

**ITEM 6  
BUDGET WORKING PARTY 31 01 07**

**PART II NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 3 OF  
SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AS AMENDED**

**PROJECTED OVER/UNDER SPENDS FOR 2006-07, BASED ON ACTUAL  
POSITION AT END OF PERIOD 9 (dec 06)**

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**1. INTRODUCTION**

- 1.1 As part of reviewing the base budget for 07-08 onwards, Members have requested information on the likely outturn position for the current financial year (2006-07).
- 1.2 The quarterly monitoring of revenue expenditure has been prepared and will be presented to Executive on 30<sup>th</sup> January 07.
- 1.3 This report will use the information on the actual position up to the end of December 06 and based on information provided from Managers, project any net over and under spends at 31<sup>st</sup> March 07
- 1.4 Any resultant net under spending may be used to assist the budget process for next year.
- 1.5 The actual and projected position is detailed in Appendix A.
- 1.6 It is important to note that this is a projection only, based on known circumstances at today's date.

**2. FINDINGS**

**CHIEF EXECUTIVE AND DIRECTORS**

- 2.1 It is estimated that this department will come in under budget by £25k. The main reason for this is the Chief Executive was only employed from June onwards, and will not therefore utilise the full years budget.

- 2.2 There is a base budget of £10k for New Political Structures that was created in 1999-2000 financial year. This pot has remained in the base, although for the last few years, no spend has been recorded against this budget heading. This is likely to be unused this year also.
- 2.3 New Initiatives budget is currently heading for an under spend of approximately £14k, but this year it is to be used to pay for some projects, such as Council Tax Leaflet etc. The base has been reduced next year.

#### FINANCE & BUSINESS DEVELOPMENT

- 2.4 A significant under spend is likely to be materialise, mainly due to changes within the Treasury Management budget. In summary this is because of increased cash balances (partly due to repayment of Home Group Loan) and recent increases in interest rates being received. The budget is projected to be in surplus by £100k.
- 2.5 Concessionary Travel is likely to be under budget by around £50k. Some of this will need to be earmarked to pay for the back office costs of the NOW card project, so it is estimated that around £30k will be available

#### LEGAL & DEMOCRATIC

- 2.6 The largest variance is expected to be an under spend on Civic and Mayoral, due to vacant posts throughout the year. This is estimated to be around £20k.
- 2.7 Elections are currently reporting a large over spend, but this is due to Copeland incurring the expenditure and then having to wait until the Home Office reimburse us.

#### POLICY & PERFORMANCE

- 2.8 No major variances are expected from Policy and Performance. A number of earmarked reserves are being utilised to fund some of this years expenditure on Job Evaluation preparation and the PIT team.

## REGENERATION

- 2.9 Regeneration is currently reporting a number of large under spends because of the amount of vacancies within the department. It is projected that there will be around £50k under spend available at the end of the year.

## CUSTOMER SERVICES

- 2.10 There will be an over spend of £66k due to a prior year adjustment on Benefits Subsidy.
- 2.11 Over spending on Employee expenses in Revs and Bens is being financed from ear marked reserves. These reserves were going to be used to finance the bids submitted for 07/08. It is hoped that additional subsidy income can be achieved in 07/08 to fund this expenditure.

## LEISURE AND ENVIRONMENTAL SERVICES

- 2.12 The main issue in this department will be the previously reported on problems with Enforcement.
- 2.13 The Executive in December recommended that savings and under spends in other budget lines, within the department, would be used to minimise the loss.
- 2.14 As Members did not wish that the £75.8k currently designated for CCTV purposes, be used for anything else, an overall over spend is predicted.
- 2.15 The other proposed savings have been pulled into the plan, but from the actual position at the end of December, it is not clear that these will be achieved.
- 2.16 Any resultant net over spend will need to be financed from elsewhere within the Council.

## NUCLEAR

- 2.17 A vacant post in this department should ensure that the vacancy management target is achieved, and should it remain vacant, will result in a small under spend.
- 2.18 Supplies and Services are currently under budget by approximately £9k

## SUMMARY

- 3.1 The projected position at this point, based on known events, is that there may be an under spend of this years revenue budget of around £63k.

**Appendix A            Details of Revenue Position as at end of Dec 06, and  
projection of net under spend at year end.**