

FINANCIAL MONITORING – REVENUE BUDGET
(Report by the Head of Financial Services)

1. 2008/09 Budget – As at December 2008

- 1.1 Cabinet received a report on the forecast outturn of the 2008/09 revenue budget at its meeting on 6 November 2008 which identified a net saving of £214k due to £424k of **reduced expenditure and additional income** offset by £210k of timing changes relating to schemes brought forward from last year and expected to be carried forward to next year. This report provides the latest forecast.
- 1.2 It is now expected that there will be additional variations of £242k of **extra spending or reduced income** giving an overall forecast that the budget will be marginally overspent by £28k. The main variations are summarised in Annex A and the following paragraphs highlights the larger items.
- 1.3 The significant increases include:
- Additional loss of income from development control, building control fees, car parking charges and rents of £265k
 - The deferral of the Huntingdon Leisure Centre Impressions expansion scheme resulting in a net cost of £143k
 - Reduced investment income of £124k
 - An expectation that the turnover allowance will not be met by £100k
- 1.4 These are partly offset by the opportunity to charge further spending to capital relating to the VOIP telephony system (-£90k) and employee costs (-£133k) together with a number of smaller spending reductions and additional income.

2. Risks and opportunities

- 2.1 There is potential for further increases in spending both next year and in the current year as a result of the recession. Service managers are particularly monitoring levels of income.

3. Amounts collected and debts written off

- 3.1 The position as at 31 December 2008 is shown in Annex B

4 Recommendation

- 4.1 It is recommended that the Cabinet note the forecast spending variations and position on debts collected and written off.

ACCESS TO INFORMATION ACT 1985

Source Documents:

1. Cabinet and Council Reports
2. Budgetary control files.

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ANNEX A

	Expenditure	Income	Recharge to capital	Net expenditure
	£000	£000	£000	£000
Approved budget	68,142	-46,848	-874	20,420
Less benefits reimbursed by Government	-29,085	29,085		0
Adjusted total	39,057	-17,763	-874	20,420
Variations reported in November 2008				
Timing	210			210
Spending	-149	-70	-205	-424
Total	61	-70	-205	-214
Additional Variations				
Timing	50			50
Recharge to capital			-133	-133
VOIP Data Switches - transfer to capital	-90			-90
Local Plan Replacement	-57			-57
Ramsey Rural Renewal	-25			-25
ICT for new accommodation	-30			-30
Huntingdon LC Impressions expansion - deferred scheme	143			143
Fitness equipment at leisure centres	28			28
Leisure centre savings	-35			-35
Empty Property Rates	30			30
A14 Inquiry	50			50
Pathfinder House NNDR	-80			-80
Housing benefits rent allowance	-35			-35
Industrial properties rent		54		54
Building control fee income and staff costs	-24	61		37
Development control income		50		50
Car parking income		100		100
Home improvement agency fees		-40		-40
Review of investment interest		124		124
Review of turnover allowance	100			100
Other variations	1			1
Total	26	349	-133	242
Accumulated variations	87	279	-338	28
% variations	+0.2%	+1.6%	-38.7%	+0.1%
Forecast net spending in year	39,395	-17,735	-1,212	20,448

	Original budget £000	Forecast outturn £000
Forecast net spending	20,420	20,300
Funded from		
Government support	-12,158	-12,158
Collection fund adjustment	28	28
Council tax	-6,668	-6,668
Reserves		
Contribution from delayed projects reserve	-25	-335
Contribution to delayed projects reserve	200	250
General reserves	-1,797	-1,565
Total reserves	-1,622	-1,650
Total	-20,420	-20,448

CONTINGENCIES INCLUDED IN THE BUDGET

	Budget	Estimated outturn	Variation	
	£000	£000	£000	
Turnover	-611	-511	100	The estimated outturn is that not all of the contingency will be met from staff savings
Additional planning and housing grant	-250	-251	-1	
Employee costs recharged to capital	-160	-338	-178	The transfer of costs to capital is forecast to be exceeded
	-1,021	-1,090	-79	

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF**Collected**

The total amount of payments received, less customer refunds and transfers to other debts:

	April to Sept 2008	Oct to Dec 2008	Total
	£000	£000	£000
Type of Debt			
Council Tax	43,476	21,579	65,055
NNDR	32,978	14,622	47,600
Sundry Debtors	4,069	1,179	5,248
Excess Charges	73	38	111

Amounts written off

Whilst the amounts below have been written-off in this financial year, much of the original debt would have been raised in previous financial years.

	Up to £4k			Over £4k			TOTAL
	April to Sept 2008	Oct to Dec 2008	Total	April to Sept 2008	Oct to Dec 2008	Total	Total
Type of Debt	£000	£000	£000	£000	£000	£000	£000
Council Tax	76.7	7.5	84.2	0.0	0.0	0.0	84.2
NNDR	14.1	5.0	19.1	18.1	0.0	18.1	37.2
Sundry Debtors	13.0	9.6	22.6	0.0	0.0	0.0	22.6
Excess Charges	7.3	2.0	9.3	0.0	0.0	0.0	9.3

Authority to write off debts

The Head of Customer Services is authorised to write-off debts of up to £4,000, or more after consultation with the Executive Councillor for Finance, if she is satisfied that the debts are irrecoverable or cannot be recovered without incurring disproportionate costs. The Head of Financial Services deputises in her absence.