

**MONITORING OF REVENUE EXPENDITURE FOR THE 6 MONTH PERIOD
TO 30 SEPTEMBER 2005 – EXCEPTION REPORT**

EXECUTIVE MEMBER: Councillor E Woodburn
LEAD OFFICER: Sue Borwick, Head of Finance and Business Development
REPORT AUTHORS: Paul Robson, Accountant
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Summary: This report informs Members in detail of the variations in actual and expected revenue based expenditure and income over £10,000, or more than 10% of budget, for the 6 month period 1st April to 30th September 2005

Recommendation:	1) The report be noted
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Impact on delivering Copeland 2020 objectives: Ensure financial control to ensure resources are used efficiently, economically, and effectively in service delivery.

Impact on other statutory objectives (e.g. crime & disorder, LA21): None directly

Financial and human resource implications: On a quarterly basis, all revenue budgets, including holding accounts, will continue to be monitored and reported to members on an exception basis. The realised net surplus or deficit will form part of the final accounts report.

Project & Risk Management: Budget Monitoring procedures in place.

Key Decision Status

- **Financial:** Yes
- **Ward:** No.

Other Ward Implications: None.

1. INTRODUCTION

1.1 It is important that any overspend or under spending on revenue activities are identified as soon as possible so that any action required may be taken promptly. Managers receive detailed monitoring statements monthly to enable them to take appropriate courses of action, with financial advice being given by suitably qualified finance staff.

1.2 The purpose of this report is to identify any major variations from profiled budget for the 6-month period up to 30th September 2005, and to recommend any appropriate action necessary.

- 1.3 Any under spend realised after the closure of the accounts will be recommended for transfer to the Major Projects Fund in line with policy.
- 1.4 A summary of variances affecting all General Fund line functions and holding accounts is shown in Appendix A, which details significant variances greater than £10,000 or 10% of the profiled budget for Period 6.
- 1.5 Work has been carried out in Accountancy to produce a revised budget for 2005/2006, following the final implementation of the Council-wide restructure. The revised budget was presented for approval to Full Council on 20 October 2005. The accounts for Period 6, which are reported here, are reported against this revised budget.
- 1.6 Holding accounts balances are reflected in the line functions.

2 MAJOR EXCEPTIONS

- 2.1 Treasury management is showing an overspend of £361k. This is due to the setting of the original budget based on an anticipated rise in interest rates to 5.25%. It is now estimated that the interest rate will remain close to 4.5% for the remainder of the financial year.. This, plus lower cash balances than expected, has resulted in an anticipated £121k shortfall overall.
- 2.2 Regeneration holding account salaries is showing an underspend of £88k due to vacancies, which are in the process of being filled.
- 2.3 Civic is showing an underspend of £23k due to underspend on Members Allowances from reduced travel and a vacancy.
- 2.4 Careline is showing an underspend of £55k due to vacancies, a saving on supplies, and increased income from Copeland Homes. This underspend has already been accounted for in the 2006/07 budget process.
- 2.5 Leisure Management is showing an underspend of £94k due to increased income at the Sports Centre, Copeland Bowls, and Arts Development coupled with a saving on salaries on Sports Development. A provision of £25k has been allowed for based on this financial performance.
- 2.6 Enforcement income is behind profile due to fine income targets not being achieved, and secondly, a slight reduction in tickets issued within CBC car parks. Based on activity to date, it is highly unlikely that the full year budgeted income of £543k will be achieved. Management will closely monitor the financial position to ensure the impact on Enforcement overall is minimized.

3 CONTINGENCIES

- 3.1 The balance on contingencies, after Executive on 18 October 2005 is £114,174. However, there is an Urgent Action elsewhere on this Agenda will significantly reduce the level of contingencies, and will leave limited amounts for any uses of contingency in the future.

4 FUTURE REPORTS

4.1 Accountancy are currently developing reporting financial spend against outputs. This will assist both members and budget holders to assess progress against spend.

5 CONCLUSION

5.1 All accounts continue to be monitored closely and any significant variances, and appropriate action required, will be reported to members.

5.2 There are a number of other significant under and overspend, that will only be finalised in the final accounts process for 2005/06.

List of Appendices

[Appendix A](#) – Summary

[Appendix A](#) – Detailed Budget Monitoring Exception Report

List of Background Documents:

Detailed management accounts for period 6 (1st April 2005 to 30th September 2005)

List of Consultees:

Business Managers, Corporate Team