fund and HRA have been revised as a result of different spending profile and more detailed examination of staff time allocations and analysis of expenditure meaning that there is an underspend of £19,300 because of recharging to other Housing activities. Previously this was an anticipated overspend of £40,000;
- h. **Other Net HRA Recharges** are underspent by £74,400 and the HRA is correspondingly overspent by the same amount. This occurs when services over/underspend and a proportion of that expenditure is recharged either to or from the HRA. The £74,400 is mainly due to:-
 - i) **Corporate Management (GF)** has incurred additional expenditure totalling £80,700 of which £46,400 has been recharged to the HRA;
 - ii) **Outdoor Maintenance (HRA)** underspending by £32,400 of which £17,000 proportionally falls as an underspend on the General Fund; and

- iii) **Sheltered Housing (HRA)** underspending by £140,500 of which £15,000 proportionally falls as an underspend on the General Fund;
- i. **Development Control income** is lower than estimated owing to the slow down in the housing market and consequential effect on income. The current shortfall is an overspend of £86,500;
 - j. **Building Control** fee income is less than estimated. The shortfall is £32,900. However, this has been offset by a transfer from reserves to give a net underspend position of £2,200;
 - k. **Concessionary Fares** budget is underspent by £6,500 based on projections for the full year; final data from the bus operators and the County Council has not yet been received for the second half of 2008/09;
 - l. **Planning Policy** is predicted to overspend by £6,400 which is due to information from the planning inspectors altering the expected spending in this financial year;
 - m. **Economic Development** Strategy & Business Forum expenditure is not now expected to be fully utilised in this year as the tender has only just gone out. It is expected that £24,500 will be requested to be rolled over into 2009/10;
 - n. **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;
 - o. The employment of consultants for the **Waste Management** procurement options has not gone ahead as planned leading to an underspend of £9,000;
 - p. **Awarded Watercourses** costs of £5,000 for putting the contract out to tender have not been spent;
 - q. **Benefits** has received £28,000 more in subsidy from Central Government than we had anticipated following audit of our 2007/08 claim;
 - r. The balance of the **Efficiency Savings** totalling £100,000 have not been identified leading to a consequential overspend;

Housing Revenue Account (HRA)

- s. **Housing Repairs Revenue** has incurred more expenditure than anticipated mainly due to work completed by the in-house **Building Maintenance Contractor** and there has also been a movement from capital to revenue repairs to comply with Accounting regulations;
- t. **Supported Housing** is underspent by £140,500 due to vacancies, delays in obtaining CRB checks, additional income and unanticipated slippage of building maintenance expenditure into 2009/10;
- u. **General Administration** will underspend by £81,400 mainly on payments for to tenants re management moves which have slipped into 2009/10 and thus will be requested to be rolled over;

- v. **Outdoor Maintenance** is underspent by a net £15,400 (after the recharge to the General Fund) because of slippage of anticipated expenditure into 2009/10;
- w. **Rent Income** is slightly higher than anticipated by £43,100 which equates to 0.2% of the expected income;

Capital

- x. **Housing Repairs Capital:** large ongoing contracts have progressed faster than expected, possibly due to the availability of contractors in the economic slowdown and favourable weather conditions. The resultant overspend has been accommodated within the Housing Capital Programme as a whole;
- y. **The acquisition of existing dwellings** is £235,200 less than the working estimate of £1,705,000;
- z. **ICT Development** programme has slipped to the value of £64,100 into 2009/10;
- aa. **Improvement Grants/Loans** has underspend by £87,800 but this will requested to be rolled over into 2009/10;
- bb. **Other General Fund Capital & Grants** have a net underspend of £29,600. These items need to be considered together because expenditure that was offset by matching grants will now be part of the 2009/10 expenditure;
- cc. **Right to Buy & Equity Share Sales** net of the transfer to the DCLG, are now predicted to be £66,100 more than the revised estimate.

Housing Repairs (Revenue and Capital)

The overall situation on Housing repairs is:

Original Estimate		£9,549,800
Revised Estimate	£9,884,800	
Approved Virements	£440,000	
Working Estimate		£10,324,800
Provisional Outturn		£10,610,474
Overspend on Working Estimate		£285,674

Implications

- 7. The Council needs to ensure that it spends within its budgets, because of the impact on the level of balances and the implications for the Medium Term Financial Strategy and the Housing Business Plan.

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 Strategic Aims

10.	Commitment to being a listening council, providing first class services accessible to all.	The effect of any under or overspending on the achievement of strategic aims, service priorities and performance indicators and the linking of budgets with service performance is an outstanding issue which needs to be addressed.
	Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.	
	Commitment to making South Cambridgeshire a place in which residents can feel proud to live.	
	Commitment to assisting provision for local jobs for all.	
	Commitment to providing a voice for rural life.	

Conclusions/Summary

11. The underspend on the General Fund as compared to the revised estimates adjusted for approved virements is a net underspend of £227,300 which amounts to 1.64% of Net District Council Expenditure for the financial year ending 2008/09.
12. The HRA underspend of £112,700 equates to 0.52% of gross expenditure.
13. Capital has a predicted underspend of £ 244,600, which is 2.11% of gross expenditure.

Recommendation

14. The Finance and Staffing Portfolio Holder is requested to note the contents of the report.

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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