

REVENUE BUDGET – SUMMARY MONITORING REPORT 2011/12 (Quarter 2 to 30 Sept 2011)

EXECUTIVE MEMBER: Cllr Gillian Troughton,
LEAD OFFICER: Joanne Wagstaffe, Corporate Director of Resources
and Transformation

REPORT AUTHOR: Barry Williams, Interim Technical Accountant

Summary:

This report indicates the management year end forecast against the current approved 2011/12 revenue budget, based on the financial position for the 3 month period to 30 September 2011.

Recommendations:

The Executive is asked to;

- (i) Note the projected year-end underspend of £727,845 against the current approved revenue budget of £14,820,745;
- (ii) Note that, of the £727,845 underspend, £579,517 relates to spending funded from earmarked reserves, leaving £148,328 as an underspend that will increase General Fund balances in 2011/12.
- (iii) Note the use of £750,000 in 2011/12 from the Choosing to Change Reserve and approve the carry forward of £280,000 p.a. for years 2012/13 – 2014/15.
- (iv) Note the current position on the use of reserves shown in appendix C to the report.
- (v) Note the current position on the delivery of service review savings shown in appendix D to the report.
- (vi) Note the virements required in the 2nd quarter of 2011/12 (paragraph 7.2)

1 INTRODUCTION

- 1.1 In accordance with Council's Financial Regulations, the Corporate Director of Resources and Transformation is required to report to the Executive on the overall budget position, and the monitoring and control of expenditure against budget allocations. It is the responsibility of the Senior Leadership Team and individual budget managers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Resources and Transformation.
- 1.2 This report is the second quarter's full report for consideration by the Executive and details significant variances that have arisen in the year to date, with a summary of the key budget figures. This will ensure that Members are kept informed on a timely basis of all significant financial issues affecting the Council.

- 1.3 In this report figures within brackets denote budget savings, favourable variances or income figures.
- 1.4 The Council approved its 2011/12 revenue budget in February 2011 at £14,106,508. Subsequently at the Executive meeting of 31 May 2011, carry forwards of £1,199,236 from financial year 2010/11 were approved. Following decisions made at the Executive meeting on 23 August 2011, the current approved budget now stands at £14,820,745.
- 1.5 Based on the latest financial position for the 6 month period to 30 September 2011, the year end forecast of £14,092,900 indicates an under spend £727,845 against the current approved revenue budget of £14,820,745.
- 1.6 As part of the 2011/12 budget process, members approved service review savings of £1,771,207. Monitoring of these reductions forms a key part of the budget monitoring process to determine if the service review savings are actually being delivered. Resource Planning Working Group received a report on 13 September 2011 showing the progress in delivering the service review proposals and currently savings of £1,708,665 are expected to delivered. Further changes to this progress report will be included within budget monitoring reports as they arise. Current details are provided at appendix D to this report.

2 DETAILS

- 2.1 Table 1 below summarises the current budget position by department and the current funding arrangements for the budget. Appendix B shows a more detailed breakdown of departmental budgets.

| Department | Original Budget | Carry forwards from 2010/11 | Budget Reductions | Virement 2011/12 | Current Approved Budget | Year-end Projection | Variance between Year-end Projection and Current Approved Budget |
|----------------------------|-----------------|-----------------------------|-------------------|------------------|-------------------------|---------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Chief Executive | 2,198 | 323 | 0 | 0 | 2,521 | 2,477 | (44) |
| Resources & Transformation | 5,137 | 217 | 0 | 13 | 5,367 | 5,447 | 80 |
| People & Places | 6,771 | 659 | (485) | (13) | 6,932 | 6,169 | (763) |
| Total | 14,106 | 1,199 | (485) | 0 | 14,820 | 14,093 | (727) |
| Funding | | | | | | | |
| Revenue Support Grant | 5,660 | 0 | 0 | 0 | 5,660 | 5,660 | 0 |
| Council Tax Freeze Grant | 100 | 0 | 0 | 0 | 100 | 100 | 0 |
| PFI Grant | 837 | 0 | 0 | 0 | 837 | 837 | 0 |
| Transitional Grant | 611 | 0 | 0 | 0 | 611 | 611 | 0 |
| Council Tax | 4,043 | 0 | 0 | 0 | 4,043 | 4,043 | 0 |
| Earmarked Reserves | 2,619 | 1,199 | (485) | 0 | 3,333 | 2,754 | (579) |
| General Fund | 236 | 0 | 0 | 0 | 236 | 88 | (148) |
| Total | 14,106 | 1,199 | (485) | 0 | 14,820 | 14,093 | (727) |

- 2.2 The under-spend at 30 September 2011 is largely derived from a forecasted significant under-utilisation of earmarked reserves in the year. The particular areas affected are;

| | £'000 |
|--------------------|-------|
| Choosing to Change | 55 |
| Nuclear Budgets | 110 |

| | |
|-----------------------------|------------|
| Local Development Framework | 173 |
| Working Neighbourhoods | 241 |
| Total | 579 |

2.3 The other significant reasons for the forecasted variance position at quarter 1 are as follows:

3. Within the Chief Executive's area;

3.1 The 2011/12 budget currently includes £1.593m for spending on the Choosing to Change programme and the under-spend of £55,000 highlighted in the table in paragraph 2.2 above is very likely to be considerably higher by the end of the financial year. The actual under-spend is however dependent on progress towards the delivery of service review savings to reduce the 2012/13 budget requirement. Current forecasts of spending in 2011/12 total £750,000 leaving an estimated balance of £843,000 to be carried forward at 31 March 2012. It is recommended that £280,000 p.a. be set aside from the Choosing to Change Reserve for years 2012/13 – 2014/15 to provide funding for future initiatives as they arise. This funding will be monitored closely going forward into quarter 3 and reports presented to the Executive and Choosing to Change Board as necessary.

3.2 As reported in quarter 1, a budget of £158,751 has been established within Corporate Management, funded from our work in supporting external projects. A virement request will be submitted to the next meeting Council to transfer this budget to a Regeneration Reserve to be used to support work on regeneration projects.

4. Within Corporate Resources;

4.1 The quarter 1 report identified a budget saving of £40,000 due to delays in the recruitment of the Head of Corporate Resources and the Head of Policy and Transformation to be offset by an overspend of £13,000 from the use of interim staff to cover for the Financial Services Manager, whose post remains vacant.

This post is now not expected to be filled before April 2012, which in turn will mean that the contract for interim staff employed as cover for this post will need be extended to 31 March 2012. The cost of interim staff for the year is now forecast to be £84,000, which will be offset by a saving of £30,000 against salary costs for the vacant post and the staffing restructure within the Accountancy section.

4.2 The Accountancy budget has also incurred a cost of £12,000 for an annual licence cost of the TOTAL finance system, which is not in the 2011/12 base budget.

4.3 Yields from investments continue to be affected by low interest rates. The forecast for the year is therefore approximately £35,000 less than budget, an increase of £24,000 from quarter 1 as detailed in paragraph 5 of the mid-year Treasury Management report. However, opportunities continue to be investigated with our Treasury advisers to increase yields within acceptable risk parameters.

4.4 The Council is currently involved in two Employment Tribunal Claims arising from the dismantling of two partnerships. It is anticipated that the costs associated with these claims will increase by £8,000 from the position reported at quarter 1. There is no separate contingency budget for the costs of Tribunal claims.

- 4.5 There is a forecast saving of £5,000 against Members Allowances and other member related costs, a reduction of £4,000 against the forecast at quarter 1. This primarily due to the provision of IT to members.
- 4.6 Within Electoral Registration, an overspend of £12,500 is forecast at quarter 2 in respect of external printing and postages required to carry out this function.
- 4.7 Within Land Charges, at quarter 1 it was reported that budgeted income for personal search fees of £20,000 will not be received following the decision of the Government to stop charging for this service. This shortfall in income has however been offset due to an increase in income from other search fees. However payments to Cumbria County Council and the Lake District National Parks Authority have increased by £7,000 against budget to reflect the work they are required to do in respect of land searches. There is now an estimated over-spend of £4,300 for the year.
- 4.8 Within Licensing, at quarter 1 there was a forecasted reduction in taxi and liquor licensing income of £10,000 in the year. This position remains unchanged and will be reviewed in quarter 3 when licensed premises renew their licences.
- 4.9 The budget for central printing across the services within the Council is approximately £50,000 less than the current estimated cost of providing the service, an increase of £3,000 over the quarter 1 forecast. This position will need to be considered and corrected for 2011/12.
- 4.10 Within Land Management, the quarter 1 report forecasted an overspend of £35,000 for salary – related and other costs, which might possibly be covered by an increase in income from lease rents so that there was no increase in net cost to the Council. Property Services have now reviewed the level of income expected to be received from leases and it is now forecast that this will be sufficient to cover the additional costs identified. There will be no additional budget requirement from this service in 2011/12.
- 4.11 At Moresby depot, an additional £14,000 is expected to be received from rent income in the year. This increase is not expected to be ongoing into 2011/12 as the main tenant is terminating the lease at the end of March 2012. Work is underway to minimise the loss of income going forward into 2012/13.
- 4.12 Cleator Moor Business Centre is only partially occupied following the relocation of Customer Services last year. The reception area is currently vacant following this move and is unlikely to be let. Other rooms have been marketed with some success but the rents received will not redress the imbalance between costs and income. The net cost to the Council is forecast to be £10,000. This position is unchanged from the quarter 1 forecast.
- 4.13 The Revenues and Benefits Service was forecast to achieve a break-even position at the end of quarter 1. The forecast at 30 September shows an under-spend of £132,000. Of this £118,000 relates to increased subsidy on housing and council tax benefits paid by the authority, which whilst a large sum represents just under 0.5% of the total housing benefits bill. This will be monitored carefully for the remainder of the year as the forecasts are difficult to predict as they are demand led. The balance of £14,000 relates to a reduction in ICT costs recharged by Allerdale BC for the Revenue & Benefits Shared Service.

- 4.14 At quarter 1 locality working was showing a forecasted overspend of £108,000 but funding for this budget is provided from Working Neighbourhoods, which is showing an underspend of £351,000 within Regeneration and Communities. Correction of this position was subject to a review of the Working Neighbourhoods budgets and an appropriate budget virement will be submitted for approval to the next Council meeting.

5 Within Regeneration and Communities;

- 5.1 The Council is committed to pay the North of England Conservation Trust (our Design and Conservation advisors) £34,000 as part of its contractual commitment in 2011/12. There is no specific budget for this cost as funding is provided from a reserve established from receipts of Housing and Planning Delivery Grant. The current contract will end in March 2012.
- 5.2 The forecast budgetary position at the Beacon and Tourism Information Centres is a break-even position, as previously reported. Generally any under-spends that do arise must be added to the sinking fund balance for the Beacon in accordance with the Beacon's 5-year Business Plan and the conditions of the grants provided by external funders in 2007.
- 5.3 Within Health and Wellbeing the Council has not yet allocated the unbudgeted resource of £36,319 received in settlement of its Fleming Case submission and it remains showing as an under-spend within this service area.
- 5.4 Within Housing Services, the quarter 1 report notified members of a potential shortfall of £24,000 in the budget provision for the costs of whole staffing restructure approved as part of the service review process. The Housing Services Manager has since reported that the Care and Repair budget of £26,660 is now no longer needed as the contract with Anchor Housing has stopped.

At quarter 1 the forecast for spending against the Homelessness budget included £12,000 for early retirement costs for a member of staff who left the Council on 31 March 2011. This cost was not accrued as a cost for the 2010/11 financial year and therefore will need to be met from the 2011/12 budget. Also within Homelessness, the forecast for increased running costs (£3,000) has been met by reviewing spending for the rest of the year and the loss of income (£15,000) has been largely negated by an increase of £14,000 in the value of housing benefits paid to the service in respect of the homeless temporarily housed in accommodation rented by the Council.

- 5.5 Forecast spending on legal and professional services within Planning Policy will be significantly less than budget. A saving of £150,000 is forecast at quarter 2 as some of the consultancy work surrounding the Local Development Framework is now being funded by external agencies. Also the costs of printing and formal consultation are now likely to fall in 2012/13 rather than this financial year. This may mean that the use of the earmarked reserve set aside for these purposes will reduce but work is ongoing to review the potential call on the reserve going forward over the next 2- 3 years and the results incorporated into the 2012/13 budget and the medium-term financial plan.

6 Within Neighbourhoods;

- 6.1 The Neighbourhoods Admin. budget for salaries is forecast to be underspent by £36,000, which is the same position as reported at quarter 1.

- 6.2 Within the Crematorium, budgets are required for Medical Referee Fees and the costs of providing the Book of Remembrance. Historically, these costs were netted off income received at the Crematorium. However when the income budgets were set for 2011/12 these costs were not accounted for. The estimated cost for these areas is £27,000. The level of income forecasted to be received in the year is now expected to at least cover this additional cost, so there will be no overall increase in the Council's budget as a result.

However savings in the cost of gas as a result were overstated at quarter 1. The £11,000 reported was already included within the overall service review savings deducted from the 2011/12 budget. A small further saving is likely to enable the full service review saving of £12,000 to be achieved.

- 6.3 The forecast saving in overall staffing costs within Parks and Open Spaces remains at £30,000 for quarter 2. This is due to staff vacancies, particularly in respect of apprentice gardener posts, which had been left vacant pending recruitment in September 2011 and are now filled.

- 6.4 The Council has been awarded a contract to carry out grounds maintenance work in schools for Cumbria County Council which will generate an agency fee of £40,000. This income is additional to the current budget for contractual income in 2011/12.

- 6.5 The forecasted savings of £48,000 at quarter 1 within Environmental Cleansing have proved to be unachievable. Savings of £25,000 remain due to the over-provision of national insurance and pension costs. However the quarter 2 forecast reflects that an agreement has been reached with the unions on week-end working. Therefore the service budget is now forecasting a break-even position. Overall, however, the 2011/12 service review saving in this area has been delivered.

- 6.6 Within Refuse Collection, salary costs are showing a net under-spend of £10,000. However, there are still a number of bank holidays remaining and overtime payments relating to the service being delivered on Saturdays or substituted bank holidays has not been profiled. This has been offset by a significant increase in fuel costs, estimated at £15,000, giving a forecast net increase in running costs of £5,000.

Spending of £35,000 has been incurred on the provision of wheelie bins to roll out the existing service to new areas across the borough. This spending will be funded from the Bin Replacement Sinking Fund at the year-end.

- 6.7 Within Refuse Commercial, the net budget shortfall reported at quarter 1 is now forecast to marginally reduce to £18,000. As previously notified this shortfall will be offset by the under-spend in bring site recycling detailed in paragraph 2.3.4.8 below.

- 6.8 At quarter 2 within Recycling, costs for Bring Sites have reduced by £42,000 due to a reduction in payments due under the new contract which became operational in February 2011. Additional income of £36,000 from the sale of recyclable materials under this contract is also forecast. Plastics and Card Recycling staffing costs are forecast to be underspent by £11,000 due to reduced national insurance costs and an overprovision of superannuation costs as a number of staff do not now contribute to the pension scheme and additional income of £15,000 is forecasted to be received from material sales in this area. Green recycling is however forecast to increase in cost by £20,000, which together

with a £7,000 increase in transport costs for the collection of plastics and card gives an overall net improvement of £77,000.

- 6.9 As reported in quarter 1, within the Waste Holding Account there is a vacancy which will not be filled in 2011/12. Around £7,000 will be required to fund charge-hands to assist the reduced supervisory team in weekend supervision leaving a saving of approximately £24,000.
- 6.10 Within Environmental Health, Corporate Health and Safety and Environmental Protection there is a forecast net saving in running costs of £17,000. This saving is ongoing and will contribute to the Council's 2012/13 savings target.

7 VIREMENTS

- 7.1 During the year, services make requests to transfer budgets from service areas where the budget can be released as it is higher than necessary or is no longer needed, to service areas where there are budget pressures that require further resources. The transfer of resources in this way is known as virement and requires the approval of service managers, heads of service or the Council, depending on the amount of the virement. In the first quarter of 2011/12 the following virements were carried out, although it should be noted that these virements relate to technical accounting adjustments to more accurately reflect spending patterns of existing budgets, rather than an actual change in the use of approved budgets;
- 7.2 Appendix B lists virements that were approved as part of the quarter 1 budget monitoring report. Virements that have been approved during quarter 2, and which affect financial year 2011/12 only, are as follows;

| | |
|---|---------|
| 1. Virements requiring the approval of the Head of Service | £ |
| (a) Resources and Transformation To Accountancy from the Head of Corporate Resources to provide a budget to cover recruitment advertising for the Financial Services Manager. | 4,000 |
| (b) Regeneration & Communities To Homelessness from Private Sector Housing to reallocate resources to empty properties from Copeland care & repair budget. | 2,500 |
| (c) Neighbourhoods To Refuse Collection Transport costs from Refuse Recycling Bring sites to finance a new bin lift. | 4,500 |
| 2. Virements requiring the approval of the Chief Executive | |
| (a) Resources and Transformation To Policy and Transformation from the Performance improvement Team to reflect the new team structure. | 30,168 |
| 3. Virements requiring the approval of Council | |
| (a) Chief Executive Transfer savings generated through work on external projects to a Regeneration Reserve. | 158,751 |

| | |
|---|---------|
| (b) Resources and Transformation To Policy and Transformation from Working Neighbourhoods to reflect the transfer of responsibility for Locality Working following the recent departmental restructure. | 108,000 |
|---|---------|

- 7.3 Opportunities to make further virements to correct budget issues that have come to light since the second quarter's budget monitoring report will be investigated and reported as necessary.

8 RESERVES

- 8.1 The Council holds a number of reserves for use in supporting the revenue budget and to provide funding for specific projects.
- 8.2 Details of the level of reserves currently held and the proposed utilisation of reserves during 2011/12 are contained within Appendix D to this report.
- 8.3 At 31 March 2011, the Council held general fund balances and earmarked reserves of £7,829,391 and sinking funds of £1,631,450. Approved usage during 2011/12, including the recommendation to carry forward £840,000 from the Choosing to Change Reserve if approved by members, reduces the forecast for balances on the general fund and earmarked reserves at 31 March 2012 to £5,827,909. The level of sinking funds held will increase by £135,292 to £1,766,842 as there are no proposals to use sinking fund balances in 2011/12 and budgeted annual contributions will continue to be made.

9 CONCLUSION

- 9.1 The quarter 1 spending forecast is projecting a year-end underspend of £727,845 against the current approved revenue budget of £14,820,745.
- 9.2 A substantial part of the under-spend, £579,517, relates to funding from earmarked reserves, which will not be required in the year and which will be transferred back into earmarked reserves at the end of the year.
- 9.3 The remaining forecast under-spends of £148,328 will be transferred to General Fund balances unless the Corporate Leadership Team, and subsequently RPWG and the Executive, support further carry forward proposals following consideration of the Council's out-turn position in May 2012.
- 9.4 The budget variances highlighted in this report will be included where appropriate within the budget pressures and savings proposals to be considered as part of the 2012/13 budget setting process.

10 STATUTORY OFFICER COMMENTS

- 10.1 The Monitoring Officer's comments are:
- None
- 10.2 The Section 151 Officer's comments are:

All comments are contained in the report.

10.3 Other consultee comments, if any:

CLT and Heads of services have been consulted on the report and their comments are included within the body of the document.

11 HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

11.1 The budget monitoring process is carried out on a monthly basis. Management and finance staff work together to ensure financial reports are accurate and timely to assist the decision making process of the Council as a whole.

11.2 Budgets are monitored during the year with exceptions reported through Corporate Leadership Team and Executive during the year now on a quarterly basis. At the year-end, the draft outturn prior to the external audit process must be reported formally. It is also good financial practice to report the year-end position on revenue reserves as a consequence of the outturn.

12 WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

12.1 The measurement of revenue budget position for 2011/12 is key to determining the required use of reserves for the year and the level of general and earmarked reserves the Council will have available to support its revenue budget in future years.

12.2 Spending areas that vary significantly from the approved budget are also identified, which can then be fed into the budget planning process to enable informed decisions on changes to the Council's budget to be made.

List of Appendices

Appendix A - Virements approved from Qtr 1;
Appendix B - Breakdown of the revenue budget position by service area;
Appendix C - Reserves position statement at 30 September 2011;
Appendix D - Service Review position statement.

List of Background Documents:

Budget monitoring working papers April-Sept 2011;
2010/11 Final Out-turn report.

Virements approved from the Quarter 1 Budget Monitoring Report

| | |
|---|---------|
| <u>1. Virements requiring the approval of the Head of Service</u> | £ |
| <u>(a) Regeneration and Communities</u> To the Tourist Information Centre from The Beacon to correct salary budgets. | 1,171 |
| <u>(b) Neighbourhoods</u> To Parks and Open Spaces from Public Conveniences (£1,500), Environmental Cleansing (£500), Parks Holding Account (£1,000), Play Areas (£1,000) and Streetscene (£1,700) to provide a grant payment for Millom Park. | 5,700 |
| <u>2. Virements requiring the approval of the Chief Executive</u> | |
| <u>(a) Resources and Transformation</u> To the Director of Resources and Transformation from Director of People and Places to reflect shared P.A. support. | 13,093 |
| <u>3. Virements approved by Council but not yet actioned</u> | |
| <u>(a) Resources and Transformation.</u> Transfer the budget for Fraud to consolidate services provided by the Revenues and Benefits Shared Service, which now undertakes both activities on behalf of the Council. Transfer the budget held within the Chief Executive's New Initiatives budget to the Copeland Local Strategic Partnership budget to provide a budget for staffing for The Copeland Plan, the successor to the West Cumbria Partnership. | 113,908 |
| Transfer staffing budgets to Policy & Transformation from Legal & Democratic Services to reflect the transfer of responsibilities for Equalities and Diversity and Overview and Scrutiny | 60,770 |
| | 54,375 |
| <u>(b) Neighbourhoods</u> Transfer a series of budgets to create a holding account to more accurately recharge supervision costs to waste services. The budgets to be reduced will be Environmental Cleansing (£64,663), Refuse Collection (£114,294), Commercial Refuse (£29,410), Recycling (£29,410) and Kerbside Recycling (£34,653). | 272,430 |

Appendix B - Revenue Monitoring Report by Directorate

| | Current Approved Budget 2011/12 £ | Profiled Approved Budget - Period 6 £ | Actual Net Expenditure - Period 6 £ | Managers Year End Projection - Period 6 £ | Forecast Variance - Year End £ |
|--|--|--|--|--|---|
| Revenue | | | | | |
| Chief Executive | | | | | |
| Chief Executive | | | | | |
| Chief Executive | 2,087,735 | 1,009,445 | 270,083 | 2,142,885 | 74,950 |
| Total for Chief Executive | 2,087,735 | 1,009,445 | 270,083 | 2,142,885 | 74,950 |
| Communications | | | | | |
| Communications | 158,150 | 79,043 | 63,193 | 148,452 | (9,698) |
| Total for Communications | 158,150 | 79,043 | 63,193 | 148,452 | (9,698) |
| Nuclear Projects & Programmes | | | | | |
| Nuclear Projects & Programmes | 295,882 | 98,281 | (179,817) | 185,831 | (109,851) |
| Total for Nuclear Projects & Programmes | 295,882 | 98,281 | (179,817) | 185,831 | (109,851) |
| Total for Nuclear Projects & Programmes | 2,621,567 | 1,186,769 | 153,458 | 2,476,988 | (44,699) |
| People and Places | | | | | |
| Corporate Director | | | | | |
| Corporate Director | 103,562 | 51,759 | 52,093 | 97,123 | (6,439) |
| Total for Corporate Director | 103,562 | 51,759 | 52,093 | 97,123 | (6,439) |
| Neighbourhoods | | | | | |
| Building Control | 129,281 | 64,817 | 60,305 | 147,260 | 17,979 |
| Development Control | 100,535 | 50,246 | 5,784 | 94,489 | (6,046) |
| Enforcement | (48,347) | (4,427) | (21,849) | (34,143) | 14,204 |
| Environmental Health | 650,868 | 325,306 | 307,689 | 642,788 | (8,080) |
| Neighbourhoods Admin | 265,904 | 132,902 | 115,991 | 237,964 | (27,940) |
| Parks & Open Spaces | 560,188 | 374,833 | 311,811 | 501,876 | (58,312) |
| Refuse & Recycling | 1,636,988 | 823,357 | 999,022 | 1,555,870 | (81,098) |
| Total for Refuse & Recycling | 3,295,397 | 1,768,834 | 1,778,552 | 3,146,704 | (149,293) |
| Regeneration and Community | | | | | |
| Arts, Beacon & Tourism | 467,220 | 252,828 | 215,221 | 470,611 | 3,391 |
| Economic Development | 261,750 | 130,822 | 77,411 | 217,708 | (44,042) |
| LABGI | 193,220 | 81,535 | 84,684 | 193,220 | 0 |
| Regeneration and Community | 230,592 | 114,116 | 69,872 | 206,372 | (24,220) |
| Health and Sports | 848,185 | 421,540 | 419,099 | 807,638 | (40,547) |
| Strategic Housing | 454,935 | 221,473 | 222,266 | 438,220 | (16,715) |
| Strategic Planning | 464,708 | 232,283 | 147,468 | 328,712 | (135,996) |
| Working Neighbourhood Fund | 613,000 | 260,993 | (44,463) | 263,486 | (349,514) |
| Total for Working Neighbourhood Fund | 3,533,610 | 1,716,540 | 1,191,558 | 2,925,986 | (607,644) |
| Total for Regeneration and Community | 6,932,569 | 3,534,133 | 3,022,203 | 6,169,194 | (763,375) |
| Resources & Transformation | | | | | |
| Corporate Director | | | | | |
| Corporate Director | 112,386 | 56,172 | 57,339 | 115,815 | 3,429 |
| Total for Corporate Director | 112,386 | 56,172 | 57,339 | 115,815 | 3,429 |
| Corporate Resources | | | | | |
| Democratic Services | 402,911 | 201,374 | 313,375 | 412,079 | 9,168 |
| Financial Services | 1,107,219 | 539,206 | 786,445 | 1,204,907 | 97,688 |
| Human Resources | 348,209 | 174,037 | 184,944 | 371,622 | 23,413 |

Appendix B - Revenue Monitoring Report by Directorate

| | Current Approved Budget 2011/12 | Profiled Approved Budget - Period 6 | Actual Net Expenditure - Period 6 | Managers Year End Projection - Period 6 | Forecast Variance - Year End |
|--|---------------------------------------|---|---|---|------------------------------------|
| | £ | £ | £ | £ | £ |
| Legal Services | 307,992 | 153,933 | 186,566 | 284,692 | (23,400) |
| Procurement | 36,834 | 18,410 | 11,506 | 29,624 | (7,310) |
| Property Management | 1,671,529 | 762,378 | 588,207 | 1,592,133 | 20,804 |
| Resources & Transformation | 66,919 | 34,355 | 17,600 | 56,316 | (10,604) |
| Revenue's and Benefits | 128,384 | 120,551 | (2,723,298) | (3,319) | (131,713) |
| | ===== | ===== | ===== | ===== | ===== |
| Total for Revenue's and Benefits | 3,970,007 | 2,004,244 | (632,653) | 3,947,853 | (22,154) |
| Performance and Transformation | | | | | |
| Customer Services | 461,185 | 242,491 | 204,935 | 439,374 | (21,811) |
| ICT/MIS | 414,520 | 205,815 | 263,692 | 426,590 | 12,070 |
| LSP & Localities | 100,770 | 41,281 | 75,418 | 209,452 | 108,682 |
| Performance Management | 151,587 | 66,720 | 83,487 | 179,843 | 28,256 |
| Policy Development | 85,235 | 42,801 | 31,751 | 77,512 | (7,723) |
| Resources & Transformation | 70,919 | 36,446 | 16,289 | 50,300 | (20,619) |
| | ===== | ===== | ===== | ===== | ===== |
| Total for Resources & Transformation | 1,284,216 | 634,354 | 676,582 | 1,383,071 | 98,855 |
| | ===== | ===== | ===== | ===== | ===== |
| Total for Performance and Transformation | 5,366,609 | 2,694,770 | 100,268 | 5,443,739 | 76,701 |
| | ===== | ===== | ===== | ===== | ===== |
| Grand Total | 14,820,745 | 7,416,672 | 3,275,929 | 14,092,900 | (727,845) |

Movement on General Fund Balance, Earmarked Reserves, and Sinking Funds

Appendix C

| | Opening Balance as at 1st April 2011 | Current Budgeted Utilisation | Original Projected Closing Balance | In Year Changes to Budgeted Utilisation Quarter 2 | Revised Projected Closing Balance as at 31 March 2012 | Variance against Projected Closing Balance |
|--|---|------------------------------------|---|---|--|--|
| | £ | £ | £ | £ | £ | £ |
| General Fund | | | | | | |
| Risk Based | (1,714,419) | 0 | (1,714,419) | 0 | (1,714,419) | 0 |
| Unallocated | (1,641,843) | 236,091 | (1,405,752) | (148,328) | (1,554,080) | 148,328 |
| Total General Fund | (3,356,262) | 236,091 | (3,120,171) | (148,328) | (3,268,499) | 148,328 |
| Earmarked Reserves | (4,473,129) | 3,333,236 | (1,139,893) | (579,517) | (1,719,410) | 579,517 |
| Total General Fund and Earmarked Reserves | (7,829,391) | 3,569,327 | (4,260,064) | (727,845) | (4,987,909) | 727,845 |
| Sinking Funds | (1,631,450) | (135,392) | (1,766,842) | 0 | (1,766,842) | 0 |
| Total | (9,460,841) | 3,433,935 | (6,026,906) | (727,845) | (6,754,751) | 727,845 |

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SELF ASSESSMENT SERVICE REVIEWS - PROGRESS REPORT AS AT 30 SEPTEMBER 2011

Appendix D

| Saving description | Non-staffing savings | Notes on progress in delivering savings | Value delivered so far | R/A/G |
|---|----------------------|--|------------------------|-------|
| | £ | | £ | |
| Section A Non-Staffing Savings | | | | |
| Chief Executive | | | | |
| Reduction in admin. budgets | 10,400 | Complete - budgets deleted from 2011/12 | 10,400 | G |
| Finance | | | | |
| Reduce cost of discretionary concessionary travel scheme | 30,000 | Complete - budgets reduced and scheme stopped | 30,000 | G |
| Legal & Democratic Services | | | | |
| Reduce costs of electoral registration | 3,000 | Budget reduced - will monitor during the year but assumed to be delivered | 3,000 | G |
| Reduce legal encyclopaedia costs | 4,618 | Budget reduced - will monitor during the year but assumed to be delivered | 4,618 | G |
| Reduce the number of Executive members by 1 | 6,000 | Budget reduced - will monitor during the year but assumed to be delivered | 6,000 | G |
| Grant assistance via Equalities previously funded from reserves | (4,000) | Budget increased - 2 grants @ £2000 to be paid | (4,000) | G |
| Cultural Services: | | | | |
| Under-provision for inflation re: 2010/11 | (10,000) | Contract price agreed at £564k. £60k saving equalled "10% of the management fee" but budget was only £577k in 2010/11 (understated by £20k) and balance = equalled insurance so only £13k saving | | |
| Renegotiate the leisure contract with NCL | 60,000 | Budget for insurance £25k also deleted as no longer needed so overall £38k saving | 38,000 | A |
| Bereavement Services: | | | | |
| Crematorium fee increases | 104,786 | Budget reduced. Managers forecast at period 5 expects the increased income to be delivered. | 104,786 | G |
| Reduction in fuel costs Crematorium | 12,000 | Budget reduced - Forecast saving slightly under forecast | 11,000 | G |
| Bulky waste service: | | | | |
| Reduced vehicle costs & fuel | 37,000 | Budget reduced - will monitor during the year. Vehicle hire costs reduced Fuel costs reduced by £3,000 | 32,660 | G |
| Increases in fees & charges | 8,000 | Budget reduced - will monitor during the year. Charges meeting target. | 8,000 | G |
| Plastic & Cardboard Service: | | | | |
| Recycling income | 45,000 | | | |
| | 36,900 | Budget reduced - will monitor during the year. Value of recycle materials is generally on the increase and managers forecast at period 5 expects the saving to be delivered. | 36,900 | A |
| Environmental Cleansing: | | | | |
| Reduce vehicle costs | | Budget reduced - will monitor during the year. Vehicle hire costs reduced and fuel savings partially achieved | 24,800 | G |
| Parks & Open Spaces: | | | | |
| Reduce CCTV costs | 21,000 | Budget reduced. Contract with Allerdale for CCTV terminated saving £15k. Broadband to follow | 21,000 | G |
| Leased Areas | 2,820 | Budget reduced - will monitor during the year but Milom Park now transferred to Parish Council | 2,820 | G |
| Review allotment operations | 728 | Budget reduced - will monitor during the year | 728 | G |
| Stop winter bedding work | 7,000 | Budget reduced - Managers forecast at period 5 expects the saving to be delivered. | 7,000 | G |
| Home Group - additional income | 5,000 | Budget reduced - Managers forecast at period 5 expects the saving to be delivered. | 5,000 | G |
| Environmental Health: | | | | |
| Additional budget for legal & professional services / advice | (20,263) | Budget increased - additional cost for statutory pest control added | (20,263) | G |
| Review of office & technical expenses | 12,800 | Budget reduced - will monitor during the year. On target to be delivered | 12,800 | G |
| Reduced costs for sampling | 10,000 | Budget reduced - will monitor during the year. On target to be delivered | 10,000 | G |
| Car Parking: | | | | |
| Increased income from charges | 18,904 | Budget reduced. Managers forecast at period 5 expects the saving to be delivered by year-end. | 18,904 | G |
| Pest Control: | | | | |
| Stop service | (9,940) | Loss of income reflected in the budget for 2011/12 | (9,940) | G |
| Management Information Systems: | | | | |
| Delete remaining mainframe budget | 44,000 | Budget reduced - will monitor during the year but assumed to be delivered | 44,000 | G |
| Delete general repairs budget | 16,680 | Budget reduced - will monitor during the year but assumed to be delivered | 16,680 | G |
| Reduce consumables | 9,000 | Budget reduced - will monitor during the year but assumed to be delivered | 9,000 | G |

| | | | | | |
|---|--------|----------|--|----------|---|
| Reduce office expenses | 1,724 | | Budget reduced - will monitor during the year but assumed to be delivered | 1,724 | G |
| Van lease not renewed | 3,500 | | Budget reduced - will monitor during the year but assumed to be delivered | 3,500 | G |
| Reduce PC replacement fund | 20,000 | | Budget reduced - will monitor during the year but assumed to be delivered | 20,000 | G |
| | | 94,904 | | | |
| Building Control: | | | | | |
| Use of mobile devices | | 2,000 | Budget reduced - will monitor during the year but assumed to be delivered | 2,000 | G |
| Development Control: | | | | | |
| Reduce office costs | | 7,500 | Budget reduced - will monitor during the year but expected to be delivered | 7,500 | G |
| Planning Policy: | | | | | |
| Reduce the cost of implementing the Local Development Framework | | 22,615 | Budget reduced - Temporary staff engaged to reduce consultancy costs | 22,615 | G |
| Contracts & Property: | | | | | |
| Bring valuation services in-house | 30,000 | | Budget reduced and saving expected. | | |
| Miscellaneous Buildings - Repair & Maintenance | 65,000 | | Budget reduced - will monitor during the year. £25k to be identified and unlikely to be delivered in full (CL) | 30,000 | G |
| Review catering contract | 6,000 | | Budget reduced - reduce use of outside caterers | 40,000 | A |
| | | 101,000 | | 5,000 | G |
| Housing | | | | | |
| Housing Stock condition survey | | (45,000) | Budget increased - Forecast cost slightly reduced | (40,000) | G |
| Human Resources: | | | | | |
| Reduce training budget | 60,000 | | Budget reduced - will monitor during the year but assumed to be delivered | 60,000 | G |
| Reduce use of Occupational Health Services | 8,000 | | Budget reduced - will monitor during the year but assumed to be delivered | 8,000 | G |
| Reduce admin. expenses | 6,500 | | Budget reduced - will monitor during the year but assumed to be delivered | 6,500 | G |
| | | 74,500 | | | |
| GIS: | | | | | |
| Reduce running costs | | 9,000 | Budget reduced - will monitor during the year but assumed to be delivered | 9,000 | G |
| Customer Services: | | | | | |
| Reduce the cost of customer services at Copeland Centre | | 22,000 | Budget reduced - will monitor during the year but assumed to be delivered | 22,000 | G |
| Corporate: | | | | | |
| Stop 1st class travel | 2,000 | | Budget reduced - will monitor during the year but assumed to be delivered | 2,000 | G |
| Reduce subscriptions | 9,000 | | Budget reduced - will monitor during the year but assumed to be delivered | 9,000 | G |
| | | 11,000 | | | |
| Total Section A | | 663,272 | | 633,732 | |
| Section B - Corporate Savings | | | | | |
| Pool stationery, printing, office supplies, equipment etc | | 20,000 | Budgets reduced across a number of cost centres will monitor during the year | 20,000 | G |
| Energy efficiencies | | 4,000 | Budget reduced at Moresby - consistently underspent | 4,000 | G |
| Review employment terms & conditions - car allowances | | 40,000 | Budgets reduced across a number of cost centres will monitor during the year. Car allowance spending within budget at period 6 so the saving expected to be delivered. Ongoing review of car allowance scheme with unions to contribute to delivery of the saving. | 31,000 | A |
| Review Fees & Charges: | | | | | |
| Land & Property lease income | 43,000 | | Budget on target at period 6. Full saving expected by year-end. | 43,000 | G |
| Recycling credits | 7,000 | | Budget reduced - links to recycling saving above. Managers forecast at period 5 expects the saving to be delivered. | 7,000 | G |
| Development Control | 10,000 | | Increased income target for 2011/12 expected to be met by year-end. May not be sustainable going forward to 2012/13 | 10,000 | G |
| | | 60,000 | | | |
| Total Section B | | 124,000 | | 115,000 | |
| Section C - Staff Savings by Service (exc. Redundancies) | | | | | |
| Legal & Democratic Services | | | | | |
| Reduce Mayoral costs | 4,242 | | Mayoral Chauffeur - contract extended saving not being achieved | 0 | |
| Reduce administrative overheads | 17,703 | 21,945 | Vacant post deleted | 17,703 | G |

| | | | | | | | |
|--|--|--------|--------|---|--|--|----------|
| Cultural Services | | | | | | | |
| Reduce management costs | | | 45,228 | Vacant post deleted | | | 45,228 G |
| Bereavement Services | | | | | | | |
| Restructure operation of the Crematorium | | | 12,934 | Retirement September 2011 | | | 12,934 G |
| Waste | | | | | | | |
| Cleaner | | 0 | | Redundancy following loss of contract | | | 2,483 G |
| Restructure bulky waste collection service | | 41,402 | | Vacant post deleted | | | 41,402 G |
| Reduce Waste Management costs | | 24,132 | | Vacant post deleted | | | 24,132 G |
| Environmental Cleaning | | | | | | | |
| Reduce Sickness & Absence Cover | | 35,000 | | Budget reduced - will monitor during the year. Still under negotiation with unions | | | 35,000 G |
| Reduce Week-end Cleaning costs | | 23,000 | | Budget reduced - Forecast reduction likely to be achieved | | | 23,000 G |
| Parks & Open Spaces | | | | | | | |
| Reduce arboricultural costs | | 15,097 | | | | | G |
| Restructure allotment operations | | 1,500 | | | | | G |
| Reduce costs of maintenance for leased areas | | 6,930 | | Total saving here in employee costs is £52,452. 2 x vacant posts deleted covering this area - value £42,023. £8,000 saving in seasonal staff will be monitored to see if it is delivered during the year. Small residual balance of £2,429 to be met from saving in supplies & services | | | 52,452 G |
| Reduce grass cutting | | 18,952 | | | | | G |
| Stop winter bedding planting | | 9,973 | | | | | G |
| Reduce Parks & Open Spaces management | | 33,693 | | Vacant post deleted | | | 33,693 G |
| Environmental Health | | | | | | | |
| Introduce flexible working | | 6,000 | | Salary payments reduced to 30 hours per week for 1 post to cover this saving | | | 6,000 G |
| Reduce operational costs in Environmental Health (Food, Health & Safety) | | 35,666 | | Vacant post deleted | | | 35,666 G |
| Reduce operational costs in Environmental Protection | | 25,897 | | Vacant post deleted | | | 25,897 G |
| Management Information Systems | | | | | | | |
| Reduce ICT costs | | | | Vacant posts deleted | | | 70,669 G |
| Building Control | | | | | | | |
| Withdraw market supplements - effective October 2011 | | 6,500 | | Budget reduced - No case to be put forward for retention when they become due for renewal | | | 6,500 G |
| Reduce Admin. Costs | | 10,000 | | Major service review underway but saving expected | | | 10,500 G |
| Development Control | | | | | | | |
| Reduce Admin. Costs | | | | Vacant post shared with Building Control | | | 10,500 G |
| Planning Policy | | | | | | | |
| Reduce Planning Policy costs | | | | Expected to be delivered on retirement of postholder. | | | 15,750 G |
| Housing | | | | | | | |
| Reduce Housing Management costs | | 40,852 | | Vacant post deleted | | | 40,852 G |
| Reduce admin. costs within grants section | | 24,132 | | Vacant post deleted | | | 24,132 G |
| Accountancy | | | | | | | |
| Reduce admin. costs | | | | Vacant post deleted | | | 20,962 G |
| Process Improvement Team | | | | | | | |
| Reduce costs by deleting one vacancy | | | | Vacant post deleted | | | 13,626 G |
| Customer Services | | | | | | | |
| Merge Copeland Direct and Cash Office to reduce staffing | | | | Vacant posts deleted | | | 44,595 G |
| Total Section C | | | | | | | |
| | | | | 614,935 | | | 613,676 |
| Section D - Forecast cost of redundancies by department | | | | | | | |
| Legal & Democratic Services | | | | | | | |
| | | | | 75,000 | Part delivery expected May 2011, balance delayed until September 2011 | | 60,000 A |
| Leisure & Environmental Services | | | | | | | |
| | | | | 35,510 | Crematorium £4227, Pest Control £31,283. Savings delivered but adverse publicity re Crematorium | | 35,510 G |
| Resources & Transformation | | | | | | | |
| | | | | 106,182 | Accountancy £29,000 (now Treasury Management saving 2011/12), HR £30,000, PIT £47,182. HR saving includes deletion of a training post (£16,800) and Payroll Officer reducing to 4 day working (£7,159) leaving £6,041 to be found from other areas including outsourcing payroll to Cumbria CC | | 92,982 A |

| | | | | | |
|---|--|-----------|---|-----------|---|
| Development Operations | | 12,308 | Beacon - saving delivered with additional value | 17,765 | G |
| Heads of Service Review | | 140,000 | Saving delivered | 140,000 | G |
| Total Section D | | 369,000 | | 346,257 | |
| SELF ASSESSMENT SERVICE REVIEWS - PROGRESS REPORT AS AT 30 SEPTEMBER 2011 | | 1,771,207 | | 1,708,665 | |
| | | | Balance still to find | 62,542 | |