



To: Strategy Scrutiny Committee Executive Councillor for Strategy :
Councillor Ian Nimmo-Smith
Report by: Director of Finance
Relevant scrutiny committee: Strategy Scrutiny Committee 10 July 2006

REVENUE & CAPITAL OUTTURN FOR 2005/06 - OVERVIEW
Not a Key Decision

1. Executive summary

1.1 This report presents an overview of the 2005/06 outturn position (actual income and expenditure) compared to the budget. The position for revenue and capital is reported and variances from budget are highlighted. Requests to carry forward funding into 2006/07 are identified.

Revenue Outturn

1.2 The 2005/06 revenue budget for service portfolios was a net cost of £22,487,110. The actual outturn for the year was £21,308,663 giving an overall under-spend of £1,178,447. Of this total under-spend, approval is sought to carry forward budgets totalling £890,400 into the current financial year (2006/07).

Capital Outturn

1.3 The latest approved capital budget for service portfolios (excluding Housing) was £10,975,000. Actual expenditure on capital schemes and programmes during 2005/06 was £7,890,000 resulting in an overall underspend of £3,085,000. This under-spend is mainly due to slippage. Council approval will be sought to rephase the required capital resources from 2005/06. The position for the Housing Capital Plan was reported to the Executive Councillor for Housing and Health and Community Services Scrutiny Committee.

2. Recommendations

The Executive Councillor is recommended:

- a) To agree which of the carry forwards, totalling £890,400 as detailed in Appendix B, are to be recommended to Council for approval.
- b) To seek approval from Council that in future the balance on the Organisation Development Programme at the end of each financial year shall be rolled forward.
- c) To seek approval from Council to carry forward capital resources to fund rephased capital spending of £3,077,000 from 2005/06 into 2006/07, as detailed in Appendix C.

3. Background

Revenue Outturn

- 3.1 The revenue budget for 2005/06, initially approved by Council on 24 February 2005, was considered in both the November 2005 and January 2006 Committee cycles and revised as appropriate. The final outturn position for the service portfolios, compared to the final revenue budget, is presented in detail in Appendix A. The detail on variances was reported to relevant Executive Councillors / Scrutiny Committees so has not been included in this report.
- 3.2 During the March 2006 committee cycle, provisional revenue budget carry forward requests were presented and approved on the basis that they might require adjustment once the final outturn position was known. Appendix B sets out the final list of items, for service portfolios, for which approval is sought to carry forward unspent budget from 2005/06 to the current 2006/07 financial year.
- 3.3 The overall revenue budget outturn position for services portfolios is set out in the table below.

	£	£
Revised Budget		22,487,110
Outturn		21,308,663
Net (under)/over-spending for year		(1,178,447)
Carry Forward Requests		
- Previously approved	517,270	
- Changes / new requests	373,130	890,400
Net position after carry forwards		(288,047)

Capital Outturn

- 3.4 Appendix C summarises the outturn position against 2005/06 capital budgets. The detail on variances was reported to relevant Executive Councillors / Scrutiny Committees so has not been included in this report.
- 3.5 An overall under-spend of £3,077,000 has arisen which is due to slippage and re-phasing of the capital programme is required. Council approval for the re-phasing of capital resources is sought. The Capital Plan will be updated as necessary to reflect changes in the phasing of capital projects.

4. Implications

- 4.1 The net revenue variance from budget, after approvals to carry forward £890,840 of reserves from 2005/06 into the current year 2006/07, will result in a reduced use of General Fund reserves of £288, 047.
- 4.2 In relation to requests to carry forward either revenue budgets or capital resources into 2006/07, the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background papers

These background papers were used in the preparation of this report:

Revised budget files 2005/06 and Final accounts working papers.

6. Appendices

Appendix A – 2005/06 Revenue Budget - Outturn

Appendix B – 2005/06 Revenue Budget - Carry Forward Requests

Appendix C – 2005/06 Capital Outturn

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Strategy Portfolio / Scrutiny Committee - Overview

2005/06 Revenue Budget - Outturn

Portfolio / Committee	Final Budget £	Outturn £	Variation Increase / (Decrease) from Final Budget £	Carry Forward Requests - see Appendix C £	Net Variance £
Customer Services & Resources	(3,296,890)	(3,897,880)	(600,990)	186,080	(414,910)
Community Services - Community Development and Leisure	9,757,140	9,702,891	(54,249)	97,800	43,551
Community Services - Housing and Health	2,775,710	2,639,871	(135,839)	97,900	(37,939)
Environment - Environmental Services	5,899,480	5,712,363	(187,117)	75,060	(112,057)
Environment - Planning & Transport	4,380,740	4,261,078	(119,662)	261,290	141,628
Strategy	2,970,930	2,890,340	(80,590)	172,270	91,680
Total Committees	22,487,110	21,308,663	(1,178,447)	890,400	(288,047)

Note: Explanations of variances have been reported to appropriate Executive Councillors / Scrutiny Committees so are not given here.

Strategy Portfolio / Scrutiny Committee - Overview

2005/06 Revenue Budget - Carry Forward Requests

Request to Carry Forward General Fund Budgets from 2005/06 into 2006/07

Item	Previously Approved Carry Forward Requests £	Final Carry Forward Requests £
Summary:		
Customer Services & Resources - 4th July 2006	92,570	186,080
Community Services - Community Development & Leisure - 6th July 2006	80,900	97,800
Community Services - Housing & Health - 6th July 2006	89,300	97,900
Environment - Environmental Services - 27th June 2006	60,500	75,060
Environment - Planning & Transport - 27th June 2006	189,000	261,290
Strategy - 10th July 2006	5,000	172,270
Total	517,270	890,400

Customer Services & Resources - 4th July 2006

Chief Executive's		
1	Staff General - Some scheduled work has slipped from the original timescales and carrying forward funding will be required to complete this work: - Equal Opportunities - earmarked for implementing action plan - Individual Learning Accounts - Completion of "Access" & "BME into Management" programmes - Best Value Review and implementation (backfill of current posts, business process review work, project management of implementation, etc) - HR payroll module implementation delay	7,000 5,000 7,000 26,000 4,000
2	Employee Transport Initiatives (automatic carry forward previously approved) - The underspend is the remainder of the accumulated balance that has been carried forward for several years. This balance will need to be carried forward to fund the payments that will be made until cessation of the scheme. There is previous approval to automatically carry forward any unspent balance.	7,000 5,000 7,000 36,670 7,000
3	Procurement budget - underspend of (£20,570) for consultants/professional fees. The reason for the underspend is that the necessity for external help did not arise during the financial year. However, part of the strategy devised during the year identified the need for a series of corporate contracts (available to all departments) to be set up to replace the current practice of each department letting small size contracts (not always in accordance with the provisions of the Contract Procedure Rules). None of these contracts can be set up until central funding can be identified and the carry forward is therefore requested to provide such funds.	8,000 9,200 20,570

Central Services

4	Democratic Services - Members' Support - Member Development Budget: A carry forward of £17,500 is required to fund further work with the IDeA on member development (which was an action within our CPA Action Plan). This work will consist of IDeA-run training available to all members, plus further leadership development work with the Executive, if required. The money was not fully spent in 2005/06 because discussions with the IDeA to settle the programme took longer than anticipated and are still continuing in relation to the most appropriate training and development to offer to all members.	15,000	17,500
Other IT Spend			
5	IT Retendering - carry forward unspent budget to meet residual costs of tendering exercise.		5,710

Request to Carry Forward General Fund Budgets from 2005/06 into 2006/07

Item		Previously Approved Carry Forward Requests £	Final Carry Forward Requests £
6	Disaster Recovery - The planned testing activities have been rescheduled for the new year.		13,710
Support Services			
7	Legal Services - CS&R Committee approved a revised budget bid of £273,000 (in November 2005) to pay for the costs of locum staff, recruitment costs and staff advertising. The underspend of (£56,720), against the revised budget of £273,000, is mainly due to permanent staff commencing employment slightly later than anticipated. Therefore some expenditure (relocation expenses and training) will need to be carried forward to 2006/07. Whilst the recruitment exercise was very successful, additional expenditure related to the staffing issues will fall in 2006/07 because Legal Services were not able to recruit to one of the vacant posts and will run a further recruitment exercise in 2006/07. The carry forward request of £56,720 is made up as follows: - Relocation Expenses - Recruitment Costs - Temporary/Agency Staff - Training		15,860 10,000 24,860 6,000
Total Carry Forward Requests for Customer Services and Resources Portfolio / Scrutiny Committee		92,570	186,080

Community Services - Community Development & Leisure - 6th July 2006

Community Services - Community Development			
1	Delays in negotiations regarding a move for the drop in centre from Parson's Court to alternative premises. It is asked that the budget be carried forward to 2006/07	9,000	9,000
2	Part of the budget for Older People and Health Inequalities has been unspent in order that a contribution can be made for the Queen's 80th Birthday celebrations. The expenditure has occurred in 2006/7. It is asked that £2,000 of the budget be carried forward to 2006/07.		2,000
Community Services - Active Communities & Open Spaces			
3	Tree Condition Survey - funding is now in place to undertake a survey of all trees within the city, this will now take place in 2006/07.	15,000	15,000
4	Dredging of King's Ditch - joint funding was not received during 2005/06 for this project. It is now anticipated that matched funding will be available during 2006/07.	20,000	20,000
5	The Control of Legionella programme has now been agreed and permission is sought to carry forward the remaining budget into 2006/07.	4,200	4,200
6	Grants to a number of bowls clubs in respect of bowls channel work had not been agreed during 2005/06, due to the need to clarify the work		7,650
Environment & Planning - Economic Development & Tourism			
7	Economic Policy Grants - Additional organisations are known to be applying for Discretionary Rate Relief which will put more pressure on the 2006/07 budget. It is therefore requested that the underspend in 2005/06 be carried forward to mitigate this.	2,700	1,900
8	Employment Foundation Scheme - It is requested that the balance of the JCP Programme Centre repayment be carried forward following the conclusion of the dispute with JCP.	30,000	29,850
Central Services - Arts & Entertainment			
9	Arts Development Manager - contributions and sponsorship received in the year will be needed to pay for activities now planned in 2006/07		8,200
Total Carry Forward Requests for Community Development & Leisure Portfolio / Community Services Scrutiny Committee		80,900	97,800

Request to Carry Forward General Fund Budgets from 2005/06 into 2006/07

Item		Previously Approved Carry Forward Requests £	Final Carry Forward Requests £
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Community Services - Housing & Health - 6th July 2006

Housing Strategy, Development, Housing Aid/ Needs

1	Bed & Breakfast - This carry forward is to fund the remainder of Year 2 of a contract with a legal firm to undertake homelessness reviews under Section 202 of the Housing Act 1996. The contract is due to end in February 2007. If Successful, ongoing funding may be sought for 2007/08	10,000	10,000
2	Housing Strategy - This carry forward is to undertake a Housing Mock Inspection, which was anticipated to take place in March 2006, but is now expected to occur in April / May 2006.	5,000	5,000
3	Rough Sleepers - This carry forward is to fulfil a 2005/06 funding obligation for the Homeless Giving Scheme, where problems in recruiting to a secondment opportunity delayed the project start.	2,700	2,700
4	Community Safety - This carry forward is to fulfil a 2005/06 grant funding obligation to Environment and Planning for the Elizabeth Way Underpass.	600	600

Working Environment

5	Turnover in staff has resulted in a backlog of statutory inspections. It is asked that a carry forward of the staffing budget be carried forward in order that these inspections can take place in 2006/07.	9,400	14,000
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Housing Standards

6	The Compulsory Purchase Order revenue budget has not been spent. This is due to an injunction being taken out preventing purchase of a property. It is asked that the budget be carried forward to support the revenue cost of the purchase of properties in 2006/07.	30,000	31,700
7	The tools and equipment budget was earmarked to be spent on IT equipment largely relating to the Housing Health and Safety Rating Scheme being introduced in April 2004. This has not taken place in 2005/06 due to delays in finalising the legislation by government and the resulting delay in provision of the software. It is asked that the budget be carried forward to purchase the equipment and the software in 2006/07	26,300	28,600
8	Consultancy work that should have started in November and completed by March was delayed by a month due to staff related issues. It is asked that the budget be carried forward 2006/07 to complete the work.	4,800	4,800
9	This budget was set aside for a public awareness campaign relating to the Housing Health and Safety Rating Scheme. Due to the delays in government finalising the legislation this has not taken place. It is asked that this is carried forward to produce this publicity release in 2006/07.	500	500
Total Carry Forward Requests for General Fund Housing and Health Scrutiny Committee		89,300	97,900

Environment - Environmental Services - 27th June 2006

Environment & Planning - Street Services

1	Street Cleansing - There has been an unexpected high demand for a new type of bin and the manufacturer has been unable to deliver bins in 2005/06. It is asked that this budget be carried forward to enable the purchase of the much needed bins.	0	2,950
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Environment & Planning - Environmental Services

2	Control of Air Pollution - An underspend on the advertising budget of £2,500 is necessary 2006/07 to cover the advertising and publicity for two more sessions of road side testing.	2,500	2,500
3	Contaminated Land - An underspend on the budget for consultants and professional fees of £3,610 has occurred in 2005/06 and this is required in 2006/07.	4,000	3,610

Request to Carry Forward General Fund Budgets from 2005/06 into 2006/07

Item		Previously Approved Carry Forward Requests £	Final Carry Forward Requests £
4	Liquor Licensing - Due to the workload associated with the introduction of the new licensing scheme the e-government budget of £13,000 has not spent. This will be required in 2006/07. Legal proceedings are taking place with possible costs to the Council of up to £2,000. It is asked that some of the surplus from overachieved income be carried forward to offset the possible additional expenditure in 2006/07	13,000	15,000
5	Waste Strategy - The Defra Support budget of £19,000 has not been required to support the alternate weekly scheme during the first six months as anticipated. It will be required to support the scheme during the first full year of operation through ongoing education. There has been an underspend on the temporary staffing budget of £32,000. However additional temporary staffing support will continue to be required in 2006/07 and it is asked that this budget be carried forward.	41,000	51,000
	Total Carry Forward Requests for Environment Scrutiny Committee	60,500	75,060

Environment - Planning & Transport - 27th June 2006

Environment & Planning - Policy & Projects			
1	Sustainable City - The Green Team budget has been allocated for some time to pay for additional recycling bins for council offices, which would have been required if a bid for revenue funding to improve recycling arrangements within the Guildhall, Mandela House, Hobson House and Lion Yard had been successful. However, this bid (to CS&R) has not been successful, therefore the Green Team budget is no longer required for this purpose at this stage. Approximately half of the budget will now be allocated during the current financial year in support of other initiatives. The balance is requested as carry forward, to support alternative recycling initiatives in 2006/07.	3,000	3,000
2	Transport Policy Management - Cycle Journey Planner - The aim of this project is to create an online cycle journal planner to help people plan point-to-point cycle routes in and around Cambridge. Since proposing the project, a National study has been initiated by DfT and this will inform the design of the Cambridge travel planner. The results of the National study are not yet available and this has delayed the design and implementation of the Cambridge journey planner until 2006/07.	10,000	10,000
3	Transport Policy Management - Car Club Study - There is a case for promoting car clubs in Cambridge, both in terms of minimising car use and as part of high density urban development. Car clubs have been established elsewhere, but there is not sufficient evidence to say how well car clubs would work in Cambridge. Expert consultants will carry out a study on the potential for car clubs in Cambridge and to advise us on where car clubs are most likely to be viable. The cost of the study is £8,000 and will start in the current financial year, but would extent into 2006/07.	4,000	4,000
4	Planning Policy Consultants - Due to the need to resolve ICT compatibility issues and the pressures of other work it was not possible to bring forward work on the tree management data base at the end of 2005-06. The carry forward is requested to complete this work in 2006-07. The Trees Management Database is a key tool in helping us to manage the tree stock of the City, which is a high environmental priority for the Council. It is also an important risk management tool, e.g. if trees are not managed properly they represent a risk to members of the public.	0	8,110
Environment & Planning - Transport Services			
5	Highway Schemes General - Verge Parking Byelaw Pilot - Some fees have been incurred for developing the project in 2005/06; the balance will be needed to erect signs during 2006/7	0	18,000
6	Highway Schemes General - Signage Project - Budget required for removal of signs in 2006/07	0	10,000

Request to Carry Forward General Fund Budgets from 2005/06 into 2006/07

Item		Previously Approved Carry Forward Requests £	Final Carry Forward Requests £
7	Ditching Maintenance - Request to carry forward County contribution (see Appendix B) to undertake maintenance which was deferred pending the contribution.	0	10,000
<i>Environment & Planning - Development Services</i>			
8	Planning Delivery Grant - See comment on variance. The amount of carry forward is necessary to support programme of expenditure for PDG for future years.	172,000	198,180
Total Carry Forward Requests for Planning and Transport Portfolio / Environment Scrutiny Committee		189,000	261,290

Strategy - 10th July 2006

<i>Chief Executive</i>			
1	Consultation with asylum seekers delayed because external partners were not in position to support the project within the timescale originally envisaged	5,000	5,000
<i>Central Services and Other</i>			
2	A base budget provision was approved in the September 2005 MTS for JNC pay and an Organisational Development Programme, but the spending on this programme will vary over the years to match relevant demands. With delay whilst appointing the new Head of Human Resources and given the lead in time to implementing the programme, the budget in 2005/06 was significantly underspent and this money will need to be carried forward to fund the planned programme in future years. A request will be made to automatically carry forward the balance, which will be reported, for the programme.		167,270
Total Carry Forward Requests for Strategy Portfolio / Scrutiny Committee		5,000	172,270

Strategy Portfolio / Scrutiny Committee - Overview

2005/06 Capital Outturn

Portfolio / Committee	Budget £000	Outturn £000	Variance £000	Rephase £000	Over/ (Under) spend £000
Customer Services & Resources	4,094	3,596	(498)	(487)	(11)
Community Services - Community Development and Leisure	4,224	2,727	(1,497)	(1,498)	1
Community Services - Housing and Health	103	37	(66)	(59)	(7)
Environment - Environmental Services	828	433	(395)	(372)	(23)
Environment - Planning & Transport	1,479	932	(547)	(579)	32
Strategy	247	165	(82)	(82)	0
Total General Fund	10,975	7,890	(3,085)	(3,077)	(8)
Housing and Health (HRA)	13,080	12,360	(720)	(720)	0
Total Committees	24,055	20,250	(3,805)	(3,797)	(8)

Note: Explanations of variances have been reported to appropriate Executive Councillors / Scrutiny Committees so are not given here.