

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

1. Revenue Monitoring

1.1 An outturn of £21.4M is now forecast which is little different from the figure used for the Draft Budget report in December. £2.4M of revenue reserves will be needed to meet the resulting deficit.

1.2 The variations are summarised in Annex A and the key points are referred to below:

- **Insurance premiums (-£105K)**
The saving has arisen firstly from the tender for insurance being less than the budget, and secondly from recognising that 3 months of the annual premium should be charged to 2012/13.
- **Pathfinder House (-£65K)**
There is a saving of £45K on NNDR and a further saving of £20K on running costs
- **Turnover Allowance (-£201K)**
The provision has been exceeded by a further £201K due to a variety of factors including delays in filling vacancies to ensure anyone under threat of redundancy has the best chance of being redeployed.
- **Community infrastructure levy (CIL) preparation (£80K)**
This year's costs for the introduction of the CIL is now forecast at £115K, an increase of £80K on the figure reported in October 2011. This will be recovered in subsequent years from the administration fee.
- **RAF Alconbury development (-£90K)**
The cost of the scheme in 2011/12 is estimated at £50K as reported in October 2011; however this report assumes that a grant of £90K will be received in this financial year
- **St Neots town development (£5K)**
The budget is £75K, but income of £70K is anticipated this year.
- **Transfer from revenue to capital spending (-£161K)**
Additional salaries have been charged to capital in particular from the IMD and Environmental Management teams

- **Interest (-£82K)**
The latest forecast shows a further saving of £82K giving a saving of £105K in the year due to slippage in the capital programme and revenue savings, resulting in a higher level of reserves
- **Rental income from estates property (£109K)**
The current economic climate has resulted in a higher number of empty industrial and commercial properties and an increase in the write-off of unpaid rents
- **Other variations - individually less than £10k (-£82K)**
Managers have been encouraged to identify variations in their budgets however small; these collectively have resulted in a saving of £82K since the October 2011 report, and a total of £265K in the year

2. Amounts collected and debts written off

2.1 The position as at 31 December 2011 is shown in Annex B.

3 Recommendation

It is recommended that Cabinet note:

- the significant saving (£1.2M) that is expected on the original budget provision for 2011/12 and that this has already been allowed for in the Draft Budget.
- the sums collected and written off in Annex B.

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 2011/12	Original Budget	Reported to Cabinet October 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
Variations - Service				
Recovery of legal costs			22	22
Recovery of election costs			-42	-42
Reduction in number of Cabinet members		-28	-3	-31
Electoral Administration Act			-16	-16
Central and Democratic Services supplies			-18	-18
Software Licences extra provision #		20		20
IMD Helpdesk		-21		-21
IMD external work			-17	-17
IMD network saving			-37	-37
Bulky Waste income #		40		40
Recycling gate fees		-240	12	-228
Agency staff - refuse, recycling and street cleansing		30		30
Agency worker regulations		30		30
Diesel		23		23
Delay in increase in car park fees		124		124
Car park income		40	34	74
Guided Bus - Less impact on parking income			-40	-40
NNDR revaluations		-20		-20
Market income		30	18	48
Operations division staffing		-37		-37
Operations business processing		20		20
Emergency planning		-20		-20
Chewing gum removal		-18		-18
Hinchingbrooke Country Park café			15	15
Developers' contributions		-16		-16
Customer Services changes #		40	39	79
NNDR administration grant		17		17
Benefits caseload changes		-25		-25
Reduced hours at the Call Centre			-21	-21
Home improvement agency fee income		-17		-17
Building control fee income		80	20	100
Building Control staff		-15		-15
Deficit on building control fee earning account to be met from reserve		37		37
Building efficiency improvements grant		17		17
Environmental projects		-40	10	-30
Environmental improvements repair and renewals fund			-43	-43

	Original Budget	Reported to Cabinet October 2011	Changes	Forecast outturn
	£000	£000	£000	£000
Pathfinder House running costs		-15	-20	-35
Pathfinder House NNDR			-45	-45
Estates property rental income			109	109
Payment from closing the East of England Agency			-20	-20
Cover for staff representatives on ELAG			25	25
One Leisure income		-40	10	-30
One Leisure St Neots fitness suite		-115	-37	-152
General savings on One Leisure		-100	13	-87
One Leisure staff savings		-45		-45
One Leisure St Ivo football improvements			16	16
One Leisure Ramsey development		60	-40	20
Savings in audit salaries		-40		-40
Insurance retendering and accrual to 2012/13		-70	-105	-175
Interest		-23	-82	-105
Development management fees		150	-10	140
Planning employee costs **		-172		-172
Community infrastructure levy preparation		35	80	115
RAF Alconbury development net of income		50	-90	-40
Wooley Hill Wind Farm appeal		60		60
St Neot's town development net of income			5	5
Neighbourhood forum partnership contribution		-18		-18
Other variations, each less than £10k		-183	-82	-265
Variations - Technical/Corporate				
Pay and Allowances Review #		94	17	111
Pension fund contributions		-31		-31
Vacancies in excess of turnover allowance		-127	-201	-328
Savings on staff mileage			-21	-21
Provision for debt repayment (MRP)		-64		-64
Transfer from revenue to capital spending		-34	-161	-195
Rental deposit bad debt provision		-40	-46	-86
Loss of interest from housing association loan redemption		30	2	32
Commutated sums			-16	-16
VAT partial exemption			-16	-16
Total variations		-587	-782	-1369
Total Net Spending	22,615	22,217	-782	21,435

	Original	Reported to Cabinet October 2011	Changes	Forecast outturn
	£000	£000	£000	£000
Financed from				
Government support	-11,538	-11,538		-11538
Collection fund adjustment	-105	-105		-105
Council tax	-7,383	-7,383		-7383
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	-2,965	782	-2183
Total use of reserves	-3,589	-3,191		-2,409
Total Funding	-22,615	-22,217	782	-21,435

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	-368	-328	Managers are holding more vacancies
Transfer of revenue to capital including employees	-50	-245	-195	Additional salaries charged to capital
Savings to be found	-471	-360	111	Not all the pay and allowances savings target will be achieved until next year
	-561	-973	-412	

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

Collected

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

	April to Sept 2011	Sept to Dec 2011	Total
	£000	£000	£000
Type of Debt			
Council Tax	47,888	23,538	71,426
NNDR	34,503	15,323	49,826
Sundry Debtors	4,413	1,887	6,300
Excess Charges	77	42	119

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 Sept 2011	Oct to Dec 2011	Total	April to Sept 2011	Oct to Dec 2011	Total	Total
	£000	£000	£000	£000	£000	£000	£000
Type of Debt							
Council Tax	75.7	55.8	131.5	0.0	0.0	0.0	131.5
NNDR	24.6	12.2	36.8	39.7	23.2	62.9	99.7
Sundry Debtors	76.1	24.5	100.6	36.5	15.3	51.8	152.4
Excess Charges	8.1	6.1	14.2	0.0	0.0	0.0	14.2

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.