

2006/07 BUDGET MONITORING

FOR THE 9 MONTH PERIOD ENDED 31ST DECEMBER 2006

APPENDIX B - SUMMARY OF SIGNIFICANT NET EXPENDITURE VARIANCES FROM PROFILE

		Actual	Profiled Budget	Variation from Profiled Budget (under (-) / over)	Comments
		£	£	£	
Line Functions:					
2.9	Treasury Management	-734,126	-671,843	-62,283	During the first quarter of this financial year Home Group re-paid an outstanding loan of £2.2m. This has increased our cash balance available for investment (although the interest rates we will receive on this are not as favourable as Home were paying). Interest rates have risen during the year and this has produced a favourable variance to date. Based on the latest rate rise, it is projected that an estimated underspend of £110k will materialise at financial year end
2.10	Insurances	432,780	406,295	26,485	Motor Insurance is underspent by 10,269 which is due to a reduction in the number of vehicles insured. However, Employee insurances are over spent by £40,000 due to payment of an Employers Liability Claim. This may be reduced by the Insurance Provision when it is calculated at year-end.
2.11	Concessions	460,742	480,276	-19,534	This is the first year of free travel for concessionary pass holders (previously half price). NoW cards have not yet gone live with the smartcards but are expected to do so by the end of the financial year. When this happens we should get more accurate costings. Travel vouchers are only re-imbursed when used and so far are releasing a saving to the authority. It is expected that there will be a surplus at year end.
3.5	Civic and Mayoral	351,010	381,853	-30,843	Members Allowances underspend is partly due to 3 vacancies
3.6	Elections	54,518	23,534	30,984	Due to election cost re-imburement allowed for in 2005/06 not yet received (£40.9K)
3.9	Licensing	6,636	-1,502	8,138	Income is behind profile by £8k due to set budget being too challenging.
5.5	Building Control Fee	9,231	18,504	-9,273	Due to increased fee income from increased customer demand. This is slightly offset due to outsourcing of plan checks. Any surplus at year end is ringfenced at year end and transferred to Building Control Fee Reserve .
5.9	Development Control	175,919	203,418	-27,499	Due to increased income from planning fees.
6.9	Housing Benefits	307,897	314,505	-6,608	Actual payments are currently below profile. This will however be received through the normal grants claim process, and has been accounted for. It is anticipated that the budget will be underspent at year end by £8.6k due to a prior year adjustment on grant received
6.10	Council Tax Benefits	-3,759,031	-3,824,910	65,879	Due to a prior year adjustment of subsidy income received, it is anticipated that this budget will be overspent by £66.7k. at financial year end. The effect of this overspend reduces the Council's overall estimated underspend.

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7.12	Enforcement	145,191	11,686	133,505	Actual turnover of £259.4k is down against profile by £157k. This is basically due to income targets in both the car parks and on Decriminalised Parking Enforcement (DPE) not being achieved. A separate report was reported to Executive in November 2006 which indicated an projected overspend at financial year end of £185k. Based on period 9, it is estimated that the projected overspend will now be in the region of £176k.
7.13	Street Scene	134,462	182,403	-47,941	Due to receipt of income from Crime and Disorder Partnership, and, CCTV yet to be implemented. Management have targeted £55k savings from Street Scene as assistance in financing the projected overspend on Enforcement Unit (see
8.1	Nuclear	71,075	80,370	-9,295	Supplies activity is under by £9k.
Holding Accounts:					
1.1	Chief Executive and Directors	-29,096	-17,507	-11,589	Mainly due to vacant position for the first two months of the financial year
2.7	Public Buildings	17,919	-27,170	45,089	Due to accruals being brought forward from last year that remain outstanding in terms of making payment. It is not known yet whether these are still relevant and if they found not to be relevant then the level of expenditure will decrease. Investigations are ongoing to see if any of this expenditure can be classified as capital, as there is an underspend reported and may be due to incorrect classification on coding.
2.8	Admin Buildings	-110,308	-71,595	-38,713	Due to PFI building payments. There were issues with disputes that have resulted in a slight saving on some costs due to penalty charges being imposed. Although there is an underspend there is an imbalance in the Car Parking costs for staff.
5.3	Building Control	-65,621	-3,429	-62,192	Due to vacant positions £71.5k. slightly offset by increased legal and professional fees for plan checking.
6.5	Revenues	-70,606	-124,362	53,756	Partially due to approved employment of 2 temporary staff (£11.8k) that will be funded from additional subsidy received if overpayments kept below £98k. At present overpayments are at a level that would result in no additional subsidy being received. If the position does not improve, then this will be funded from Verification Framework Reserve / DWP Grant Reserve. a cost to Copeland. Management are carefully monitoring and establishing financing if the current position materialises. £35.4k is due to incorrect budgeting that has not yet been revised.
7.1	Environmental Health	-17,309	-5,466	-11,843	Due to vacancy management offset by an overspend on car allowances.