

REPORT TO EXECUTIVE

PORTFOLIO AREA: GOVERNANCE AND RESOURCES

Date of Meeting: 22 November 2011

Public

Key Decision: No

Recorded in Forward Plan: No

Inside Policy Framework

**Title: REVENUE BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO SEPTEMBER 2011**

Report of: THE ASSISTANT DIRECTOR [RESOURCES]

Report reference: RD62/11

Summary:

This report provides an overview of the Council's overall budgetary position for the period April to September 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 September 2011,
- (ii) Note the potential forecast year end position for 2011/12; and
- (iii) Approve the release of grant, £85,000 in 2011/12 and £61,000 in 2012/13, for use in Homelessness, as detailed in paragraph 4.9.

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CITY OF CARLISLE

To: The Executive
22 November 2011

RD62/11

REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO SEPTEMBER 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 September 2011:

| 2011/12 Revenue Budget | £ |
|--|-------------------|
| Approved Budget (Council resolution – February 2011) | 14,214,000 |
| Carry forward requests (2010/11 out-turn) | 1,108,200 |
| Updated Budget 2011/12 at September 2011 | 15,322,200 |
| Non-Recurring Expenditure (note 1) | |
| Council Tax Freeze Grant (Realignment of Funding Stream) | (167,000) |
| Transformation Costs (Transformation Reserve) | 193,200 |
| Revised Budget 2011/12 | 15,348,400 |
| | |

3. 2011/12 BUDGET MONITORING

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

| Directorate / Appendix | | Annual Net Budget | Net Budget to date | Net Spend to date | Adjusted Variance |
|--------------------------|----|-------------------|--------------------|-------------------|-------------------|
| | | (£) | (£) | (£) | (£) |
| Chief Executive's Office | A1 | 1,029,400 | 496,600 | 477,920 | (18,680) |
| Governance | A2 | 1,354,300 | 730,033 | 658,978 | (71,055) |
| Resources | A3 | 1,101,200 | 4,412,839 | 4,781,107 | 368,268 |
| Community Engagement | A4 | 6,224,200 | 2,187,049 | 2,294,842 | 107,793 |
| Economic Development | A5 | 1,309,600 | 493,660 | 762,616 | 268,956 |
| Local Environment | A6 | 4,329,700 | 2,776,862 | 2,819,800 | 42,938 |
| Total | | 15,348,400 | 11,097,043 | 11,795,264 | 698,221 |

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 £212,800 made against the six months target of £268,655, as set out in Appendix A3, there is a deficit to date of £55,855. Indications are that the ability to maintain the expected rate of salary saving is unsustainable as salary budgets contract to a post transformation position. Whilst the year end shortfall is now likely to be less than £160,000 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 £63,900 in 2011/12 for staff recruitment, advertising and relocation costs. In previous years these have been consistently underspent, (£32,200) in 2010/11 and (£24,300) in 2009/10 and there is continuing potential for savings on these budgets.

4.3 It is likely that there will be an income shortfall of rent 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 being down by approximately £327,000 in 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 income shortfall on Development Control fees and increased costs of advertising planning applications, inquiries and legal expenses will result in a deficit of up to £150,000 at the year end.
- 4.6 The requirement to close the John Street Hostel and re-house the clients in other accommodation whilst the facilities were brought up to standard resulted in increased operational costs and a reduction in income. However, it is anticipated that the effect on ongoing income levels, due to any reduction in unit capacity now that the centre has re-opened, has been minimised by the introduction of changes to the service structure and working practices. Although there has been no adverse impact on target levels to the end of September the situation continues to be closely monitored.
- 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 may have a negative impact on the revenue income generated from fees and whilst this may not have an immediate net effect on this year's budgets the situation may become critical for targets in future years.
- 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 into the Medium Term Financial Plan and whilst the changed arrangements continue to provide savings over the predicted level, this is partly offset by overspends due to the ageing and inadequate fleet of street cleaning vehicles.
- 4.9 The release of the Prevention of Homelessness grant funding is to be used for enhancements to the current service provision, enabling the Homelessness section to provide positive pro-active interventions to people within the district. The level of grant funding currently provided in the budgets for 2011/12 and 2012/13 are £85,000 and £61,100 respectively, and brief details of the expected spend for these years are provided in the table below:-

| Description | 2011/12 £ | 2012/13 £ |
|---|---------------|---------------|
| Additional overtime and staff costs | 5,800 | 0 |
| Grants to voluntary bodies | 38,000 | 20,000 |
| Discretionary fund | 14,700 | 13,100 |
| Medical assessments | 5,000 | 5,000 |
| Postages and printing | 500 | 1,000 |
| Public transport for clients | 0 | 1,000 |
| B&B and temporary accommodation solutions | 20,000 | 20,000 |
| Emergency fund | 1,000 | 1,000 |
| Total | 85,000 | 61,100 |

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 | 300,000 | (141,000) | 159,000 | |
| Lanes Guaranteed Rent | 276,900 | 50,500 | 327,400 | |
| Transport - Fuel costs | 100,000 | | 100,000 | |
| Car Parking Ticket & Contract Income | 260,000 | 10,000 | 270,000 | |
| Development Control Fees | 150,000 | | 150,000 | |
| Development Control Expenses | 65,000 | 55,000 | 120,000 | |
| Building Control Fees | 55,000 | | 55,000 | |
| Energy | 55,000 | | 55,000 | |
| NNDR & Sewerage Charges | 45,000 | | 45,000 | |
| Industrial Estate ground rent | 32,000 | | 32,000 | |
| MRP - Capital Programme increase | | 56,300 | 56,300 | |
| Tipping Charges | 50,000 | 0 | 50,000 | |
| Civic Centre Waste Collection | 5,100 | 0 | 5,100 | |
| | | | | |

| | | | | |
|---|------------------|---------------|------------------|--|
| Total additional costs/income shortfalls | 1,394,000 | 30,800 | 1,424,800 | |
|---|------------------|---------------|------------------|--|

| | | | | |
|--|------------------|------------------|------------------|--|
| Potential Reduction in costs/Additional income | | | | |
| Recruitment Advertising Costs | (50,000) | 25,000 | (25,000) | |
| New Homes Bonus | (250,000) | | (250,000) | |
| Housing Benefit Admin Grant | | (70,000) | (70,000) | |
| Investment Income | | (80,000) | (80,000) | |
| Revenues & Benefits Shared Services (STO) | | (70,000) | (70,000) | |
| Recycling Income | | (120,000) | (120,000) | |
| Transport - Vehicle hire and repairs | | (120,000) | (120,000) | |
| Land Charges | | (20,000) | (20,000) | |
| | | | | |
| Total reduced costs/additional income | (300,000) | (455,000) | (755,000) | |
| | | | | |
| Net recurring/non recurring (savings)/shortfall | 1,094,000 | (424,200) | 669,800 | |

| | | | | |
|--|------------------|-----------------|------------------|--|
| Other Year End Implications/Requirements: | | | | |
| General Expenses Reductions | (100,000) | | (100,000) | |
| Carry Forward Adjustments | | | | |
| - Property Services Consultants | | (80,700) | (80,700) | |
| - Creditor Lists items not required | | (95,000) | (95,000) | |
| Redundancy payments (worst case) | | 350,000 | 350,000 | |
| Vacant Posts - 50% savings (LE) | | (268,400) | (268,400) | |
| Environmental Enhancement work | | 70,000 | 70,000 | |
| | | | | |
| Total requirements/(reductions) | (100,000) | (24,100) | (124,100) | |
| | | | | |
| Total Potential (under)/over spends | | | 545,700 | |

- 5.3 The overall projected position is an overspend 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 additional 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. This will include looking at spend against carry forwards and where carry forwards have a base budget.

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) | (59,927) | (76,594) | (16,667) |
| Lanes | (1,583,200) | (791,600) | (523,200) | 268,400 |
| Development Control | (637,100) | (351,042) | (225,509) | 125,533 |
| Bereavement Services | (1,091,100) | (502,197) | (502,457) | (260) |
| Car Parking | (1,398,000) | (740,339) | (600,413) | 139,926 |

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 half of the year is exceeding the new target by almost 28%.

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 paras. 4.3 and 5.2 above).

6.5 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 35% on the downgraded target level for the period to September. A full review of the service costs, particularly the forecast for income levels, is outstanding and the position will be closely monitored.

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 six months of 2011/12 has been achieved, shortfalls against unrealistic winter target levels affect the year end position and these budgets will be addressed as part of the 2012/13 budget process and continue to be closely monitored.

6.7 Income generated from car parking has been consistently lower than the level budgeted for a number of years and for the period April to September 2011 there is a shortfall on the forecast to date of almost 19%. 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.

7. S.106 COMMUTED SUMS

- 7.1 The City Council currently holds a balance of £606,475 of commuted sums to be used for the provision and future maintenance of public open spaces and a further £351,868, 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 31/03/2011 | Balance at 30/09/2011 | Note |
|--------------------|-----------------------|-----------------------|-------|
| Investments | £20.7m | £21.2m | (i) |
| Loans | £15.0m | £15.0m | (ii) |
| Debtors | £1.79m | £2.88m | (iii) |
| Creditors | £0.003m | £0.27m | |

- (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 30th September has been calculated at 3.22% which is well below the 5% limit set by HMRC.

8.2 Comprehensive Spending Review 2007

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 6 December 2011.

10. RECOMMENDATIONS

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2011;
- (ii) Note the potential forecast year end position for 2011/12; and
- (iii) Approve the release of grant, £85,000 in 2011/12 and £61,000 in 2012/13, for use in Homelessness, as detailed in paragraph 4.9.

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

| 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 September 2011 for revenue schemes and gives reasons for variances and has no negative impact on the above.

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REVENUE BUDGET MONITORING 2011/12

| CHIEF EXECUTIVE'S OFFICE | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|----------------------------------|-------------------|--------------|--------------|------------------|
| Position as at 30 September 2011 | £ | £ | £ | £ |
| Annual Budget | 1,142,900 | (11,100) | (102,400) | 1,029,400 |
| Budget to date | 554,033 | (11,100) | (46,333) | 496,600 |
| Total Actual | 529,130 | (11,798) | (39,413) | 477,920 |
| Variance | (24,903) | (698) | 6,920 | (18,680) |
| Carry Forwards | | | | 0 |
| Adjusted Variance | (24,903) | (698) | 6,920 | (18,680) |

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| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Emergency Planning | 1 | (7,332) | 0 | 0 | (7,332) |
| Miscellaneous | 3 | (17,571) | (698) | 6,920 | (11,348) |
| Total Variance to date | | (24,903) | (698) | 6,920 | (18,680) |

| Note | Chief Executive's Comments |
|------|--|
| 1. | Underspend on civil contingencies and other expenses. |
| 2. | Net minor underspend across the service, including events, conferences, printing and training costs. |

REVENUE BUDGET MONITORING 2011/12

| GOVERNANCE | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|----------------------------------|-------------------|-----------------|-----------|------------------|
| Position as at 30 September 2011 | £ | £ | £ | £ |
| Annual Budget | 1,996,300 | (642,000) | 0 | 1,354,300 |
| Budget to date | 1,206,804 | (476,771) | 0 | 730,033 |
| Total Actual | 1,165,013 | (506,035) | 0 | 658,978 |
| Variance | (41,791) | (29,264) | 0 | (71,055) |
| Carry Forwards | | | | 0 |
| Adjusted Variance | (41,791) | (29,264) | 0 | (71,055) |

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| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Municipal Elections | 1 | (16,912) | (662) | 0 | (17,574) |
| Land Charges | 2 | (6,870) | (16,523) | 0 | (23,392) |
| Miscellaneous | 4 | (18,009) | (12,079) | 0 | (30,088) |
| Total Variance to date | | (41,791) | (29,264) | 0 | (71,055) |

| Note | Governance - Assistant Director's Comments |
|------|---|
| 1. | Underspent expenses relating to City and Parish elections. |
| 2. | 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, are currently exceeding this reduced budget level and will continue to be closely monitored throughout the year. |
| 3. | Net underspends across the service including Occupational Health costs and improved Licensing income. |

REVENUE BUDGET MONITORING 2011/12

| RESOURCES | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|----------------------------------|-------------------|---------------|---------------|------------------|
| Position as at 30 September 2011 | £ | £ | £ | £ |
| Annual Budget | 45,663,200 | (43,738,100) | (822,900) | 1,102,200 |
| Budget to date | 25,393,776 | (20,390,107) | (590,830) | 4,412,839 |
| Total Actual | 25,647,930 | (20,297,574) | (569,249) | 4,781,107 |
| Variance | 254,154 | 92,533 | 21,582 | 368,268 |
| Carry Forwards | | | | 0 |
| Adjusted Variance | 254,154 | 92,533 | 21,582 | 368,268 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Garage | 1 | (25,481) | 36,511 | 0 | 11,030 |
| Building Maintenance | 2 | 80,187 | (74,092) | 0 | 6,095 |
| Stores & Stock Account | 3 | 89,480 | (88,817) | 0 | 664 |
| Civic Centre | 4 | 18,114 | (6,023) | 0 | 12,091 |
| Treasury & Debt Management | 5 | (2,027) | (64,653) | 0 | (66,679) |
| Other Financial Costs | 6 | 55,508 | 15,490 | 0 | 70,998 |
| ICT Services | 7 | (1,049) | 0 | 21,800 | 20,751 |
| The Lanes | 8 | (2,134) | 268,400 | 0 | 266,266 |
| Denton Holme Trading Estate | 9 | 28,473 | (3,363) | 0 | 25,110 |
| Parkhouse IE | 10 | (70) | 15,600 | 0 | 15,530 |
| Miscellaneous | 11 | 13,151 | (6,520) | (219) | 6,413 |
| Total Variance to date | | 254,154 | 92,533 | 21,582 | 368,268 |

| Note | Resources - Assistant Director's Comments |
|------|---|
| | <ol style="list-style-type: none"> 1. Underspends on vehicle repairs offset by reduced income from charges to all services. 2. Overspend on materials and sub contractors, offset by surplus income from maintenance contract charges. 3. Overspend on materials and supplies purchased on stores account, offset by recharges to services for stock issued. 4. Overspend on energy and waste disposal charges, investigations into how these costs can be reduced are underway. 5. Surplus income due to higher than expected return on investments. 6. Shortfall on salary turnover savings budget and it whilst is expected that the current level of budget savings is not achievable in the long term it is likely that the shortfall in this year will not be as great as previously anticipated. 7. Shortfall on income from printing and copying service. 8. Income shortfall against income targets due to the recession. 9. Increased cost of rent and back rent payments 10. Shortfall in rental income and it is unlikely that the anticipated increased ground rent will be achieved in this year. 11. Various minor overspends and surplus income. |

REVENUE BUDGET MONITORING 2011/12

| COMMUNITY ENGAGEMENT | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|----------------------------------|-------------------|------------------|-----------|------------------|
| Position as at 30 September 2011 | £ | £ | £ | £ |
| Annual Budget | 10,957,800 | (4,733,600) | 0 | 6,224,200 |
| Budget to date | 5,989,748 | (3,802,699) | 0 | 2,187,049 |
| Total Actual | 6,316,430 | (4,021,588) | 0 | 2,294,842 |
| Variance | 326,682 | (218,889) | 0 | 107,793 |
| Carry Forwards | | | | 0 |
| Adjusted Variance | 326,682 | (218,889) | 0 | 107,793 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------------|------|----------------------|------------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Culture, Leisure & Sport Management | 1 | 64,574 | 0 | 0 | 64,574 |
| Revenues & Benefits Shared Services | 2 | 52,456 | (31,126) | 0 | 21,330 |
| Tullie House | 3 | 121,109 | (71,509) | 0 | 49,600 |
| Roman Gateway | 4 | 90,528 | (90,463) | 0 | 65 |
| Miscellaneous | 5 | (1,985) | (25,791) | 0 | (27,776) |
| Total Variance to date | | 326,682 | (218,889) | 0 | 107,793 |

| Note | Community Engagement - Assistant Director's Comments |
|------|--|
| | <ol style="list-style-type: none"> 1. Overspend on costs of Tullie House transfer to trust status. 2. Budgets across the shared services have yet to be fully incorporated. 3. Tullie House transferred to Trust on 5th May 2011 and allocations of expected budget savings and arrangements for the transfer of stock and write-off of any obsolete items have yet to be finalised. 4. Grant claims have yet to be submitted for project expenses in this year. 5. Minor underspends and additional income across services, in part relating to external funds for which virements are required. |

REVENUE BUDGET MONITORING 2011/12

| ECONOMIC DEVELOPMENT | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|---|--------------------------|---------------------|------------------|-----------------------|
| Position as at 30 September 2011 | £ | £ | £ | £ |
| Annual Budget | 2,746,800 | (1,437,200) | 0 | 1,309,600 |
| Budget to date | 1,333,749 | (840,089) | 0 | 493,660 |
| Total Actual | 1,427,087 | (664,471) | 0 | 762,616 |
| Variance | 93,338 | 175,618 | 0 | 268,956 |
| Carry Forwards | | | | 0 |
| Adjusted Variance | 93,338 | 175,618 | 0 | 268,956 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|-------------|-----------------------------|------------------------|---------------------------|--------------------------|
| Service | Note | £ | £ | £ | £ |
| Building Control | 1 | 337 | 37,411 | 0 | 37,748 |
| Enterprise Centre | 2 | (14,368) | 18,200 | 0 | 3,832 |
| Development Control | 3 | 86,898 | 125,686 | 0 | 212,584 |
| Miscellaneous | 4 | 20,471 | (5,680) | 0 | 14,792 |
| Total Variance to date | | 93,338 | 175,618 | 0 | 268,956 |

| Note | Economic Development - Assistant Director's Comments |
|------|--|
| | <ol style="list-style-type: none">1. Shortfall in inspection, plan deposit and notice fees income. This is a ring fenced account and should be budgeted to break-even. The level of budget set aside for Building Control operations is being investigated as part of the budget setting process.2. Underspend on premises repairs and income shortfall from lettings.3. Overspend on costs of advertising planning applications, consultants and professional fees (£43,900 Airport, £8,870 Crindledyke, £4,100 Beck Burn Windfarm) and shortfall on fee income.4. Overspends and increased income across services, in part relating to external funds for which virements are required. |

REVENUE BUDGET MONITORING 2011/12

| LOCAL ENVIRONMENT | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|----------------------------------|-------------------|----------------|-----------|----------------|
| Position as at 30 September 2011 | £ | £ | £ | £ |
| Annual Budget | 14,320,500 | (9,990,800) | 0 | 4,329,700 |
| Budget to date | 7,672,738 | (4,895,876) | 0 | 2,776,862 |
| Total Actual | 7,287,637 | (4,467,837) | 0 | 2,819,800 |
| Variance | (385,101) | 428,039 | 0 | 42,938 |
| Carry Forwards | | | | 0 |
| Adjusted Variance | (385,101) | 428,039 | 0 | 42,938 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|--|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Management & Administration | 1 | (26,697) | (243) | 0 | (26,940) |
| Cemeteries and Crematorium | 2 | (12,280) | (422) | 0 | (12,701) |
| CCTV | 3 | (12,872) | (4,406) | 0 | (17,278) |
| Grounds & Cemeteries Grounds Maintenance | 4 | 24,094 | 10,349 | 0 | 34,443 |
| Street Cleaning | 5 | 16,991 | 820 | 0 | 17,811 |
| Play Areas | 6 | (13,173) | 0 | 0 | (13,173) |
| Talkin Tarn & Boathouse TeaRoom | 7 | 6,134 | (23,012) | 0 | (16,878) |
| ECCP | 8 | 25,961 | (2,151) | 0 | 23,810 |
| Parking | 9 | (40,933) | 199,294 | 0 | 158,360 |
| Highways & Area Maintenance | 10 | (90,095) | 260,715 | 0 | 170,620 |
| Highways Claimed Rights | 11 | (96,055) | 128,128 | 0 | 32,072 |
| Small Scale Community Projects | 12 | (19,965) | 0 | 0 | (19,965) |
| Misc. Highways Agency Expenses | 13 | 33,649 | (44,361) | 0 | (10,713) |
| Recycling & Waste Collection | 14 | (81,760) | (88,145) | 0 | (169,905) |
| Miscellaneous | 15 | (98,100) | (8,527) | 0 | (106,627) |

Local Environment

REVENUE BUDGET MONITORING 2011/12

| | | | | | |
|------------------------|--|-----------|---------|---|--------|
| Total Variance to date | | (385,101) | 428,039 | 0 | 42,938 |
|------------------------|--|-----------|---------|---|--------|

| Note | Local Environment - Assistant Director's Comments |
|------|---|
| 20 | <ol style="list-style-type: none"> 1. Underspends on IT software, postages and stationery. 2. Underspends on cremator and premises repairs. Whilst the expected level of fees from cremations etc. has been achieved to date, the unrealistic income targets, particularly for the winter season, will be addressed as part of the 2012/13 budget process 3. Underspend on equipment and contributions towards the operational costs of cameras re-deployed to Eden DC. 4. Inadequate budgets have been provided for general materials, tipping charges, protective clothing and uniforms. These will be addressed by the Lean Systems Review. 5. Overspends on transport costs, due to ageing vehicles and general materials. 6. Underspend on equipment. 7. Overspends on supplies and casual staff more than offset by surplus income from sales and operations 8. Opening stock of Discover Eden booklets - discussions are still underway as to how this is managed and costs recovered. 9. Underspends of (£30,011) on traffic signage and maintenance, (£28,842) administration and cost of patrols Other major variances include; Off Street Parking: Overspend £21,200 NNDR and £5,100 sewerage service charges; and income shortfall of £94,700 on ticket sales, £34,272 contract parking permits and £12,360 PCNs; On Street Parking: £37,995 net income shortfall from PCN's etc; Others: Income shortfall £11,701 Eden contract. 10. Underspends on materials, sub contractors and other operational expenses offset by shortfall on income and recharges for highways maintenance works. Sophisticated profiling is required to synchronise budgets with work patterns and a method to provide this is under review. 11. Underspends on Claimed Rights works and balances on income to be charged to Cumbria County Council, whilst there are difficulties with profiling budgets in line with work schedules, there are currently invoices totalling more than £1.3m owing to the City. This problem has been reported and discussed with senior officers at Cumbria County Council, however this has yet to be resolved and the situation is now critical. 12. Underspend on Ward schemes. 13. Net underspent budgets for ad hoc projects fully funded by Cumbria County Council. 14. Underspend (£27,095) on management and bring site expenses. Net underspent refuse and recycling collection costs, including (£9,176) tipping charges, (£31,902) and (£20,277) transport repair and hire costs, £40,578 overspend on diesel; and (£78,477) improved income. Net underspend of (£42,010) on Green Box collection contract includes (£21,623) surplus income. 15. Various underspends across the services including equipment, repairs and maintenance. |

Local Environment