

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO:	New Communities Portfolio Holder	13 July 2010
AUTHOR/S:	Executive Director (Corporate Services)/ Principal Accountant (General Fund and Costing)	

FINANCIAL MONITORING REPORT NEW COMMUNITIES PORTFOLIO FINAL EXPENDITURE FOR 2009-10

Purpose

1. This report compares the final actual revenue and capital expenditure for the New Communities Portfolio with the final working budget for the year ending 31 March 2010.

Recommendations and Reasons

2. The New Communities Portfolio Holder is asked to comment on the final actual revenue and capital expenditure for the New Communities Portfolio compared with the working budget for the year ending 31 March 2010.

Background

3. There were two previous monitoring reports to the portfolio holder in the 2009-10 year, the latest covering expenditure up to the end of January 2010. In addition, the New Communities revised estimates were reported to the Portfolio Holder in January.
4. The format of this report is consistent with the monitoring reports during the year, in that it concentrates on the direct costs, which are completely under the control of the cost centre managers, whereas the recharges are dependent on various factors that are more corporate. Therefore, the final recharges and related transactions are shown separately in the summary. 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 at the year-end.
5. The reported figures are summarised in Appendix A. Appendix B shows the full detail of the revenue expenditure. The working budget figures are the revised estimates, adjusted for additional virements.
6. Grant expenditure is shown on a commitments basis to 31 March, whereas other expenditure is on an accruals basis.
7. It was reported at the March meeting that an under spend of around £95K was expected on the direct costs for this portfolio, mainly in the areas of Planning Policy (£69K), Growth (up to £20K) and Sustainability (£6.5K).

Considerations

8. Total Revenue Net Direct Costs: under by £119K
The revenue net direct costs show £396,720 spent out of a budget of £515,560 (77%). There are no significant overspends on any of the services. The main area of under spending is Planning Policy (£84K under), which is covered in more detail in

paragraph 9. Project expenditure on Growth (£18K under) and Sustainability (£8K under, including the Climate Change Group) are close to the previous forecast. However, the Community Development budgets were also not used completely (£8K under), with programmes not being taken forward in the last quarter due to a combination of the absence of the cost centre manager and the restructuring.

9. **Planning Policy Revenue Expenditure: under by £84K**
A great deal of the budget expenditure involved working in partnership with other public bodies, which resulted in significant parts of the expenditure ultimately being paid for by others instead of this Council. In March, it was reported that £54K had been saved in this way and in addition an under spending of £15K on Site Specific Policies had been identified. Since then, a further £13K has been saved on the Strategic Flood Risk Assessment budget by the combination of competitive tendering and fortuitous timing (the Environment Agency paid for hydrological modelling of the river Cam catchment), and the City Council sharing the costs.
10. **Recharges and staff costs funded by Cambridge Horizons: under by £30K**
There are some increases in Sports and Community Development recharges due to redundancy payments, but these are offset by reductions on recharges to Growth. The above reduction was mainly due to costs charged to Cambridgeshire Horizons being higher than anticipated in the revised estimates.
11. **Capital Grant Expenditure (Sports, Community and Arts grants): all spent**
The capital grant was fully allocated by the year-end (to the nearest £1,000).
12. **Other Capital Expenditure (Climate Change and River Cam Project)**
This capital expenditure is externally funded and therefore that external funding covers the variances.

Implications

13.	Financial	None
	Legal	None
	Staffing	None
	Risk Management	None
	Equal Opportunities	None
	Climate Change	None

Consultations

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

Effect on Strategic Aims

15. The report has no effect on the strategic aims.

Conclusions/Summary

16. The revenue expenditure comments are in paragraphs 8 to 10. There was under spending of £118,840 (23%) on direct costs and £30,747 (2%) on recharges, resulting in £149,587 (7%) overall. By far the largest direct cost variance was on Planning Policy, which was under spent by £84K (see paragraph 9).
17. There were no significant variances on this portfolio's capital programme.

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

Budget files, grant decisions and the financial management system.

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