

CAPITAL BUDGET – QUARTER 2 SUMMARY FINANCIAL REPORT 2013/14 (1 April 2013 to 30 September 2013)

EXECUTIVE MEMBER: Councillor Gillian Troughton

LEAD OFFICER: Darienne Law - Head of Corporate Resources

REPORT AUTHOR: Leanne Barwise - Senior Accounting Officer

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

This report details the progress on delivering the projects in the agreed 2013/14 capital programme and provides the capital spend and estimated outturn forecast based on the financial position for the 6 month period to 30 September 2013.

RECOMMENDATIONS:

- I. Note the approved gross capital budget of £3,872,464, £1,899,514 of which is funded by external income to give a net current capital budget of £1,972,950
- II. Note the authorised increase to the budget in relation to St Bees Playground Project, Whitehaven THI and Copeland Pool Fitness Extension to account for the external income now awarded (see paragraph 2.3).
- III. Note the position as at 30 September 2013 (Quarter 2) of capital receipts for 2013/14 as set out in this report (See paragraph 5).
- IV. Note the forecast year-end variance on the overall Capital Programme 2013/14 is a gross under spend of £2,133,433 at 30 September 2013. This will result in a £1,109,800 underspend in external income to give a total net variance of £1,023,633. The majority of this underspend is expected to be carried forward to complete projects in 2014/15.
- V. Approve the required increase of £15k to the Beacon Lift replacement budget (within Operational Buildings) from the useable capital receipts reserve due to inflated costs to do the work since the budget was approved (See paragraph 4.5).

1. INTRODUCTION

- 1.1. This report provides the monitoring of the capital programme both in terms of capital expenditure and capital income, ensuring that anticipated expenditure is in line with budget; and that the whole capital programme is fully funded, either from external contributions or through use of our own resources (i.e. capital receipts).
- 1.2. This report provides the expenditure position to 30 September 2013 and a forecast to year-end.
- 1.3. The monitoring of the capital programme is undertaken and reported to CLT monthly and Executive on a quarterly basis.

2. REVISIONS TO THE CAPITAL PROGRAMME 2013/14

- 2.1. The Capital programme for 2013/14 funded by a gross Capital Programme budget of £1,599,524 was approved by Council on 21 February 2013.
- 2.2. Since the budget approval a number of adjustments have been approved to give a revised gross Capital Programme budget of £3,872,464 at 30 September 2013. The reasons for these amendments have been summarised for information at table A in Appendix A.
- 2.3. Since the quarter ended 30 September 2013 external funding agreements for both St Bees Play Area & Whitehaven THI project have been approved. The Capital programme has been increased to account for the additional external funding as shown in the £3.9m budget above. Whilst awaiting confirmation for the individual grant funding to each be agreed, the St Bees Play Area and Whitehaven THI projects were approved and accepted to take on the role of Accountable body at Executive on 18 December 2012 and 28 May 2013 respectively. Copeland Pool Fitness extension was also approved at Council on 12 September 2013, this too has external funding agreements and the increase in budget has been reflected in the figures throughout this report.

3. EXPENDITURE TO DATE AND FORECAST YEAR END POSITION

- 3.1 At quarter 2 the gross capital programme expenditure budget for 2013/14 is £3,872,464 as detailed above and in Table B at Appendix A.
- 3.2 External capital income budget totals £1,899,514 consisting of:
 - £265,717 - Disabled Facilities Grants
 - £39,747 - Moor Row Play Area
 - £90,250 – St Bees Play Area
 - £1,053,800 – Whitehaven THI
 - £450,000 – Copeland Pool

This gives a net capital programme budget of £1,972,950.

- 3.3 Members should note that the external income figures shown above include those that have been approved by the external body as at quarter 2, any additional external funding will be added to the capital programme upon receipt of confirmation from the grant funder.
- 3.4 It should also be noted that depending on spending patterns and grant conditions for reclaiming external funding, all external capital income usage quoted above is estimated and may be reclaimed in future financial years, as opposed to during 13/14. Therefore it may be necessary to use our own approved resources prior to the approved external income being accessed. This is purely in relation to the conditions of the grant which is standard with external income and although claims will continually be processed there may be a period of time which the authority will bankroll the expenditure.
- 3.5 The forecast expenditure position at 30 September 2013 for financial year 2013/14 is gross capital expenditure of £1,739,031.
- 3.6 The gross income budget is £1,899,514 but the forecast income usage position at 30 September 2013 for financial year 2013/14 is £789,714 consisting of £265,717 towards the provision of Disabled Facilities Grants, £39,747 in relation to Moor Row Play Area, £90,250 for St Bees Play Area, £375,000 Copeland Pool Extension and £19,000 Whitehaven THI.

- 3.7 This results in forecast net expenditure of £949,317 to give a favourable variance against budget of £1,023,633 as detailed in table B at Appendix A.

4. PROGRESS AT 30 September 2013 (Quarter 2)

- 4.1 **Whitehaven THI – Total budget £1,353,900 (CBC Budget £250,000 plus £1,103,900 externally funded)**
This is a 5 year project funded by Copeland (£250,000) and external funding secured from BEC (£394,600), HLF (£659,300) & agreed in principal with Cumbria County Council (£50,000 – yet to be formally approved and so not yet added to capital programme). We are currently in the process of employing a designated THI Officer to manage the project.
- 4.2 **Millom Cemetery Land Purchase – Total Budget £149,216 funded by CBC**
A separate report on Millom Cemetery is included elsewhere on this Executive agenda. Ground water assessment is now complete and signed off by the Environment Agency, as have the principles of an access arrangement with the Church authorities which means the project can proceed to full implementation, subject to planning approval.
- 4.3 **ICT – Total CBC Budget £200,000**
This project is part of the implementation of the Change Programme Plan which was introduced by the Change Programme Board. The Plan is designed and released in phases and thus the capital project has been profiled in accordance with these plans. Phase One of the capital project is to put additional, more up to date, reliable and more energy efficient data storage solutions in place to assist our business continuity arrangements. The current anticipated spend of £35k to the year-end relates to storage solutions and an enhanced remote security tool. The remainder will be requested to be carried forward to complete the project in 2014/15.
- 4.4 **Customer Access Strategy – Total CBC Budget £142,041**
This project has already seen the provision of a small reception in the Crematorium and will also remodel the reception/customer meeting room areas in the Copeland Centre and implement self-service technology. Draft designs for the remodelling of the Copeland Centre reception and customer areas were approved in July by CLT. These designs are now with the landlord for sign off and a tendering exercise will then begin to select a contractor. A Project Manager is due to be appointed and the project is expected to be complete before the financial year end.
- 4.5 **Operational Buildings – Total CBC Budget £112,000**
The projects identified as a priority for 2013/14 amount to £112,000, with the original budget being reduced from £217,000. The funding was requested to cover the cost of the following:-
St Bees Foreshore Car Park Resurfacing (£6,500) – The resurfacing part of the car park at St Bees foreshore has now been completed under budget with £330 to be returned to reserves. The new surface is expected to have a 15 year lifespan.
Beacon lift Replacement (£50,000) – Full replacement of the 18 year old lift at an estimated cost of £50,000. The project schedule has been sent out requesting quotations with the expectation that a contractor be nominated in December and work to commence in February 2014 - during the Beacon close down period. Recent estimates are showing costs to do the work have increased by £15k since the budget was prepared. It is requested that Executive approve an additional £15k to complete the work to give a £65k budget for the Beacon Lift replacement. This will be funded from the Useable Capital Receipts Reserve.
Moresby Depot Generator (£50,000) – Installation of a generator to provide power to the key operational site in the event of a power failure at a cost of £50k. Work is expected to commence in December/ January 2014 but has been delayed due to current workload pressures in the Property Department.

4.6 Rottington Beck – Total CBC Budget £45,637

Final designs for the remedial work of scour to the apron area caused by the August 2012 intense rainfall incident are drawing to a conclusion; early indications from the design works are that costs may exceed the current capital funding. Subject to the costs submitted in the tender process for the construction work it may be that additional costs can be managed within existing revenue budgets and this will be detailed in future monitoring reports. Actual timing of works will be primarily dependent on the tidal cycle and the prevailing weather conditions at the time, once all consents are in place.

4.7 Regeneration Software – Total CBC Budget £40,912

The implementation of a resilient and effective archive/data storage system to support the existing system with the necessary data security. The project is progressing, a document server has recently been ordered to the value of £13k. The project Manager is confident that the project will complete prior to year end.

4.8 St Bees Playground – Total Budget £130,250 – (CBC Budget £40,000 plus £90,250 externally funded)

The £40k awarded by the authority to renovate St Bees Play Area is now being used by St Bees Parish Council as match funding to secure other grant funding. So far confirmed additional grant funding of £30,250 has been approved from Copeland Community fund and £60k from WREN. This brings the total budget on the project of £130k with Copeland being the accountable body. The preferred contractor has been awarded the tender to carry out the works but planning permission will have to be obtained prior to project start. Planning issues are currently being discussed and the application will hopefully be submitted in the near future.

4.9 Moor Row Play Area – Total Budget £39,747 (100% externally funded)

Moor Row Play area has been successfully renovated, improving 1130m² of open space that the whole community can enjoy at no monetary cost to the authority as the scheme was 100% funded through external grants, however the Council acting as accountable body for the project. The works were carried out under budget which meant less funding has been claimed from the external bodies. The long term maintenance costs for the authority will also be reduced as the Moor Row Community Group has raised funds to cover these type of costs.

4.10 Fleet Replacement – Total CBC Budget £23,000

An order has been placed for the 3.5 tonne tipper vehicle and delivery is expected mid-December. It is anticipated that the total spend will be slightly less than originally quoted at £21,300, meaning £1,700 will not be required and can be returned to reserves.

4.11 Valuation Data Transfer – Total CBC Budget £20,000

A PID detailing the proposed data transfer of the current spread sheet based property management system onto Cumbria County Councils computerised system was presented and approved at Executive on 22 October 2013. By joining with Cumbria County Council we don't have an initial capital outlay as Cumbria County Council do not wish to claw back any other set up costs of the system. At the time of writing this report the initial data checking is well underway and expected completion date is now December/January 2014.

4.12 Copeland Pool Fitness Extension – Total Budget £713,000, (CBC Budget £263,000 plus £450,000 externally funded)

The Copeland Pool extension was approved at Council 12th September 2013 with Copeland acting as project lead and accountable body to improve one of our assets. The Council is appointing a Quantity Surveyor and a Pre-Qualification Questionnaire (PQQ) and full tender will commence in the autumn and returned before Christmas 2013. Work on site is anticipated to commence in January 2014 and be fully complete by June 2014 and so a carry forward of the remaining budget will be necessary at the year end.

4.13 Land Management – Total CBC Budget £175,000

This funding was allocated to provide resources to deal with any capital expenditure related to our land assets. A monitoring programme ensures our land assets are carefully examined.

HOUSING SERVICES

- 4.14 There has been an increase in the number of referrals from occupational therapists from last year; 53 from April to September to 73 new referrals since April 2013. We have approved 59 new disabled facilities grants (DFG's) since April 2013 compared to 37 in the same period last year. At quarter 2 a total of 50 grants were completed with 18 of these being new grants awarded this financial year with the remainder having been in progress at the financial year end 2012/13.
- 4.15 Housing Services this year have a total budget of £754,090. Of this, £154,090 was carried forward from 2012/13 to fund commitments made in that year, leaving £600,000 available to commit in the current year. It is currently anticipated that the level of commitments will be in line with budget this financial year. Members are asked to note that the current position is subject to change as it is impossible to predict with certainty the number or value of referrals that may be received before the financial year end.
- 4.16 Of the estimated total forecast **commitment** of £600,000 and based on an extrapolation at 30 September 2013, forecast **spend** in year is approximately £588,000. The remaining £166,000 budget is forecast to be carried forward into 2014/15 to meet commitments approved and commenced in 2013/14.
- 4.17 Members are asked to note that DFG's are not an annual programme. They are a responsive statutory duty that rolls over year on year to qualifying people who are referred from Occupational Therapy at any time, as and when their need arises. The majority of spend occurs at end of each individual project so spend subsequently follows the date the commitment was granted. This will necessitate some of the funding to be carried forward into 14/15 to complete projects commenced in year as stated in 4.16 above.
- 4.18 From 2015 money for DFG's is to be transferred from DCLG to the Department of Health and will be included in the new Integration Transformation Fund. It is unclear at present how this will be distributed among local authorities, this will be the subject of a report to Executive at a later date as further information becomes available.
- 4.19 The details of spend and commitment is illustrated in table 1 overleaf, with the commitments continuing to be reviewed by Housing and Finance staff on a monthly basis:

Table 1: Housing budget and spend as at 30 September 2013

Housing Budget & Spend 2013/14	£	£
PERIOD 6 - Quarter 2		
<u>EXPENDITURE BUDGET</u>		
Budget brought forward from 2012/13	154,090	
New budget 2013/14	600,000	
Total budget 2013/14		754,090
<u>FUNDING OF EXPENDITURE BUDGET</u>		
UCRR	- 488,373	
External income from DCLG (as per budget)	- 265,717	
Total funding of expenditure budget	-	754,090
<u>SPEND</u>		
Actual paid at Period 6	288,487	
Forecast spend to March 2014	300,000	
Total expected spend 2013/14		588,487
<u>FUNDING OF EXPECTED SPEND</u>		
External income from DCLG	-	265,717
Useable Capital Receipts Reserve	-	322,770
Total funding of expected spend	-	588,487
TOTAL FORECAST CARRY FORWARD TO 14/15 TO MEET COMMITMENTS APPROVED 13/14		165,603

5. CAPITAL RECEIPTS

- 5.1. The initial forecast capital receipts for 2013/14 was estimated at £515.5k but this has since been revised to receipts of approximately £929k.
- 5.2. Of the revised forecast capital receipts of £929k above, actual disposal proceeds received at the mid-way point of the year to 30 September 2013 amount to £140k.
- 5.3. Of the £789k anticipated receipts (£929k estimate above less £140k already received) - £500k relates to the former Kells School Plots and the Legal Services Manager is actively progressing these sales. Additional receipts totalling £237k are expected and are currently in the process of being sold (subject to contract) with the remaining forecast receipts of £52k being identified to be sold this year. However, it should be noted that these may slip into the next financial year and not be realised this year.
- 5.4. Current forecast spend at 30 September 2013 is £1,739,031 which is £810k in excess of receipts expected from sales in year.
- 5.5. It is imperative that the Authority realises sufficient capital receipts to enable adequate funding of the future Capital Programme.

6. FINANCING

- 6.1. Table 2 below shows how the 2013/14 Capital Programme will be funded. It is important that the funding of the Capital Programme is fully understood and can be demonstrated in particular the identification of external resources to support capital expenditure. This will contribute to improving the quality of the Financial Accounts, and on-going budget management.

- 6.2 The current forecast 2013/14 capital programme expenditure of £1,739,031 is planned to be financed as shown below:

Table 2: Financing of the 2013/14 Capital Programme

Funded by:	Forecast funding based on current forecast capital receipt
Useable Capital Receipts – General Capital Receipts	626,547
Useable Capital Receipts – Housing Capital Receipts	322,770
TOTAL INTERNAL FUNDING FROM THE UCRR	949,317
External Funding	789,714*
TOTAL INTERNAL & EXTERNAL FINANCING	1,739,031

* Please see paragraph 3.6 for the make-up of the external funding and 3.4 for details

- 6.3 The impact of forecast capital programme spending and capital receipts in 2013/14 would leave balances of approximately £2.4m in the General Capital Receipts and £1m in Housing Capital Receipts. After funding the current estimated carry forwards the balances on these accounts are anticipated to be £1.5m and £0.86m respectively available for new capital bids. This is also demonstrated in Table C at Appendix A.
- 6.4 New capital bids for the 2014/15 have been requested and will be discussed at the Capital Control and Monitoring Group ahead of submission at Executive in the near future.

7. CONCLUSION

- 7.1 It is identified that there remains a strong risk that we may not realise all of the forecast capital receipts this financial year as they are dependent upon circumstances outside the Authorities control. This will be continually reviewed and Members updated accordingly.
- 7.2 The capital programme will continue to be robustly monitored over the coming months with the next report to be presented to Executive in February detailing the updated position at Quarter 3.

8. STATUTORY OFFICER COMMENTS

- 8.1 The Monitoring Officer's comments are: No further comment
- 8.2 The Section 151 Officer's comments are: Included within the report
- 8.3 EIA Comments: Capital projects are an important way in which the Council seeks to promote equality and tackle inequality. This is particularly evident within the discharge of our statutory duty regarding DFGs and our work to promote access to services.
- 8.4 Policy Framework: The capital programme forms an integral of the Council's corporate policy framework.
- 8.5 Other consultee comments, if any:

9. RESOURCE REQUIREMENTS

- 9.1 It is imperative that all budgets are monitored monthly with exceptions reported through Corporate Leadership Team and Executive so that management action can be taken to ensure the effective use of resources as planned by the Council.
- 9.2 The budget monitoring process is fully integrated into the planning process to ensure that Council objectives and priorities as outlined in the Corporate Plan are fully resourced as planned.

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

- 10.1 The capital programme will continue to be monitored monthly with the next report to Executive being Quarter 3. The budget monitoring process continues to be refined to provide members and officers with the up-to-date financial information needed to make key decisions on resource allocations during the year to feed into the Council's budget process.
- 10.2 The capital programme assumes funding from the sale of assets. Generation of capital receipts presents risks in terms of the timing and value of receipt. The Development Surveyor and Financial Management and Treasury Accountant meet quarterly and review asset sales. Additionally, the Legal Services Manager and the Estates and Valuations Manager are actively progressing sales to generate the required capital receipt prior to the financial year end.

List of Appendices:

Appendix A – Capital Financial Tables at Quarter 2

Appendix B – Capital Budget Monitoring Report from Total

Appendix A

Table A

CAPITAL PROGRAMME BUDGET 2013/14			CUMULATIVE
	£	£	
Original Budget approved at Council 21/02/13		1,599,524	1,599,524
Approved amendments to budget:			
Addition: Approved at Q3 12/13 Capital Report P10 EXE 12/03/13 - £12k from eventual sale of Kells Plots for Kells Drainage	12,000		1,611,524
Addition: Approved at Outturn 12/13 EXE 28/05/13 - Slippage from 2012/13	639,845		2,251,369
Addition: Approved at Outturn 12/13 EXE 28/05/13 - £27,452 to re-instate Millom Cemetery from £121,764 to £149,216	27,452		2,278,821
Addition: Approved External Funding St Bees Play in addition to £40k CBC EXE 18/12/12 - £30,250 CCF, £60k WREN, £5k St Bees Group & £3k additional St Bees Group	89,367		2,368,188
Addition: Approved THI External Funding in addition to CBC £250k EXE 28/05/13 - £394.6k BEC, £659.2k HLF	1,053,800		3,421,988
Addition: Approval for Copeland Pool: receipt and spend of match funding to CBC £263k Capital EXE 12/09/13 £150k Sport England, £300k CCF	450,476		3,872,464
Current Budget		3,872,464	

Table B: Spend & external income receipt to date and forecast for year as at 30 September 2013

	Gross budget	Spend/Income to date	Forecast period	Total gross forecast	Variance
2013/14 Expenditure	3,872,464	375,868	1,363,163	1,739,031	-2,133,433
2013/14 External Income	-1,899,514	-291,768	-497,946	-789,714	1,109,800
TOTAL (Net)	1,972,950	84,100	865,217	949,317	-1,023,633

Table C: Impact of forecast capital programme spending and capital receipts in 2013/14 on the Useable Capital Receipts Reserve

USABLE CAPITAL RECEIPTS	General Capital Receipts Reserve £	Housing Capital Receipt Reserve £	TOTAL £				
Opening balance per audited accounts:	-2,017,976	-1,349,385	-3,367,361				
Forecast draw down to fund 13/14 capital programme	626,547	322,770	949,317				
VAT sharing receipts to date	-61,230		-61,230	* Initial estimate from J Walder Home Group = £370k			
Forecast Capital Receipts in year	-928,689		-928,689				
Forecast useable Capital Receipts closing balance	-2,381,348	-1,026,615	-3,407,963				
Revised closing balance:-	General Capital Reserve	Housing Capital Reserve	TOTAL	SEPTEMBER		P6	
Current Opening Balance	-2,381,348	-1,026,615	-3,407,963				
Less total Carry Forwards	853,000	165,603	1,018,603	@ P6 total report			
Less any repayments (1st calls)			0				
Current est balance at yr end 14/15	-1,528,348	-861,012	-2,389,360				

Capital Expenditure Report

Capital Expenditure	Current Approved Budget 13/14	Profiled Budget 13/14	Current Net Expenditure	Profiled Variance	Year-End Forecast	Forecast Variance Year-End	Capital Underspend	Capital Carry Forward
07037 Regeneration Software	40,912	40,912	0	(40,912)	40,912	0	0	0
07046 Whitehaven - Mount Pleasant Park	3,000	3,000	0	(3,000)	3,000	0	0	0
07057 Cemeteries & Play Areas - Condition Repo	130,250	130,250	0	(130,250)	130,250	0	0	0
07058 Millom Cemetery Land Purchase	149,216	149,216	1,950	(147,266)	149,216	0	0	0
07066 Data Capture	1,146	1,146	1,146	0	1,146	0	0	0
07084 Copeland Pool	713,000	713,000	0	(713,000)	375,000	(338,000)	0	338,000
07112 Customer Service Strategy	142,041	142,041	0	(142,041)	142,041	0	0	0
07120 Operational Building Cond Survey Backlog	109,400	109,400	6,404	(102,996)	109,070	(330)	330	0
07285 Rottington Beck	45,637	45,637	19,755	(25,882)	45,637	0	0	0
07601 Housing Grants	754,090	754,090	288,487	(465,603)	588,487	(165,603)	0	165,603
07812 Former Kells School Site	14,600	14,600	14,600	0	14,600	0	0	0
07814 Valuation Data Transfer	20,000	20,000	0	(20,000)	20,000	0	0	0
07815 Fleet Replacement	23,000	23,000	0	(23,000)	21,300	(1,700)	1,700	0
07816 Dev Mgt E-Access	1,807	1,807	0	(1,807)	1,807	0	0	0
07817 Whitehaven THI	1,303,800	1,303,800	0	(1,303,800)	19,000	(1,284,800)	0	1,284,800
07818 Moor Row Play Area	39,747	39,747	30,250	(9,497)	39,747	0	0	0
07820 Gillfoot Shaft Work	5,818	5,818	32	(5,786)	5,818	0	0	0
07821 I.C.T.	200,000	200,000	13,243	(186,757)	35,000	(165,000)	0	165,000
07822 Land Management	175,000	175,000	0	(175,000)	0	(175,000)	0	175,000
Grand Totals	3,872,464	3,872,464	375,868	(3,496,596)	1,742,031	(2,130,433)	2,030	2,128,403

REVENUE BUDGET – PERIOD 6 SUMMARY FINANCIAL REPORT 2013/14 (1 July 2013 to 30 September 2013)

EXECUTIVE MEMBER: Cllr Gillian Troughton,
LEAD OFFICER: Darienne Law – Head of Corporate Resources
REPORT AUTHOR: Ann Treble – Financial Management and Treasury Accountant

Summary:

The Local Government Finance Act 2012 changed the way local government is financed. This means that the council has a greater reliance on income from council tax, business rates and other income sources. At the same time Government is reducing its core funding. This fundamental change in our funding regime increases the council's financial risk.

The severity of the continuing reductions in government grants has impacted severely on Copeland's current and future financial position. The wider economic environment in which we operate is also impacting on our ability to provide services to residents, many of who, in turn, are experiencing financial difficulties themselves.

This quarterly financial report is to update Executive on:-

- the performance of our funding and income streams,
- an estimated outturn forecast against the current approved 2013/14 budget, based on the financial position for the 6 month period to 30 September 2013,

It identifies key risks to the delivery of the Council's budget and highlights performance to date.

Recommendations:

The Executive is asked to;

- (i) Note the risks to the budget as detailed in sections 2 and 4 and the income projections in section 3.
- (ii) Note the approved net current revenue budget of £11,507m as set out in paragraph 1.4
- (iii) Note the projected year-end underspend of £89k against the current approved revenue budget of £11,507m being £16k under spend against Earmarked reserves and £73k underspend against base budget. See Appendices A & C
- (iv) Note the decision taken by Head of Corporate Resources, on outstanding debts totalling £15k as set out in paragraphs 1.3 and 1.4 of Appendix E.
- (v) Note that the year-end forecast does not include any estimate of pension increases which may materialise as a result of the Triennial review, the results of which will be advised this month. A separate paper detailing this outcome will be made to Members once known.

- (vi) Approve the release of £35k from the Coastal Management Earmarked Reserve as detailed in paragraph 8.2, to increase the current year budget from £11,507m.
- (vii) Approve the release of £50k from the Weddicar Earmarked Reserve as detailed in paragraph 8.3, to increase the current year budget from £11,507m.

1 INTRODUCTION

- 1.1 In accordance with Council's Financial Regulations;
- The Head of Corporate Resources 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 Corporate Leadership Team (CLT) and individual budget managers to control income and expenditure within their service areas and to monitor performance.
- 1.2 All the figures and explanations in this report have been provided by the relevant budget managers.
- 1.3 In this report figures within brackets denote budget savings, favourable variances or income figures.
- 1.4 The Council approved its 2013/14 revenue budget in February 2013 at £10,362m, which included savings to be made of £1.76m. Subsequently amendments to the budget including carry forwards and further amounts released from ear marked reserves have been approved, bringing the total revenue budget for 2013/14 as at 30 September to £11,507m.
- 1.5 The inclusion of earmarked reserves in the budget (£855k), their forecast usage and any subsequent underspend is detailed in Appendix A.
- 1.6 The inclusion of carry forwards in the budget (£565k), their forecast usage and any subsequent underspend is detailed in Appendix B.
- 1.7 The forecast position recorded on the budget model, for year end, as at quarter 2, is an under spend of £150k and is primarily due to:

Table 1 – Main contributors to underspend of £150k

	£ 000's
Under achievement of fees and charges and car parking income (see Table 3)	145
General repairs	62
Material Salary savings (see paragraph 6 for commentary)	(152)
Savings in contractor cost (linked to under achievement of fees above)	(40)
Sea Monsters Exhibition at Beacon	(18)
Net transport costs (saving repair saving running costs extra operating lease)	(18)
Increase in recycle credits	(29)
Increase in recycle waste income	(29)
Saving on gas (mainly crematorium)	(15)
Remaining net over/under spends	(56)
Net underspend forecast at period 6	(150)

However there are some known variables within these figures and these are detailed below to give an adjusted year end forecast underspend of £89k as at period 6.

Table 2 – Reconciliation of shown underspend of £150k to actual underspend of £89K

Net underspend forecast at period 6 (from Table 1)	(150)
Adjust for known variances:	
NCL – Part of contract fee (will be spent in year)	45
NCL – project management fee (will be spent in year)	27
Weddicar costs (to be funded from EMR see recommendation vii and paragraph 8.3)	(50)
Coastal Management costs (to be funded from EMR see recommendation vi and paragraph 8.2)	(14)
Business Basics Target – current hosted in Choosing to Change (require works to be complete to identify savings in year)	53
Adjusted net underspend forecast as period 6	(89)

- 1.8 The breakdown of the net expenditure budget and forecast over corporate teams and its funding is shown in Appendix C. Appendix D shows the breakdown of the budget and forecast over cost centres.

2 ECONOMIC OUTLOOK

- 2.1 This report looks at and details the risks that exist in the financial environment in which we operate and the impact that this will have on our income and funding.
- 2.2 According to Sector Ltd, our Treasury management advisers,
 “the economic outlook has been improving, with mortgage approvals, house price rises, employment figures and industrial and service output all showing much improved figures, in the first part of this year; the economic recovery will remain fragile for some time. The UK Government’s finances, whilst broadly on track, remain in an unhealthy position and will take many years to correct. The broader world economy has seen an improvement in the US economy, but the Euro Zone is still struggling and until the western economies see stronger growth, the UK is unlikely to see significant improvement.”
- 2.3 One of the knock on effects of 2.2 is Government policy requires low short term interest rates to stimulate lending to the personal and business sectors which in turn mean the Council’s investment returns remain low for the foreseeable future.
- 2.4 The continuing poor economy will be impacting not only on our investment returns but also on our ability to meet fees and charges income targets (as evidenced in Table 3 at 3.1), and possibly our local businesses ability to meet their NNDR obligations (Table 4) and our citizens ability to pay Council Tax (Table 5).

3 INCOME FORECASTS

3.1 Fees and Charges

Table 3 - Main Income Variations

Income Source	13/14 Budget	Forecast to y/end	Forecast under achievement of income	Narrative
Fees & Charges	(2,322,438)	(2,225,067)	97,371	Main under achievements : Enforcement - £10k, Refuse Commercial £60k, refuse bulk 10k, crem 30k off set by main over achievement 10k cemeteries, 12k land management
Car Parking income	(403,904)	(355,673)	48,231	
	(2,726,342)	(2,580,740)	145,602	

The most significant variances on income relate to our car parking and fees and income as detailed in table 3. As these income targets underpins our budget, under achievement of these means there may not be sufficient income by year end to fund all of our expenditure:

Sundry debts to value of circa £3k have been written off in year to date compared to circa £36k in the whole of 2012/13.

3.3 NNDR collection rates

The authority's funding is now only guaranteed in part with the remainder dependent upon our collection of NNDR.

Figures provided by the Revs and Bens Shared Service show that we have recovered over 88% of our NNDR in the first six months of the year but this is distorted by the collection of a significant rate payer in full in April. The exclusion of this account takes our collection rates to 60.54% cumulative to end of September 2013.

The table below shows the recovery of business rates, which has been relatively consistent over recent years but this could change in the current climate. Any under collection would have to be suffered up by the authority for the first £165k in every year. There are also a number of appeals waiting to be heard which if the applicants are successful will reduce the amount to be collected initially, again this loss would have to be suffered by the authority up to the safety net level of £165k mentioned above

Table 4 - National Non Domestic Rates Collection Data

*Without significant
ratepayer figures*

Copeland		2013/14	2012/13	2011/12	2010/11
<i>10.84%</i>	Apr	74.57%	11.93%	10.78%	11.22%
<i>21.62%</i>	May	78.37%	21.65%	21.04%	21.59%
<i>31.61%</i>	Jun	81.29%	31.26%	31.08%	31.72%
<i>41.38%</i>	Jul	83.95%	40.97%	40.28%	41.14%
<i>50.97%</i>	Aug	86.48%	50.38%	50.11%	50.63%
<i>60.54%</i>	Sep	88.95%	60.19%	59.99%	60.07%
	Oct		69.84%	69.76%	69.94%
	Nov		79.34%	79.09%	79.46%
	Dec		88.81%	86.13%	89.14%
	Jan		98.43%	98.37%	98.30%
	Feb		98.81%	98.72%	98.99%
	Mar		99.03%	98.92%	99.14%

The report in Appendix E gives details of action taken on irrecoverable historic NNDR debts and provides an analysis of the age of such debt.

3.4 Council Tax collection rates

As detailed in the table below our current Council Tax collection rate looks comparable to previous years but the impact of the current climate and welfare reforms may not yet be apparent. This year is also the first year the system of discounts replaces the previous system of benefits and the council will be required to fund any difference arising.

Table 5 - Council Tax Collection Data

	2013/14	2012/13	2011/12	2010/11
Apr	11.41%	11.61%	#N/A	11.66%
May	20.98%	21.14%	20.57%	21.13%
Jun	29.84%	30.32%	29.90%	30.35%
Jul	39.31%	39.69%	39.18%	39.75%
Aug	48.54%	49.00%	48.54%	49.03%
Sep	58.02%	58.45%	58.02%	58.85%
Oct		68.25%	67.88%	68.93%
Nov		77.70%	77.46%	77.80%
Dec		86.91%	86.72%	86.95%
Jan		96.12%	95.79%	96.17%
Feb		97.88%	97.84%	#N/A
Mar		98.20%	98.15%	97.99%

The report in Appendix E gives details of action taken on irrecoverable historic Council Tax debts and provides an analysis of the age of such debt.

4 EXPENDITURE FORECASTS

4.1 Achievement of Planned Savings

Council approved actions to result in savings of £1.76m in year. The budget was reduced to reflect these planned changes. There are risks involved in the delivery of any plan; accordingly the Change Board regularly monitors the RAG (Red/ Amber/Green) status of these savings.

- 4.2 Progress on delivering the savings is generally good with the majority of the proposals now being delivered and the projects closed. There are a few that are significant to the budget position which are not yet delivered and at Q2 are considered by the board to be at risk. These are set out in the Table 7 at 4.5 below.

- 4.3 In the original £1.76m savings reduction the Business Basics target was £80k. As the saving had not been identified when the budget was set the £80k was put in as a credit budget, hosted on Choosing to Change, to ensure the budget balanced overall. As actual savings are achieved the cost centre that makes the saving has their budget removed (credited) and the £80k is reduced (debited) to keep an £80k saving within the budget. Table 6 below shows what savings have been identified to reduce this outstanding target from £80k to £53k, as at 30 September 2013. Further Business Basics savings to be achieved through review of communications services, policy and

transformation team and review of Corporate leadership Team (CLT) and Personal Assistants to be completed in 2013/14.

Table 6 - Business Basics breakdown of budget

Budget to achieve currently hosted in choosing to change	
Original Business Basics target budget	(80,000)
Action taken to date:	
Saving from HR Manager post (shared post with ABC)	20,000
Saving from CEX cost centre	7,000
Adjusted budget savings target - still to be achieved in 13/14	(53,000)

- 4.4 The original £1.76m savings reduction also included a target of £287k reduction of NCL costs, however Council approval of an extension to the NCL contract in September 2013 resulted in an additional £322k in year cost (£139k cost for the contract fee and an additional £183k for PMP works), which will be funded from reserves in this year only.

4.5 **Table 7- Savings Targets – Forecast as not achieved at Q2**

Description	Responsible Officer	Saving to be met	Adjusted forecast saving as at Q2	Forecast shortfall as at Q2	RAG Rating
INCREASE Crematorium fees	Head of Neighbourhoods	- 60,000	- 30,719	- 29,281	Amber
INCREASE Car parking fees	Head of Neighbourhoods	- 40,000	8,456	- 48,456	Red
REDUCE Council's running costs (Business Basics)	Chief Executive	- 53,000	0	-53,000	Amber

- 4.6 Car parking fees - The income is currently down and forecast to remain so as at quarter 2. As income is related to usage it cannot be directly controlled, however the situation will continue to be monitored. It is anticipated when the local economy improves usage will return to historic levels.
- 4.7 At period 6 the original £80k Business basics savings target, has been reduced to £53k, as shown in table 6 above. Work is ongoing to establish how this budget target will be met.

5 Discretionary Housing Payments

- 5.1 These provide customers with further financial assistance when a local authority considers that help with housing costs is needed. It was anticipated that requests for this help would increase this year as residents needs change as welfare reform changes are implemented. Accordingly this area is being specifically monitored to track the impact.
- 5.2 CBC share of original grant provided by the government is £95k with our Overall Limit being set at £235k. (The Overall Limit being the maximum allowable payment as prescribed by Government).
- 5.3 An additional £16k grant was notified to the authority in July, bringing the external funding to £111k, out of the permissible Overall Limit of £235k detailed in 5.2 above
- 5.4 When the original budget was set, Council agreed to monitor the uptake of these payments and if necessary to utilise reserves to finance any gap. Table 8 below details the number of payments made in the first half of the year (154) (177 to end of October) and the amount of money spent/committed to date (62k), however anecdotal evidence suggests that residents are not applying until they are desperate and it is therefore anticipated that demand could increase as the year progresses. These payments will continue to be monitored and members will be advised if it becomes necessary to utilise reserves to fund any payments made, over the £110k external funding provided (to a maximum of £235k total).

Table 8 Discretionary Housing Payments Data

Externally funded budget original	94,263.00			
Externally funded budget new	16,493.00			
Total externally funded budget	110,756.00			
Overall Limit	£235,658.00			
	Budget profile	Spend	% Spend	Claims Granted (cumulative)
<i>April</i>	£9,229.67	£1,259.22	1.14%	32
<i>May</i>	£18,459.33	£5,301.63	4.79%	65
<i>June</i>	£27,689.00	£10,637.86	9.60%	88
<i>July</i>	£36,918.67	£18,982.64	17.14%	125
<i>August</i>	£46,148.33	£26,741.32	24.14%	146
<i>September</i>	£55,378.00	£33,753.99	30.48%	154
<i>October</i>	£64,607.67	£45,333.70	40.93%	177
<i>November</i>	£73,837.33		0.00%	
<i>December</i>	£83,067.00		0.00%	
<i>January</i>	£92,296.67		0.00%	
<i>February</i>	£101,526.33		0.00%	
<i>March</i>	£110,756.00		0.00%	
Add future commitments	Not Yet Posted	£16,645.77	55.96%	

6 MANAGEMENT ACTION TAKEN TO DATE

- 6.1 Whilst there is no specific vacancy management target within this years savings targets, CLT are actively managing the vacancy management process and as a result only vacancies that are essential to the business needs of the council are being filled.
- 6.2 The net current levels of savings as detailed by budget managers, on the forecast model, to date are £255k (salaries, NI and Superann) but these are netted of, as shown in table 1, with some use of legal and professional fees, to carry out work in some areas where vacancies exist.
- 6.3 Whilst one impact of strong vacancy management is a saving in the bottom line another, perhaps more significant one is the reduction in the Authority's capacity to operate and progress the changes required to reshape its services and redefine what it can do given the reducing resources.

7 WRITE OFFS

- 7.1 Debts totalling £15k have been written off by the Head of Corporate Services in quarter 2, Members are asked to review the attached report in Appendix E and formally approve these.

8 MANAGEMENT ACCOUNTING

- 8.1 The Council approved its 2013/14 revenue budget in February 2013 at £10,362m, which included savings to be made of £1.76m. Subsequently amendments to the budget including carry forwards and further amounts released from ear marked reserves have been approved, bringing the total revenue budget for 2013/14 as at 30 September to £11,507m.
- 8.2 Expenditure of £14k has been incurred to 30 September 2013, in connection with Coastal management, this spend is unbudgeted (as it was not anticipated) but an earmarked reserve exists to fund such activity. Members are asked to approve the release of £35k into the current year budget (to cover actual and estimated future in year spend). Members are asked to note that the adjusted forecast underspend of £89k as detailed in Table 2, paragraph 1.7, assumes release to match current expenditure.
- 8.3 Expenditure of £49k has been incurred to 30 September 2013, in connection with Weddicar appeal. This spend is unbudgeted but an earmarked reserve was set up to fund this activity. Members are asked to approve the release of 50k into the current year budget, to cover actual spend to date. It is not known at this date if further costs will be incurred until the appeal decision is known at the beginning of December. Members are asked to note that the adjusted forecast underspend of £89k as detailed in Table 2, paragraph 1.7, assumes release to match current expenditure.
- 8.4 Members are asked to note that the current budget of £11,507m does not include the amounts requested above at 8.2 and 8.3.

9. CONCLUSION

- 9.1 The spending forecast at period 6 is a year-end underspend of £89k against the current approved revenue budget of £11,507m, as detailed in Appendix D.

10. RESOURCE REQUIREMENTS

- 10.1 This report details the financial and resources requirements relating to the council's current budget and policy framework and provides a commentary of current performance.
- 10.2 Whilst one impact of strong vacancy management is a saving in the bottom line another, perhaps more significant one is the reduction in the Authority's capacity to operate and progress the changes required to reshape its services and redefine what it can do given the reducing resources.

11 STATUTORY OFFICER COMMENTS

11.1 The Monitoring Officer's comments are: No further Comment

11.2 The Section 151 Officer's comments are: Contained within this report

11.3 EIA Comment:

EIA completed as part of the budget setting process in February 2013

11.4 Policy Framework: The capital programme is designed to support the delivery of the Councils priorities and address risks and issues. In this way, the capital programme is an integral part of the Council's corporate policy framework.

11.5 Other consultee comments, if any:

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

12.1 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.

12.2 Budgets are monitored during the year with exceptions reported monthly through Corporate Leadership Team and to Executive 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.

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

13.1 The measurement of revenue budget position for 2013/14 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.

13.2 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 – Earmarked reserve usage in budget

Appendix B – Carry forward usage in budget

Appendix C – Budget and forecast by Corporate Team

Appendix D - Budget and forecast by cost centre

Appendix E- Debts action report

REVENUE BUDGET – PERIOD 6 SUMMARY FINANCIAL REPORT 2013/14 (Amended) (1 April 2013 to 30 September 2013)
Appendix A – Earmarked reserve usage in budget

Cost Centre	Detail	Description	Cost Centre Description	Total 13/14 Earmarked Reserve	Total Forecast	Forecast Variance
Corp Resour						
26215	1120	PFI payments	Copeland Centre	7,000	7,000	0
26101	0100	Risk pot for NCL repairs	NCL - Repairs	20,000	20,000	0
26101	0150	NLC Repairs	NCL - Repairs	183,593	0	0
			Sub total	210,593	210,593	0
Policy and Transformation						
21114	0728	release from Transformational Fund	Policy and Transformation	50,000	50,000	0
			Sub total	50,000	50,000	0
Nuclear						
11002	0800	LDF consultancy costs - EMR funded & C Bamber to 21/07/13	Planning Policy	95,334	100,000	4,666
22201	0001	Funding of 2 staff members	Nuclear	44,000	44,332	332
			Sub total	139,334	144,332	4,998
Neighbour						
48004	0953	To meet external repayment	Cremetorium	25,000	25,000	0
48004	0980	To allow adaption to book of remembrance case	Cremetorium	4,912	4,912	
32900	0108	To create disabled bays Sports Centre Car Park	Car Parks	1,000	1,000	
33204	0710	To maintain Recycling site equipment	Refuse - Recycling	10,000	10,000	0
33200	0710	To replace wheelie bins	Refuse Collection	20,000	20,000	0
			Sub total	60,912	60,912	0
Leg & Comm						
32201	0948	Sea Monster Exhibition - funded from sinking fund	Beacon	49,000	30,650	-18,350
11031	0728	Seaside Success project	Seaside Success Project	68,155	68,155	0
11101	0354	Phoenix Court - repair maintenance	Cleator Moor Business Centre	3,286	266	-3,020
11036	0728	LABGI - Tangier Street rates for sign	LABGI - Tangier Street	1,500	1,500	0
11043	0728	LABGI - Whitehaven Town Team extra grant	LABGI - W/haven Town Team	5,000	5,000	0
11044	0728	LABGI - THI	LABGI - THI	17,423	17,423	0
11048	0728	LABGI - Pondfield Garage grant	LABGI - Pondfield Garage	15,000	15,000	0
12012	0728	WNF - ?	Head of Regeneration - WNF	24,000	24,000	0
11065	0728	WNF - Copeland Apprenticeship Scheme	WNF - Copeland Apprenticeship Scheme	72,000	72,000	0
43030	0800	NLC Contract	NCL Contract	138,831	138,831	0
			Sub total	394,195	372,825	-21,370
			Total	855,034	838,662	-16,372

REVENUE BUDGET – PERIOD 6 SUMMARY FINANCIAL REPORT 2013/14 (Amended) (1 April 2013 to 30September 2014)

Appendix B – Carry forward usage in budget

Department	Cost Code	Detail	13/14 Carry forward of budget	13/14 Forecast	13/14 Variance	Reason for C/F
Corporate Resources						
	23100	0001	2,308	2,308	0	Additional works to cope with FOI 13/14
	23100	0005	228	228	0	
	23100	0006	464	464	0	
	23100	0001	13,464	13,464	0	Cover for elections staff whilst on maternity leave
	23100	0005	1,332	1,332	0	
	23100	0006	2,704	2,704	0	
	28100	0800	15,000	15,000	0	Works required for Land Register data migration but no budget in 13/14 to fund
	38200	0743	35,000	35,000	0	New Homes Bonus invest to generate income
	26000	0800	5,000	5,000	0	Procurement for our Building Maintenance
	26101	0150	117,249	117,249	0	Planned maintenance programme runs over 2yrs
Sub total			192,749	192,749	0	
Policy & Transformation						
	25000	0852	10,000	10,000	0	IT switches that are being replaced to stop the recent outages
	11045	0728	7,400	7,400	0	2 year project. The money is being held by CBC on behalf of Whitehaven Partnership
	21114	0800	20,000	20,000	0	Information management Zurich works
Sub total			37,400	37,400	0	
Neighbourhoods						
	32802	0118	21,000	21,000	0	Feb/Mar maintenance & decommissioning costs - CCTV
	32802	0150	1,720	1,720	0	Works not fully completed
	32802	0928	16,883	16,883	0	
	33200	0949	10,000	10,000	0	Resilience fund to allow for additional capacity in the waste team to allow for growth in refuse collections on completion of new homes
	48014	0715	2,694	2,694	0	St Nicholas, summer bedding order, supplied in June
	33211	0001	7,693	7,693	0	Principal waste officer maternity leave & cover
	33211	0005	761	761	0	
	33211	0006	1,546	1,546	0	
	46203		35,000			FRA Improvements to CBC buildings
Sub total			97,297	62,297	0	
Nuclear						
	11002	0800	95,334	100,000	4,666	LDF - Delays in examinations etc move costs into 13/14
Sub total			95,334	100,000	4,666	
Regeneration & Community						
	32203	0032	7,630	7,630	0	External grant funding for Beacon & partner projects which couldn't be completed in 12/13
	11031	0728	18,155	18,155	0	Seaside Fund Slippage
	11101	0354	3,286	266	-3,020	Cleator Moor business centre works still to be carried out
	11036	0728	1,500	1,500	0	LABGI funding -To renew the sign at end Tangier Street - 2yr life in line corporate plan
	11043	0728	5,000	5,000	0	LABGI funding -Match funding against Town Team grant from DCLG
	11044	0728	17,423	17,423	0	LABGI funding -THI Bid submission now May 2013
	11048	0728	15,000	15,000	0	LABGI funding - HCA delayed move to Moresby (Pondfield)
	12012	0728	74,000	74,000	0	Enabling Growth Strategy (£24k EMR £50k GFR)
Sub total			141,994	138,974	-3,020	
Total			564,774	531,420	1,646	

REVENUE BUDGET – PERIOD 6 SUMMARY FINANCIAL REPORT 2013/14
(Amended) (1 April 2013 to 30 September 2013)

APPENDIX C - BUDGET AND FORECAST BY CORPORATE TEAM

Department	Original Budget 21 Feb 2013	Carry forwards from 2012/13 (corrected) 28 May 2013	Changes period 1-12	Current Approved Budget	Actual spend	13/14 Forecast at Period 6	Variance to Budget at Period 6
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	559	0	35	594	187	627	33
Corporate Resources	4,206	228	300	4,734	3,186	4,745	11
Policy and Transformation	1,169	37	140	1,346	731	1,283	(63)
Neighbourhoods	2,532	63	44	2,639	1,534	2,657	18
Regeneration and Communities	1,519	141	62	1,722	591	1,704	(18)
Nuclear, Energy and Planning	377	95	0	472	94	402	(70)
Total	10,362	564	581	11,507	6,323	11,418	(89)
Funding							
RSG	3,312			3,312		3,312	0
Baseline need	2203			2,203		2,203	0
New homes bonus	236			236		236	0
PFI Grant	837			837		837	0
Council Tax	3590			3,590		3,590	0
Collection Fund Surplus	44			44		44	0
Additional grant 1 year only CTS scheme	17			17		17	0
Specific Grants	21			21		21	0
Earmarked Reserves	132	180	543	855		839	(16)
General Fund Reserves	-30	384	38	392		319	(73)
Total	10,362	564	581	11,507	0	11,418	(89)

REVENUE BUDGET – PERIOD 6 SUMMARY FINANCIAL REPORT 2013/14 (Amended) (1 April 2013 to 30 September 2013)

Appendix D – Budget and Forecast by Cost Centre

Corporate Director Chief Executive	Corporate Team Chief Executive	Department Chief Executive	Cost		Current						Forecast
			Centre	Cost Centre Description	Approved Budget 13/14	Profiled Budget	Current Net Expenditure	Profiled Variance	Revised Projection	Year-End Variance	
			12000	Chief Executive	210,487	105,201	103,449	(1,752)	210,649	162	
			12001	Chief Exec Prize Award Scheme	0	0	(1,050)	(1,050)	(1,050)	(1,050)	
			22200	Corporate Management	182,826	91,376	(41,375)	(132,751)	186,724	3,898	
			22213	Choosing to Change	(53,000)	(26,489)	250	26,739	0	53,000	
			29200	Subscriptions	12,697	6,346	8,369	2,023	9,697	(3,000)	
			29500	National Conferences	3,362	1,680	0	(1,680)	0	(3,362)	
		Chief Executive Total			356,372	178,114	69,642	(108,472)	406,020	49,648	
	Chief Executive Total				356,372	178,114	69,642	(108,472)	406,020	49,648	
	Communications	Communications	21500	Website Maintenance	9,748	4,872	972	(3,900)	8,243	(1,505)	
			22000	Communications (H/A)	98,401	49,180	52,572	3,392	84,963	(13,438)	
		Communications Total			108,149	54,052	53,544	(508)	93,206	(14,943)	
	Communications Total				108,149	54,052	53,544	(508)	93,206	(14,943)	
	Corporate Resources	Democratic Services/Governance	10001	Democratic Representation	3,030	1,514	2,468	954	3,030	0	
			23100	Committee Services	252,746	126,323	100,262	(26,061)	247,718	(5,028)	
			23300	Civic & Mayoral	297,042	148,462	131,381	(17,081)	289,372	(7,670)	
			23302	Mayors Hospitality Account	2,020	1,010	310	(700)	2,020	0	
			23303	Civic Hospitality Account	2,110	1,055	1,540	485	2,510	400	
			23304	Leaders Hospitality Account	505	252	127	(125)	505	0	
			23305	Memorial Fund	0	0	428	428	(2,202)	(2,202)	
			27100	Elections	49,442	24,711	113,619	88,908	50,442	1,000	
			27200	Electoral Registration	39,730	19,856	1,853	(18,003)	43,730	4,000	
		Democratic Services/Governance Total			646,625	323,183	351,986	28,803	637,125	(9,500)	
	Financial Services		28601	Accountancy Team H/A	487,092	243,449	231,402	(12,047)	486,818	(274)	
			28700	Audit Team H/A	119,613	59,782	13,224	(46,558)	119,613	0	
			29201	Subscriptions and Other Miscellaneous	0	0	(4,015)	(4,015)	651	651	
			29250	Grants to Parish Councils	82,824	41,395	15,450	(25,945)	82,824	0	
			29300	Treasury Management	181,199	90,564	10,000	(80,564)	181,199	0	
			29400	Insurances	276,606	138,247	360,500	222,253	276,606	0	
			33701	Housing Advances	(2,266)	(1,133)	0	1,133	(2,266)	0	
		Financial Services Total			1,145,068	572,304	626,561	54,257	1,145,445	377	
	Human Resources/Organisation Development		21110	Human Resources (H/A)	186,097	93,010	72,309	(20,701)	184,504	(1,593)	
			21200	Training	58,275	29,126	4,674	(24,452)	58,275	0	
			21209	Training - Finance	0	0	1,800	1,800	0	0	
			21210	Training - Legal	0	0	560	560	0	0	
			21223	Training - Property	0	0	3,079	3,079	0	0	
			21231	Training - Arts, Beacon and Tourism	0	0	35	35	0	0	
			21234	Training - Building Control	0	0	116	116	0	0	
			21236	Training - Open Spaces	0	0	2,541	2,541	0	0	
			21237	Training - Refuse & Recycling	0	0	7,421	7,421	0	0	
			21238	Training - Human Resources	0	0	2,621	2,621	0	0	
			38001	Payroll Team H/A	39,182	19,582	19,852	270	39,182	0	
			21233	Training - Development Control	0	0	199	199	0	0	
			21235	Training - Environmental Health	0	0	18	18	0	0	
		Human Resources/Organisation Development Total			283,554	141,718	115,223	(26,495)	281,961	(1,593)	
	Legal Services		23001	Stationery (H/A)	0	0	19,687	19,687	0	0	
			27001	Legal Services	187,436	93,680	95,154	1,474	187,468	32	
			27300	Land Charges	(63,489)	(31,733)	(49,755)	(18,022)	(70,188)	(6,699)	
			27500	Licensing General	9,548	4,771	9,994	5,223	9,548	0	
			27501	Public Entertainment Licensing	(125)	(62)	(67)	(5)	(125)	0	
			27502	Small Lotteries Licensing	(3,889)	(1,944)	(3,010)	(1,066)	(3,889)	0	
			27508	Taxi Licensing	(22,596)	(11,294)	(29,439)	(18,145)	(21,980)	616	
			27511	Private Hire Licensing	(20,178)	(10,085)	(19,391)	(9,306)	(20,178)	0	
			27512	Liquor Licensing	(57,345)	(28,661)	(66,523)	(37,862)	(57,345)	0	
			27513	Gambling Act 2005	(10,788)	(5,392)	(14,521)	(9,129)	(10,788)	0	
			27544	Gaming Machines	(2,134)	(1,067)	(1,450)	(383)	(2,134)	0	
			27503	Bingo Licensing	0	0	0	0	7,866	7,866	
			27504	GAMING LICENSING	0	0	0	0	(7,866)	(7,866)	
		Legal Services Total			16,440	8,213	(59,322)	(67,535)	10,389	(6,051)	
	Procurement		22210	Procurement	37,202	18,594	(1,142)	(19,736)	37,202	0	
	Procurement Total				37,202	18,594	(1,142)	(19,736)	37,202	0	
	Property Management		26000	Property H/A	209,983	104,948	101,411	(3,537)	202,201	(7,782)	
			26101	North Country Leisure	513,457	256,626	21,200	(235,426)	513,457	0	
			26106	Crematorium	0	0	3,517	3,517	0	0	
			26107	Moresby Parks / Beck Green Nursery	0	0	5,737	5,737	0	0	
			26108	Community Buildings	0	0	(179)	(179)	0	0	
			26109	Public Conveniences	0	0	520	520	0	0	
			26110	Beacon / Museum Store	0	0	9,688	9,688	0	0	
			26113	Miscellaneous Land	0	0	612	612	0	0	
			26114	Phoenix Court	0	0	50	50	0	0	
			26116	Repair Backlog	0	0	387	387	0	0	
			26122	Wellington Pit Memorial	0	0	(2,828)	(2,828)	0	0	
			26124	Gillfoot Shaft	0	0	180	180	0	0	
			26125	Public Buildings General	199,912	99,916	1,068	(98,848)	248,861	48,949	
			26126	Frizington Medical Group Practice	0	0	554	554	0	0	
			26128	Cleator Moor Council Centre	0	0	760	760	0	0	
			26204	Millom Offices	3,293	1,646	1,764	118	2,173	(1,120)	
			26210	Cleator Moor Area Office	22,718	11,354	3,348	(8,006)	22,718	0	
			26214	Moresby Parks Depot	106,220	53,089	83,583	30,494	102,296	(3,924)	
			26215	Copeland Centre	1,177,238	588,384	381,863	(206,521)	1,177,238	0	
			26217	INSURANCE REPAY LONDON & REGIONAL	0	0	(19,584)	(19,584)	0	0	
			26221	Coastal Management	0	0	1,761	1,761	0	0	
			28100	Land Management	(105,324)	(52,639)	(92,210)	(39,571)	(108,240)	(2,916)	
			28200	Community Buildings	0	0	(834)	(834)	0	0	
			26112	Miscellaneous Buildings	0	0	175	175	0	0	
		Property Management Total			2,127,497	1,063,324	502,541	(560,783)	2,160,704	33,207	
	Resources & Transformation		12010	Head of Corporate Resources	128,906	64,425	29,969	(34,456)	125,060	(3,846)	
	Resources & Transformation Total				128,906	64,425	29,969	(34,456)	125,060	(3,846)	
	Revenue's and Benefits Shared Service		38007	Revenues and Benefits Shared Service	592,292	296,028	320,101	24,073	592,324	32	
			38009	New Burdon Business Rate Deferral Scheme	0	0	(11,970)	(11,970)	0	0	
			38100	National Non-Domestic Rates	(117,268)	(58,611)	3,553	62,164	(113,327)	3,941	
			38200	Council Tax	(78,721)	(39,344)	(39,818)	(474)	(78,321)	400	
			38300	Council Tax Benefits	40,000	19,992	(17,441)	(37,433)	40,000	0	
			38301	Housing Benefits	(87,300)	(43,633)	1,368,152	1,411,785	(93,204)	(5,904)	
			38305	Local Housing Allowance	0	0	(2,126)	(2,126)	0	0	
		Revenue's and Benefits Shared Service Total			349,003	174,432	1,620,450	1,446,018	347,472	(1,531)	
	Corporate Resources Total				4,734,295	2,366,193	3,186,267	820,074	4,745,358	11,063	
	Policy and Transformation	Customer Services	25003	Copeland Direct	321,826	160,848	162,052	1,204	319,579	(2,247)	
			29100	Concessions	0	0	768	768	768	768	
			38004	Cash Collection H/A	82,111	41,039	32,300	(8,739)	71,481	(10,630)	
		Customer Services Total			403,937	201,887	195,120	(6,767)	391,828	(12,109)	
	ICT/MIS		25000	Management Information Systems	465,688	232,751	292,427	59,676	447,531	(18,157)	

			25001	Photocopier H/A	0	0	14,286	14,286	0	0
			25004	Mobile Phone H/A	0	0	7,083	7,083	0	0
		ICT/MIS Total			465,688	232,751	313,796	81,045	447,531	(18,157)
		Performance Management	21114	Performance and Transformation	231,265	115,586	75,452	(40,134)	209,869	(21,396)
			21115	Policy & Scrutiny	36,591	18,288	14,107	(4,181)	27,641	(8,950)
			29000	Grants and Other Aids	68,410	34,191	67,000	32,809	68,410	0
		Performance Management Total			336,266	168,065	156,559	(11,506)	305,920	(30,346)
		Policy Development	21350	Geographic Information Systems (GIS)	52,854	26,415	28,747	2,332	52,854	0
			27002	Equality & Diversity AWAZ	6,060	3,029	4,000	971	6,060	0
		Policy Development Total			58,914	29,444	32,747	3,303	58,914	0
		Resources & Transformation	12011	Head Policy & Transformation	73,597	36,782	32,921	(3,861)	71,300	(2,297)
		Resources & Transformation Total			73,597	36,782	32,921	(3,861)	71,300	(2,297)
		LSP & Localities	11045	Localities	7,400	3,699	0	(3,699)	7,400	0
		LSP & Localities Total			7,400	3,699	0	(3,699)	7,400	0
		Policy and Transformation Total			1,345,802	672,628	731,143	58,515	1,282,893	(62,909)
Chief Executive Total					6,544,618	3,270,987	4,040,597	769,610	6,527,477	(17,141)
Director of Services	Neighbourhoods	Enforcement	32700	Markets	(25,946)	(12,968)	(5,119)	7,849	(21,578)	4,368
			32701	Dogs Enforcement	7,282	3,639	3,084	(555)	7,051	(231)
			32702	Licensing Enforcement	81	41	0	(41)	81	0
			32703	Other Environmental Enforcement	104,833	52,395	55,287	2,892	116,369	11,536
			32900	CBC Car Parks	(256,409)	(128,150)	(116,174)	11,976	(194,747)	61,662
			32905	On Street DPE Parking	0	0	(184)	(184)	(166)	(166)
		Enforcement Total			(170,159)	(85,043)	(63,106)	21,938	(92,990)	77,169
		Environmental Health	26005	Flooding & Coastal Defence	45,724	22,852	11,500	(11,352)	45,724	0
			31101	Health & Safety	3,909	1,953	1,207	(746)	3,909	0
			31110	Food Hygiene & Private Water Supplies	4,901	2,449	(4,426)	(6,875)	2,669	(2,232)
			31204	Environmental Protection	14,688	7,339	5,963	(1,376)	14,688	0
			31801	Peace Time Emergency Planning	5,315	2,656	6,065	3,409	6,496	1,181
			31900	Works In Default H/A	0	0	(568)	(568)	(568)	(568)
			46202	Environmental Health	559,483	279,629	292,715	13,086	561,016	1,533
			46203	Corporate Health & Safety	80,187	40,077	20,817	(19,260)	80,187	0
		Environmental Health Total			714,207	356,955	333,272	(23,683)	714,121	(86)
		Neighbourhood Management	12013	Head of Neighbourhoods	73,597	36,782	36,892	110	73,607	10
			46200	Neighbourhood Management	93,748	46,855	42,746	(4,109)	92,748	(1,000)
		Neighbourhood Management Total			167,345	83,637	79,639	(3,998)	166,355	(990)
		Parks & Open Spaces	32802	Street Scene	216,761	108,337	50,598	(57,739)	233,225	16,464
			46201	Open Spaces	122,388	61,168	54,124	(7,044)	123,667	1,279
			48001	Allotments & Pigeon Lofts	6,789	3,393	259	(3,134)	5,090	(1,699)
			48002	Sport Pitches	6,493	3,246	3,020	(226)	6,493	0
			48003	Cemeteries	(40,919)	(20,451)	(22,396)	(1,945)	(51,891)	(10,972)
			48004	Crematorium	(527,983)	(263,886)	(234,260)	29,626	(492,840)	35,143
			48005	Trees (GM)	40,559	20,271	17,907	(2,364)	42,559	2,000
			48006	Play Areas & Teen Spaces	28,384	14,187	16,700	2,513	28,384	0
			48007	Nursery	21,069	10,530	0	(10,530)	21,069	0
			48008	Parks and Open Spaces	183,348	91,636	79,471	(12,165)	166,223	(17,125)
			48009	General Landscapes and Misc Works	125,971	62,962	52,908	(10,054)	109,849	(16,122)
			48010	Home Group Ltd	(35,664)	(17,825)	(22,251)	(4,426)	(35,664)	0
			48011	County Weedspraying and Grass	(9,040)	(4,520)	13,838	18,358	(9,040)	0
			48012	Parishes and Small Works	(26,007)	(12,999)	(11,618)	1,381	(26,007)	0
			48013	Home Housing	(5,000)	(2,499)	(1,105)	1,394	(2,000)	3,000
			48014	Floral Maintenance	7,137	3,568	4,113	545	7,137	0
		Parks & Open Spaces Total			114,286	57,118	1,309	(55,809)	126,254	11,968
		Refuse & Recycling	33000	Environmental Cleansing	605,537	302,647	318,025	15,378	589,677	(15,860)
			33100	Public Conveniences	18,404	9,199	8,068	(1,131)	13,469	(4,935)
			33200	Refuse Collection	691,561	345,643	359,128	13,485	701,404	9,843
			33202	Refuse - Bulk	(7,136)	(3,566)	284	3,850	(1,482)	5,654
			33203	Refuse - Commercial	(46,415)	(23,198)	(39,305)	(16,107)	(31,539)	14,876
			33204	Refuse - Recycling	(27,540)	(13,765)	24,748	38,513	(50,442)	(22,902)
			33206	Refuse - Fuel Issues	0	0	3,718	3,718	0	0
			33208	Kerbside Recycling	101,986	50,971	108,380	57,409	90,082	(11,904)
			33209	Plastic and Cardboard Recycling Scheme	0	0	5,193	5,193	5,766	5,766
			33211	Waste Services - Holding A/C	363,426	181,640	180,751	(889)	363,471	45
			33212	Refuse - Green Waste	98,404	73,804	205,090	131,286	47,200	(51,204)
			33300	Building Cleaning	15,355	7,675	8,395	720	15,505	150
		Refuse & Recycling Total			1,813,582	931,050	1,182,474	251,424	1,743,111	(70,471)
		Neighbourhoods Total			2,639,261	1,343,717	1,533,588	189,871	2,656,851	17,590
	Nuclear, Energy & Planning	Building Control	31401	Building Control Non Fee Based	113,120	56,539	65,379	8,840	121,636	8,516
			31402	Building Control Fee Based	(45,035)	(22,508)	(38,358)	(15,850)	(45,542)	(507)
		Building Control Total			68,085	34,031	27,021	(7,010)	76,094	8,009
		Development Control	31600	Development Control	(8,082)	(4,040)	27,779	31,819	(23,551)	(15,469)
			31601	Dilapidated Buildings	0	0	(5,357)	(5,357)	0	0
		Development Control Total			(8,082)	(4,040)	22,422	26,462	(23,551)	(15,469)
		Nuclear Projects & Programmes	12004	Managing Radioactive Waste Safely	0	0	(102,986)	(102,986)	(1,155)	(1,155)
			12014	Head of Nuclear, Energy & Planning	68,878	34,425	34,333	(92)	69,578	700
			12020	GRID PPA	0	0	13,312	13,312	0	0
			12021	NuGen PPA	0	0	13,500	13,500	0	0
			12022	DONG Energy PPA	0	0	(7,996)	(7,996)	(7,996)	(7,996)
			12023	Sellafield PPA	0	0	(1,110)	(1,110)	0	0
			22201	Nuclear Issues	47,072	23,527	81,832	58,305	44,332	(2,740)
			22208	Localism Grants	0	0	(29,822)	(29,822)	0	0
			22215	CAT - Community Asset Transfer	16,700	8,347	411	(7,936)	16,700	0
		Nuclear Projects & Programmes Total			132,650	66,299	1,475	(64,824)	121,459	(11,191)
		Strategic Planning	11002	Planning Policy	269,953	134,922	43,182	(91,740)	215,713	(54,240)
			11003	Environmental Works and Land Reclamation	12,000	5,998	0	(5,998)	12,000	0
			31500	Conservation General	(2,841)	(1,420)	0	1,420	0	2,841
		Strategic Planning Total			279,112	139,500	43,182	(96,318)	227,713	(51,399)
		Nuclear, Energy & Planning Total			471,765	235,790	94,099	(141,691)	401,715	(70,050)
	Regeneration and Community	Arts, Beacon & Tourism	32201	Beacon	341,741	170,803	201,189	30,386	337,784	(3,957)
			32202	Tourist Information Centre	0	0	527	527	0	0
			32203	Beacon Grants	7,630	3,813	9,520	5,707	7,630	0
		Arts, Beacon & Tourism Total			349,371	174,616	211,236	36,620	345,414	(3,957)
		Copeland Community Fund	11040	CCF Development Team	(17,468)	(8,731)	(69,624)	(60,893)	(17,468)	0
		Copeland Community Fund Total			(17,468)	(8,731)	(69,624)	(60,893)	(17,468)	0
		Economic Regeneration	11001	Economic Development	141,141	70,541	60,472	(10,069)	132,369	(8,772)
			11015	Regeneration Consultancy	0	0	3,276	3,276	3,277	3,277
			11031	Strategy for seaside success	68,155	34,064	274	(33,790)	68,155	0
			11056	Tourism	0	0	55,535	55,535	0	0
			11101	Cleator Moor Business Centre	3,286	1,642	5,717	4,075	7,639	4,353
			32560	Arts Development	5,774	2,886	4,440	1,554	5,774	0
		Economic Regeneration Total			218,356	109,133	129,715	20,582	217,214	(1,142)
		Health and Sports	11005	Joint Health Improvement	0	0	(14,400)	(14,400)	0	0
			32546	Youth Engagement	7,585	3,792	(3,913)	(7,705)	7,585	0
			43020	Health & Sport	27,742	13,865	7,140	(6,725)	27,742	0
			43030	NCL Contract	435,726	217,776	200,664	(17,112)	436,640	914
		Health and Sports Total			471,053	235,433	189,491	(45,942)	471,967	914
		LABGI	11036	Advertising site Tangier Building	1,500	750	132	(618)	1,500	0
			11043	Whitehaven Regeneration	5,000	2,499	0	(2,499)	5,000	0
			11044	Whitehaven THI	17,423	8,708	9,214	506	17,423	0
			11048	LABGI - Enterprise Development	15,000	7,497	0	(7,497)	15,000	0

		LABGI Total			38,923	19,454	9,346	(10,108)	38,923	0
		Regeneration and Community	12012	Head of Regeneration & Community	147,933	73,936	36,384	(37,552)	147,933	0
		Regeneration and Community Total			147,933	73,936	36,384	(37,552)	147,933	0
		Strategic Housing	33605	Housing Strategy	78,501	39,235	27,431	(11,804)	75,501	(3,000)
			34201	Private Sector Housing Renewal	108,839	54,397	51,610	(2,787)	109,359	520
			35202	Homelessness	254,597	127,244	58,827	(68,417)	242,989	(11,608)
			34203	HCA Funding	0	0	(101,069)	(101,069)	0	0
		Strategic Housing Total			441,937	220,876	36,799	(184,077)	427,849	(14,088)
		Working Neighbourhood Fund	11065	Copeland Apprentice Initiative	72,000	35,986	47,525	11,539	72,000	0
		Working Neighbourhood Fund Total			72,000	35,986	47,525	11,539	72,000	0
	Regeneration and Community Total				1,722,105	860,703	590,871	(269,832)	1,703,832	(18,273)
Director of Services Total					4,833,131	2,440,210	2,218,558	(221,652)	4,762,398	(70,733)
People and Places	Corporate Director	Corporate Director	12003	Director of Services	129,560	64,754	63,485	(1,269)	128,260	(1,300)
		Corporate Director Total			129,560	64,754	63,485	(1,269)	128,260	(1,300)
	Corporate Director Total				129,560	64,754	63,485	(1,269)	128,260	(1,300)
People and Places Total					129,560	64,754	63,485	(1,269)	128,260	(1,300)
Grand Total					11,507,309	5,775,951	6,322,639	546,688	11,418,135	(89,174)

APPENDIX E -WRITE OFFS 2013/14**REVENUE BUDGET – PERIOD 6 SUMMARY FINANCIAL REPORT 2013/14 (1 July 2013 to 30 September 2013)**

EXECUTIVE MEMBER: Cllr Gillian Troughton
LEAD OFFICER: Darienne Law – Head of Corporate Resources
REPORT AUTHOR: Ann Treble – Financial Management and Treasury Accountant

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

It is good practice to write off debts that are irrecoverable.

WHY HAS THIS REPORT COME TO THE EXECUTIVE? (NB. This report will be ‘merged’ with the Budget Monitoring Report)

(eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

All write offs must be approved in accordance with the Council’s Scheme of Delegation and a summary report to Executive. This is the report from 1st July 2013 to 30th September 2013.

RECOMMENDATION:

The Executive formally approves the write off of the debt totaling £15k for the three months 1 July to 30 September 2013, as set out in Paragraphs 1.5, 1.3 and 1.4, bringing the year to date write offs to a total of £68k.

1. INTRODUCTION

1.1 Under the Council’s Scheme of Delegation, the following limits for write offs apply:-

- Head of Corporate Resources – authorised to write off debts due to the Council not exceeding £50,000

Once write offs are approved, a summary must be reported to Executive, this report is that summary.

- Executive must authorise all write offs above £50,000

1.2 The debts written off in this report have been authorised by the Corporate Director, Resources and Transformation as they are below £50,000 in value.

1.3 £7,350.85 is being written off in respect of debts where the debtor is bankrupt or the company dissolved. The number of accounts written off for this reason is 11 this period and a total of 52 in year (compared to 99 during the whole of the Financial Year 2012/13).

1.4 The remaining balance of £7,211.74 is being written off for a variety of reasons including where:-

- the debtor has absconded without trace or
- the debtor has died without any estate or
- the debt is uneconomical to pursue

1.5 A summary of quarter 2 only (2013/14)

Type of Charge	Number of Accounts 1.07.13 to 30.09.13	Amount Written Off 1.07.13 to 30.09.13
Council Tax	9	3,833.91
National Non Domestic Rates	2	6,362.50
Housing Benefit Overpayments	17	1,774.73
Sundry Debt	13	2,591.45
Total	41	14,562.59

1.6 Summary of in year position (2013/14) as against full 2012/13 financial year

Type of Charge	Number of Accounts 1.04.13 to 30.09.13	Amount Written Off 1.04.13 to 30.09.13		Number of Accounts for whole of 2012/13	Amount Written Off for whole of 2012/13
Council Tax	99	38,344.97		93	62,978.34
National Non Domestic Rates	5	19,997.45		82	558,432.15
Housing Benefit Overpayments	49	6,958.00		71	27,261.13
Sundry Debt	16	3,146.05		61	17,959.16
Total	169	68,447.27		307	666,630.16

1.7 Age of Debts written off in year (2013/14)

Council Tax	Value written off year ended 31 March 2014
	£
Date of original debts:	
2013/14	192
2012/13	7,138
2011/12	4,975
2010/11	4,058
Older	21,981
Total to 30/09/13	38,344

NNDR	Value written off year ended 31 March 2014
	£
Date of original debts:	
2013/14	5,182
2012/13	8,985
2011/12	7,777
2010/11	-911
Older	-1,036
Total to 30/09/13	19,998

2. DETAIL

2.1 Of the amount approved for write off the Council bears a different proportion depending on the type of debt as set out below:-

- i. Previously Central Government bore the full cost of Non Domestic Rate write-offs, but under the new regime this year, Copeland will bear the full cost up to the value of the safety net i.e. a maximum £165k 'loss' in any year.
- ii. Debts in respect of Council Tax total fall on the Collection Fund, of which any surplus or deficit is shared by the relevant authorities in the ratio of their precepts on the Collection Fund in the previous year. This ratio for 2013/14 could mean that the amount of debt falling to Copeland Borough Council would be 11.63% or circa £4k to date.
- iii. The remaining debt in respect of housing benefit overpayments and sundry debts) falls completely on the Council.

The bad debt write-offs in respect of housing benefit overpayments are charged to the housing benefits cost centre. Write-offs in respect of sundry debts are charged back to the service cost centre which received the benefit of the debtor income when it was originally raised.

3 CURRENT DEBT MANAGEMENT ARRANGEMENTS

3.1 Recovery

The recovery of arrears of Council Tax, National Non Domestic Rates, Housing Benefit. Overpayments and Sundry Debts are all handled differently as Legislation dictates. However, in all cases reminders are issued within 6 weeks of the payment becoming due, and where a Liability Order is obtained from the Magistrates Court and no contact has been made with the Recovery Section to make an agreement to pay the case will be issued to a bailiff for collection a month after the Order has been granted.

3.2 Insolvency

There are various forms of insolvency, depending upon the type of business concerned. For companies, there are voluntary or compulsory liquidations, administration orders and receiverships. For individual traders there is bankruptcy.

When an individual or a company becomes insolvent a liquidator or trustee is appointed to distribute any assets amongst the creditors. Assets are applied first to the expenses of the liquidation, second in meeting preferential debts, and third, in payment of general creditors or unsecured debts, examples of which are Council Tax and NNDR.

The Council is debarred from pursuing normal methods of recovery, such as distress, in cases of insolvency, and so must write-off the debt as irrecoverable. Any subsequent dividends paid in respect of outstanding Council Tax and NNDR are dealt with by re-debiting the appropriate rate account with a corresponding sum.

Some businesses also cease trading without formal insolvency procedures being undertaken. Their debts are written off if they have no assets.

3.3 Absconded debtors

All cases submitted for write-off have been returned by the Council's bailiffs as 'Gone Away – Unable to Trace'. In addition, where appropriate, the following checks are undertaken when attempting to trace an absconded ratepayer: -

- (a) local enquiries are made by the Council's Visiting Inspector.
- (b) checks are made with internal records, such as Council Tax, Benefits and Electoral Registration.
- (c) enquiries, although heavily restricted by Data Protection legislation, may be made with other utilities, e.g. water, electricity, gas, B.T.
- (d) estate agents, solicitors, managing agents may be contacted.
- (e) various other avenues may be followed, such as contact with ex-landlords, family, ex-employers, other local authorities etc.

Such requests for information are made on a voluntary basis only, there being no requirement for respondents to supply the Council with information.

All the cases listed are ceased accounts whose liability has been ended.

3.4 Deceased debtors

Bills for outstanding Council Tax or NNDR are sent to the Executors of deceased persons, but the Council Tax and NNDR regulations prevent the Council from pursuing recovery through the Magistrates Court in cases of non-payment. Cases are therefore put forward for write off and will include cases where the debtor has died leaving no assets.

3.5 Recommendation for write off

Approving recommendations to write-off bad debts, is an internal accounting decision based on recommended good practice by the Audit Commission. The debtor is still liable for the amount outstanding and recovery action can be resumed if circumstances change.

Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2013/14

EXECUTIVE MEMBER: Councillor Gillian Troughton
LEAD OFFICER: Darienne Law, Head of Corporate Resources
REPORT AUTHOR: Leanne Barwise, Senior Accounting Officer

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

This mid-year report has been prepared and is reported in compliance with the Chartered Institute of Public Finance Accountancy's (CIPFA) Code of Practice on Treasury Management which was adopted by this Authority on 14 December 2009. The report briefly covers the following:

- An economic update for the 2013/14 financial year to 30 September 2013 (paragraph 2);
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy (paragraph 3);
- The Council's capital expenditure (prudential indicators – paragraph 4);
- A review of the Council's investment portfolio for 2013/14 (paragraph 5);
- A review of the Council's borrowing strategy for 2013/14 (paragraph 5);
- A review of any debt rescheduling undertaken during 2013/14 (not applicable);
- A review of compliance with Treasury and Limits for 2013/14 (prudential indicators - paragraph 4)

Recommendations:

Executive is asked to:

1. Note the Mid-Year Review
2. Note the forecast investment income currently in line with budget, subject to current economic conditions prevailing to year end.

1. INTRODUCTION

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly treasury management is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. ECONOMIC UPDATE

2.1 Economic Performance to date

During 2013/14 economic indicators suggested that the economy is recovering, albeit from a low level. After avoiding recession in the first quarter of 2013, with a 0.3% quarterly expansion the economy grew 0.7% in Q2. There have been signs of renewed vigour in household spending in the summer, with a further pick-up in retail sales, mortgages, house prices and new car registrations.

The strengthening in economic growth appears to have supported the labour market, with employment rising at a modest pace and strong enough to reduce the level of unemployment further. Pay growth also rebounded strongly in April, though this was mostly driven by high earners delaying bonuses until after April's cut in the top rate of income tax. Excluding bonuses, earnings rose by just 1.0% year on year, well below the rate of inflation at 2.7% in August, causing continuing pressure on household's disposable income.

The Bank of England extended its Funding for Lending Scheme (FLS) into 2015 and sharpened the incentives for banks to extend more business funding, particularly to small and medium size enterprises. To date, the mortgage market still appears to have been the biggest beneficiary from the scheme, with mortgage interest rates falling further to new lows. Together with the Government's Help to Buy scheme, which provides equity loans to credit-constrained borrowers, this is helping to boost demand in the housing market. Mortgage approvals by high street banks have risen as have house prices, although they are still well down from the boom years pre 2008.

Turning to the fiscal situation, the public borrowing figures continued to be distorted by a number of one-off factors. On an underlying basis, borrowing in Q2 started to come down, but only slowly, as Government expenditure cuts took effect and economic growth started to show through in a small increase in tax receipts. The 2013 Spending Review, covering only 2015/16, made no changes to the headline Government spending plan, and monetary policy was unchanged in advance of the new Bank of England Governor, Mark Carney, arriving. Bank Rate remained at 0.5% and quantitative easing also stayed at £375bn. In August, the Monetary Policy Committee (MPC) provided forward guidance that Bank Rate is unlikely to change until unemployment first falls to 7%, which was not expected until mid 2016. However, 7% is only a point at which the MPC will review Bank Rate, not necessarily take action to change it. The three month to July average rate was 7.7%.

CPI inflation (MPC target of 2.0%), fell marginally from a peak of 2.9% in June to 2.7% in August. The Bank of England expects inflation to fall back to 2.0% in 2015.

Financial markets sold off sharply following comments from Ben Bernanke (the Fed chairman) in June that suggested the Fed. may 'taper' its asset purchases earlier than anticipated. The resulting rise in US Treasury yields was replicated in the UK. Equity prices fell initially too, as Fed. purchasing of bonds has served to underpin investor moves into equities out of low yielding bonds. However, as the market moves to realign its expectations, bond yields and equities are likely to rise further in expectation of a continuing economic recovery. Increases in payroll figures have shown further improvement, helping to pull the unemployment rate down from a high of 8.1% to 7.3%, and continuing house price rises have helped more households to escape from negative equity. In September, the Fed. surprised financial markets by not starting tapering as it felt the run of economic data in recent months had been too weak to warrant taking early action. Bond yields fell sharply as a result, though it still only remains a matter of time until tapering does start.

Tensions in the Eurozone eased over the second quarter, but there remained a number of triggers for a renewed flare-up. Economic survey data improved consistently over the first half of the year, pointing to a return to growth in Q2, so ending six quarters of Eurozone recession.

2.2 Outlook for the next six months of 2013/14

The overall balance of risks to economic recovery in the UK is now weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last, and it remains exposed to vulnerabilities in a number of key areas. The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Near-term, there is some residual risk of further QE if there is a dip in strong growth or if the MPC were to decide to take action to combat the market's expectations of an early first increase in Bank Rate. If the MPC does take action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest rates up to 10 years, such action could cause gilt yields and PWLB rates over the next year or two to significantly undershoot the forecasts in the table below. The tension in the US over passing a Federal budget for the new financial year starting on 1 October and raising the debt ceiling in mid October could also see bond yields temporarily dip until agreement is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed. will cause bond yields to rise.

The general outlook for the UK economy is that economic performance should improve from a low level, but is unlikely to be strong. Growth (GDP) should be positive in quarter 3 of 2012, breaking the recession, but remain low or negative in future quarters. The full impact of the Comprehensive Spending Review is yet to be felt, which will depress growth, although employment and unemployment data have been better than expectations. Whilst inflation has fallen, the consumer remains in an indebted position, with real incomes falling and concerns over job security. Judged against other countries our performance is good, but our key risks surround events outside the UK's control, particularly the Euro-zone debt crisis and forthcoming fiscal tightening in the US. Against this backdrop UK monetary policy will remain loose (a low Bank Rate and further Quantitative Easing), in the hope that the world economy (particularly the Euro-zone) begins to recover and have a positive effect on the UK.

2.3 Capita Asset Services interest rate forecast (for PWLB certainty rates)

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
5yr PWLB rate	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%
10yr PWLB rate	3.70%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
25yr PWLB rate	4.40%	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%
50yr PWLB rate	4.50%	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.30%

Expectations for the first change in Bank Rate in the UK are now dependent on how to forecast when unemployment is likely to fall to 7%. Financial markets have taken a very contrary view to the MPC and have aggressively raised short term interest rates and gilt yields due to their view that the strength of economic recovery is now so rapid that unemployment will fall much faster than the Bank of England forecasts. They therefore expect the first increase in Bank Rate to be in quarter 4 of 2014. There is much latitude to disagree with this view as the economic

downturn since 2008 was remarkable for the way in which unemployment did not rise to anywhere near the extent likely, unlike in previous recessions. This meant that labour was retained, productivity fell and now, as the MPC expects, there is major potential for unemployment to fall only slowly as existing labour levels are worked more intensively and productivity rises back up again. The size of the work force is also expected to increase relatively rapidly and there are many currently self-employed or part time employed workers who are seeking full time employment. Capita Asset Services take the view that the unemployment rate is not likely to come down as quickly as the financial markets are currently expecting and that the MPC view is more realistic. The prospects for any increase in Bank Rate before 2016 are therefore seen as being limited. However, some forecasters are forecasting that even the Bank of England forecast is too optimistic as to when the 7% level will be reached and so do not expect the first increase in Bank Rate until spring 2017.

3. Treasury Management Strategy Statement and Annual Investment Strategy update

The Treasury Management Strategy Statement (TMSS) for 2013/14 was approved by this Council on 21 February 2013. There are no policy changes to the TMSS; the details in this report update the position in light of the updated economic position and budgetary changes already approved.

4. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

4.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget set in February 2012.

Capital Expenditure	2013/14 Original Estimate £000's	Current spend as at 30 September 2013 £000's	2013/14 Revised forecast spend £000's
Total	1,600	376	1,739

As detailed in the table above, a gross capital programme budget for 2013/14 of £1,599,524 was approved by Council on 21 February 2013. This was later increased for various reasons as identified in the table below, to give a revised gross capital expenditure budget of £3,872,464.

CAPITAL PROGRAMME BUDGET 2013/14			
	£	£	CUMULATIVE
Original Budget approved at Council 21/02/13		1,599,524	1,599,524
Approved amendments to budget:			
Addition: Approved at Q3 12/13 Capital Report P10 EXE 12/03/13 - £12k from eventual sale of Kells Plots for Kells Drainage	12,000		1,611,524
Addition: Approved at Outturn 12/13 EXE 28/05/13 - Slippage from 2012/13	639,845		2,251,369
Addition: Approved at Outturn 12/13 EXE 28/05/13 - £27,452 to re-instate Millom Cemetery from £121,764 to £149,216	27,452		2,278,821
Addition: Approved External Funding St Bees Play in addition to £40k CBC EXE 18/12/12 - £30,250 CCF, £60k WREN, £5k St Bees Group & £3k additional St Bees Group	89,367		2,368,188
Addition: Approved THI External Funding in addition to CBC £250k EXE 28/05/13 - £394.6k BEC, £659.2k HLF	1,053,800		3,421,988
Addition: Approval for Copeland Pool: receipt and spend of match funding to CBC £263k Capital EXE 12/09/13 £150k Sport England, £300k CCF	450,476		3,872,464
Current Budget		3,872,464	

A detailed Capital Programme 2013/14 Budget Monitoring Report as at Quarter 2 is presented elsewhere on this agenda.

4.2 Changes to the Financing of the Capital Programme

The table overleaf draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported (i.e. paid for in year of spend) and unsupported (not paid for in year of spend) elements of the capital programme, and the expected financing arrangements of this capital expenditure. Any borrowing element in the table would increase the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this would be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). Any direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2013/14 Original Estimate £000's	Current spend as at 30 September 2013 £000's	2013/14 Revised forecast spend £000's
Supported	1,600	376	1,739
Unsupported	0	0	0
Total spend	1,600	376	1,739
Financed by:			
Useable Capital receipts	1,339	85	949
Other Reserves & Contributions	0	0	0
External Funding	261	291	790
Total financing	1,600	376	1,739
Borrowing need	0	0	0

4.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table at 4.5 below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the **Operational Boundary**.

4.4 Prudential Indicator – Capital Financing Requirement (CFR) (Underlying need to borrow)

We are on target to achieve the amended forecast Capital Financing Requirement as outlined in the table below.

4.5 Prudential Indicator – External Debt / the Operational Boundary

	2013/14 Original* Estimate £000's	2013/14 Revised** Estimate £000's
Prudential Indicator – Capital Financing Requirement		
CFR – non housing	8,452	7,945
Net movement in CFR	0	(507)
Prudential Indicator – External Debt / the Operational Boundary		
Borrowing	5,000	5,000
Other long term liabilities***	6,380	5,873
Total debt 31 March	11,380	10,873

* This is the balances detailed in the 12/13 financial statements

**Revised as at mid-year point - 30 September 2013

***On balance sheet PFI schemes and finance leases etc.

4.6 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2013/14 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent and necessary.

Limits to Borrowing Activity	2013/14 Amended Estimate £000's	2013/14 Revised Estimate £000's
Gross borrowing	5,000	5,000
Plus other long term liabilities*	6,380	5,873
Less investments	(18,452)	(18,482)
*Net borrowing	(7,072)	(7,609)
*CFR (year-end position)	8,452	7,945

*Includes on balance sheet PFI schemes and finance leases.

The Head of Corporate Resources reports that no difficulties are envisaged for the current year in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the **Authorised Limit** which represents the limit beyond which borrowing is prohibited. This limit needs to be set and revised by Members. It reflects the level of borrowing which, while not desirable, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2013/14 Original Indicator	2013/14 Revised Indicator
Borrowing	9,000	9,000
Other long term liabilities*	8,000	8,000
Total	17,000	17,000

**Includes on balance sheet PFI schemes and finance leases.*

5 Investment Portfolio 2013/14

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades, as rates are very low and in line with the 0.5% Bank Rate. Indeed, the introduction of the Funding for Lending scheme has reduced market investment rates even further. The potential for a prolonging of the Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.

The Treasury Management budget was set by Council alongside other revenue budgets on 21 February 2013. The budget was prepared assuming that interest rates would remain at the current low level for the foreseeable future however, as expected in previous years, there was still a possibility that interest rates could rise. With this expectation, the budget for Treasury Management interest was set at £202,822 incorporating a reduction/pressure of £25,000 to reflect the Council's anticipated capacity to generate income from possible future investments, given the market conditions and forecasts at the time.

However, the full year forecast for investment interest at 30 September 2013 is expected to be on budget at £203k if current market conditions prevail to the end of the financial year.

This is shown in the table below:

Anticipated Investment Return 2013/14:

Budget £	Received to Date	Interest on current outstanding investments	Forecast of expected investments to 31/03/14	Total Forecast position as at 31/03/14	Variance £
202,822	82,013	68,794	52,133	202,940	(118)

The Council held £37m of investments as at 30 September 2013, of this £29.6m were held in instant access Call accounts/Money Market Funds (and therefore would be deemed as cash equivalent within the year end accounts) the remainder being held in fixed term deposits for period not exceeding 1 year. The average investment portfolio yield for the first six months of the year is 0.44% against current base rate of 0.5%.

The Head of Corporate Resources confirms that the approved limits within the Annual Investment Strategy were not breached with the exception of one occasion during the first six months of 2013/14. The strategy breach was related to a substantial NNDR receipt being credited to our account after the money markets had closed for daily dealing. With no alternative we placed the funds within our own bank in a Special Interest Bearing Account (which is a higher rated account with the same security) overnight until it could then be invested the following day. Although there was no increased security risk in placing the money with our own Bank this action subsequently resulted in an overnight breach of our self-imposed monetary limits for investments with our own banker which is restricted within the Treasury Management Strategy Statement to £10k. The Section 151 Officer authorised this action. The funds were then invested as originally intended the following day once the money markets were open. Measures are currently being taken to ensure substantial receipts of this nature are cleared prior to the 1pm dealing deadlines wherever possible.

A full list of investments held as at 30 September 2013 is presented at Appendix A.

5.1 Investment Counterparty criteria

The counterparty criteria is under regular review, however no further amendments to the Treasury Management and Investment Strategies are sought at this time. The revised draft Treasury Management and Investment Strategy for 2014/15 will be presented and approved prior to the start of the new financial year.

5.2 Borrowing

The Council's capital financing requirement (CFR) for 2013/14 is £7.8m. The CFR denotes the Council's underlying need to borrow for capital purposes. The Council's underlying need to borrow is supported by finance leases for both the Copeland Centre (PFI) and vehicles.

The Council's debt portfolio contains one remaining Market Loan of £5 million. We continually assess the position of this loan with our Treasury Consultants, Sector, to see whether we are securing the best terms for the Council. At the current time, the advice is to leave this loan in its present form, as the penalty for repaying early would be prohibitive.

In the event that borrowing is necessary, the Head of Corporate Resources, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time and taking into account contemporaneous forecasts. Executive agreement would be sought and if necessary, an amendment to the Treasury Management Strategy would be sought from Council.

The general trend has been an increase in interest rates during the six months, across all maturity bands.

6. STATUTORY OFFICER COMMENTS

The Monitoring Officer's comments are: No further comments

The Section 151 Officer's comments are: Contained in the report.

EIA Comments: EIA was conducted as part of the budget setting process.

Policy Framework: The Council's financial policies and procedures form an integral part of the Council's corporate policy framework.

Other consultee comments, if any:

7. RESOURCE REQUIREMENTS

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

The Treasury Management function is continually monitored and is reported to Executive throughout the year. It also forms part of the revenue monitoring report distributed to Heads of Service on a monthly basis. The principles set out in the Treasury Management Strategy ensure that we have a balance between security and liquidity of funds and the yield achieved, with security being the principle concern particularly in the current economic climate.

9. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

As stated above the position will continue to be closely monitored and the Treasury Management Strategy 2014/15 will be presented to Full Council for approval prior to the start of the new financial year.

List of Appendices

Appendix A: Temporary investments as at 30 September 2013.

List of Background Documents:

Treasury Management Strategy 2013/14 incorporating the Annual Investment Strategy 2013/14 & Minimum Revenue Provision Statement 2013/14, Capital Programme 13/14 Budget Monitoring Report (Quarter 2).

Appendix A

TEMPORARY INVESTMENTS AS AT 30 SEPTEMBER 2013

	<u>AMOUNT</u>	<u>PERIOD OF LOAN</u>	<u>VALUE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>BASE RATE</u>
RBS CALL	7,450,000	CALL			0.70%	
RBS MMF	2,376,000	CALL			0.33%	
IGNIS MMF	4,950,000	CALL			0.38%	
BLACKROCK MMF	4,950,000	CALL			0.29%	
INSIGHT MMF	4,950,000	CALL			0.34%	
LLOYDS DEPOSIT	7,450,000	364 DAYS	21/05/2013	20/05/2014	1.05%	
FEDERATED INVESTORS MMF	4,950,000	CALL			0.37%	
TOTAL	<u>37,076,000</u>					0.50%

SUMMARY

	<i>BALANCE</i>	<i>LIMIT</i>	<i>AVAILABLE</i>
DMADF	0	Unlimited	
BANK OF SCOTLAND/LLOYDS	7,450,000	10,000,000 *	2,550,000
RBS MMF	2,376,000	5,000,000	2,624,000
RBS	7,450,000	10,000,000 *	2,550,000
IGNIS MMF	4,950,000	5,000,000	50,000
INSIGHT MMF	4,950,000	5,000,000	50,000
BLACKROCK MMF	4,950,000	5,000,000	50,000
FEDERATED INVESTORS MMF	4,950,000	5,000,000	50,000
LGIM	0	5,000,000	5,000,000
	<u>37,076,000</u>	<u>50,000,000</u>	<u>7,874,000</u>

* Investment limit of £7.5m, how ever ultimate limit of upto £10m with prior approval of S151 and for short term investments only.