

EXE 14.06.05
Item 9

DRAFT REVENUE OUTTURN 2004/05 FOR GENERAL FUND AND HOUSING REVENUE ACCOUNT (HRA)

EXECUTIVE MEMBER: Cllr E Woodburn
LEAD OFFICER: Sue Borwick, Head of Finance and Business Development
REPORT AUTHORS: Paul Robson and Catherine Nicholson, Accountants

Summary: This report informs members of the draft, unaudited revenue outturns of both General Fund and HRA for 2004/05. The report makes recommendations on carry forwards and transfers.

Recommendation:	<p>That the outturn position is noted</p> <ul style="list-style-type: none">a) To approve the carry forwards to 2005/06 as per Appendix B totalling £302,178 for General Fund.b) To transfer the balances on L&ES activities of £96,403 to the Strategic Reserve Account (para 2.12)c) To transfer the balance on Contingencies as at 31st March 04, of £117,505, (uncommitted £30,077) to 2005/06 Contingencies. (para 6.4)d) To approve the proposed potential allocations on L&ES Strategic Reserve Account for 2005/06, as per Appendix Ce) To approve the earmarking of the £100,000 contribution made to General Fund Reserve from Leisure and Environmental Services (L&ES) Strategic Reserve, for future alterations to Moresby Depot, subject to a further report.
Impact on delivering Copeland 2020 objectives	This report is fundamental to all objectives of the Council as it deals with the financial resources used in meeting those objectives.
Impact on other statutory objectives (e.g. crime & Disorder, LA21)	As above

Financial and Human Implications

1) The General Fund revenue expenditure shows total net spending after financing from capital receipts, carry forwards, and reserve funding, of £9,472,919 compared to a vired budget of £9,774,542. The effect on General Fund Resources is detailed in paragraph 6 resulting in additional resources not yet committed of £525,861

Once the final figures are known, any net underspend will be transferred to the Major Project Fund as per Council Policy. The balance on contingencies, prior to any approvals made this year will

be £299,505. The balance on the Major Project Fund, prior to any other approvals on this agenda, is £385,722

2.The unaudited Housing Revenue Account Balance as at 31 March 2005 is £630,321 (brought forward £238,811). The balance, after final HRA subsidy determination, will be transferred to General Fund balances at 2005/06 financial year end, when the HRA statutorily ceases to exist. Of the balance to be transferred, £200k has already been identified as part of the budget process.

Project & Risk Management

All budgets are regularly monitored with exceptions reported to members for action. No monies are made available until the accounts are complete.

Key Decision Status:

- **Financial:** Yes – additional resources available
- **Ward:** No

Other Ward Implications: None

1 INTRODUCTION & KEY ISSUES

- 1.1** This report details the outturns of the individual budget areas, which are shown in summary format. These outturns will be consolidated together to form the final accounts of the authority along with other accounting entries as required by accounting framework.
- 1.2** This is a complex report, which at first sight appears to identify many variations between actual expenditure and the budget. However the variations, which result from capital charges, can be disregarded, as they have no net effect on the total accounts. Similarly expenditure, which has been approved and financed from the use of specific reserves, will not affect the final outcome.
- 1.3** The key decisions, which Members are asked to make, are the approval of budgets to be carried forward into the current year and the net under spending to be transferred to various funds. The approved policy is to transfer the final net under spend to the Major Project Fund.
- 1.4** Although these accounts have not been audited, it is possible at this stage to identify items, which require to be carried forward, and any under or overspends.
- 1.5** Capital charges have varied from budget in all areas, and in some quite substantially. This has been due to the revaluation of assets exercise, which took place during 2003/04 as a requirement of CIPFA accounting guidelines, and, secondly to additions to assets during the year. Variations will always occur as the budget for the next year is prepared before the outturn of the previous year is known. Expenditure on capital assets affects the calculation of capital charges. The Capital charges are shown

elsewhere in the Council's accounts and have no net effect to the total revenue outturn of the Authority or the charge to the taxpayer.

- 1.6** The outturns are shown in summary form at the end of the report. The end column of the table shows the variations from vired budget. Comments on the outturn, and on significant variances (£10,000 plus or minus or 10% of budget) are included at paragraphs 2 to 5 below.
- 1.7** The original budget was that approved by Council in March 2004. Approved changes in budgets by transferring monies from one budget to another (virements), have taken place during the year. These are explained where relevant. The variations shown are variations against the vired budget.
- 1.8** Due to the transfer of the housing stock on 7th June 2004 to Home Group, the HRA is measured against the original approved full year budget,, with a pro-rate allocation of 9 weeks. The HRA account will remain open until 31st March 2006, when the balance will be transferred to General Fund Reserves. It is important to note that due to the complex nature of the stock transfer these figures are unaudited and are subject to change.
- 1.9** There are a number of items that have been requested to be carried forward to 05/06. These are identified in the relevant paragraphs and are summarised in Appendix B. Corporate Team has considered the requests and their recommendations are included in the summary.
- 1.10** There are a number of items of expenditure that have been financed from the use of specific reserves or contingencies specifically from the capital receipt following the stock transfer. The Accounting Code of Practice requires that these allocations are shown elsewhere in the financial statements of the accounts and not at Business Unit Level, therefore resulting in an overspend at that level. These are noted where relevant and the summary in paragraph 6.2 takes account of this. A summary of all reserves will be reported to Executive with the pre-audited accounts in July.
- 1.11** Following the Executive meeting, Corporate Team will consider any issues arising from this report and will request action plans where necessary.
- 1.12** The Capital outturn report is elsewhere on this agenda.
- 1.13** It has been necessary to close down the accounts even earlier this year as the Local Government Act requires pre- audited accounts to be approved by the end July 2005. This has advantages for financial planning in that the outturn will be taken into consideration in determining next year's budget. The regulations require a June deadline for approval and accountancy will be considering how to achieve these changes in the close down timetable. A report on the draft un-audited final accounts will be presented to members in July.

2 DRAFT OUTTURNS

A summary of draft outturns is shown in Table 11 of Appendix A

- 2.1 ECONOMIC DEVELOPMENT** (£26,516 overspend, capital charges -£4,028, -£28,936 financed from earmarked reserves and +£18,413 transfer to reserves, carry forward request of +£23,489 – a **true overspend of £35,454**)

TABLE 1

Manager: Mike Tichford

- 2.1.1 Economic Development (£8,577 underspend**, due to capital charges -£4,028, -£14,057 financed from earmarked reserves, and a +£17,036 contribution to reserves **a true underspend of £9,626)**

The main reason for the underspend has resulted from additional income being received for industrial units and workspaces being occupied. Contributions totalling £8,036 from Public Buildings (£6,000) and Cleator Moor Business Centre (£2,036), have been received towards the Cleator Moor Business Centre Sinking Fund. Business grants of £14,057 have been given during the year, which have been financed by the small grants fund set up some years ago for this purpose. £9,000 has been allocated to the sinking fund set up for future maintenance of the sea wall at North Shore.

- 2.1.2 Planning Policy (£18,392 overspend**, -£14,879 funded from earmarked reserves, carry forward request +£23,489 - **a true overspend of £27,002)**

It is requested that the local plan budget of £23,489 be carried forward to 2005/06 to use towards the cost of a Local Plan Inquiry. The overspend is due to increased SLA recharges to the Trading Account.

- 2.1.3 Millom TIC & Museum (£1,377 underspend, +£1,377 contribution to reserves, nil balance)**

There is a surplus reported here due to additional funding being received from the Training Fund. The balance on the reserve is now £9,032.46. This is to be used in assisting the financing of the running costs of Millom TIC for 2005/06 and future years.

- 2.2 LEGAL SERVICES (£2,551 over spend, financed from reserves -£222, true over spend £2,329)**

TABLE 2

Manager: Martin Jepson

- 2.2.1 Electoral Registration (£11,150 over spend)**

An increase in requests for postal voting, has resulted in large overspends on printing, stationery and postages. The unknown demand makes it difficult to anticipate the budgetary requirements.

- 2.2.2 Land Charges (£4,930 under spend)**

This is a demand led service and demand has exceeded the budget for the year. Supplies and Services are therefore overspent, but this is off set by additional fee income received.

2.2.3 Elections (£222 over spend - to be funded from the Elections Fund)

Expenditure of £44,544 relates to the 2004 European elections and the full cost will be reimbursed. As elections are not held each year, a contribution to a fund is made and currently stands at £16,735. This fund will be utilised until the full cost of the election has been reimbursed.

2.2.4 Licensing (£3,891 under spend)

The £2,081 under spend on supplies and services can be utilised to off set the reduction in income to give a net under spend excluding SLA's of £1,145. The main cause of the favourable variance on supplies and services is due to under spends on both PC Software (£3,130) and Taxi Testing (£4,000). The taxi testing budget has been given up as a saving for 2005/06 , however, there remains an approved reserve of £6,372 which will still be used to renew taxi ranks within the town.

2.3 CONTRACTS & PROJECT MANAGEMENT (£21,291 under-spend, variance due to capital charges -£11,348, a contribution of -£29,000 from the Major Project Fund and a contribution to earmarked reserves of +£113,833 true overspend of £52,194)

TABLE 3

Manager: Chris Lloyd

2.3.1 Coast Protection & Land Drainage (£44,869 overspend, variance due to capital charges -£8,834 and additional costs of repairs to sewers and flooding damage which is to be funded by a contribution of -£29,000 from the Major Project Fund true overspend £7,035)

The overspend is due to repairs and flood damage charges being more than anticipated because of the prolonged high rainfall.

2.3.2 Land Management (£69,096 underspend, variance due to rating appeal refunds (less costs) totalling +£98,758 to be transferred to earmarked reserves, Sale of land contribution to reserves of +£15,075 and capital charges +£934, true overspend of £45,671).

Due to the transfer of Building Services as part of the stock transfer to Copeland Homes, the Buildings account has been closed with all balances relating to external works carried out transferred to Land Management. As a matter of prudence retentions due have not been accounted for in 2004/05 but will be credited in 2005/06 upon receipt. The rating appeals refunds of £98,768 are to be utilised as part of the budget process as per Executive.

2.3.3 Community Buildings (£2,936 overspend variance due to capital charges -£3,448 true underspend of £512)

The under spend is due to reduced insurance charges.

2.4 DEVELOPMENT & ENVIRONMENT (£316,225 under-spend, financed from reserves -£611, carry forward requested +£100,844, transfer to reserves +£166,601 true underspend £49,391)

TABLE 4

Manager: Vic Emmerson/Tony Pomfret

2.4.1 Conservation (£1,080 under spend)

Grants are underspent by £2,000 due to unclaimed grants from previous years being cancelled.

2.4.2 Access (£1,731 under spend)

Grants are underspent by £1,538 due to unclaimed grants from previous years being cancelled.

2.4.3 Building Control Fee (£62,308 underspend, carry forward request +£84,006, true overspend £21,698)

The underspend is attributable to the fee income for the year being £58,116 ahead of budget. There are also reductions in SLA recharges due to the reallocation of an under spend on Building Control holding account. This is year 3 of a 3 year rolling program in which the function has to be self financing. The surplus of £41,634 in 2003/04 was placed in an earmarked reserve to cover any deficit in future years and it is requested that the current surplus of £84,006 is added to this earmarked reserve giving a total of £125,640 available to fund extra resources in 2005/06. Building control have for some time been under growing pressure, caused to a great extent by an increase in the number of applications but also by increasing complexity, as for instance the operations that fall within the Buildings Regulations increase. In this situation it is considered appropriate that the income generated by the service is used to support and develop the service. It is intended to submit a report to Executive shortly with proposals to enhance staffing and purchase equipment to increase efficiency and the effective use of officer time. The 3 year Derogation Principle states that when costs exceed £450,000, income must not be less than 100% of costs. It is currently 125.3%.

2.4.4 Building Control Non-Fee (£3,219 underspend, funding from reserves -£611, true underspend £3,830)

Dangerous Structure expenditure of £611 is financed from an earmarked reserve, Dangerous Structures Fund. There are also reductions in SLA recharges due to the reallocation of an under spends on Building Control holding account and Development and Environment holding account.

2.4.5 Development Control (£183,439 underspend, transfer to reserves +£166,601, carry forward request +£16,838, nil balance £0)

The underspend is attributable to the fee income for the year being £71,580 ahead of the target of £274,580 and reductions in the SLA recharges from Building Control Fee Based and Development and Environment holding accounts. The reduction in SLA recharge from Development and Environment is mainly due to the unspent balance of Planning Delivery Grant, £131,601, which will be transferred to an earmarked reserve for future committed expenditure. The increased level of planning applications received resulted in extra expenditure of £2,522 on advertising and £9,816 on legal and professional services. £35,000 of the additional fee income was committed during the 2005/06 budget process towards the cost of the Local Plan Enquiry. Development control have for some time been under growing pressure, caused to a great extent by an increase in the number of applications but also by increasing complexity. In this situation it is considered appropriate that the income generated by the service is used to support and develop the service. A report elsewhere on this agenda, details the use of this years Planning Delivery Grant settlement and it is requested that the remaining additional fee income of £16,838 be carried forward to make a contribution to the cost of a new post.

2.4.6 Food Safety (£6,735 underspend)

Income is £1,434 behind the budget of £5,404. Spend is £2,934 below budget on operational equipment and £1,386 below budget on food sampling due to less work being paid for than budgeted. There is also a reduction in SLA recharges due to the reallocation of an underspend on the Development and Environment holding account.

2.4.7 Occupational Health (£8,224 underspend)

Car allowances are overspent by £2,561. Operational equipment is overspent by £1,609. Legal and professional services are overspent by £3,278 due to work on a prosecution investigation but £15,863 was recovered following the prosecution and is shown as fees. There is also a reduction in SLA recharges due to the reallocation of an underspend on the Development and Environment holding account.

2.4.8 Private Water Supplies (£2,423 overspend)

Income was £2,876 below the estimate of £11,984. There is also a reduction in SLA recharges due to the reallocation of an underspend on the Development and Environment holding account.

2.4.9 Pollution Control (£13,195 underspend)

Operational equipment is underspent by £8,833 and Legal and Professional services by £3,925. Miscellaneous income of £1,871 is for works in default recovered through a charging order on the property. There is also a reduction in SLA recharges due to the reallocation of an underspend on the Development and Environment holding account.

2.4.10 Noise Control (£1,825 underspend)

Operational equipment is under spent by £1,299. There is also a reduction in SLA recharges due to the reallocation of an under spend on the Development and Environment holding account.

2.4.11 Nuisances (£5,167 underspend)

Legal and professional services are under spent by £4,040. There is also a reduction in SLA recharges due to the reallocation of an under spend on the Development and Environment holding account.

2.4.12 Contaminated Land (£3,469 underspend)

The budget was reduced by a virement of £11,700 to the Development and Environment holding account during the year. Operational equipment is under spent by £1,867. There is also a reduction in SLA recharges due to the reallocation of an under spend on the Development and Environment holding account.

2.4.13 Local Agenda 21 (£27,242 under spend)

Supplies and Services are under spent by £4,097. There is also a reduction in SLA recharges due to the reallocation of an under spend on the Development and Environment holding account. Very little work has been done on this service this year due to the post of Local Environment Officer being vacant.

2.5 FINANCIAL SERVICES (£3,966,260 overspend, funded from capital receipts - £4,291,678, carry forward request £8,866, true underspend £316,552)

Manager: Sue Borwick

TABLE 5

2.5.1 Grants & Other Aid (£1,528 under spend)

General grants are under spent by £301 and grants to parish councils are under spent by £1,227. This is because a number of parish council awards were accrued for in previous years and do not now require payment. Any unclaimed awards relating to any other previous years have been accrued and can be claimed in future years.

2.5.2 Concessions (£5,479 under spend, request for carry forward +£2,928, true under spend £2,551)

The variance is due to an under spend on concessionary travel of £6,712. This under spend will be utilised to fund the expenditure of £2,857 on advertising and £1,047 employee costs for which there was no budget.

Additional income was received relating to administration costs for replacement of lost bus passes totalling £120. This income is intended to cover the additional administration costs involved in organising replacement passes.

It is requested that £2,928 be carried forward to put towards the cost of printing the travel vouchers for next year.

2.5.3 Treasury Management (£4,420,603 overspend, funded from capital receipts - £4,291,678, true overspend £128,925)

Interest earned was £109,719 below the budget and the cost of external financial services was £18,092 above the budget. This total is made up of a shortfall in the return on investments with the external fund managers of £428,982 and an excess on investments managed internally of £301,171. At the time the budget was set it was estimated that our investment with external fund managers would be increased by approximately £9,000,000 following the stock transfer, in fact most of the capital receipt was used instead to repay borrowing. The average investment balances managed internally were higher than estimated and interest rates were higher than expected throughout the year. The net overspend of £128,925 on Treasury Management is compensated by a reduction in the interest paid on borrowing of £433,615 resulting in a net gain to the Council of £304,690. The circumstances have been reported to Executive who on 10TH March allocated £209,377 of the net gain towards the costs of the restructure.

A premium of £4,291,678 was paid for the early repayment of Market Loans, which were not due to be repaid until 2042, This cost was funded from capital receipts.

There is also an increase in SLA recharges due to the reallocation of an overspend on Financial Services holding account.

2.5.4 Insurances (£329,449 overspend, funding from reserves £418,978, true underspend £89,529, table shows £2,557 underspend due to budget being held centrally but costs charged over all departments)

All insurance costs are recharged out to Services and holding accounts therefore the net reduction in the cost of insurance of £89,529 will show as underspends in other areas.

Employee related insurances are under spent by £323,175 but this is offset by expenditure of £231,216 on estimated insurer payments. The net under spend of £91,959 includes £91,448 which has been released from the provision for outstanding claims following the stock transfer. Premises related insurances are under spent by £10,404. Transport related insurances are overspent by £14,236. Miscellaneous insurances are overspent by £420,736 including a one off cost of £418,978 associated with the stock transfer, which is funded from earmarked reserves.

There is an under spend of £3,676 on risk management.

2.5.5 Subscriptions & Miscellaneous Expenses (£108,222 underspend)

Subscriptions paid this year include LGA Subscriptions amounting to £13,850.

The major items of expenditure on miscellaneous expenses are £58,383 to increase the bad debt provision, £48,444 contribution to Copeland Homes from the under spend on housing repairs and £8,565 stock written off. The major items of income on miscellaneous expenses are £100,000 for the purchase of assets relevant to LSVT, £77,903 2nd homes discount from Cumbria County Council (used as part of the budget funding for the capital programme), £14,700 DEFRA grant towards waste management, £12,950 from the sale of land, £6,048 payment from the magistrates court, £4,175 cancelled cheques and £2,397 VAT adjustments.

2.5.6 NNDR (£6,189 over spend)

An over spend is shown on this account as Government grants received were less than anticipated by £11,129 and also SLA recharges increased by £9,645. These were reduced by the various under spends on supplies and services and reduction in discretionary rate relief payments.

2.5.7 Council Tax (£80,765 under spend, request to carry forward + £28,000 true under spend £52,765)

Court costs recovered were three times more than expected, resulting in additional income of £140,523. The budget has been increased in 05/06 to reflect this.

This is off set by over spends on supplies and services due to increased expenditure on Legal and Professional Fees, Postage and Mainframe Software.

There are also increases and reductions in SLA Recharges due to the reallocation of over and under spends on Information Technology, Cash Collection, Recovery, Revenues, Registration & Accounts, Benefits and Non-Tupe Housing Trading accounts.

It is requested that £28,000 of this under spend be retained to fund the extension of the contract for the temporary Revenues and Benefits Services manager until the successful appointment of a full time permanent Manager.

2.5.8 Community Charge (£758 under spend)

Under spend due to the legal & professional services budget not being utilised totalling £758. This budget page has now been discontinued, as outstanding balances have either been recovered or written off.

2.5.9 National Conferences (£4,041 under spend)

An under spend due to shortage of resources has led to officers being unable to attend their authorised conferences. Conferences not attended this year include CIPFA, Institute of Public Relations, The NW Annual Conference and the Environmental Health Congress and Exhibition.

2.5.10 Housing Benefits (£85,582 under spend, used in Benefits Holding Acc £27,353, true under spend £58,229)

Housing benefit awarded was £130,269 more than the budget but this is a very difficult item to estimate, as it is demand led. Grant income was less than expected by £93,290 however £38,477 of this resulted from the difference between the estimated and actual grant income for 2003/04. The grants for admin we have received are more than estimated by £27,353 due to allowances for dealing with pension tax credits. This additional income has been utilised to employ additional benefits assessors and is recorded on the Benefits Holding account. Also, repayment of benefit overpaid totals £272,521 that is income received but not budgeted for.

There is also a reduction in SLA Recharges due to the reallocation of an overspend on Financial Services holding account and underspends on Benefits, Exchequer, Benefit Fraud and Housing holding accounts.

It should be noted that the benefits subsidy is unaudited at present, and the final figures may be subject to change.

2.5.11 Council Tax Benefit (£159,806 under spend, used in Benefits Holding Acc £21,259, true under spend £138,547)

Council tax benefit awarded was £686,218 more than the budget again this is demand led and difficult to estimate. Grant income is £821,137 above budget. In this case the difference relating to 2003/2004 is £67,729 leaving 2004/2005 as £753,408 above budget. The grants for admin we have received are more than estimated by £21,259 due to allowances for dealing with pension tax credits. This additional income has been utilised to provide additional benefits assessors and the cost of these are recorded in the Benefits Holding account.

There is also a reduction in SLA Recharges due to the reallocation of an overspend on Personnel holding account and under spends on Central Services, Benefits, Benefits Fraud and Housing holding accounts.

Again, the subsidy is unaudited and may therefore be subject to change.

2.5.12 Capital Charges Admin (£11,794 underspend, request to carry forward +£5,938, true underspend £5,856)

The requested carry forward of £5,938 is to assist in funding the quinquennial revaluation.

2.6 STRATEGIC MANAGEMENT (£56,480 over spend, funding from reserves - £64,306, true under spend £7,826)

Business Manager: John Stanforth

TABLE 6

2.6.1 Corporate Management (£84,076 over spend, financed from reserves -£64,306, true over spend £19,770)

A total of £64,306 has been spent on housing post transfer issues, and these are financed by the use of stock transfer receipts earmarked reserve.

The main over spends can be broken down as follows: -

Bank Charges	£ 7,523
Legal and Professional	£ 1, 007
District Audit Charges	£61,177
Miscellaneous Expenses	£ 585
LG Re-organisation	£ 139

District Audit charges are showing an over spend due to increased work on grant, subsidy, and SRB claims.

The overspends detailed above are offset by under spends as follows:-

Pensions	£41,469
Backdated Superannuation	£ 4,728
Consultants SSA Lobby	£ 239
Staff Conference	£ 1,500
New Political Structure	£10,000

The reduction in Pensions and Backdated Superannuation costs is a result of the Housing Stock Transfer.

There are also increases and a reduction in SLA Recharges due to the reallocation of over and under spends. The largest increases in SLA Recharges being from Strategy & Communication, Strategic Management Team and Personnel.

2.6.2 New Initiatives (£29,873 under spend) & Best Value (£6,934 over spend)

Total budget approved 04/05 for New Initiatives is £60,866, and the outturn position reports a spend of £35,993. There is therefore a favourable variance of £24,873. There is currently £23,543 in an earmarked reserve for new initiatives.

The overspend for Best value is broken down as follows:-

Public Consultation ~ £6,554

Other Supplies and Services ~ £380

The additional Public Consultation over spend is offset from the under spend on Policy Unit – Public Consultation Miscellaneous Expenses of £8,811 (see para 3.8).

2.6.3 Democratic Representation (£29,559 over spend)

There are increases and reductions in SLA Recharges due to the reallocation of over and under spends on PFI Buildings, Catherine Street/Irish Street, Personnel, Strategic Management Team, Legal Services, Chief Finance Officer, Development & Environment, Audit, Strategy & Communications and Secretariat holding accounts.

2.6.4 Civic & Mayoral Expenses (£14,599 under spend)

Supplies and Services show a total under spend of £14,108 mainly due to the reduction in Member Allowances, Computing and hospitality expenditure.

This is reduced by the over spend on Hire of Premises - hall hire for meetings of £3,666 and an increase in running costs of transport.

There are also increases and a reduction in SLA Recharges due to the reallocation of over and under spends on Training, Secretariat and IT Holding Accounts.

2.6.6 Community Safety Co-ordinator (£5,395 under spend)

The officer is employed by Copeland, but is jointly funded with Allerdale BC. Income has been received this year to pay for this years contribution and some that was outstanding from 2003/04 , resulting in an under spend of £5,395.

2.6.7 Committee Services (£14,222 under spend)

This budget is largely under spent by £8,028 on printing costs of producing committee agendas and minutes. This under spend can be utilised to cover the overspend on Secretariat central printing costs amounting to £2,398. A £20k saving has been identified within the 05/06 budget.

2.7 GENERAL FUND HOUSING (£321,659 overspend, -£418,978 financed from reserves, true underspend of £97,319)

Manager : Mike Tichford

TABLE 7

The main under spends are on Private Sector Housing Renewal, Homelessness and Welfare Services which are explained below.

2.7.1 Housing Strategy (£453 underspend)

An under spend on supplies and services of £5,633 and changes in services level agreement due to holding account surplus and deficits resulting in an increase of £5,180, combine to make a small under spend overall.

2.7.2 Registered Social Landlords (£414,800 overspend, -£418,978 financed from reserves, true underspend £4,178)

An amount of £418,978 has been allocated for environmental insurance, which is completely funded from an earmarked reserve. See insurance note for more information.

2.7.3 Housing Advice (£5,884 underspend)

Reduction in service level agreement, due to a surplus on the Housing Holding Account.

2.7.4 Housing Advances (£1,327 overspend)

This overspend is due to a reduction in mortgage interest due compared to the budget.

2.7.5 Private Sector Housing Renewal (£24,243 underspend)

This variance is mainly due to under spend on supplies and services.

2.7.6 Homelessness (£37,406 underspend)

Overspends on premises rents £5,832 and emergency accommodation £19,891 are financed by income received of Housing Benefit £24,085 and Homeless ODPM Grant £20,000 which were not included in the budget. Reduction in service level agreements due to surplus on Housing Holding Account has resulted in overall under spend against budget.

2.7.7 Welfare Services (General Fund Careline) (£ 26,481 underspend)

There was a reduction in salaries and wages of £36,188, due to vacancies, which is off set by increased supplies and services of £27,704 mainly due to increased costs of Tunstall Telecom to help cover the service.

Income from fees and charges are above budget by £20,410.

- 2.8 PARKS DEPARTMENT** (£1,150 underspend, variances due to capital charges - £21,537 and contribution to Crematorium sinking fund +£8,640, reserve financing - £1,500.
True underspend £ 15,547)

TABLE 8

Manager: Toni Magean

- 2.8.1 Landscape Management** (£10,418 overspend, variance due to capital charges - £21,881, reserve financing -£1,500. **True underspend £12,963)**

This is due to an increase in activity of outside work.

- 2.8.2 Cemeteries and Crematorium** (£12,359 underspend, variance due to capital charges +£343, contribution to Crem. Car parking fund +£8,640. **True underspend £3,376).**

Income has exceeded budget due to increased volume.

- 2.8.3 Pest Control (£10,489 overspend)**

This is due to savings identified in the budget process not being achieved £5817, and income under budget due to lack of demand for the service. 2005/06 budget allows for an approved non-recurring bid of £10k. which will allow management to review the service from a financial viewpoint in the longer term.

- 2.9 LEISURE SERVICES** (£ 47,722 underspend, reserve financing -£11,428, Contribution to Fitness Sinking Fund +£6,000, variances due to capital charges -£ 228. **True underspend £53,378 after allowing a provision for surplus share of £25,000)**

TABLE 8

Manager: Phil Sutton

- 2.9.1 Sports Centre** (£5,374 underspend, reserve financing -£11,428, contribution to Fitness Sinking Fund +£6,000. -£268 variances due to capital charge **true underspend £11,070)**

Underspend due to Increased activity.

- 2.9.2 Swimming Pool** (£39,173 overspend, variance due to capital charges -£1,163. **True overspend £38,010)**

Decreased income due to activity targets not being achieved in relation to the set budget.

- 2.9.3 Cleator Moor Civic Hall** (£21,442 underspend, variances due to capital charges - £169. **True underspend £21,611)**

Savings on cost of supplies purchased.

2.9.4 Beacon (£10,312 underspend, variances due to capital charges -£493. **True underspend £10,805**)

Decrease from budgeted income £11,726, offset by savings in direct costs £22,038.

2.9.5 Sports Development (Under spend £31,656)

Mainly due to a salary cost saving due to posts not filled during the financial year, and a further saving on supplies.

2.9.6 Copeland Bowls (£11,828 underspend, variances due to capital charges +£2,877. **True underspend £8,951**)

Mainly due to decreased direct costs through efficiency savings.

2.10 WASTE MANAGEMENT (£21,079 underspend, reserve financing -£1,645, contribution to recycling sinking fund +£10,000, contribution to green waste sinking fund +£80,000 variances due to capital charges -£95,598. **True underspend £28,322.)**

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Manager: Janice Carrol

2.10.1 Refuse Collection (£1016 underspend, reserve financing -£1,645, contribution to recycling sinking fund +£10,000, contribution to green waste sinking fund +£80,000, variances due to capital charges -£87,326. **True overspend £13**).

The contribution of £80,000 to the green waste sinking fund is based on the replacement of the wheeled bins, in line with the terms of the grant agreement with the Government Department.

2.10.2 Building Cleaning (£22,452 underspend).

This is due to an increase in work carried out for externally based customers

2.11 ENFORCEMENT UNIT (£7,771 overspend, contribution to car park sinking fund +£5,000, variances due to capital charges -£5,427. **True underspend £7,344**).

TABLE 8

Manager: Toni Magean

2.11.1 Enforcement (£61,960 overspend, contribution to car park sinking fund +£5,000, variances due to capital charges -£5,242. **True overspend £61,718**)

Car Park fine income has not achieved its targets against budget by £129,300. Increased income and reduced costs through efficiency savings in other Enforcement activities has partially offset this position.

2.11.2 Footway Lights (£36,136 underspend, variances due to capital charges -£186. **True underspend £36,322**).

Savings on the cost of supplies and equipment purchased.

2.11.3 Bus Shelters (£18,053 underspend, variances due to capital charges -£1. **True underspend £18,054**).

Savings on the cost of supplies purchased.

2.12 L&ES Balances

It is requested that the balances remaining on the L & ES accounts amounting to £96,403, after adjustments as shown below, be transferred into the L&ES Strategic Reserve Account for long-term reinvestment in those areas.

	Over/Under Spend Against Budget £	Capital Financing Variance £	Contribution To +/- From - Reserves £	To Strategic Reserve £
Parks Department Leisure Management	-1,150	21,537	7,140	-15,547
Waste Management	-47,722	228	-5,428	-53,378
Enforcement Unit	-21,079	95,598	88,355	-28,322
Grounds Business Unit	7,771	5,427	5,000	7,344
		6,500		-6,500
TOTAL	-62,180	129,290	95,067	-96,403

L&ES Strategic Reserve contributed £100,000 to General Fund during 2004/05. It is recommended that this be earmarked for future alterations at Moresby Depot.

Secondly, approval is sought from Members on the proposed potential allocations from Strategic Reserve Account, as shown in Appendix C.

3 HOLDING ACCOUNTS

TABLE 9

Holding Accounts contain the administrative running costs of the individual Business Units. The largest element is that of employees' costs.

Detailed statements of Holding Account outturns are available on request. The holding accounts were budgeted to recharge all their costs to line budgets and so to break even. Reductions in costs below budget result in a surplus for the year and increases above budget result in a deficit.

In accordance with BVACOP guidelines, these surpluses and deficits have been returned to the line functions, thus reducing (for surpluses returned) or increasing (for deficits returned) the expenditure. In previous years, some of the surpluses were carried forward. Individual items within the holding accounts proposed to carry forward are included in the Recommendations to this report.

A summary of the Trading Account outturn is shown in Table 9 the figures shown are before recharges, i.e. gross expenditure with the main variations shown below:

3.1 Economic Development & Local Plans Trading Account (£44,186 overspend, - £27,311.59 of which is funded from Planning Policy Reserve and restructure implementation costs of -£30,452.48 funded from the Council Restructure Reserve. A true underspend of £13,578)

Manager: Mike Tichford

Employee costs are reporting an overspend against budget of £49,939 due to the Planning Delivery officer's salary, on-costs and car allowances being funded from the Planning delivery Grant and the additional costs incurred due to the restructure implementation which is funded from the Restructure Reserve.

There are also reductions in SLA recharges, due to a reduced allocation charge for the PFI Building .

3.2 Development and Environment Business Unit (£184,805 under spend, transfer to reserves +£131,601 via Development Control, true under spend £53,204)

Manager: Mike Tichford

Employee Expenses are under spent by £42,815 due to vacancies within the department.

Car Allowances are over spent by £3,281 due to the increased workload in Development Control.

In total Supplies and Services are reporting an overspend of £23,109. Administrative equipment is overspent by £3,840, operational equipment by £1,274, stationery by £4,922, postage by £1,016, subscriptions by £1,077 and telephones by £2,249. Additional mobile phones were introduced as a health and safety improvement for lone workers. A virement of £11,700 from Contaminated Land was added to the budget during the year to cover the cost of the new MVM system introduced last year this has resulted in an underspend of £3,329. Because the new system is not yet fully operational we are also continuing to pay fees for the old MIS system. The increased workload in Development Control has resulted in an overspend on document imaging of £8,948. Training fees of £4,043 have been incurred these are funded from the Planning Delivery Grant of £149,500. The unspent balance of this grant of £131,601 has been carried forward to an earmarked reserve to fund future expenditure. The grant itself is ring fenced for this purpose.

There is also a reduction in SLA recharges due to the reallocation of overspends on the Strategic Management Team, Personnel, Copeland Direct, Public Relations and Clerical Trainees holding accounts and underspends on the Administrative Buildings, and Central Services holding accounts.

3.3 Building Control Holding Account (£8,483 underspend)

Manager: Mike Tichford

The Building Control Fee outturn is reporting a net underspend of £8,483. Employee expenses are under spent by £41,338 due to vacancies but this is offset by the

£1,199 spent on advertising the vacancies. The increased workload has resulted in an overspend of £3,619 on car allowances and £22,191 on legal and professional services as more work has been outsourced. There is also an increase in SLA recharges due to the reallocation of overspends on the Personnel and Copeland Direct holding accounts.

3.4 Personnel (£106,026 over spend, financed from reserves -£107,252, carry forward request +£1,226, nil balance £0)

Business Manager: Hilary Mitchell

The overall overspend on Employee Costs is due to the additional Salary and associated costs, interview expenses and advertising costs, of the new Head of Policy and Performance. These are financed from an earmarked reserve. All the costs associated with the restructure and the SOLACE legal and professional fees are also financed from an earmarked reserve, as approved by Exec on 10th March 05. In total £107,252 has been released from reserves.

A provision has been set up for potential relocation costs for three corporate team posts, amounting to £6,472.

Additional recharge income was received in relation to the housing stock transfer to cover salaries expenses paid up to the date of transfer.

Requests have been made to carry forward £1,226 to meet the anticipated demand on medical fees.

3.5 Training (£14,250 under spend, additional recharge income £6,312 carry forward request £20,562, nil balance £ 0)

Business Manager: Hilary Mitchell

Net under spend totals £14,250 and additional recharge income was received (£6,312) in relation to the housing stock transfer to cover salaries expenses paid up to the date of transfer. It is requested that £20,562 of this under spend be carried forward to help meet the needs arising from assimilation and redeployment.

3.6 Copeland Traineeships (£3,967 over spend, Financed from reserves £3,299, true over spend £668)

Business Manager: Hilary Mitchell

The over spend is financed by means of earmarked reserve to cover the cost of employing an additional trainee for a short period. The reserve currently stands at £16,857.

3.7 Strategy & Communication (£16,048 over spend, Financed from reserves £900, true over spend £15,148)

Business Manager: Hilary Mitchell

Over spend on employee costs due to a provision being set up to cover the cost of potential redundancy.

3.8 Policy Unit (£8,811 under spend)

Business Manager: Hilary Mitchell

Under spend due to Public consultation budget not being utilised, some of this will be used to off set the additional expenses incurred on public consultation within Best Value budget (see para 2.6.2). This related to a 12K non-recurring bid to improve the current attitude survey and provide more useful management data.

3.9 Public Relations (£2,402 over spend)

Business Manager: Hilary Mitchell

Employee costs are under spent by £2,316 as savings have been achieved by not filling the post permanently. This is off set by the over spend on supplies and services due to additional expenditure on photographic costs, books and publications and advertising expenses.

3.10 Graphics (£8,792 over spend)

Business Manager: Hilary Mitchell

The adverse variance on employee expenses due to honorarium payments partially off set by the under spend on supplies and services .

Fees and charges were under budget by £500.

3.11 Information Technology (£59,822 under spend, variance due to capital charges increase of - £28,165, carry forward request +£32,566, true under spend £55,421)

Business Manager: Chris Lloyd

The £2,416 over spend on salaries relates to overtime payments for the office move and additional costs associated with filling a vacant post. Both this and the £705 over spend on car allowances can be offset by the significant under spend on supplies and services amounting to £35,687. Supplies and services have an under spend due to the reduction in expenditure on the majority of the budgets, significant under spends particularly on PC Software and Network.

Additional income has also been received from Copeland Home, to cover the cost of IT provision to them.

It is requested that £32,566 be carried forward to 2005/06 to cover the phasing of the additional software licences which are not be paid in 05/06.

3.12 Legal Services (£21,126 under spend, financed from reserves -£2,000, carry forward request £23,179, nil balance £0)

Business Manager: Martin Jepson

Employee costs under spent by £10,024 due to incorrect budget being used for 2004/05. This has been adjusted for the 2005/06 budget.

Total under spend on supplies and services mainly due to a reduction in miscellaneous insurances, legal and professional costs and administration equipment. Further under spends due to the reallocation of holding accounts and £625 unbudgeted fees and charges income .

The solicitor has requested that the underspend on this account be earmarked for potential future expenditure relating to new Licensing laws.

3.13 Secretariat (£59,536 under spend, variance due to Capital Charges -£75, true under spend £59,611)

Business Manager: Martin Jepson

Total employee costs are over spent by £8,690 due to cover for maternity leave and non-achievement of vacancy management.

The over spend on Central Printing and stationery can be off set by the £9,461 under spend on the telephone budget which was reduced due to the change since the stock transfer.

Total under spends due to reallocation of holding account balances on Admin Buildings, PFI Building, which further increases the total under spend.

3.14 Strategic Management Team (£7,694 over spend, Financed from reserves £3,800, true over spend £3,894)

Business Manager: John Stanforth

Salaries were over spent by £9,514 partially due to vacancy management not being achieved and partially due to the pay increase for Senior Management in relation to the restructure. These additional salary costs are to be financed from an earmarked reserve. Transport costs are under spent by £1,220 in total and supplies and services are currently showing an adverse variance mainly due to over spends on central printing, employee conferences and hospitality. A reduction in the SLA recharges from PFI Building reduces the supplies and services overspend.

3.15 Copeland Direct (£84,313 over spend)

Business Manager: Jane Salt

There is an over spend on Employees of £38,946. This is partly due to an error in the budget (£4k), which has been corrected for 2005/06. The costs also include the cost of the Millom Officer (£20k) that were not originally budgeted for. The costs are recovered from Copeland Homes and feed through to Copeland Direct via the recharges from Admin Buildings. Of the remaining overspends, £3K relates to an honorarium in the department and £4K is additional costs incurred when filling vacant posts both of which were not budgeted for. An additional budget of £4K was agreed to be funded from the Benefits salary under spend as a result of the Revenues & Benefits change programme.

Supplies and Services are overspent in total by £14,286. A budget of £21,344 was originally allocated, but the BT one off contract cost took £17,600 of this. The biggest items of expenditure have been on Telephones (£8,155) Uniforms (£1,502) and Other Miscellaneous expenditure (£3,596).

The section also incurred Car Allowances of £992 for which there was no budget.

3.16 Chief Finance Officer (£42,996 over spend, Financed from reserves £44,893, true under spend £1,897)

Business Manager: Sue Borwick

A total of £44,893 has been released from reserves to cover the over spend on Employees costs, due to the redundancy of the CFO.

3.17 Financial Services (£23,790 over spend, Financed from Reserves £36,121, carry forward request £8,596, true under spend £3,735)

Business Manager: Sue Borwick

A total of £36,121 has been financed from reserves to cover the over spends on this holding account. £16,421 was released in relation to Housing staff paid up to the date of transfer, £15,000 in relation to Post Ballot Cost and £4,700 in relation to the additional restructure costs of the Corporate Team.

Supplies and services are overspent by £2,316 due to increased expenditure on printing, books and publications, other services, postage, miscellaneous expenses and miscellaneous insurances. However, these can be off set by the reduction in SLA recharges from PFI Building.

Other income amounting to £2,500 relates to services provided to Western Lake District Tourism Partnership included in Capital Projects.

It is requested that £8,596 is carried forward to cover expenditure on the implementation of laser printing of cheques. As staff numbers are to reduce, this system will increase efficiency and improve customer relations.

3.18 Audit (£2,342 over spend)

Business Manager: Sue Borwick

Employee Costs were slightly over spent due to employment of an Audit Assistant for a short period to cover maternity and extra work carried out. A reserve totalling £6,919 was available to fund this overspend, but due to the recharge to HRA, and due to a reduction in expenditure on car allowances and SLA Recharges, it wasn't necessary to release the reserve. This will remain earmarked for future purposes

3.19 Revenues (£7,890 over spend, Financed from Reserves £9,718, variance due to capital charges increase £11,063, true under spend £12,891)

Business Manager: Jane Salt

The salary cost of a member of Corporate Team has been fully funded from a reserve.

Car allowances budget of £5,000 is held on this holding account for the whole Revenues & Exchequer department. Total spend for the year amounts to £3,411, resulting in a favourable variance of £1,589.

Supplies and Services have a total under spend of £1,970 due to reduction in expenditure on postage, legal and professional, telephones and subscriptions.

3.20 Exchequer (£9,300 over spend)

Business Manager: Sue Borwick

Over spend on the salaries budget due to costs of additional hours worked through extension of a fixed term appointment up to the date of transfer. Also overspends on the legal & professional services budget due to costs of maintaining the Sage Payroll System and payments to the Debt Recovery Agency, there have been recharged as part of year end processes. Stationery is also overspent but this can be partially off set against the commission received from a loan company, which was not budgeted for totalling £308.

A reduction in SLA Recharges amounting to £3,452 from Admin Building and Central Services further reduces the over spend mentioned above.

3.21 Recovery (£9,062 over spend)

Business Manager: Jane Salt

Total over spend on employee costs is £6,031 due to additional hours worked on the Revenues change programme, which weren't originally budgeted for.

Reallocation of over spends on other holding accounts results in an increase in SLA recharges totalling £2,902, which further increases the initial over spend.

3.22 Registration & Accounts (£19,752 over spend)

Business Manager: Jane Salt

Over spend on salaries totalling £17,425 due to displaced time of Revenues Staff involved in the change programme.

Budget for car allowances is held on Revenues cost centre.

3.23 Cash Collection (£24,064 under spend)

Business Manager: Jane Salt

Over spend on employee expenses totalling £6,613 due to overtime working and non-achievement of vacancy management. This is slightly off set by the under spend on Miscellaneous expenses and security services.

Favourable variance on Service Level agreements due to reallocation of under spends on the Admin buildings holding account.

3.24 Benefits (£6,889 under spend, income on line functions -£48,612, carry forward request £32,580, true under spend £22,921)

Business Manager: Jane Salt

Under spends on employee expenses total £12,108. The over spend on legal & professional services is due to expenses of extra agency staff.

Legal and Professional expenditure of £46,772 relates to the cost of employing additional benefits assessors. Additional income has been received via Admin Grants in Council Tax (£21,259) and Housing Benefits (£27,353) line functions to cover this expenditure.

It is requested that the under spend of £32,580 in relation to the verification framework bid, be carried forward to 2005/06 to be utilised for the same purpose.

3.25 Fraud (£51,603 under spend, carry forward request £22,270, true under spend £29,333)

Business Manager: Sue Borwick

Slight over spend on Employee expenses of £1,180 and Legal and Professional £3,224 are off set by the under spends on most of the Supplies and Services and Car Allowances.

Fraud Incentive Scheme income totalling £25,900 has been received as well as additional income from fees and charges totalling £709.

An urgent action has already been agreed to carry forward £22,278 of this income to fund the interim Revenues and Benefits Manager.

3.26 Parks Department (12,413 overspend, financed from reserve -£2,352, variance due to capital charge -£6,500, true overspend £3,561)

Manager: Toni Magean

This overspend is due to increased cost of supplies that were not charged direct to line functions as they covered a multitude of areas. This was offset by a saving on Enforcement Business Unit supplies.

3.27 Waste Management (£19,016 overspend)

Manager: Janice Carrol

This overspend is due to increased cost of supplies that were not charged direct to line functions and other L&ES Holding accounts, as they covered a multitude of budget heads. This was offset by a saving on Enforcement Business Unit supplies.

3.28 Enforcement & Technical Services (£38,032 underspend)

Manager: Toni Magean

This under spend is due to decreased supplies and services. These are offset by overspends on Parks and Waste Business Units.

3.29 Leisure (£14,527 underspend)

Manager: Phil Sutton

This under spend is due to a decrease in Insurance costs and fee income not budgeted for.

3.30 Contracts & Projects Management (£45,406 overspend)

Business Manager: Chris Lloyd

There are overspends on Employee expenditure (£28,664) and Supplies and Services (£21,951). These relate to the costs of the TUPE staff up to the date of the housing transfer, that were not included in the initial budgets. This overspend is covered by an increase in recharge income from Housing of £48,188.

3.31 Public Buildings (£2,231 underspend, variance due to capital charges -£2,003, true under spend £4,234)

Business Manager: Chris Lloyd

An overspend on premises costs and reduced insurance costs accounts for the small overspend reported here.

3.32 Admin Buildings (£276,942 under spend, Capital charges +£6,522 and a contribution to the PFI Sinking Fund of £235,000 a true under spend of £35,420)

Business Manager: Chris Lloyd

The under spend is reported on Admin Buildings due to reduced rates, insurance costs and an increase in rental income.

3.33 Housing Holding Account (£21,084 under spend)

Employee costs show an under spend of £25,338 against budget, this is due to salaries being coded elsewhere as per 2003/04 allocations prior to stock transfer .

Transport costs show a decrease below the budget of £1,152.

Supplies and services are above budget by £3,368. Overspending on administrative equipment, (£2,405) and conference costs (£645) are the main items.

SLA Recharges increased by £2,039 due to the reallocation of balances on holding accounts, which recharge to housing holding account.

4 HOUSING REVENUE ACCOUNT (£630,321 balance carried forward)

TABLE 10

The Housing Revenue Account (HRA) is ring fenced, has its own balances and cannot usually receive or give contributions to or from the General Fund. Under legislation, the cumulative balance at the year-end must remain in surplus, although the HRA may make a deficit within the year.

The Council transferred its entire housing stock on 7th June 2004.

The HRA balance brought forward from 2003/04 was £238,811.

The in year HRA account shows a surplus of £391,510, resulting in a balance carried forward into 2005/06 of £630,320.

The main reasons for this is due to:

- Rental income, after allowing for write off of bad debts and provision for doubtful debts, exceeds the actual costs of providing the service, and
- HRA Subsidy showing a small credit. This position will change during 2005/06 once the final subsidy position is determined.
- Cost of capital less than expected by £97k. due to valuation of housing stock used for stock transfer, and, accounting purposes at previous financial year end.

Because of stock transfer, the HRA account is now closed from an operational viewpoint, and the balance will be released into General Fund reserve at the end of financial year 2005/06, when the account is statutorily closed.

Of the final HRA balance, £200,000 has already been identified as part of the budget process.

Due to the complexities of the stock transfer this account will be fully audited and is subject to change. Once final figures are known and the account is statutorily closed the remaining balance will be available for general use..

5 CONCLUSION - Housing Revenue Account

5.1 The un-audited position shows a balance carried forward to 2005/06 on HRA balances of £630,321.

5.2 The balance will be affected during 2005/06 only by the final HRA subsidy calculation. All operational income and expenditure has been finalised in 2004/05.

- 5.3 The balance at the end of financial year 2005/06, will be transferred to General Fund, for which the first £200k has already been identified as part of the 2004/05 budget process.

6 CONCLUSION –General Fund :

- 6.1 A summary of the general Fund outturn position for revenue cost centres is shown in TABLE 11 at the end of this report.
- 6.2 The outturn on line functions is £9,456,634, allowing for expenditure financed from capital receipts of £4,291,678, against a vired budget of £9,774,542. However the following adjustments need to be made to see the effect on General Fund resources:

	£
Underspend on outturn from vired budget	-317,908
Variation in capital charges	-198,991
Less carried forward as per Appendix B	302,178
Add Funding from reserves for revenue expenditure	-825,195
Transfer to L&ES Strategic reserve	94,806
Contributions to reserves	643,487
Reduction in interest payable on debt (para2.5.3)	-433,615
Net under spend identified to date	735,238
Already approved as part of the restructure report	209,377
Un-audited under spend to be transferred to Major project Fund	525,861

It must be noted that the final grant claim for Housing and Council Tax benefit is not completed until August/September and is likely to change.

- 6.4 The balance on contingences at the end of 2004/05 was £117,505, with commitments totalling £87,428, resulting in a true balance of £30,077. It is recommended that the balance (£117,505) be carried forward to increase the contingencies budget for 2005/06.
- 6.5 The preparation of the statutory accounts is well underway and will be reported to Executive and Full Council in August. It will not be until that report that we can identify the final resources available from last year due to the effect of the capital programme (revenue funding) and other accounting entries. At this time the final balance will be allocated to the Major Project Fund. The report will also consider all existing reserves.

List of Appendices

[Appendix A – Detailed Budget Variations](#)

[Appendix B – List of Proposed Carry Forwards](#)

[Appendix C – Leisure and Environmental Services Proposed 2005/06 Strategic Reserve Account](#)

List of Background Documents:

Outturn statements

List of Consultees:

Head of Finance and Business Development
Business Development Manager
Service Managers
Accountants
Corporate Team