

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

| | | |
|-------------------|--|------------------|
| REPORT TO: | New Communities Portfolio Holder | 1 September 2009 |
| AUTHOR/S: | Executive Director (Corporate Services)/Principal Accountant (General Fund and Costing) | |

FINANCIAL MONITORING REPORT NEW COMMUNITIES PORTFOLIO EXPENDITURE TO 31 JULY 2009

Purpose

1. This report compares the actual revenue and capital expenditure to 31 July for the New Communities Portfolio with the annual budget for the year ending 31 March 2010, and seeks comments from the Portfolio Holder and officers.

Background

2. In general, it is intended that financial reports will be presented to portfolio holders approximately every three months, depending on meeting dates. This report is the first monitoring report to the portfolio holder for the 2009-10 year.
3. The reports exclude recharges and other year-end transactions. These recharges are calculated for the original estimates in December before the start of the financial year, then recalculated for the revised estimates and finalised as soon as possible after the year-end.
4. The reported figures are summarised in Appendix A. Appendix B shows the full detail of the revenue expenditure. The working budget figures are the original estimates, as there have been no relevant virements to date. Two possible rollovers of up to £8,910 for the community facilities audit and £14,000 for growth agenda items were approved in principle by the Finance and Staffing Portfolio Holder, but these will not be included in the budget figures unless or until they prove to be absolutely necessary and the Chief Finance Officer agrees to approve the addition.
5. Grant expenditure is shown on a commitments basis to 31 July, whereas other expenditure is on a payments/receipts basis.
6. The financial position of the Council as a whole up to 31 July will have been reported to the Finance and Staffing Portfolio on 25 August. This projected a substantial potential overspend, mainly due to shortfalls of Development Control income and interest on balances. This position intensifies the need to find savings (see paragraph 7 below), both in the current year and in the years ahead. The report was based on certain major budgets, selected because of their size, risk or history of large under or over spending. Within this portfolio, only Planning Policy expenditure was specifically included. This is therefore highlighted separately in paragraph 9 below.
7. Urgent identification of possible budget reductions towards the £325,000 Council target for efficiency savings has been taking place over recent weeks. This will include reductions in some service budgets in the current year. All corporate managers have been involved in scrutinising their budgets both for the current and future years. At the time of writing this report, reductions in project budgets in this

Portfolio are expected to be on Growth Agenda and Community Development. However, the up to date position will be reported verbally at the meeting.

Considerations

8. **Total Revenue Expenditure:**
The portfolio revenue expenditure to 31.07.09 shows £95,438 spent out of a budget of £593,100 (16% spent). This includes an adjustment of £107,282 assuming that all the Planning Policy inspectors' fees accrued for 2008-09 and 2007-08, for which invoices are still outstanding, will materialise according to the estimate previously given to the Council.
9. **Planning Policy Revenue Expenditure:**
The Planning Policy revenue expenditure to 31.07.09 shows £4,799 spent out of a budget of £120,300 (2%). This is after adjusting as above. Inspectors' fees for 2009-10 were estimated to be around £34,000, plus expenses, in March. No savings have been anticipated at this stage.
10. **Other Portfolio Revenue Expenditure:**
All projected expenditure for the current year has recently been reviewed by the corporate managers and cost centre managers to identify possible savings referred to in paragraph 7.
11. **Capital Grant Expenditure (Sports, Community and Arts grants):**
The capital expenditure committed to date is £56,651 against an available estimate of £240,000 (24%). The balance should be fully allocated before the end of the year.

Implications

| | | |
|-----|---------------------|------|
| 12. | Financial | None |
| | Legal | None |
| | Staffing | None |
| | Risk Management | None |
| | Equal Opportunities | None |

Consultations

13. The cost centre managers have been informed of the expenditure and grant details and budgets.

Effect on Strategic Aims

| | | |
|-----|--|------|
| 14. | Commitment to being a listening council, providing first class services accessible to all. | None |
| | Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all. | None |
| | Commitment to making South Cambridgeshire a place in which residents can feel proud to live. | None |
| | Commitment to assisting provision for local jobs for all. | None |
| | Commitment to providing a voice for rural life. | None |

Conclusions/Summary

15. The revenue expenditure comments are in paragraphs 8 to 10. Some savings are anticipated to go towards the £325,000 Council savings target for the current year, as described in paragraph 7.
16. The capital expenditure comments are in paragraph 11. Capital grants should be fully allocated before the end of the year.

Recommendations

17. The Portfolio Holder is requested to comment on the report, as appropriate.

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

Budget files, grant decisions and the financial management system.

Contact Officer: Peter Harris – Principal Accountant (General Fund and Costing)
Telephone: (01954) 713073