

CARLISLE CITY COUNCIL

Report to:- Carlisle City Council

Date of Meeting:- 17 July 2012

Agenda Item No:-

Public

Title:- PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

Report of:- DIRECTOR OF RESOURCES

Report reference:- RD11/12

Summary Report:-

This report provides details of the 2011/12 provisional outturn for the General Fund Revenue Services, which was considered by the Executive on 1 June, by the Resources Overview and Scrutiny Panel (ROSP) on 14 June 2012 and the Audit Committee on 12 July 2012.

Recommendation:-

Council is asked to;

- (i) approve the carry forward requests totalling £357,500 as set out in the report;
- (ii) approve the transfer of £250,000 into the Transformation reserve, as detailed in paragraph 4.1.
- (iii) approve the establishment of the Cremator Reserve and transfer into the Reserve of approximately £70,000, as detailed in paragraph 4.2.

Contact Officer: Alison Taylor

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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

REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE, RESOURCES AND GOVERNANCE

Date of Meeting: 1 June 2012

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12
Report of: DIRECTOR OF RESOURCES
Report reference: RD11/12

Summary:

This report summarises the 2011/12 out-turn for the General Fund revenue budget and gives reasons for the variances.

The out-turn position shows that the net underspend for Council Services as at 31 March 2012, once committed expenditure totalling £357,500 is taken into account, is £261,459. In addition, there is a request to transfer £250,000 to the Transformation Reserve, which if approved, would result in a final underspend to the Council in 2011/12 of £11,459.

It should be noted that the information contained in this report is provisional, subject to the formal audit process. The Statement of Accounts for 2011/12 will be presented to the Audit Committee on 12 July, followed by a three-month audit process.

RECOMMENDATIONS:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2012 of £261,459 after committed carry forwards;
- (ii) Note the committed expenditure totalling £357,500 in 2012/13, which has been approved by the Director of Resources under delegated powers, and the release of £357,500 from the General Fund Reserve in 2012/13, for recommendation to Council.

- (iii) Make recommendations to Council to approve the transfer of £250,000 to the Transformation Reserve to part fund ongoing redundancy costs, as detailed in paragraph 4.1, reducing the year end underspend to £11,459.
- (iv) Make recommendations to Council to approve the establishment of the Cremator Reserve, as set out in the Charges Report 2011/12 (CS28/10), as detailed in paragraph 4.2, noting that approximately £70,000 will be transferred to the reserve as part of the year end process.

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CITY OF CARLISLE

To: The Executive
1 June 2012

RD11/12

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 This report shows the provisional outturn position for the General Fund Revenue budgets for 2011/12.
- 1.2 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in **Appendices A1 - A6** as follows:
 - (i) A comparison of the outturn position against the budget
 - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Director.
 - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Director and Portfolio holder, and the Director of Resources.
- 1.3 Members should note that the information contained in this report is provisional and subject to the formal audit process. The formal Statement of Accounts for 2011/12 will be presented to the Audit Committee on 12 July, followed by a three-month audit period. Any significant changes required following the approval of the 2011/12 accounts will, if necessary, be reported to a future Executive meeting.
- 1.4 Please note that throughout this report
 - (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income
 - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels

2. SUMMARY REVENUE OUTTURN 2011/12

2.1 The following table shows the revised 2011/12 budget for the General Fund:

2011/12 Revenue Budget	£
Approved Budget (Council resolution – February 2011)	14,214,000
Carry forward requests (2010/11 out-turn)	1,108,200
Revised Budget 2011/12 at February 2012	15,322,200
Non-Recurring Expenditure	
Council Tax Freeze Grant	(167,000)
Transformation Costs (Transformation Reserve) ^(note 1)	406,500
Tullie House (Routledge Reserve) ^(note 1)	41,900
Housing (EEAC Reserve) ^(note 1)	(1,900)
Revised Budget 2011/12	15,601,700

Note (1): use of earmarked reserves to fund 2011/12 expenditure.

2.2 The provisional out-turn position for the General Fund is summarised below and explanations for the main variances are provided in the appendices. The key issues are highlighted in paragraph 4:

Directorate / Appendix		Annual Net Budget	Total Expenditure	Net Variance as at 31/3/11	Carry Forwards Committed	Adjusted Variance
		(£)	(£)	(£)	(£)	(£)
Chief Executive's Team	A1	1,090,200	1,024,741	(65,459)	0	(65,459)
Community Engagement	A2	6,641,000	6,393,698	(247,302)	22,000	(225,302)
Economic Development	A3	1,699,800	1,666,375	(33,425)	90,200	56,775
Governance	A4	1,292,400	1,208,499	(83,901)	59,000	(24,901)
Local Environment	A5	4,830,000	4,569,452	(260,548)	48,300	(212,248)
Resources	A6	48,300	119,977	71,677	138,000	209,677
Total		15,601,700	14,982,741	(618,959)	357,500	(261,459)

2.3 The above table details the net Council budget. The Council's original gross budget for 2011/12 was £64.5m and although there are many individual variances as detailed by directorates in **Appendices A1 – A6**, the underspend equates to 0.41% of this budget.

3. EXPLANATION OF MAJOR VARIANCES

- 3.1 The provisional outturn position for 2011/12 is an underspend of £261,459 after taking into account carry forward requests of £357,500 as set out in paragraph 6.
- 3.2 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the balances held on some management and support service centres. This reallocation will be completed before the Statement of Accounts is prepared.
- 3.3 Currently included in the Revenue Outturn is £560,700 of Highways Claimed Rights expenditure and £560,700 Highways Claimed Rights income that relates to capital schemes. In accordance with Capital Finance Regulations this expenditure and income should be included in the Council's Capital Programme for Statement of Accounts purposes. There will be no impact on the overall bottom line in the Revenue and Capital Outturn as the expenditure is fully funded, however this needs to be reflected correctly in the accounts.
- 3.4 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Resources Overview and Scrutiny Panel. Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2012/13 budget. Following the identification of a potential year end overspend reported at 30th June 2011, SMT and management introduced a number of emergency measures, including a moratorium on any non-essential spending, designed to avoid an overspend outturn position. Further steps, taken at the year end, include recommendations to not approve carry forwards for uncommitted expenditure and details of some of the actions taken have been provided in the table below. However, some pressures have an ongoing impact which must be addressed during the forthcoming 2013/14 budget process. These include income shortfalls in respect of Highways, crematorium and building control fees.

Movement on Year end outturn position	£
Potential Year End Overspend reported at 30/06/2011	845,000
Actions taken by SMT to reduce Year end overspend:	
Non staffing expenditure reductions	(100,000)
2010/11 Carry Forwards removed	(80,700)
2010/11 Creditor Lists not required	(95,000)
New Homes Bonus	(243,500)
Net other reductions	(7,000)
2011/12 Carry Forwards not approved	(185,500)
2011/12 Carry forward items transferred to Capital	(133,300)
Transfer to Redundancy Reserve	250,000
Other Net savings (see para. 3.5 below)	(261,459)
Net Outturn Underspend after committed Carry Forwards	(11,459)

3.5 Some of the main service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.

Additional Costs/Shortfall in Income	Recurring	Non Recurring	Total	Appendix
	£	£	£	Paragraph
Tullie House stock and transfer costs		34,300	34,300	A2
Enterprise Centre lettings		35,400	35,400	A3
Regeneration Capital projects not going forward		107,600	107,600	A3
Electoral Registration postage		23,200	23,200	A4
Bereavement Services income	52,900		52,900	A5
Highways Maintenance - income shortfall	122,600		122,600	A5
Recycling Bring Sites	30,000		30,000	A5
Bank charges & Core Audit fees		93,900	93,900	A6
Building Maintenance sub-contractors costs		51,800	51,800	A6
Second Homes Council Tax Discount		31,500	31,500	A6
Transport - Fuel costs		30,800	30,800	all
Budget Savings Deficits:				
- Transformation savings unallocated		80,500	80,500	A6

- Procurement Savings		23,500	23,500	A6
- Resource Planning		30,000	30,000	A6
- Service Support Team		32,600	32,600	A6
- Willowholme Depot		25,000	25,000	A5
Total additional costs/income shortfalls	205,500	600,100	805,600	
Reduction in costs/Additional income				
Career development & redundancy support		(29,100)	(29,100)	A1
Hostels & Homeshares rent contributions		(28,600)	(28,600)	A2
Housing Regeneration training and grant income		(30,500)	(30,500)	A2
Revenues & Benefits Shared Services		(99,200)	(99,200)	A2
Sports & Development grant funded projects		(36,900)	(36,900)	A2
LABGI funded projects		(103,000)	(103,000)	A3
Committee Services printing costs		(27,000)	(27,000)	A4
Land Charges		(16,900)	(16,900)	A4
Highways Insurance Claims & Bad Debts provision		(158,400)	(158,400)	A5
Green Spaces Insurance Claims provision		(53,000)	(53,000)	A5
Transformation Savings (Local Environment)		(80,900)	(80,900)	A5
Environmental Protection		(45,000)	(45,000)	A5
Management & Support Services		(18,500)	(18,500)	A5
Recycling & Waste collection income		(20,000)	(20,000)	A5
Civic Centre maintenance and increased lettings		(25,600)	(25,600)	A6
ICT Connect Shared Services		(131,300)	(131,300)	A6
Industrial Estates ground rent		(55,000)	(55,000)	A6
Property Services - Asset Review expenses		(14,100)	(14,100)	A6
Salary Turnover Savings		(70,400)	(70,400)	A6
Other Miscellaneous underspends		(23,659)	(23,659)	
Total reduced costs/additional income	0	(1,067,059)	(1,067,059)	
Net saving to be returned to Reserves	205,500	(466,959)	(261,459)	
Combined Non-Recurring and Recurring Net Saving		(261,459)		

4. KEY ISSUES

- 4.1 There is a balance of £477,895 on the Transformation Earmarked Reserve to fund any future one-off costs associated with the Transformation programme. This is the remainder at 31st March 2012 after providing for redundancy and compensatory payments in 2011/12. It is proposed that this fund should be replenished by

transferring £250,000 from the underspent revenue balance, subject to Council agreement, and details of the Reserve are provided in the table below.

Transformation Reserve	£
Opening Balance	454,041
Transfer from JE Reserve (agreed RD12/11)	430,309
Balance at 1st April 2011	884,350
Spent	(617,255)
Funded from Salary Turnover Savings	210,800
Balance at 31st March 2012	477,895
Transfer in	250,000
Balance to carry forward	727,895

Early estimates are that there will be further call on this reserve in 2012/13. Trend analysis suggests that there is a risk of insufficient redundancy payment provision and the Council is required to make a further £2.5m in service efficiencies over the next four years.

- 4.2 The charges for cremations from 2011/12 included a new environmental surcharge of £50 per cremation, introduced in response to Pollution Prevention and Control regulations designed to reduce mercury emissions by 50%. In 2008, the Council installed new cremators and equipment to filter and remove mercury from combustion gases, this equipment has a life span of approximately 15 years. The monies recovered via the Environmental Surcharge have been set aside for the future upgrade or replacement of the existing cremators and mercury abatement plant and it is proposed that, subject to Executive and Council approval;
- (i) this be transferred and used to establish the Cremator Reserve, earmarked to be used for the replacement and upgrade of the equipment as required,
 - (ii) that the management of the Reserve rests with the Director of Local Environment, and
 - (iii) that approval to release funds from the Reserve can only be given by the Executive.
- 4.3 A main objective in the Business Plan for Talkin Tarn Country Park, Report CS.07/07 approved by the Executive on 22nd January 2007, was that it should generate sufficient income so as to cover the costs of maintaining the facilities to a high standard and not, because of these, become a greater financial burden on the City Council's taxpayers. Operating as a discrete business unit, any surpluses to be retained and used to improve the park's services and facilities, particularly those

generated from car parking charges. From 2007/08 any surpluses generated from income within each year have been accrued and at this year end a balance of £109,700 has been rolled forward. Up to £95,000 of this has already been committed for use on the resurfacing and other capital improvements to the parking facilities. As part of the MTFP process in 2012/13 it will be proposed that the Talkin Tarn Reserve be established and any unused balance is transferred to this Reserve.

5. RECESSION PLANNING

- 5.1 As advised to members on 19 December 2011 and 7 February 2012 the recession has continued to cause significant income shortfalls in bereavement services, development and building control, parking and the Lanes. Also, inflation and other factors have led to higher fuel and energy prices. In anticipation of these pressures some budgets were again adjusted during 2011/12 to reflect revised spending and income trends (RD70/11).

The Council's bad debt provision has been increased in respect of housing benefit overpayments and penalty charge notices but reduced for sundry debtors, and this has been allocated directly to the services. Further details can be found in report RD13/12 elsewhere on the agenda.

6. CARRY FORWARD REQUESTS

- 6.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Director of Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Director of Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Director of Resources will*

report the extent of overspending carried forward to the Executive, Resources Overview and Scrutiny Panel and to the Council.

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

6.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix B**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Director of Resources, who is satisfied that budgets of £357,500 should be carried forward to 2012/13. Although some Directorates have expended in excess of their budgets, or have suffered reduced income as detailed in the individual appendices, once the committed expenditure is taken into account there is an overall underspend across the whole authority. These amounts have therefore been included in the carry forward. The relevant Director will be able to give further details of carry forward requests if required at the meeting.

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

	2011/12 provisional £	2010/11 £	2009/10 £	2008/09 £	2007/08 £
Variance at 31 March	(618,959)	(2,004,397)	(2,367,534)	(3,577,380)	(367,808)
Carry forward requests	357,500	1,758,700	1,552,000	1,005,600	787,100
Final variance less in year budget initiatives	(261,459)	(245,697)	(815,534)	(2,571,780)	419,292
Service Expenditure variance				<u>(2,326,192)</u> (245,588)	
Percentage variance on service expenditure of original gross budget	(0.41)%	(0.36)%	(1.23)%	(0.37)%	0.68%

7. BALANCE SHEET

7.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2012 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 12 July, followed by a three month process.

- 7.2 The VAT partial exemption calculation continues to be monitored and has still to be finalised for 2011/12.
- 7.3 The 2011/12 Collection Fund projected surplus has increased from £327,959 (Council share £43,302) to £443,395 (Council Share £58,513). The Council Tax and NNDR Provisional outturn report provides further details and is considered elsewhere on the agenda (RD13/12).
- 7.4 At 31st March 2012 balances totalling £1,446,309 are held in respect of Section 106 agreements and other commuted sums, with a further £617,594 expected, relating to agreements for sites yet to be developed. These sums are to be used for the provision and future maintenance of public open spaces, children's play areas, cycleways and transport facilities etc. The City Council acts as custodian only for £769,750 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 2011/2012	Opening Balance & Receipts	Spend	Retained Balance 31/03/12	Expected Sums
	(£)	(£)	(£)	(£)
Affordable Housing Contributions	15,000	0	15,000	31,000
Cycleway & Public Realm	740,000	0	740,000	0
Play Areas & Facilities	292,043	4,555	287,488	269,576
Public Open Spaces Provision/Maintenance	465,550	91,478	374,072	105,249
Sports Provision/Maintenance	0	0	0	48,584
Transport & Pedestrianisation	63,250	33,500	29,750	162,665
Total	1,575,843	129,533	1,446,309	617,074

- 7.5 The level of Council reserves was approved by Council in February 2012 and showed that there was significant pressure on reserves from 2012/13 onwards. Due to the level of underspend identified within this report after all carry forward requests are approved, approximately £11,500 will be returned to the General Fund Reserve. This will replenish the usable revenue balances by 31 March 2017 to the minimum

required. However, there will still be a projected shortfall against this minimum reserve from 2012/13 to 2016/17.

- 7.6 In accordance with revised Capital Finance Regulations, costs associated with asset disposal totalling £17,221 that are included in the revenue outturn, can be funded from the capital receipt generated. This will result in an increase to revenue balances at 31st March 2012.

	31/03/2012 £'000s	31/03/2013 £'000s	31/03/2014 £'000s	31/03/2015 £'000s	31/03/2016 £'000s	31/03/2017 £'000s
Prudent Level of Reserves	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)
Council Resolution General Fund Reserve	(2,218)	(1,385)	(1,225)	(1,573)	(2,480)	(2,600)
Underspend position returned to Reserves	(619)	0	0	0	0	0
Transfer to earmarked reserve ^(note1)	250	0	0	0	0	0
Committed Carry Forwards	0	358	0	0	0	0
Revised Reserves Balance	(2,587)	(1,396)	(1,236)	(1,584)	(2,491)	(2,611)

Note (1): Transfer to Transformation Reserve subject to approval.

8. CONSULTATION

8.1 Consultation to Date.

Portfolio Holders and SMT have considered the issues raised in this report.

8.2 Consultation Proposed

Resources Overview & Scrutiny Panel will consider the report on 14 June 2012.

9. RECOMMENDATIONS

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2012 of £261,459 after committed carry forwards;
- (ii) Note the committed expenditure totalling £357,500 to be met in 2012/13 which has been approved by the Director of Resources under delegated powers, and the release of £357,500 from the General Fund Reserve in 2012/13, for recommendation to Council.
- (iii) Make recommendations to Council to approve the transfer of £250,000 to the Transformation Reserve to part fund the ongoing redundancy costs, as detailed in paragraph 4.1, reducing the year end underspend to £11,459.
- (iv) Make recommendations to Council to approve the establishment of the Cremator Reserve, as set out in the Charges Report 2011/12 (CS28/10), as

detailed in paragraph 4.2, noting that approximately £70,000 will be transferred to the reserve as part of the year end process.

10. REASONS FOR RECOMMENDATIONS

As stated above.

11. IMPLICATIONS

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

12. IMPACT ASSESSMENTS

Equality Impact Screening	Impact Yes/No?	Impact positive/ 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 summarises the 2011/12 provisional outturn for the General Fund revenue budget and gives reasons for variances and has no negative impact on the above.

PETER MASON
Director of Resources

Contact Officer: Maureen McCartney

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PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

CHIEF EXECUTIVE'S TEAM	Gross Expenditure	Gross Income	Recharges	Carry Forward (Committed)	Adjusted Total
Position as at 31st March 2012	£	£	£	£	£
Annual Budget	1,213,400	(20,800)	(102,400)		1,090,200
Budget to date	1,213,400	(20,800)	(102,400)		1,090,200
Total Actual	1,149,419	(22,610)	(102,068)		1,024,741
Variance	(63,981)	(1,810)	332		(65,459)
Carry Forwards					0
Adjusted Variance	(63,981)	(1,810)	332	0	(65,459)

Analysis of Variances		Expenditure Variance	Income Variance	Total Variance	Carry Forward (Committed)	Adjusted Variance
Service	Note	£	£	£	£	£
Communications Unit	1	(13,165)	(1,134)	(14,298)		(14,298)
Emergency Planning	2	(10,384)	0	(10,384)		(10,384)
Organisational Development	3	(29,135)	(1,821)	(30,956)		(30,956)
Miscellaneous	4	(11,297)	1,476	(9,821)	0	(9,821)
Total Variance to date		(63,981)	(1,478)	(65,459)	0	(65,459)

Note	Chief Executive's Comments
1.	Underspends on publicity and printing including Carlisle Focus.
2.	Underspent civil contingencies.
3.	Underspends on training, and funds set aside for career development and redundancy support.
4.	Various net underspends across the service including printing, publicity and events.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

COMMUNITY ENGAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forward (Committed)	Adjusted Total
Position as at 31st March 2012	£	£	£	£	£
Annual Budget	11,602,700	(4,961,700)	0		6,641,000
Budget to date	11,602,700	(4,961,700)	0		6,641,000
Total Actual	11,455,236	(5,061,538)	0		6,393,698
Variance	(147,464)	(99,838)	0		(247,302)
Carry Forwards				22,000	22,000
Adjusted Variance	(147,464)	(99,838)	0	22,000	(225,302)

Analysis of Variances		Expenditure Variance	Income Variance	Total Variance	Carry Forward (Committed)	Adjusted Variance
Service	Note	£	£	£	£	£
Sports and Outdoor Recreation	1	(131,486)	94,585	(36,900)		(36,900)
Hostels & Homeshares	2	18,598	(47,214)	(28,616)	12,000	(16,616)
Housing Regeneration	3	(15,900)	(14,631)	(30,531)		(30,531)
Revenues & Benefits Shared Services	4	(120,166)	20,941	(99,225)		(99,225)
Tullie House	5	189,236	(154,969)	34,266		34,266
Miscellaneous	6	(87,746)	1,450	(86,295)	10,000	(76,295)
Total Variance to date		(147,464)	(99,838)	(247,302)	22,000	(225,302)

Note	Community Engagement - Director's Comments
1.	Underspends on budgets provided for schemes funded by grant income in advance rolled forward.
2.	Net surplus includes additional income following price increases.
3.	Underspends on training and additional grant income.
4.	Underspends on budgets set aside for costs attributed to Carlisle's share of the service and provisions for prior years' costs.
5.	Tullie House transferred to Trust on 5th May 2011 and the deficit position is in part due to transfer of stock arrangements.
6.	Miscellaneous savings across services, £10,000 is to be carried forward for the Fireshow deposit.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forward (Committed)	Adjusted Total
Position as at 31st March 2012	£	£	£	£	£
Annual Budget	2,852,100	(1,152,300)	0		1,699,800
Budget to date	2,852,100	(1,152,300)	0		1,699,800
Total Actual	2,790,873	(1,124,499)	0		1,666,375
Variance	(61,227)	27,801	0		(33,425)
Carry Forwards				90,200	90,200
Adjusted Variance	(61,227)	27,801	0	90,200	56,775

Analysis of Variances		Expenditure Variance	Income Variance	Total Variance	Carry Forward (Committed)	Adjusted Variance
Service	Note	£	£	£	£	£
Enterprise Centre	1	6,056	35,364	41,420		41,420
Tourism	2	(29,168)	1	(29,167)	33,400	4,233
LABGI	3	(61,431)	(9,101)	(70,532)	3,100	(67,432)
City Centre BID	4	(36,123)	0	(36,123)	36,100	(23)
Regeneration Projects	5	72,105	0	72,105		72,105
Miscellaneous	6	(12,666)	1,537	(11,129)	17,600	6,471
Total Variance to date		(61,227)	27,801	(33,425)	90,200	56,775

Note	Economic Development - Director's Comments
1.	Overspends on premises maintenance and repairs, and income shortfall from lettings.
2.	Underspend on e-marketing communications to be carried forward.
3.	Underspent projects to be considered as capital spends in next year, carry forward is to part fund an Intensive Start Up Support
4.	Underspent Business Improvement District support funds, to be carried forward.
5.	Underspent projects, however expenditure includes £107,669 relating to spend on capital projects that will not go forward.
6.	Underspends to be carried forward for committed costs: £3,200 Historic Buildings grants and £14,400 Economic Potential Study.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

GOVERNANCE	Gross Expenditure	Gross Income	Recharges	Carry Forward (Committed)	Adjusted Total
Position as at 31st March 2012	£	£	£	£	£
Annual Budget	1,994,300	(701,900)	0		1,292,400
Budget to date	1,994,300	(701,900)	0		1,292,400
Total Actual	1,943,532	(735,033)	0		1,208,499
Variance	(50,768)	(33,133)	0		(83,901)
Carry Forwards				59,000	59,000
Adjusted Variance	(50,768)	(33,133)	0	59,000	(24,901)

Analysis of Variances		Expenditure Variance	Income Variance	Total Variance	Carry Forward (Committed)	Adjusted Variance
Service	Note	£	£	£	£	£
Electoral Registration	1	23,160	(754)	22,407	43,000	22,407
Town Twinning	2	(43,014)	(191)	(43,204)		(204)
Land Charges	3	(5,361)	(11,530)	(16,892)		(16,892)
Committee Services	4	(26,933)	0	(26,933)		(26,933)
Miscellaneous	5	1,380	(20,659)	(19,279)	16,000	(3,279)
Total Variance to date		(50,768)	(33,133)	(83,901)	59,000	(24,901)

Note	Governance - Director's Comments
1.	Overspent on postage costs.
2.	This is a rolling 3 years programme budget and will be used to fund the Council's Town Twinning activities agreed at the Annual 3 Way meeting.
3.	The annual budgets for highways search costs and income from search fees were reduced by £251,000 in anticipation of the housing market downturn. The income budgets in particular, deemed as high risk, exceeded this reduced budget level and in anticipation of a year end surplus were increased by £29,500. However, the surplus is greater than expected.
4.	Saving on printing and copying costs due to a reduction in the volume of committee papers required. Alternative methods of providing the information is to be considered, in anticipation of this position continuing into the next financial year.
5.	Net savings due to surplus income, carry forwards are for Licensing advertising (£3,000) and costs associated with maternity cover (£13,000).

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

LOCAL ENVIRONMENT	Gross Expenditure	Gross Income	Recharges	Carry Forward (Committed)	Adjusted Total
Position as at 31st March 2012	£	£	£	£	£
Annual Budget	14,735,700	(9,903,200)	(2,500)		4,830,000
Budget to date	14,735,700	(9,903,200)	(2,500)		4,830,000
Total Actual	13,836,220	(9,255,204)	(11,564)		4,569,452
Variance	(899,480)	647,996	(9,064)		(260,548)
Carry Forwards				48,300	48,300
Adjusted Variance	(899,480)	647,996	(9,064)	48,300	(212,248)

Analysis of Variances		Expenditure Variance	Income Variance	Total Variance	Carry Forward (Committed)	Adjusted Variance
Service	Note	£	£	£	£	£
Management & Administration	1	(40,834)	(243)	(41,077)	22,600	(18,477)
Bereavement Services	2	(17,411)	52,858	35,447		35,447
Environmental Protection	3	(35,111)	(9,877)	(44,989)		(44,989)
Grounds Maintenance	4	(29,331)	19,265	(10,066)		(10,066)
Green Spaces Site Management	5	(60,570)	7,569	(53,000)		(53,000)
Parking	6	(26,340)	34,235	7,894	4,000	11,894
Highways & Area Maintenance	7	(131,542)	254,098	122,556		122,556
Highways Claimed Rights	8	(525,853)	320,339	(205,513)		(205,513)
Small Scale Community Projects	9	(19,001)	0	(19,001)	10,800	(8,201)
Recycling & Waste Management	10	31,900	23,093	54,994		54,994
Miscellaneous	11	(45,387)	(62,406)	(107,793)	10,900	(96,893)
Total Variance to date		(899,480)	638,932	(260,548)	48,300	(212,248)

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

Note	Local Environment - Director's Comments
20	<ol style="list-style-type: none"> 1. Underspent IT software purchases, publicity and equipment. £22,600 carry forward is committed for the acquisition costs of a database. 2. Shortfall on expected level of fees from cremations. Income target levels, particularly for the winter season, are to be addressed in the coming budget process. 3. Savings on sample analysis, IT software and printing costs and inspection fees surplus income. 4. Underspends on materials partly offset by income shortfall. 5. Reduced insurance excesses and motor insurance claims. Chances Park underspend is offset by corresponding shortfall in level of contributions. 6. Off Street Parking: Income budgets were reduced by £270,000 in anticipation of year end shortfall, however there is a surplus against the revised level for ticket sales etc. of (£27,929). Administration net savings (£20,399) includes traffic signage (£29,400) and £11,547 service study cost. On Street Parking: (£2,810) net includes (£45,032) administration savings, £11,155 shortfall from PCN's etc. and £31,066 bad debt provision. Other Parking Contracts: Net shortfall £41,962 Eden DC, £11,343 William Street (CCC) and £5,727 Marks & Spencer. 7. Savings on sub-contractors and other operational expenses offset by shortfall on income and recharges for highways maintenance works. The year on year decrease in budgets for Claimed Rights and capital projects has put unexpected pressure on the Highways' Team's ability to achieve the level of income fixed in the budgets. The use of sub contractors for schemes and consequent reduction in ability to recover overhead expenses is also being investigated. 8. Reduced provisions for insurance excesses, claims and bad debts. Underspent capital projects, lighting and road repairs etc. offset by corresponding reduced income levels on claims submitted to Cumbria County Council. 9. Underspends on Ward schemes with committed costs to be carried forward. 10. Overspent Bring Sites' charges and income shortfall, and budget savings of £25,000 taken in advance of relocation from Willowholme Depot. 11. Various savings and surplus income across the services. £10,900 carry forward of Transformation savings is committed to redundancies arising from the re-structuring of the directorate.

PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12

RESOURCES	Gross Expenditure	Gross Income	Recharges	Carry Forward (Committed)	Adjusted Total
Position as at 31st March 2012	£	£	£	£	£
Annual Budget	45,773,100	(44,965,800)	(759,000)		48,300
Budget to date	45,773,100	(44,965,800)	(759,000)		48,300
Total Actual	46,040,160	(45,307,476)	(612,707)		119,977
Variance	267,060	(341,676)	146,293		71,677
Carry Forwards				138,000	138,000
Adjusted Variance	267,060	(341,676)	146,293	138,000	209,677

Analysis of Variances		Expenditure Variance	Income Variance	Total Variance	Carry Forward (Committed)	Adjusted Variance
Service	Note	£	£	£	£	£
Resource Planning	1	(454)	30,000	29,546		29,546
Building Maintenance	2	190,171	(138,399)	51,772		51,772
Stores & Stock Account	3	177,264	(174,249)	3,015		3,015
Civic Centre	4	(16,978)	(8,590)	(25,568)		(25,568)
Direct Revenue Financing	5	(26,722)	0	(26,722)	20,000	(6,722)
Other Financial Costs	6	153,151	21,127	174,278		174,278
ICT Services	7	(206,293)	74,981	(131,312)		(131,312)
Property Services	8	(124,187)	80	(124,108)	110,000	(14,108)
Industrial Estates	9	2,212	(58,238)	(56,025)	1,000	(55,025)
Corporate Management	10	93,896	0	93,896		93,896
Council Tax Benefit Payments & Subsidies	11	(59,173)	12,977	(46,196)		(46,196)
Benefit Payments & Subsidies	12	75,699	(1,475)	74,224		74,224
Service Support Team	13	36,284	(3,711)	32,573		32,573
Miscellaneous	14	(27,810)	50,115	22,305	7,000	29,305

Total Variance to date		267,060	(195,383)	71,677	138,000	209,677
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Note	Resources - Director's Comments
22	<ol style="list-style-type: none"> 1. Net savings deficit against £30,000 service target. 2. Overspend on sub contractors, partly offset by surplus on maintenance recharges. 3. Opening balance and excess on materials and supplies purchased on stores account, offset by levels of stock issued to services. 4. Underspends on maintenance and surplus income includes charge for Passport Service facilities. 5. Carry forward to fund purchase of new mechanical sweeper to be delivered in 2012/13. 6. Net identified budget deficit £216,300, £62,200 unrequired creditors b/fwd savings shortfall, £23,500 unidentified procurement savings, (£80,900) Transformation savings balance set aside by Local Environment, (£70,400) improved Salary Turnover Savings. Income shortfall includes £31,500 Council Tax 2nd Homes discount. 7. Savings on contract payments and shortfall on 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. Underspend on Asset Review fees due to timing of land and property sales. 9. Improvement on rental income, particularly Kingstown IE (£42,270) and Parkhouse (£13,915). 10. Excess bank charges and Core Audit fees relating to the Airport Review, partly offset by savings on Council Tax leaflet production. 11. Reduced benefit payments and income. 12. Increase in both benefit payments and income from subsidies. 13. Net savings deficit against £50,000 service target. 14. Various minor savings and shortfalls in income.

REVENUE CARRY FORWARD REQUESTS 2011/12		Requests			Total £
Directorate/Section	Description	SMT Approved £	SMT Not Approved £	Transfer to Capital £	
<u>Community Engagement</u>					
Fireshow	The cost of the fireshow (£63,000) is split over 2 financial years. A deposit has not been paid this year as tender process is still ongoing and has not been awarded yet.	10,000	0	0	10,000
Hostel Income	Direct result of additional income generated following review of charges approved by Executive Aug 2011. Proposed to use underspend to commission a Third Sector organisation to deliver an integrated programme of training, advice & support linked to Welfare Reform and money advice.	12,000	0	0	12,000
Sands	To accommodate possible contracts with consultants in 2012/13. Profile/media coverage has increased during recent period.		15,900		15,900
Hostel Income	Direct result of additional income generated following review of charges approved by Executive Aug 2011. To be used for essential maintenance work at 11 & 13 John Street		5,800		5,800
Community Safety (CDRP)	To increase capacity to deliver project work around delivering 'safe and healthy' streets due to reduced budget in 2012/13 through Transformation savings.		11,800		11,800
Housing Regeneration	Training to support restructure through Transformation for the administration of Disabled Facilities Grants		9,000	0	9,000
		22,000	42,500	0	64,500
<u>Economic Development</u>					
Business Support & Development	As part of developing the principles for growing the city a study has been commissioned to determine the economic potential. Whilst commissioned in 2011/12 the final report will be published during 2012/13.	14,400			14,400
E Marketing	The City Council is committed to further developing the visitor economy and wider promotion of Carlisle as a place to invest, carry out business and create employment; and in conjunction with Carlisle Economic Partnership is looking to further develop the Discover Carlisle brand and associated website and subsequent emarketing opportunities to achieve this. Funding to be used for specialist input and support through creation of a temporary post of Brand Development Officer. (spend to save)	23,400			23,400
Tourism	To support the ongoing development of the Discover Carlisle Brand enabling a resource (over and above a temporary post) for further web development, e-mail and other marketing collateral, all of which would help commercialise the brand/website (spend to save).	10,000			10,000
Historic Building Grants	Historic Buildings Grants operate on a rolling programme with Grants committed for a period of 2 years. Grants have been awarded and are committed to projects totalling £3,155.	3,200			3,200
Business Start Ups	The City Council is committed to supporting the creation of small businesses and especially providing match funding for Intensive Start Up Support (ISUS) project as partly funded by ERDF and due to commence May 2012.	3,100			3,100
City Centre BID	The City Council is committed to resourcing the preparation of a Business Improvement District for the City Centre and to support the process leading up to the BID ballot in July 2012, including the ongoing commitment to a retained BID consultant and BID Promotion Officer through to the end of July; and costs of ballot, publicity and promotion such as newsletters and production of Business Plan.	36,100			36,100

REVENUE CARRY FORWARD REQUESTS 2011/12		Requests			Total £
Directorate/Section	Description	SMT Approved £	SMT Not Approved £	Transfer to Capital £	
Employment Projects (Skills Development) (see NOTE below)	LABGI Funding to be spent within a period up to 31.03.14. To support the City Council's ongoing commitment to projects and programmes that develop employability and training needs of the district's workforce. There were no worthwhile projects in 2011/12 and it is planned to bring forward projects in 2012/13 and 2013/14.		24,000		24,000
Old Town Hall	Project development and decision on grant funding bid (from English Heritage) meant that expenditure was not as predicted. This money is match funding as part of an overall package of funding made up of English Heritage grants (PSICA and HBMDL) totalling £255,000.			37,700	37,700
Regeneration projects	The City Council is committed to the regeneration & development of its property and economic development assets. A regeneration officer post was created in 2011/12 and limited to 0.6fte. It is clear however that because of the increasing range and depth of work this post will either need to increase to 1fte or extend into 2013/14.			35,600	35,600
		90,200	24,000	73,300	187,500
Governance					
Town Twinning	Rolling 3 years programme to fund the Council's Town Twinning activities	43,000			43,000
Licensing	Advertising of all current taxi ranks, consultation and preparation of the necessary Traffic Regulation Orders to make them all legal taxi stands required under the Local Government (Miscellaneous Provisions) Act 1976.	3,000			3,000
Legal	A resource for additional demands on Legal due to maternity leave.	13,000			13,000
Legal	To provide funding for the appointment of external investigators to support the Monitoring Officer in the investigation of Code of Conduct complaints.		8,000		8,000
		59,000	8,000	0	67,000
Local Environment					
Database	This project was delayed as a result of gaining stakeholder buy-in. Initial consultation days from Civica have been commissioned.	22,600			22,600
Car Park Marketing	New car parking charges were introduced for 2012/13 with the aim of encouraging more use of our car parks. This funding was allocated to help publicise the new charges. It was not possible to arrange the publicity until April & May 2012 and therefore a carry forward is required.	4,000			4,000
Small Scale Community Projects	Works have been committed but not yet complete.	10,800			10,800
Transformation Savings	Balance remaining of monies set aside by Local Environment for one-off costs resulting from Transformation.	10,900			10,900
Pedestrianisation	The income generated from allowing events and pavement cafes in the city centre has exceeded the budget. It is requested that this extra funding be carried forward to fund enhancement works in the City Centre, such as painting bollards, replacing tree grids, improving lighting which requires maintenance.		17,200		17,200
Transformation Savings	Balance remaining of monies set aside by Local Environment for one-off costs resulting from Transformation. To be used for alterations to the Crematorium and other one-off costs.		10,000		10,000
City Centre Clean Up	Money to fund additional clean up within the City Centre has been vired from underspends in the budget. This is non-recurring and work will continue throughout April and May.		3,100		3,100
Transformation Savings	Balance remaining of monies set aside by Local Environment for one-off costs resulting from Transformation. To be used for alterations to the Crematorium and other one-off costs.			60,000	60,000
		48,300	30,300	60,000	138,600

REVENUE CARRY FORWARD REQUESTS 2011/12		Requests			Total £
Directorate/Section	Description	SMT Approved £	SMT Not Approved £	Transfer to Capital £	
Resources					
Direct Revenue Financing - Mechanical Sweeper	To fund the purchase of new mechanical sweepers ordered in 2011/12 but not being delivered until 2012/13.	20,000			20,000
Property	For specialist advice to assist with the delivery of the review of the Council's property portfolio especially Morton disposal. The asset review programme is an ongoing project with a life cycle of at least 4 years.	100,000			100,000
Property	For the commission in March 2012 of consultants to undertake asset valuation work to help with the preparation of the 2011/12 Statutory Accounts. Due to complete end April 2012.	10,000			10,000
Market Hall	For work commissioned but not yet complete. Removal of graffiti, cleaning/restoration of stone work to the facade of the Market Hall adjacent to the Bus Shelter on West Tower Street. Specialist contractors required to complete this work and meet preservation requirements imposed by English Heritage.	7,000			7,000
Viaduct Industrial Estate	For work commissioned but not yet complete. Erect bollards on Viaduct Estate underneath Caldew Bridge, Castle Way in order to prevent vehicle access to Council land on which indiscriminate fly tipping is occurring	1,000			1,000
Building & Facilities - Irishgate Bridge	Repairs have been carried out by the County Council end March, early April and this saving is required as our contribution to the cost of the repairs.		6,000		6,000
Property	For specialist advice to assist with the delivery of the review of the Council's property portfolio especially Morton disposal. The asset review programme is an ongoing project with a life cycle of at least 4 years.		62,200		62,200
Property	For specialist advice to assist with the delivery of the review of the Council's property portfolio especially Morton disposal. The asset review programme is an ongoing project with a life cycle of at least 4 years.		12,500		12,500
		138,000	80,700	0	218,700
Total General Fund Carry Forward Requests		357,500	185,500	133,300	676,300

NOTE: Employment projects Carry Forward request to be funded from Property Carry Forward of £100,000