

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

1. **2009/10 budget as at the end September 2009**
 - 1.1 Cabinet received a forecast of £23,233k for the 2009/10 revenue outturn at its meeting on 23 July 2009, which was a saving of £145k on the budget. This report updates that forecast.
 - 1.2 It is now expected that the outturn will be £22,873k – a reduction of £505k on the budget. The variations are summarised in Annex A with the significant changes being:
 - **Recycling gate fees**
These have been renegotiated as part of a long term County-wide contract. This has resulted in an overall saving for the year of £12k some £208k less than forecast in July
 - **Income**
Income from a number of sources, especially car parks and industrial unit rents, is expected to decrease; the forecast is a reduction of £375k
 - **Concessionary fares**
The forecast increased cost has risen from £255k in July to £355k, this bringing the gross cost to £1,159k or £806k net of specific government grants.
 - **Transfer of expenditure to capital**
A review has taken place of what expenditure can be funded from capital. The replacement PC programme will be capitalised resulting in a revenue saving of £272k.
 - **Lower cost of borrowing**
One-off technical reduction due to the revenue charge for repaying borrowing starting the year after the capital scheme was financed (-£576k) partly offset by reduced investment interest due to lower interest rates (+£104k)
 - **Leisure Centres**
The target for savings has been re-phased allowing for additional spending of £300k in 2009/10
 - **A14 enquiry**
This has been delayed resulting in a saving in this year of £149k
 - **Cost of annual leave not taken as at 31 March**
New accounting regulations require Local Authorities to take into account the cost of accrued leave. This is one-off cost for the first year that the regulations are implemented (+£150k)
 - 1.3 The Government has announced that the allocation for LABGI is £112k. Housing & Planning Delivery Grant has not yet been announced but we expect this to bring our total grant income to at least our budget of £250k.
 - 1.4 It is assumed that £274k of unspecified projects will be carried forward to 2010/11.
 - 1.5 Managers will continue to monitor the budget closely with the aim of identifying changes accurately and quickly.

2. Amounts collected and debts written off

2.1 The position as at 31 March 2009 is shown in Annex B

3. Recommendation

It is recommended that Cabinet:

1. Note the forecast spending variations and the position on debts collected and written off.
2. Note that drawings from revenue reserves are forecast to be £3.3m for the full year, a reduction of £0.5m from the budget.

ACCESS TO INFORMATION ACT 1985

Source Documents:

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

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ANNEX A

REVENUE BUDGETARY CONTROL		Original Budget £000	Cabinet 23-Jul-09 £000	Latest forecast £000
	Approved budget	23,378	23,378	23,378
	Additional schemes brought forward		24	24
	Additional schemes carried forward		-24	-24
		23,378	23,378	23,378
Capital	Recharge of revenue to capital including salaries		-97	-120
	Change in accounting rule for recharging to capital		240	189
	Desktop replacements - transfer to capital			-272
Interest	Lower cost of borrowing			-576
	Investment interest - lower interest rates			104
Leisure	Rephasing of LC target			300
	Adjustment of target for variations in revenue spending			-134
	St Ivo LC redevelopment			82
	St Ivo LC fitness equipment			43
	St Ivo LC conversion of rifle range			39
	St Neots LC redevelopment			30
	St Ivo LC redevelopment			-82
	Ramsey LC fitness equipment			22
Income	Land charges income		95	40
	Development control fees		100	50
	Car park income			110
	Glass recycling income			25
	Industrial rents			120
	Web advertising income			30
ICT	ICT Savings			-44
	VOIP data switches			-18
	Business systems			25
	Corporate EDM			26
	Server virtualisation and network storage			33
Other	Central Services staff saving		-80	-80
	NNDR hardship grants		25	25
	CAB grant		20	20
	Additional insurance costs		44	44
	Concessionary fares		255	355
	Housing advice and homelessness		70	70
	Recycling gate fees		196	-12
	Car parking strategy		-30	-50
	CCTV reorganisation		-33	-33
	Refuse vehicle maintenance			-60
	Delayed A14 Inquiry			-149
	Housing benefits			-62
	Working Smarter			42
	Regional spatial strategy			40
	Customer First			30
	Audit fees			25
	Headquarters hoarding			20
	Community facilities grants			20
	Taxi survey			-20
	Other variations			-70

Technical	Pay award		-170	-170
	VAT reclaim with interest		-780	-780
	Proposed use of Planning Delivery Grant			-70
	Provision for accruing leave in 2009/10			150
	Turnover allowance not achieved			150
			-145	-505
Total		23,378	23,233	22,873
FINANCED BY:				
	Government support	-12,572	-12,572	-12,572
	Collection fund adjustment	-27	-27	-27
	Council tax	-7,021	-7,021	-7,021
	Reserves			
	Use of delayed projects reserve	-250	-250	-250
	Contribution to delayed projects reserve	250	250	250
	General reserves	-3,758	-3,613	-3,253
	Total reserves	3,758	-3,613	-3,253
Total		-23,378	-23,233	-22,873

CONTINGENCIES INCLUDED IN THE BUDGET				
	Budget	Estimated	Variation	
	£000	outturn	£000	
	£000	£000	£000	
Turnover	-400	-250	150	The estimated outturn is that not all of the contingency will be met from staff savings; £112k has been identified to date
Spending adjustments	-242	-242	0	
Employee costs recharged to capital	-100	-220	-120	The transfer of costs to capital is forecast to be exceeded
Other	65	65	0	
	-677	-663	14	

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

Collected

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

	April to June 2009	July to Sept 2009	Total
	£000	£000	£000
Type of Debt			
Council Tax	22,680	22,296	44,976
NNDR	17,304	15,380	32,684
Sundry Debtors	1,429	1,992	3,421
Excess Charges	43	40	83

Amounts written off

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

	Up to £5k			Over £5k			TOTAL
	April to June 2009	July to Sept 2009	Total	April to June 2009	July to Sept 2009	Total	Total
	£000	£000	£000	£000	£000	£000	£000
Type of Debt							
Council Tax	33.2	52.0	85.2	0.0	4.7	4.7	89.9
NNDR	13.9	21.0	34.9	10.4	104.9	115.3	150.2
Sundry Debtors	9.3	13.2	22.5	0.0	0.0	0.0	22.5
Excess Charges	2.9	2.3	5.2	0.0	0.0	0.0	5.2

A larger than normal number of company liquidations has been experienced and this has led to an increase in the value of NNDR debts being written off.

Authority to write off debts

The Head of Customer Services is authorised to write-off debts of up to £5,000, 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.