

**REVENUE MONITORING REPORT FOR THE 3 MONTH PERIOD 1 APRIL TO
30 JUNE 2007**

EXECUTIVE MEMBER: Cllr E Woodburn / Cllr A Holliday
LEAD OFFICER: Sue Bamforth, Head of Finance and Business Development
REPORT AUTHOR: Catherine Nicholson, Accountancy Services Manager

Summary & Recommendation:

This report informs Members in detail of the variations in actual and expected revenue based expenditure and income over or under £10,000 of budget, for the 3 month period 1st April to 30th June 2007.

Recommendations:

- a) That Members note the report

1.0 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 3-month period up to 30th June 2007, and to recommend any appropriate action necessary.
- 1.3 The report will highlight any areas that have a significant over or under spend and also the areas where there is likely to be more volatility. It is these areas that are, or could potentially be volatile, where more close financial management needs to be taken to ensure that emerging problems are identified as soon as possible and that remedial action can be taken before a problem occurs.
- 1.4 The over and under spends highlighted in the report cover only those areas where there is a true variance. It is sometimes the case that a budget is over or under spent due to the way it has been profiled (split

over the year). In many cases, budgets are profiled equally throughout the year, e.g. a twelfth of the budget is apportioned to each month. However, in a lot of cases, profiling is irrelevant as expenditure is only incurred as and when required.

- 1.5 As part of Accountancy's bid to improve these reports after comments made by Members, this report is concentrating on the details within Key areas where there could be corrective action required and those areas that are seen to be of a higher risk.

2.0 MAIN OVER AND UNDER SPENDS

- 2.1 Appendix A shows the summary financial position and significant variances in Budget to date.
- 2.3 The Budgets that are considered high risk are monitored closely on a monthly basis by Corporate Team.

3.0 CONTINGENCIES

- 3.1 The level of Contingencies as at 7 August 2007 is £62,235. So far in 2007/08 there have been requests for contingencies totaling £106,599. A full list of how Contingencies has been allocated is given in Appendix B.

4.0 FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 4.1 On a quarterly basis, all revenue budgets, including holding accounts, will continue to be monitored and reported to members on an exception basis.

5.0 PROJECT AND RISK MANAGEMENT

- 5.1 It is imperative that all budgets are monitored monthly with exceptions reported through Corporate Team and Executive.

6.0 IMPACT ON CORPORATE PLAN

- 6.1 The budget and monitoring process is fully integrated into the planning process of the Council embracing all the objectives of the Council.

List of Appendices

Appendix A – Summary of Expenditure

Appendix B – Contingencies

List of Background Documents:

List of Consultees: Corporate Team

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	n/a
Impact on Sustainability	n/a
Impact on Rural Proofing	n/a
Health and Safety Implications	n/a
Impact on Equality and Diversity Issues	n/a
Children and Young Persons Implications	n/a
Human Rights Act Implications	n/a

Please say if this report will require the making of a Key Decision YES/NO

QUARTERLY MONITORING Report Cumulative for 30 June 2007

	Annual Budget (£)	Budget to Period 3 (£)	Actual (£)	Variance on Budget to Date (£) (Under) Over	Variance %	Comments
CHIEF EXECUTIVE & DIRECTORS	0	83,603	91,642	8,039	9.62%	£5,875 relates to expenditure on LG re-organisation and is funded from Reserves. The true over spend is therefore £2,164 and is due to Vacancy Management
CORPORATE MANAGEMENT	1,540,754	158,496	136,718	(21,778)	-13.74%	There is an under spend on Superannuation contributions as there are a number of vacancies within the Council.
BUSINESS DEVELOPMENT	2	161,912	91,666	(70,245)	-43.39%	There are still some accruals outstanding from 2006/07 and there has also been only a small amount of expenditure to date on IT equipment. It is expected that as the year progresses that the budget will be fully utilised.
PROPERTY HOLDING ACCOUNT	1	31,837	7,242	(24,595)	-77.26%	There are still some accruals outstanding from 2006/07 and there has also been only a small amount of expenditure to date on Legal fees. The fees budget is only used when it is necessary so it is difficult to estimate when the budget will be spent. There are also £3,058 of salary costs that are also funded from reserve so the true under spend is £27,653
PUBLIC BUILDINGS GENERAL	0	37,656	70,479	32,823	87.16%	Public Buildings: There are accruals outstanding from 2006/07 that mean that the overall over spend on Public Buildings is £32,823. However, these invoices should be paid and there is a programme of works identified for the budget in 2007/08.
ACCOUNTANCY HOLDING ACCOUNT	5	91,464	100,172	8,707	9.52%	There are a number of vacancies and long term sickness absences in Accountancy Services, which has meant that there has been additional expenditure on temporary resources. This is to be funded from reserve. The true over spend is therefore £3,996.

	Annual Budget (£)	Budget to Period 3 (£)	Actual (£)	Variance on Budget to Date (£) (Under)/Over	Variance %	Comments
CONCESSIONS	571,971	136,420	161,324	24,904	18.26%	There is an over spend on concessions due to the payment being made for Railcards that was deferred from 2006/07.
TREASURY MANAGEMENT	(1,149,523)	(251,735)	(325,860)	(74,125)	-29.45%	Treasury Interest is more than expected as when the budget was set, there were funds with an External Fund Manager, which have now been brought back to the Council to be managed internally. These funds have been invested at significantly higher interest rates than the fund manager was achieving. This together with the increase in interest Rates has meant that interest due is more than expected. This over spend relates to an outstanding accrual for money owed for reimbursement of previous elections costs. This money will be received shortly. The true under spend is therefore £856.
ELECTIONS	99,641	19,785	58,929	39,144	197.85%	This over spend relates to costs associated with the recent elections and will be funded from the Elections Fund.
COUNTY ELECTIONS	0	0	11,754	11,754		There is an over spend due to costs associated with Job Evaluation (£8,844). These are to be funded from an Earmarked Reserve. Therefore the true over spend is £1,818.
HUMAN RESOURCES HOLDING AC	0	58,534	69,196	10,662	18.22%	Training: Training is showing an overall under spend of £8,201 as a lot of training has yet to be undertaken. However, the full budget has been committed. There is a vacancy in the department that means that there is an under spend in employee costs.
TRAINING	2	24,615	16,414	(8,201)		There is an under spend due to there being vacancies in the department and the employees budget being under spent.
COMMUNICATIONS HOLDING ACC	(1)	26,293	16,032	(10,261)	-39.03%	
COPELAND DIRECT	1	84,658	77,357	(7,300)	-8.62%	

	Annual Budget (£)	Budget to Period 3 (£)	Actual (£)	Variance on Budget to Date (£) (Under)/Over	Variance %	Comments
HOUSING BENEFITS	353,411	(98,620)	(368,147)	(269,526)	273.30%	There is an under spend in the amount of Benefits paid out. It is very difficult to accurately split the budget throughout the year as it is dependent on the amounts of Benefits claimed. Any reduction in amounts paid out will eventually be reflected in a reduced subsidy received back from the Government so the budget will balance out throughout the year.
REGENERATION HOLDING ACCOUNT	0	206,665	298,357	91,691	44.37%	£140,000 is reserve funded and relates to the contribution to Whitehaven Devt Co. For the boatyard scheme. There are also reserve funded posts included in this figure that total £12,034 The true under spend is therefore £60,343 and is due to there being a number of vacancies in the department.
ECONOMIC DEVELOPMENT	447,405	84,878	89,866	4,988	5.88%	There is £21,506.08 that is funded from Reserves. Therefore the true under spend is £16,518
PLANNING POLICY	275,616	11,318	1,215	(10,103)	-89.26%	There is an under spend as the progress on production of the local plan documents is still ongoing.
BUILDING CONTROL HOLDING ACT	0	81,257	63,936	(17,321)	-21.32%	There is an under spend due to the managers post still being vacant.
DEVELOPMENT CONTROL	167,528	(54,663)	(62,076)	(7,413)	13.56%	There is an under spend as there has been additional income received from planning fees over the budgeted amount.
HOMELESSNESS	194,298	31,461	22,240	(9,221)	-29.31%	There is an under spend as there has not been the demand for Emergency accommodation.
FLOODING	160,588	11,861	5,698	(6,163)	-51.96%	There has been very little expenditure to date although a programme of works is identified to be carried out.

	Annual Budget (£)	Budget to Period 3 (£)	Actual (£)	Variance on Budget to Date (£) (Under)/Over	Variance %	Comments
ENFORCEMENT	383,608	54,121	59,467	5,345	9.88%	Enforcement: Overall Enforcement Unit is showing an over spend of £5,345. There has been a £5,285 increase in rates on Car Parks which is not controllable, and for which the budget will need to be looked at for 2008/09.
REFUSE COLLECTION	1,598,011	321,284	279,377	(41,908)	-13.04%	Refuse Collection: There is an overall under spend on Refuse Collection of £41,908, which is due to accruals from 2006/07 still being outstanding for over £45,000.
CULTURAL SERVICES	440,572	90,169	46,106	(44,063)	-48.87%	There is an under spend as there has been little expenditure to date, although programmes have been identified and costs will be being incurred more as the year progresses.
NCL CONTRACT	959,967	166,319	142,094	(24,225)	-14.57%	There is a slight under spend on the payments to NCL so far in this year.
ENVIRONMENTAL HEALTH	0	116,626	97,813	(18,813)	-16.13%	There are a number of vacancies in the department that have led to this under spend.
NUCLEAR ISSUES	119,899	11,705	4,390	(7,315)	-62.50%	There is a vacancy in the department that means that there is an under spend in employee costs.
TOTAL	6,163,756	1,697,918	1,263,401	(434,518)	-25.59%	
TOTAL FOR ALL BUDGETS	11,776,994	2,154,788	1,702,037	(452,750)	-21.01%	
Amounts funded from Earmarked Reserves						
Chief Executive				(5,875)		
Accountancy Services				(5,711)		
Property				(3,058)		
Regeneration H/A				(152,034)		
Human Resources				(8,844)		
Economic Development Grants				(21,506)		

	Annual Budget (£)	Budget to Period 3 (£)	Actual (£)	Variance on Budget to Date (£) (Under)/Over	Variance %	Comments
Total Expenditure funded from Earmarked Reserves				(197,028)		
TOTAL after funded from Reserves	11,776,994	2,154,788	1,505,009	(649,778)		

EXE 0409107
ITEM 11 APPB

CONTINGENCY PROVISION 2007/08

General Contingency Provision as per Budget Book
Transfer from 2006/07
Surplus from net underspends to increase contingencies
Total Contingency Provision for 2007/08

150,000
32,708

182,708

Approved Use:

Approved By	Reference	Description	Date	Amount	Amount Remaining	Cost Code
EXE		Community Centres Demolition	16-Dec-03	5,999	176,709	
EXE	12	Demolition of preb-beck green	10-Jul-07	4,500	172,209	
UA	8	Asbestos Askham Loco	14-Nov-06	3,374	168,835	
	UA	Investigative Works	05-Apr-07	29,915	138,920	31204-0800
EXE	7	Parton, Flooding	12-Jun-07	6,000	132,920	26005-0200
EXE	8	South Shore Fencing	12-Jun-07	5,054	127,866	26005-0200
EXE	26	Enforcement - market testing exercise	12-Jun-07	10,000	117,866	48201-0943
	19/07	3D security software - customer services		7,710	110,156	
EXE	12a	Funding for new post PA to leader and deputies	10-Jul-07	14,789	95,366	
EXE		Inland revenue re tax on rTIL payments	10-Jul-07	27,000	68,366	22200-0949
UA		Diverting pathways	01-Aug-07	2,000	66,366	
UA		Inland revenue re tax on rTIL payments	06-Aug-07	4,131	62,235	22200-0949

Virement Actoned		
Amount	Date	By
29,915	06/08/2007	JS
6,000	20/07/2007	LH
5,054	19/07/2007	LH
10,000	03/08/2007	ST
27,000	12/07/2007	ST
4,131	07/08/2007	LH