

**FINANCIAL MONITORING – REVENUE BUDGET 2011/12
(Report by the Head of Financial Services)**

1. Previous Position

- 1.1 Cabinet received a report at their July meeting which gave a forecast of the revenue outturn of £22.5M, just £80k less than the approved budget.

2. Latest Position

- 2.1 The forecast has improved despite some unfavourable variations. Most of the changes are one-off with some reflecting the current economic situation and some the continued pressure to deliver savings. It is now forecast that the outturn will be £22.2m, an overall saving on the approved budget of £398k. £3M of general fund reserves will be needed to meet this forecast deficit.
- 2.2 The variations are summarised in Annex A and the key points are referred to below:

- **Development management**
New items relate to a decrease in applications (£150k), costs relating to the Alconbury Enterprise Zone development (£50k), and the cost of consultants for the Wooley Hill wind farm appeal (£50k). The July report included a forecast reduction in salary costs of £172k in the Planning Team depending on workload.
- **Reduction in Building control applications**
This reduction (£80k) is partly offset by a contribution from the building control reserve fund of £37k.
- **One Leisure**
Forecast increase in income of £40k, staff savings of £45k and general savings of £100k across the five leisure centres. This is partly offset by a reduction of income at Ramsey (£60k) due to slippage of the capital scheme to remodel the centre and an increased NNDR valuation at St Neots (£32k).
- **Recycling gate fees**
Latest forecast of the saving of £240k which is based on indices reflecting the values of selling recycled materials.
- **Turnover Allowance**
The provision has been exceeded by due to a variety of factors including holding of vacancies resulting in a saving of £172k.

2.3 Savings to be found

The forecast is based on the management proposal that there will be no cost of living pay increase for 2011/12. The Pay and Allowances savings target will not be achieved this year as some of the savings on changes to allowances will only feed through in future years.

3. Amounts collected and debts written off

3.1 The position as at 30 September 2011 is shown in Annex B.

4 Recommendation

It is recommended that Cabinet note this report.

ACCESS TO INFORMATION ACT 1985

Source Documents:

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

Contact Officers: Eleanor Smith, Accountancy Manager (01480 388157)
Steve Couper, Head of Financial Services (01480 388103)

REVENUE BUDGETARY CONTROL 2011/12	Original	Reported to Cabinet July 2011	Changes	Forecast outturn
	£000	£000	£000	£000
Approved budget	22,615	22,615		22,615
Spending Delayed from 2010/11	370	559		559
Spending Delayed to 2012/13	-370	-370		-370
	22,615	22,804		22,804
Savings				
Pay and Allowances Review #		80	14	94
Bulky Waste income #		20	20	40
Customer Services changes #		40		40
Software Licences extra provision #		20		20
Savings in audit salaries			-40	-40
Income				
Delay in increase in car park fees		124		124
Car park income			40	40
Home improvement agency fee income		-17		-17
One Leisure income			-40	-40
Market income			30	30
Development management fees			150	150
Building control fee income			80	80
Building efficiency improvements grant			17	17
NNDR administration grant			17	17
Other				
Planning employee costs **		-172		-172
One Leisure St Neots fitness suite		-147	32	-115
General savings on One Leisure			-100	-100
One Leisure Staff Savings			-45	-45
Revenue impact of the One Leisure Ramsey development slipping in the capital programme			60	60
Insurance retendering		-70		-70
Reduction in number of Cabinet Members		-28		-28
NNDR revaluations		-20		-20
Neighbourhood forum partnership contribution		-18		-18
Recycling gate fees			-240	-240
Operations division staffing		-17	-20	-37
Operations business processing			20	20
Diesel			23	23
Agency Staff-refuse, recycling and street cleansing			30	30
Environmental projects			-40	-40
Benefits caseload changes			-25	-25
IMD Helpdesk			-21	-21
Emergency planning			-20	-20
Chewing gum removal			-18	-18
Developers' contributions			-16	-16
Pathfinder House running costs			-15	-15
Building Control staff			-15	-15
Pension fund contributions			-31	-31

	Original	Reported to Cabinet July 2011	Changes	Forecast outturn
	£000	£000	£000	£000
Turnover allowance			-127	-127
Community infrastructure levy preparation			35	35
Agency worker regulations			30	30
RAF Alconbury development			50	50
Wooley Hill Wind Farm appeal			60	60
Other variations (individually less than £15k)			-146	-146
Technical				
Provision for debt repayment (MRP)		-64		-64
Transfer from revenue to capital spending			-34	-34
Interest			-23	-23
Rental deposit bad debt provision			-40	-40
Loss of interest from housing association loan redemption			30	30
Total variations		-269	-318	-588
Total Net Spending	22,615	22,535	-318	22,217
Financed from				
Government support	-11,538	-11,538		-11,538
Collection fund adjustment	-105	-105		-105
Council tax	-7,383	-7,383		-7,383
General Reserves				
Use of delayed projects reserve	-370	-559		-559
Contribution to delayed projects reserve	370	370		370
Building control reserve			-37	-37
General reserves	-3,589	-3,320	355	-2,965
Total use of reserves	-3,589	-3,509	318	-3,191
Total Funding	-22,615	-22,535	318	-22,217

Potential variations or slower achievement of savings items

** Subject to assumed workloads

CONTINGENCIES INCLUDED IN THE BUDGET				
	Budget	Estimated outturn	Variation	
	£000	£000	£000	
Turnover	-40	-167	-127	Managers are holding more vacancies
Transfer of revenue to capital including employees	-50	-84	-34	Additional salaries charged to capital
Savings to be found	-471	-377	94	Not all the pay and allowances savings target will be achieved until next year
	-561	-628	67	

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

Collected

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

	April to June 2011	July to Sept 2011	Total
	£000	£000	£000
Type of Debt			
Council Tax	24,011	23,877	47,888
NNDR	18,385	16,118	34,503
Sundry Debtors	1,759	2,654	4,413
Excess Charges	40	37	77

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 2011	July to Sept 2011	Total	April to June 2011	July to Sept 2011	Total	Total
	£000	£000	£000	£000	£000	£000	£000
Type of Debt							
Council Tax	23.0	52.7	75.7	0.0	0.0	0.0	75.7
NNDR	21.3	3.3	24.6	16.5	23.2	39.7	64.3
Sundry Debtors	45.0	31.1	76.1	36.5	0.0	36.5	112.6
Excess Charges	5.6	2.5	8.1	0.0	0.0	0.0	8.1

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.