

Eden District Council

Executive

3 April 2012

Council

12 April 2012

Carry Forward of Revenue Budgets

Report of the Director of Finance

Responsible Portfolio: Resources

1. Purpose of the Report

- 1.1 The purpose of this report is to secure Members' approval of the carry forward of a number of individual unused 2011-12 budgets into 2012-13.

2. Recommendation

<p>It is recommended that the budgets set out in section 5.1 are carried forward from 2011-12 to 2012-13 and that a supplementary estimate of £174,872 is recommended to fund this: there is a corresponding underspend in 2011-12.</p>

3. Budget Carry Forwards

- 3.1 The Council sets its revenue budgets on an annual basis and there is no automatic carryover of unused budgets into the following year. However, circumstances sometimes arise beyond the control of the budget holder, where expenditure slips from the planned year to the next. Such occasions should be rare. This should clearly arise where the need for expenditure has been delayed from one year to the next, eg planned maintenance work delayed from March to April because of bad weather.
- 3.2 Where such occasions involve significant budgets, it can be appropriate for them to be carried forward to the next year. The mechanism to achieve this is to agree a supplementary estimate in the following year to be funded from the underspend in the current year. This is not a means of carrying forward any unspent money from one year to the next.
- 3.3 2011-12 has seen significant changes in the Council. It is therefore acknowledged that there is increased likelihood of the need to use this facility than in previous years.
- 3.4 A de minimis figure of £500 has been used, ie budget amounts below £500 will not be carried forward.

4. Policy Framework

4.1 The Council has four corporate priorities which are:

Housing
Quality Environment
Economic Vitality
Quality Council

Council, on 29 September 2011, agreed strategic actions to achieve these priorities.

4.2 The Council's budget forms a major part of the Council's policy framework. There are no relevant applicable policies relating to the carry forward of underspent budgets.

5. Proposed Carry Forwards

5.1 General Fund

No.	Budget	£	Explanation
1	Civic Hospitality	2,465	It is not planned to hold the awards evening which this budget funds until April 2012.
2	Information Technology – New Telephone System	15,000	This is a joint project with South Lakeland District Council, which has now slipped to three months behind schedule.
3	Olympic Torch Events	6,000	The Olympic Torch will be in the district in June 2012. Funding in 2011-12 is therefore carried forward into 2012-13.
4	Recycling – Supplies: General Supplies – General Distribution Costs Promotional Activity Calendars	32,000 3,960 3,990 13,090	The new recycling contract commences on 1 July 2012, instead of 1 April 2012 as planned. The items listed were to fund staffing and publicity of the new contracts and provisions of recycling calendars to the public. It is therefore requested that these be rolled forward accordingly.
5	Land Management Professional Fees Closed Churchyard Grounds Maintenance Contract	1,310 1,440	The works on the closed churchyards have been ordered but are not expected to commence before 1 April 2012. Should they be undertaken before that date, these items will become accruals and will not be carried forward.

No.	Budget	£	Explanation
6	Eden Business Park Phase 2 – Professional Fees	20,700	This is to fund the investigation work to determine the possible extension northwards of Eden Business Park. Works expected to be undertaken in 2011-12 have been delayed and are not expected to be undertaken until 2012-13.
7	Footway Lighting – Ad Hoc Works Ad Hoc Works Professional Fees Outstanding Works	6,520 5,568 9,570	It is requested to roll these budgets forward as the condition survey works are still ongoing on all lights, including the main issue of poor lights. As a result of a recent incident, Electricity North West are removing footway lights from wooden poles and legislation is likely to prohibit the current light fittings used from being used in the future. It has also been agreed with the Environment Portfolio Holder that whilst a review of footway lighting is ongoing, only essential repair works will be undertaken until the Council determines a new policy on street lighting.
8	Blue Collar Contract Renewals	14,520	Following the Council's decision to delay the recycling contracts to July 2012, professional support may still be required. The balance remaining on this budget is therefore requested for roll forward.
9	Office Accommodation Feasibility Study	7,975	This is funding which has not been used as yet on the office accommodation project. As the Council is still pursuing this, funding is requested for roll forward.
10	Cumbria Rural Agency Grant	670	The budget was to fund the Cumbria Rural Enterprise Agency grants in 2011-12. The funding has not been used due to the current economic situation. It is therefore requested to roll this forward to 2012-13 to help fund more initiatives this year.
The proposed roll forward of item 10 is just rolling forward underspend rather than where a specific project has been delayed. Normally, such an unused budget would not be rolled forward. However, given the impact of the restructure on the Economic Development Team, Members may be prepared to approve the roll forward as an exception.			

No.	Budget	£	Explanation
11	Penrith Town Centre Regeneration – Expenses	2,899	The roll forward is requested to help fund the Vitality of Penrith project and, in particular, the events programme which the Vitality of Penrith Group will consider in March 2012. The money has not been spent in 2011-12 due to staffing difficulties for a large part of 2011-12.
12	Revenues and Benefits – Deferred Payments Scheme	4,000	This is consultancy fees for a new IT system It has been delayed because of software implementation issues.
13	Rural Development Programme: Payments and Income	19,200	This is the net effect of a RDP supported programme involving £83,000 of grants and contributions part funded by £63,800 income. It will aid the investigation of a Business Improvement District for Penrith, provision of business training and a marketing strategy for Penrith.
14	Old London Road Depot – Planned Maintenance	3,995	The funding was to demolish the gritting shed at Old London Road Depot. Due to nesting wild birds, the demolition has been stopped in compliance with the Wildlife Act 1981.
Total		174,872	

6. Implications

6.1 Legal

6.1.1 There are no legal implications.

6.2 Financial

6.2.1 Any decision to reduce or increase resources must be made within the context of the Council's stated priorities, as set out in its refreshed Corporate Plan.

6.2.2 There is no effect on overall finances.

6.3 Equality and Diversity

6.3.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equality Act 2010 and related statutes.

6.3.2 There are no implications.

6.4 Environmental

6.4.1 The Council has to have due regard to conserving biodiversity under the Natural Environment and Rural Communities Act 2006.

6.4.2 There are no implications.

6.5 Crime and Disorder

6.5.1 Under the Crime and Disorder Act 1998, the Council has to have regard to the need to reduce Crime and Disorder in exercising any of its functions.

6.5.2 There are no implications.

6.6 Children

6.6.1 Under the Children’s Act 2004, the Council has to have regard to the need to safeguard and promote the welfare of children in the exercise of any of its functions.

6.6.2 There are no implications.

6.7 Risk Management Implications

6.7.1 Risk Management is a process whereby attempts are made to identify, actively control and reduce risk to protect the Council. This covers not only the traditional areas of insurable risk but also the organisational risk that the council faces in undertaking all its activities.

6.7.2 The main risk arising from this report is that if the budgets are not carried forward as proposed, certain works will not be funded. In some cases the budgets relate to major ongoing projects.

7. Reasons for the Decision/Recommendation

7.1 To allow specific revenue expenditure/projects which have not been undertaken during 2011-12, to be funded and undertaken during 2012-13.

D J Rawsthorn
Director of Finance

Governance Checks:

Checked by, or on behalf of, the Chief Finance Officer	✓
Checked by, or on behalf of, the Monitoring Officer	✓

Background Papers:

Approved Budget 2011-12
E-mails from budget holders

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