

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of Meeting: 14 June 2007

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2006/07

Report of: The Director of Corporate Services

Report reference: CORP15/07

Summary:

The attached report summarises the 2006/07 provisional out-turn for the General Fund Revenue Services and was considered by the Executive on 11 June 2007.

Questions for / input required from Scrutiny:

To scrutinise, and provide feedback, on the options available to the Council as set out in the report relating to the carry forward requests noting the potential implications on Council Reserves and 2007/08 Directorates budgets.

Recommendations:

Members are asked to consider the report.

Contact Officer: Jackie Grierson

Ext: 7289

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



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE AND PERFORMANCE MANAGEMENT

Date of Meeting: 11 June 2007

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2006/07
Report of: THE DIRECTOR OF CORPORATE SERVICES
Report reference: CORP15/07

Summary:

This report summarises the 2006/07 provisional out-turn for the General Fund revenue budget and gives reasons for variances. The out-turn shows that the net underspend for Council Services as at 31 March 2007 is £2,387,863 (£1,308,523 excluding the effects of funding allocations). Requests are made in the report to carry forward committed expenditure of £1,553,500, and if approved this will result in an underspend of £834,363 (or an overspend of £244,977 when the effects of funding allocations are excluded).

It should be noted that the information contained in this report is provisional subject to the formal audit process. The Statement of Accounts for 2006/07 will be presented to the Audit Committee on 22 June and Council on 28 June, followed by a three-month audit process

Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2007 of £2,387,863 (£1,308,523 excluding funding allocations).
- (ii) Consider the carry forward requests of £1,553,500 which if all approved would result in an underspend of £834,363 (an overspend position of £244,977 excluding funding allocations)
- (iii) Make recommendations to Council on 18 July on the carry forward requests.
- (iv) Recommend to Council the use of the CTS reserve to offset ex-DSO trading activities totalling £100,000.

Contact Officer: Jackie Grierson

Ext: 7289

CITY OF CARLISLE

To: The Executive
11 June 2007

CORP15/07

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2006/07

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 This report shows the provisional out-turn position for the General Fund Revenue budgets for 2006/07.
- 1.2 A summary of the overall position is shown at paragraph 2.3. Further details for each directorate are included in **Appendices A1 - A6** 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 Corporate Director and Portfolio holder, and the Director of Corporate Services.
- 1.3 Members should note that the information contained in this report is provisional subject to the formal audit process. The formal Statement of Accounts for 2006/07 will be presented to the Audit Committee on 22 June and the full Council on 28 June, followed by a three-month audit period. Any necessary changes required following the approval of the 2006/07 accounts will, if necessary, be reported verbally at 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 2006/07

2.1 The following table shows the revised 2006/07 budget for the General Fund:

2006/07 Revenue Budget	£
Approved Budget (Council resolution – February 2006)	16,720,700
Carry forward requests (2005/06 out-turn)	1,739,500
Non-recurring supplementary estimates (paragraph 2.2)	287,900
LABGI (estimated additional award)	(1,152,900)
Revised Budget 2006/07	17,595,200

2.2 Supplementary estimates approved during 2006/07 are shown below:

Supplementary Estimates	£
Release from Asset Investment Reserve	100,000
Planning Standards (£315,000 over three years)	55,400
Raffles Vision	32,500
Response to the White Paper	100,000
Total Supplementary Estimates	287,900

2.3 The provisional out-turn position for the General Fund is summarised below and explanations for the main variances are provided in the report and appendices:

Directorate	Annual Budget	Total Expenditure	Variance as at 31/3/07	Carry Forward Requests	Adjusted Variance
	£	£	£	£	£
Carlisle Renaissance	476,800	407,620	(69,180)	68,000	(1,180)
Community Services	11,348,600	11,655,534	306,934	314,600	621,534
Corporate Services	2,425,100	1,845,038	(580,062)	245,100	(334,962)
Development Serv	176,500	(449,136)	(625,636)	578,400	(47,236)
Legal & Democratic	2,221,500	2,199,565	(21,935)	46,600	24,665
PPP	726,700	408,056	(318,644)	300,800	(17,844)
Council Services	17,375,200	16,066,677	(1,308,523)	1,553,500	244,977
Funding (see 2.4):					
LABGI	(1,182,900)	(859,340)	323,560	0	323,560
Revenue Funding of Capital Schemes	1,402,900	0	(1,402,900)	0	(1,402,900)
TOTAL	17,595,200	15,207,337	(2,387,863)	1,553,500	(834,363)

- 2.4 The reason for the variance on the funding allocations of £1,079,340 is as follows:
- (i) LABGI allocation (shortfall of £323,560)
Included in the budget approved in February 2007, an expectation of a LABGI award of £1,182,900 was made. The actual amount received was £859,340 principally due to the Government top-slicing the grant in anticipation of various national judicial reviews regarding the amount of allocation.
 - (ii) Revenue Funding of Capital Schemes (non utilisation of £1,402,900)
This principally relates to the revenue funding of the flood recovery capital work, together with some small revenue funded leisure schemes. Because the Council's forward projections of revenue reserves are fully committed, the strategy is to maximise the use of capital resources wherever possible. The relevant capital work incurred in 2006/07 totalling £736,127.28 has therefore been provisionally funded from capital receipts and the unutilised revenue funding will be a corresponding increase in revenue balances.
- 2.5 The net impact on reserves if all of the carry forward requests are approved is that the projects reserve will increase by £834,363. This is made up of a net increase of £1,079,340 as detailed in paragraph 2.4 above and a reduction of £244,977 as a result of the final variance for 2006/07. However this overall increase in revenue reserves will be offset by a reduction in the level of capital reserves available, principally capital receipts, of £1,402,900.

3 EXPLANATION OF MAJOR VARIANCES

- 3.1 The provisional outturn position for 2006/07 (excluding funding allocations) results in an overspend on direct Council Services of £244,977 after taking into account potential carry forward request of £1,553,500 as set out in paragraph 4.
- 3.2 The Council's original gross budget for 2006/07 was £59.190m and although there are many individual variances as detailed by Directorates in **Appendices A1 – A6**, the overspend equates to only 0.41% of this budget.
- 3.3 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Corporate Resources Overview and Scrutiny Committee. 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 2007/08 budget. The estimated budget shortfall for 2006/07 identified during the budget process was £153,000, as detailed in CORP51/06 considered by the Executive on 20 November 2006, which had to be met from existing resources.

3.4 Members' attention is specifically drawn to the following areas.

(i) Shortfall in income

Much of the net overspend of £244,977 on Council Services is actually due to a shortfall in income as opposed to overspends of expenditure. Recognition that many income targets were falling below projections was acknowledged in the recent budget process and actions taken to correct the projections for 2007/08. Some of the main variances are set out below, with further explanations set out in the appendices:

	£	
• Parking	121,000	Appendix A2
• Shopwatch	20,000	Appendix A2
• Bereavement Services	52,000	Appendix A2

(ii) Other variances

Some of the main variances are set out below:

• Building Maintenance (net)	103,000	Appendix A2
• Grounds Maintenance (net)	109,000	Appendix A2
• Civic Centre NNDR	30,000	Appendix A2
• Salary turnover target	63,700	Appendix A3
• Flood recovery work	(196,100)	Appendix A3
• Tesco Inquiry	105,000	

The building and grounds maintenance positions have been reported to members throughout the year as requiring further analysis. This analysis is now complete and points to an ongoing budgetary issue for which an action plan is being developed. Some years ago, in recognition of the risk involved of moving from a trading organisation to a core council service, a small earmarked reserve (£100,000) was established to cushion the impact of any transitional arrangements. It is recommended that this reserve is utilised during 2006/07 to minimise the impact on the main Council reserves.

The Council has incurred costs of £105,000 to date on the Tesco Public Inquiry funded from within existing base budgets. The inquiry will continue in June 2007 due to further investigations and it is anticipated that additional costs will be incurred during 2007/08. There is no specific budget allocated to fund these additional costs and any costs incurred will have to be met from within existing base budgets.

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 Head of Service may be carried forward. This is to facilitate the achievement of three 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 Corporate Services 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.*
- *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 budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Director of Corporate Services will report the extent of overspending carried forward to the Executive, Corporate Resources Overview and Scrutiny Committee 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 The carry forward requests listed within **Appendix B**, are those where it is considered that the expenditure has been committed. The carry forward requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by the Director of Corporate Services. However given the projected overspend on Council Services of £244,977, the Director of Corporate Services does not have delegated authority to approve all of the requests and two options are therefore available to the Executive:

- The Executive can approve the carry forward requests for recommendation to Council as a supplementary estimate (£244,977 if all requests were approved). This would have an impact of the revenue reserves to support future years' budgets; or

- The Executive could decide not to approve the carry forward requests or limit the request to the level of budget available. This would result in any carry forward requests refused being a first call on Directorates' 2007/08 budgets, which would reduce the amount available to support 2007/08 services.

4.3 For information, the table below provides details of the out-turn position (excluding funding) and level of carry forward requests over the last 5 years for illustrative purposes:

	2006/07 provisional £	2005/06 £	2004/05 £	2003/04 £	2002/03 £
Variance at 31 March	(1,308,523)	(1,823,670)	(1,874,393)	(1,414,267)	(3,737,905)
C/fwd requests	1,553,500	1,739,500	1,535,773	1,542,930	1,553,094
Final variance	244,977	(84,170)	(338,620)	128,663	(2,184,811)
Percentage variance on original gross budget	0.41%	0.16%	0.67%	0.27%	6.35%

5. IMPACT ON FUTURE YEARS' BUDGET POSITION

- 5.1 As previously stated, much of the ongoing impact has already been recognised and addressed. There are two areas where further action is required, specifically Grounds Maintenance and Building Maintenance and action plans are being developed to determine future years' strategy.
- 5.2 The budget discipline for 2007/08 onwards provided a strategy to look at service improvement reviews to achieve effective service delivery whilst pursuing a target of 5% reduction in the gross revenue budget, and to identify recurring revenue reductions to deliver at least £130,000 savings per annum. The out-turn position for 2006/07 identified in this report will inform the performance and improvement review of individual services which will see improved efficiency and scope for redirection of resources to priority areas which will be reported back through the budget process.

6 FLOOD RECOVERY

- 6.1 Members will be aware that the insurance flood claim was settled in May 2006 at a value in excess of £6.6m and the total cost of the flood was in excess of £7.9m.

- 6.2 Flood recovery work is currently showing an underspend of £296,200. A sum of £150,000 for potential Sheepmount drainage work has already been transferred to an earmarked reserve in anticipation of future expenditure. Of the unspent amount, £100,000 will be carried forward to 2007/08 to support committed expenditure for Civic Centre ground floor window replacement (£10,200) and Telephony equipment (£90,000) leaving a balance £196,000 which can be returned to Council Reserves.

7 BALANCE SHEET MANAGEMENT

- 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 2007 forms part of the annual Statement of Accounts which will be considered by the Audit Committee on 22 June and approved by full Council on 28 June.

8 GERSHON EFFICIENCY SAVINGS ACTION PLAN MONITORING

- 8.1 This section provides an explanation of the Annual Efficiency Statement [AES] requirements and illustrates the efficiency items identified to date giving specific reference to the 2007-08 (Forward Look) and the 2006-07 (Backward Look) measures.
- 8.2 The financial year 2007-08 is the final year of the initial Gershon review period the detail of which is attached as **Appendix C**.

The 2007-08 Forward Looking Annual Efficiency Statement was submitted to the Department of Communities and Local Government (DCLG) on 12th April 2007. The schedule of efficiencies proposed for the year 2007-08 has been reviewed and amended where necessary to reflect: -

- Changes arising from new guidance received from the Government, which has resulted in the inclusion of one new efficiency gain in the statement.
- Revision to existing proposals where more up to date information has been provided.

The 2006-07 Backward Looking AES will be submitted to the DCLG in early July 2007 and will incorporate: -

- Changes arising from guidance received from the Government, which has resulted in some new efficiencies being included and others being withdrawn because of eligibility.
- Cashable – Recurring Efficiencies
- Non-Cashable
- New proposals.

8.3 Efficiency Target

The original target for the Council was a total efficiency saving of £1.4 million over the period. **Appendix C** shows the detailed 3-year efficiency plan drawn up to meet this target. The current forecast for the value of efficiencies to be delivered by the Council, incorporating the proposals for the 2007-08 Forward looking AES, is approximately £1.7 million. For information the breakdown of this total can be summarised as follows:

Description	Value £'000
Interest receipts derived from land sales	378
Staffing efficiencies e.g. reduced sickness, staff turnover	350
Procurement efficiencies	241
Rationalisation of IT/telephony services	87
Energy efficiency measures	30
Changes to deliver more efficient services: - <ul style="list-style-type: none">• Revenue & Benefits £226k• Community Services £243k• Corporate £125k	594
Total	1,680

8.4 Changes to original proposal

Following discussions with Directorates, there have been a number of changes to the efficiency proposals and a number of items were deferred from 2006-07.

- Depot rationalisation reduced in value to £10,000.
- Energy efficiency measures in Community Services reduced in value to £10,000
- Central Mail and document image processing £20,000
- Reduced Overtime working in Community Services £56,000
- Reduced use of temporary staff in the Grounds contract £10,000
- IT procurement saving of £7,000 due to a change in the phasing of the purchases.

8.5 It should be noted that the majority of efficiency savings are identified and incorporated into the base estimates as part of the annual budget process. Therefore any savings not achieved or deferred to a future year will have an impact on the budgetary position of the authority. The situation needs to be closely monitored and addressed through the budget monitoring/performance management process as adopted by the Council.

9 CONSULTATION

9.1 Consultation to Date.

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

9.2 Consultation proposed.

Corporate Resources Overview & Scrutiny Committee will consider the report on 14 June 2007.

10 RECOMMENDATIONS

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2007 of £2,387,863 (£1,308,523 excluding funding allocations).
- (ii) Consider the carry forward requests of £1,553,500 which if all approved would result in an underspend of £834,363 (an overspend position of £244,977 excluding funding allocations)
- (iii) Make recommendations to Council on 18 July on the carry forward requests.
- (iv) Recommend to Council the use of the CTS reserve to offset ex-DSO trading activities totalling £100,000.

11 REASONS FOR RECOMMENDATIONS

As stated above.

12 IMPLICATIONS

- Staffing/Resources – Not applicable
- Financial – Contained within the main body of the report
- Legal – Not applicable
- Corporate – SMT and SPG have been involved in the preparation of this report.
- Risk Management – Risk to future years budget and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken
- Equality Issues – Not applicable
- Environmental – Not applicable
- Crime and Disorder – Not applicable

ANGELA BROWN
Director of Corporate Services

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CARLISLE RENAISSANCE

Position as at 31 March 2007

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	330,100	(5,000)	151,700	476,800
Total Actual	260,912	(5,000)	151,708	407,620
Variance	(69,188)	0	8	(69,180)
Carry forwards				68,000
Adjusted Variance	(69,188)	0	8	(1,180)

Analysis of Variances and Carry Forwards

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £	Carry Forward £	Adjusted Variance £
Employee costs	1	(60,366)		(60,366)	59,200	(1,166)
Supplies & Services	2	(8,891)		(8,891)	8,800	(91)
Miscellaneous variances		69	8	77		77
Total Variance to date		(69,188)	8	(69,180)	68,000	(1,180)

Director's comments

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

1. Underspend due to various posts starting part way through the year. Carry forward will fund the remainder of the contracts.
2. Underspends on exhibition and stationery budgets to be carried forward to fund 2007/08 expenditure.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2006/07**APPENDIX A2****COMMUNITY SERVICES****Position as at 31 March 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	29,970,100	(7,755,600)	(10,865,900)	11,348,600
Total Actual	31,597,147	(8,119,619)	(11,821,994)	11,655,534
Variance	1,627,047	(364,019)	(956,094)	306,934
Carry forwards				314,600
Adjusted Variance	1,627,047	(364,019)	(956,094)	621,534

Analysis of Variances and Carry Forwards

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £	Carry Forward £	Adjusted Variance £
Building Maintenance	1	493,593	(390,477)	103,116	0	103,116
Civic Centre Accommodation	2	45,672	(8,296)	37,376	0	37,376
Bereavement Services	3	33,546	45,278	78,824	0	78,824
Environmental Protection	4	(120,448)	(3,228)	(123,676)	104,800	(18,876)
Food Safety	5	(14,116)	(16,447)	(30,563)	7,400	(23,163)
Play Areas & Maintenance	6	(64,074)	10,862	(53,212)	57,200	3,988
Green Spaces Operational Management	7	(26,195)	(2,339)	(28,534)	32,100	3,566
Grounds Maintenance	8	(31,001)	140,535	109,534	0	109,534
Talkin Tarn	9	(18,926)	(2,318)	(21,244)	19,000	(2,244)
Highways	10	58,952	(65,319)	(6,367)	0	(6,367)
CCTV	11	15,305	(17,066)	(1,761)	24,800	23,039
Public Lighting	12	47,224	0	47,224	0	47,224
Parking	13	9,011	121,327	130,338	0	130,338
Recycling & Waste Management	14	228,308	(184,899)	43,409	0	43,409
Rationalisation of depots	15	25,000	0	25,000	0	25,000
Community & Culture Management	16	(40,675)	(1,442)	(42,117)	42,000	(117)
Archaeology	17	(16,437)	0	(16,437)	15,000	(1,437)
Tullie House	18	545,081	(518,522)	26,559	12,300	38,859
Pools/Sands/Outdoor Recreation	19	(30,617)	(5,058)	(35,675)	0	(35,675)
Customer Contact Section	20	30,551	0	30,551	0	30,551
Miscellaneous variances		457,293	(422,704)	34,589	0	34,589
Total Variance to date		1,627,047	(1,320,113)	306,934	314,600	621,534

Director's Comments

1. An action plan is being produced to address issues relating to overspends. Principally the deficit relates to a reduction in external income.
2. Overspend on NNDR (£30,000) due to an increase in the rateable value as part of reinstatement of flood areas, and energy costs (£32,000).
3. Shortfall in income of £52,000 due to reduction in death rates. Overspend on repairs at Cemeteries of £12,700.
4. The carry forward is committed to carry out the second year of the Clean Neighbourhood Act scheme as approved by Members.
5. The carry forward relates to the Smoking Cessation Programme funded by the Department of Health.
6. The carry forward is for the Play Areas at Broad Street, Denton Holme and Carliol Drive. Schemes completed April 2007.
7. Underspends on Raffles Vision to be carried forward.
8. An action plan is being produced to address issues relating to overspends which includes loss of external income.
9. Carry forward is to be used for IT equipment and line installation by BT.
10. Potential issues for 2007/08 are being addressed as part of the Community Services action plan.
11. Unspent budgets are subject to carry forward requests, but there is a shortfall in Shopwatch income.
12. The majority of the overspend relates to festive lighting.
13. As reported throughout the year, income from parking fees has fallen short of the budget. This has been addressed in the 2007/08 budget.
14. Overspend due to the associated costs relating to the new alternative weekly collection scheme.
15. The potential saving expected from the rationalisation of the Council's depots has been delayed pending the completion of the Bitts Park Depot (funded from flood reimbursement).
16. The carry forward relates to ongoing schemes including Tullie House Trust and the Theatre Review.
17. The carry forward is for a lease to store the Council's artefacts.
18. Energy budgets are overspent at Tullie House. The carry forward is for the valuation of the art collection (in progress).
19. Saving in CLL contract. Base budget will be adjusted.
20. A saving of £20,000 for Document Image Processing was included in the budget; this has not been achieved due to the delayed implementation of the capital project. Equipment and materials are overspent by £10,000.

CORPORATE SERVICES

Position as at 31 March 2007

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	37,195,600	(30,598,000)	(3,952,500)	2,645,100
Total Actual	35,318,666	(30,374,798)	(3,958,170)	985,698
Variance	(1,876,934)	223,202	(5,670)	(1,659,402)
Carry forwards				245,100
Adjusted Variance	(1,876,934)	223,202	(5,670)	(1,414,302)

Analysis of Variances and Carry Forwards

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £	Carry Forward £	Adjusted Variance £
Corporate Management	1	21,838	0	21,838	0	21,838
Treasury Management	2	(15,752)	(61,213)	(76,965)	0	(76,965)
Non distributed costs	3	(18,021)	0	(18,021)	0	(18,021)
Salary Turnover Savings	4	63,700		63,700	0	63,700
IT Services	5	42,767	(18,589)	24,178	0	24,178
Recovery	6	12,064	(64,329)	(52,265)	0	(52,265)
Debtors	7	(84,437)	0	(84,437)	0	(84,437)
Benefits	8	(143,088)	(2,564)	(145,652)	145,100	(552)
Concessionary Fares	9	29,164	(6,111)	23,053	0	23,053
Flood recovery	10	(279,706)	(16,476)	(296,182)	100,000	(196,182)
Miscellaneous variances	11	(102,563)	63,254	(39,309)	0	(39,309)
Total Variance to date		(474,034)	(106,028)	(580,062)	245,100	(334,962)

Funding

Direct Revenue Financing	12	(1,402,900)	0	(1,402,900)	0	(1,402,900)
LABGI grants	13	0	323,560	323,560	0	323,560
		(1,876,934)	217,532	(1,659,402)	245,100	(1,414,302)

Director's Comments

1. The overspend consists of a number of small variances relating to increased bank & card charges, audit fees and publications.
2. Additional interest receivable relating to the investment in KPP which has been accrued into 2006/07.
3. The underspend relates to reduced pension charges from the County Council for former employees.
4. As reported throughout the year, savings for salary turnover have not met the 2006/07 target.
5. Savings from a project to reduce telephony costs were not realised during the year. They will occur during 2007/08.
6. Higher than anticipated income on court costs.
7. Reduction in bad debt provision for 2006/07 due to rise in collection rates.
8. Accumulated unallocated DWP Grant from previous years (ringfenced) - offset by underspend in Recovery.
9. Concessionary Fares has attracted a larger than expected ridership during the year, which has led to an overspend against the budget as reported to Members in the April to December budget monitoring report.
10. Flood progress report to SMT 17/4/07 updated the position on the flood. £100,000 to be carried forward for committed work with the balance being returned to Council reserves.
11. This includes the Welfare Take Up Campaign and Benefit Payments.
12. This variance relates to the revenue budgets initially earmarked to finance capital expenditure. Capital financing is delegated to the Director of Corporate Services and is considered elsewhere on the agenda (CORP16/07). For 2006/07 capital receipts have been utilised in place to revenue contributions and this budget has been returned to balances.
13. Funding from Local Authority Business Growth Incentive grant was estimated in February 2007 as £1.3m but the actual amount received was £976,000.

DEVELOPMENT SERVICES**Position as at 31 March 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	8,309,800	(7,062,100)	(1,071,200)	176,500
Total Actual	8,586,719	(7,964,655)	(1,071,200)	(449,136)
Variance	276,919	(902,555)	0	(625,636)
Carry forwards				578,400
Adjusted Variance	276,919	(902,555)	0	(47,236)

Analysis of Variances and Carry Forwards

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £	Carry Forward £	Adjusted Variance £
Business & Employment	1	29,239	(40,049)	(10,810)	16,900	6,090
Longtown MTI	2	166,556	(175,527)	(8,971)	7,800	(1,171)
Brampton Business Centre	3	(10,058)	29,358	19,300	4,800	24,100
Tourism & City Centre Development	4	83,080	(74,019)	9,061	0	9,061
Tourist Information Centres	5	85,893	(65,755)	20,138	0	20,138
LABGI - Carlisle Renaissance	6	(311,200)	(4,708)	(315,908)	309,200	(6,708)
Property Services	7	(82,156)	(11,221)	(93,377)	88,900	(4,477)
Indoor Market	8	9,431	19,838	29,269	0	29,269
Industrial Estates	9	18,533	(121,395)	(102,862)	0	(102,862)
Planning	10	29,633	(29,366)	267	0	267
Local Plans	11	(115,669)	(64)	(115,733)	95,700	(20,033)
Conservation	12	(372)	(10,000)	(10,372)	9,300	(1,072)
Building Control Operations	13	(93,803)	80,957	(12,846)	0	(12,846)
Building Control Client	14	3,349	(2,957)	392	8,600	8,992
Energy Efficiency Advice Centre	15	375,579	(375,045)	534	0	534
Hostels & Homeshares	16	75,580	(74,601)	979	0	979
HRA	17	6,369	(35,093)	(28,724)	0	(28,724)
Supporting Vulnerable People	18	3,239	(2,329)	910	13,100	14,010
Affordable Housing	19	(22,812)	(1,950)	(24,762)	15,300	(9,462)
Decent Homes	20	(2,602)	(3,778)	(6,380)	8,800	2,420
Miscellaneous variances		29,110	(4,851)	24,259	0	24,259
Total Variance to date		276,919	(902,555)	(625,636)	578,400	(47,236)

Director's Comments

1. The carry forward relates to committed salary costs. There are minor overspends on general supplies and services.
2. Scheme has had to be redesigned and retendered, causing delay of approval until March 2007.
3. Expected grant income for 2006/07 was not received. Future funding of the Centre is currently under consideration.
4. The overspend relates mainly to the hire of the Christmas lights.
5. This overspend is due to shortfalls against several income budgets, including the Assembly Rooms.
6. There has been a delay in starting projects (awaiting NWDA agreement).
7. Underspends on Asset Review work (£60,000), and Market Factor Supplements for existing contracts (£28,900).
8. Renegotiation of lease agreement for Treasury Court following capital investment provided by lessee.
Rent free period awarded.
9. Additional income relating to backdated rent reviews on Industrial Estates.
10. Expenditure incurred for legal fees relating to Tesco Inquiry.
11. Underspend on costs of Public Inquiry due to delay (carried forward), and Environmental Grants.
12. The carry forward is for grants which have been awarded but where the work has not yet been completed.
13. The balance on BC operations will be transferred to the earmarked Building Control Reserve.
14. The carry forward is for Access Grants (£1,200) and the new disabled toilet on the 6th floor.
15. The Energy Efficiency Advice Centre is funded almost entirely from grants, which accounts for the large variances in both income and expenditure.
16. Shortfall in income of £26,000 and high costs of repairs in hostels offset by additional grant awarded for 2006/07.
17. Release of insurance provision for HRA (no longer required) plus recovery of other costs from third parties.
18. The carry forward relates to committed salary costs to support the Housing Strategy.
19. Carry forward for Housing Officer (linked to Housing Strategy).
20. Carry forward for Market Factor Supplements for existing contract and loss of income relating to fees on Local Authority grants.

LEGAL & DEMOCRATIC SERVICES**Position as at 31 March 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	3,687,300	(555,200)	(910,600)	2,221,500
Total Actual	3,739,828	(629,663)	(910,600)	2,199,565
Variance	52,528	(74,463)	0	(21,935)
Carry forwards				46,600
Adjusted Variance	52,528	(74,463)	0	24,665

Analysis of Variances and Carry Forwards

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £	Carry Forward £	Adjusted Variance £
Town Twinning	1	(48,971)	(1,177)	(50,148)	46,600	(3,548)
Electoral Registration/Municipal Elections	2	33,064	(6,500)	26,564		26,564
Licensing	3	332	(22,573)	(22,241)		(22,241)
Legal Services	4	18,026	(5,080)	12,946		12,946
Land Charges		11,671	(15,337)	(3,666)		(3,666)
Mayor's Charity Account		24,869	(24,869)	0		0
Miscellaneous variances		13,537	1,073	14,610		14,610
Total Variance to date		52,528	(74,463)	(21,935)	46,600	24,665

Director's Comments

1. This is a rolling budget and is carried forward year on year. It will be used in 2007/08 to host the next youth exchange in July/August.
2. The Electoral Registration and Municipal Elections budgets are both showing as overspent. The RSG settlement for 2006/07 included an additional sum in respect of the increased cost new election arrangements; however the budgets were never increased in respect of this. In 2007/08 & 2008/09 the base budgets have been increased by £29,000.
3. Additional licensing income received.
4. The budget for reference books and publications was overspent by £10,924.

PEOPLE, POLICY & PERFORMANCE SERVICES**Position as at 31 March 2007**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	3,239,400	(238,300)	(2,274,400)	726,700
Total Actual	2,965,911	(355,239)	(2,202,616)	408,056
Variance	(273,489)	(116,939)	71,784	(318,644)
Carry forwards				300,800
Adjusted Variance	(273,489)	(116,939)	71,784	(17,844)

Analysis of Variances and Carry Forwards

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £	Carry Forward £	Adjusted Variance £
Executive Management	1	(71,992)	446	(71,546)	67,600	(3,946)
Local Strategic Partnership	2	(117,636)	0	(117,636)	119,400	1,764
Community Safety	3	49,750	(81,843)	(32,093)	16,300	(15,793)
Policy & Performance	4	(18,257)	(94)	(18,351)	18,100	(251)
Personnel & Training	5	(61,133)	(1,652)	(62,785)	59,800	(2,985)
Corporate Training	6	(10,250)	7,287	(2,963)	12,500	9,537
ACE	7	20,360	(26,584)	(6,224)	6,000	(224)
Overview & Scrutiny	8	(8,542)	0	(8,542)	1,100	(7,442)
Corporate Recruitment	9	(57,500)	57,500	0	0	0
Miscellaneous variances	10	1,711	(215)	1,496	0	1,496
Total Variance to date		(273,489)	(45,155)	(318,644)	300,800	(17,844)

Director's Comments

1. The carry forward relates to the balance of budget approved for the response to the White Paper.
2. The carry forward is for the salary budget for the post of Carlisle Partnership Manager. This is a fixed term post, and covers the period to July 2009.
3. The carry forward is for CCTV cameras at Bitts Depot and replacement of Neighbourhood Watch signs.
4. This section includes a rolling budget for risk management. Any unused balance is carried forward and will be used to fund the revision of the BCP in 2007/08.
5. The carry forward is for employee, IT software and consultancy costs committed to complete the Pay & Workforce Strategy scheme by September 2007.
6. The carry forward is for a three year package for the Council's Investors in People assessment (starting April 2007). The EEP scheme was overspent due to the success of the GoMo project within the Skills for Life Strategy.
7. ACE was funded by NWIN and is therefore a ringfenced budget. Activities will take place in 2007/08.
8. The carry forward is for development work not completed in 2006/07 for capacity reasons.
9. This budget is held centrally and supplemented by individual Directorates where necessary.
10. General underspends on supplies and services.

REVENUE CARRY FORWARD REQUESTS - BY DIRECTORATE
APPENDIX B

DESCRIPTION	£
CARLISLE RENAISSANCE	
Carlisle Renaissance - Employee budget to carry forward	54,200
Carlisle Renaissance - Recruitment relocation	5,000
Carlisle Renaissance - Stationery & office materials	4,900
Carlisle Renaissance - Exhibition & publicity	2,100
Carlisle Renaissance - General expenses	1,800
	68,000
DEVELOPMENT SERVICES	
Regeneration Officer (funded from Council Tax Second Homes Discount)	11,900
Parish Council Capital Grants	3,100
Village Hall Support Grants	1,900
Longtown MTI - Townscape	7,800
Brampton Business Centre - Premises Alterations	4,800
Funding For Enabling Officer Post (Linked to Housing Strategy)	15,300
Funding For Principal Housing Officer Post (Linked to Housing Strategy)	13,100
Market Factor Supplement agreed for Housing Environmental Health Officer	4,300
LA fees (income) not achieved due to outstanding grants for Renovation & Disabled Facilities Grants	4,500
Local Plan Enquiry Costs - Local Plan put back until 07/2007	70,000
Strategic Environmental Assessment - Local Plans (part of Local Development Scheme)	25,700
Historic Buildings Grants - remainder of grants fund	9,300
Disability Access Grants - one grant outstanding plus work on 6th floor disabled toilet in Civic Centre	8,600
Market Factor Supplements - Property	28,900
Asset review & acquisition negotiation	60,000
LABGI - Carlisle Renaissance/Third Party Fees	309,200
	578,400
LEGAL & DEMOCRATIC SERVICES	
Town Twinning	46,600
	46,600
CORPORATE SERVICES	
Flood recovery work	100,000
DWP Grant re Benefits Services	145,100
	245,100
COMMUNITY SERVICES	
CCTV Repairs And Maintenance	11,000
CCTV - BT Transmission Costs	13,800
CNEA Initiative	104,800
Theatre/Arts Centre (in conjunction with Arts Council for England)	4,000
Tullie House general expenses (balance of sum set aside to investigate potential of trust status)	27,800
Balance remaining from Sports Feasibility Study & 3 Rivers Strategy - (partly complete)	5,200
Completion of the Tullie House Development Plan	5,000
Carloli Drive Play Area	5,200
Denton Holme Play Area	3,100
Play Area Schemes - Consultants Fees	3,500
Green Areas - Play Areas: Beaver Road/Broad Street	45,400
Raffles Vision Bid - Planned Restoration, Maintenance and Landscaping	30,600
Raffles Vision Bid - Life Buoys	1,500
Talkin Tarn - Various Expenditures	19,000
Tullie House - Storage of Artefacts Shaddonmill	15,000
Tullie House Valuation of Art Collection	12,300
Monies Received From Dept Of Health for promotion of smoke free legislation	7,400
	314,600
PEOPLE, POLICY & PERFORMANCE	
Carlisle Partnership (LSP)	119,400
Community Safety - CCTV installation Bitts Park	16,300
White Paper Response	67,600
Pay & WorkForce Strategy: Pay/Pension/Training	41,500
IT Software Licences	8,500
Consultants/PWS (Hay Fees)	9,800
Overview And Scrutiny Expenses	1,100
Investors In People Assessment	12,500
Risk Management-Business Continuity Management	18,100
ACE2 Project	6,000
	300,800
TOTAL GENERAL FUND CARRY FORWARD REQUESTS	1,553,500

GERSHON EFFICIENCY SAVINGS UPDATE
APPENDIX C

AES Group		2004/05 £	2005/06 £	2006/07 £	2007/08 £	Totals £
	Cashable - Recurring					
1	Capital receipts – income from interest	26,758	64,539	140,000	147,000	378,297
1	Civic rating reduced		10,000			10,000
1	Rationalisation of depots				10,000	10,000
1	Grounds Maint Ind Estates	5,000				5,000
1	Staff Turnover		200,000			200,000
1	Energy Efficiency				10,000	10,000
1	Rates appeals				10,000	10,000
1	Energy Efficiency				15,000	15,000
	Sub Total	31,758	274,539	140,000	192,000	638,297
2	Resources transferred from other Business Units to fund Customer Contact Centre frontline staff	33,000				33,000
2	Democratic Representation	12,000				12,000
2	Flexible Working		40,000			40,000
2	Home Working		7,000			7,000
2	Restructure				80,000	80,000
	Sub Total	45,000	47,000	0	80,000	172,000
3	Telephones	15,000				15,000
3	Corporate Supplies & Services Budgets	50,000				50,000
3	Corporate Supplies & Services Budgets		30,000			30,000
3	Corporate Supplies & Services Computer Printing			13,000		13,000
3	IT Procurement			7,300	7,000	14,300
3	Telephony/Mobile Phone contract			20,000		20,000
3	Wheelie Bin Procurement for AWC			72,800		72,800
3	Implementation of VOIP			15,000		15,000
3	Central Mail & Doc. Image Processing			0	20,000	20,000
	Sub Total	65,000	30,000	128,100	27,000	250,100
4	Reduced Overtime Working - Community services			0	56,000	56,000
4	Waste Minimisation Contract				69,000	69,000
4	Refuse Collection vehicles x 3			9,400	18,800	28,200
4	Rationalisation Grounds Contract - Reduced Temporary Staff			10,000	10,000	20,000
	Sub Total	0	0	19,400	153,800	173,200
5	Improved productivity in Benefits Assessment. Increased caseload dealt with at reduced cost		110,078			110,078
5	Highways Claimed Rights	40,000				40,000
5	Council Tax improved collection rates		5,591			5,591
	Sub Total	40,000	115,669	0	0	155,669
6	Carlisle Leisure Contract	33,364	9,719			43,083
	Sub Total	33,364	9,719	0	0	43,083
	TOTAL CASHABLE	215,122	476,927	287,500	452,800	1,432,349
	Non Cashable					
1	Energy Efficiency (CTS)				5,000	5,000
	Increased benefits assessment through homeworking initiative (RBS) – 15% more claims processed (£10,000 in years 2006/07 onwards)			10,000		10,000
2	Joint IT arrangements (CIS)				20,000	20,000
4	Corporate sickness absence efficiency. Reduction in days taken off sick from 12.87 days in 2004/05 to 10.91 days in 2005/06		149,800			149,800
5	Improved productivity in Benefits Assessment. Increased caseload dealt with at reduced cost		15,345			15,345
5	Additional benefits fraud detection – employment of an additional Fraud Officer which would be self financing through improved detection rates and		47,550			47,550
	TOTAL NON CASHABLE	0	212,695	10,000	25,000	247,695
	TOTAL CASHABLE & NON CASHABLE	215,122	689,622	297,500	477,800	1,680,044