



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: FINANCE AND RESOURCES

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Date of Meeting: 14 November 2005

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Public

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Key Decision: No

Recorded in Forward Plan:

No

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Inside Policy Framework

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**Title:** BUDGET OVERVIEW AND MONITORING REPORT:  
APRIL TO SEPTEMBER 2005

**Report of:** THE HEAD OF FINANCE

**Report reference:** FS23/05

### Summary:

This report provides an overview of the Council's overall budgetary position for the period April to September 2005, for both Revenue and Capital budgets.

### Recommendations:

The Executive is asked to:

- (i) Note the overall budgetary position for the period April to September 2005, which has been used to support the 2006/07 budget proposals;
- (ii) Note that the Corporate Resources Overview & Scrutiny Committee will consider the report on 6 December 2005.

**Contact Officer:** Jackie Grierson

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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

CITY OF CARLISLE

To: The Executive  
14 November 2005

FS23/05

BUDGET OVERVIEW AND MONITORING REPORT  
APRIL TO SEPTEMBER 2005

**1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Head of Finance 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.

All Managers currently receive monthly budget monitoring reports for 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 any known commitments.

- 1.2 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.3 Where the term 'revised budget' has been used, this denotes the original budget for 2005/06 plus the carry forward requests, and supplementary estimates approved to date.
- 1.4 In accordance with the City Council's Financial Procedure Rules it is the responsibility of Heads of Service to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Head of Finance. They should report on variances within their own areas and as such Business Unit Heads will be able to provide more detailed explanations at the meeting of their particular budget areas if required.

**2. REVENUE BUDGETS**

**2.1 Appendix A – Summary General Fund Revenue Budget 2005/06**

This updates the original budget in the light of known events that have occurred since the Budget was approved in February 2005. The revised budget reflects those carry forward requests and supplementary estimates approved to date.

2.2 **Appendix B – Virements processed for the period April to September 2005**

This details any virements exercised in accordance with the Financial Procedure Rules in the above period

2.3 **Appendix C – Revenue Budget Monitoring Summary: April to September 2005**

The summarised position as at September 2005 is shown below with further details for each Business Unit shown in Appendix C (C1-C13):

	<b>Direct Control</b>	<b>Indirect Control</b>	<b>Total</b>
<b>Annual budget</b>	<b>53,468,700</b>	<b>(36,890,490)</b>	<b>16,578,210</b>
Budget to date	28,534,388	(20,779,396)	7,754,992
Actual	27,610,768	(20,755,476)	6,855,292
<b>Variance as at September 2005</b>	<b>(923,620)</b>	<b>23,920</b>	<b>(899,700)</b>

The main variances can be analysed as follows:

- Additional income
  - Treasury Management (99,100)
  - Premia refund (82,700)
  - Fraud revenue adjustment (50,300)
  - Tourism - Private Sector contributions (11,000)
  - Tullie House (catering/visitor services) (25,700)
  - Council Tax increased costs recovered (37,900)
  - Carlisle South Regeneration income (15,000)
  - Brampton Business Centre – Arts & Crafts (27,700)
  - Income in advance (Fit for Life) (14,000)
  - Shop Mobility donations (14,000)
  - (377,400)**
  
- Unachieved income:
  - Land Charges (net) 23,000
  - Building Control 51,000
  - Development Control 53,600
  - Crematorium 61,100
  - Car Parks 66,800
  - LA agency fees (re capital grants) 33,800
  - 289,300**

- Underspends
    - Carry forwards (CLS) (96,300)
    - Savings
      - SPS Research & consultation agency fees (20,000)
      - Advice & Advocacy team (20,000)
    - Budget profiling
      - MSES (PWS/Occupational Health) (25,500)
      - RBS grant not yet spent (ringfenced) (174,000)
      - Tourism (allocated to Christmas activities) (34,000)
      - Community Sport (work delayed due to staff vacancy) (33,500)
    - Grants not yet awarded
      - Local Plans Environmental grants (21,200)
      - Parish Councils (14,000)
    - Other underspends
      - Housing restructure salaries (due to delay) (63,700)
      - CTS (97,500)
      - Miscellaneous (211,900)
- (811,600)**

2.4 The above variances have been investigated to determine whether there are any potential one off or permanent increases or reductions to base budgets; any identified have been reflected in the budget reports considered elsewhere on the agenda. Current feedback from Business Unit Heads indicates that these budgets will be spent by the year-end. Further updates will be provided in the next quarterly monitoring report.

### 3. CAPITAL BUDGETS

#### 3.1 Appendix D – Summary General Fund Capital Budget 2005/06

This details any approved changes to the Capital programme since the budget was approved in February 2005 including any carry forward requests and supplementary estimates approved to date. Further adjustments totalling £54,840 relating to Recycling (£18,200), Sheepmount matched funding (£25,000) and additional use of the Renewals Reserve (£11,640) have also been included.

#### 3.2 Appendix E – Capital Budget Monitoring Summary: April to September 2005

This statement summarises the Capital Programme as at September 2005. Each scheme has been analysed in an attempt to determine expenditure in 2005/06 and possible slippage into 2006/07. As at September it is estimated that £2,464,200 of the total capital budget of £12,571,206 will slip into next year. The remaining

£10,107,006 has been profiled to reflect likely patterns of expenditure in 2005/06. To date, £2,587,247 has been spent against the profiled budget of £2,986,077.

### 3.3 Appendix F – Capital Resources Monitoring April to September 2005

This shows the Capital Resources statement as at September 2005 and indicates that the level of anticipated receipts to be generated during the year is currently on target.

## 4. GERSHON EFFICIENCY SAVINGS ACTION PLAN MONITORING

4.1 The authority submitted its Annual Efficiency Statements for 2004/05 and 2005/06 on the 15 June and the 15 April 2005 respectively. The figures included in these statements are derived from the detailed Gershon Efficiency Savings Three Year Action Plan which is attached in **Appendix G**. The savings set out in the Plan may be summarised as follows:

	Cashable £	Non Cashable £	Total £	%
2004/05	645,100	0	645,100	40
2005/06	694,300	77,500	771,800	48
2006/07	108,000	40,000	148,000	9
2007/08	35,000	5,000	40,000	2
Total	1,482,400	122,500	1,604,900	100
Limits %	Min 50%	Max 50%	100%	
Planned %	92%	8%	100%	
Target			1,800,000	
Current Shortfall			£195,100	

4.2 The Gershon savings target over the three year period 2005/06 to 2007/08 as set by the ODPM is £1,800,000. Authorities were also permitted to incorporate any efficiency savings they had already achieved in 2004/05. The authority has to provide evidence that it has in fact achieved these efficiency savings to the Audit Commission. The Audit Commission will examine the 2004/05 and 2005/06 actual efficiency savings achieved against the targets as part of its audit of the 2005/06 accounts.

4.3 A 2005/06 Gershon Savings Action Plan has been set up so that the actual savings achieved against this year's target can be monitored and fed into the budget and budget monitoring process where relevant. Actions to achieve the original shortfall of £195,000 and any other shortfalls arising as a result of the original targets not being met (as in paragraph 4.7 below) will also be identified via the budget process

- 4.4 The 2005/06 Annual Efficiency Statement (AES) submitted to the ODPM set out that £694,268 cashable and £77,500 non cashable savings totalling £771,768 would be achieved.
- 4.5 Of the cashable savings target of £694,268, £401,000 is already included in the 2005/06 base budget and was agreed as part of last year's budget process. The additional £293,268 was identified as potential new efficiency savings.
- 4.6 **Appendix H** provides a statement reporting the actual efficiencies projected to be achieved against the targets in the 2005/06 AES. The appendix sets out the actions agreed by the relevant service managers and how they affect and are to be incorporated into the 2006/07 budget process.
- 4.7 Of the £293,268 target cashable savings that are not in the 2005/06 base it is anticipated that £98,268 will be achieved by the year end, leaving a balance of £195,000. Part of this may be achieved from the £150,000 target for 2005/06 arising from the restructure, but temporary staffing arrangements being charged here may reduce this. The amount targeted for 2006/07 is subject to changes which may arise from Stage 2 of the restructure. The remaining £45,000 is made up of £20,000 sickness cost savings and £25,000 Depot Rationalisation savings, which may not be saved in 2005/06 but are anticipated to be saved in future years.
- 4.8 The Three Year Gershon Action Plan will need to be adjusted to set out the delivery of the current shortfall in the table plus any other under achievements likely to occur such as those detailed in paragraph 4.7. Savings for 2005/06 and future years are set out in the Savings Proposals and Income Projections Report (FS26/05) elsewhere on this agenda. That report identifies the need to review which of the further savings presented there could make up the shortfall in the Three Year Gershon statement.

## 5. **CONSULTATION**

### 5.1 Consultation to Date.

CMT/EMG/SFPG have all considered the issues raised in this report.

### 5.2 Consultation proposed.

Corporate Resources Overview & Scrutiny Committee will consider the report on 6 December 2005.

## **6. RECOMMENDATIONS**

The Executive is asked to:

- (i) Note the overall budgetary position for the period April to September 2005, which has been used to support the 2006/07 budget proposals;
- (ii) Note that the Corporate Resources Overview & Scrutiny Committee will consider the report on 6 December 2005.

## **7. REASONS FOR RECOMMENDATIONS**

As stated above.

## **8. IMPLICATIONS**

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

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**CULTURE, LEISURE & SPORT SERVICES**

	<b>Direct Control</b>	<b>Indirect Control</b>	<b>Total</b>
Annual Budget	<b>3,915,200</b>	<b>1,832,660</b>	<b>5,747,860</b>
Budget to date	1,646,783	1,021,791	2,668,574
Actual	<u>1,500,400</u>	<u>1,000,778</u>	<u>2,501,178</u>
<b>Variance as at 30/09/05</b>	<b>(146,383)</b>	<b>(21,013)</b>	<b>(167,396)</b>

**Analysis of Main Variances**

Arboriculture	1	(14,894)	(14,894)
Play Areas	2	(57,048)	(58,114) *
Parks Development	3	(20,340)	(20,340) *
Community Sport	4	(33,518)	(33,518)
Multi Sports area	5	(22,907)	(22,907) *
Fit for Life	6	(14,052)	(14,052)
Tullie House conference & catering income	7	(16,078)	(16,078)
Miscellaneous		32,454	(19,947)
		<u>(146,383)</u>	<u>(21,013)</u>
			<u>(167,396)</u>

**Notes**

1. Work arranged to take place during winter months (not suitable for summery period).
2. The scheme is in the process of being tendered for and should be delivered early in the New Year, for completion by March 2006.
3. Work has been delayed on the play areas due to resources being diverted to flood activities.
4. Due to staffing changes activities will now take place towards the end of the financial year and budgets will be profiled accordingly.
5. This contract has commenced and is due for completion by Christmas.
6. Grant income was received for this project, to be allocated over two years, so a carry forward request will be made at the year end.
7. Additional income has been achieved as a result of the marketing efforts of staff at Tullie House in promoting the venue for conferences and functions.

\* Includes budgets carried forward from 2004/05 but not yet spent.