

**FINANCIAL MONITORING – REVENUE BUDGET 2010/11**  
**(Report by the Head of Financial Services)**

**1. Position as at July 2010**

- 1.1** Cabinet received a report on 22 July 2010 which gave a first forecast of the revenue outturn based on the information then available. The forecast was £24,898k, £50k more than the approved budget. This included savings of £46k but increased expenditure brought forward from 2009/10 of £96k

**2. Latest Position**

- 2.1** The position has subsequently improved and it is now forecast that the outturn will be £23.9M, or £966k below the approved budget. Although this potentially reduces the contribution from the general reserve, £3.7M will still be required and this forecast will be taken into account in the draft budget report.

- 2.2** The variations are summarised in Annex A and the latest significant changes are:

- **Transfer of spending from revenue to capital (-£295k)**  
Part of the accumulated repair and renewal funds can be returned to revenue as certain elements can be treated as capital expenditure. This relates to work at Pathfinder House and Paxton Pits
- **Interest and borrowing costs (-£161)**  
It is forecast that interest will be £100k above budget and there will be a saving on borrowing costs of £61k
- **Saving from holding vacancies (-£193k)**  
In the budget there was a provision of £155k for turnover allowance. This has been exceeded by £193k by managers holding vacancies to help achieve the future savings targets.
- **Income (-£99k)**  
There is expected to be an overall increase in income from licence fees, recycling credits and grant for benefits subsidy, but this is partly offset by reduced glass recycling income.
- **Impact of Government Changes (£407k)**  
In the report to Cabinet in July 2010, it was known that the Government would not be giving LABGI and planning and housing delivery grants so a provision for additional grants of £255k would not be achieved. In addition the area based grant has been cut (£18k), land charges income will reduce due to

changes in the regulations (£34k) and there will be a loss of LPSA grant relating to the Local Strategic Partnership, forecast to be £100k.

- **Slippage (-£315k)**

The forecast outturn assumes that £370k of expenditure will be deferred into 2010/11. £315k has already been identified – the A14 enquiry, local development framework and housing benefit salaries funded from extra grant

- **Other variations**

There is a significant value of other minor underspendings included in Annex A

- 2.4** There are some areas of spending where there is some uncertainty about the forecast outturn and therefore no adjustment has been made yet. In July 2010 it was forecast that there would be a saving of £70k on concessionary fares, it is now forecast that there will be no saving. However new figures from the County now indicate that there *may* be an underspend of £100k.

**3. Amounts collected and debts written off**

- 3.1** The position as at 30 September 2010 is shown in Annex B.

**4 Recommendation**

It is recommended that Cabinet note the report.

**ACCESS TO INFORMATION ACT 1985**

**Source Documents:**

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

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## Annex A

		Original budget £000	Cabinet Jul-10 £000	Cabinet Oct-10 £000
<b>Approved budget</b>		<b>24,848</b>	<b>24,848</b>	<b>24,848</b>
<b>Delayed spending from 2009/10</b>		<b>274</b>	<b>370</b>	<b>370</b>
Government changes	Non-achievement of £255k contingency for unbudgeted government grants		255	255
	LPSA			100
	Area based grant			18
	Land charges income			34
Savings	Reduced pay award		-151	-157
	Arts development savings			-39
	Planning enforcement - staff savings			-38
	Review of the Internal Audit Service			-24
	Delay in transfer of public conveniences		27	25
Supplementary estimate	NNDR		20	20
Income	Licence income			-35
	Recycling credits			-22
	Glass recycling income			34
	Recovery of election costs from CCC			-25
	Housing benefits and council tax subsidy			-56
	Delay in introducing car park charges at St Neots Riverside		48	55
	Increased car parking income in St Ives due to delay of guided bus		-40	-50
Other	Recycling gate fees		-192	-192
	Costs of planning appeals		100	50
	Internal drainage levy			15
	Customer Services Centre relief cover			-21
	Variations in staff costs			-67
	Offices - refund of NNDR			-34
	Vehicle maintenance			-30
	Telephone tariff change			-22
	IMD - Working Smarter			-21
	St Neots Sustainable Urban Extension			-20
	Operations Division overtime			30
	Huntingdon town centre - retail strategy support			-30
	Concessionary fares		-70	0
	Other			-120
Technical	Interest			-100
	Minimum revenue provision		-43	-61
	Transfer of revenue spending to capital			-295
	Turnover allowance holding vacancies			-193
	Increase in provision for doubtful debts			50
<b>Total variations</b>			<b>-46</b>	<b>-966</b>
<b>Delayed spending to 2011/12</b>		<b>-274</b>	<b>-274</b>	<b>-370</b>
<b>Total</b>		<b>24,848</b>	<b>24,898</b>	<b>23,882</b>

	<b>Original budget £000</b>	<b>Cabinet Jul-10 £000</b>	<b>Cabinet Oct-10 £000</b>
<b>Financed by:</b>			
Government support	-12,940	-12,940	-12,940
Collection fund adjustment	35	35	35
Council tax	-7,273	-7,273	-7,273
<b>Reserves</b>			
Use of delayed projects reserve	-274	-370	-370
Contribution to delayed projects reserve	274	274	370
General reserves	-4,670	-4,624	-3,704
<b>Total reserves</b>	<b>-4,670</b>	<b>-4,720</b>	<b>-3,704</b>
<b>Total</b>	<b>-24,848</b>	<b>-24,898</b>	<b>-23,882</b>

<b>CONTINGENCIES INCLUDED IN THE BUDGET</b>				
	<b>Budget £000</b>	<b>Estimated outturn £000</b>	<b>Variation £000</b>	
Turnover	-155	-302	-147	Managers are holding more vacancies
Government grants	-255	0	255	The Government will not be allocating LABGI and housing and planning delivery grant
Transfer of revenue to capital including employees	-100	-100	0	
Other	26	26	0	
	<b>-484</b>	<b>-422</b>	<b>62</b>	

<b>Slippage</b>		<b>£000</b>
A14 enquiry		-197
Local development framework		-100
Housing benefits staff costs funded from grant		-18
<b>Schemes identified</b>		<b>-315</b>
Deferred schemes to be identified		-55
<b>Provision for schemes deferred to 2011/12</b>		<b>-370</b>

## AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

### Collected

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

	April to June 2010	July to Sept 2010	Total
	£000	£000	£000
<b>Type of Debt</b>			
Council Tax	23,510	23,227	46,737
NNDR	18,595	15,272	33,867
Sundry Debtors	3,327	1,766	5,093
Excess Charges	48	49	97

### 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 2010	July to Sept 2010	Total	April to June 2010	July to Sept 2010	Total	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Type of Debt</b>							
Council Tax	41.0	73.2	114.2	0.0	0.0	0	114.2
NNDR	21.3	25.9	47.2	37.1	18.9	56.0	103.2
Sundry Debtors	19.9	21.8	41.7	0.0	0.0	0.0	41.7
Excess Charges	7.6	2.8	10.4	0.0	0.0	0.0	10.4

### 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.