

# CARLISLE CITY COUNCIL

Report to:- The Mayor and Members of Carlisle City Council

Date of Meeting:- 03 August 2004

Agenda Item No:-

Public	Policy	Delegated Yes	
Accompanying Comments and Statements		Required	Included
Environmental Impact Statement:		No	No
Corporate Management Team Comments:		No	No
Financial Comments:		Yes	Yes
Legal Comments:		No	No
Personnel Comments:		No	No
Impact on Customers:		No	No

Title:- **PROVISIONAL GENERAL FUND REVENUE OUTTURN  
2003/04**

Report of:- **The Head of Finance**

Report reference:- **FS11/04**

## Summary:-

The attached report was considered by the Executive on 19 July 2004 and Corporate Resources Overview and Scrutiny Committee on 22 July and summarises the 2003/04 provisional out-turn for the General Fund Revenue Services. The out-turn shows that, as at 31 March 2004, there has been an underspend of £1,414,267 compared to the 2003/04 revised budget. However, when committed expenditure totalling £1,414,200 is taken into account, the net underspend is £67. In addition there are requests to carry forward £128,730 in respect of new items of expenditure, which if approved would result in a net overspend to the Council in 2003/04 of £128,663.

## Recommendation:-

Council is asked:

- i to note the underspend of £1,414,267 as at 31<sup>st</sup> March 2004 against approved budgets
- ii to note the definition used and the level of committed expenditure totalling £1,414,200 as set out in paragraph 3.3 and approve that this be carried forward to 2004/05;
- iii to approve the new spending bids totalling £128,730 in respect of uncommitted underspends;
- iv to note that the information contained in this report is provisional and subject to the formal audit process.

Contact Officer: Alison Taylor

Ext: 7280

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

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# REPORT TO EXECUTIVE

## PORTFOLIO AREA: POLICY, PERFORMANCE MANAGEMENT, FINANCE AND RESOURCES

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Date of Meeting: 19 JULY 2004

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Public

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Key Decision: Yes

Recorded in Forward Plan: Yes

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Inside Policy Framework

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Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2003/04

Report of: HEAD OF FINANCE

Report reference: FS11/04

### Summary:

The attached report summarises the 2003/04 provisional out-turn for the General Fund Revenue Services. The out-turn shows that, as at 31 March 2004, there has been an underspend of £1,414,267 compared to the 2003/04 revised budget. However, when committed expenditure totalling £1,414,200 is taken into account, the net underspend is £67. In addition there are requests to carry forward £128,730 in respect of new items of expenditure, which if approved would result in a net overspend to the Council in 2003/04 of £128,663.

### Recommendations:

The Executive is asked:

- i to note the underspend of £1,414,267 as at 31<sup>st</sup> March 2004 against approved budgets
- ii to note the definition used and the level of committed expenditure totalling £1,414,200 as set out in paragraph 3.3 and which will be recommended to Council to be carried forward to 2004/05;
- iii to determine which of the new spending bids totalling £128,730 in respect of uncommitted underspends be approved, and make recommendations thereon to Council;
- iv to note that the information contained in this report is provisional and subject to the formal audit process;

Contact Officer: Alison Taylor

Ext: 7280

To: The Executive  
19 July 2004

FS11/04

**PROVISIONAL GENERAL FUND REVENUE OUTTURN 2003/04**

**1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 This report sets out the summarised provisional out-turn for the General Fund Revenue Services as follows:
- (i) A summarised position for General Fund Revenue Services is set out in Appendix 1
  - (ii) The out-turn position for individual Business Units is detailed in Appendices 2 to 14
  - (iii) An additional statement showing the year-end trading position for Carlisle Works, detailed in Appendix 15.
  - (iv) An analysis of the carry forward requests totalling £128,730, detailed in Appendix 16.
- 1.2 Members should note that the information contained in this report is provisional and subject to the formal audit process.
- 1.3 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 2003/04**

- 2.1 **Appendix 1** summarises the 2003/04 provisional out-turn for the General Fund Revenue Services. The out-turn shows that, as at 31 March 2004, there has been a net underspend of £1,414,267 compared to the 2003/04 revised budget. However, when committed expenditure totalling £1,414,200 is taken into account, the net underspend is £67. In addition there are requests to carry forward £128,730

in respect of new items of expenditure, which if approved would result in an overspend to the Council of £128,663 in 2003/04.

- 2.2 Detailed variances for each Business Unit are set out in **Appendices 2 to 14** with explanations of major variances.
- 2.3 The totals provided in Appendix 1 are summarised between directly and indirectly controlled costs in the following table, together with the outturn for 2002/03 for comparative purposes:

	<b><u>2003/04</u></b> <b><u>Revised</u></b> <b><u>Budget</u></b> <b><u>£</u></b>	<b><u>2003/04</u></b> <b><u>Actual</u></b> <b><u>£</u></b>	<b><u>2003/04</u></b> <b><u>Variance</u></b> <b><u>At 31/03/04</u></b> <b><u>£</u></b>	<b><u>2002/03</u></b> <b><u>Variance</u></b> <b><u>At 31/3/03</u></b> <b><u>£</u></b>
<b>Direct Control</b>	23,439,200	22,163,436	(1,275,764)	(2,357,317)
<b>Indirect Control</b>	(8,025,460)	(8,163,963)	(138,503)	(1,380,588)
<b>Total</b>	<b>15,413,740</b>	<b>13,999,473</b>	<b>(1,414,267)</b>	<b>(3,737,905)</b>
<b>Committed Expenditure</b>			<b>1,414,200</b>	<b>1,323,304</b>
<b>Variance after committed expenditure</b>			<b>(67)</b>	<b>(2,414,601)</b>
<b>Carry Forward requests</b>			<b>128,730</b>	<b>229,790</b>
<b>Variance after carry forward requests</b>			<b>128,663</b>	<b>(2,184,811)</b>

### **3. CARRY FORWARD REQUESTS**

- 3.1 In accordance with the Council's Constitution, as approved by Council on 3 November 2003, any net underspending/savings on service estimates under the control of the Head of Service may be carried forward, subject to:
- the authorisation of the Head of Finance where the request relates to a specific committed item of expenditure where, due to external or other factors, the Head of Service 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. For the purposes of this report the term 'committed' has been taken to include commitments to complete approved projects and not just financially committed at 31 March 2004. The delegated power has also been taken to apply

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

- reporting to the Executive, Corporate Resources Overview and Scrutiny Committee and Council the request for carry forward where the proposal is to vire the budget carried forward to be used for purposes other than that originally intended.

In accordance with the Council's Corporate Charging Policy, and as an incentive to Managers, any additional income over and above the budget target agreed by the Chief Finance Officer will be shared on a request for carry forward by the Head of Service. This is on the basis of 75% returning to the Council's corporate reserves and 25% being retained for use in the service area, but with a limit of £10,000 being retained by the service to avoid distortion of the Council's overall spending priorities. Any amounts required over £10,000 will be subject to a report to the Executive, Corporate Resources Overview and Scrutiny Committee and Council.

All internal business unit surpluses and any undistributed profits shall be earmarked within the Council's reserves and retained for the benefit of the Council. Their application shall require the approval of the Executive up to £10,000 and the Council over £10,000.

Any overspending on service estimates in total on budgets under the control of the Head of Service must be carried forward to the following year, and will constitute the first call on service estimates in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Chief Finance Officer will report the extent of overspending carried forward to the Executive, Corporate Resources Overview and Scrutiny Committee and to the Council.

- 3.2 I am satisfied that budgets of £1.4m should be carried forward to 2004/05 subject to formal approval by Council. However some Business Units have marginally overspent on directly controlled costs, as detailed in Appendix 2 to 14, if the committed expenditure is taken into account. However this can be accommodated in the overall bottom line for the Council as a whole. The relevant Business Unit Head will be able to give further details of carry forward requests if required at the meeting.

- 3.3 Members of the Executive are asked to note the carry forward requests totalling £1,414,200 in respect of committed expenditure which have been approved by the Head of Finance, and the definition of committed expenditure used for this purpose, and are asked to confirm the Head of Finance's decisions which will result in certain Business Units marginally overspending**

**on directly controlled costs albeit this can be accommodated in the overall bottom line for the Council as a whole.**

- 3.4 Members of the Executive are also asked to decide which of the £128,730 in respect of uncommitted underspends be approved, for recommendation to Council.**

#### **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 the **Appendices 2 to 14**. Items to which Members attention are drawn, in that they may have an impact of future years budgets, are:

- Bereavement Charges} – both budgets will be reviewed to establish whether a
- Land Charges Income} permanent reduction in income levels is likely
- CTS budget – budgets will be reviewed to analyse the extent to which there may be a shortfall in base budget funding (see paragraph 4.4)

- 4.2 Members should note that a budget provision was made during 2003/04 within Financial Services for a contribution from CHA, however this contribution has been credited to the Housing Revenue Account which has consequently benefited through increased HRA balances. This is a non-recurring item which will have no impact on future years budgets. The HRA balance will transfer to General Fund once the HRA is formally closed on 31/03/05.

- 4.3 The out-turn position for 2003/04 identified in this report will inform the performance review of individual services which will see improved efficiency and scope for redirection of resources to priority areas.

#### **4.4 Commercial & Technical Services Surplus (Carlisle Works)**

- 4.4.1 **Appendix 15** details the provisional out-turn trading results for Commercial & Technical Services in respect of the former Carlisle Works trading services for the financial year 2003/04.

- 4.4.2 In summary terms, overall turnover of £11,495,000 has generated provisional profits of £161,000. The total amount of business generated was £462,000 higher than the revised Business Plan Target of £11,033,000. The provisional profit of £161,000 is in advance of the revised budget of £139,000.

- 4.4.3 Members are requested to note that a provision has been made for payment of Performance Related Pay due to CTS staff which has been calculated as a result of the figures as now presented. PRP is usually paid following Council approval of the year-end accounts.
- 4.4.4 A large proportion of the Buildings Function transferred to CHA on 1st October 2003 and the out-turn reflects this transfer. From 2004/05 CTS no longer operates as a trading organisation and steps are being taken to ensure that CTS is budgeted in the same way as other Council departments.

## **5. CONSULTATION**

- 5.1 Consultation to Date.  
CMT and the Strategic Financial Planning Group considered the report on 1 July and 5 July 2004 respectively and their comments have been incorporated into the report.
- 5.2 Consultation proposed.  
Corporate Resources Overview & Scrutiny Committee will consider the report on 22 July 2004.

## **6. RECOMMENDATIONS**

The Executive is asked:

- i to note the underspend of £1,414,267 as at 31<sup>st</sup> March 2004 against approved budgets
- ii to note the definition used and level of committed expenditure totalling £1,414,200 as set out in paragraph 3.3 and which will be recommended to Council to be carried forward to 2004/05;
- iii to determine which of the new spending bids totalling £128,730 in respect of uncommitted underspends be approved, and make recommendations thereon to Council;
- iv to note that the information contained in this report is provisional and subject to the formal audit process;

## **7. REASONS FOR RECOMMENDATIONS**

As stated above



## **8. IMPLICATIONS**

- Staffing/Resources – There are implications in the committed expenditure requests and requests for bids
- 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 – Not applicable
- Equality Issues – Not applicable
- Environmental – Not applicable
- Crime and Disorder – Not applicable

**ANGELA BROWN**

Head of Finance

**Contact Officer:** Alison Taylor

**Ext:** 7280



Appendices 1-14

**COMMERCIAL & TECHNICAL SERVICES (CARLISLE WORKS)**  
**PROVISIONAL TRADING OUT-TURN 2003/04**

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

SECTION	TURNOVER		(PROFIT)/LOSS	
	Revised Budget £000's	Actual £000's	Revised Budget £000's	Actual £000's
<b>BUILDINGS</b>	4,468	4,788	(156)	(87)
<b>HIGHWAYS</b>	2,334	1,888	(11)	(2)
<b>GROUND</b>	1,469	1,565	7	15
<b>STREET CLEANING</b>	906	956	6	(32)
<b>REFUSE COLLECTION</b>	1,055	1,166	7	(3)
<b>BUILDINGS CLEANING</b>	308	300	(23)	(13)
<b>MISC. SERVICES</b>	493	832	31	(39)
<b>TOTAL</b>	<b>11,033</b>	<b>11,495</b>	<b>(139)</b>	<b>(161)</b>



## Appendix 16

**CARRY FORWARD REQUESTS 2003/04: REVENUE**
**APPENDIX 16**

ORIGINAL BUDGET	£	PROPOSED EXPENDITURE
<b>COMMERCIAL &amp; TECHNICAL SERVICES</b>		
CCTV General expenses	15,230	Implementation of digital recording system for CCTV
	<b>15,230</b>	
<b>ECONOMIC AND COMMUNITY DEVELOPMENT SERVICES</b>		
Benefits Advice Centre	8,000	Relocation to the Civic Centre
Community Centre call out fees	1,330	Cover for Pop 2 the Park security costs
Play & Young People's Development	2,820	Accom. costs for staff moves to Bitts Depot
Bitts Depot - mobile museum & storage costs	3,220	Accom. costs for staff moves to Bitts Depot
Community Support general	1,200	Fund renovation of mobile exhibition unit
Community Support Officer - mileage	2,300	Contribution to vehicle renewal budget for pool car
Great Fair contribution	5,000	Proposed by Executive
Cumberland Show contribution	1,000	Proposed by Executive
Carlisle United contribution	10,000	Proposed by Executive
	<b>34,870</b>	
<b>FINANCIAL SERVICES</b>		
Salary savings (maternity leave/vacancy)	3,600	Audit Internal training for IDEA software
	<b>3,600</b>	
<b>ENVIRONMENTAL PROTECTION SERVICES</b>		
Employee savings (reduced hours)	3,070	Housing regeneration - new equipment
Public entertainment licences	4,740	Introduction of liquor licensing 2004/05
	<b>7,810</b>	
<b>REVENUES &amp; BENEFITS SERVICES</b>		
Council Tax/Benefits salaries savings & excess Recovery costs income	50,000	IT Network upgrade for unit
	<b>50,000</b>	
<b>STRATEGIC &amp; PERFORMANCE SERVICES</b>		
LSP/Regional Development	17,220	Budget not committed but to be used for original purpose
	<b>17,220</b>	
<b>TOTAL GENERAL FUND CARRY FORWARD REQUESTS</b>	<b>128,730</b>	

# REPORT TO CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

## PORTFOLIO AREA: POLICY, PERFORMANCE MANAGEMENT, FINANCE AND RESOURCES

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Date of Meeting: 22 JULY 2004

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Public

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Key Decision: Yes

Recorded in Forward Plan: Yes

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### Inside Policy Framework

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2003/04

Report of: HEAD OF FINANCE

Report reference: FS11/04 (Addendum)

### Summary:

This Addendum has been produced to assist Corporate Resources Overview and Scrutiny Committee following comments made by the Executive at their meeting on 19 July who were concerned at the lack of detail on Appendix 16 of the report.

Contact Officer: Angela Brown

Ext: 7299

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 Corporate Resources Overview and Scrutiny Committee  
22 July 2004

Addendum to  
FS11/04  
Appendix 16

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2003/04  
CARRY FORWARD REQUESTS 2003/04: NEW ITEMS OF EXPENDITURE

	£
<b>COMMERCIAL &amp; TECHNICAL SERVICES</b>	
<u>CCTV General Expenses</u> In anticipation of moving from a VHS recording system to a digital recording system, some elements of maintenance on the existing system have been cut back. In addition other items of expenditure have not arisen as originally expected. If approved, the carry forward will be used to fund the change to a digitised recording system.	15,230
<b>ECONOMIC &amp; COMMUNITY DEVELOPMENT</b>	
<u>Benefits Advice Centre</u> Underspend on the BAC budget requested to carry forward to meet the cost of relocation of Benefits Advice Centre to the Civic Centre.	8,000
<u>Community Centre Call Out Fees</u> Underspend due to unusually low number of emergency call outs. Carry forward requested to help cover some pop2thepark security cover costs.	1,330
<u>Play &amp; Young People's Development</u> Underspend due to maternity leave. Request carry forward to move 3 Children and Young People's managers from the Civic Centre to Bitts Depot to create space on the 5 <sup>th</sup> floor and to be accommodated with the rest of the PYP team. Total cost of that process is £11,000 and CTS are covering £5,000 of the building works.	2,820
<u>Bitts Depot – Mobile Museum &amp; Storage Costs</u> Underspend due to some services being transferred to Bousteads and some maintenance work being delayed whilst awaiting decision to move more staff into premises. Carry forward requested to help fund staff move to Bitts Depot.	3,220

	£
<b>ECONOMIC &amp; COMMUNITY DEVELOPMENT (cont)</b>	
<u>Community Support General</u>	1,200
Underspend accrued from various small amounts on budget heads. Carry forward requested to help fund the renovation of the mobile exhibition unit.	
<u>Community Support Officer – Mileage</u>	2,300
Underspend due to maternity and staff long-term sickness. Carry forward requested to go to vehicle renewal budget to enable us to bring forward the purchase of new 'pool' car.	
<u>Great Fair Contribution</u>	5,000
The ambassadors of Carlisle Cathedral are proposing to resurrect the Great Fair in Carlisle and are seeking financial support for the event, which will bring Tourism and Cultural benefits to the City.	
<u>Cumberland Show Contribution</u>	1,000
A request was received from the Cumberland Agricultural Society requesting financial assistance towards the 2004 Cumberland Show. Tullie House and the Energy Advice Centre represented the Council at the Show.	
<u>Carlisle United Contribution</u>	10,000
On 27 April 2004 the City Council unanimously supported a motion which congratulated Carlisle United Football Club on its centenary year, recognised the contribution the Football Club has made to the wellbeing of the City over the last 100 years and agreed to explore how the Council can work in partnership for the potential benefit of the Club and community. There are financial implications and an estimated figure of £10,000 has been identified for this partnership work as set out below:	
Programme Advertising                      £1,500	
Ground Board Advertising                £1,000	
Community Based Projects                £6,000	
Match tickets for schools                  £1,500	
<b>FINANCIAL SERVICES</b>	
<u>Internal Audit IDEA Training</u>	3,600
Underspend on Audit salaries arising from Maternity Leave/Vacancy. Requested to carry forward to fund Internal Audit training for IDEA software. This is being hosted by Carlisle City Council but offered Cumbria-wide to help reduce the cost. The training will assist in the efficiency of audit work by helping the auditors to utilise the audit technology available.	



<b>ENVIRONMENTAL PROTECTION SERVICES</b>	<b>£</b>
<u>Employee Savings (Reduced Hours)</u> Underspend has occurred due to a member of staff temporarily working reduced hours. Requested to carry forward to fund new equipment for the Housing Regeneration team.	3,070
<u>Public Entertainment Licences</u> Increased income from Licensing requested to carry forward to help meet the cost of the introduction of Liquor Licensing in 2004/05.	4,740
<b>REVENUES &amp; BENEFITS SERVICES</b>	
<u>Council Tax/Benefits Salaries Savings &amp; Excess Recovery Costs Income</u> Staffing underspends and excess recovery costs income requested to carry forward to fund expenditure on a network upgrade for unit.	50,000
<b>STRATEGY &amp; PERFORMANCE SERVICES</b>	
<u>LSP/Regional Development</u> This budget was approved in 2003/04 but was not fully utilised. Much work will be required on regional/unitary government preparations which will increase in pace as 2004/05 progresses. Funding needed for potential consultancy support, publications etc.	17,220
<b>TOTAL GENERAL FUND CARRY FORWARD REQUESTS</b>	<b>128,730</b>

ANGELA BROWN

Head of Finance

Financial Services

Carlisle City Council

20 July 2004

AB/CH/FS11-04 GF Prov Fin Outturn Exec 19.7 (Addendum)