

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Finance and Staffing Portfolio Holder 7 July 2009
AUTHOR/S: Chief Executive/Principal Accountant (General Fund and Costing)

UNSPENT BUDGET ROLLOVER FROM 2008-09 TO 2009-10

Purpose

1. To consider approval of requests for rollover of unspent budgets from 2008-09 to 2009-10.
2. This is not a key decision. However, it may result in increases in the 2009-10 budget estimates of the Council for specific, exceptional items that were originally included in the 2008-09 estimates but will now fall in 2009-10. The item was first published in the March 2009 Forward Plan for the Finance Portfolio.

Background

3. Budget rollover rules are governed by the budget and policy framework rules, as follows:

“Rollover of unspent budget provision from the previous financial year to the current year will only be permitted in exceptional cases (excluding employees). A list of rollovers will be completed and reported for approval to the Finance (and Staffing) Portfolio Holder by 31 July each year. Rollovers may then only be used with the approval of the Section 151 Officer, approval being on an individual basis during the year, when the corporate/cost centre manager can demonstrate that the current year’s budget is fully spent/committed and that there are no sources of funding, including virement. Rollovers are for specific items and cannot be vired.”
4. The list of rollovers is compiled from rollover requests from cost centre managers, who are required to obtain the approval of the relevant corporate manager and portfolio holder (Scheme of Officer Delegation), as evidenced on rollover request forms. All actual expenditure comparisons for this purpose are made with the Revised Estimates, as amended for any subsequent virement. It should be noted that, as well as requiring the individual rollover item to be under spent by at least the rollover amount, the overall spending position (excluding recharges) of the relevant service is also taken into account.

Considerations

5. The Appendix A summarises the rollover requests, which total £72,820 on General Fund revenue budgets, £170,760 on the Capital Programme and £40,000 on the Housing revenue Account. Details of the items are included on Appendix B. These amount to considerably less than in previous years, particularly in respect of revenue expenditure.
6. The Expenditure Outturn 2008-09 was reported to Cabinet on 2 July, as part of the Integrated Business Monitoring Report. It was reported that there was under spending of £189,000 on General Fund revenue, £295,000 on Capital and £112,700 on Housing

Revenue Account. That result confirmed that actual expenditure was sufficiently under spent to enable all the requested rollovers to be implemented.

Options

7. Rollover approval is requested for each item, as detailed in the appendices, which can be considered individually on their merits. All have been proposed as exceptional cases. Most of these appear to be for expenditure that has already been committed, but could not be charged to the old year. Non-approval would cause overspendings in the current year in those particular areas, unless virement could be found from other areas, which is not likely at this stage, given the amounts involved and it being so early in the financial year. The additional requirement to demonstrate to the Section 151 Officer the funding need before adding the rollover to the current budget should reduce considerably the risk of any under spending arising from any areas involving the approved rollovers.

Implications

8. Financial	Budgets carried forward involve a shift in the phasing of expenditure from one year to the next. Subject to the Section 151 Officer giving subsequent approval for each individual item at the appropriate time, the relevant estimates in 2009-10 will be increased by the sums rolled forward, therefore increasing the overall budget for 2009-10. These increases are matched by the under-spending originating in 2008-09.
Legal	None
Staffing	None
Risk Management	The consequences of non-approval of each rollover can only be assessed by the spending officers, who have indicated that the items are exceptional
Equal Opportunities	None

Consultations

9. The comments and recommendations of the cost centre managers were invited on the budget rollover approval forms and have been reproduced on Appendix B. The relevant corporate managers and portfolio holders will also have given the items consideration before approval.

Effect on Strategic Aims

10. Commitment to being a listening council, providing first class services accessible to all.	Rolling forward unspent budgets where necessary assists cost centre managers in meeting their original approved spending, which forms a part of the plan to achieve the aims of the Council.
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 rollovers for approval in Appendix A amount to £72,820 in respect of the General Fund revenue budget, £170,760 for the Capital Programme and £40,000 relating to the Housing Revenue Account.

Recommendations

12. It is recommended that approval be given for the budget rollovers, as summarised in Appendix A, to be carried forward into the 2009-10 financial year, subject to final confirmation by the Section 151 Officer being given on an individual basis at the appropriate time during the year.

Background Papers: the following background papers were used in the preparation of this report:

SCDC Revised Estimates and Expenditure Outturn 2008-09
Rollover approval forms.

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