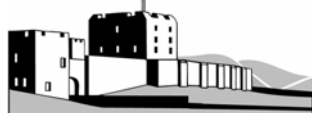


REPORT TO EXECUTIVE

CARLISLE
CITY COUNCIL



www.carlisle.gov.uk

PORTFOLIO AREA: POLICY, PERFORMANCE MANAGEMENT, FINANCE AND RESOURCES

Date of Meeting: 7 JULY 2003

Public/Private*

Key Decision: Yes

Recorded in Forward
Plan:

Yes

Inside Policy Framework

**Title: GENERAL FUND PROVISIONAL FINANCIAL
OUTTURN 2002/03**

Report of: HEAD OF FINANCE

**Report
reference: FS17/03**

Summary:

The attached report summarises the 2002/03 provisional out-turn for the General Fund Revenue Services. The out-turn shows that, before consideration of any carry forward requests, there has been a net saving of £3,737,905 compared to the 2002/03 revised budget. However, contained within the report are carry forward requests totalling £1,553,094, which if approved would result in a net saving of £2,184,811.

Recommendations:

The Executive is asked:

- i to receive the report and note that the figures are provisional and subject to audit;
- ii to approve the carry forward requests totalling £1,323,304 in respect of committed expenditure and £229,790 in respect of uncommitted underspends, for recommendation to Council;

iii. to approve the additional requests totalling £133,000 in respect of non-recurring bids and £242,300 in respect of recurring bids, for recommendation to Council.

Contact Officer: Alison Taylor

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CARLISLE CITY COUNCIL

To: The Executive FS17/03

7 July 2003

GENERAL FUND REVENUE SERVICES

PROVISIONAL FINANCIAL OUTTURN 2002/03

1. BACKGROUND INFORMATION AND OPTIONS

1.1 This report sets out the summarised provisional out-turn for the General Fund Revenue Services as follows:

Appendix 1 - Summarises the out-turn at a Service Level

Appendix 2 – Details the carry forward requests

Appendix 3 – Explains the main variances between budget and actual spend

Appendix 4 – Summarises the out-turn for Carlisle Works

Appendix 5 – Summarises the out-turn at a subjective level in accordance with the Best Value Accounting Code of Practice

Addendum 1 – The Head of Revenues and Benefits advises on the improved performance on the recovery of Housing Benefit overpayments.

1.2 Please note that throughout this report a minus (-) figure represents a favourable

position i.e. either an underspend or additional income received.

2. SUMMARY FINANCIAL OUTTURN 2002/03

As set out in **Appendix 1** the budget for the General Fund shows a net saving of £3,737,905 compared to the revised budget approved by the Council in February 2003. However if all the carry forward requests totalling £1,553,094 are approved this would result in a net saving of £2,184,811. The totals provided in Appendix 1 are summarised between directly and indirectly controlled costs in the table below:

	<u>2002/03</u> <u>Revised</u> <u>Budget</u> <u>£</u>	<u>2002/03</u> <u>Actual</u> <u>£</u>	<u>2002/03</u> <u>Variance</u> <u>At</u> <u>31/3/03</u> <u>£</u>	<u>Carry</u> <u>Forward</u> <u>Requests</u> <u>£</u>	<u>2002/03</u> <u>Final</u> <u>Variance</u> <u>£</u>
Direct Control	35,877,780	33,520,463	- 2,357,317	1,464,070	-893,247
Indirect Control	- 21,866,400	- 23,246,988	- 1,380,588	89,024	- 1,291,564
Total	14,011,380	10,273,475	- 3,737,905	1,553,094	- 2,184,811

3. CARRY FORWARD REQUESTS

3.1 In accordance with the Council's Constitution, any net surpluses on service estimates under the control of the Chief Officer may be carried forward, subject to:

- reporting to the executive the sources of the underspending or additional income and the proposed application of those resources.
- the approval of the Council where the underspending exceeds £10,000.

3.2 The carry forward requests total £1,553,094 as set out in **Appendix 2**. These requests have been analysed between:

A. Requests that have already been approved in principle by the Executive or are in relation to new Policy Objectives approved by the Council.

B. Requests that are in respect of committed expenditure.

C. Requests for carry forward of general underspends which are not in relation to committed expenditure.

The requests can be summarised as follows:

	<u>Total</u> <u>£</u>
A	279,225

B	1,044,079
C	229,790
Total	1,553,094

3.3 Some Business Units will be marginally overspent, as detailed in Appendix 1, if all the carry forward requests are approved, however this can be accommodated in the overall bottom line. As the underspending exceeds £10,000 in total then the approval of Council will be required.

3.4 Members of the Executive are asked to approve the carry forward requests totalling £1,323,304 in respect of committed expenditure and £229,790 in respect of uncommitted underspends, for recommendation to Council. The relevant Business Unit Head will be able to give further details of carry forward requests if required at the meeting.

3.5 In accordance with the Executive's guidance for the 2003/04 budget cycle, all underspends will be fully assessed, and those budgets that are considered to be recurring savings will be removed/redirected to new priorities. This will be subject to a future report to CMT and the Executive.

3.6 A budget has already been identified in respect of improved performance on debt recovery for housing benefit overpayments as set out in **Addendum1** which amounts to £200,000 and this money will be available for redirection to other priorities as discussed later in the report.

4. EXPLANATION OF MAJOR VARIANCES

4.1 The details of the major variances analysed between business units, prior to carry forward requests, are provided in **Appendix 3**.

The net position of £2,184,811, following these requests, can be summarised as follows:

Major Variances	£	Notes
Additional CTS surplus allocated to GF	264,256	See para. 4.2
Increased interest received mainly due to the NNDR refund for the Pools/Sands Centre	261,577	As previously reported (FS9/03)
Reduced use of MRP	138,763	Re KPP as

		previously reported (FS2/03)
NNDR refund on rating appeals: Pools £275,217 Sands Centre £605,834	881,051	As previously reported (FS9/03)
LSVT costs incurred in prior years but capital receipt received in 2002/03	160,917	
Housing Benefit – recovery of overpaid benefit	346,148	See para 3.6
Building Control surplus	77,717	Ring-fenced reserve
Miscellaneous/other variances	54,382	
TOTAL	2,184,811	

4.2 Commercial & Technical Services Surplus (Carlisle Works)

- Appendix 4** details the provisional out-turn trading results for Commercial & Technical Services in respect of the financial year April 2002 to March 2003. The figures, which reflect the financial performance of each operational unit within Carlisle Works, have been finalised following the formal closure of the authority's accounts. The trading results are subject to external audit verification.

4.2.2 In summary terms, overall turnover of £13,225,000 has generated provisional profits of £1,037,000. The total amount of business generated was £414,000 higher than the revised Business Plan Target of £12,811,000. The provisional profit of £1,037,000 is well in advance of the revised budget of £500,000 formulated as part of the September 2002 estimates and of the £700,000 figure issued in the February 2003 Budget Monitoring report. This was mainly as a result of the higher than anticipated level of income from the Buildings Unit particularly in respect of work from CHA following the transfer of the housing stock.

4.2.3 In accordance with the Best Value Accounting Code of Practice, the profits of £1,037,000 will be redistributed back to the services contributing to the profit as follows:-

£000's

Contribution to the General Fund 614

Contribution to the HRA 423

Total 1,037

4.2.4 Commercial & Technical reserves were established from surpluses arising out of trading activities to cover potential losses in future years and to finance capital expenditure. The Revenue Fund stands at £250,000 following a contribution during 2002/03 to the Bousteads Grassing Improvement Project following the formation of the Commercial and Technical Services Business Unit.

5. USE OF AVAILABLE RESOURCES

1. The provisional out-turn position will amount to £2,184,811 if all carry forward request are approved. As the bulk of the underspend was known following the receipt of the NNDR refund, CMT considered budget pressures during March and April. Those pressures identified have been modified by the Strategic Financial Planning Group to allow the consideration of the urgent operational items as part of this report, with others being considered during the budget cycle along with other priorities. The items identified are listed below.

2. Non-recurring bids

Culture Sports and Leisure

- Border Galleries – carpets/interactives/exhibits **£28,000**

Funding to be earmarked for the refurbishment of the Border Galleries. The carpet tiling for the area is badly worn and is a health and safety hazard and its replacement has been estimated at £18,000. New interactives are needed to revitalise the area and to develop the interpretation of the exhibits to assist in the future promotion of Tullie House. This has been estimated at £10,000.

Member Support & Employee Services

- IT Business System (replacement TNA system) **£15,000**

The current training database was designed for centralised control where everything was dealt with in Member Support & Employee Services (MSES). To help empower managers, much of this needs to be devolved to business units with MSES staff retaining the ability to monitor. The current system is not robust enough to do this, and does not cope with the new organisational structure. £15,000 would allow the purchase of a new system to enable the devolution of those training activities that are better handled at business unit level and still continue to provide central programmes where this is more appropriate.

Commercial and Technical Services

- Civic Centre Fire Alarms **£90,000**

To replace the existing out-of -date fire alarm system at the Civic Centre to fulfil health and safety requirements.

Total non-recurring bids £133,000

5.3 Recurring Bids

Administrative support for:

- **Executive Management £40,000**

To provide administrative support for the Executive Directors. This has become an urgent issue and temporary staffing arrangements have been put in place, funded for a year from carried forward underspends from 2002/03, subject to Executive approval, however £40,000 would allow the two posts required to be funded on a permanent basis. This investment will enable the Executive Directors to function effectively as they currently spend an uneconomical amount of time on administration.

- **Environmental Protection – Housing/Homelessness £30,000**

In order to further support the residual role of Housing and the provision of Homelessness services a recurring sum of £30,000 is required. This will enable the appointment of clerical support and the provision of an operational budget to cover all the residual and retained housing functions.

- **Member Support & Employee Services £20,000**

To provide support to MSES and to extend the current personnel and payroll functions it is proposed to provide administrative and clerical support for the whole business unit. It has been agreed to allow funding of a supervisory post to co-ordinate the administration for all four teams within Member Support and Employee Services for the year ended and this has been successful. Funding of £20,000 would allow this post to be continued on an on-going basis. An added advantage is that this also relieves the Administrative Personnel Officers of some administration, allowing them to

devote more time to provide professional advice to managers in business units.

- **Strategy & Performance £16,300**

This proposal is to strengthen the Strategic & Performance Services function through associated administrative support.

Other bids:

IT Trainer/Consultant £36,000

IT training for Members and Officers is currently funded from the general training budget. This reduces the capacity to fund major development programmes such as Management Development Training, Customer care, Dignity & Respect, Cultural Change. The proposal would enable more of the general training budget to be directed at activities crucial to developing the organisation, while providing an IT programme of benefit to all employees and Members.

Recruitment and Retention fund £50,000

Concerns about anticipated and actual difficulties in recruiting replacement staff have been raised at the Executive. Initially MSES were asked to investigate the problem in conjunction with the Portfolio Holder and Heads of Business Units. It was discovered that this was not a problem confined to one Unit but that indeed there were several Business Units experiencing similar difficulties now, and others who had done so in the past and who feared further problems in the future. CMT and the Portfolio Holder agreed that we should take a corporate approach. There is thus a need for the authority to develop a strategy for the recruitment and retention of staff, and a paper will be presented to CMT on 29 June by the Head of Member Support and Employee Services.

Meanwhile very real problems are occurring in two specific Units - Property Services and Environmental Protection Services with critical professional posts remaining unfilled. Therefore there is a need to respond quickly to immediate difficulties as well as develop a range of approaches within a sustainable corporate strategy.

HR development £50,000

The important role that MSES Business Unit will play in providing the appropriate policy-framework, culture, and continuous-improvement philosophy and best practice that will serve to underpin the Council's future success is acknowledged.

Although the Council's People Strategy will emphasise that ownership of HR issues and organisational development lies squarely with Business Units rather than simply with Member Support and Employee Services, this Unit will provide the tools, the impetus, and ensure the coherence of approach to enable the authority to maximise the contribution of all its people (staff and Members).

Expectations are high, and although staff in MSES are knowledgeable, experienced and enthusiastic about the future, and will be able to develop the appropriate approaches, there is concern as to whether they have the capacity to meet all that will be demanded by Business Units to enable effective implementation at a local level.

The CPA exercise has re-emphasised the importance of the people and change agendas but also it is now recognised that resources are required to fully address this agenda.

Total recurring bids £242,300

5.4 The non-recurring bids could be financed, subject to Executive approval, from the surplus generated in 2002/03.

5.5 The recurring bids could be financed in part, again subject to Member approval, from the additional income (£200,000) achieved as a result of improved debt recovery procedures for Housing Benefit overpayments as set out in **Addendum 1** (see para 3.6). However, the Executive should note that this would still leave a deficit of £42,300 to be funded. The Executive should also be aware that if this base budget improvement were to be allocated to the priorities listed above it would not be available for other budget priorities or deficits identified during the budget process.

5.6 Members of the Executive are asked to approve these requests totalling £133,000 in respect of non-recurring bids and £242,300 in respect of recurring bids. The relevant Business Unit Head will be able to give further details of these additional requests if required at the meeting.

5.7 A subjective analysis of the provisional out-turn is shown in **Appendix 5**.

6. CONSULTATION

5.

6.1 Consultation to Date.

CMT and the Strategic Financial Planning Group considered the report on 23 June 2003 and their comments have been incorporated into the report.

6.2 Consultation proposed.

Not applicable

7. RECOMMENDATIONS

The Executive is asked:

i to receive the report and note that the figures are provisional and subject to audit;

ii to approve the carry forward requests totalling £1,323,304 in respect of committed expenditure and £229,790 in respect of uncommitted underspends, for recommendation to Council;

iii. to approve the additional requests totalling £133,000 in respect of non-recurring items and £242,300 in respect of recurring items, for recommendation to Council.

8. REASONS FOR RECOMMENDATIONS

As stated above

9. IMPLICATIONS

- Staffing/Resources – staffing implications as set out in the report
- Financial – Included in the main body of the report
- Legal – Not applicable
- Corporate – CMT and the Strategic Financial Planning Group have considered and their comments have been incorporated into the report.
- Risk Management – some of the new bids have health & safety/ risk implication. In addition the base budget improvement has risk depending upon future guidance from the DWP.
- Equality Issues – Not applicable
- Environmental – Not applicable
- Crime and Disorder – Not applicable

ANGELA BROWN

GENERAL FUND PROVISIONAL OUTTURN 2002/03

APPENDIX 1

SERVICE	REVISED BUDGET £	OUTTURN £	VARIANCE £	CARRY FORWARD REQUESTS (See Appendix 2) £	FINAL VARIANCE £	For More detail see Appendix 3
EXECUTIVE MANAGEMENT	12,520	-56,248	-68,768	79,700	10,932	
STRATEGIC & PERFORMANCE	199,390	91,965	-107,425	121,180	13,755	
FINANCIAL SERVICES	-133,710	-1,349,216	-1,215,506	222,980	-992,526	
LEGAL & DEMOCRATIC SERVICES	286,880	148,747	-138,133	85,290	-52,843	
MEMBER SUPPORT & EMPLOYEE SERVICES	1,494,280	1,380,886	-113,394	115,318	1,924	
CUSTOMER & INFORMATION SERVICES	91,310	-35,838	-127,148	101,580	-25,568	
REVENUES & BENEFITS	1,123,430	1,036,595	-86,835	114,035	27,200	
PROPERTY	-3,025,350	-3,127,563	-102,213	79,540	-22,673	
COMMERCIAL & TECHNICAL SERVICES (EXCL CARLISLE WORKS)	275,650	19,694	-255,956	55,639	-200,317	
PLANNING SERVICES	937,600	561,397	-376,203	261,294	-114,909	
ECONOMIC & COMMUNITY DEVELOPMENT	2,761,220	2,689,329	-71,891	69,600	-2,291	
CULTURE SPORTS & LEISURE	5,466,420	4,728,759	-737,661	82,240	-655,421	
ENVIRONMENTAL PROTECTION SERVICES	4,521,740	4,184,968	-336,772	164,698	-172,074	
TOTAL OVERALL GENERAL FUND OUTTURN	14,011,380	10,273,475	-3,737,905	1,553,094	-2,184,811	

CARRY FORWARD REQUESTS CATEGORY (A): 2002/03: REVENUE (UNDER £10,000)

BUSINESS UNIT	DESCRIPTION	£
COMMERCIAL & TECHNICAL SERVICES		
E46 8450 3430	Development briefs - Viaduct Estate	3,370
		3,370
CULTURE LEISURE & SPORT SERVICES		
R64 6740 3001	Play area improvements. Scheme delayed due to re-prioritisation of play areas to be improved.	8,000
R64 6740 3008	Play area improvements. Scheme delayed due to re-prioritisation of play areas to be improved.	4,000
		12,000
CUSTOMER & INFORMATION SERVICES		
P50 5261 3001	To upgrade switch equipment	3,770
		3,770
ECONOMIC AND COMMUNITY DEVELOPMENT SERVICES		
L61 8432 3430	Border Visions Fund - Awaiting Northumberland County Council to set up joint fund	4,500
L63 8470 3430	Border Visions Fund - Awaiting Northumberland County Council to set up joint fund	500
		5,000
ENVIRONMENTAL PROTECTION SERVICES		
F37 8462 3433	To develop service post LSVT	6,000
F37 8497 2502	Clinical Exercise Transport - Local Health Group project	1,090
F37 8497 3426	Instruction - Local Health Group project	3,000
F37 8467 1100	Local Health Group - Energy Efficiency	5,400
F37 8467 3431	Local Health Group - Voluntary Sector Initiative	700
		16,190
PROPERTY SERVICES		
L63 8105 3430	Legal costs for Kingmoor Park Properties	9,540
		9,540
TOTAL GENERAL FUND CARRY FORWARD REQUESTS - CATEGORY (A) (UNDER £10,000)		49,870

CARRY FORWARD REQUESTS CATEGORY (A): 2002/03: REVENUE (OVER £10,000)

BUSINESS UNIT	DESCRIPTION	£
COMMERCIAL & TECHNICAL SERVICES		
	Profits earmarked from CTS/CHA transfer (buildings accom.)	70,000
		70,000
CULTURE LEISURE & SPORT SERVICES		
R64 6740 3055	Play area improvements. Scheme delayed due to re-prioritisation of play areas to be improved.	14,000
		14,000
CUSTOMER & INFORMATION SERVICES		
P41 8447 3430	To progress scheme in 2003/04	24,100
P50 5261 3505	To upgrade switch equipment	13,230
		37,330
ECONOMIC AND COMMUNITY DEVELOPMENT SERVICES		
R33 0001 3430	Botcherby Healthy Living Project	12,500
		12,500
EXECUTIVE MANAGEMENT		
PA3 5220 3431	Funding for Consultant Executive Director Apr to Jun	30,000
		30,000
ENVIRONMENTAL PROTECTION SERVICES		
F37 8467 3432	HAZ - Research Target Initiative	13,500
		13,500
LEGAL & DEMOCRATIC SERVICES		
P05 5274 3430	Town Twinning - three year rolling cycle & programme agreed by Executive in 2002.	22,000
		22,000
MEMBER SUPPORT & EMPLOYEE SERVICES		
PO4 8495 3430	NPI Corporate Training 2003/04	10,000
		10,000
REVENUES & BENEFITS		
P40 0001 3431	Customer Contact Centre	20,025
		20,025
TOTAL OVERALL GENERAL FUND CARRY FORWARD REQUESTS - CATEGORY (A) (OVER £10,000)		229,355

GENERAL FUND PROVISIONAL OUTTURN 2002/03

APPENDIX 3

ANALYSIS OF VARIANCES OVER £10,000

BUSINESS UNIT	DESCRIPTION	VARIANCE	CARRY FORWARD	FINAL VARIANCE
EXECUTIVE MANAGEMENT	Net costs of second Executive director's post	22,291		
	Executive Management's costs recharged to LSVT	-59,726		
	Underspend on supply of services	-29,087		
	Misc./Other variations	-2,246		
		-68,768	79,700	10,932
STRATEGIC & PERFORMANCE SERVICES	Employee cost savings due to vacancies in Communications	-17,761		
	Best Value Schemes c/fwd from 2001/02	-89,665		
	Misc./Other variations	1		
		-107,425	121,180	13,755
FINANCIAL SERVICES	Financial Services costs recharged to LSVT	-17,744		
	Employee costs savings - Audit	-12,687		
	Insurance risk management initiatives	-203,532		
	Improved investment returns	-58,492		
	Additional investment interest received due to NNDR windfall	-203,085		
	Minimum Revenue Provision not utilised	-138,763		
	Increased DSO contribution	-264,256		
	Authority review redundancy provision	-31,429		
	Unapportionable central overheads	-3,180		
	GF salary savings required budget - savings shown in other business units	181,910		
	Housing Benefits net savings	-435,798		
	Misc./Other variations	-28,450		
		-1,215,506	222,980	-992,526
LEGAL & DEMOCRATIC	Employee cost savings due to vacancies in Administration	-15,178		
	New political structure savings	-19,000		
	Underspend on Operational Town Twinning Budget (3 year rolling programme)	-23,989		
	Additional income on Land Charges	-14,872		
	Underspend on Subscriptions & Electoral Registration	-15,659		
	Misc./Other variations	-49,435		
		-138,133	85,290	-52,843



GENERAL FUND PROVISIONAL OUTTURN 2002/03

APPENDIX 3

ANALYSIS OF VARIANCES OVER £10,000

BUSINESS UNIT	DESCRIPTION	VARIANCE	CARRY FORWARD	FINAL VARIANCE
MEMBER SUPPORT & EMPLOYEE SERVICES	Employee cost savings due to vacancies in Personnel	-14,403		
	Member Training budget unused	-12,157		
	Corporate Training underspent	-10,000		
	Job evaluation budget not yet spent	-55,840		
	Misc./Other variations	-20,994		
		-113,394	115,318	1,924
CUSTOMER INFORMATION SERVICES	CIS costs recharged to LSVT	-25,662		
	Telephones & mobile telephones	11,058		
	Office Systems Development	-24,100		
	Customer Contact funding vired from Revenues & Benefits not yet spent	-20,026		
	Additional income re Civic Centre Rooftop	-17,500		
	Telephone charges & Featurenet underspent	-16,209		
	Misc./Other variations	-34,709		
		-127,148	101,580	-25,568
REVENUES & BENEFITS SERVICES	Staff savings	-44,372		
	Contingency budget for supplies not utilised	-10,190		
	Additional fees for Council Tax costs	-67,111		
	New Tax Credits Initiative (non staff)	-34,816		
	Performance Stands Fund not expended	-11,100		
	New AF Incentive Scheme & Computer Software for Fraud Section	10,447		
	Additional WBS funding grant	-66,585		
	Concessionary fares overspend re Bus Companies	-20,489		
	Misc./Other variations	157,381		
		-86,835	114,035	27,200

GENERAL FUND PROVISIONAL OUTTURN 2002/03

APPENDIX 3

ANALYSIS OF VARIANCES OVER £10,000

BUSINESS UNIT	DESCRIPTION	VARIANCE	CARRY FORWARD	FINAL VARIANCE
PROPERTY SERVICES	Employee cost savings due to vacancies in Property Management	-102,867		
	Land Management accounts	-13,644		
	Lanes & Lanes car park	-9,016		
	Misc./Other variations	23,314		
		-102,213	79,540	-22,673
COMMERCIAL & TECHNICAL SERVICES (EXCLUDING CARLISLE WORKS)	Off Street parking contract variation	-21,664		
	Additional income from city car parks (including penalty charge notices)	-22,575		
	Bus shelter expenses to be carried forward to 2003/04	-27,679		
	Highways claimed rights underspend mainly due to insurance provision	-198,338		
	Misc./Other variations	14,300		
		-255,956	55,639	-200,317
PLANNING SERVICES	Employee savings:			
	- Development control	-13,457		
	- Local plans	-15,039		
	- Conservation	-13,386		
	Development control additional income	-33,265		
	Morton Development Inquiry costs to be spent in 2003/04	-25,000		
	Historic buildings conservation payment withheld until work completed	-73,182		
	Heritage regeneration payment withheld until work completed	-145,000		
	Building control surplus generated	-77,717		
	Building control saving offered for reduced cost of client service (unachievable)	15,000		
	Misc./Other variations	4,843		
		-376,203	261,294	-114,909
ECONOMIC & COMMUNITY DEVELOPMENT	Funding to be carried forward - Border Visions Fund	-4,500		
	- Project development in Longtown/Carlisle South	-20,000		
	Employee cost savings due to vacancies in Business & Employment Develop.	-11,445		
	Employee cost savings due to vacancies in Raffles Community Centre	-11,558		
	Misc./Other variations	-24,388		
		-71,891	69,600	-2,291



GENERAL FUND PROVISIONAL OUTTURN 2002/03

APPENDIX 3

ANALYSIS OF VARIANCES OVER £10,000

BUSINESS UNIT	DESCRIPTION	VARIANCE	CARRY FORWARD	FINAL VARIANCE
CULTURE LEISURE & SPORT SERVICES	Carlisle Leisure Ltd start up costs	31,084		
	Leisuretime overspend	114,772		
	Insurance claims	30,357		
	Aboriculture underspend on payments to the CTS	-10,236		
	Play areas underspend on supplies & services	-14,870		
	ECCP balance	16,158		
	NNDR refund following RV appeal	-922,953		
	Archaeology work re Botchergate (FS9/02 refers)	63,963		
	Misc./Other variations	-45,936		
		-737,661	82,240	-655,421
ENVIRONMENTAL SERVICES	Environmental Protection additional income achieved	-30,612		
	Dog policy land fouling budget to be carried forward	-21,881		
	Employee cost savings due to vacancies in Environmental Services Food	-10,247		
	Contribution to bus station toilets withheld until status of facilities resolved	-18,340		
	Repairs & maintenance costs on public conveniences carried forward	-17,180		
	Refuse collection overspend - additional services required	33,061		
	Licensing fees - additional income	-15,350		
	Employee cost savings due to vacancy in Hostel Manager post	-12,430		
	Additional income from hostel rents	-22,226		
	Surplus on Housing Association stock transfer & authority review costs	-160,917		
	Housing Association grant to be c/fwd re 2001/02 & 2002/03	-21,400		
	ODPM money for local health group to be carried forward	-19,000		
	Additional income from the Crematorium/Cemeteries	-21,763		
	Misc./Other variations	1,513		
		-336,772	164,698	-172,074
TOTAL VARIANCE				
		-3,737,905	1,553,094	-2,184,811

COMMERCIAL & TECHNICAL SERVICES SURPLUS PROVISIONAL OUT-TURN 2002/03

The Carlisle Works/CTS trading accounts have been closed down, subject to audit, with the following provisional results:-

SECTION	TURNOVER		PROFIT/(LOSS)	
	Actual £000's	Revised Budget £000's	Actual £000's	Revised Budget £000's
BUILDINGS	7,469	7,000	713	600
HIGHWAYS	1,602	1,800	92	-
GROUND	1,512	1,475	28	-
STREET CLEANING	872	910	89	50
REFUSE COLLECTION	1,064	950	14	5
BUILDINGS CLEANING	344	346	73	25
MISC. SERVICES	362	330	28	20
TOTAL	13,225	12,811	1,037	700

OVERALL GENERAL FUND

APPENDIX 5

SUBJECTIVE ANALYSIS

PROVISIONAL OUTTURN 2002/03	Revised Budget £	Outturn 2002/03 £	Variance £	Carry Fwd Requests £	Final Variance £
Expenditure					
Employee Expenses	11,611,490	11,454,151	-157,339	347,492	190,153
Premises Expenses	3,717,360	2,713,498	-1,003,862	92,021	-911,841
Transport Expenses	736,450	678,092	-58,358		-58,358
Supplies & Services	7,105,210	7,932,580	827,370	938,984	1,766,354
Agency And Contracted Services	3,872,010	4,787,538	915,528	9,440	924,968
Transfer Payments (Benefit Payments)	14,104,120	13,482,738	-621,382		-621,382
Central/Departmental/Technical Support Services	9,371,710	9,177,757	-193,953		-193,953
Capital Financing	4,132,740	4,003,565	-129,175		-129,175
Insurances	356,450	317,290	-39,160		-39,160
Foot & Mouth Outbreak	10,000	2,033	-7,967		-7,967
Stock Transfer Costs	-147,320	-308,236	-160,916		-160,916
Carlisle Local Health Group	34,700	12,335	-22,365	23,690	1,325
Training Recharges	227,780	298,767	70,987	24,330	95,317
Gross Total Cost	55,132,700	54,552,108	-580,592	1,435,957	855,365
Income					
Other Income	-16,032,240	-19,465,805	-3,433,565	117,137	-3,316,428
Balances B/F	26,210	106,863	80,653		80,653
Balances C/F	-26,210	-92,630	-66,420		-66,420
Total Income	-16,032,240	-19,451,572	-3,419,332	117,137	-3,302,195
Net Costs	39,100,460	35,100,536	-3,999,924	1,553,094	-2,446,830
Recharges	-11,516,990	-11,579,829	-62,839		-62,839
Total Recharges	-11,516,990	-11,579,829	-62,839	0	-62,839
Net Total Cost Excluding Specific Grants	27,583,470	23,520,707	-4,062,763	1,553,094	-2,509,669
Specific Grants (Benefit Subsidy)	-13,572,090	-13,247,232	324,858		324,858
Net Total Cost	14,011,380	10,273,475	-3,737,905	1,553,094	-2,184,811

k: Closedown/Outturn Reports/Provisional Outturn 2002-03 (Subjective)

**RECOVERY OF HOUSING BENEFIT OVERPAYMENTS
IMPROVED PERFORMANCE**

1. INTRODUCTION

1.1 Housing Benefit Overpayments occur for the following reasons.

- Fraudulent Overpayments
- This is where a claimant defrauds the Benefit system e.g. working and claiming benefits.
- Claimant Error Overpayments
- Claimant fails to disclose/late advising of changes of circumstances affecting Benefit determination e.g. increase in pay.
- Local Authority Error
- Where the Council has made an error in calculating benefit determination.

1.2 In most cases of fraud or claimant error the Council must attempt to recover the overpaid benefit.

1.3 Up to April 2000 the Housing Department were responsible for recovering Housing Benefit Overpayments from Council tenant claimants. Due to recovery policies giving priority to recovering current rent arrears, very few housing benefit overpayment were recovered. Private tenant rent allowance overpayments recovery was administered by the Revenues Division with collection rates exceeding 50%.

1.4 The Benefit Fraud Inspectorate (BFI) highlighted Housing's poor overpayment recovery performance in its report on the Council's Benefits Administration in 1999/2000. The BFI recommended that a dedicated Overpayments team be set up within the Revenue Division to administer and recover all overpayments.

2. DEDICATED OVERPAYMENT RECOVERY TEAM

A dedicated overpayments recovery team was set up in April 2000 and the initiative has been very successful. Recovery trends suggest that the Council's General Fund is benefiting by approximately £200,000 p.a. in additional income due to the more effective recovery procedures being followed (net of subsidy regulation changes effecting overpayments).

3. ACCOUNTING FOR HOUSING BENEFIT OVERPAYMENTS RECOVERED

- 3.1 Up until 2002/03 income received from housing benefit overpayments administration was credited to benefits subsidy grant income i.e. the success of the recovery initiative was contained within the overall benefits subsidy income.
- 3.2 Work undertaken by the Accountancy Manager in deaggregating overpayments recovery from subsidy has revealed that net income budgets for benefit overpayment recoveries should be increased by £200,000 to reflect increased recovery success.
- 3.3 These adjustments will be actioned as part of the revised 2003/04 budget estimates in November 2003.
- 3.4 Overall the net effect of increased Benefits Overpayment Recovery performance is an additional £200,000 per annum in income to the Council which could be used to support other Council initiatives.
- 3.5 However it should be noted that the Department of Works and Pensions is continually revising benefit regulations. The introduction of pension credits and more importantly the ending of fixed benefit periods is likely to reduce the number and value of overpayments raised (and therefore recovered). If this additional income is used to support other Council initiatives and in the future overpayment recovery income falls, other sources of funding would be required to support Council expenditure on service provision.

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