

## DRAFT 2007/08 REVENUE AND CAPITAL OUTTURNS

**EXECUTIVE MEMBER:** Cllr E Woodburn  
**LEAD OFFICER:** Georgina Ayling, Interim Head of Finance and Business Development  
**REPORT AUTHOR:** Paul Robson, Acting Accountancy Services Manager

### Summary & Recommendation:

This report informs members of the draft un-audited provisional outturns for the 2007/08 Revenue and Capital Budgets.

### Recommendations:

Note that the overall provisional revenue outturn position is showing an underspend against the operating budget of £289,300 (2.5%).

Members are requested to approve the carry forward of revenue budget under spends of £289,300 from 2007/08 to 2008/09 as summarized in the report and detailed in Appendix B.

Note that the overall provisional capital programme outturn position is showing an under spend of £2.739m. against the planned £6.345m. (42.3%). The position is summarized in the report.

Members are requested to approve the carry forward on the capital programme of £2.767m. from 2007/08 to 2008/09 as summarized in the report.

## 1 INTRODUCTION

- 1.1 The provisional 2007/08 out-turn report has been prepared on an income and expenditure basis and hence includes all accruals and provisions related to job evaluation. Financial performance is reported against budget giving an explanation of the main variances.
- 1.2 The key decision, which Members are asked to make is the approval of carry forwards into the current year to cover slippage with the net under spends to be transferred to the staffing reserves in accordance with the Council's risk strategy.

## 2 PROVISIONAL OUTTURN (Revenue)

- 2.1 The provisional revenue outturn, after allowing for a provision of £360k for job evaluation, is summarised in the table below and compared to the approved budget.

<b>Summary Statement of 2007/08 Provisional Revenue Outturn</b>						
		<b>Operating Budget</b>	<b>Provisional Outturn (after Reserve Funding)</b>	<b>Variance from Budget (under (-) / over)</b>	<b>Variance from Budget (under (-) / over)</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>N o t e</b>
1	Chief Executive, Policy, and Support Services	1,687	1,524	-162	-9.7%	1
2	Legal and Democratic Services	1,152	1,174	23	1.9%	2
3	Regeneration	2,609	2,224	-385	-14.7%	3
4	Leisure and Environmental Services	6,040	6,128	88	1.5%	4
5	Customer Services	8	13	5	162.5%	
6	Revenues and Benefits	952	1,176	224	23.5%	5
7	Treasury Management	-1,383	-1,477	-94	-6.8%	6
8	Concessions	712	723	11	1.54%	7
	<b>TOTAL</b>	<b>11,777</b>	<b>11,499</b>	<b>-289</b>	<b>-2.5%</b>	

- 2.2 The overall position is showing an underspend of £289k against the operating budget of £11.8m. This equates to 2.5%.

2.3 The main reasons for the underspend against budget are as follows:

- 1      superannuation (£49k)  
         IT hardware and software £18k)  
         Audit vacancies (£10k)  
         Training (£74k)
- 2      Members allowances due to vacancies (£28k)
- 3      Property salaries and professional services (£68k)  
         Property increased income from sales and fees and charges (£40k)  
         Economic and Tourism salaries due to vacancies (£105k)  
         Economic and Tourism increased income £75k)  
         Development control increased income from fees and charges  
         £110k)
- 4      Environmental Health salary vacancies (£92k) after making  
         provision for job evaluation of £176k in Leisure and Environmental  
         Services overall.
- 5      Housing benefits subsidy down (£791k) partially offset by reduction  
         in payments made (-£681k)  
         Provided £40k for job evaluation purposes  
         Mainframe software (£38k)  
         Council tax court costs income down (£40k)
- 6      Increased treasury management interest earned based on  
         favourable interest rates and levels of available investment. (£94k)
- 7      Concessions increased uptake in statutory scheme (£12k).

2.4 The variance are considered in greater detail at Appendix A and Appendix B details management proposed carry forwards into 2008/09 of £289,300.

### 3 SUMMARY OF RESERVES

- 3.1 The table below sets out the summary actual and budgeted reserves for 2007/08.

Summary of Reserves	Prov Outturn	<-----Forecast----->		
	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000
<b>Balance b/f</b>				
General	2,442	1,434	1,434	1,434
Earmarked reserves	5,484	2,702	1,933	1,228
Sinking funds	967	1,133	1,264	1,421
Neighbourhood Management Fund	0	3,000	2,000	1,000
	<b>8,893</b>	<b>8,269</b>	<b>6,631</b>	<b>5,083</b>
<b>Additions</b>	279	437	158	148
<b>Utilised</b>	-903	-2,075	-1,707	-1,695
<b>Balance c/f</b>				
Risk based	1,434	1,434	1,434	1,434
Earmarked reserves	2,702	1,933	1,228	633
Sinking funds	1,133	1,264	1,421	1,469
Neighbourhood Management Fund	3,000	2,000	1,000	0
	<b>8,269</b>	<b>6,631</b>	<b>5,083</b>	<b>3,536</b>
	<b>8,269</b>	<b>6,631</b>	<b>5,083</b>	<b>3,536</b>

- 3.2 It is anticipated that the closing balance at the end of 2007/08 level of reserves, to be carried forward to 2008/09, will be in the region of £8.3m, which is £300k greater than anticipated.

#### 4 PROVISIONAL OUTTURN (Capital)

4.1 The provisional outturn for the 2007/08 capital programme is summarised in the table below:

	% Compl	2007/08 Capital Programme	Actual Expend	Variance (under (-) / over)	Carry fwd to 08/09	Released	Note
	%	£000	£000	£000	£000	£000	
Inform & Comms	18.2%	350	63	-286	290	0	1
Public Blgs	62.1%	215	134	-82	78	8	2
Property	26.0%	1,390	362	-1027	1,043	0	3
L&ES	79.6%	380	303	-78	81	1	
Beacon TIC	98.1%	2,104	2,064	-40	40	0	
Community Renewal	65.2%	106	69	-37	37	0	
Econ & Tourism	33.9%	1,800	611	-1,189	1,198	4	4
<b>TOTAL</b>	<b>57.7%</b>	<b>6,345</b>	<b>3,606</b>	<b>-2,739</b>	<b>2,766,835</b>	<b>13</b>	

4.2 The % completed column above shows actual expenditure against approved budgeted expenditure as opposed to scheme.

4.3 The main variances are:

- 1 delay in implementing website development, regeneration software, and e-marketplace;
- 2 delay in works on Crematorium, Cleator Moor public offices, and public toilets;
- 3 property relating to Northshore (£471k), survey and repairs to adoption of drains (£324k), and Crematorium (£175k);
- 4 coastal fringe (£1m.), and Former Cleator Moor Co-op (£100k).

4.5 Members are requested to carry forward the £2,766,835 into 2008/09 as shown in the table above.

## **5.0 FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)**

- 5.1 The reported provisional outturn figures are un-audited, however the council's reserves strategy is sufficiently robust to accommodate any significant net adverse variances from the audit to the tune of £1m.

## **6.0 PROJECT AND RISK MANAGEMENT**

- 6.1 All budgets have been monitored monthly with exceptions reported through Corporate Team and Executive with an assurance given by the Head of Finance and IT.

## **7.0 IMPACT ON CORPORATE PLAN**

- 7.1 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 – Detailed Revenue Provisional Outturn Report

Appendix B – Proposed Carry Forward Requests

### **List of Background Documents:**

**List of Consultees:** Corporate Team, Budget Managers, Budget Holders

## **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/s
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
S151 CFO comment	see paragraph 5.1 of the report

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