

# Report to Executive

Agenda  
Item:

**A.1(a)**

Meeting Date: 1<sup>st</sup> June 2015  
Portfolio: Finance, Governance and Resources  
Key Decision: Yes: Recorded in the Notice Ref:KD.04/15  
Within Policy and Budget Framework YES  
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2014/15  
Report of: DIRECTOR OF RESOURCES  
Report Number: RD 07/15

**Purpose / Summary:** This report summarises the 2014/15 provisional outturn for the General Fund revenue budget and gives reasons for the variances.

The outturn position shows a net underspend of £1,434,744 for Council services as at 31 March 2015, once committed expenditure totalling £671,600, transfers to provisions of £390,100 and transfers to earmarked reserves of £1,020,900 are taken into account. The underspend position allows usable revenue balances which were forecast to be below minimum requirements to be replenished.

It should be noted that the information contained in this report is provisional, subject to the formal audit process. The Statement of Accounts for 2014/15 will be presented to the Audit Committee on 9 July, followed by a three month audit process.

## Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2015 of £1,434,744 after carry forwards as set out in (ii) below, net transfers to/from earmarked reserves as noted in (iii) below, and transfers to provisions as noted in (iv) below;
- (ii) Note the committed expenditure totalling £671,600 to be met in 2015/16 to 2017/18 which has been approved by the Director of Resources under delegated powers, and the release of £645,600 in 2015/16, £13,000 in 2016/17 and £13,000 in 2017/18 from the General Fund Reserve, for recommendation to Council;
- (iii) To approve for recommendation to Council, the creation of new reserves and transfers into the new and existing reserves of £720,900 as detailed in paragraph 5.1 and Appendix B2 of the report;

- (iv) To approve for recommendation to Council the creation of a new provision and transfers into the new and an existing provision of £390,100 as detailed in paragraph 5.1 and Appendix B2 of the report;
- (v) To approve the release of £144,000 from the renewals reserve to fund Digital Information Services expenditure as detailed in paragraph 5.2;
- (vi) To approve for recommendation to Council, the creation of a Volatility Reserve in line with the agreement for Cumbria Business Rates Pool as detailed in paragraph 7.6.

### **Tracking**

Executive:	<b>1 June 2015</b>
Overview and Scrutiny:	<b>ROSP 18 June 2015</b>
Audit Committee:	<b>9 July 2015</b>
Council:	<b>14 July 2015</b>

## **1. BACKGROUND**

- 1.1 This report shows the provisional outturn position for the General Fund Revenue budgets for 2014/15.
- 1.2 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in **Appendices A1 – A7** as follows:
- (i) A comparison of the outturn position against the budget.
  - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Director.
  - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Director after discussion with the Portfolio holder, and the Director of Resources.
- 1.3 Members should note that the information contained in this report is provisional and subject to the formal audit process. The formal Statement of Accounts for 2014/15 will be presented to the Audit Committee on 9 July, followed by a three month audit period. Any significant changes required following the approval of the 2014/15 accounts will, if necessary, be reported to a future Executive meeting.
- 1.4 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
  - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
  - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels.

## **2. SUMMARY REVENUE OUTTURN 2014/15**

- 2.1 The following table shows the revised 2014/15 budget for the General Fund:

2014/15 Revenue Budget	£
Approved Budget (Council resolution – February 2014)	12,500,900
Carry forward requests (2013/14 out-turn)	767,600
<b>Council Resolution 2014/15</b>	<b>13,268,500</b>
Non-Recurring Expenditure (note 1)	
Transformation Costs (Transformation Reserve)	96,200
<b>Updated Budget 2014/15</b>	<b>13,364,700</b>

Note (1) Voluntary Redundancy savings used to replenish the earmarked reserve, partly offset by the use of earmarked reserves to fund 2014/15 expenditure

- 2.2 The provisional outturn position for the General Fund is summarised below and explanations for the main variances are provided in the appendices. The significant variances and key issues are highlighted in paragraph 3:

Directorate / Appendix		Annual Net Budget (£)	Total Spend (£)	Net Variance at 31/03/15 (£)	Carry Forwards (£)	Reserves Provisions (£)	Adjusted Variance (£)
Chief Executive's Team	A1	558,700	430,354	(128,346)	92,500	0	(35,846)
Deputy Chief Executive's Team	A2	4,220,200	4,159,187	(61,013)	47,700	150,000	136,687
Economic Development	A3	2,747,600	2,271,203	(476,397)	132,000	128,100	(216,297)
Governance	A4	(1,518,800)	(2,133,489)	(614,689)	213,000	100,000	(301,689)
Local Environment	A5	6,046,100	5,253,995	(792,105)	63,700	192,800	(535,605)
Resources	A6	1,250,500	488,271	(762,229)	52,400	290,100	(419,729)
Corporate <sup>(1)</sup>	A7	60,400	(622,165)	(682,565)	70,300	550,000	(62,265)
<b>Sub Total</b>		<b>13,364,700</b>	<b>9,847,356</b>	<b>(3,517,344)</b>	<b>671,600</b>	<b>1,411,000</b>	<b>(1,434,744)</b>

Note 1: Corporate underspends include Salary Turnover Savings, Budget Savings, Inflation Savings, Direct Revenue Financing, Non-Distributed (Pension) costs and corporate management costs (which include bank and

- 2.3 The above table details the net Council budget. The Council's original gross budget for 2014/15 was £59.97m and although there are many individual variances as detailed by directorates in **Appendices A1 – A7**, the net underspend equates to 2.39% of this budget.

### 3. EXPLANATION OF SIGNIFICANT VARIANCES & KEY ISSUES

- 3.1 The provisional outturn position for 2014/15 is an underspend of £1,434,744 after taking into account carry forward requests of £671,600 as set out in paragraph 4

and transfers to/from earmarked reserves and provisions totalling £1,411,000, as set out in paragraph 5.

- 3.2 Some of the **significant** service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.

#### Income

- Improved levels of investment income of £54,800
- Shortfall on rental income from the Lanes of £158,000
- Improved Property rent income of £220,000 due to rent reviews and backdated rent collected including Industrial Estates.
- Improved Development Control Fee income of £102,600
- Improved rental income from Civic Centre of £84,600 including room rental and mobile phone aerials.
- Asset Disposal Income losses not materialising of £94,000 due to delays in sales of assets
- Shortfall on income of £127,200 on Other Parking Contracts
- Improved income of £79,300 on On and Off Street Parking, due to a reimbursement of £100,000 for On Street Parking
- Surplus on Housing Benefit overpayment following subsidy finalisation of £93,200

#### Expenditure

- £154,700 Additional salary turnover savings achieved
- Transformation savings achieved early of target of £147,500
- Inflation savings of £58,500
- Saving on past pension service costs of £124,100
- Net underspend of £275,400 (after carry forwards) on Recycling & Waste Services due to reduced expenditure levels and increased income
- Net surplus of £299,800 (after transfer to provision) on Revenues and Benefits due to unused budgets allocated for shared service and underspend on Discretionary Rate Relief.

- 3.3 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the small balances held on some management and support service centres. This reallocation will be completed before the Statement of Accounts is prepared, but has no impact on the overall out-turn position.

- 3.4 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Resources Overview and Scrutiny Panel. Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2015/16 budget. However, some pressures have an ongoing impact which must be addressed during the forthcoming 2016/17 budget process e.g. salary turnover savings, income levels.

#### 4. CARRY FORWARD REQUESTS

- 4.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Director of Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Director of Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Director of Resources will report the extent of overspending carried forward to the Executive, Resources Overview and Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

- 4.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix B2**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Director of Resources, who is satisfied that budgets of £671,600 should be carried forward into future years split £645,600 in 2015/16, £13,000 in 2016/17 and £13,000 in 2017/18. Although some Directorates have expended in excess of their budgets, or have suffered reduced income as detailed in the individual appendices,

once the committed expenditure is taken into account there is an overall underspend across the whole authority. These amounts have therefore been included in the carry forward. The relevant Director will be able to give further details of carry forward requests if required at the meeting.

- 4.3 For information, the table below provides details of the outturn position (excluding funding) and level of carry forward requests over the last five years for illustrative purposes:

	2014/15 Provisional £	2013/14 £	2012/13 £	2011/12 £	2010/11 £
Variance at 31 March	(3,517,344)	(1,331,125)	(1,021,350)	(618,959)	(2,004,397)
Carry forward requests	671,600	767,600	696,400	357,500	1,758,700
Final Variance	(2,845,744)	(563,525)	(324,950)	(261,459)	(245,697)
Less Transfers/Costs of Disposals	<u>1,411,000</u>	<u>480,943</u>	<u>249,703</u>		
Service Expenditure variance	(1,434,744)	(82,582)	(75,247)		
Percentage variance on service expenditure of original gross budget	(2.39)%	(0.14)%	(0.11)%	(0.41)%	(0.36)%

## 5. RESERVES AND PROVISIONS

- 5.1 Details of transfers into new/existing reserves and provisions requested as part of the outturn process are contained within **Appendix B2** and are summarised below.

	Already Approved £	Approval Requested £	Total Transfers £
Car Park Reserve	0	150,800	150,800
City Centre Reserve	0	42,000	42,000
Repair & Renewals Reserves <sup>(1)</sup>	300,000	250,000	550,000
Economic Investment Reserve	0	128,100	128,100
Leisure Reserve	0	150,000	150,000
<b>Total Transfers to Reserves</b>	<b>300,000</b>	<b>720,900</b>	<b>1,020,900</b>
Revenues & Benefits Provision	0	290,100	290,100
Land Charges Provision	0	100,000	100,000
<b>Total Transfers to Provisions</b>	<b>0</b>	<b>390,100</b>	<b>390,100</b>
<b>Total Transfers</b>	<b>300,000</b>	<b>1,111,000</b>	<b>1,411,000</b>

Note (1) Council approval (RD57/14 03.03.15) has been received to transfer up to £300,000 into this reserve.

- 5.2 The Executive is asked to consider for release £144,000 from the Repair and Renewals Reserve to fund Digital Information Services costs as detailed below and profiled as £48,000 in 2015/16, £48,000 in 2016/17 and £48,000 in 2017/18.

	One-off £	Annual Costs (3 years) £	Total Requirement £
Microsoft Licensing agreement	0	48,000	144,000

It is anticipated there will be further Digital Information Services costs in relation to server and system upgrades in accordance with the IT Strategy that will require to be funded from this reserve. These will be subject to further reports to the Executive for approval following the competitive tendering exercise.

- 5.3 The level of Council reserves was approved by Council in February 2015 and showed that there will be pressure on reserves from 2015/16 onwards if ambitious transformation savings are not delivered to plan. Due to the level of underspend identified within this report after all carry forward requests are approved and transfers to/from earmarked reserves, approximately £1,434,744 will be returned to the General Fund Reserve. This will replenish the usable revenue balances which were forecast to be below minimum requirements.



	31/03/2015 £'000s	31/03/2016 £'000s	31/03/2017 £'000s	31/03/2018 £'000s	31/03/2019 £'000s	31/03/2020 £'000s
<b>Prudent Level of Reserves</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>(2,600)</b>
Council Resolution General Fund Reserve	(2,559)	(1,442)	(2,057)	(2,656)	(3,651)	(3,411)
Underspend position returned to Reserves	(3,517)	0	0	0	0	0
Transfer (from)/to earmarked reserves & provisions: - see paragraph 5.1 <sup>(1)</sup>	1,411					
Committed Carry Forwards	0	646	13	13	0	0
Cost of Disposal	0					
<b>Revised Reserves Balance <sup>(2)</sup></b>	<b>(4,665)</b>	<b>(2,902)</b>	<b>(3,504)</b>	<b>(4,090)</b>	<b>(5,085)</b>	<b>(4,845)</b>

Note 1: Transfers to/(from) earmarked reserves & provisions subject to approval

Note 2: The Final Reserves Balance will be dependent on additional transfer as part of the Statement of Accounts including the final position on Business Rates.

## 6. BAD DEBT PROVISION

- 6.1 The Council's bad debt provision has been increased in respect of housing benefit overpayments, and reduced in respect of penalty charge notices and sundry debtors, and this has been allocated directly to the services. Further details can be found in report RD10/15 elsewhere on the agenda.

## 7. BALANCE SHEET

- 7.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2015 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 9 July, followed by a three month process.
- 7.2 The VAT partial exemption calculation has been finalised for 2014/15 resulting in 2.73% for the year which is well below the 5% limit set by HMRC.
- 7.3 The 2013/14 Council Tax Collection Fund projected surplus has increased from £394,371 to £528,222 (Council share increased from £51,785 to £68,266).
- 7.4 2014/15 is the second year of the Business Rate Retention Scheme and new Collection Fund Accounting Regulations and the first year the Council has participated in the Cumbria Pooling arrangement.
- 7.5 The figures for Business rates are still being calculated at this point. The Council budgeted for additional income of £500,000, and early estimates forecast that this may not be achieved due to a high level of appeals being submitted before 31

March in order to qualify from backdating of those appeals. Any shortfall on the budget will be a call on general fund reserves, and will reduce the amount returned to reserves.

The Council Tax and NNDR Provisional outturn report provides further details and is considered elsewhere on the agenda (RD10/15). An addendum on the final position will be issued in time to be considered at this meeting.

- 7.6 As part of the Cumbria Business Rate Pooling arrangements, an element of all the growth achieved by the participants of the pool is used to establish a volatility reserve. This reserve allows a cushion so that should any member suffer a loss in income, then the reserve ensures that they do not fall below the safety net level. Each member is required to show their share of the reserve on their balance sheets and as such a new earmarked reserve is to be established. It is further recommended that management of the reserve rests with the Director of Resources with the use of the Reserve requiring an Officer Decision notice by the Director of Resources.
- 7.7 At 31<sup>st</sup> March 2015 balances totalling £1,822,144 are held in respect of Section 106 agreements and other commuted sums, with a further £5,055,587 expected, relating to agreements for sites yet to be developed. These sums are to be used for the provision and future maintenance of public open spaces, children's play areas, cycleways and transport facilities etc. The City Council acts as custodian only for £1,172,604 of the sums held, in respect of projects for which Cumbria County Council is responsible, including the Castle Way and Public Realm. Should the County Council not progress these projects, or they remain incomplete before the agreed deadlines, the custodial sums must be repaid, along with a premium for interest, to the Developers. Further details of the balances retained are set out in the table below:

Commuted Sums 2014/2015	Opening Balance & Receipts (£)	Spend (£)	Retained Balance 31/03/14 (£)	Expected Sums (£)
Affordable Housing Contributions	21,250	0	21,250	254,373
Public Realm	706,056	8,207	697,849	0
Education	0	0	0	3,500,000
Play Areas & Facilities	397,194	124,433	272,761	417,896
Public Open Spaces Provision/Maintenance	417,195	67,246	349,949	237,669
Habitat	300	0	300	100,000
Waste	5,280	0	5,280	48,584
Sports Provision/Maintenance	0	0	0	3,780
Transport & Pedestrianisation	474,755	0	474,755	493,285
<b>Total</b>	<b>2,022,030</b>	<b>199,886</b>	<b>1,822,144</b>	<b>5,055,587</b>

## 8. CONSULTATION

### 8.1 Consultation to date.

Portfolio Holders and SMT have considered the issues raised in this report.

### 8.2 Consultation Proposed.

Resources Overview and Scrutiny Panel will consider the report on 18 June 2015.

## 9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

### 9.1 The Executive is asked to:

- (i) Note the net underspend as at 31 March 2015 of £1,434,744 after carry forwards as set out in (ii) below, net transfers to/from earmarked reserves as noted in (iii) below, and transfers to provisions as noted in (iv) below;
- (ii) Note the committed expenditure totalling £671,600 to be met in 2015/16 to 2017/18 which has been approved by the Director of Resources under delegated powers, and the release of £645,600 in 2015/16, £13,000 in 2016/17 and £13,000 in 2017/18 from the General Fund Reserve, for recommendation to Council;
- (iii) To approve for recommendation to Council, the creation of new reserves and transfers into the new and existing reserves of £720,900 as detailed in paragraph 5.1 and Appendix B2 of the report;
- (iv) To approve for recommendation to Council the creation of a new provision and transfers into the new and an existing provision of £390,100 as detailed in paragraph 5.1 and Appendix B2 of the report;
- (v) To approve the release of £144,000 from the renewals reserve to fund Digital Information Services expenditure as detailed in paragraph 5.2;
- (vi) To approve for recommendation to Council, the creation of a Volatility Reserve in line with the agreement for Cumbria Business Rates Pool as detailed in paragraph 7.6.

## **10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

10.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2014/15 outturn shows the delivery of these priorities within budget.

**Contact Officer:** Emma Gillespie

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**Appendices** A1 to A7 and B1 to B2.  
**attached to report:**

**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

**CORPORATE IMPLICATIONS/RISKS:** SMT and JMT have been involved in the preparation of this report. Risks to future years' budget and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

**Chief Executive's – N/A**

**Deputy Chief Executive's Team – N/A**

**Economic Development – N/A**

**Governance** – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is required for the additional use of revenue reserves to fund expenditure commitments as set out in the report.

**Local Environment – N/A**

**Resources** – Financial implications are contained within the main body of the report.

## REVENUE BUDGET MONITORING 2014/15

CHIEF EXECUTIVE'S TEAM		Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2015		£	£	£	£	£	£
Annual Budget		2,869,100	(129,100)	(2,181,300)			558,700
Budget to date		2,869,100	(129,100)	(2,181,300)			558,700
Total Actual		2,774,494	(156,610)	(2,187,530)			430,354
Variance		(94,606)	(27,510)	(6,230)			(128,346)
Carry Forwards/Reserves & Provisions					92,500	0	92,500
Adjusted Variance		(94,606)	(27,510)	(6,230)	92,500	0	(35,846)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Customer Contact Section Policy & Communications Tourism Miscellaneous	1	1,831	(24,403)	0	17,100	0	(5,472)
	2	(41,511)	(60)	(6,329)	38,600	0	(9,299)
	3	(30,408)	(74)	0	29,300	0	(1,183)
	4	(24,518)	(2,972)	98	7,500	0	(19,891)
Total Variance to date		(94,606)	(27,510)	(6,230)	92,500	0	(35,846)

Note	Chief Executive's Team - Comments
1.	Additional income for reception services received but required to continue Universal Credit service delivery in 2015/16.
2.	Under budget payments to contractors re Digital Banner (£35,000) and training costs.
3.	Under budget third party payments re Discover Carlisle & publicity expenses.
4.	Various net minor underspends and surplus income across the service. Carry forward for continuation of Apprenticeship scheme.

## REVENUE BUDGET MONITORING 2014/15

DEPUTY CHIEF EXECUTIVE'S TEAM									
Position as at 31st March 2015									
	Gross Expenditure £	Gross Income £	Recharges £	Carry Forwards Awaiting Approval £	Reserves / Provisions £	Adjusted Total £			
Annual Budget	4,669,800	(271,000)	(178,600)			4,220,200			
Budget to date	4,669,800	(271,000)	(178,600)			4,220,200			
Total Actual	4,616,878	(279,091)	(178,600)			4,159,187			
<b>Variance</b>	<b>(52,922)</b>	<b>(8,091)</b>	<b>0</b>			<b>(61,013)</b>			
<b>Carry Forwards/Reserves &amp; Provisions</b>				47,700	150,000	197,700			
<b>Adjusted Variance</b>	<b>(52,922)</b>	<b>(8,091)</b>	<b>0</b>	<b>47,700</b>	<b>150,000</b>	<b>136,687</b>			

Analysis of Variances									
Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Carry Forwards Awaiting Approval £	Reserves / Provisions £	Adjusted Variance £		
Art Centre	1	(118,314)	70,554	0	47,700	0	(60)		
Miscellaneous	2	65,392	(78,645)	0	0	150,000	136,747		
<b>Total Variance to date</b>		<b>(52,922)</b>	<b>(8,091)</b>	<b>0</b>	<b>47,700</b>	<b>150,000</b>	<b>136,687</b>		

Deputy Chief Executive's Team - Comments	
1.	Underspend due to work connected to the capital build programme which will complete early 2015/16.
2.	Various net overspends offset by surplus income across the service. Leisure Reserve of £150,000 to be established.

## REVENUE BUDGET MONITORING 2014/15

ECONOMIC DEVELOPMENT						
Position as at 31st March 2015						
	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
	£	£	£	£	£	£
Annual Budget	5,442,800	(2,162,200)	(533,000)			2,747,600
Budget to date	5,442,800	(2,162,200)	(533,000)			2,747,600
Total Actual	5,450,886	(2,623,555)	(556,128)			2,271,203
Variance	8,086	(461,355)	(23,128)			(476,397)
Carry Forwards/Reserves & Provisions				132,000	128,100	260,100
Adjusted Variance	8,086	(461,355)	(23,128)	132,000	128,100	(216,297)
Analysis of Variances						
Service	Note	Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions
		£	£	£	£	£
Business and Employment Development	1	(22,320)	0	0	0	(22,320)
Building Control	2	(9,819)	(28,096)	0	0	(37,915)
Development Control	3	13,551	(109,169)	0	0	(95,618)
Local Plans	4	(135,756)	8,397	0	132,000	4,641
Business Support, Employment & Regeneration Projects	5	39,978	(154,756)	0	0	13,322
Tourist Information Centres	6	4,439	36,825	0	0	41,265
Hostels and Homeshares	7	31,512	(125,967)	0	0	(94,456)
Housing Regeneration	8	(59,944)	51,728	0	0	(8,216)
Miscellaneous	9	146,445	(140,317)	(23,128)	0	(17,000)
Total Variance to date		8,086	(461,355)	(23,128)	132,000	(216,297)

Note	Economic Development - Comments
1.	Underspent supplies & services.
2.	Underspent supplies & services and third party payments, and surplus fees income.
3.	Overspent third party payments, offset by over achieved fees income.
4.	Underspent public enquiry legal and consultant fees, required in 2015/16 now to progress the Plan towards adoption.
5.	Underspent project expenses to be set aside in an earmarked reserve for future use.
6.	Underspent staffing and supplies; offset by overspent premises costs due to relocation and shortfalls on accommodation bookings' commission and sale of goods.
7.	Overspend on premises & supplies and services offset by surplus income on Housing Benefit contribution to rent.
8.	Underspends on salary costs; underachievement of LA fees on Disabled Facilities Grants.
9.	Various net minor overspends and surplus income against budgets to date.

## REVENUE BUDGET MONITORING 2014/15

GOVERNANCE		Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2015		£	£	£	£	£	£
Annual Budget		7,020,000	(5,343,800)	(3,195,000)			(1,518,800)
Budget to date		7,020,000	(5,343,800)	(3,195,000)			(1,518,800)
Total Actual		6,578,742	(5,525,308)	(3,186,923)			(2,133,489)
Variance		(441,258)	(181,508)	8,077			(614,689)
Carry Forwards/Reserves & Provisions					213,000	100,000	313,000
Adjusted Variance		(441,258)	(181,508)	8,077	213,000	100,000	(301,689)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Civic Centre	1	(19,864)	(84,585)	0	0	0	(104,449)
Town Twinning	2	(17,106)	0	0	17,000	0	(106)
Legal Services	3	(20,985)	(30,840)	0	0	0	(51,825)
Property Services	4	(153,548)	1,883	0	152,000	0	336
Asset Disposal Costs	5	(93,432)	(787)	0	0	0	(94,219)
The Lanes	6	(39,517)	157,908	0	0	0	118,391
Industrial Estates and Other Properties	7	(26,056)	(220,190)	0	39,000	0	(207,246)
Miscellaneous	8	(70,752)	(4,898)	8,077	5,000	100,000	37,428
Total Variance to date		(441,258)	(181,508)	8,077	213,000	100,000	(301,689)

Note	Governance - Comments
1.	Underspend on premises costs; surplus rent for accommodation space & phone aerials.
2.	This is a 3 year programme budget which will be used to fund the Council's Town Twinning activities agreed at the Annual 3 Way meeting.
3.	Underspend on employee related expenses; surplus Legal Services fees received.
4.	Underspend on payments for consultants fees in relation to the review of the Council's property portfolio.
5.	Under budget costs associated with the disposal of assets.
6.	Underspend on third party administration fees; shortfall in guaranteed rental income for 2014/15 including a reduction to 2013/14 Head Rent.
7.	Surplus rent income due to rent reviews and backdated rent income.
8.	Underspent expenses and surplus income across the service. Additional transfer of £100,000 into Land Charges Provision.



## REVENUE BUDGET MONITORING 2014/15

LOCAL ENVIRONMENT		Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31st March 2015		£	£	£	£	£	£
Annual Budget		14,642,400	(5,754,700)	(2,841,600)			6,046,100
Budget to date		14,642,400	(5,754,700)	(2,841,600)			6,046,100
Total Actual		14,043,010	(5,974,896)	(2,814,119)			5,253,995
Variance		(599,390)	(220,196)	27,481			(792,105)
Carry Forwards/Reserves & Provisions					63,700	192,800	63,700
Adjusted Variance		(599,390)	(220,196)	27,481	63,700	192,800	(728,405)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions (A)	Adjusted Variance
Service	Note	£	£	£	£	£	£
Bereavement Services	1	(39,372)	(37,268)	(3)	19,000	0	(57,642)
Environmental Health	2	(39,406)	(34,872)	(37)	2,400	0	(71,915)
CCTV	3	(20,430)	0	0	0	18,300	(2,130)
Garage Service	4	(35,833)	(14,088)	31,956	0	0	(17,966)
Green Spaces	5	(47,962)	(18,675)	0	0	0	(66,638)
Pedestrianisation	6	(9,826)	(31,291)	(0)	0	36,000	(5,117)
Highways Claimed Rights	7	(24,483)	(0)	0	0	0	(24,483)
City Lighting	8	(82,226)	(1,200)	0	0	82,200	(1,226)
LE Management & Development	9	(29,594)	0	(0)	0	0	(29,595)
Parking (On & Off Street)	10	(23,519)	(79,287)	(4,435)	0	23,900	(83,341)
Other Parking Contracts	11	(13,509)	127,247	0	0	0	113,738
Recycling & Waste Collection	12	(210,838)	(106,863)	0	42,300	0	(275,401)
Miscellaneous	13	(22,391)	(23,898)	(0)	0	32,400	(13,889)
Total Variance to date		(599,390)	(220,196)	27,481	63,700	192,800	(535,605)

## REVENUE BUDGET MONITORING 2014/15

Note	Local Environment - Comments
1.	Underspent premises expenses and supplies & services; additional crematorium income.
2.	Underspend on supplies & services; over achieved Pest Control income and Food Safety income.
3.	Under budget equipment contract repairs.
4.	Shortfall on job recharges offset by under budget employee expenses and increased external income.
5.	Underspend on transport and supplies & services; surplus income & grant income received.
6.	Under budget premises and third party payments; additional fees from City Centre Management.
7.	Over budget due to insurance claims below excess.
8.	Underspend on lighting maintenance and energy savings.
9.	Underspend on IT, postages, office supplies and training.
10.	Under budget maintenance expenses; shortfall in PCN income offset by settlement payment for On-Street Parking deficit.
11.	Under budget expenses and partnership monies to be paid over; shortfall in income.
12.	Underspend on transport costs & contract costs; surplus income from Garden Waste & Plastics and Card.
13.	Various minor underspends & additional income across the service.
A.	Car Park Reserve (£150,800) & City Centre Reserve (£42,000) to be established from various underspends and surplus income across the services.

## REVENUE BUDGET MONITORING 2014/15

RESOURCES		Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2015		£	£	£	£	£	£
Annual Budget		40,362,900	(34,798,600)	(4,313,800)			1,250,500
Budget to date		40,362,900	(34,798,600)	(4,313,800)			1,250,500
Total Actual		40,124,392	(35,312,641)	(4,323,480)			488,271
Variance		(238,508)	(514,041)	(9,680)			(762,229)
Carry Forwards/Reserves & Provisions					52,400	290,100	342,500
Adjusted Variance		(238,508)	(514,041)	(9,680)	52,400	290,100	(419,729)
Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Digital Information Services	1	(39,772)	(11,221)	(11,247)	52,400	0	(9,839)
Treasury and Debt Management	2	38,143	(54,753)	1,663	0	0	(14,948)
Benefits Payments and Subsidy	3	2,799	(95,983)	0	0	0	(93,184)
Revenues and Benefits	4	(234,880)	(355,082)	0	0	290,100	(299,862)
Miscellaneous	5	(4,798)	2,997	(96)	0	0	(1,896)
Total Variance to date		(238,508)	(514,041)	(9,680)	52,400	290,100	(419,729)

Note	Resources - Comments
1.	Underspend on agency fees and shared service payments; additional income from fees and contributions.
2.	Overspend in relation to the Cost of investing in CCLA Property Fund; offset by MRP saving and overachieved market deposit investment interest.
3.	Surplus on Housing Benefit Overpayments following subsidy finalisation.
4.	Unused budgets allocated for shared service use and underspend on Discretionary Rate Relief; surplus income from reimbursements. Provision to be established from grant income balances.
5.	Various minor underspends, partly offset by shortfalls in income.

## REVENUE BUDGET MONITORING 2014/15

CORPORATE		Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2015		£	£	£	£	£	£
Annual Budget		1,935,500	(1,875,100)	0			60,400
Budget to date		1,935,500	(1,875,100)	0			60,400
Total Actual		1,281,183	(1,903,348)	0			(622,165)
Variance		(654,317)	(28,248)	0			(682,565)
Carry Forwards/Reserves & Provisions					70,300	550,000	620,300
Adjusted Variance		(654,317)	(28,248)	0	70,300	550,000	(62,265)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Direct Revenue Financing	1	(66,085)	0	0	28,800	0	(37,285)
Non Distributed Costs	2	(124,101)	0	0	0	0	(124,101)
Other Financial Costs	3	(427,576)	(28,248)	0	41,500	0	(414,324)
Corporate Management	4	(36,555)	0	0	0	0	(36,555)
Miscellaneous	5	0	0	0	0	550,000	550,000
Total Variance to date		(654,317)	(28,248)	0	70,300	550,000	(62,265)

Note	Resources - Comments
1.	Underspend on Empty Properties Initiative and Clean Up Carlisle. Carry forward to fund continuing capital schemes.
2.	Savings on shared service pension costs.
3.	Improvements in savings for Salary Turnover (£154,700), transformation savings achieved early (£147,500) & Inflation savings (£58,500). Surplus income including: Compensation Payment received (£8,800), Concession Sale (£14,200).
4.	Underspend on external audit fees.
5.	Renewals and Repairs Reserve to be established from various corporate underspends and surplus income.

# 2014/15 REVENUE CARRY FORWARD REQUESTS

## APPENDIX B1

Directorate/Section	Description	Requests into			Total
		2015/16 £	2016/17 £	2017/18 £	
<b>Chief Executive's Office</b>					
Organisational Development / Apprenticeships	Due to the start dates for the post holders of the Apprenticeship posts, funding is required to be carried forward to ensure budget is available to fund them up to the end of the temporary contracts.	7,500			7,500
Policy & Communications Training	Additional training for Microsoft Project Server - Ordered in March 2015	3,600			3,600
Policy & Communications Civic Centre Banner	To fund the new digital banner that arrived in April. <b>TO BE ADDED TO CAPITAL PROGRAMME.</b>	35,000			35,000
Policy & Communications, Tourism Marketing	To fund the new holiday guide	8,700			8,700
Policy & Communications, Tourism Marketing	Year 2 and Year 3 maintenance for the Discover Carlisle Website. Funding is from the income received for the BT Wi-Fi Contract	4,600			4,600
Customer Contact Centre	Funding received to help with the transition to Universal Credit. This carry forward is to utilise the funding received	16,000			16,000
Universal Credit Rollout		17,100			17,100
					0
		<b>92,500</b>	<b>0</b>	<b>0</b>	<b>92,500</b>
<b>Deputy Chief Executive Team</b>					
Art Centre	To accommodate orders placed at the Art Centre	47,700			47,700
		<b>47,700</b>	<b>0</b>	<b>0</b>	<b>47,700</b>
<b>Economic Development</b>					
Investment & Policy Local Plan Submission & Examination	£175k was allocated for local plan support, however, a variety of reasons has led to the examinations not occurring until 2015/16	132,000			132,000
					0
		<b>132,000</b>	<b>0</b>	<b>0</b>	<b>132,000</b>
<b>Governance</b>					
Town Twinning	This budget is a rolling 3 year programme to fund the Council's Town Twinning activities. It is expected that a decision will be made this year to bring forward the next exchange to be hosted by Carlisle from 2018 to 2016. The full balance of £17,000 is required to fulfil commitments in 2015/16.	17,000	0	0	17,000
Democratic Services - CMIS Software Enhancement	To allow an upgrade to the Committee Management Information System (CMIS) to make it user friendly, enable a seamless transition between the 'new look' Carlisle City Council website and to comply with 'Access' requirements.	5,000			5,000
Property Services	Funding to engage specialist consultant advice needed to assist with the delivery of the review of the Council's property portfolio, in particular Kingstown/Parkhouse Estates.	152,000			152,000
Property Services	To fund Property Valuation fees to be incurred in coming years.	13,000	13,000	13,000	39,000
		<b>187,000</b>	<b>13,000</b>	<b>13,000</b>	<b>213,000</b>

# 2014/15 REVENUE CARRY FORWARD REQUESTS

## APPENDIX B1

Directorate/Section	Description	Requests into			Total
		2015/16 £	2016/17 £	2017/18 £	
<b>Local Environment</b>					
Cemeteries	A contract to be commissioned in early 2015-16 to undertake survey and making safe of headstones in 3 cemeteries, & completion of works to access road and purchase of new equipment for transportation of coffins.	19,000			19,000
Security and Building work at Bousteads	£14K for electric gate and £14K for tarmacking £2K contribution for toilet. <b>TO BE ADDED TO CAPITAL PROGRAMME.</b>	30,000			30,000
Clean Up Carlisle	We are watching you campaign already committed	2,400			2,400
Loader to Driver training	training loaders to be drivers to provide further cover for sickness and holidays. Loaders are easier/cheaper to cover by agency than drivers.	9,000			9,000
PCs and laptops for Bousteads	New computers and Laptops for Bousteads are on order and are essential to make the move to Bousteads possible	3,300			3,300
		<b>63,700</b>	<b>0</b>	<b>0</b>	<b>63,700</b>
<b>Resources</b>					
Other Financial costs - IT Software Costs	To meet commitment made to upgrade the financial ledger system to the web version which has greater flexibility, self service opportunities and dashboard capability which fits in with the ideology of the PRISM project. Officer Decision OD.035/15 <b>TO BE ADDED TO CAPITAL PROGRAMME.</b>	41,500			41,500
Revenues & Benefits ICT Upgrades	To upgrade Citrix Desktop (£10,000), CRM (£15,000), PC upgrades, screens (£18,000), l pads (£960) and Queing System (17,500). <b>TO BE ADDED TO CAPITAL PROGRAMME.</b>	45,200			45,200
Direct Revenue Financing	Budgets allocated to fund capital programme where expenditure has slipped into 2015/16 and resources are required to be carried forward	28,800			28,800
Revenues & Benefits Shared Services	Civica Data Disposal Module has been ordered (£19,530) and this carry forward is required to fund Carlisle's share of this commitment.	7,200			7,200
		<b>122,700</b>	<b>0</b>	<b>0</b>	<b>122,700</b>
<b>Total General Fund Carry Forward Requests</b>		<b>645,600</b>	<b>13,000</b>	<b>13,000</b>	<b>671,600</b>

# 2014/15 REVENUE RESERVES AND PROVISION REQUESTS

## APPENDIX B2

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2015/16 £
Car Park Reserve	To establish a reserve for future Car Park Enhancements & Land Drainage improvements funded from underspends in CCTV, car park maintenance, street lighting maintenance, street name plates and Land Drainage.	Management of the Reserve rests with Director of Local Environment	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Director of Local Environment, Portfolio Holder and Director of Resources.	150,800
City Centre Reserve	To establish a reserve for the future Festive Lighting Programme. Additional income generated in year from Pedestrianisation will offset the saving in the transformation programme	Management of the Reserve rests with Director of Local Environment	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Director of Local Environment, Portfolio Holder and Director of Resources.	42,000
Repair & Renewals Reserve	To establish a Repairs and Renewals Fund that can be used for revenue and capital items in the future, e.g. ICT, Vehicles	Management of the Reserve rests with Director of Resources	Approval to release funds from the reserve can only be given by the Executive of the Council.	550,000
Economic Investment Reserve	To establish a reserve to enable continued and dedicated project resource to support employment related projects, Business Support and Regeneration Projects.	Management of the Reserve rests with Director of Economic Development	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Director of Economic Development, Portfolio Holder and Director of Resources.	128,100
Leisure Reserve	To establish a reserve for procurement work in relation to Leisure Services.	Management of the Reserve rests with Deputy Chief Executive	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Deputy Chief Executive, Portfolio Holder and Director of Resources.	150,000
<b>TOTAL RESERVE REQUESTS</b>				<b>1,020,900</b>
Revenues & Benefits Provision	To establish a provision to hold grant income received for Revenues and Benefits that has no certainty of timescale over its use. These have previously been accrued as income in advance.		Use of the Provision should be supported by an Officer Decision Notice.	290,100
Land Charges Provision	To add to the existing provision for the repayment of Land Charges as determined by Litigation		Use of the Provision should be supported by an Officer Decision Notice.	100,000
<b>TOTAL PROVISION REQUESTS</b>				<b>390,100</b>
<b>TOTAL REQUESTS FOR PROVISIONS/RESERVES</b>				<b>1,411,000</b>