

# REPORT TO EXECUTIVE

## PORFOLIO AREA: GOVERNANCE AND RESOURCES

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Date of Meeting: 30 August 2011

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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: REVENUE BUDGET OVERVIEW AND MONITORING REPORT:  
APRIL TO JUNE 2011

Report of: THE ASSISTANT DIRECTOR [RESOURCES]

Report reference: RD31/11

### Summary:

This report provides an overview of the Council's overall budgetary position for the period April to June 2011 for revenue schemes only. The revenue report includes details of balance sheet management issues, high-risk budgets, performance management, and progress against the Comprehensive Spending Review (CSR) efficiency statement.

### RECOMMENDATIONS:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2011,
- (ii) Note the potential forecast year end position for 2011/12; and
- (iii) Note the planned efficiencies.

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  
30 August 2011

RD31/11

### REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2011

#### **1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Assistant Director [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 Assistant Directors to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Assistant Director [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 June 2011:

<b>2011/12 Revenue Budget</b>	<b>£</b>
Approved Budget (Council resolution – February 2011)	14,214,000
Carry forward requests (2010/11 out-turn)	
<b>Updated Budget 2011/12 at June 2011</b>	<b>14,214,000</b>
Non-Recurring Expenditure (note 1)	
Council Tax Freeze Grant	(167,000)
Transformation Costs (Transformation Reserve)	17,100
<b>Revised Budget 2011/12</b>	<b>14,064,100</b>

- 2.2 Carry Forward requests relating to 2011/12 totalling £1,108,200 were approved by Council on 19<sup>th</sup> July 2011, too late to be incorporated into the figures and tables provided in this report. However, the approved carry forwards are identified separately in **Appendices A1 – A6**. Carry forwards totalling £769,700 required for future years were also approved and these will be incorporated into the MTFP, £646,600 for 2012/13 and £123,100 for 2013/14.

### **3. 2011/12 BUDGET MONITORING**

- 3.1 The summarised budgetary position as at June 2011 is shown below:

<b>Directorate / Appendix</b>		<b>Annual Net Budget</b> <b>(£)</b>	<b>Net Budget to date</b> <b>(£)</b>	<b>Net Spend to date</b> <b>(£)</b>	<b>Adjusted Variance</b> <b>(£)</b>
Chief Executive's Office	A1	991,800	197,045	201,300	4,255
Governance	A2	1,314,800	416,462	391,345	(25,117)
Resources	A3	415,000	6,293,665	6,606,904	313,239
Community Engagement	A4	5,941,300	357,417	532,836	175,419
Economic Development	A5	905,200	259,099	433,195	174,096
Local Environment	A6	4,496,000	1,866,474	1,816,910	(49,564)
<b>Total</b>		<b>14,064,100</b>	<b>9,390,162</b>	<b>9,982,491</b>	<b>592,329</b>

- 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 Assistant Director and a note of any performance issues.

### **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 2011/12 is £537,100 and with transfers of £42,000 made against the three months target of £134,435, as set out in Appendix A3, there is a deficit to date of £92,435. As discussed in the Revenue Budget outturn report for 2010/11, the ability to maintain the expected rate of salary saving is likely to be unsustainable as the salary budgets contract to a post transformation position. The year end shortfall is likely to be in excess of £350,000 and the ongoing budget expectation will need to be addressed as part of the budget process in 2012/13 and continue to be monitored closely in 2011/12.

- 4.2 The Council has budgets totalling £127,100 in 2011/12 for staff recruitment, advertising and relocation costs. In previous years these have been significantly underspent, (£94,300) in 2010/11 and (£84,100) in 2009/10. As a positive knock-on effect of the point discussed in the preceding paragraph 4.1, there is continuing potential for these budgets to be underspent.
- 4.3 It is likely that there will be a shortfall in the rental income received from the Lanes during 2011/12. 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. Information regarding lettings, voids, discounts etc. from the managing agents of the Lanes point to the Council's share of rental income being down by approximately £320,000 for 2011/12 due to the continuing effects of the recession.
- 4.4 The price of fuel continues to spiral due to increased duty and the effects of the "Arab Spring", political unrest in the Middle East and North Africa, increasing over the last year by 15%. The base budget remains at the same level as 2010/11, which was overspent last year by £49,000, and it is estimated that the potential year end overspend in 2011/12 is likely to be £100,000.
- 4.5 It is expected that the continuing shortfall on Development Control fees and increased costs of advertising planning applications and inquiries will result in an income shortfall at the year end in the region of £100,000.
- 4.6 The need to close the John Street Hostel and re-house the clients in other accommodation whilst the facilities are brought up to standard has resulted in increased operational costs and a reduction in income. The effect on ongoing income levels due to any reduction in unit capacity once the centre re-opens and is fully operational has still to be analysed.
- 4.7 A new prioritisation system for Disabled Facilities Grants has been implemented which balances control over the level of expenditure while minimising the risk to clients. The new procedures for the approval of grants and reducing the overall capital expenditure will have a negative impact on the revenue income generated from fees.
- 4.8 The purchase of a new fleet of vehicles in 2009/10 for the Recycling & Waste Collection service reduced the level of vehicle repairs and hire costs. These savings were reviewed as part of the Transformation process and incorporated in the Medium Term Financial Plan and whilst the changed arrangements continue to provide

savings over the predicted level, this is partly offset by overspends on the ageing and inadequate fleet of street cleaning vehicles.

## **5. FORECAST OUTTURN POSITION – 2011/12**

- 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 Council's financial position will continue to be closely monitored and will be reported more fully in the next quarterly report. Using points highlighted in section 4, the following table attempts to provide a very broad estimate of the potential year end position, some of which will feed into the 2012/13 budget process.

Potential Additional Costs/Shortfall in Income	Recurring £	Non Recurring £	Total £	App/Para.
Salary Turnover Savings	350,000		350,000	4.1
Lanes Guaranteed Rent	320,000		320,000	4.3
Transport - Fuel costs	100,000		100,000	4.4
Car Parking Ticket & Contract Income	100,000		100,000	A6
Development Control Fees & costs	100,000		100,000	4.5
MRP - Capital Programme increase		50,000	50,000	A3
Hostel Closure costs		30,000	30,000	4.6
Disabled Facilities Grants Fees	20,000		20,000	4.7
<b>Total additional costs/income shortfalls</b>	<b>990,000</b>	<b>80,000</b>	<b>1,070,000</b>	
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Potential Reduction in costs/Additional income				
Recruitment Advertising Costs	(55,000)		(55,000)	4.2
Investment Income		(50,000)	(50,000)	A3
Transport - Recycling Collection vehicle hire and repairs		(120,000)	(120,000)	4.8
<b>Total reduced costs/additional income</b>	<b>(55,000)</b>	<b>(170,000)</b>	<b>(225,000)</b>	
<hr/>				
<b>Net recurring/non recurring (savings)/shortfall</b>	<b>935,000</b>	<b>(90,000)</b>	<b>845,000</b>	
<b>Total Potential (under)/over spends</b>			<b>845,000</b>	

- 5.3 The overall projected position is negative and some of the positive benefits are non-recurring. It will be important to maintain a prudent approach so as to ensure a sustainable budget position for future years and to avoid any significant variance at the year end.
- 5.4 SMT will investigate temporary measures that can be put in place to mitigate the potential year end overspend position for member consideration in the next cycle of quarterly monitoring reports.

## **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 2011/12 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 £
Land Charges	(112,700)	(30,098)	(39,108)	(9,010)
Lanes	(1,583,200)	(395,800)	(314,400)	81,400
Car Parking	(1,398,000)	(422,699)	(339,814)	82,885
Bereavement Services	(1,091,100)	(260,670)	(261,833)	(1,163)
Development Control	(637,100)	(194,570)	(121,606)	72,964

- 6.3 The annual budget for income from Land Charges was reduced by £251,000 for 2011/12 as a result of the continuing impact of the economic climate on the housing market. However, the income for the first quarter of the year is exceeding the new target by 30%.
- 6.4 Income from the Lanes fell short of the target in 2010/11 due to the number of vacant units and the budget for 2011/12 was reduced by £77,000 to meet the potential shortfall. Early indications show that the continuing shortfall will significantly exceed this reduction (refer to para. 4.3 above).
- 6.5 Income generated from car parking has been consistently lower than the level budgeted for a number of years and for the period April to June 2011 there is a shortfall on the forecast to date of almost 20%. A full review of the car park income is being undertaken, including the impact of reversing the temporary reduction in 2011/12 of £100,000 for the closure of the Viaduct car parks, so as to provide budgets that represent a more realistic target.

- 6.6 The 2011/12 budget set in the MTFP for income from Bereavement Services was reduced in anticipation of a continuing downward trend. Whilst the income target for the first three months of 2011/12 has been achieved, shortfalls against unrealistic winter target levels affect the year end position and these budgets will continue to be closely monitored.
- 6.7 Development Control charges income has continued to decline in recent years with fewer planning applications received due to the economic downturn and the annual budget expectation for 2011/12 was reduced by £46,100. The severity of the decline has been greater than anticipated and there is a shortfall of 37.5% on the downgraded target level for the period to June. A full review of the service costs, particularly the forecast for income levels is outstanding and the position will be closely monitored.

## **7. S.106 COMMUTED SUMS**

- 7.1 The City Council currently holds a balance of £560,649 of commuted sums to be used for the provision and future maintenance of public open spaces and a further £397,695, relating to agreements for sites that have yet to be developed, is expected. In addition, the City Council is acting as custodian for sums totalling more than £785,000 in respect of projects for which Cumbria County Council is responsible, including the Caldew Cycleway and Public Realm. However, should the County Council not progress or the projects remain incomplete before the agreed deadlines these sums must be repaid, along with a premium for interest, to the Developers.

## **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 31/3/11	Balance at 30/06/11	Note
Investments	£20.7m	£24.4m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors	£ 1.79m	£ 3.89m	(iii)
Creditors	£ 0.003m	£ 0.19m	

- (i) The anticipated return on these investments is estimated at £253,900 for 2011/12 with current projections above target.

- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,322,100 in 2011/12 with costs currently on target. There are no proposals for further borrowing during 2011/12, 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, 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 27/10), approved by full Council in September 2010. It is anticipated that £1.4m will be required from the Council's Revenue Reserves to fund revenue expenditure in 2011/12 (including £1,108,200 of 2010/11 carry forwards). Any under or overspend at the year end will adjust the balance transferred to or from the reserve. Council reserves are under significant pressure for 2011/12 and the savings strategy approved in February 2011 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 for the period ending 30<sup>th</sup> June has been calculated at less than 2% which is well below the 5% limit set by HMRC.

## **8.2 Comprehensive Spending Review 2007**

### **Introduction**

As a consequence of the Government spending review published in October 2010 the collection and submission of National Indicator 179 (NI179) has ceased. The requirement to deliver and provide two reports to the Department of Communities and Local government (DCLG) has been superseded by revised arrangements following the 2010 Spending Review.

## **9. CONSULTATION**

### **9.1 Consultation to Date.**

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

### **9.2 Consultation Proposed**

Resources Overview & Scrutiny Panel will consider the report on 25 August 2011.

## **10. RECOMMENDATIONS**

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2011;
- (ii) Note the potential forecast year end position for 2011/12; and
- (iii) Note the planned efficiencies

## **11. 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.

## **12. 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.

## **13. IMPACT ASSESSMENTS**

<b>Equality Impact Screening</b>	<b>Impact Yes/No?</b>	<b>Is the impact positive or negative?</b>
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 June 2011 for revenue schemes and gives reasons for variances and has no negative impact on the above.

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Assistant Director [Resources]

Contact Officer: Maureen McCartney

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## REVENUE BUDGET MONITORING 2011/12

CHIEF EXECUTIVE'S OFFICE		Gross Expenditure	Gross Income	Recharges	Total	Carry Forward: Awaiting Approval	Adjusted Total
Position as at 30 June 2011		£	£	£	£	£	£
Annual Budget		1,105,200	(108,400)	(5,000)	991,800		991,800
Budget to date		209,297	(11,000)	(1,252)	197,045		197,045
Total Actual		212,808	(11,000)	(508)	201,300		201,300
Variance		3,511	0	744	4,255		4,255
Carry Forwards					0	14,000	(14,000)
Adjusted Variance		3,511	0	744	4,255	14,000	(9,745)

± Analysis of Variances

Service	Note	Expenditure Variance	Income Variance	Recharges Variance	Total Variance	Carry Forward: Awaiting Approval	Adjusted Variance
		£	£	£	£	£	£
Organisational Development	1	2,490	0	0	2,490	14,000	(11,510)
Miscellaneous	2	1,021	0	744	1,765	0	1,765
Total Variance to date		3,511	0	744	4,255	14,000	(9,745)

Note	Chief Executive's Comments
1.	There are no significant variances on the budgets to date. This budget was set aside on a 3 years reducing basis: £75,000 in 2010/11, £50,000 for 2011/12 and £25,000 for 2012/13 and the carry forward is to be used to provide support and development for staff in redundancy situations.
2.	Net minor overspend across the service.

## REVENUE BUDGET MONITORING 2011/12

GOVERNANCE		Gross Expenditure	Gross Income	Recharges	Total	Carry Forwards Awaiting Approval	Adjusted Total
Position as at 30 June 2011		£	£	£	£	£	£
Annual Budget		1,831,400	(516,600)	0	1,314,800		1,314,800
Budget to date		641,587	(225,125)	0	416,462		416,462
Total Actual		738,422	(347,077)	0	391,345		391,345
<b>Variance</b>		<b>96,835</b>	<b>(121,952)</b>	<b>0</b>	<b>(25,117)</b>		<b>(25,117)</b>
<b>Carry Forwards</b>					<b>0</b>	32,000	<b>(32,000)</b>
<b>Adjusted Variance</b>		<b>96,835</b>	<b>(121,952)</b>	<b>0</b>	<b>(25,117)</b>	<b>32,000</b>	<b>(57,117)</b>

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Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Total Variance	Carry Forwards Awaiting Approval	Adjusted Variance
Service	Note	£	£	£	£	£	£
Municipal Elections	1	122,509	(113,337)	0	9,172	0	9,172
Town Twinning	2	2,077	0	2,077	4,153	32,000	(27,847)
Land Charges	3	(5,424)	(9,010)	0	(14,434)	0	(14,434)
Miscellaneous	4	(22,327)	395	(2,077)	(24,009)	0	(24,009)
<b>Total Variance to date</b>		<b>96,835</b>	<b>(121,952)</b>	<b>0</b>	<b>(25,117)</b>	<b>32,000</b>	<b>(57,117)</b>

Note	Governance - Assistant Director's Comments
1.	Costs and outstanding government grant relating to the Referendum, budgets to be allocated.
2.	This is a rolling 3 years programme budget and the carry forward will be used to fund the Town Twinning activities agreed at the Annual 3 Way meeting
3.	The annual budgets for highways search costs and income from search fees have been reduced in anticipation of the housing market downturn. These budgets, deemed as high risk, will be closely monitored throughout the year.
4.	Underspends on various items, including costs of printing and Occupational Health.

## REVENUE BUDGET MONITORING 2011/12

RESOURCES	Gross Expenditure	Gross Income	Recharges	Total	Carry Forwards Awaiting Approval	Adjusted Total
Position as at 30 June 2011	£	£	£	£	£	£
Annual Budget	42,804,900	(41,707,500)	(682,400)	415,000		415,000
Budget to date	16,520,034	(10,188,824)	(37,545)	6,293,665		6,293,665
Total Actual	16,735,783	(10,104,906)	(23,973)	6,606,904		6,606,904
<b>Variance</b>	<b>215,749</b>	<b>83,918</b>	<b>13,572</b>	<b>313,239</b>		<b>313,239</b>
<b>Carry Forwards</b>				<b>0</b>	332,200	<b>(332,200)</b>
<b>Adjusted Variance</b>	<b>215,749</b>	<b>83,918</b>	<b>13,572</b>	<b>313,239</b>	<b>332,200</b>	<b>(18,961)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Total Variance	Carry Forwards Awaiting Approval	Adjusted Variance
Service	Note	£	£	£	£	£	£
Bousteads Grassing	1	20,583	(863)	0	19,720		19,720
Garage	2	(12,410)	26,369	0	13,959		13,959
Building Maintenance	3	(3,894)	22,513	0	18,619		18,619
Stores & Stock Account	4	42,615	(40,530)	0	2,085		2,085
Finance Team	5	2,438	1,022	0	3,460	55,000	(51,540)
Direct Revenue Financing	6	0	0	0	0	63,900	(63,900)
Treasury & Debt Management	7	(1,302)	(39,558)	0	(40,860)		(40,860)
Other Financial Costs	8	90,787	(979)	0	89,808	100,000	(10,192)
ICT Services	9	5,395	0	13,572	18,967		18,967
Property Services	10	(16,402)	(1,879)	0	(18,282)	80,700	(98,982)
The Lanes	11	2,178	81,400	0	83,578		83,578
Council Tax Benefit Payments & Subsidies	12	106,822	20,948	0	127,770		127,770
Miscellaneous	13	(21,059)	15,475	0	(5,585)	32,600	(38,185)
<b>Total Variance to date</b>		<b>215,749</b>	<b>83,918</b>	<b>13,572</b>	<b>313,239</b>	<b>332,200</b>	<b>(18,961)</b>

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Note	Resources - Assistant Director's Comments
	<p>1. Overspends on Electricity (to be recoded) and NNDR's full year's charge against which a credit will be recoverable towards the end of the year as the building to be demolished has now been vacated.</p> <p>2. Underspends on vehicle repairs offset by reduced income from charges to all services.</p> <p>3. Due to a shortfall in income from maintenance contract charges to all services.</p> <p>4. Overspend on materials and supplies purchased on stores account, offset by recharges to services for stock issued.</p> <p>5. There are no significant variances on the budgets to date the carry forward is to fund the cost and support for Transformation and Shared Service initiatives.</p> <p>6. Carry forwards include funding for Resource Centre furnishings and to match County funding for a new Plastics and Cardboard recycling vehicle.</p> <p>7. Higher than expected return on investments.</p> <p>8. Shortfall on salary turnover savings budget and it is expected that the current level of budget savings will not be achieved - as discussed in 2010/11 outturn report. The carry forward will deliver the e-government and customer focused improvements to Benefits Service, as set out in the Shared Service Business Case.</p> <p>9. Shortfall on income from printing and copying service.</p> <p>10. Underspend on staff costs, carry forward to assist the delivery of the property portfolio review.</p> <p>11. Income shortfall following reduction in guaranteed rental income due to the recession.</p> <p>12. Overspend on benefit payments will be recouped by subsidy.</p> <p>13. Various underspends and carry forwards including IT investment in the Audit function, Insurance liability and signage at Kingstown IE.</p>

## REVENUE BUDGET MONITORING 2011/12

COMMUNITY ENGAGEMENT	Gross Expenditure	Gross Income	Recharges	Total	Carry Forward: Awaiting Approval	Adjusted Total
Position as at 30 June 2011	£	£	£	£	£	£
Annual Budget	10,503,900	(4,562,600)	0	5,941,300		5,941,300
Budget to date	3,531,326	(3,173,909)	0	357,417		357,417
Total Actual	3,940,354	(3,407,518)	0	532,836		532,836
<b>Variance</b>	<b>409,028</b>	<b>(233,609)</b>	<b>0</b>	<b>175,419</b>		<b>175,419</b>
<b>Carry Forwards</b>				<b>0</b>	224,500	<b>(224,500)</b>
<b>Adjusted Variance</b>	<b>409,028</b>	<b>(233,609)</b>	<b>0</b>	<b>175,419</b>	<b>224,500</b>	<b>(49,081)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Total Variance	Carry Forward: Awaiting Approval	Adjusted Variance
Service	Note	£	£	£	£	£	£
Children & Young People	1	14,973	(6)	0	14,967	17,000	(2,033)
Culture, Leisure & Sport Management	2	68,434	0	0	68,434	61,900	6,534
John Street Hostel	3	4,698	43,302	0	48,000		48,000
Hostel Homeshares	4	(4,028)	(9,439)	0	(13,466)	1,500*	(14,966)
Supporting Vulnerable People	5	59,106	(39,768)	0	19,338	9,300*	10,038
Low Harker Dene Gypsy & Travellers Site	6	16,920	(15,181)	0	1,739	7,500*	(5,761)
Revenues & Benefits Shared Services	7	(13,145)	(79,160)	0	(92,304)	18,000	(110,304)
Tullie House	8	262,538	(105,327)	0	157,211		157,211
Miscellaneous	9	(469)	(28,030)	0	(28,499)	109,300*	(137,799)
<b>Total Variance to date</b>		<b>409,028</b>	<b>(233,609)</b>	<b>0</b>	<b>175,419</b>	<b>224,500</b>	<b>(49,081)</b>

Note	Community Engagement - Assistant Director's Comments
	<ul style="list-style-type: none"> <li>* The figures above and comments below marked with an asterisk denote budgets that <b>include</b> carry forwards that will contribute towards £52,800, Carlisle's element required in 2011/12 of the countywide Housing Condition Survey.</li> <li>1. Overspend on commitments incurred funded by carry forward.</li> <li>2. Overspend on costs of Tullie House transfer to trust status and other arts and culture provision funded by carry forwards.</li> <li>3. Overspend on CCTV equipment and reduced income during closure for refurbishment.</li> <li>4. Underspends on overtime and energy, and increased income from occupancies (high occupancy levels due to recession). Overspend on rent support to homeless clients due to closure of John Street and increased occupancies due to recession also providing an increase in income.</li> <li>5. Budgets to be allocated.</li> <li>6. Savings on costs across the shared services and £18,000 carry forward to cover cost of Discretionary Rate Relief appeals.</li> <li>8. Tullie House transferred to Trust on 5th May 2011 and budget allocations incorporating the changes are outstanding.</li> <li>9. Net additional income across services; various carry forwards include £7,600 Monitoring Officer and £9,000 Spring Event funding, £31,900 Housing Needs Demand Study and £17,500 advertising costs.</li> </ul>

## REVENUE BUDGET MONITORING 2011/12

<b>ECONOMIC DEVELOPMENT</b>		<b>Gross Expenditure</b>	<b>Gross Income</b>	<b>Recharges</b>	<b>Total</b>	<b>Carry Forward Awaiting Approval</b>	<b>Adjusted Total</b>
<b>Position as at 30 June 2011</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Annual Budget		2,290,500	(1,385,300)	0	<b>905,200</b>		<b>905,200</b>
Budget to date		677,603	(418,504)	0	<b>259,099</b>		<b>259,099</b>
Total Actual		779,591	(346,396)	0	<b>433,195</b>		<b>433,195</b>
<b>Variance</b>		<b>101,988</b>	<b>72,108</b>	<b>0</b>	<b>174,096</b>		<b>174,096</b>
<b>Carry Forwards</b>					<b>0</b>	441,700	<b>(441,700)</b>
<b>Adjusted Variance</b>		<b>101,988</b>	<b>72,108</b>	<b>0</b>	<b>174,096</b>	<b>441,700</b>	<b>(267,604)</b>

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<b>Analysis of Variances</b>		<b>Expenditure Variance</b>	<b>Income Variance</b>	<b>Recharges Variance</b>	<b>Total Variance</b>	<b>Carry Forward Awaiting Approval</b>	<b>Adjusted Variance</b>
<b>Service</b>	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Building Control	1	(2,981)	12,859	0	<b>9,878</b>		<b>9,878</b>
Development Control	2	50,491	72,860	0	<b>123,351</b>	37,200	<b>86,151</b>
Conservation	3	12,728	0	0	<b>12,728</b>	34,700	<b>(21,972)</b>
Miscellaneous	4	41,750	(13,611)	0	<b>28,139</b>	369,800	<b>(341,661)</b>
<b>Total Variance to date</b>		<b>101,988</b>	<b>72,108</b>	<b>0</b>	<b>174,096</b>	<b>441,700</b>	<b>(267,604)</b>

Note	Economic Development - Assistant Director's Comments
	<ol style="list-style-type: none"><li>1. Shortfall in inspection, plan deposit and notice fees income. This is a ring fenced account and the level of budget set aside for Building Control operations is to be investigated as part of the budget setting process in 2011/12.</li><li>2. Overspend on Planning Standards Bid expenses funded by carry forward, and costs of advertising planning applications, consultants professional fees (£16,900 Airport, £6,310 Crindledyke, £4,100 Beck Burn Windfarm) and shortfall on fee income.</li><li>3. Overspend on statutory notice costs for posts made redundant under Transformation.</li><li>4. Overspends on commitments incurred awaiting allocation of approved carry forwards, including LABGI projects, Carlisle's Visitor Economy, City Centre Management BID, Regeneration Officer and Logistics Forum &amp; Mentoring commitment.</li></ol>

## REVENUE BUDGET MONITORING 2011/12

LOCAL ENVIRONMENT	Gross Expenditure	Gross Income	Recharges	Total	Carry Forwards Awaiting Approval	Adjusted Total
Position as at 30 June 2011	£	£	£	£	£	£
Annual Budget	14,146,900	(9,650,900)	0	4,496,000		4,496,000
Budget to date	4,301,060	(2,434,586)	0	1,866,474		1,866,474
Total Actual	4,225,680	(2,408,769)	0	1,816,910		1,816,910
Variance	(75,380)	25,817	0	(49,564)		(49,564)
Carry Forwards				0	63,800	(63,800)
Adjusted Variance	(75,380)	25,817	0	(49,564)	63,800	(113,364)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Total Variance	Carry Forwards Awaiting Approval	Adjusted Variance
Service	Note	£	£	£	£	£	£
Management & Administration	1	(6,422)	(233)	0	(6,655)	21,300	(27,955)
Bereavement Services	2	(11,639)	(16,401)	0	(28,040)		(28,040)
ECCP	3	25,961	(2,151)	0	23,810		23,810
Parking	4	(36,074)	106,627	0	70,552		70,552
Highways & Area Maintenance	5	(46,041)	80,957	0	34,916		34,916
Misc. Highways Agency Expenses	6	20,503	(25,572)	0	(5,069)		(5,069)
Highways Claimed Rights	7	23,811	(30,207)	0	(6,396)		(6,396)
Recycling & Waste Collection	8	(9,519)	(48,927)	0	(58,446)	30,000	(88,446)
Miscellaneous	9	(35,960)	(38,275)	0	(74,235)	12,500	(86,735)
<b>Total Variance to date</b>		<b>(75,380)</b>	<b>25,817</b>	<b>0</b>	<b>(49,564)</b>	<b>63,800</b>	<b>(113,364)</b>

## REVENUE BUDGET MONITORING 2011/12

Note	Local Environment - Assistant Director's Comments
20	<p>1. Underspend on IT software and carry forward to be used to procure a management and operations information system.</p> <p>2. Underspends on expenses and income from environmental surcharge credits (£17,750), the latter to be used for the purchase of new cremators. Whilst there are no significant variances on the expected level of fees for burials and cremations etc. at the end of this period, the unrealistic income targets will be addressed as part of the 2012/13 budget process.</p> <p>3. Opening stock of Discover Eden booklets - decision is required as to how this will be managed or how the costs will be recovered.</p> <p>4. Underspends of (£7,400) on traffic signage and (£32,300) administration and cost of patrols, including 5 FTE staff vacancies. Other major variances within the Parking Service include; Off Street Parking: Overspend £21,200 NNDR, £86,100 ticket sales and other income; On Street Parking: (£4,700) net underspend after shortfall from PCN's and other income; Other Contracts: Overspend £7,600 William St tickets etc.</p> <p>5. Underspends on materials, sub contractors and other operational expenses offset by overspend on recharges for highways maintenance works. Sophisticated profiling is required to synchronise budgets with work patterns.</p> <p>6. Budgets to be allocated for ad hoc projects fully funded by Cumbria County Council.</p> <p>7. Overspends on Claimed Rights works and surplus on income to be charged to Cumbria County Council, difficult to profile budgets in line with work schedules.</p> <p>8. Underspend (£15,000) on management and bring site expenses. A report providing proposals on how to deliver expected budget savings of £25,000 on closure of Willowholme depot is to be submitted in 2011/12. Net underspent refuse and recycling collection costs, including (£12,300) and (£22,600) transport repair and hire costs, £29,500 overspend on tipping charges and £19,300 on diesel; and (£44,200) improved income. Carry forwards include £10,000 for replacement wheeled bins and £20,000 to cover additional waste collection costs. Net underspend of £12,600 on Green Box collection includes (£7,000) income.</p> <p>9. Various underspends across the services including equipment, repairs and maintenance. Budgets to be allocated for contributions and grant income for specific projects, including Chances Park.</p>