

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

1. Position as at December 2009

- 1.1** Cabinet received a report on 21 January 2010 which gave a forecast of the revenue outturn of £22.2M which was £1.2M less than the approved budget. As a result, it was agreed that this saving should be placed in a Special Reserve to meet any initial costs of achieving the spending reductions required, over the next few years, by the MTP and Forecast approved in February.

2. Latest Position

- 2.1** The position has subsequently improved and it is now forecast that the outturn will be £21.7M before the contribution is made to the Special Reserve. This will allow the contribution to the Special Reserve to be increased to £1.6M.
- 2.2** There will inevitably be variations between this forecast and the actual outturn because departments are currently identifying goods and services that have been received but not yet paid for and there are items that need to be reviewed in detail as part of the formal closure of the accounts. The final outturn should be available around the end of May.
- 2.3** The variations are summarised in Annex A and the latest significant changes are:
- **One Leisure**
The income from schools is £105k less than estimated but this has been offset in part by general savings across the leisure centres of -£48k.
 - **Income**
A reduction of income across several services has been identified including a further reduction in car park income (£25k), development control fees (£30k) and building control fees (£100).
 - **Housing benefits**
A change in caseload and a reduced number of bed and breakfast placements.
 - **Housing**
There have been savings on the budgets for choice based lettings, temporary accommodation and the priority needs

scheme totalling -£109k, however expenditure on the rental deposit scheme has increased by £67k above budget

- **Development management appeal costs**
There is no specific provision included in the budget for planning appeals. This year the number and the cost, especially for the RAF Upwood site, will result in significant extra cost.
- **Transport Strategy**
Contributions have been agreed from Horizons and the County Council
- **Other variations**
There has been a significant increase in the minor net underspendings (under £20k) on budgets. This reflects the added certainty as the year end is approached and is a clear demonstration of a management culture that only spends what it is necessary to spend.

2.4 A table in the annex identifies the project spending that will be delayed until 2010/11.

3. Amounts collected and debts written off

3.1 The position as at 31 March 2010 is shown in Annex B.

4 Recommendation

It is recommended that:

- Cabinet note the further improvement in the Council's position.
- Confirm that the actual 2009/10 underspending should be transferred to a Special Reserve when the accounts are closed.

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	Cabinet January 2010	Latest forecast
		£000	£000	£000
	Approved budget	23,378	23,378	23,378
Delayed Spending	Delayed projects from 2008/09	250	274	274
Capital	Recharge of revenue to capital including salaries		-132	-132
	Change in accounting rule for recharging to capital		232	232
	Desktop replacements - transfer to capital		-272	-272
Interest	Lower cost of borrowing		-569	-569
	Investment interest - lower interest rates		104	104
Leisure	Rephasing of LC target		153	136
	St Ivo LC conversion of rifle range		39	39
	St Ivo outdoor energy generation		12	12
	St Ivo football improvements		16	16
	St Neots LC redevelopment		30	30
	One Leisure general costs			-48
	One Leisure schools income			105
Income	Land charges income		55	45
	Development control fees		0	30
	Car park income		85	110
	Glass recycling income		25	25
	Industrial rents		110	110
	Web advertising income		30	30
	Building control fees			100
ICT	ICT Savings		-112	-74
	VOIP data switches		-18	-18
	Business systems		25	25
	Corporate EDM		26	26
	Server virtualisation and network storage		33	33
Other	Central Services staff saving		-80	-80
	NNDR hardship grants		25	25
	CAB grant		20	20
	Insurance costs		-81	-81
	Concessionary fares		365	365
	Housing advice and homelessness		70	70
	Recycling gate fees		-12	-12
	Car parking strategy		-65	-82
	CCTV reorganisation		-33	-33
	Refuse vehicle maintenance		-60	-105
	Delayed A14 Inquiry		-149	-149
	Housing benefits		-62	-121
	Working Smarter		42	42
	Regional spatial strategy		40	40

	Customer First		30	30
	Audit fees		25	25
	Headquarters hoarding		20	20
	Community facilities grants		20	20
	Taxi survey		-20	-20
	eMarketplace		13	17
	Recycling credits		35	63
	District Wide		17	0
	Offices electricity		30	35
	Offices NNDR		37	22
	Centenary House rental		64	64
	Choice based lettings			-52
	Temporary accommodation			-31
	Housing priority needs scheme			-26
	Housing - rental deposit scheme			67
	Empty property rates			-30
	Development management consultants			40
	Development management appeal costs			115
	Transport Strategy contributions			-150
	Other variations		102	-404
Technical	Pay award		-170	-170
	VAT reclaim with interest		-680	-680
	Proposed use of Planning Delivery Grant		-70	-70
	Turnover allowance not achieved		150	150
	VAT partial exemption		-130	-130
	Increase in bad debt provision		37	37
Grants	Housing and planning grant not allocated		-579	-579
Delayed Spending	Projects delayed to 2010/11 (see table)	-250	-274	-273
	Total before contribution to Special Reserve	23,378	22,201	21,736
Special reserve	Contribution		1,177	1,642
Total		23,378	23,378	23,378
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	-274	-274
	Contribution to delayed projects reserve	250	274	273
	General reserves	-3,758	-3,758	-3,759
	Total Reserves	3,758	-3,758	-3,758
Total		-23,378	-23,378	-23,378

CONTINGENCIES INCLUDED IN THE BUDGET			
	Budget	Estimated	Variation
	£000	outturn	
		£000	£000
Turnover	-400	-270	130
Spending adjustments	-242	-242	0
Transfer of revenue to capital including employees	-100	-140	-40
Other	65	65	0
	-677	-567	110

The estimated outturn is that not all of the contingency will be met from staff savings; £242k has been identified from grants

Delayed spending	£000
A14 Enquiry	-97
Housing benefits and council tax administration	-76
Local plan enquiry	-40
Other slippage	-60
	-273

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

Collected

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

	April to Dec 2009	January to March 2010	Total
	£000	£000	£000
Type of Debt			
Council Tax	66,863	9,753	76,616
NNDR	47,309	5,573	52,882
Sundry Debtors	4,575	2,232	6,807
Excess Charges	126	45	171

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 Dec 2009	Jan to March 2009	Total	April to Dec 2009	Jan to March 2009	Total	Total
	£000	£000	£000	£000	£000	£000	£000
Type of Debt							
Council Tax	134	82	216				216
NNDR	57	60	117	162	27	189	306
Sundry Debtors	34	15	49		22	22	70
Excess Charges	14	3	16				16

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.