

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

1. Revenue Monitoring

- 1.1 In total, service managers now expect to achieve savings of £1.6M against the original budget for this year after allowing for the deferral of a further £0.2M of projects to 2012/13. Significant contributions have come from OneLeisure (£0.3M), holding jobs vacant (£0.3M) insurance retendering, net interest payments and an accumulation of minor items across the whole Council.
- 1.2 Much of this saving was anticipated when the Medium Term Plan was approved in February but the Council will now have a further £0.4M in reserves (£0.6M highlighted in the table below less £0.2M for deferred projects).
- 1.3 An outturn of £20.8M is now forecast but £1.8M of revenue reserves will still be needed to meet the resulting deficit.
- 1.4 Whilst the financial year is now ended there are still likely to be variations when debtors and creditors are identified and the final review of reserves for potentially uncollectable debts is completed. A report on the final outturn will be presented to Cabinet in July.
- 1.5 The variations are summarised in Annex A and comments are provided below for items over £50k:
- **Spending delayed until 2012/13 (-£171K)**
The Code of Financial Management permits the carry forward of budgets to future years where they have been earmarked to a specific project and this has been delayed for reasons outside the Council's control. The amount is still slightly less than the sum brought forward from last year but there may still be further valid requests to come.
 - **Benefits Caseload changes (-£56K)**
The Council benefits financially when benefit overpayments are recovered promptly. This saving reflects the net benefit from the latest mix of benefit payments at their various recovery rates.
 - **Development Management Fees (£80k)**
The economic situation continues to result in reductions in the value of planning application fees.
 - **Planning Employee Costs (-£65K)**
A further increase in the saving in staff costs has been achieved this year.

- **Pension Lump Sum (-£61k)**
This adjusts the budget to the agreed sum that the Council will contribute to the Pension Fund to cover, over a period of years, the fund deficit.
- **Transfer from Revenue to Capital Spending (£53K)**
Wherever possible items are transferred to capital as it is in the Council's financial interests to do so. This adjustment reflects some further spending that meets our definitions of capital expenditure.

Strategic HR Support (£76K)

Consultant costs charged to the Special Reserve.

- **Other variations - individually less than £10k (-£334K)**
Managers are encouraged to identify variations in their budgets however small; it is normal for the value to increase as the end of year but the equivalent report last year indicated only £272K. Thus the £599K in total this year reflects the greater concern by Managers that wherever possible small savings should be made even if they can only be achieved in a single year.

2. Amounts collected and debts written off

2.1 The position as at 31 March 2012 is shown in Annex B.

3 Recommendation

It is recommended that Cabinet note:

- The significant success of service managers in achieving further savings which result in a net improvement in revenue reserves of £0.4M.
- 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.

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

REVENUE BUDGETARY CONTROL 2011/12	Original Budget	Reported to Cabinet January 2012	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	-171	-541
Variations - Service				
Recovery of legal costs		22		22
Recovery of election costs		-42		-42
Reduction in number of Cabinet members		-31		-31
Electoral Administration Act		-16	8	-8
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 credits		0	50	50
Recycling gate fees		-228		-228
Agency staff - refuse, recycling and street cleansing		30		30
Agency worker regulations		30	-30	0
Diesel		23		23
Delay in increase in car park fees		124		124
Car park income		74	-5	69
Guided Bus - Less impact on parking income		-40		-40
NNDR revaluations		-20		-20
Market income		48		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	4	19
Developers' contributions		-16	-2	-18
Customer Services changes #		79	-50	29
NNDR administration grant		17		17
Benefits caseload changes		-25	-56	-81
Reduced hours at the Call Centre		-21		-21
Home improvement agency fee income		-17		-17
Building control fee income		100		100
Building Control staff		-15		-15
Deficit on building control fee earning account to be met from reserve		37	-20	17

Building efficiency improvements grant		17		17
Environmental projects		-30	2	-28
Environmental improvements repair and renewals fund		-43		-43
Pathfinder House running costs		-35	-25	-60
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		-30		-30
One Leisure St Neots fitness suite		-152		-152
General savings on One Leisure		-87	-29	-116
One Leisure staff savings		-45		-45
One Leisure St Ivo football improvements		16		16
One Leisure Ramsey development		20		20
Savings in audit salaries		-40		-40
Audit Fees		0	45	45
Insurance retendering and accrual to 2012/13		-175		-175
Interest		-105		-105
Development management fees		140	80	220
Planning employee costs		-172	-65	-237
Community infrastructure levy preparation		115	17	132
RAF Alconbury development net of income		-40		-40
Wooley Hill Wind Farm appeal		60		60
St Neot's town development net of income		5		5
Neighbourhood forum partnership contribution		-18	-9	-27
Other variations, each less than £15k		-265	-334	-599
Variations - Technical/Corporate				
Pay and Allowances Review #		111		111
Pension fund contributions		-31		-31
Pension lump sum		0	-61	-61
Vacancies in excess of turnover allowance		-328		-328
Savings on staff mileage		-21	-26	-47
Provision for debt repayment (MRP)		-64		-64
Transfer from revenue to capital spending		-195	-53	-248
Strategic HR support			76	76
Rental deposit bad debt provision		-86	42	-44
Loss of interest from housing association loan redemption		32		32
Commutated sums		-16		-16
VAT partial exemption		-16		-16
Total variations		-1369	-612	-1810
Total Net Spending	22,615	21,435	-612	20,823

	Original	Reported to Cabinet January 2012	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				0
Use of delayed projects reserve	-370	-559		-559
Contribution to delayed projects reserve	370	370	171	541
Building control reserve		-37	20	-17
Special reserve			-76	-76
General reserves	-3,589	-2,183	497	-1686
Total use of reserves	-3,589	-2,409	612	-1,797
Total Funding	-22,615	-21,435	612	-20,823

Potential variations or slower achievement of savings items

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

Collected

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

	April to Dec 2011	Jan to March 2012	Total
	£000	£000	£000
Type of Debt			
Council Tax	71,426		
NNDR	49,826		
Sundry Debtors	6,300		
Excess Charges	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 Dec 2011	Jan to March 2012	Total	April to Dec 2011	Jan to March 2012	Total	Total
	£000	£000	£000	£000	£000	£000	£000
Type of Debt							
Council Tax	131.5			0.0			
NNDR	36.8			62.9			
Sundry Debtors	100.6			51.8			
Excess Charges	14.2			0.0			

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.