



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of Meeting: 7 August 2008 (Special)
Title: REVENUE BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO JUNE 2008
Report of: THE DIRECTOR OF CORPORATE SERVICES
Report reference: CORP 39/08

Summary:

This report provides an overview of the Council's overall budgetary position for the period April to June 2008 for revenue schemes. The revenue report includes details of balance sheet management issues, high-risk budgets, performance management, and progress against the Gershon efficiency statement.

Details of the position of each directorate can be found in Appendices A1 to A6, whilst Appendix B shows progress against Gershon savings targets achieved in 2007/08. To the end of the first quarter there is a shortfall of circa £140k against the income target for fees and charges (para. 6.2). The updated forecast position at this stage however (para. 5.2) shows that there is capacity to contain an outturn projected at this level from within the overall budget for the year. The position is likely to be more difficult in future years though, and it is advisable that the assumptions on the levels of income to be generated in future years be reviewed.

Recommendations:

Members of the Corporate Resources Overview and Scrutiny Committee are asked to note the budgetary position for the period April to June 2008. The Executive considered this report on 28 July 2008.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: ~~None~~
CORP39/08



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE AND PERFORMANCE MANAGEMENT

Date of Meeting: 28 July 2008

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

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Summary:

This report provides an overview of the Council's overall budgetary position for the period April to June 2008 for revenue schemes only. The revenue report includes details of balance sheet management issues, high-risk budgets, performance management, and progress against the Gershon efficiency statement.

Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary and performance position of the Council to June 2008
- (ii) Note the actual efficiency savings being achieved against the targets set.

Contact Officer: Maureen McCartney

Ext: 7291

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

CITY OF CARLISLE

To: The Executive
28 July 2008

CORP39/08

REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2008

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Director of Corporate Services is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Directors to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Director of Corporate Services.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process, which is also a requirement of the Use of Resources assessment.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.4 Figures contained within this report show the position to date. Forecasts for the year end position are not generally included at this stage in the year, although some projections are included for specific areas. It is anticipated that more informed year-end forecasts will be available for inclusion in the next quarterly report.

2. REVENUE BUDGET OVERVIEW

- 2.1 The following statement shows the total annual revenue budget as at June 2008:

2008/09 Revenue Budget	£
Approved Budget (Council resolution – February 2008)	18,098,000
Carry forward requests (2007/08 out-turn)	624,000
Revised Budget 2008/09 at June 2008	18,722,000

3. 2008/09 BUDGET MONITORING

3.1 The summarised budgetary position as at June 2008 is shown below:

Directorate	Annual Net Budget £	Net Budget to June £	Net Expenditure to June £	Adjusted Variance £	Note
Carlisle Renaissance	360,900	85,939	(13,851)	(99,790)	
Community Services	12,293,800	4,630,261	4,741,998	111,737	4.4
Corporate Services	2,903,300	3,307,419	2,879,359	(428,060)	4.5
Development Services	(30,700)	(521,196)	(820,982)	(299,786)	4.6
Legal & Democratic Services	2,470,500	695,409	697,480	2,071	4.7
People, Policy & Performance Services	724,200	(18,492)	(42,552)	(24,060)	
Total	18,722,000	8,179,340	7,441,452	(737,888)	

3.2 Further details for each Directorate can be found in **Appendices A1- A6**. Each appendix shows a breakdown of the variance for that Directorate, with comments from the Director and a note of any performance issues.

4. KEY ISSUES

4.1 The Vacancy Management Savings budget is a corporate target for the Council. Savings from across the authority are transferred following decisions by SMT to delete vacated posts or make savings by reorganising workloads within the services. The full year target for 2008/09 is £500,000. The target for April to June (three months) is £125,150 and transfers of £98,800 have been made, thus a deficit of £26,350 is showing against the budget to date.

4.2 The Salary Turnover Savings budget is a corporate target for the Council and is held within the Corporate Services directorate. Savings from salary budgets across the authority are measured and then transferred to it. The full year target for 2008/09 is £592,900 and transfers of £93,200 have been made against the three months target of £148,400, as set out in Appendix A3, hence the deficit of £55,200. It should be noted that the Salary Turnover target has not been achieved for the last two financial years and this will need to be addressed.

- 4.3 The National Pay Agreement in 1997 included a commitment to harmonise terms and conditions for all local authorities' staff and it was agreed that this would be addressed by Carlisle City Council as part of the implementation of job evaluation. The maximum annual liability for overtime, sick and annual leave was estimated to be £112,322 and Council approved the draw down of this amount in 2007/08 from the £1,000,000 earmarked for the implementation of the Pay and Workforce Strategy Project, pending efficiency savings being identified. The actual cost of the Single Status implications in last year was in excess of £133,000 and, to date, there has been no specific savings identified for the ongoing liability in 2008/09. This is placing considerable pressure on the affected areas within Community Services and this needs to be addressed as part of the exercise to identify the full costs of the Pay and Workforce Strategy.
- 4.4 The main variances in the **Community Services** are as follows:
- £54,500 overspend on Buildings Maintenance is mainly due to sub contractor costs and under achievement against the external income budget. There was an overspend on this area in the last two financial years. The service review to be carried out by Internal Audit in early 2008/09 has had to be delayed due to other corporate priorities but it is hoped that this should be complete by autumn;
 - £135,200 overspend on Parking is due to a shortfall in income of £46,100 from tickets, £12,600 from PCN's and £22,700 for contract parking. In addition, there has been a shortfall in income of £44,800 from PCN's relating to the On Street Parking scheme, provided for the County on an agency basis and the funding agreement for this is to be reviewed to ensure that the contract breaks even;
 - £25,300 overspend on Recycling and Waste Management is due in part to higher agency staff and tipping charges than budgeted for and the prospect of some funding from the County is to be progressed. The £25,000 per annum projected saving originally anticipated by the rationalisation of depots and included in the revenue budgets for 2008/09 onwards is not likely to be achieved. In addition the income from trade refuse is well below target and a full review will be undertaken as part of the budget process.
- 4.5 The main variances in **Corporate Services** are as follows:
- £81,500 'overspend' relating to the corporate Vacancy Management and Staff Turnover target budget is held here (explained in 4.1 and 4.2 above);
 - £355,500 underspend on Insurance resulting from the tender of the new contract;
 - £31,000 underspend for the Welfare Take Up campaign due to income received but not as yet allocated;
 - The position on Concessionary Fares will be reported on fully to the September meeting once the relevant information has been received and analysed.

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

- £72,000 underspend in Property Services is due to additional income received and unspent budget for the consultancy commission to provide a development and investment plan for Carlisle;
- £317,900 underspend in Industrial Estates mainly due to additional income from change of use, rent reviews and arrears payments;
- £28,453 underspend in Planning Delivery Grant relates to income received but not as yet allocated. Notification of the provisional level of grant that can be expected in 2008/09 has now been received; the allocation of £148,426 is split between revenue and capital and is subject to change.

4.7 The main variance in **Legal and Democratic Services** is:

- £40,700 under achieved income from search fees. The Executive's attention is drawn to the significant effect which this reduction in income might have on the Directorate's budget with a projected shortfall in the region of £165,000, assuming the shortfall on Land Charges income continues on a linear basis, and this needs to be given early consideration.

5. **FORECAST OUTTURN POSITION – 2008/09**

5.1 Although it is very early in the year to forecast an outturn position, the information contained within section 4 points to difficulties in the year ahead in containing expenditure within budget. The Council's financial position is affected by a number of external factors and these will have a financial impact during the course of the year and ultimately at the year-end. These include:

- The general effect of the economic climate on the Council's income streams e.g. car parking and leisure activities
- Fuel prices, energy costs and other inflationary increases
- Concessionary fares
- The effects of the housing market and property prices, especially with regard to income from land charges and rents

5.2 The impact and long term consequences of these issues will be provided in future budget monitoring reports, but using the points highlighted in section 4, an attempt has been made to provide some very broad estimates of the potential year end position in the following table:

<u>Potential Additional costs/Shortfalls in income</u>	£
• Vacancy Management	105,400
• Salary Turnover Savings	220,800
• Single Status costs	133,000
• Shortfall in car parking income	223,000
• Shortfall in land charges income	163,000
• Building Maintenance costs	120,000
• Recycling costs	<u>80,000</u>
	<u>1,045,200</u>
 <u>Potential Reduction in costs/Additional income</u>	
• Additional investment income	(196,000)
• Savings on insurance tender	(355,000)
• Industrial Estates backdated rent income	(300,000)
• Savings in MRP	<u>(388,000)</u>
	<u>(1,239,000)</u>
 Net saving	 <u>(193,800)</u>

- 5.3 The overspends and shortfall in income for 2008/09 have been offset by additional income from investments and backdated rents but the rents are a one-off bonus and the investment income will reduce in future years as capital receipts are expected to fall. Therefore, a prudent approach will still be required to avoid an overspend at the year-end and to ensure a sustainable budget position for future years.

6. HIGH RISK BUDGETS

- 6.1 A number of high-risk budgets have been identified which require detailed monitoring throughout the year. These include income, budgets carried forward from last year, and recurring and non-recurring bids approved in the 2008/09 Council Resolution.

- 6.2 The position of income budgets deemed to be high risk can be summarised as follows:

Budget Area	Annual Budget £	Budget to date £	Actual to date £	Variance £
Car Parking	(1,552,000)	(518,843)	(437,511)	81,332
Bereavement Services	(1,052,500)	(253,863)	(240,530)	13,333
Tullie House	(78,100)	(19,547)	(14,501)	5,045
Land Charges	(325,500)	(81,474)	(40,743)	40,731

- 6.3 Following the pattern of previous years, the income generated from penalty charge notices and car park ticket sales continues to decline. The annual budget for 2008/09 was reduced to take account of that trend by £82,000 to represent a more realistic level in the light of actuals in previous years. However, for the period April to June 2008 the income actually generated has fallen short of the profiled target. The year-end shortfall is difficult to project at this stage and factors to be taken into account include the impact of the Green Travel Plan and the economic downturn. The charges review and car park strategy will more fully consider the implications for future years' prices and budgets.
- 6.4 The 2008/09 budget for income from Bereavement Services was reduced by £42,000 in anticipation of a continuing downward trend. There is a shortfall of £13,333 as at June, due to a lower death rate than that incorporated in the income estimate. The position continues to be closely monitored and the charges review will consider more fully any implications as above.
- 6.5 Income for Tullie House has consistently been lower than the level budgeted for a number of years. When raised as a budget issue previously the service was asked to meet any shortfall from within existing budgets and various savings have been used to reduce the annual budget level. The result of a service review is expected shortly and this should include assessment of the likelihood that the remaining budget will be achieved with the current price structure.
- 6.6 The annual budget for income from Land Charges was reduced by £53,000 for 2008/09. There is a shortfall of £40,731 against the budget to the end of June, due to a downward trend in the housing market (refer to Director's comments in paragraph 4.7).

7. USE OF RESOURCES IMPROVEMENTS

7.1 Balance Sheet Management

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

Balance Sheet item	Balance at 31/3/08	Balance at 30/6/08	Note
Investments	£22.8m	£31.0m	(i)
Loans	£15.1m	£15.1m	(ii)
Debtors	£ 2.6m	£ 2.5m	(iii)
Creditors	£ 1.7m	£ 0.6m	

- (i) The anticipated return on these investments is estimated at £1,557,000 for 2008/09 with current projections slightly ahead of the budget.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,325,100 in 2008/09 with costs currently on target. There are no proposals for further borrowing during 2008/09, although this will be kept under review.
- (iii) There may be a significant impact on the cash-flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax and NNDR.

(iv) Use of reserves

The usage and level of all Council reserves are set out in the Medium Term Financial Plan (CORP 18/07), approved by full Council in July 2007. It is anticipated that £2.1m will be required from the Council's Revenue Reserves (£1m for PWS, £1,803,000 for non-recurring expenditure and contribution to reserves relating to recurring expenditure of £686,000) to fund revenue expenditure in 2008/09 (including £647,800 of 2007/08 carry forwards). Any under or overspend at the year end will adjust the balance transferred to or from the reserve.

7.2 Priorities and Performance

The Corporate Performance Monitoring Report for the first quarter of 2008/09 is considered elsewhere on the agenda. The need to link performance and the budget position, with a view in the longer term to allocating resources to the Council's priorities (Cleaner Greener and Safer, and the Learning City), is acknowledged, and work is continuing to develop the links between performance, financial reporting and Council priorities.

7.3 Gershon Efficiency Savings – Annual Efficiency Statement

- (i) **Introduction** - The 2007/08 Backward Looking Annual Efficiency Statement is due to be submitted to the Department of Communities and Local Government [DCLG] in July 2008. As a result the schedule of efficiencies proposed for the year has been reviewed and amended where necessary to reflect:
 - Changes arising from new guidance received from the Government, which has resulted in some new efficiencies being included and others withdrawn because of issues of eligibility;

- Revisions to existing proposals where more up-to-date information has been provided.

(ii) **Final Year Analysis - 2007/08.** The Council originally identified a range of efficiency programmes, which it hoped to sustain throughout the 3-year efficiency period. Several of these projects were sustainable and several others were not. As a result, those, which could not be sustained at the end of each financial year, were replaced by new projects and the overall Council target was subsequently obtained. The attached Appendix (C) illustrates the out-turn for 2007/08 and provides comments on those elements where original targets were not achieved. It should be noted that the 3-year efficiency target was £1.4m, which has been achieved. However, it should also be noted that these figures may be subject to scrutiny by the Audit Commission as part of their assessment process.

(iii) **Comprehensive Spending Review (CSR07) – 2008/09 Onwards.**

Local Government is expected to achieve at least 3% per annum net cash-releasing value for money (VfM) gains over the period 2008-2011. The previous 3 year period efficiency target under Gershon was 2.5% additional per annum (i.e. 2.5%, 5%, and 7.5%). In CSR07, the target is now multiplicative (i.e. 3%, 6.1%, 9.3%) and by using the baseline expenditure figure, as prescribed by DCLG this produces a significant increase in the value of efficiencies required to be found over the period 2008-2011.

The CSR07 VfM delivery plan states that, unlike Gershon, there will be no mandatory VfM target for all Councils. However, it is considered prudent for this Council to calculate its own baseline figures as a means to accurately monitor its progress. The following table illustrates the current baseline and annual efficiency targets over the CSR07 period using the overall Local Government multiplicative targets: -

		£
2007/08 Baseline	Total Net Service Expenditure	22,679,000
	Total Capital Expenditure	6,016,000
	Total Baseline =	28,695,000
2008/09 Target	3.00%	860,850
2009/10 Target	6.10%	1,750,395
2010/11 Target	9.30%	2,668,635

Financial projections indicate a shortfall in the Council's budget requirement in 2008/09 and in following years. To address this shortfall a new budget discipline was approved and implemented as part of the 2008/09-budget process. One of the key areas in the budget discipline identifies the need for a strategy to: -

- Deliver service improvement reviews, providing effective service delivery whilst pursuing a 5% reduction in the Council's gross revenue budget;
- Carry out an asset review to deliver recurring income or a reduction in cost;
- Develop shared services to achieve cashable savings;
- Carry out a review of those services, which do not fall within the Council's core priorities.

The 2008/09 Forecast AES is to be submitted to the Department of Communities and Local Government (DCLG) in October 2008. This will include any budget reductions as set out in the budget resolution, which can be defined as efficiencies per the CSR07 definition.

This information will be incorporated in future reports to SMT and the Executive.

8. CONSULTATION

8.1 Consultation to Date.

SMT have considered the issues raised in this report.

8.2 Consultation proposed.

Corporate Resources Overview & Scrutiny Committee will consider the report on 4th September 2008.

9. RECOMMENDATIONS

The Executive is asked to:

- (i) Note the contents of the report.
- (ii) Note the actual efficiency savings being achieved against the targets set

10. REASONS FOR RECOMMENDATIONS

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

11. IMPLICATIONS

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

ANGELA BROWN
Director of Corporate Services

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CARLISLE RENAISSANCE**Position as at 30 June 2008**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	360,900	0	0	360,900
Budget to date	85,939	0	0	85,939
Total Actual	136,287	(150,138)	0	(13,851)
Variance	50,348	(150,138)	0	(99,790)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Carlisle Renaissance	1	0	(100,000)	(100,000)
Pre Approval Project		50,138	(50,138)	0
Miscellaneous variances		210		210
Total Variance to date		50,348	(150,138)	(99,790)

Director's comments

Carlisle Renaissance was awarded ringfenced funding of £1,020,000 in 2005/06 to cover the period to 31st March 2009. Further funding has now been approved to 2010/11.

1. The enrolment of the staff requirement has been delayed and major underspends on the operational costs will also ensue if this is not progressed. Further information is required to allocate budgets to match anticipated expenditure patterns and so allow the situation to be closely monitored.

COMMUNITY SERVICES**Position as at 30 June 2008**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	30,733,800	(7,947,700)	(10,492,300)	12,293,800
Budget to date	9,378,989	(2,337,101)	(2,411,627)	4,630,261
Total Actual	9,239,196	(2,226,396)	(2,270,802)	4,741,998
Variance	(139,793)	110,705	140,825	111,737

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Building Maintenance	1	6,586	47,933	54,519
Crematorium	2	(11,859)	19,775	7,916
Green Spaces Management	3	28,214	(4,892)	23,322
Highways Management	4	(19,307)	0	(19,307)
Highways Claimed Rights	5	(52,801)	56,112	3,311
Public Lighting	6	(18,051)	0	(18,051)
Car Parking	7	(64,261)	199,421	135,160
Recycling & Waste Management	8	59,467	(34,124)	25,343
Tullie House	9	(4,992)	19,608	14,616
Sports Development	10	10,262	(35,951)	(25,689)
Community Support	11	11,044	(32,118)	(21,074)
Miscellaneous variances	12	(84,095)	15,766	(68,329)
Total Variance to date		(139,793)	251,530	111,737

Director's Comments

1. An overspend due to subcontractor costs and unachieved external income is partly offset by an underspend in materials and salary costs, due to vacancies. The service review is under way.
2. Shortfall in fees offset by reduced maintenance and energy costs.
3. Overspend on grounds maintenance materials.
4. Underspend on various schemes particularly small scale projects.
5. Underspend on schemes with resultant reduction in income.
6. Underspend on maintenance costs.
7. Shortfall in income across all car parks, contracts and PCNs; partly offset by reduced staff and patrol costs.
8. Overspend relating to additional costs of the alternative weekly collection scheme (agency staff & tipping charges), offset by additional income, allowing for a reduction in trade refuse income, which is well below target.
9. Shortfall in income from sales and admissions, offset by additional income from catering and conferences.
The service review of Tullie House is ongoing.
10. Grant income still to be allocated.
11. Budget savings and surpluses arising from events to be allocated on completion of the Community Support Review .
12. Savings in management and admin, depot and garage costs.

CORPORATE SERVICES**Position as at 30 June 2008**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	37,045,500	(29,691,100)	(4,451,100)	2,903,300
Budget to date	11,892,124	(7,578,451)	(1,006,254)	3,307,419
Total Actual	11,552,116	(7,669,141)	(1,003,616)	2,879,359
Variance	(340,008)	(90,690)	2,638	(428,060)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Director of Corporate Services	1	(91,724)	6	(91,718)
Treasury Management	2	3,708	(49,144)	(45,436)
Other Financial Costs	3	96,068	(8,166)	87,902
Insurance Holding account	4	(355,506)	0	(355,506)
Welfare Takeup campaign	5	0	(31,040)	(31,040)
Miscellaneous variances		7,446	292	7,738
Total Variance to date		(340,008)	(88,052)	(428,060)

Director's Comments

1. A budget of £100,000 for 2008/09 for Shared services Efficiency savings is held here. To date, £10,000 has been allocated for ICT Shared Services with Allerdale.
2. Increased investment interest.
3. Under achieved savings to date for £26,300 for Vacancy Management and £55,200 Salary Turnover.
4. Savings from the tender for the new insurance contract.
5. Budgets are required to allocate the income to match the costs of the Welfare Takeup campaign.

DEVELOPMENT SERVICES**Position as at 30 June 2008**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	7,895,400	(6,686,400)	(1,239,700)	(30,700)
Budget to date	2,187,750	(2,396,118)	(312,828)	(521,196)
Total Actual	2,325,920	(2,833,337)	(313,565)	(820,982)
Variance	138,170	(437,219)	(737)	(299,786)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Business & Employment	1	33,997	(1,070)	32,927
Tourism & City Centre Development	2	19,152	12,507	31,659
Tourist Information Centres	3	36,573	(14,053)	22,520
Conference Group	4	14,856	(849)	14,007
Property Services	5	(27,426)	(44,552)	(71,978)
Industrial Estates	6	6,739	(324,605)	(317,866)
Planning Delivery Grant	7	28,493	(56,946)	(28,453)
Development Control	8	22,035	170	22,205
Miscellaneous variances		3,751	(8,558)	(4,807)
Total Variance to date		138,170	(437,956)	(299,786)

Director's Comments

1. Awaiting funding details for Return To Work project, commenced January 2008 to continue through to June 2010.
2. Additional costs of storage and hire charges, including Nativity figures and Christmas Lights.
- 3 & 4. Budget savings to be achieved.
5. Reduced costs due to under resourced staffing and contributions towards consultancy commission.
6. Additional income from rent reviews and arrears payments.
7. Budgets to be allocated to match anticipated expenditure and income.
8. Overspend on Airport environmental and noise assessment costs.

LEGAL & DEMOCRATIC SERVICES**Position as at 30 June 2008**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	3,963,800	(549,300)	(944,000)	2,470,500
Budget to date	1,066,163	(134,466)	(236,288)	695,409
Total Actual	1,071,904	(135,344)	(239,080)	697,480
Variance	5,741	(878)	(2,792)	2,071

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Land Charges	1	(11,064)	40,731	29,667
Mayor's Charity Account		28,999	(28,999)	0
Miscellaneous variances		(12,194)	(15,402)	(27,596)
Total Variance to date		5,741	(3,670)	2,071

Director's Comments

1. Reduced income from search fees is partly offset by underspent expenses, due to the slow down in the housing market.

PENDIX A5

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PEOPLE, POLICY & PERFORMANCE SERVICES**Position as at 30 June 2008**

	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	3,026,100	(78,600)	(2,223,300)	724,200
Budget to date	751,743	(256,691)	(513,544)	(18,492)
Total Actual	734,766	(263,228)	(514,090)	(42,552)
Variance	(16,977)	(6,537)	(546)	(24,060)

Analysis of Variances

Service	Note	Expenditure Variance £	Income Variance £	Total Variance £
Miscellaneous		(16,977)	(7,083)	(24,060)
Total Variance to date		(16,977)	(7,083)	(24,060)

Director's Comments

There are no major variances to date on which to comment, however the start of some schemes has been delayed and further information is required to allocate budgets to match anticipated income and expenditure.

Potential high risk areas identified in the 2007/08 Outturn report included the Job Evaluation process and ACE2 project and any slippage will be closely monitored.

This table incorporates changes submitted as part of the 2007/08 Backward Looking Annual Efficiency Statement (AES).

AES Group		2004/05 £	2005/06 £	2006/07 £	2007/08 £	Totals £	Comments on 2007/08 Efficiency Measures
	Cashable - Recurring						
1	Capital receipts – income from interest	26,758	64,539	134,666	102,564	328,527	Evidenced for 2004/05, 2005/06, 2006/07 and 2008/09.
	Rationalisation of Depots				0	0	Maintenance Budgets reduced on two depots by £10,000. The proposed Bitts Park Depot Project is not complete therefore costs have been incurred over the revised budget to date and indicate that the objective will not be achieved.
1	Energy Efficiency	0	0	0	0	0	Original Energy consumption reduction proposals not achieved
1	Energy Efficiency - Procurement				10,573	10,573	New "Green " Electricity contract commenced 01/10/07. Tullie House and Civic Centre are not party to this contract due to existing arrangements.
1	Grounds Maint Ind Estates	5,000	0	369	1,504	6,873	Efficiency Maintained
1	Staff Turnover		200,000	25,600	-60,300	165,300	Allowable efficiency (included as a potential only previously).Trend reversed in 2007-08.
1		31,758	264,539	160,635	54,341	511,273	
	Resources transferred from other Business Units to fund Customer Contact Centre frontline staff	33,000	0	-33,000	0	0	One year only
2	Democratic Representation	12,000	0	1,454	-2,227	11,227	Efficiency not Maintained in 2007/08.
2	Restructure				131,888	131,888	Management Restructure savings of £80,000 included in 2007/08 Base budget - Efficiency Rules allow for gross savings before re-distribution.
2	Flexible Working		40,000	-40,000	0	0	One year only
2	Home Working		7,000	-7,000	0	0	One year only
		45,000	47,000	-78,546	129,661	143,115	
3	Telephones	15,000	0	-15,000	0	0	One year only
3	Corporate Supplies & Services Budgets	50,000	0	50,349	-35,289	65,060	Savings generated by Procurement Unit not sustained in 07/08
3	Corporate Supplies & Services Budgets		30,000	0	0	30,000	Included in item above
3	IT Procurement			7,480	10,512	17,992	CPU Currently Procuring new Pc's via Framework Agreement. 4 Year replacement programme 2006-2010
3	Central Mail & Document Image processing			0	0	0	This exercise deferred to 2008/09
3	Telephony/Mobile Phone contract			19,080	0	19,080	Letter forwarded to Management 30-01-2007. Identifying proposed method of budget reduction.
3	Wheelie Bin Procurement for AWC			69,960	0	69,960	CPU Procured 44,000 Bins via Framework Agreement.
		65,000	30,000	131,869	-24,777	202,092	
4	Reduced Overtime Working - Community Services			0	0	0	Proposal did not materialise
4	Rationalisation of Grounds Contract - reduced temporary Staff			0	0	0	Proposal did not materialise
4	Waste Minimisation Contract			0	0	0	Proposal did not materialise
4	Refuse Collection vehicles x 3			8,374	18,800	27,174	Annual Purchase v. lease saving
		0	0	8,374	18,800	27,174	
	Improved productivity in Benefits Assessment. Increased caseload dealt with at reduced cost		110,078	-9,422	-216,703	-116,047	Costs higher so full efficiency not maintained. - Increase in allocation of Central recharges
5	Highways Claimed Rights	40,000		46,840	96,907	183,747	Further budget reductions in 2005/06 and 2006/07 Insurance claims re
5	Council Tax improved collection rates		5,591	-5,591	0	0	Performance not sustained
		40,000	115,669	31,827	-119,796	67,700	
6	Carlisle Leisure Contract	33,364	9,719	27,963	18,660	89,706	Represents the ongoing cost improvement of the contract with CLL for indoor leisure facilities compared with the cost of in-house provision.
		33,364	9,719	27,963	18,660	89,706	
	Cashable totals	215,122	466,927	282,122	76,889	1,041,060	

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		2004/05 £	2005/06 £	2006/07 £	2007/08 £	Totals £	Comments on 2007/08 Efficiency Measures
	Non Cashable						
1	Energy Efficiency			0	2,500	2,500	Invoice procesing costs reduced via electronic billing arrangement
3	Joint IT Arrangements				0	0	Shared Service Arrangement due to be undertaken in 2008/09
	Corporate sickness absence efficiency. Reduction in days taken off sick from 12.87 days in 2004/05		149,800	229,201	24,567	403,568	Supported by BV12 self assessment return. Figues now down to 7.78 days
4	Improved productivity in Benefits Assessment. Increased caseload dealt with at reduced cost		15,345	-131	0	15,214	Costs higher so full efficiency not maintained. - Increase in allocation of Central recharges
5	Additional benefits fraud detection – employment of an additional Fraud Officer which would be self financing through improved detection rates and subsequent income from DWP		47,550	0	-40,308	7,242	Costs higher so full efficiency not maintained. - Increase in allocation of Central recharges
5							
	Non Cashable Totals	0	212,695	229,070	-13,241	428,524	
	Cashable & Non Cashable	215,122	679,622	511,192	63,648	1,469,584	Government Requirement for period ending 2007/08 = £1.4m

AES Group

- 1 Miscellaneous
- 2 Corporate services
- 3 Procurement
- 4 Productive
- 5 Transaction
- 6 Culture & Sport