

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Senior Management Team 24 February 2010
Finance & Staffing Portfolio Holder 17 March 2010

AUTHOR/S: Executive Director (Corporate Services) / Head of Accountancy

FINANCIAL POSITION – APRIL TO JANUARY 2010 & PROJECTED OUTTURN

Purpose

1. To provide SMT with an updated position statement on the General Fund, HRA and Capital Expenditure.

Executive Summary

2. This position statement is reporting on the variance between the revised budgets to be approved by Council and the projected Outturn at the end of January. Below is a summary of January's projections and for comparative purposes the corresponding December's projections. The figures previously reported were those that compared the revised budgets to the working estimate which was the original estimates plus rollovers and additions to cash limits. To aid comparison, December's position has been restated to show the position at that time as compared to the revised and original estimates

	January's Projected Outturn		December's Projected Outturn		
	Compared to Revised		Compared To Revised	Compared to Original + Rollovers etc	Compared to Original
	£	%	£	£	£
General Fund	(127,800)	(0.80)	(14,500)	361,500	593,200
Housing Revenue Account (HRA)	(141,800)	(0.64)	(3,400)	(208,600)	(206,300)
Capital	(3,200)	(0.03)	0	(1,228,200)	(1,078,760)

Background

3. This report provides an update to the December Financial Position.
4. In light of the previous years' underspendings the methodology for selecting the areas to be individually reported has been reviewed. The individual budgets identified in **Appendix 1** 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.

Considerations**Financial Position**

5. A summary position statement is provided at **Appendix 1**.

6. Highlighted below are the significant items.

Revenue

General Fund

- a. An analysis of the under/over spends for Salary related costs indicates a net underspend of £61,000;
- b. **Homelessness** is predicted to underspend by £20,000 largely on payments for accommodation which is demand led;
- c. **Development Control income** in January was lower than that assumed in the revised estimates. If this continues at this level for February and March then there will be an overspend of £50,000;
- d. It is anticipated that we will receive £36,300 more income from Cambridge Horizons for the **Growth Agenda** than allowed for in the revised budget;
- e. **Planning Policy** savings of £15,000 on Site Specific Policies have now been identified. A further £54,000 expenditure will not be incurred before the year-end making total savings in the costs of the Local Development Framework and other programmes of £69,000;
- f. We are expecting to receive additional income of £5,000 relating to the **Homelink scheme**;
- g. **Sustainability** is predicted to underspend by £6,500 of which £2,500 relates to the Climate Change Group and £4,000 are savings on procurement of the Village Car Share scheme project;

Housing Revenue Account (HRA)

- h. The **Building Maintenance Contractor** is now expected to underspend by £5,000 because of the change in the timeframe of the response repairs contact tender. This budget is required to prepare the in-house tender and will now be required in 2010/11;
- i. **Supported Housing** is predicted to underspend by £90,000 mainly due to vacancies and staff on long term sickness who are now on half or nil pay;
- j. **General Administration** is expected to underspend by £30,000 due to slippage on various IT projects into 2010/11;

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 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 corporate 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.
	See above
	Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
	See above
	Commitment to assisting provision for local jobs for all.
	See above
	Commitment to providing a voice for rural life.
	See above

Conclusions/Summary

11. The forecast outturn on the General Fund as compared to the revised estimates is a net underspend of £127,800. This net underspend amounts to 0.80% of the Revised Net District Council Expenditure for the financial year ending 2009/10.
12. The HRA predicted underspend of £141,800 equates to 0.64% of gross expenditure.
13. Capital has a predicted underspend of £3,200, which is 0.03% 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 & Staffing Portfolio Holder on 17 March 2010 for more detailed consideration.

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

Original Estimates 2009/10,
Revised Estimates 2009/10,
Financial Management System Reports

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