



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE, GOVERNANCE AND RESOURCES

Date of Meeting: 19 November 2012

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

**Title: REVENUE BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO DECEMBER 2012**

Report of: Director of Resources

Report reference: RD78/12

Summary:

This report provides an overview of the Council's overall budgetary position for the period April to December 2012 for revenue schemes only. The revenue report includes details of balance sheet management issues, high-risk budgets and performance management.

RECOMMENDATIONS:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2012;
- (ii) Note the potential forecast year end position; and
- (iii) Note the action by the Director of Resources to write-off bad debts as detailed in paragraph 9.

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CITY OF CARLISLE

To: The Executive
11 February 2013

RD78/12

REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO DECEMBER 2012

1. BACKGROUND INFORMATION AND OPTIONS

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

2. REVENUE BUDGET OVERVIEW

- 2.1 The following statement shows the total annual revenue budget as at December 2012:

2012/13 Revenue Budget	£
Approved Budget (Council resolution – February 2012)	13,987,100
Carry forward requests (2011/12 out-turn)	357,500
Council Resolution 2012/13	14,344,600
Non-Recurring Expenditure (note 1)	
Transformation Savings (RD35/12)	(218,500)
Transformation Costs (Transformation Reserve)	122,200
Clean up Carlisle	20,000
Updated Budget 2012/13	14,268,300

3. 2012/13 BUDGET MONITORING

3.1 The summarised budgetary position as at December 2012 is shown below:

Directorate / Appendix		Annual Net Budget	Net Budget to date	Net Spend to date	Adjusted Variance
		(£)		(£)	(£)
Chief Executive's Team	A1	150,000	103,702	106,929	3,227
Community Engagement	A2	7,832,100	5,486,881	5,498,549	11,668
Economic Development	A3	1,864,900	1,169,502	1,250,904	81,402
Governance	A4	1,836,900	1,344,299	1,304,561	(39,738)
Local Environment	A5	5,832,200	4,671,052	4,641,795	(29,257)
Resources	A6	(3,247,800)	(2,020,836)	(2,616,974)	(596,138)
Total		14,268,300	10,754,600	10,185,764	(568,836)

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.

3.3 The figures for the Resources directorate in the above table and attached **Appendix A6** include corporate budgets held centrally.

4. KEY ISSUES

4.1 The Salary Turnover Savings budget is a corporate target for the Council and savings from salary budgets across the authority are measured and then transferred to it. The full year target for 2012/13 is £242,500, and transfers of £555,700 have been made against the nine months target of £181,900, giving a surplus to date of £373,800. This is due to a number of vacancies being held pending decisions on Transformation and agreed savings from staffing, some of which may not be fully realised until 2013/14. However, the savings taken to date relate in part to underspends against overtime budgets and if these are excluded the savings from salary turnover are predicted to be £356,600 at the year end with an additional £92,200 expected from overtime.

4.2 The increasing number of empty units at the Enterprise Centre and reduction in income from lettings has a knock-on effect of transferring the liability for the NNDR charges for the workshops to the Council. It is estimated that the additional cost of this and the shortfall from rental income will be approximately £65,000 at outturn.

- 4.3 An independent study and review of the Highways Claimed Rights process highlighted the escalating burden on the City's budget and it was agreed at the Council meeting on 13 November 2012 to end the contract, with responsibility for the function to transfer back to Cumbria County Council from 1st April 2013. However, the implementation of these arrangements will be unable to forestall an overspend at the year end in the region of £350,000 on Highways, and a further £14,000 to be written off in respect of the residual value of stock at the transfer date.
- 4.4 It is likely that savings of £50,000 will be achieved against the budgets set aside for the running of the ICT Connect shared service. However, the introduction of new printing and copying facilities throughout the City Council has resulted in the in house print service no longer being utilised and a shortfall of income of £150,000 is expected in 2012/13. It has been possible to absorb these into the revised ICT budget from 2013/14 onwards.
- 4.5 Information regarding lettings, voids, discounts etc. from the managing agents of the Lanes point to the Council's share being down by approximately £100,000 for 2012/13 due to the continuing effects of the recession. Members will be aware that the Council no longer receives a guaranteed rental income and is now only entitled to a percentage of the gross rents. However, following a re-assessment of the previous year's position the Council received a windfall of £197,600, and it is now expected there will be a year end net surplus on the account.
- 4.6 The purchase of a new fleet of vehicles in 2009/10 for the Recycling & Waste Collection service reduced the required level of vehicle repairs and hire costs, and budgets were reduced accordingly. The changed arrangements continue to provide savings over predictions, and it is expected that £70,000 of non-recurring savings will be achieved in 2012/13.
- 4.7 The review of officers' business travel allowances recommended changes to the criteria for entitlement to Essential User Car Allowance, reduction in the maximum engine size and rate at which mileage expenses are reimbursed, and the ending of the Principal Officers Leased Cars Scheme. It is predicted that in future years' the annual savings from the review will be in the region of £127,100 with savings of £101,400 expected by the end of 2012/13, following implementation of the changes at stages throughout the year.
- 4.8 There will be savings of approximately £160,000 on the pension deficit budget in relation to the shared services staff. This is due to differences between the current service cost and the overall pension deficit, and the recovery methodology adopted by individual authorities.

- 4.9 The Direct Revenue Financing budget is likely to be underspent at the year end but will be required as a carry forward to meet commitments on capital projects in 2013/14, including the Old Town Hall, Clean Up Carlisle, Talkin Tarn and Payment Card Industry Data Security Standard [PCIDSS] compliance.
- 4.10 The Trade Waste VAT claim was submitted to HMRC in January 2011 and there have been on-going discussions on a national basis with requests for additional information requested by HMRC. To date our claim has been rejected, as HMRC deem this to be outside of the 4 year cap period and not subject to an 'open claim'; however the debate will continue and could well involve drawn out court litigation. Therefore it is unlikely that this issue will be resolved soon and the assumed refund of VAT not be received in 2012/13, and the risk is that the claim will not be successful. Further details will be provided as part of the outturn position if additional information is available from HMRC.
- 4.11 Due to the increase in difficult to recover Housing Benefit Overpayment arrears from £939,312 to £1,141,923 up to 31st December 2012, the Bad Debt position is likely to be £100,000 above the current provision by the end of the year.

5. FORECAST OUTTURN POSITION – 2012/13

- 5.1 The Council's financial position is affected by a number of external factors that 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 issues
 - 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 continue to be closely monitored and will be reported fully at outturn. Using these and the key points discussed in paragraph 4, the following provides a broad estimate of the potential year end position.

Potential Additional Costs/Shortfall in Income	Recurring £	Non Recurring £	Total Expected £	Appendix Paragraph
Enterprise Centre lettings & NNDR costs		65,000	65,000	4.2
Development Control - Inquiry costs and fees		31,700	31,700	A3
Bereavement Services income		57,500	57,500	6.8
Highways Maintenance & Claimed Rights		350,000	350,000	4.3
Off Street Parking	50,000	110,000	160,000	6.9

ICT Printing Recharges	150,000	0	150,000	4.4
Investment Income		45,000	45,000	A6
Minimum Revenue Provision		30,000	30,000	A6
Legal Fees for Resource Centre		35,000	35,000	
Lanes Income Shortfall		100,000	100,000	4.5
Tour of Britain 2012		60,200	60,200	A2
NNDR charges	17,100	0	17,100	
Stores Stock transfer value w/o		14,000	14,000	4.3
Bousteads Grassing [Joiners Shop] rent income	10,200	0	10,200	
Total additional costs/income shortfalls	227,300	898,400	1,125,700	
Potential Reduction in costs/Additional income				
CCTV Transmission and Maintenance Costs		(22,600)	(22,600)	A5
Revenues & Benefits including Shared Service		(75,000)	(75,000)	A2
ICT Connect Shared Service		(50,000)	(50,000)	4.4
Transport Repairs & Hire Costs		(70,000)	(70,000)	4.6
Travel Review & Leased Cars	(127,100)	25,700	(101,400)	4.7
Salary Turnover Savings/Pay Award		(356,600)	(356,600)	4.1
Overtime Reductions		(92,200)	(92,200)	4.1
Pension Deficit Funding		(160,000)	(160,000)	4.8
Direct Revenue Financing		(178,300)	(178,300)	4.9
Lanes Income		(197,600)	(197,600)	4.5
City Lighting - Energy and New Lighting Costs		(20,000)	(20,000)	A5
Kingstown Industrial Estate		(10,000)	(10,000)	6.11
Total reduced costs/additional income	(127,100)	(1,206,600)	(1,333,700)	
Net recurring/non recurring (savings)/shortfall	100,200	(308,200)	(208,000)	
Other Year End Implications/Requirements:				
Arts Centre costs		9,000	9,000	
Tullie House - residual transfer costs		17,700	17,700	A2
VAT recovery Claims not paid in 2012/13 (Trade Waste)		250,000	250,000	4.10
Bad Debt Provision increase		100,000	100,000	4.11
Potential c/fwd: Old Town Hall/PCIDSS		178,300	178,300	4.9
Budgeted Transformation Savings (Over)/Not Achieved		(55,100)	(55,100)	
Total requirements/(reductions)		499,900	499,900	
Total Potential (under)/over spends			291,900	

5.3 The overall projected position is a deficit and SMT are working on closing the gap on the potential year end position, and investigating additional measures that can be put in place. These include a moratorium on other than essential spending and taking a rigorous attitude to requests for carry forwards, with only those where the funds are required for the completion of specific projects or where funding is provided by external sources, likely to be recommended for consideration to be rolled forward.

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, recurring and non-recurring bids, approved in the 2012/13 Council Resolution.

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

Budget Area	Annual Budget	Budget to date	Actual to date	Variance	para
	£	£	£	£	
Hostels	(553,100)	(425,385)	(419,984)	5,401	6.3
Building Control	(322,500)	(245,878)	(213,764)	32,114	6.4
Development Control	(525,800)	(416,748)	(458,401)	(41,653)	6.5
Enterprise Centre	(154,100)	(115,616)	(74,569)	41,047	6.6
Land Charges	(150,000)	(116,418)	(118,366)	(1,948)	6.7
Bereavement Services	(1,132,300)	(828,273)	(798,165)	30,108	6.8
Off Street Parking	(1,253,900)	(1,004,356)	(878,671)	125,685	6.9
Bring Sites	(192,200)	(144,170)	(111,319)	32,851	6.10
Garden Waste	(551,300)	(430,074)	(444,679)	(14,605)	6.10
Bulky Waste/Special Collections	(35,000)	(26,255)	(23,641)	2,614	6.10
Plastics & Card	(241,600)	(181,225)	(190,984)	(9,759)	6.10
Green Box Collection	(343,300)	(257,510)	(274,132)	(16,622)	6.10
Industrial Estates	(2,626,000)	(1,975,129)	(1,982,830)	(7,701)	6.11
Lanes	(1,404,000)	(1,053,000)	(1,153,887)	(100,887)	6.12

6.3 Income from the Hostels is showing a slight shortfall of 1.3% against the budget to date.

6.4 The reduced income levels from Building Control fees continue to challenge the service managers and spending is being held at the lowest possible level in an attempt to offset the anticipated budget shortfall, currently running at 13%.

6.5 Development Control charges income continued to decline in recent years with fewer planning applications received due to the economic downturn and the annual budget expectation for 2012/13 was reduced by £135,500. However, the income at the third quarter stage of this year is almost 10% above this new target.

- 6.6 Local small businesses continue to feel the ongoing effects of the recession and this is reflected in the number of empty units at the Enterprise Centre and there is a significant drop in income (36% down on the budget to date) from lettings.
- 6.7 The annual budget for income from Land Charges has been reduced over the past few years to reflect the continuing impact of the economic climate on the housing market. However, income for the first nine months of the year is achieving 1.7% more than the budget.
- 6.8 The income from Bereavement Services fell short of the 2011/12 target by £53,126 and the budget level is increased by £41,200 for 2012/13. Whilst the income achieved for the first three quarters of 2012/13 is improved by almost £62,000 on the previous year there is still potential for a shortfall against the budget target at this year end.
- 6.9 Income generated from car parking has been consistently lower than the level budgeted for a number of years and there were significant changes to the charging strategy following a full review of the car park income during 2011/12. However, there is a shortfall on the forecast for the period April to December 2012 of over 12% and it is difficult to quantify any benefit that may have been realised from the changes introduced in March 2012, against the combined impact of the deepening recession and poor summer weather on the high street and visitor numbers,.
- 6.10 The total income from the various waste recycling services is almost at the expected levels up to the end of the third quarter of 2012/13. However, there is some concern about the credits achieved from Bring Sites as these are falling short of the forecast by more than 22%.
- 6.11 Adjustments for rent recovered to date from sites now sold have helped to offset the full effects of the downturn in the property market. However, there is still potential for a shortfall in Industrial Estates' rental income at the end of the current financial year.
- 6.12 Income from the Lanes was reduced by £276,900 to meet the potential shortfall in income and early indications show that this shortfall is likely to continue. However, the Managing agents of the Lanes have now determined that the 2011/12 final rentals were significantly ahead of expectations, resulting in a windfall of additional income for the Council in this year in respect of last year.

7. S.106 COMMUTED SUMS

- 7.1 At 31st December 2012 balances totalling £1,499,466 are held in respect of Section 106 agreements and other commuted sums, with a further £5,031,585 expected. The expected sums, for the most part, relate to agreements for sites yet to be

developed and include negotiated items that, in view of the terms of the agreement, may not be due until later phases of the development. These sums are to be used for the provision and future maintenance of public open spaces, school buildings, children's play areas, cycleways and transport facilities etc.

7.2 The City Council acts as custodian only for £825,540 of the sums held, in respect of projects for which Cumbria County Council is responsible, including the Caldew Cycleway and Public Realm. Should the County Council not progress these projects, or they remain incomplete before the agreed deadlines, the custodial sums must be repaid, along with a premium for interest, to the Developers. Further details of the balances retained are set out in the table below:

Commuted Sums 2012/2013	Opening Balance & Receipts	Spend	Retained Balance 31/12/12	Expected Sums
	(£)	(£)	(£)	(£)
Affordable Housing Contributions	15,000	0	15,000	254,373
Cycleway & Public Realm	756,000	0	756,000	0
Education	0	0	0	3,500,000
Play Areas & Facilities	287,488	0	287,488	94,500
Public Open Spaces Provision/Maintenance	448,874	77,436	371,438	406,546
Sports Provision/Maintenance	0	0	0	48,584
Transport & Pedestrianisation	69,540	0	69,540	727,582
Total	1,576,902	77,436	1,499,466	5,031,585

8. DIRECTION OF TRAVEL

8.1 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 31/03/2012	Balance at 31/12/2012	Note
Investments	£16.8m	£23.1m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors	£1.36m	£2.22m	(iii)
Creditors	£0.006m	£0.20m	

(i) The anticipated return on these investments is estimated at £431,400 for 2012/13 with current projections anticipated to be slightly below this target.

- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,100 in 2012/13 with costs currently on target. There are no proposals for further borrowing during 2012/13, although the position will need to be kept under review in respect of vehicle purchases.
- (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, NNDR and outstanding claims with Cumbria County Council for Highways Claimed Rights and Civic Centre accommodation charges.
- (iv) Use of reserves
 The usage and level of all Council reserves are set out in the Medium Term Financial Plan (RD 29/12), approved by full Council in September 2012. It is anticipated that £1.3m will be required from the Council's Revenue Reserves to fund revenue expenditure in 2012/13 (including £357,500 of 2011/12 carry forwards). Any under or overspend at the year end will adjust the balance transferred to or from the reserve with £218,500 already returned to revenue reserves, as a result of transformation savings delivered early in 2012/13, approved by Council on 13th November 2012. Council reserves are under significant pressure for 2012/13 and the savings strategy approved in February 2012 will help to resolve the projected deficit. However, further savings must be identified to replenish usable revenue reserves to the minimum required.
- (v) The Council's VAT partial exemption calculation continues to be closely monitored with the figure for the period ending 31st December still being calculated but is likely to be below the 5% limit set by HMRC.

9. BAD DEBT WRITE-OFFS

- 9.1 The Director of Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £125,763.13 have been written off during Quarter 3 to the end of December 2012. A summary of the bad debts is given in Table 1, **Appendix B** of this report and these costs will fall against the following:

	£
General Fund	23,118.11
Council Tax Pool	27,784.45
NNDR Pool	74,860.57
Total Write-offs	125,763.13

9.2 The “write-ons” itemised in Table 2, **Appendix B**, totalling £2,238.98, are in respect of balances originally written off that have since been paid, credit write-offs for Quarter 3 to the end of December 2012. The write-ons will be credited as follows:

	£
General Fund	20.12
Council Tax Pool	1,737.58
NNDR Pool	481.28
Total Write-ons	2,238.98

9.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts (except for PCN's which are accounted for on a cash basis). However VAT, which has been identified separately, will be recouped in future VAT returns. HRA debts and provisions have transferred to the General Fund and any write-off/write-on of Council Tax will fall against the pool provisions within these accounts. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

9.4 At this stage of the year, the level of bad debts is broadly in line with expectations and at this level will be within the scope of the current provisions to fund the bad debts. However, this situation is continuously under review and any major deviations and the write-on and write-off trends compared to previous years will be reported as part of the outturn report.

10. CONSULTATION

10.1 Consultation to Date.

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

10.2 Consultation Proposed

Resources Overview & Scrutiny Panel will consider the report on 21st February 2013.

11. RECOMMENDATIONS

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2012;
- (ii) Note the potential forecast year end position; and
- (iii) Note the action by the Director of Resources to write-off bad debts as detailed in paragraph 9.

12. 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.

13. 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.

14. IMPACT ASSESSMENTS

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	No	N/A
Disability	No	N/A
Race	No	N/A
Gender/ Transgender	No	N/A
Sexual Orientation	No	N/A
Religion or belief	No	N/A
Human Rights	No	N/A
Health inequalities	No	N/A
Rurality	No	N/A

This report provides an overview of the Council's overall budgetary position for the period April to December 2012 for revenue schemes and gives reasons for variances and has no negative impact on the above.

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REVENUE BUDGET MONITORING 2012/13

CHIEF EXECUTIVE'S TEAM	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31st December 2012	£	£	£	£
Annual Budget	1,467,400	(25,100)	(1,292,300)	150,000
Budget to date	1,083,539	(22,200)	(957,637)	103,702
Total Actual	1,089,104	(23,260)	(958,915)	106,929
Adjusted Variance	5,565	(1,060)	(1,278)	3,227

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Policy and Communications	1	17,784	0	1,089	18,874
Miscellaneous	2	(12,219)	(1,060)	(2,367)	(15,646)
Total Variance to date		5,565	(1,060)	(1,278)	3,227

Note	Chief Executive's Comments
1.	Savings to be achieved from subscriptions budget.
2.	Various net minor underspends across the service.

REVENUE BUDGET MONITORING 2012/13

COMMUNITY ENGAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31st December 2012	£	£	£	£
Annual Budget	13,909,000	(4,715,100)	(1,361,800)	7,832,100
Budget to date	10,760,787	(4,252,417)	(1,021,489)	5,486,881
Total Actual	10,880,528	(4,360,644)	(1,021,335)	5,498,549
Adjusted Variance	119,741	(108,227)	154	11,668

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Community Support	1	80,677	(19,435)	0	61,242
Hostels and Homeshares	2	11,591	5,422	0	17,013
Revenues & Benefits Shared Services	3	(71,598)	(10,503)	0	(82,101)
Tullie House	4	76,890	(58,127)	0	18,763
Miscellaneous	5	22,181	(25,584)	154	(3,248)
Total Variance to date		119,741	(108,227)	154	11,668

Note	Community Engagement - Director's Comments
1.	Funding to be identified for spend on Tour of Britain Cycle Race
2.	Overspends due to security services and delays in implementing new staffing structure and charging regime.
3.	Underspends on staffing due to vacant posts and income recovered for court costs.
4.	Overspend on residual transfer costs for energy and legal fees.
5.	Net underspend relates to miscellaneous variances and grant income to be allocated across services.

REVENUE BUDGET MONITORING 2012/13

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31st December 2012	£	£	£	£
Annual Budget	3,769,700	(1,268,900)	(635,900)	1,864,900
Budget to date	2,673,486	(1,026,994)	(476,990)	1,169,502
Total Actual	2,714,567	(986,738)	(476,925)	1,250,904
Adjusted Variance	41,081	40,256	65	81,402

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Building Control	1	(20,908)	31,850	0	10,942
Enterprise Centre	2	(210)	41,047	0	40,837
Carlisle TIC	3	9,916	20,008	0	29,924
Development Control	4	63,897	(40,833)	0	23,063
Miscellaneous	5	(11,615)	(11,815)	65	(23,365)
Total Variance to date		41,081	40,256	65	81,402

Note	Economic Development - Director's Comments
1.	Savings on staff and other costs set aside to alleviate shortfall in fee income
2.	Income shortfall from lettings due to empty units.
3.	Overspend on ticket purchases and income shortfall on sales
4.	Professional fees for inquiries etc: Airport £9,101 and Wind Farms £62,249, surplus valuation fees income.
5.	Net minor underspends and surplus income across the services.

REVENUE BUDGET MONITORING 2012/13

GOVERNANCE	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31st December 2012	£	£	£	£
Annual Budget	3,097,600	(431,700)	(829,000)	1,836,900
Budget to date	2,328,651	(362,511)	(621,841)	1,344,299
Total Actual	2,504,580	(578,281)	(621,738)	1,304,561
Adjusted Variance	175,929	(215,770)	103	(39,738)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Electoral Registration	1	19,198	(714)	(18)	18,466
Committee Services	2	(19,455)	0	19	(19,436)
Miscellaneous	3	176,185	(215,055)	102	(38,768)
Total Variance to date		175,929	(215,770)	103	(39,738)

Note	Governance - Director's Comments
1.	Overspend on postages.
2.	Underspend on printing and photocopying.
3.	Various underspends and income to be allocated across the service

REVENUE BUDGET MONITORING 2012/13

LOCAL ENVIRONMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31st December 2012	£	£	£	£
Annual Budget	18,239,400	(8,447,500)	(3,959,700)	5,832,200
Budget to date	13,971,013	(6,331,725)	(2,968,236)	4,671,052
Total Actual	13,001,033	(5,393,232)	(2,966,007)	4,641,795
Adjusted Variance	(969,980)	938,493	2,229	(29,257)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Bereavement Services	1	(20,859)	32,080	62	11,284
CCTV	2	(23,964)	176	0	(23,788)
Clean Up Carlisle	3	(40,746)	(3,089)	30	(43,805)
LE Management & Administration	4	(35,025)	0	38	(34,987)
Neighbourhoods & Green Spaces	5	(38,424)	6,806	74	(31,545)
Parking	6	(48,457)	145,688	31	97,262
Highways Maintenance	7	(508,023)	697,995	1,872	191,844
Misc Highways & Environment Expenses	8	(34,382)	0	0	(34,382)
City Lighting	9	(43,547)	(24)	0	(43,570)
Recycling & Waste Management	10	(97,415)	(7,004)	67	(104,353)
Miscellaneous	11	(79,138)	65,866	55	(13,217)
Total Variance to date		(969,980)	938,493	2,229	(29,257)

REVENUE BUDGET MONITORING 2012/13

Note	Local Environment - Director's Comments
1.	Savings on staff and other costs set aside to alleviate shortfall in cremation and interment fees income
2.	Transmission and maintenance savings to be rolled forward to fund costs of delay in implementing reduced service
3.	Late start to scheme; underspent budgets to be rolled forward to fund 2 years programme, scheduled for completion in 2014.
4.	Underspends on IT, postages and office supplies, statutory systems training programmed for later in the year.
5.	Underspent grounds maintenance, delayed works for completion by year end, and income shortfall.
6.	Off Street Parking: Savings on management and staffing, (£92,700) taken into Salary Turnover Savings, set aside to offset anticipated contracts and ticket sales shortfall, totalling £125,685 up to the end of December. On Street Parking: (£11,031) net includes administration savings accrued to offset £24,229 income shortfall from PCN's etc. Other Contracts (£31,777) net underspend: (£3,949) Eden DC, (£13,657) William Street (CCC), £5,057 Marks & Spencer Underspend on back office support contract, still to complete, includes (£19,228) PCN income to be paid over to South Lakes
7.	Savings on sub-contractors and other operational expenses offset by income shortfall. The year on year decrease in Claimed Rights budgets and capital projects has put the Highways' Team's ability to achieve the level of income fixed in the budgets at high risk and it has been agreed that this function should transfer to the County Council.
8.	Underspent allocations for Councillors' small scale projects, committed funds to be spent by year end.
9.	Savings on maintenance costs and energy due to efficiencies and reduced lighting levels; to fund residual Highways service.
10.	Savings realised from efficiencies on transport, repairs, hire and fuel costs - repairs expected to increase as vehicle fleet ages.
11.	Various minor underspends more than offset the income shortfalls across the services.

REVENUE BUDGET MONITORING 2012/13

RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 31st December 2012	£	£	£	£
Annual Budget	48,713,500	(45,255,900)	(6,705,400)	(3,247,800)
Budget to date	37,866,189	(34,753,966)	(5,133,059)	(2,020,836)
Total Actual	37,296,305	(34,684,112)	(5,229,166)	(2,616,974)
Adjusted Variance	(569,884)	69,854	(96,107)	(596,138)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
19 Transport	1	(55,194)	272,182	(233,900)	(16,911)
Building Maintenance	2	(2,424)	(4,124)	24,630	18,082
Civic Centre	3	(23,791)	(15,029)	68	(38,753)
Treasury & Debt Management	4	30,004	26,272	0	56,276
Non Distributed Costs	5	(121,666)	0	0	(121,666)
Other Financial Costs	6	(484,257)	20,243	0	(464,014)
ICT Services	7	(213)	(31)	112,691	112,447
The Lanes	8	335	(100,887)	0	(100,552)
Corporate Management	9	44,997	0	0	44,997
Miscellaneous	10	42,325	(128,772)	404	(86,044)
Total Variance to date		(569,884)	69,854	(96,107)	(596,138)

Note	Resources - Director's Comments
1.	Underspend on repairs partly offset by net shortfall on income and recharges
2.	Underspent expenses and recharges shortfall are the result of a behind profile Municipal Maintenance programme.
3.	Includes NNDR refund following revaluation, underspent maintenance and surplus income from sale of electricity.
4.	Overspend on MRP and reduced investment income
5.	Savings on shared service pension costs
6.	Improved savings: Salary Turnover Savings (£373,800), 0% Pay Award (£108,000), and net income shortfall includes £26,600 on Council Tax Discount on Second Homes.
7.	Shortfall in income from ICT Connect printing and copying service, dedicated staff are no longer provided at the facility in Carlisle, consequently printing has been diverted to new printers recently installed throughout the Civic Centre.
8.	Windfall on previous years' income
9.	Overspend on bank and card charges
10.	Various minor overspends and surplus income.

BAD DEBT PROVISION

TABLE 1 Type of Debt	Write-Offs December 2012	
	No.	£
NNDR	15	74,860.57
Council Tax Debtors:	58	27,784.45
Private Tenants		
Housing Benefit Overpayments	3	404.12
General Fund	33	13872.99
Penalty Charge Notices:		
On Street	87	7,909.00
Off Street	11	932
Ex FTA Benefit		
TOTAL	207	125,763.13
TABLE 2 Type of Debt	Write-Ons December 2012	
		£
NNDR	4	481.28
Council Tax Debtors:	17	1,737.58
Private Tenants		
Housing Benefit Overpayments		
General Fund	8	20.12
Ex FTA Benefit		
TOTAL	29	2,238.98