



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE AND PERFORMANCE MANAGEMENT

Date of Meeting: 19 November 2007

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

**Title: REVENUE BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO SEPTEMBER 2007**

Report of: THE DIRECTOR OF CORPORATE SERVICES

Report reference: CORP56/07

Summary:

This report provides an overview of the Council's overall budgetary position for the period April to September 2007 for revenue schemes only. Progress against the annual Capital Programme is subject to a separate report, which is considered elsewhere on the agenda. The revenue report includes details of balance sheet management issues, high-risk budgets, and progress against the Gershon efficiency statement.

Recommendations:

The Executive is asked to:

- (i) Note the contents of the report.
- (ii) Note the potential forecast overspend for 2007/08 and that options to address this will be considered as part of the budget process
- (iii) Note the actual efficiency savings being achieved against the targets set.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CITY OF CARLISLE

To: The Executive
19 November 2007

CORP56/07

REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO SEPTEMBER 2007

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Director of Corporate Services is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. However, it is the responsibility of Directors to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Director of Corporate Services.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process, which is also a requirement of the Use of Resources assessment.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.4 The information in this report will be used to inform the 2008/09-budget process, which has commenced with initial budget reports being considered by the Executive on 28 November 2007.

2. REVENUE BUDGET OVERVIEW

- 2.1 The following statement shows the total revenue budget as at September 2007:

2007/08 Revenue Budget	£
Approved Budget (Council resolution – February 2007)	16,684,800
Carry forward requests (2006/07 out-turn)	1,316,700
Adjustment for Carlisle Leisure Ltd (paragraph 2.2)	(5,000)
Revised Budget 2007/08	17,996,500

- 2.2 The Council approved a supplementary estimate of £30,000 in July to provide additional capital funding for the Bitts Park Airdome. As part of the agreement, the payments made to Carlisle Leisure Ltd by the Council for management services have been reduced by £10,000 per year, but £5,000 of this is to be used for the delivery of Tennis Development opportunities. Consequently, £5,000 has been returned to reserves and reduces the overall revenue budget for 2007/08.

3. 2007/08 BUDGET MONITORING

- 3.1 The summarised budgetary position as at September 2007 is shown below, including the adjusted variance at September 2006 for comparison :

Directorate	Annual Net Budget £	Net Budget to date £	Net Expenditure to date £	Adjusted Variance 2007/08 £	Adjusted Variance 2006/07 £	Note
Carlisle Renaissance	514,000	185,437	138,073	(47,364)	(49,285)	
Community Services	11,557,700	6,067,804	5,905,828	(161,976)	141,121	4.2
Corporate Services	2,705,000	5,178,615	5,010,050	(168,565)	(1,241,059)	3.2/ 4.3
Development Services	81,000	(516,211)	(488,545)	27,666	(202,933)	4.4
Legal & Democratic Services	2,198,400	646,687	594,679	(52,008)	(34,387)	4.5
People, Policy & Performance Services	940,400	1,273,160	1,219,150	(54,010)	(81,801)	4.6
Total	17,996,500	12,835,492	12,379,235	(456,257)	(1,468,344)	

- 3.2 The main reason for the large underspend at this stage last year (2006/07) was the insurance money received for the flood that had not been spent.
- 3.3 Significant under and overspends, including shortfalls or increases in income detailed in section 4, will be considered as part of the budget process now underway. The year-end forecast is a deficit, principally due to the ongoing impact of reductions in income streams (excluding carry forward commitments). This is in line with the outturn position for 2006/07. SMT are considering options to manage the overall budget within existing resources.

- 3.4 Further details for each Directorate can be found in **Appendices A1- A6**. Each appendix shows a breakdown of the variance for that Directorate, with comments from the Director and a note of any performance issues.
- 3.5 Potential carry forwards to 2008/09 for revenue schemes are still being assessed in conjunction with budget holders.
- 3.6 The Executive has previously been notified of the potential cost to the Council if it breaches its partial exemption limit for VAT. HM Revenue and Customs have now confirmed their approval to elect to tax land and property rents with effect from 1 September 2007. A review of anticipated spending on the remaining exempt activities for 2007/08 has been carried out and the partial exemption limit for the year has been recalculated. **It is now possible to remain within the partial exemption limit as long as overall revenue and capital spending is in line with current budget forecasts.** However, significant under-spends will reduce the base level of input tax upon which the 5% limit is calculated and increase the risk of the 5% limit being breached.

4. KEY ISSUES & HIGH RISK BUDGETS

- 4.1 This section reports the major variances within each directorate. Where relevant, information is included regarding year-end forecasts and any action to be taken to address current deficits.
- 4.2 The main variances in the **Community Services Directorate** are as follows:
- Car park income is below budget by £77,000 to September 2007, with a forecast deficit of £120,000 by the end of the financial year. The situation is being monitored to assess whether any shortfall in 2007/08 can be met from within existing budgets and is being reviewed as part of the budget process with reports being considered by the Executive on 28 November.
 - Income for Tullie House is currently £17,000 below budget, and as in previous years, is expected to be in deficit (£60,000) at the year-end. There are underspends in several expenditure budgets, and over £40,000 of grant income is still to be allocated. Income for Tullie House has consistently been lower than the level budgeted and this continues in 2007/08. It is unlikely that the annual budget will be achieved with the current price structure. When raised as a budget issue previously the service was asked to meet the shortfall from within existing budgets. This will again be the course of action requested to address this position this year.

- Buildings Maintenance is overspent by £64,000, mainly due to a shortfall in external income. This is offset to some extent by vacancies in the section and work continues to resolve this issue.
- Bereavement Services income is £71,000 below budget (Cemeteries £36,000, Crematorium £35,000), and the year-end deficit is estimated to be £84,000. A full review of Bereavement Charges will be considered by the Executive on 28 November.
- The Executive considered a revised set of car park charges for Talkin Tarn at its meeting on 22nd January 2007. The current budget, however, is still based on the original business plan and it was agreed that the budget position would be closely monitored during the year. Charges were not implemented until 6 August 2007 and it is therefore very unlikely that the approved budget of £26,600 for car parking will be achieved this year. A review of car parking charges for Talkin Tarn will be considered by the Executive on 28 November. The Director of Community Services anticipates that income from sales will meet the shortfall projected in car park income.
- Waste Minimisation is currently overspent by £12,500. Additional costs will be incurred due to the short term hire of an additional vehicle for urgent operational reasons. The background is set out in CS87/07 considered elsewhere on the agenda. The accounting treatment of the waste collection vehicles which were purchased rather than being leased is still being assessed (as discussed in CORP57/07) and therefore the year end projections are not yet available.

4.3 The main variances in **Corporate Services** are as follows:

- Unachieved savings of £184,300 to date relating to the corporate Staff Turnover target budget. The Salary Turnover Savings budget of £575,000 for 2007/08 is a corporate target for the Council. The budget is held within the Corporate Services directorate and savings from salary budgets across the authority are transferred to it. Savings taken to date total £103,500 against the six-month target of £287,800, hence the deficit of £184,300 set out in Appendix A3. Further savings need to be identified and taken to meet this shortfall. The target for 2006/07 was £489,300, against which £425,600 was achieved. At this stage it is considered unlikely that the 2007/08 target will be met. The pay award for 2007/08 has now been agreed at 2.475%, and the impact on turnover savings is being reviewed.
- The £67,000 variance in the ICT budget is mainly due to staffing and software licences. The latter is being included as part of the Repairs and Renewals considerations in the 2008/09 Budget process going to the Executive meeting 28 November 2007.
- LABGI funding of £143,000 received in September which will be transferred to Reserves at the year end.

- Additional investment income of £97,207. The year end forecast for additional investment income is £244,000.
- Concessionary travel continues to be an issue for the Council. It was reported to the Executive in September that there was a potential over-spend of £138,000 (worst case) against the approved budget of £1,919,600 due to Stagecoach withdrawing from the fixed price agreement from 1st December 2007. The budget has been increased by £56,600, funded from the remaining balance of insurance monies, with any overspend to be met from existing 2007/08 base budgets. The scheme will be incorporated into the budget process as a potential issue for future years.

4.4 The main variances in **Development Services** are as follows:

- The over-spend to date relating to the Tesco Inquiry is £172,000. At its meeting on 22 October the Executive agreed a recommendation to Council to approve a supplementary estimate of £290,000 for the Tesco and Local Plan Inquiries. Council approved this supplementary estimate on 6 November and it will be reflected in the next quarterly report.
- There is also a LABGI balance in Development Services still to be allocated (current profiled under-spend is £128,000).
- Although the position for Development Control shows a shortfall of £48,123, income is not received equally across the year, and one-off large receipts can distort projections. At this stage, the year-end position is expected to meet the overall target for the year.
- Income on the Industrial Estates is below expectation by £17,000. The year-end position is expected to be in line with target, due to income from backdated rent reviews.
- A budget of £100,000 is included within Property Services for 2007/08 for letting income. This was set in anticipation of attracting third parties to rent space within the Civic Centre for 2007/08. As at September, this budget is showing a deficit of £50,000 (although £24,000 is expected within the next month from the CDRP for service charges). It is unlikely that the balance of this income target will be achieved. However, it is hoped that this shortfall can be met from additional rent income generated from back-dated lease reviews due to be completed shortly and for which budget provision has not yet been made.
- Property Services is under-spent on the asset review budget by £30,000 but this will be committed by the year-end.

4.5 The main variances in **Legal & Democratic Services** are as follows:

- Additional Land Charges income of £17,000 has been received, although a year end shortfall of £33,400 is expected.

- Income has been received in Electoral Registration of £12,000 to reimburse expenditure that was incurred last year.

4.6 The main variances in **People, Policy and Performance Services** are as follows:

- Additional costs in Executive Management for responding to the White Paper on local government re-organisation £18,000.
- The risk management budget is underspent by £22,500.

5. VIREMENTS

5.1 The Council operates a scheme of virement, which enables Officers and Members to manage budgets with a degree of flexibility within the overall policy framework determined by the Council to optimise its use of resources. Virements requested by officers and processed in the period ending 30 September 2007 are detailed in **Appendix B**.

6. USE OF RESOURCES IMPROVEMENTS

6.1 Balance Sheet Management

In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/3/07	Balance at 30/9/07	Note
Investments	£25.2m	£30.7m	(i)
Loans	£15.1m	£15.1m	(ii)
Debtors	£ 1.8m	£ 2.1m	(iii)
Creditors	£ 1.3m	£ 0.4m	(iv)

- (i) The anticipated return on these investments is estimated at £1,674,300 for 2007/08 with current projections slightly ahead of the budget.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,324,200 in 2007/08 with costs currently on target. There are no proposals for further borrowing during 2007/08, although this will be kept under review. Further information on Treasury Management, including the Council's borrowing requirements, will be considered by the Executive on 28 November 2007.

- (iii) There is a significant impact on the cash-flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax and NNDR.
- (iv) Creditors is the amount of money due to be paid by the Council for goods and services received.
- (v) Use of Reserves
The usage and level of all Council reserves are set out in the Medium Term Financial Plan (CORP 18/07), approved by full Council in July. It is anticipated that £1.9m will be required from the Council's Revenue Reserves to fund revenue expenditure in 2007/08 (including £1.3m of 2006/07 carry forwards). Any under or overspend at the year end will adjust the balance transferred to or from the reserve.

6.2 Priorities and Performance

There is a need to link performance and the budget position, with a view in the longer term to allocating resources to the Council's priorities (Cleaner Greener and Safer, and the Learning City). This information will be used to inform the 2008/09 budget process by re-directing resources where necessary to deliver the Council's priorities. The Corporate Improvement Plan now incorporates financial information analysed by priority for both revenue and capital schemes. In accordance with the decision of the last Executive financial information has now also been included within the performance monitoring report to be considered elsewhere on the agenda, rather than an appendix to this report.

6.3 Gershon Efficiency Savings Action Plan Monitoring

- (i) All Local Authorities have been set an annual efficiency target based on 2.5% of their 2004/05 baseline, and a target for cashable efficiency gains each year based on 1.25% of their 2004/05 baseline. Thus, by the end of 2007/08, each Authority should have achieved total efficiency gains equal to or greater than 7.5% of their baseline and cashable gains of at least 3.75%.
- (ii) The total target for the City Council is £1.4m and the current expectation is that £1.67m will be achieved, against a previous forecast of £1.8m. This reduction is due to changes in the programmed efficiencies in the current financial year.
Appendix C below reports on the specific efficiency items contained in the forward-looking efficiency statement for Carlisle City Council for 2007/08 and the progress in achieving those efficiencies.

- (vi) It should be noted that the Comprehensive Spending Review 2007 (CSR07) outlines proposals for “an ambitious value for money programme that will see local government deliver savings of 3% per year”. The new arrangements from April 2008 will mean the rescinding of the Annual Efficiency Statement and the introduction of a new performance framework.
- (vii) In total the CSR07 report assumes that £4.9 billion of annual net cash releasing value-for-money savings will be achieved by 2010/11 but also recognises that not all Councils will be in the same position and that some Council’s will be able to deliver more efficiency gains than others. To this end no specific targets have been set for individual Councils.
- (viii) As from April 2008 the Council will be required to report against a national value-for-money indicator twice yearly in October and July. This indicator focuses on: -
- Net gains – efficiencies need to be reported net of any investment and ongoing costs required for their implementation
 - Gains must be ongoing – if not substantiated the indicator must be reduced accordingly
 - Gains which are “cash releasing” i.e. efficiencies that reduce the level of resources required to achieve the same or better outputs and that allow resources to be re-used for other purposes.
- (ix) Failure to deliver efficiencies will impact on performance against national indicators, the new Comprehensive Area Assessment (particularly use of resources and direction of travel). Although the Council has not been set any exact monetary targets it is likely that efficiency gains of around £500,000 per annum will be needed. This represents 3% of the Council’s net revenue expenditure in 2007/08. However, efficiencies from capital spending can be included if these can be accurately assessed.

7. CONSULTATION

7.1 Consultation to Date.

SMT and SPG have considered the issues raised in this report.

7.2 Consultation proposed.

Corporate Resources Overview & Scrutiny Committee will consider the report on 6 December 2007.

8. RECOMMENDATIONS

The Executive is asked to:

- (i) Note the contents of the report.
- (ii) Note the potential forecast overspend for 2007/08 and that options to address this will be considered as part of the budget process
- (iii) Note the actual efficiency savings being achieved against the targets set

9. REASONS FOR RECOMMENDATIONS

To show that the Executive has been informed of the Council's actual financial position compared with the budgeted position and to bring to their attention any areas of concern.

10. IMPLICATIONS

- Staffing/Resources – Not applicable.
- Financial – Contained within the main body of the report.
- Legal – Not applicable.
- Corporate – SMT have been involved in the preparation of this report.
- Risk Management – Included in the report above.
- Equality Issues – Not applicable.
- Environmental – Not applicable.
- Crime and Disorder – Not applicable.

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CARLISLE RENAISSANCE**Position as at 30 September 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	363,100	0	150,900	514,000
Budget to date	185,437	0	0	185,437
Total Actual	138,073	0	0	138,073
Variance	(47,364)	0	0	(47,364)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
General Expenses	1	(35,906)		(35,906)
Miscellaneous variances		(11,458)		(11,458)
Total Variance to date		(47,364)	0	(47,364)

Director's comments

Carlisle Renaissance was awarded a ringfenced budget of £340,000 over three years, beginning in 2005/06 which will be rolled forward to future years if not spent

1. Budgets still to allocate.

COMMUNITY SERVICES**Position as at 30 September 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	28,804,100	(8,148,600)	(9,050,600)	11,604,900
Budget to date	12,048,968	(4,386,715)	(1,594,449)	6,067,804
Total Actual	12,131,020	(4,340,895)	(1,884,297)	5,905,828
Variance	82,052	45,820	(289,848)	(161,976)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Building & Facilities Management	1	(42,053)	0	(42,053)
Support Services	2	(8,294)	0	(8,294)
Building Maintenance	3	11,835	51,835	63,670
Bereavement Services	4	(26,048)	68,414	42,366
Environmental Quality	5	(18,537)	6,608	(11,929)
Green Spaces Management	6	(35,712)	12,183	(23,529)
Highways Management	7	(33,529)	0	(33,529)
Highways Claimed Rights	8	(86,351)	108,099	21,748
Car Parking	9	18,090	127,926	146,016
Recycling & Waste Management	10	166,752	(154,244)	12,508
Tullie House	11	22,185	(107,281)	(85,096)
Sports Development	12	7,868	(32,812)	(24,944)
Pools/Sands/Outdoor Recreation	13	(34,229)	(4,946)	(39,175)
Community Support	14	(9,377)	(41,755)	(51,132)
Community Centres	15	(15,988)	(1,369)	(17,357)
Miscellaneous variances	16	(124,408)	13,162	(111,246)
Total Variance to date		(207,796)	45,820	(161,976)

Director's Comments

1. Underspend in employee costs due to vacancy and delay in settling the pay award.
2. Underspend in employee costs due to vacancy and recharge of costs to capital projects.
3. Underachieved external income.
4. Reductions in premises costs offset by a shortfall in income - lower death rates than estimated.
5. Budgets for Clean Neighbourhood Act carried forward from 2006/07 - need to be allocated.
6. Underspends on play equipment and parks development.
7. Underspend in employee costs due to vacancy. This will fund agency staff cover in the short term.
8. Underspend due to lower numbers of insurance claims and delayed start to projects.
9. Reduction in parking income across all car parks, contracts and PCNs.
10. Overspend due to additional costs relating to the new alternative weekly collection scheme (agency staff & vehicle), offset by additional income. Reduction in trade refuse income, which is well below target. Refer to paragraph 4.2
11. Overspend on events, offset by additional income from conferences, ticket commissions and unallocated grants.
12. Grant income still to be allocated.
13. Repairs budgets not yet spent.
14. Savings in employee costs and surpluses arising from events, which will be carried forward to provide funds for the 2008 Spring Show.
15. Underspend on repairs.
16. Savings in management and admin, depot and garage costs.

CORPORATE SERVICES**Position as at 30 September 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	36,540,600	(29,885,900)	(3,949,400)	2,705,300
Budget to date	20,383,195	(14,316,250)	(888,330)	5,178,615
Total Actual	20,639,260	(14,778,940)	(850,270)	5,010,050
Variance	256,065	(462,690)	38,060	(168,565)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Treasury Management	1	0	(97,207)	(97,207)
Salary Turnover Savings	2	184,418	0	184,418
Insurance Holding account	3	(27,596)	4,706	(22,890)
IT Services	4	69,613	(2,092)	67,521
Recovery	5	3,627	(12,669)	(9,042)
Benefits Assessment	6	(6,133)	(112,293)	(118,426)
Welfare Takeup campaign	7	22,757	(53,797)	(31,040)
LABGI	8		(143,131)	(143,131)
Miscellaneous variances		47,439	(46,207)	1,232
Total Variance to date		294,125	(462,690)	(168,565)

Director's Comments

1. Increased investment interest.
2. Further savings to be identified for 2007/08. See paragraph 4.3 of main report.
3. Reduction in insurance claims.
4. Overspends in staff costs and software licences. Investigation ongoing.
5. Additional income for summons for non payment of Council Tax
6. Underspend in employee costs (vacancy) and additional DWP grant received for Local Housing Allowance which has not yet been spent.
7. Budgets to be set up to allocate income.
8. Balance of grant funding received in September. This will be transferred to reserves at the year end.

DEVELOPMENT SERVICES**Position as at 30 September 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	8,279,600	(7,105,600)	(1,093,000)	81,000
Budget to date	3,156,951	(3,673,162)	0	(516,211)
Total Actual	3,238,127	(3,726,672)	0	(488,545)
Variance	81,176	(53,510)	0	27,666

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Tourism & City Centre Development	1	(8,722)	(14,568)	(23,290)
LABGI/Employment Projects	2	(67,092)	(2,795)	(69,887)
Property Services	3	(44,328)	(10,571)	(54,899)
Industrial Estates	4	8,616	8,965	17,581
Corporate Properties	5	19,133	56,533	75,666
Planning Management	6	123,699	368	124,067
Planning Delivery Grant	6	17,157	30,890	48,047
Building Control	7	(54,739)	42,624	(12,115)
Development Control	8	15,837	48,123	63,960
Conservation	9	(23,537)	(8,678)	(32,215)
Decent Homes	10	(318)	(41,321)	(41,639)
Hostels & Homeshares	11	23,894	(65,921)	(42,027)
Enterprise Centre	12	(10,332)	(15,883)	(26,215)
Longtown Market Town Initiative	13	73,145	(70,651)	2,494
Miscellaneous variances		8,763	(10,625)	(1,862)
Total Variance to date		81,176	(53,510)	27,666

Director's Comments

1. Underspend in exhibition & publicity budgets. Contributions have been received towards the statue for Hardwicke Circus and for City Centre promotions..
2. There has been a delay in starting projects which will be funded by NWDA and budgets have yet to be set.
3. Asset reviews still outstanding and additional income from valuation fees.
4. Increase in running costs and an overall shortfall in rental income.
5. Shortfall in rental income from Octagon (not let out) and additional NNDR costs. Income for service charges of £24,000 will be recovered from the CDRP in due course.
6. Tesco Inquiry costs make up the majority of these overspends, totalling £172,000. Supplementary estimate recently approved. This will be reflected in the next report.
7. Building Control - Reduction in running costs, particularly staffing (overall saving £54,739) offset by reduced income from fees (£42,624)
8. Increases in the cost of supplies and services and a further reduction in the level of income received..
9. Historic Building grants committed but not paid out.
10. Additional income received from completed capital schemes relating to renovation grants.
11. Increased running costs (£23,894) offset by additional rent income (£20,726) and additional Supporting People grant received in the period (£45,195).
12. Reduction in running costs (£10,332) coupled with increased rent income (£20,767)
13. Increased costs matched by increased income.

LEGAL & DEMOCRATIC SERVICES**Position as at 30 September 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	3,701,210	(599,310)	(903,500)	2,198,400
Budget to date	980,110	(333,423)	0	646,687
Total Actual	988,965	(394,286)	0	594,679
Variance	8,855	(60,863)	0	(52,008)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Democratic Services	1	(7,212)	(2,847)	(10,059)
Electoral Services	2	3,009	(19,485)	(16,476)
Legal Services	3	2,564	(21,463)	(18,899)
Mayor's Charity Account		15,168	(16,555)	(1,387)
Miscellaneous variances		(4,674)	(513)	(5,187)
Total Variance to date		8,855	(60,863)	(52,008)

Director's Comments

1. This section includes the rolling budget for Town Twinning. It will fund the next youth exchange in August.
2. Additional income received from Home Office for 2006/07 costs.
3. Additional income from search fees.

PEOPLE, POLICY & PERFORMANCE SERVICES**Position as at 30 September 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	3,099,500	(160,600)	(1,998,500)	940,400
Budget to date	1,397,162	(124,002)	0	1,273,160
Total Actual	1,348,004	(128,854)	0	1,219,150
Variance	(49,158)	(4,852)	0	(54,010)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Executive Management	1	18,371	0	18,371
Policy & Performance	2	(39,899)	0	(39,899)
Overview & Scrutiny	3	(14,437)	(305)	(14,742)
ACE		676	(682)	(6)
Miscellaneous		(13,869)	(3,865)	(17,734)
Total Variance to date		(49,158)	(4,852)	(54,010)

Director's Comments

1. The overspend relates primarily to expenditure incurred in response to the White Paper.
2. This section includes a rolling budget for risk management (currently underspent by £22,000).
3. Underspends to date in Overview & Scrutiny (£5,834) and Emergency Planning (£8,908).

REVENUE VIREMENTS PROCESSED FOR PERIOD APRIL TO SEPTEMBER 2007

Date	Virement Details	Permanent/ Temporary	Value £	Authorised by
Requested by Officers (under £35,000)				
05/04/2007	Transfer between PPP services and Executive Management to cover supplies and services	Permanent	6,000	J Gooding
13/04/2007	Council Tax fee income used to fund the costs of the White Paper response	Temporary	20,000	P Mason
10/05/2007	Creation of Concessionary Fares Project Officer from overtime budgets within RBS	Permanent	17,100	P Mason
16/05/2007	Council Tax leaflet funded partly from RBS stationery and office equipment	Temporary	6,000	P Mason

This table incorporates changes submitted as part of the 2007/08 Forward Looking AES and a review of progress in delivering those efficiencies.

	2007/08 Target	Achieved to 30/09	Forecast 2007/08	Comments on 2007/08 Efficiency Measures
	£	£	£	
Cashable - Recurring				
Capital receipts – income from interest	147,000	75,601	147,000	Delay in reaching sales target has been offset by better interest returns
Rationalisation of Depots	10,000	0	0	Maintenance Budgets reduced on two depots by £10,000. The proposed Bitts Park Depot Project has not commenced therefore Costs have been incurred over the revised budget to date and indicate that the objective will not be achieved.
Energy Efficiency - Consumption	10,000	5,000	10,000	Energy Efficiency measures have been installed this will produce a net saving on the increased budget requirement at the year end
Energy Efficiency - Procurement	15,000	0	7,500	New "Green" Electricity contract commences 01/10/07. Large sites are not party to this contract due to existing arrangements.
Restructure	80,000	40,000	80,000	Management Restructure savings of £80,000 included in 2007/08 Base Budget
IT Procurement	7,000	7,000	7,000	Procurement of new PC's via Framework Agreement. 4 Year replacement programme 2006-2010
Central Mail & Document Image processing	20,000	0	0	This exercise is part of 2007/08 Capital Programme and may be integrated into the wider ERDMS project. This exercise may not commence until February 2008 and efficiencies are therefore unlikely to be obtained.
Reduced Overtime Working	56,000	0	0	A 10% target of the 2006/07 budget was included in the 2007/08 estimates. Current indicators reveal at period 06 that overtime costs are £100,000 over budget forecast. This may be offset by Salary Savings and reduced Agency employee costs but will also need to consider the 07/08 pay award and Job Evaluation exercise.
Rationalisation of Grounds Contract - reduced temporary Staff	10,000	7,500	10,000	At the half year stage Employee costs have increased by £12,500 but Agency/temp staff costs are down by £20,000
Waste Minimisation Contract	69,000	0	0	This item has been deferred to 2008/09
Refuse Collection vehicles x 3	18,800	18,800	18,800	Savings achieved through outright purchase of vehicles compared with leasing costs
Cashable totals	442,800	153,901	280,300	
Non Cashable				
Energy Efficiency - Payment Administration	5,000	0	2,500	As of October 2007 the New electricity contract arrangements will present a summary electronic invoice on a monthly basis for 54 sites. This will centralise the invoice payment process and significantly reduce the number of payment transactions required.
Joint IT Arrangements	20,000	0	0	Revenue is forecast to increase by £20,000 per annum due to increase in services to external partners. The sections employee salary and overtime costs have increased by £25,000 at Period 06 which indicates an increase in the Net cost.
Non Cashable Totals	25,000	0	2,500	
Cashable & Non Cashable total for 2007/08	467,800	153,901	282,800	