

Agenda No

AGENDA MANAGEMENT SHEET

Name of Committee

Cabinet

Date of Committee

27 June 2006

Report Title

2005/2006 Final Revenue Outturn

Summary

The final revenue spending of the Council in 2005/2006 was £491.295 million. This represents a £9.234 million service underspend compared to the latest approved budget of £500.529 million (excluding contributions to and from the Capital Fund). The report provides a summary of the overall position, with the details of individual service spending in the attached appendices.

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Would the recommended decision be contrary to the Budget and Policy Framework?

No.

Background papers

2005/2006 Closedown files held both centrally and in service departments

CONSULTATION ALREADY UNDERTAKEN:-

Other Committees

.....

Local Member(s)

.....

Other Elected Members

Relevant service appendices to Cabinet Portfolio holders for comment, Chair and spokespersons of Overview & Scrutiny Committees for information

Cabinet Member

Councillor Cockburn plus Councillor Atkinson, Councillor McCarney & Councillor Booth for comment

Chief Executive

Jim Graham

Legal

David Carter

- Finance David Clarke – reporting officer
- Other Chief Officers Individual service appendices have been approved by the relevant Strategic Directors
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION NO

SUGGESTED NEXT STEPS:

- Further consideration by this Committee
- To Council
- To Cabinet The statutory statement of accounts have been submitted to Cabinet elsewhere on this agenda
- To an O & S Committee
- To an Area Committee
- Further Consultation

Cabinet - 27 June 2006

2005/2006 Final Revenue Outturn

Report of the Strategic Director of Resources

Recommendation

It is recommended that the Cabinet:

1. Note the 2005/2006 final revenue spending and the reserves position at the year-end.
2. Approve the recommendation of the Strategic Director of Resources not to transfer any funds to general reserves in respect of departmental carry forwards.
3. Approve the use of £1,574,000 of TSF (the Standards Fund) funds in 2006/2007.
4. Note the reduction of £299,000 in the 2006/2007 budget for Adult, Health & Community Services Directorate and £330,000 for the Environment & Economy Directorate to repay the overdrawn reserves at the year end.
5. Approve the use of £184,000 of general reserves to fund the Customer Service Centre overspend in 2005/2006.
6. Approve the use of £1,971,000 service savings to support the 2006/2007 Revenue Budget as outlined in the report.

1. Introduction

- 1.1 The County Council's revenue outturn spending for 2005/2006 has now been finalised. This report provides a summary of the overall position, with the details of individual service spending in the attached appendices. It is important to emphasise that these figures have not yet been audited and may be subject to change. Any significant changes will be reported to Cabinet before the end of September in line with statutory requirements. Approval is being sought for the statutory statement of accounts elsewhere on the agenda.
- 1.2 The 2005/2006 accounts are being completed on the previous departmental structure. However, all the balances as at 31 March 2006 have been converted into the new directorate structure and all reports for 2006/2007 will reflect the new structure.

2. Spending compared with estimates

- 2.1 Revenue outturn spending for 2005/2006 was £491.295 million excluding contributions to and from the Capital Fund. This compares to the latest approved budget of £500.529 million giving a net service underspend for the year of £9.234 million (1.8%).
- 2.2 Of this underspend £1.574 million relates to the Standards Fund Grant where the spending period extends to August 2006. A further £2.148 million represents the underspend on ring fenced delegated schools budgets including loans and other. These reduce the apparent underspend on Education to £1.724 million.
- 2.3 Of this underspend £0.464 million relates to the LABGI (business growth incentive scheme) which will be released in 2006/2007.
- 2.4 Excluding these items the underlying underspend on services within the County Council's direct control is £5.048 million (1.0%).
- 2.5 Table 1 below shows the actual outturn position for each service compared to the adjusted revenue budget for the year. Further details of the reasons for the variation for each service are shown in the relevant appendix (A to K).
- 2.6 The Appendices also give details of spending on specific 2005/2006 budget allocations where funding was earmarked in the budget to specific projects. They also give details of allocations made from the Virtual Bank in 2005/2006 and repayments to the Virtual Bank in respect of loans taken out in previous years. They also include details of recalls of Virtual Bank advances due to timing differences. These recalls will be re-advanced as appropriate in future years.

Table 1: 2005/2006 spending compared with latest approved budget

Appendix No.	Service	Original Gross Budget £'000	Latest Approved Budget £'000	Actual Spending £'000	Actual Over / (Under) spend £'000
A	CAMS	3,021	1,310	274	(1,036)
B	Chief Executive's	9,513	7,635	7,460	(175)
C	Education	394,931	333,541	328,095	(5,446)
D	Fire & Rescue (Note 1)	24,531	24,425	23,299	(1,126)
E	LH&TS (Note 2)	17,137	16,468	16,945	477
F	PT&ES	63,382	51,330	51,504	174
G	Property Services	5,272	4,465	4,655	190
H	Social Services	164,339	113,465	113,683	218
I	Treasurer's	1,392	811	870	59
J	Other Services	29,246	24,922	22,570	(2,352)
K	Youth Offending Team	1,874	1,369	1,368	(1)
	Young Persons Social Inclusion (Note 3)	449	215	0	(215)
	Notional Assets Rentals	(80,362)	(79,428)	(79,428)	0
	Total	634,725	500,529	491,295	(9,234)
	less:-				
	Standards Fund				1,574
	Ring fenced delegated schools budget (including loans & other)				2,148
	LABGI				464
	Total underspend on directly controlled services				(5,048)

Note 1 - The fire underspend includes £567k service underspend, £598k contribution to the fire service pension reserve and £39k capital expenditure funded from a Capital Reserve.

Note 2 - Net overspend includes a service overspend of £299k, £184k in relation to the overspend on the Customer Service Centre and income from Trust Funds £6k

Note 3 - YPSI was only partly allocated to services in the year
(Table may not sum due to roundings)

- 2.7 As in previous years, the figures quoted here show the payments actually made (or accrued) in respect of pensions, i.e. those costs which are ultimately charged against government contributions, grants and the Council Tax. For teachers and staff belonging to the Local Government Pension Scheme we show the employer's contribution we have made. For the Fire Fighters Pension Scheme the figures show pensions paid to pensioners less the employees' contributions for the year.
- 2.8 The statutory accounts, which are being presented elsewhere on this agenda, will show revenue spending, adjusted for the technical financial reporting standard for pension costs (FRS17) in which we account for pension benefits when we become committed to give them, rather than when they are paid.

3. 2005/2006 Carry Forward Rules

- 3.1 In previous years cost centre managers have been required to submit a forecast of their final outturn position in mid April and been subject to claw back arrangements under the carry forward scheme which has helped encourage ownership of forecasting by managers.
- 3.2 Over the years good progress has been made by departments in encouraging accurate forecasting by cost centre managers. Differences between the final outturn and the forecast in the last two years were £0.195 million and £0.090 million.
- 3.3 As the final outturn position is required by all departments by 28th April due to the bringing forward of the statutory deadline for producing draft accounts by another month for 2005/2006, and because of the above continued good performance of last year, it was decided that a forecast outturn in Mid April would not be required from cost centre managers this year. However, the final position for the year can be compared to that reported earlier in the process i.e. at Quarter 3, reported to Cabinet on 2 February 2006. This is shown in Table 2 below. Each annex (A to K) shows the actual outturn position for each service compared to the provisional outturn reported on 2 February 2006 and details the reasons for the variations.

Table 2: 2005/2006 spending compared with provisional outturn

Service	Forecast Overspend / (Underspend) Qtr 3 as at 02/02/06 £'000	Actual Overspend / (Underspend) £'000	Variation 2005/2006 £'000
CAMS	(606)	(1,036)	(430)
Chief Executive's	12	(175)	(187)
Education - LEA	(686)	(1,724)	(1,038)
Education - LEA TSF	(2,326)	(402)	1,924
Education - Schools	626	(2,148)	(2,774)
Education - Schools TSF	(1,000)	(1,172)	(172)
Fire & Rescue (including fire pensions)	(592)	(1,165)	(573)
Fire & Rescue - Fire Radios Capital	0	39	39
LH&TS - General	417	299	(118)
LHTS - Trust Funds	0	(6)	(6)
LHTS - Customer Service Centre	637	184	(453)
PT&ES	470	174	(296)
Property Services	193	190	(3)
Social Services	450	218	(232)
Treasurer's	130	59	(71)
YOT	0	(1)	(1)
YPSI	0	(215)	(215)
Other Services	(3,818)	(2,352)	1,466
Total	(6,093)	(9,234)	(3,139)

Table may not sum due to roundings

- 3.4 On 15th March 2005 Council approved amended Financial Standing Orders, which make changes to the carry forward rules with effect from 1st April 2005.
- 3.5 The main change in rules allows for a recommendation being made by the Strategic Director of Resources to Cabinet not to allow a carry forward of any under spending on the grounds of inadequate forecasting or financial management. Evidence of inadequate forecasting could include: -
- Failure to provide a forecast in accordance with the agreed corporate timetable.
 - Failure to ensure that procedures and systems provide all relevant information in a timely fashion for completion of a robust forecast.
 - Failure to take into account information about actual income and expenditure in completing the forecast.

- Failure to follow a logical, robust and documented process of estimation for income and expenditure where the actual figures cannot be available at the time of the forecast.

3.6 The Strategic Director of Resources is not recommending that any claw back of carry forwards be imposed this year.

4. Reserves

4.1 Table 3 below outlines the County Council's reserves following the closure of the 2005/2006 accounts. As for the figures for the revenue account these exclude the technical accounting reserves, which we will show in our statutory accounts to comply with FRS17.

Table 3: Reserves as at 31 March 2006

Reserve	Reserves In-Hand / (Overdrawn) at 01/04/05	Changes in 2005/2006	Reserves In-Hand / (Overdrawn) at 31/03/06
	£'000	£'000	£'000
General	6,947	739	7,686
Schools - LMS	8,663	2,004	10,667
Schools - IT Security	(993)	145	(848)
Schools TSF	1,086	86	1,172
LEA TSF	1,834	(1,432)	402
Service Savings	11,172	255	11,427
Policy Initiatives Fund	3	13	16
Virtual Bank	(3,453)	(20)	(3,473)
Insurance Fund	8,187	688	8,875
Capital Fund	3,676	(2,347)	1,329
Total	37,122	131	37,253

May not sum due to roundings

4.2 The attached appendices describe the planned and actual use of reserves in 2005/2006 and how services wish to use final under spends to support the 2006/2007 revenue budget. Approval is therefore being sought for £1,971,000 net use of service savings to be used to support the 2006/2007 revenue budget. There are also repayments to reserves £299,000 for the Adult, Health & Community Services Directorate and £330,000 for the Environment & Economy Directorate to repay overdrawn reserves at 1 April 2006. In addition, £1,240,000 of Virtual Bank loans previously agreed by Cabinet has been returned to the fund, as they were not required in 2005/2006. Of this £715,000 has been automatically drawn down in 2006/2007 by the relevant directorates. As outlined in the attached appendices much of the underspend in 2005/2006 relates to specific service plans.

4.3 During 2005/2006 the Customer Service Centre overspent by £184,000. The Department of Libraries, Heritage and Trading Standards reported an expected outturn position of £637,000 to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. The reduced overspend was partly due to a delay in occupying new premises in Bedworth. In addition management action was also taken to delay the transfer of some functions into the centre to further reduce the overspend of the service. As this is a corporate wide initiative it was always expected by the Department that this would be funded corporately and Members are therefore asked to approve the funding of £184,000 from general reserves in 2005/2006. This funding has been assumed for 2005/2006 in the figure for general reserves in Table 4 below as at 1 April 2006.

4.4 Table 4 below shows:-

- The reserves position as at 1 April 2006:
- The use of reserves in 2006/2007 that has already been approved as part of the budget process:
- Automatic carry forwards, and
- The additional use requested as a result of the outturn position.

4.5 Spending in line with budgets would result in reserves of £29,744,000 at the end of 2006/2007.

Table 4: Reserves as at 31/03/2007

Reserve	Reserves In-Hand / (Overdrawn) at 01/04/06 £'000	Budgeted Use/Contributions in 2006/2007 £'000	Automatic Carry forwards to 2006/2007 £'000	Additional Use/Contributions Now Requested £'000	Reserves In-Hand / (Overdrawn) at 31/03/07 £'000
General	7,686	(2,168)			5,518
Schools - LMS	10,667				10,667
Schools - IT Security	(848)				(848)
Schools TSF	1,172		(1,172)		0
LEA TSF	402		(402)		0
Policy Initiatives Fund	16				16
Virtual Bank	(3,473)	651	(715)		(3,537)
Insurance Fund	8,875				8,875
Capital Fund	1,329	(484)			845
	25,826	(2,001)	(2,289)	0	21,536
Service Savings:-					
Childrens, Young People & Families:-					
Education - LEA	3,611			(1,723)	1,888
Education - leasing reserve	(25)				(25)
Social Services - Earmarked	366			(80)	286
Social Services - General	(758)			758	0
Youth Offending Team	158			(60)	98
Teenage Pregnancy	10	(55)		45	0
YPSI	275				275
	3,637	(55)	0	(1,060)	2,522
Resources:-					
CAMS	2,275	(895)			1,380
Property Services	379				379
Treasurers	141				141
	2,795	(895)	0	0	1,900
Performance & Development:-					
Chief Executive's (Note 1)	1,212	(127)			1,085
CAMS Equipment Reserves	74				74
	1,286	(127)	0	0	1,159
Community Protection:-					
Fire & Rescue - General	567			(567)	0
Fire & Rescue - Pensions	144				144
Community Safety/ Emergency Planning	20				20
DAAT	261				261
	992	0	0	(567)	425
Adult Health & Community Services:-					
LH&TS - General	(299)		299		0
LH&TS - Trust Funds	286				286
Social Services - General	544			(544)	0
Social Services - Earmarked	121	(200)		200	121
	652	(200)	299	(344)	407
Environment & Economy:-					
PT&ES	(63)		330		267
Property Services	10				10
	(53)	0	330	0	277
Others:-					
PSA/Elections & Modernisation Fund	477				477
LABGI	464	(600)			(136)
Fire Radios Project	1,176				1,176
Sub Total	11,427	(1,877)	629	(1,971)	8,208
Total	37,253	(3,878)	(1,660)	(1,971)	29,744

(Note table may not sum due to roundings) 0 of 11

Note 1 – £399,000 of these reserves at 31 March 2007 are held on behalf of Area Committees.

- 4.6 Additional income is expected in 2006/2007 from the business growth incentive scheme, which will clear the overdrawn LABGI reserve balance above.
- 4.7 As a result of the restructure, Social Services non-earmarked reserves have been allocated between Children's and Adult Services. This has resulted in an overdrawn reserve of £758,000 at 1 April 2006 for Children's Services and a balance in hand of £544,000 for Adult Services which is being requested for approval for use in supporting the 2006/2007 revenue budget. This overdrawn balance for Children's services is to be repaid from Education reserves transferred into the Children's, Young People and Families Directorate.

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7 June 2006

CONTRACT AND MANAGEMENT SERVICES

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for CAMS was £2,125,000 (including the planned use of balances). Since the original budget was approved there have been budget adjustments of £815,000. Therefore the 2005/2006 budget for the service is now £1,310,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net underspend for the year on items within the Service's control is £1,036,000. Details are shown below.

Table 1: Outturn spending 2005/2006	£000	£000
Original Budget - Gross		3,021
Original Budget - Net		2,125
Adjusted for:		
Use of/transfer to earmarked reserves	41	
Notional asset rentals	(475)	
Recall of advance from Virtual Bank	(535)	
Modernisation – redundancy costs	154	
Total Adjustments		(815)
Revised Budget		1,310
Actual Net Spending		274
Underspend (against revised budget)		(1,036)

- 2.2 Detailed analysis of final underspend is shown in Annexes A to D as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager
- Annex D - shows the analysis of Business Unit Trading accounts and reserves.

Each annex also includes an explanation of significant variations.

- 2.3 The principal items which have led to the underspend are summarised in the table below.

Table 2: Major variations	£000
Equipment Renewals – spending associated with Saltisford and Kings House delayed until 2006/2007.	(124)
ICT Unit Charge – income carried forward in an Equalisation Account to help manage variable spending needs over 4 years	(409)
Corporate E-Government – underspend due to project slippage	(453)
Business Unit – trading surplus	(112)
Other - the net effect of various under and overspendings	62
Total	(1,036)

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the CAMS service was allocated a further £1,000,000 to fund E-Government. Spending on various ICT/E-Government projects in 2005/2006 was £453,000 less than planned due to project slippage. The underspend can be traced to two major projects, the Children Act Project work (£300,000) and Business Systems Architecture Work (£150,000). Outstanding work on the latter will continue in 2006/2007. A potential underspend for some projects was identified at the end of Quarter 2 and Quarter 3 but at that stage it was agreed to be utilised to fund systems work associated with Modernisation. The underspend has been carried forward into 2006/2007 to continue to fund Modernisation system changes, and to support the wider Working for Warwickshire programme.

4 Spending on 2005/2006 Virtual Bank Loans

- 4.1 Unused advances made to CAMS from the Virtual Bank have now been recalled. This is shown in the £535,000 adjustment to the original estimate in Table 1 in paragraph 2.1 above.

5 Reserves

- 5.1 The service began the year with accumulated reserves of £2,465,000 (including business unit reserves). As a result of the underspend and reserve movements in the year the reserves position at 31 March 2006 is £2,349,000 in-hand. CAMS has now ceased to exist as a separate department and these reserves are combined with those of the former Property Services and Treasurers departments to become the reserves of the new Resources Directorate. In the original estimates for 2006/2007 a use of these reserves of £865,000 has already been approved to support the 2006/2007 revenue estimates for the CAMS element of the Resources Directorate. As yet it is too early to say how the new directorate will use the

balance of reserves but it is very clear that there are considerable spending pressures in the new directorate and it is very likely that these reserves will be required by the directorate in 2006/2007 or in future years.

- 5.2 The service also operates a number of business units. Business units began the year with accumulated reserves of £918,000. In accordance with plans shown in the 2005/2006 CAMS budget most of the accumulated reserves (£900,000) were used during 2005/2006 to meet a variety of CAMS costs during 2005/2006. Trading during the year resulted in an overall surplus of £111,000. The net effect of these movements was to leave business unit reserves standing at £129,000 at the year-end.

Table 3: Business Unit Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Surplus/(Deficit) in 2005/2006 £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Business Unit equipment renewals	150	(150)	(1)	(1)
Business Unit Service development	768	(750)	112	130
Total	918	(900)	111	129

- 5.3 The Service's overall reserves position can therefore be summarised as follows:

Table 4: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Corporate				
E-Gov't projects	146	(146)	453	453
Equalisation A/C	746		409	1,155
Virtual bank projects	168	(106)	(62)	0
Communications equipment	487		125	612
Sub total	1,547	(252)	925	2,220
Business Unit Service reserves				
Equipment renewals	150	(150)	(1)	(1)
Service development	768	(750)	112	130
Sub total	918	(900)	111	129
Total	2,465	(1,152)	1,036	2,349

- 5.4 It should be noted that neither the Unit Charge Equalisation Account, nor the Communication equipment reserve are viewed as Directorate reserves. They are Corporate Reserves managed by the Directorate. The Unit Charge Equalisation Account is used to manage key elements of the ICT Infrastructure on a four-year rolling basis, and was created as part of the implementation of the Corporate Unit Charge for PCs. The use of the account on a four-year rolling basis is clearly demonstrated by the fact that in June 2006 we will be paying a 3 year licence of £860,000 for Novell, which will remove most of the reserves in hand.
- 5.5 The communications reserve is now also being used to support wider communications equipment activities associated with new ways of working.
- 5.6 As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Directorates as follows:-

Table 5: Reserves	Resources Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Performance & Development Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service reserves	2,220	0	2,220
Business Unit			
Service reserves			
Equipment renewals	(75)	74	(1)
Service development	130	0	130
Total	2,275	74	2,349

6 Comparison with the 2005/2006 Provisional Outturn

- 6.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an underspend of £606,000. The actual underspend of £1,036,000 therefore represents a £430,000 change in the service's position.

Table 6: Comparison between provisional and final outturn		
	Provisional Outturn as reported on 2nd February 2006 £000	2005/2006 Final Outturn £000
Departmental equipment	(7)	1
Business Units trading	(254)	(112)
Corporate communications equipment	171	(125)
Virtual Bank projects	(219)	0
Unit charge equalisation Account	(297)	(409)
E-Government projects	0	(453)
Other		62
Total	(606)	(1,036)

6.2 The main reasons for the net increased underspending are as follows:-

- Business Unit trading - increase in size of County Caterers trading deficit - largely due to unexpected reduction in meal numbers (Jamie Oliver impact).
- Corporate communications equipment - deferment of spend on communications infrastructure at Saltisford to 2006/2007.
- Unit Charge – this surplus will be used to offset cost of new year commitments.
- Slippage on e-government projects.

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1st June 2006

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1	CONTRACT & MANAGEMENT SERVICES DEPT.		A.2	A.3	A.4	A.5	A.6	A.7
	£'000 2004/2005 Outturn Exp/Inc			£'000 2005/2006 Original Budget A	£'000 2005/2006 Revised Budget B	£'000 2005/2006 Outturn Exp/Inc C	£'000 Variation from Revised Budget C-B	%	Notes
		Core Services							
1	1,516	ICT Infrastructure/ e- Government		1,000	659	268	(391)	(59)	1
2	108	Departmental Core		161	161	161	0	0	
3	(746)	ICT Unit Charge		0	0	(409)	(409)	(100)	2
4	878			1,161	820	20	(800)	(98)	
		Business Services							
5	449	Business Units		779	275	163	(112)	(41)	3
		Business Unit equipment renewals		120	150	151	1	0	
		Comms equipment renewals				(125)	(125)	(100)	3
6	449			899	425	189	(236)	(141)	
7	65	Corporate and Democratic Core		65	65	65	0		
8	1,392	NET DEPARTMENTAL EXPENDITURE		2,125	1,310	274	(1,036)	(79)	
		CONTRIBUTION TO / (FROM) RESERVES							
9	506	Contribution to /(from) Departmental Reserves		(750)	(750)	(638)	112	(15)	
10	(1,480)	Contribution to /(from) Specific Earmarked Reserves		(100)	(402)	1,057	1,459	(363)	
11	0	Contribution to /(from) General Reserves							
12	0	Contribution to / (from) Virtual Bank Reserves		235	235	(300)	(535)		
13	418	NET REVENUE REQUIREMENT (Outturn Prices)		1,510	393	393	0	0	

EXPLANATION OF MAIN VARIATIONS

Notes to Annex A	£000
1 Underspend due to project slippage	(391)
2 Income to be carried forward in an Equalisation account to help manage variable spending needs over 4 years	(409)
3 Equipment Renewals – Business Unit planned contributions net of in-year spend plus net Comms contribution of (£124k) as spending deferred to future years. plus Business Unit surplus (£112K)	(236)
	(1036)

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	CONTRACT & MANAGEMENT SERVICES DEPT.	B.2	B.3	B.4	B.5	B.6	B.7
	£'000		£'000	£'000	£'000	%		
	2004/2005		2005/2006	2005/2006	2005/2006	Variation from		Notes
	Outturn		Original	Revised	Outturn	Revised Budget		
	Exp/Inc		Budget	Budget	Exp/Inc	C-B		
		EXPENDITURE	A	B	C			
1	13,768	Employees	13,227	13,473	14,043	570	4	1
2	349	Premises	255	365	300	(65)	(18)	
3	540	Transport	391	382	358	(24)	(6)	
4	14,091	Supplies and Services	9,696	17,862	23,773	5,911	33	2
5	0	Third Party Payments	0	0	0	0	0	
6	0	Transfer Payments	0	0		0	0	
7	432	Support Services	467	483	483	0	0	
8	1,042	Notional Asset Rentals	1,511	1,036	1,036	0	0	
9	1,804	Capital Financing Costs	0	753	753	0	0	
10	32,026	TOTAL EXPENDITURE	25,547	34,354	40,746	6,392	19	
		INCOME						
11	(121)	Government Grants	(124)	(124)	(134)	(10)	8	
12	0	Other Grants, Reimbursements and Contributions	0	0	0	0	0	
13	(1,342)	Customer and Client Receipts	(772)	(1,096)	(1,096)	0	0	
14	0	Interest	0	0	0	0	0	
15	(29,171)	Internal Income	(22,526)	(31,824)	(39,242)	(7,418)	23	3
16	(30,634)	TOTAL INCOME	(23,422)	(33,044)	(40,472)	(7,428)	22	
17	1,392	NET DEPARTMENTAL EXPENDITURE	2,125	1,310	274	(1,036)	(79)	

EXPLANATION OF MAIN VARIATIONS

Notes to Annex B	£000
1 Mainly due to the increase in Cleaning business plus increases in labour on-costs not included in original/ revised budget. CAMS was also required to fund unbudgeted redundancy costs associated with the former Grounds Maint service.	570
2 Mainly due to expenditure on E-Government projects not included in the original estimates, but covered by income (see 3. Below).	5,911
3 Mainly E-Government budget not included in original estimate	(7,418)
Other	(99)
	<u>(1,036)</u>

Note 4. CAMS act as the agent in purchasing PC's and software for departments each year. The whole cost is fully recharged to other departments. As this is a demand driven procurement service, provided on behalf of other departments, it has traditionally been difficult to predict original budgets and income for this expenditure each year. From 2005/6 it has been agreed to include both actual expenditure and income in the above appendix. The revised budget for 2005/2006 has also been amended to include this expenditure and income. This equates to £6,934m for 2005/2006 (£6,931m in 2004/2005).

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

CONTRACT & MANAGEMENT SERVICES DEPT.			C.1	C.2	C.3	C.4	C.5	C.6
Line Ref.	Service Description	Responsible Officer	£'000	£'000	£'000	£'000	%	Notes
			2005/2006	2005/2006	2005/2006	Variation from		
			Original	Revised	Outturn	Revised Budget		
			Budget	Budget	Exp/Inc	C-B		
Service Budgets			A	B	C			
(including a full apportionment of management and support charges)								
1	Core Services		1,000	659	268	(391)	(59)	1
	Corporate Communications	I.C.T. Services Manager						
	e-Government Services	I.C.T. Services Manager						
	Former Corporate I.S.T. Client	I.C.T. Services Manager						
	Virtual Bank funded projects	I.C.T. Services Manager						
	I.C.T. Infrastructure	I.C.T. Services Manager						
2	Departmental Core	Financial Services Manager	161	161	161	0	0	
3	Business Services		964	490	254	(236)	(48)	2
	- I.C.T. Services	I.C.T. Services Manager						
	- Print Unit	Print Unit Manager						
	- Caretaking & Car Parking	Financial Services Manager						
	- Schools Technical Services	Finance Manager						
	- County Cleaning & Caretaking Services	Manager						
	- County Caterers	Manager						
	- County Grounds Maintenance Service	Manager						
4	ICT Unit Charge		0	0	(409)	(409)	(100)	3
5	Total Costs		2,125	1,310	274	(1,036)	(79)	
Management and Support Budgets								
(whose apportioned cost are included in the above)								
6	Directorate	Director	153	153	144	(9)	(6)	
7	Finance, Admin. & Personnel	Financial Services Manager	564	564	604	40	7	
8	Other Central departmental Charges		959	959	959	0	0	
9	TOTAL MANAGEMENT AND SUPPORT BUDGETS		1,676	1,676	1,707	31	2	

		£'000
1	Underspend due to project slippage	(391)
2	Equipment Renewals – Business Unit planned contributions net of in-year spend plus net Comms contribution of (£124k) as spending deferred to future years. plus Business Unit surplus (£112K)	(236)
3	Income to be carried forward in an Equalisation account to help manage variable spending needs over 4 years	(409)
		<hr/>
		(1036)

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

Line Ref.	D.1 £000 2004/2005 Outturn	CONTRACT AND MANAGEMENT SERVICES BUSINESS UNITS INCLUDING FORMER DSO'S Annual Trading Account for year ending 31/3/2006	D.2	D.3 £000 2005/2006 Outturn	D.4	Notes
		Income				
		Business Income				
1	(23,016)	Internal Customers	(24,184)			
2	(971)	External Customers	(820)			
3		Core Recharges				
4	(23,987)	Total Income		(25,004)		
		Expenditure				
5	22,244	Direct Costs	23,678			
6	1,113	Overheads				
7		Central/Departmental Support	1,215			
8		Other Support Services				
9	23,357	Extraordinary Expenditure				
		Total Expenditure		24,893		
10	(630)	Trading (Surplus)/Deficit		(111)	Budget Target 0	
		Statement of Reserves as at 31/3/2006				
11	460	Balance brought forward from 2004/2005		918		
12	630	Surplus/(deficit) transferred to reserves	111			
13	328	Plus provisional outturn adjustment	0			
13	(500)	Appropriations to departmental reserves	(900)	(789)		
14	918	Balance carried forward to 2006/2007		129		

CHIEF EXECUTIVE'S DEPARTMENT

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for the Chief Executive's Department was £7,253,000 (including the planned use of balances). Since the original budget was approved there have been budget adjustments of £382,000. Therefore the 2005/2006 budget for the department is now £7,635,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net underspend for the year on items within the department's control is £175,000. Details are shown below.

Table 1: Outturn spending 2005/2006		£000	£000
Original Budget - Gross			9,513
Original Budget - Net			7,253
Adjusted for:			
2004/2005 carry forward/use or reserves	308		
Quarter 1 projected underspend	(50)		
Modernisation redundancy costs	100		
Notional Asset Rentals adjustment	30		
Building (structural) maintenance	(6)		
Total Adjustments			382
Revised Budget			7,635
Actual Net Spending			7,460
Total Underspend (against revised budget)			(175)
Made up of: -			
Teenage Pregnancy			(10)
Drug and Alcohol Action Team			(261)
Chief Executive's Department Sub-Total			96

- 2.2 For completeness of reporting purposes this report contains information in respect of services that do not form part of this department's budget e.g. Teenage Pregnancy and the Drug and Alcohol Action Team. This information is identified separately in Table 1 above.

- 2.3 Detailed analysis of the final underspend is shown in Annexes A to D as follows:

- Annex A - shows the analysis by activities and outputs of the department
- Annex B - shows the analysis by service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager
- Annex D - shows the analysis of Business Unit Trading accounts and reserves.

Each annex also includes an explanation of significant variations.

- 2.4 The principal items which have led to the underspend are summarised in the table below.

Table 2: Major variations	£000
Judges House, two quarters rental income not received until the new year	38
Coroner, back dated pay award and increased cost of the service	122
Registration, redundancy and pensions costs and rent increases due to office moves	53
Legal Services Business Unit, an increase in demand from service departments leading to additional income late in the year	(62)
Executive, staff costs, including recruitment of new Chief Executive, and small overspendings on a number of budget headings	122
Contingency Fund, not fully allocated	(82)
Other minor variations	(95)
Chief Executive's Department Sub-Total	96
Drug & Alcohol Action Team, unspent balance of external funding to be carried forward to 2006/2007	(261)
Teenage Pregnancy, unspent balance of external funding to be carried forward to 2006/2007	(10)
Total	(175)

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the Chief Executive's Department was allocated £327,000 to fund specific projects. Spending on these projects in 2005/2006 was £218,000. Further details are given below.

Table 3: Specific	Budget	Spending	Variation	Explanation
--------------------------	---------------	-----------------	------------------	--------------------

budget allocations 2005/2006	£000	£000	£000	
Corporate co-ordination of insurance in schools	50	15	(35)	Part year costs of new arrangements
Loss of Civil Defence Grant	182	182	0	
Development of occupational health service	65	21	(44)	Part year costs of new arrangements
Councillor mentoring, support and training	30	0	(30)	2005/2006 was induction year for new members, the scheme has been deferred so that it is consistent with the new ways of working agenda and will be brought on stream during 2006/2007
Total	327	218	(109)	

4 Reserves

- 4.1 The department began the year with accumulated reserves of £1,895,000 (including business unit reserves). As a result of the underspend and reserve movements in the year the reserves position at 31 March 2006 is £1,503,000 in-hand.
- 4.2 Most of the reserves (£1,171,000) are held for specific purposes, including the Social Inclusion Fund reserve and the Well-Being Fund reserve held on behalf of Area Committees.
- 4.3 Specific reserves are held to deal with the increasing need for one-off project support and for training and development. The department's general reserve will continue to be used to maintain efficient services to smooth out the consequences of unexpected additional expenditure in particular service areas.
- 4.4 A sum of £127,000 has already been drawn down from departmental reserves to support the 2006/2007 revenue expenditure of the department.
- 4.5 The 2005/2006 underspends of £10,000 on Teenage Pregnancy and £261,000 on the Drug & Alcohol Action Team are in respect of specific allocations received for these services and will be available to spend during 2006/2007 on the specific areas for which they were received.
- 4.6 The service also operates three business units, namely Business Consultancy, Legal Services and Graphics. Business units began the year with accumulated reserves of £205,000. Trading during the year resulted in an overall surplus of £1,000. Business unit reserves therefore stood at £206,000 at the year-end.

Table 4: Business	Business Unit	Surplus/(Deficit)	Business Unit
--------------------------	----------------------	--------------------------	----------------------

Unit Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	in 2005/2006 £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Business Consultancy	34	(1)	33
Legal Services	212	62	274
Graphics	(41)	(60)	(101)
Total	205	1	206

4.7 The Legal Services surplus reflects an increase in demand from service departments leading to additional income late in the year.

4.8 The deficit incurred by Graphics is not as much as indicated by the table above, since £19,000 of income generated during March 2006 was not invoiced until after the end of the financial year.

4.9 The Service's overall reserves position can therefore be summarised as follows:

Table 5: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Departmental				
Service Reserve	384	(87)	35	332
Project Reserve	175	0	0	175
Training & Development Reserve	111	10	(1)	120
Business Unit Reserves	205	0	1	206
Modernisation Fund	125	(125)	0	0
Sub-Total	1,000	(202)	35	833
Other Funds				
Well-Being Fund (ring fenced by Cabinet)	530	0	(139)	391
Social Inclusion Fund	58	(58)	8	8
PAYP and Social Inclusion Fund	3	(3)	0	0
YPSI Reserve	39	(39)	0	0
Sub-Total	630	(100)	(131)	399
Total	1,630	(302)	(96)	1,232
Teenage Pregnancy Reserve	93	(93)	10	10
Drug & Alcohol	172	(172)	261	261

Action Team Reserve				
Total	1,895	(567)	175	1,503

- 4.10 As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Directorates as follows: -

Table 6: Reserves	Performance & Development Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Children's Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Community Protection Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Departmental reserves	813	0	20	833
Other Funds	399	0	0	399
Teenage Pregnancy reserve	0	10	0	10
Drug & Alcohol Action Team reserve	0	0	261	261
Total	1,212	10	281	1,503

- 4.11 The above transfer relates to the transfer of Teenage Pregnancy to the Children's, Young People and Families Directorate and the Drug and Alcohol Action Team, Community Safety and Emergency Planning to the community Protection Directorate from 1 April 2006.
- 4.12 In the original service estimates for 2006/2007 £55,000 was drawn down from the Teenage Pregnancy reserves to support the revenue budget. Members are therefore asked to approve a contribution of £45,000 from the Teenage Pregnancy 2006/2007 revenue budget to ensure the service's reserves are not overdrawn.

5 Comparison with the 2005/2006 Provisional Outturn

- 5.1 The department last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an overspend of £12,000. The actual underspend of £175,000 therefore represents a £187,000 change in the service's position.

Table 7: Comparison between provisional and final outturn		
	Provisional Outturn as reported on 2nd February 2006 £000	2005/2006 Final Outturn £000
Judges House	(48)	38
Coroners	128	122
Registration	66	53
Legal Services Business Unit	12	(62)
Legal Core	16	1
Executive	71	122
LSP Coordinator	7	(14)
Contingency Fund	(105)	(82)
Other Minor Variations	(80)	(82)
Chief Executive's Department Sub-Total	67	96
Teenage Pregnancy	(55)	(10)
Drug & Alcohol Action Team	0	(261)
Total	12	(175)

- 5.2 There are two main reasons for the £261,000 variation above in respect of the Drug & Alcohol Action Team. Firstly the late signing of the contract for a new IT system means £74,000 of expenditure will now be incurred in 2006/2007 rather than 2005/2006 as originally intended. Secondly due to uncertainty about the future levels of grant income it was felt unwise to spend all of the accumulated reserves during 2005/2006 as had been previously envisaged. The unspent balance of external funding will be carried forward to 2006/2007.

David Carter
Strategic Director of Performance and Development
Shire Hall
17 May 2006

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1	CHIEF EXECUTIVE'S DEPARTMENT		A.2	A.3	A.4	A.5	A.6	A.7
	£000			£000	£000	£000	£000	%	
	2004/2005			2005/2006	2005/2006	2005/2006	Variation from		Notes
	Outturn			Original	Revised	Outturn	Revised Budget		
Exp/Inc			Budget	Budget	Exp/Inc	C-B			
			A	B	C				
1	2,512	Democratic Services	1,697	1,664	1,785	121	7	1	
2	750	Legal Services	824	750	818	68	9	2	
3	786	Human Resources	1,060	1,037	980	(57)	(5)	3	
4	233	Communications	16	3	108	105	3,500	4	
5	2,693	Community Support	3,055	3,302	2,968	(334)	(10)	5	
6	311	Policy & Performance	140	119	149	30	25	6	
7	13	Other Services	672	760	652	(108)	(14)	7	
		Savings yet to be identified	(211)	0	0	0	0		
8	7,298	NET DEPARTMENTAL EXPENDITURE	7,253	7,635	7,460	(175)	(2)		
		CONTRIBUTION TO / (FROM) RESERVES							
9	(183)	Contribution from Service Savings	(87)	(87)	(52)	35	0		
10	(36)	Contribution from Departmental Reserves	0	0	0	0	0		
11	93	Contribution from Earmarked Reserves	(222)	(480)	(340)	140	0		
12	0	Contribution to/from General Reserves	0	0	0	0	0		
13	0	Contribution to/(from) Quality and Best Value Fund	0	0	0	0	0		
14	7,172	NET REVENUE REQUIREMENT (Outturn Prices)	6,944	7,068	7,068	0	0		

Notes

- 1** Overspendings on Improvement & Development, Area Support and Judges House partly offset by underspending on Member Services
- 2** Overspendings on Coroner and Registration Service, partly offset by underspendings on Legal Services Business Unit, Insurance & Risk Management and Proper Officer expenditure.
- 3** Overspendings on Human Resources and Corporate HR Development offset by savings on HR Payrol Project and Sheltered Placements Scheme
- 4** Overspendings on Advertising, Recruitment Costs, expenditure on Warwickshire View and unexpected legal costs have combined with increased Consultancy and agency costs to produce this overspending.
- 5** Underspendings on Emergency Planning, Community safety, Drug Action Team, Teenage Pregnancy and Community Development partly offset by overspendings on Corporate Security, Community Admin Support and Positive about Young People.
- 6** Overspend on Executive partly offset by underspendings on Corporate Review, Corporate Planning, Organisational Development, Information Management and LSP Coordinator
- 7** Underspendings on Chairman's Account and Contingency Fund

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	CHIEF EXECUTIVE'S DEPARTMENT					B.2	B.4	B.4	B.5	B.6	B.7
	£000		£000	£000	£000	£000	%					
	2004/2005		2005/2006	2005/2006	2005/2006	Variation from					Notes	
	Outturn		Original	Revised	Outturn	Revised Budget						
	Exp/Inc		Budget	Budget	Exp/Inc							
		EXPENDITURE	A	B	C	C-B						
1	8,210	Employees	6,747	8,919	9,140	221	2				1	
2	629	Premises	567	599	611	12	2				2	
3	188	Transport	173	211	221	10	5					
4	7,491	Supplies and Services	7,143	9,504	9,130	(374)	(4)				3	
5	0	Third Party Payments	0	0	0	0	0					
6	0	Transfer Payments	0	0	0	0	0					
7	761	Support Services	753	1,101	1,129	28	3				4	
8	494	Notional Asset Rentals	485	515	515	0	0					
9	66	Capital Financing Costs	0	0	6	6	0					
10	17,839	TOTAL EXPENDITURE	15,868	20,849	20,752	(97)	(0)					
		INCOME										
11	(2,459)	Government Grants	(419)	(1,875)	(1,930)	(55)	3				5	
12	(12)	Other Grants, Reimbursements and Contributions	(40)	(280)	(283)	(3)	1					
13	(1,699)	Customer and Client Receipts	(1,800)	(3,731)	(3,691)	40	(1)				6	
14	0	Interest	0	0	0	0	0					
15	(6,371)	Internal Income	(6,356)	(7,328)	(7,388)	(60)	1				7	
16	(10,541)	TOTAL INCOME	(8,615)	(13,214)	(13,292)	(78)	1					
17	7,298	NET DEPARTMENTAL EXPENDITURE	7,253	7,635	7,460	(175)	(2)					

Notes

- 1 Overspend due mainly to Coroners back dated pay award and Executive staff costs including the recruitment costs of the new Chief Executive
- 2 Overspend due mainly to Judges House
- 3 Underspend due mainly to an unspent balance of external funding in respect of the Drug & Alcohol Action Team and Teenage Pregnancy, the Contingency Fund not being fully allocated and a number of other minor variations
- 4 Overspend due mainly to Judges House and Human Resources
- 5 Underspend due mainly to outstanding 2004/2005 Workstep grant from Jobcentre Plus
- 6 Overspend due mainly to Judges House, two quarters rental income not received until the new year
- 7 Underspend due mainly to additional income generated late in the year by Legal Services Business Unit

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

CHIEF EXECUTIVE'S DEPARTMENT			C.1	C.2	C.3	C.4	C.5	C.6
Line Ref.	Service Description	Responsible Officer	£000 2005/06 Original Budget A	£000 2005/06 Revised Budget B	£000 2005/06 Outturn Exp/Inc C	£000 Variation from Revised Budget C-B	%	Notes
Democratic Services								
1	- Departmental Initiatives	Head of Democratic Services	82	82	149	67	82	1
2	- Improvement & Development	Improvement & Development Manager	91	87	179	92	106	2
3	- Member Services	Member Services Manager	42	32	13	(19)	(59)	3
4	- Area Support Officers	Area Support Coordinator	1,281	1,244	1,280	36	3	
5	- Judges House & Council Suite	Head of Democratic Services	201	194	232	38	20	4
Legal Services								
6	- Legal Services Business Unit	Practice Manager	50	0	(62)	(62)		5
7	- Legal Core	Assistant County Solicitor	156	143	145	2	1	
8	- Insurance & Risk Management	Insurance & Risk Manager	0	0	(39)	(39)		6
9	- Registration	Registration Services Manager	295	291	344	53	18	7
10	- Proper Officer	Senior Finance Officer	10	10	3	(7)	(70)	8
11	- Coroner	Deputy County Solicitor	312	305	427	122	40	9
Human Resources								
12	- Human Resources	Deputy Head of Human Resources	10	2	54	52	2,600	10
13	- HR Payroll Project	Deputy Head of Human Resources	754	742	669	(73)	(10)	11
14	- Sheltered Placements Scheme	Equalities & Standards Officer	119	117	97	(20)	(17)	12
15	- Occupational Health	Deputy Head of Human Resources	67	67	25	(42)	(63)	13
16	- Corporate HR Development	Corporate HR Development Manager	110	109	135	26	24	14
Communications								
17	- Communications	Head of Communications	16	3	49	46	1,533	15
18	- Graphics	Head of Communications	0	0	60	60	0	16
Community Support								
19	- Emergency Planning Unit	Emergency Planning Manager	324	323	305	(18)	(6)	17
20	- Corporate Security	Emergency Planning Manager	1	0	3	3		
21	- Administrative Support	Area Planning Coordinator	24	24	36	12	50	18
22	- Community Safety Policy	Community Safety Policy Manager	42	0	0	0		
23	- Community Safety	Policy and Crime Reduction Officer	448	459	445	(14)	(3)	
24	- Drug Action Team	Drug Action Team Commissioning Manager	13	185	(76)	(261)	(141)	19
25	- Policy for Young People	Coordinator Social Inclusion & Policy for Young People	218	253	253	0	0	
26	- Positive about Young People	PAYP Programme Manager	952	935	939	4	0	
27	- Teenage Pregnancy	Teenage Pregnancy Coordinator	4	96	86	(10)		
28	- Community Development	Area Planning Coordinator	1,029	1,029	977	(52)	(5)	20
Policy & Performance								
29	- Procurement	County Procurement Manager	80	78	85	7	9	
30	- Business Consultancy	Business Consultancy Manager	0	0	1	1	0	
31	- Corporate Review	Corporate Review Manager	25	4	(36)	(40)	(1,000)	21
32	- Executive Administrative Support	Best Value Coordinator	12	0	0	0	0	
33	- Corporate Planning	Best Value Coordinator	8	1	(19)	(20)	(2,000)	
34	- Organisational Development	Corporate Performance Officer	5	4	(18)	(22)	(550)	
35	- Information Management	Corporate Information Manager	5	4	(1)	(5)	(125)	
36	- LSP Coordination	LSP Coordinator	5	4	(9)	(13)	(325)	22
Other Services								
37	- Chairman's Account	Member Services Manager	53	52	35	(17)	(33)	23
38	- Modernisation Fund	Financial Services Manager	500	489	489	0	0	
39	- Contingency Fund	Financial Services Manager	105	204	113	(91)	(45)	24
40	- PC Replacement Fund	Financial Services Manager	0	0	1	1		
41	- Savings target yet to be identified	Financial Services Manager	(211)	0	0	0		
42	- Purchasing and Training Pensions	Financial Services Manager	15	14	13	(1)	(7)	
			7,253	7,586	7,382	(204)	(3)	

Management and Support Budgets							
43	- Executive	Corporate Performance Officer	0	25	147	122	0
44	- Financial Services & IST	Financial Services Manager	0	(3)	(10)	(7)	0
45	- Support Services	Financial Services Manager	0	27	(59)	(86)	(319)
46	TOTAL		7,253	7,635	7,460	(175)	(2)

Notes

- 1 The increased expenditure on this cost centre has been in respect of additional spend on training, specifically for management development,
- 2 to support Warwickshire management competencies implementation, and health and safety.
- 3 Underspending on Member Development (mentoring).
- 4 Two quarters rental income not received until the new year
- 5 Increased income in relation to PT&ES Special Projects and Highway Agreements.
- 6 Planned additional staff to support schools were not recruited
- 7 Overspendings relating to Redundancy and pension costs, Rent increases due to office moves, Increased salary costs due to scheme change and additional charges for IT equipment and support for District Managers and Office moves.
- 8 Budget based on level of legal support required in the previous year. This was not the case in 2005/06
- 9 Overspending the result of provision for the Coroner's backdated pay award.
- 10 Additional consultancy and temporary PA.
- 11 HRMS costs lower than originally anticipated.
- 12 Low numbers of workstep placements and low income support required. Small requirements to purchase additional help for these placements.
- 13 Underspending as a result of Project Officer appointment being made mid-December only.
- 14 Increase to budgeted costs for additional work required not covered by OD budget. £2,000 approx to go to OD budget but too late to add on. Additional costs for venue/hospitality not anticipated due to lack of suitable rooms at Shire Hall/Manor Hall.
- 15 Overspendings on Advertising, Recruitment Costs, expenditure on Warwickshire View and unexpected legal costs.
- 16 The graphics budget has now been incorporated into the design2print budget, and it had been expected that a surplus on print would cancel out the design deficit. This expectation was not met. £19,000 of income generated during March 2006 was not invoiced until the new year. The Print Unit had a surplus of some £23,000, Graphics returned a deficit of £60,000. One-off consultancy and agency costs totalled £33,740 for Graphics in 2005/6.
This will not be repeated in 2006/7, representing a saving. Hourly rates are to be revised, productivity improved and a marketing plan put in place to ensure better performance.
- 17 New staff appointments unable to be made until mid year.
- 18 Level of Administrative Support required much higher than originally anticipated
- 19 £98k Drug Intervention Programmes Grant from 04/05 was carried forward into 05/06 to be spent on a new I.T. system for the P.C.T's. However, due to the late signing of the contract between contractor and W.C.C. £74k is to be carried forward and spent in 06/07.
- 20 Vacancy re new social Inclusion post and reduced expenditure awaiting the outcome of the VCS review.
- 21 Underspend due to unsuccessful recruitment, resources set aside for the ICT Strategic Review were subsequently met by Modernisation fund and Scrutiny Reviews were £13,269 underspent due to the type of activity undertaken.
- 22 Staff vacancies
- 23 Underspend due to non purchase of civic gifts and Chairman's sparing use of the chauffeur car hire.
- 24 Contingency Fund not fully allocated

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	CHIEF EXECUTIVE'S DEPARTMENT	D.2	D.3	D.4	Notes
	£000	BUSINESS CONSULTANCY BUSINESS UNIT		£000		
Line Ref.	2004/2005	Annual Trading Account for year ending 31/3/2006		2005/2006		
	Outturn			Outturn		
		Income				
		Business Income				
1	(449)	Internal Customers	431			
2	0	External Customers	4			
3	(449)	Total Income		435		
		Expenditure				
4	382	Direct Costs	384			
		Overheads				
5	52	Central/Departmental Support	52			
6	1	Other Support Services	0			
7	0	Extraordinary Expenditure	0			
8	435	Total Expenditure		436		
9	(14)	Net Expenditure		1	Budget Target	0
10	(14)	(Surplus)/Deficit		1		
		Statement of Reserves as at 31/3/2006				
11	20	Balance brought forward from 2004/2005		34		
12	14	Deficit transferred to reserves	(1)			
13	0	Adjustment to Reserve in year	0			

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	CHIEF EXECUTIVE'S DEPARTMENT	D.2	D.3	D.4	Notes
	£000	GRAPHICS		£000		
Line Ref.	2004/2005	Annual Trading Account for year ending 31/3/2006		2005/2006		
	Outturn			Outturn		
		Income				
		Business Income				
1	(193)	Internal Customers	(146)			
2	0	External Customers	0			
3	0	Core Recharges	0			
4	(193)	Total Income		(146)		
		Expenditure				
5	234	Direct Costs	206			
		Overheads				
6	0	Central/Departmental Support	0			
7	0	Other Support Services	0			
8	0	Extraordinary Expenditure	0			
9	234	Total Expenditure		206		
10	41	Net Expenditure		60	Budget Target 0	
11	41	(Surplus)/Deficit		60		
		Statement of Reserves as at 31/3/2006				
12	0	Balance brought forward from 2004/2005		(41)		
13	0	Deficit transferred to reserves	(60)			
14	0	Adjustment to reserve in year	0			
15	41	Balance carried forward to 2006/2007		(101)		

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	CHIEF EXECUTIVE'S DEPARTMENT	D.2	D.3	D.4	Notes
	£000	LEGAL SERVICES BUSINESS UNIT		£000		
Line Ref.	2004/2005	Annual Trading Account for year ending 31/3/2006		2005/2006		
	Outturn			Outturn		
		Income				
		Business Income				
1	(1,450)	Internal Customers	(1,778)			
2	(417)	External Customers	(472)			
3	(504)	Core Recharges	(523)			
4	(2,371)	Total Income		(2,773)		
		Expenditure				
5	2,269	Direct Costs	2,604			
		Overheads				
6	105	Central/Departmental Support	102			
7	6	Other Support Services	5			
8	0	Extraordinary Expenditure	0			
9	2,380	Total Expenditure		2,711		
10	(12)	Net Expenditure		(62)	Budget Target	0
11	(12)	(Surplus)/Deficit		(62)		
		Statement of Reserves as at 31/3/2006				
12	221	Balance brought forward from 2004/2005		212		
13	12	Surplus transferred to reserves	62			
14	(21)	Adjustment to reserve in year	0			

EDUCATION DEPARTMENT

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for the Education Department was £328,325,000 (including the planned use of balances). Since the original budget was approved there have been budget adjustments of £5,216,000. Therefore the 2005/2006 budget for the service is now £333,541,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net underspend for the year on items within the Service's control is £5,446,000. However £1,574,000 of this is Standards Fund Grant (TSF) where the spending period extends to August after the end of the financial year. That is, there is a 17-month spending period and this £1,574,000 represents the unspent match funding at the end of March 2006. From 2006/2007 onwards the Department for Education and Skills will not require any matched funding for TSF, so any unspent grant will be treated as a grant receipt in advance, rather than a revenue underspend, so this technical accounting anomaly should not recur.
- 2.2 A further £2,148,000 represents an underspend on school delegated budgets and associated loans and contingencies. Schools retain these balances under the regulations governing the financing of schools. The remaining underspend with the Education Department is £1,724,000. As the combination of academic year grants and statutory ring fenced delegated budgets is unique within the County Council to the Education service this is briefly summarised in the table below:

Table 1: Overall Summary & Breakdown	£000
Unspent Standards Fund Grant to be used by August 2006	(1,574)
Ring fenced School Budgets	(2,148)
Departmental underspend	(1,724)
Total Underspend	(5,446)

- 2.3 A more detailed analysis of the budget and its comparison with actual net expenditure is given in table 2 on the next page.

Table 2: Outturn spending 2005/2006		
	£000	£000
Original Budget - Gross		394,931
Original Budget - Net		328,325
Adjusted for:		
Use of 2004/05 Underspends	4,379	
Corporate Budget Adjustments	782	
Young Persons Social Inclusion	55	
Total Adjustments		5,216
Revised Budget		333,541
Actual Net Spending		328,095
Underspend (against revised budget)		(5,446)

2.4 Detailed analysis of final underspend is shown in Annexes A to D as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager
- Annex D - shows the analysis of Business Unit Trading accounts and reserves.

Annex A also includes an explanation of significant variations.

2.5 The principal items that have led to the underspend are summarised in the table below.

Table 3: Major variations	Schools £000	LEA £000	Total £000
Standards Fund Grant (TSF) Unspent Funds at 31 st March	(1,172)	(402)	(1,574)
Schools Delegated Revenue Spending	(2,004)		(2,004)
School Loans & other	(144)		(144)
Nursery Education Grants & Early Years		(376)	(376)
Inter-cultural Curriculum Support Service		(283)	(283)
Special Educational Needs		(272)	(272)
Transport		549	549
Business Unit		(342)	(342)
Various Departmental Budgets		(814)	(814)
Other		(186)	(186)
Total	(3,320)	(2,126)	(5,446)

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the Education Department was allocated £211,000 to fund specific projects. Spending on these projects in 2005/2006 was £211,000. Further details are given below.

Table 4: Specific budget allocations 2005/2006	Budget £000	Spending £000	Variation £000	Explanation
Special Educational Needs	30	30	0	This allocation helped to support new SEN mediation work.
Criminal Records Bureau	60	60	0	This allocation funded additional costs associated with CRB checks.
Stratford Community Education Team	56	56	0	Although the move to new buildings was delayed the budget was used to support the youth service accommodation costs.
Anti Social Behaviour Act 2003	65	65	0	This budget was used to support Education Social Workers staffing budgets.
Total	211	211	0	

4 Reserves

- 4.1 The service (including schools, the department and the business unit) began the year with accumulated reserves of £13,675,000. As a result of the underspend and reserve movements in the year the reserves position at 31 March 2006 is £15,004,000 in-hand.
- 4.2 Schools' overall delegated budget reserve position has increased by £2,004,000, by underspending their budgets by 0.86%. Their total delegated reserves are £10,667,000, which is 4% of their current year budget. Table 5 shows the level of resources by school sector.

	Reserves in hand at 1st April 2006 £000	Current Year (2006/2007) Budget £000	2006/2007 Position %	2005/2006 Position %
Nursery	414	1,756	23.6	24.9
Primary	6,874	114,094	6.0	5.0
Secondary	2,135	122,848	1.7	1.7
Special	1,244	15,097	8.2	8.0
Total	10,667	253,795	4.2	3.7

4.3 The following table highlights the number of schools with surplus or deficit reserves:

Table 5a	£200,000+	£50,000 to £200,000	£10,000 to £50,000	£5,000 to £10,000	Less than £5,000	Total Number
Deficits – Total	2	3	11	2	9	27
Deficits – Nursery					1	1
Deficits – Primary		2	7	2	7	18
Deficits – Secondary	2	1	4		1	8
Surplus - Total	8	67	123	12	16	226
Surplus - Nursery		3	7	1		11
Surplus - Primary	1	47	103	10	15	176
Surplus - Secondary	4	12	11	1	1	29
Surplus - Special	3	5	2			10

4.4 The reserves position of Warwickshire schools has been compared with other authorities on a newly designed benchmarking database devised by the Audit Commission. The number, scope and scale of school reserves is below the national, regional and county average. Schools are also concerned about a number of increasing cost pressures (from, for example, workforce reform, Teachers Employers Superannuation contributions) and this is reflected in prudent contributions towards reserves.

4.5 The Education Department has accumulated reserves of £3,484,000, due mainly to underspends on demand led budgets (primarily those related to the demand for special needs places and support and also for early year placements). The Director is currently proposing to utilise £965,000 to support cost centre budgets and developments in 2006/2007. The Director will also utilise these accumulated reserves to repay the Children's Social Services overspent reserves of £758,000,

in order that the new Children, Young People & Families Directorate has positive balances from its inception.

- 4.6 The service also operates a business unit (Education Business Services- EBS) in relation to business services trading with schools. The business unit had planned to draw upon their opening balance of reserves in 2005/06. However, these were not required and the Business Unit generated an additional surplus of £111,000. The business unit reserves therefore stood at £342,000 at the year-end. The surplus has been generated evenly across the division and has occurred due to lower staffing costs (delayed replacement / lower gradings), increased income from sales and savings from not spending previous year's carry-forward. The reserves have been committed to supporting developments and budgets in 2006/2007.
- 4.7 A decision by the Education Departmental Management Team (DMT) to give early certainty to cost centre managers of carry forwards (to aid effective financial planning) fixed the business unit carry forward at £129,000 and thus the business unit has made a contribution towards the Education Departmental reserves of £213,000. The business unit reserves therefore stood at £129,000 at the year-end:

Table 6: Business Unit Reserves	Reserves In-Hand/at 1 April 2005 £000	Use in 2005/2006 £000	Surplus in 2005/2006 £000	Contribution to Department Reserves £000	Reserves In-Hand at 31 March 2006 £000
Education Business Services	231	(231)	342	(213)	129

4.8 The Service's overall reserves position can therefore be summarised as follows:

Table 7: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
School Reserves	8,663		2,004	10,667
School Loans	(994)		146	(848)
Department Reserves	2,855	(753)	1,380	3,482
Business Unit	231	(444)	342	129
Total Excluding Unspent TSF	10,755	(1,197)	3,872	13,430
Unspent School TSF**	1,086	(1,086)	1,172	1,172
Unspent Department TSF**	1,834	(1,834)	402	402
Total Including Unspent TSF*	13,675	(4,117)	5,446	15,004

* Columns may not sum due to rounding and In addition an Education Finance Leasing reserve is held through which financing transactions relating to schools finance leases are passed. The balance of this was £25,000 overdrawn at 31 March 2006.

** It should be noted that under regulations the school reserves and the TSF unspent funds are statutorily protected for these purposes.

4.9 As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Children, Young People & Families Directorate.

4.10 Members are asked to note the use of £ 402,000 & £1,172,000 unspent TSF funds in 2006/2007 allocated in line with the DfES TSF regulations. TSF grant can be spent (and much has already been committed) over a 17-month period, therefore it is usual to carry-forward a sum at 31st March to be used for the purposes specified by the grant conditions by 31st August. Members are also asked to approve the use of £965,000 reserves to support the service's 2006/2007 budget.

5 Comparison with the 2005/2006 Provisional Outturn

5.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an underspend of £3,386,000. Within this schools were predicting an overall underspend of £374,000 and the department was forecasting an underspend of £3,012,000. The actual underspend of £5,446,000 therefore represents a £2,060,000 change in the service's position. (The Schools change is £2,946,000, while the departments change is £886,000).

Table 8: Comparison between provisional and final outturn		
	£000	£000
	Provisional Outturn as reported on 2nd February 2006	2005/2006 Final Outturn
Schools Delegated	1,046	(2,004)
Schools TSF	(1,000)	(1,172)
School Loans	(420)	(146)
Department TSF	(2,326)	(402)
Demand Led Services	91	(248)
Directorate	(111)	(96)
Community & Services	(188)	(283)
Strategy	1	(26)
All Special Educational Needs	220	134
School Effectiveness	0	(53)
Departmental Wide budgets	(464)	(808)
EBS Business Unit	(235)	(342)
Total	(3,386)	(5,446)

- 5.2 In the context of an extremely large (£427,000,000 gross) and increasingly complex budget being expended over 1,200 service cost centres as well as the complexities of 17 month committed grants (TSF), the non schools' (non TSF) change in variance of £1,036,000 is less than 0.9% of the total non schools budget. Almost half of this variance was slippage on demand led services where it is extremely difficult to predict future and one-off costs. It should also be noted that although the provisional outturn was reported on 2 February the information used was from Cost Centre Manager forecasts based on information at the end of the third quarter (December 2005). Even so, the need for increasing accuracy of forecasting is well understood and is continually being addressed by managers and the supporting finance section, particularly regarding the use of unspent Standards Fund grant and better forecasting data from schools.

Marion Davis
Northgate Street, Warwick
31 May 2006

Education Department

Revenue Outturn 2005/2006

1 Special Educational Needs – Demand Led

This underspend is primarily in the areas of OLEA recoupment and statements and also in SEN Transport. OLEA recoupment - SEN pupils from other LEAs are placed in WCC Special Schools. As the fee income was predicted to fall due to reduced placements, the fees charged were reviewed plus the net loss in pupil numbers is less than anticipated. Therefore the loss of income forecast is not as great. SEN Transport - based on current trends a further growth of transport costs and pupil numbers was predicted. This has occurred more slowly than anticipated.

2 Pre Primary Provision

This underspend is the result of lower than expected pupil numbers and take up for 3 and 4 year old provision.

3 Other Non – Devolved School Budget

Tighter monitoring and processing of CERA, including developer and school contributions have led to less departmental contingencies having to be used to pay for shortfalls / overspends on capital programme.

Problems recruiting staff and restructuring has led to a major underspend in the Inter-cultural Curriculum Support Service (ICSS).

4 Strategic Management & Contingencies

This relates to the underspend from various strategic budgets and contingencies as well as lower than expected insurance premiums as well as the operating surplus of the business unit.

5 Access

With mainstream Transport there have been significant increases in costs of routes (fuel prices, contract bids, as well as demographic numbers) since the 2005/2006 estimate and the bidding process has resulted in this demand-led budget being inadequate.

This also relates to post 16 Transport where significant adjustments have had to be made to Income from the LSC, which was unknown at the budget setting stage. Increased client numbers since the estimate round has also significantly affected the forecast.

Annex A: Revenue Outturn 2005/2006 Service Analysis

Line Ref.	A.1 £000 2004/2005 Outturn Exp/Inc	EDUCATION DEPARTMENT					A.7 Notes	
		A.2 £000 2005/2006 Original Budget A	A.3 £000 2005/2006 Revised Budget B	A.4 £000 2005/2006 Outturn Exp /Inc C	A.5 £000 Variation from Revised Budget C-B	A.6 %		
		School Budget						
		Schools Delegated Budget						
1	1,467	Nursery	1,747	2,165	1,665	(501)	-30.1%	
2	97,271	Primary	104,473	101,208	103,377	2,169	2.1%	
3	106,210	Secondary	111,162	113,981	111,947	(2,034)	-1.8%	
4	12,860	Special	14,007	15,046	13,407	(1,639)	-12.2%	
5	217,808	Schools Delegated Budget	231,388	232,400	230,396	(2,004)	-0.9%	
6	5,182	Schools Standards Fund	0	0	0	0		
7	0	Schools Other	6,502	786	(386)	(1,172)	303.4%	
8	-17,970	Schools LSC Post 16 Funding	(9,124)	(8,754)	(8,898)	(144)	1.6%	
			(18,137)	(18,617)	(18,617)	0	0.0%	
9	12,490	Special Educational Needs	13,905	13,745	13,531	(215)	-1.6%	1
10	7,839	Early Years	8,692	8,697	8,309	(388)	-4.7%	2
11	-4,080	Other Non-Devolved School Budget	5,200	12,793	11,722	(1,071)	-9.1%	3
12	221,269	Total School Budget	238,424	241,051	236,057	(4,994)	-2.1%	
		LEA Budget						
13	10,066	Strategic Management - LEA Block	9,822	10,891	9,845	(1,047)	-10.6%	4
14	12,690	Access - LEA Block	13,841	14,626	15,047	421	2.8%	5
15	5,649	Other LEA Schools Services	5,629	6,332	6,268	(64)	-1.0%	
16	4,202	Community Education	4,452	4,544	4,579	35	0.8%	
17	269	Student Services	354	303	298	(5)	-1.8%	
18	1,513	Other Non School Services	1,478	1,045	1,225	180	14.7%	
19	34,388	Total LEA Budget	35,576	37,742	37,262	(479)	-1.3%	
		Residual Budget						
20	54,391	Notional Asset Rentals	53,982	54,406	54,406	0	0.0%	
21	344	School Crossing Patrols	343	343	370	27	7.3%	
22	54,736	Total Residual Budget	54,325	54,749	54,776	27	0.0%	
23	310,393	NET DEPARTMENTAL EXPENDITURE	328,325	333,541	328,095	(5,446)	-1.7%	
		CONTRIBUTION TO/(FROM) RESERVES						
24	1,684	Contribution to/(from) LEA Reserves		(966)	417	1,383		
25	231	Contribution to (from) EBS Business Reserve		(231)	111	342		
26	1,357	Contribution to (from) School Del. Reserves			2,004	2,004		
27	20	Contribution to (from) School Loans Scheme			144	144		
28	1,086	Contribution to (from) School TSF Reserve		(1,086)	86	1,172		
29	1,834	Contribution to (from) LEA TSF Reserve		(1,834)	(1,433)	401		
30	316,605	NET REVENUE REQUIREMENT	328,325	329,424	329,424	0	0.0%	

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	EDUCATION DEPARTMENT					B.7
	£000	B.2	B.3	B.4	B.5	B.6	Notes
	2004/05 Outturn Exp/Inc	£000	£000	£000	£000	%	
		2005/06 Original Budget A	2005/06 Revised Budget B	2005/06 Outturn Exp/Inc C	Variation from Revised Budget C - B		
		EXPENDITURE					
1	254,965	Employees	234,433	239,295	249,746	10,451	4.4
2	17,547	Premises	17,214	17,214	19,500	2,286	13.3
3	13,051	Transport	13,409	13,409	12,606	(803)	-6.0
4	30,959	Supplies and Services	56,690	56,690	56,999	309	0.5
5	11,244	Third Party Payments	11,977	12,239	14,345	2,107	17.2
6	61	Transfer Payments	760	760	8	(752)	-98.9
7	15,140	Support Services	4,430	4,477	16,680	12,202	272.5
8	55,497	Notional Asset Rentals	54,758	55,182	55,182	0	0.0
9	1,046	Capital Financing Costs	1,260	880	1,937	1,057	120.1
10	399,511	TOTAL EXPENDITURE	394,931	400,147	427,003	26,856	6.7%
		INCOME					
11	(59,501)	Government Grants	(60,456)	(60,456)	(63,322)	(2,866)	4.7
12	(10,980)	Other Grants, Reimbursements and Contributions	(3,682)	(3,682)	(13,016)	(9,334)	253.5
13	(18,637)	Customer and Client Receipts	(2,468)	(2,468)	(22,571)	(20,103)	814.5
14	0	Internal Income	0	0	0	0	0.0
15	(89,118)	TOTAL INCOME	(66,606)	(66,606)	(98,909)	(32,303)	48.5%
16	310,393	NET DEPARTMENTAL EXPENDITURE	328,325	333,541	328,095	(5,446)	-1.6%

Annex C Revenue Outturn 2005/2006 - Budget Management Arrangements

Line Ref.	EDUCATION DEPARTMENT Service Description	Responsible Officer	C.1	C.2	C.3	C.4	C.5
			£000	£000	£000	£000	%
			2005/06 Original Budget A	2005/06 Revised Budget B	2005/06 Outturn Exp / Inc C	Variation from Revised Budget C-B	
			1	Schools Delegated	Governing Bodies / Headteachers	231,388	232,400
2	Schools Other	Governing Bodies / Headteachers	(20,760)	(26,585)	(27,902)	(1,316)	5%
3	Community & Services Division	Assistant CEO (Community)	15,983	15,597	14,901	(697)	-4%
4	Strategy Division	Assistant CEO (Strategy)	16,437	18,367	19,448	1,081	6%
5	Special Educational Needs	Assistant CEO (SEN)	25,799	21,030	20,737	(292)	-1%
6	School Effectiveness Service	Chief Inspector	2,862	2,916	2,822	(94)	-3%
7	Departmentally Managed - Finance	Financial Services Manager	51,034	64,494	63,834	(660)	-1%
8	Departmentally Managed - Directorate	County Education Officer	1,272	407	(517)	(924)	-227%
9	Departmentally Managed - EBS	Assistant CEO (EBS)	3,837	4,061	4,293	231	6%
10	Departmentally Managed - Strategy	Assistant CEO (Strategy)	474	854	83	(772)	-90%
11	TOTAL EXPENDITURE		328,325	333,541	328,095	(5,446)	-1.6%

Management and Support Budgets 2005/2006

Line Ref.	EDUCATION DEPARTMENT Service Description	Responsible Officer	C.6	C.7	C.8	C.9	C.10
			£	£	£	£	%
			2003/04 Original Budget A	2003/04 Revised Budget B	2003/04 Outturn Exp / Inc C	Variation from Revised Budget C-B	Variation from Revised Budget
			12	Directorate	County Education Officer	484	505
13	Central Department Charges	Financial Services Manager	4,708	4,708	4,708	0	0%
14	Education Business Services	Director of WES	1,541	1,772	1,431	(342)	-19%
15	Strategy Division	Strategic Information Manager	1,585	1,602	1,524	(78)	-5%
16	Departmental Wide Budgets	Assistant CEO (Strategy)	1,084	1,084	862	(222)	-20%
17	TOTAL		9,403	9,672	8,935	(738)	-7.6%

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	EDUCATION DEPARTMENT	D.2	D.3	D.4	Notes
	£	EBS BUSINESS UNIT		£000		
Line Ref.	2004/2005 Outturn	Annual Trading Account for the year ending 31/03/2006		2005/2006 Outturn		
		Income				
		Business Income				
1	(5,146)	Internal Customers	(5,797)			
2	(385)	External Customers	(366)			
3		Core Recharges				
4	(5,531)	Total Income		(6,162)		
		Expenditure				
5	4,657	Direct Costs	5,347			
		Overheads				
6	568	Central/Department Support	704			
7		Other Support Services				
8		Extraordinary Expenditure				
9	5,225	Total Expenditure		6,051		
10	(306)	(Surplus)/Deficit		(111)	Budget Target 0	
		Statement of Reserves as at 31/03/2006				
11	(36)	Balance brought forward from 2004/2005		(231)		
12	(306)	(Surplus)/ Deficit transferred to reserves	(111)			
13	112	Appropriations to Directorate reserves	213			
14	(231)	Balance carried forward to 2006/2007		(129)		

WARWICKSHIRE FIRE AND RESCUE SERVICE

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for the Fire and Rescue Service was £24,082,000 (including the planned use of balances). Since the original budget was approved there have been budget adjustments of £343,000. Therefore the 2005/2006 budget for the service is now £24,425,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net underspend for the year on items within the Service's control is £1,165,000. Details are shown below.

Table 1: Outturn spending 2005/2006		
	£000	£000
Original Budget - Gross		24,531
Original Budget - Net		24,082
Adjusted for:		
2004/05 C/F use of reserves	284	
Vehicles – Capital financing	(135)	
Leased fire appliances	100	
Notional Asset Rentals	101	
Buildings (Structural Maintenance)	(7)	
Total Adjustments		343
Revised Budget		24,425
Actual Net Spending	23,299	
Less: Planned contribution from the Fire Radio earmarked (capital) reserve	(39)	
Revised Net Spending		23,260
Over/(Under)spend (against revised budget)		(1,165)
Contribution to the Pensions Reserve		598
Adjusted Underspend (against revised budget)		(567)

- 2.2 Detailed analysis of final underspend is shown in Annexes A to C as follows:

- Annex A - shows the analysis by activities and outputs of the Service
 - Annex B - shows the analysis by Service inputs (e.g. staff costs)
 - Annex C - shows the analysis by cost centre manager
- Each annex also includes an explanation of significant variations.

- 2.3 The principal items which have led to the underspend are summarised in the table below.

Table 2: Major variations	£000
Integrated Risk Management Plan – Projects/Initiatives	(342)
Modernisation Projects/Initiatives – Funded from grants	(110)
Arson Reduction Grant – Warwickshire Car Clear	(60)
Other Minor Variations	(55)
Subtotal	(567)
Pensions	(598)
Total	(1,165)

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the Fire and Rescue Service was allocated £506,000 to fund specific projects. Spending on these projects in 2005/2006 was £94,000. Further details are given below.

Table 3: Specific budget allocations 2005/2006	Budget £000	Spending £000	Variation £000	Explanation
Incident Response Vehicle	30	30	0	This funding was provided to top up the pensions reserve. This underspend is included in the £598,000 pensions underspend identified in tables 1 & 2 above.
Fire Service Pensions	412	0	(412)	
Fire Service WMRMB	50	50	0	
National Procurement – Firefighters protective clothing	14	14	0	
Total	506	94	(412)	

4 Spending on 2005/2006 Virtual Bank Loans

- 4.1 In February 2002 members agreed to the setting up of the virtual bank. No loans were made to the Fire and Rescue Service during the year.
- 4.2 In addition the Fire and Rescue Service repaid £44,000 to the virtual bank in 2005/2006 in respect of loans previously advanced.

5 Reserves

5.1 The service began the year with accumulated overdrawn reserves of £44,000. As a result of the underspend and reserve movements in the year the reserves position at 31 March 2006 is £711,000 in-hand. The Director is proposing to use Service Reserves of £567,000 to support various modernisation and community safety initiatives to which it is already committed to in 2006/2007. The Pension Reserve (£144,000) will be used to fund ill health retirements if any are agreed in 2006/2007 or future years.

5.2 The Service's overall reserves position can therefore be summarised as follows:

Table 4: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service reserves	410	(410)	567	567
Pensions reserves	(454)	0	598	144
Total	(44)	(410)	1,165	711

5.3 As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Directorates as follows:-

Table 5: Reserves	Fire & Rescue Service Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Community Protection Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service reserves	567	567	567
Pensions reserves	144	144	144
Total	711	711	711

5.4 The above transfer relates to the transfer of the Fire and Rescue Service to the Community Protection Directorate.

5.5 Members are asked to approve the use of £567,000 reserves to support the Community Protection Directorate's 2006/2007 budget.

6 Comparison with the 2005/2006 Provisional Outturn

6.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an underspend of £592,000. The actual underspend of £1,165,000 therefore represents a £573,000 change in the service's position.

Table 6: Comparison between provisional and final outturn		
	Provisional Outturn as reported on 2nd February 2006	2005/2006 Final Outturn
	£000	£000
Integrated Risk Management Plan	0	(342)
Grant funded Modernisation Projects/Initiatives	0	(110)
Warwickshire Car Clear Grant	(60)	(60)
Other Minor Variations	0	(55)
Pensions	(532)	(598)
Total (See note 6.2 below)	(592)	(1,165)

6.2 Explanations of final outturn variances are as follows:

- Integrated Risk Management Plan – Various projects and initiatives were funded during 2005/2006 but only partially completed during 2005/06. This committed expenditure will be carried forward into 2006/2007 to complete the projects. The Service has reviewed the allocation of this funding to ensure that Cost Centre Manager's are able to forecast expenditure more accurately, and have the capacity to deliver the schemes within the relevant year.
- Grant Funded Modernisation Projects/Initiatives - During 2005/2006 the service was successful in securing grant funding for various modernisation projects/initiatives. Much of this funding was received towards the end of the financial year and therefore not included within the provisional outturn. This money has been ring fenced and will be carried forward into 2006/2007 to complete the relevant schemes.
- Warwickshire Car Clear – During 2004/2005 the Service successfully bid for £124,000 to combat the effects of arson on communities. £60,000 of this income is still unspent. This money has been ring fenced and will be carried forward into 2006/2007 to complete the relevant schemes.

- Other Minor Variations – this small underspend will be used to support some of the shortfall in funding of the Services 2006/2007 budget.
- Pensions – This movement in variance since provisional outturn is predominantly due to a firefighter who chose to take an enhanced pension instead of a lump sum payment that was originally anticipated. The underspend will be transferred to the Pensions Reserve to put the reserve back into a credit balance.

William Brown

Strategic Director of Community Protection / County Fire Officer
Fire and Rescue Headquarters
Leamington Spa

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1 £000 2004/2005 Outturn Exp/Inc	DEPARTMENT OF FIRE AND RESCUE					A.6 %	A.7 Notes
		A.2 £000 2005/2006 Original Budget A	A.3 £000 2005/2006 Revised Budget B	A.4 £000 2005/2006 Outturn Exp/Inc C	A.5 £000 Variation from Revised Budget C-B			
1		Fire and Rescue Service						
2	14,196	15,018	15,477	15,073	(404)	(3)	1	
3	3,738	4,014	4,013	3,415	(598)	(15)	2	
4	713	1,180	765	717	(48)	(6)	3	
5	113	198	135	119	(16)	(12)	4	
6	1,390	1,383	1,645	1,585	(60)	(4)	5	
7	2,280	2,289	2,390	2,390	0	0		
8	22,430	24,082	24,425	23,299	(1,126)	(5)		
9								
		Unidentified Efficiency Savings						
10								
		Client Service to Other Departments						
11								
		Service Strategy and Regulation						
12								
		Unapportionable Pension Costs						
13	22,430	24,082	24,425	23,299	(1,126)	(5)		
		NET DEPARTMENTAL EXPENDITURE						
		CONTRIBUTION TO / (FROM) RESERVES						
14	410	(126)	(410)	157	567			
15	0	0	0	0	0			
16	(240)	0	0	598	598			
17	0	0	0	0	0			
18	94	44	44	44	0			
19	(101)	0	0	(39)	(39)			
20	22,593	24,000	24,059	24,059	0			
		NET REVENUE REQUIREMENT (Outturn Prices)						

Notes

£000s

1	Fire Stations	(404)
	Training - Specific Modernisation Initiatives (IRMP)	(116)
	Training - Fire Services College	(26)
	Premises	63
	Specific Modernisation Initiatives (IRMP)	(191)
	Maintenance of Equipment	(26)
	Arson Reduction - Warwickshire Car Clear	(60)
	New Dimensions Resilience Grant	(53)
	Other Minor Variations	5
2	Pensions	(598)

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	DEPARTMENT OF FIRE AND RESCUE	B.2	B.3	B.4	B.5	B.6	B.7
	£000 2004/2005 Outturn Exp/Inc		£000 2005/2006 Original Budget A	£000 2005/2006 Revised Budget B	£000 2005/2006 Outturn Exp/Inc C	£000 Variation from Revised Budget C-B	%	Notes
		EXPENDITURE						
1	12,867	Employees	13,308	13,482	13,340	(142)	(1)	1
2	3,738	Pension Costs	4,014	4,989	4,727	(262)	(5)	2
3	712	Premises	698	715	778	63	9	3
4	1,400	Transport	1,409	1,365	1,357	(8)	(1)	
5	1,604	Supplies and Services	2,048	2,256	1,838	(418)	(19)	4
6	0	Third Party Payments	0	0		0	0	
7	0	Transfer Payments	0	0		0	0	
8	640	Support Services	746	773	803	30	4	5
9	2,280	Notional Asset Rentals	2,289	2,390	2,390	0	0	
10	132	Capital Financing Costs	19	27	66	39	144	6
11	23,373	TOTAL EXPENDITURE	24,531	25,997	25,299	(698)	(3)	
		INCOME						
12	(356)	Government Grants	0	(102)	(155)	(53)	0	7
13	(257)	Other Grants, Reimbursements and Contributions	0	(1,084)	(1,435)	(351)	32	8
14	(330)	Customer and Client Receipts	(449)	(324)	(348)	(24)	7	9
15	0	Interest	0			0	0	
16	0	Internal Income	0	(62)	(62)	0	0	
17	(943)	TOTAL INCOME	(449)	(1,572)	(2,000)	(428)	27	
18	22,430	NET DEPARTMENTAL EXPENDITURE	24,082	24,425	23,299	(1,126)	(5)	

Notes

	£000s
1 Employees	(142)
Training - Specific Modernisation Initiatives (IRMP)	(116)
Training - Fire Services College	(26)
2 Pensions	(262)
Retirement Lump Sums	(262)
2 Premises	63
Energy Costs	30
Water Services	15
Cleaning	7
Repairs & Maintenance	8
Other Minor Variations	3
4 Supplies & Services	(418)
Specific Modernisation Initiatives (IRMP)	(191)
Maintenance of Equipment	(42)
Arson Reduction - Warwickshire Car Clear	(60)
Press & PR	(24)
IT & Communications	(76)
BT Rentals	(14)
Other Minor Variations	(11)
5 Support	30
Central Support Services	30
6 Capital Financing Costs	39
Radio Project expenditure - Planned contribution from capital fund	39
7 Specific Government Grants	(53)
New Dimensions Resilience Grant	(53)
8 Other Grants, Reimbursements & Contributions	(351)
Pensions Contributions - Transfers into the Service	(336)
Secondment Reimbursements	(9)
Other Minor Variations	(6)
9 Customer & Client Receipts	(24)
Training	(24)

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

DEPARTMENT OF FIRE AND RESCUE			C.1	C.2	C.3	C.4	C.5	C.6
Line Ref.	Service Description	Responsible Officer	£000	£000	£000	£000	%	Notes
			2005/2006	2005/2006	2005/2006	Variation from		
			Original Budget	Revised Budget	Outturn Exp/Inc	Revised Budget		
			A	B	C	C-B		
Service Budgets								
(including a full apportionment of management and support charges)								
1	Fire Stations	Deputy County Fire Officer	15,018	15,477	15,073	(404)	(3)	1
2	Pension Costs	Deputy County Fire Officer	4,014	4,013	3,415	(598)	(15)	2
3	Fire Safety	Divisional Officer, Fire Safety	1,180	765	717	(48)	(6)	3
4	Water	Water Officer	198	135	119	(16)	(12)	4
5	Communications and Fire Control	Communications Manager	1,383	1,645	1,585	(60)	(4)	5
6	Notional Asset Rentals	Financial Services Manager	2,289	2,390	2,390	0	0	
7	TOTAL SERVICE BUDGETS		24,082	24,425	23,299	(1,126)	(5)	
Management and Support Budgets								
(whose apportioned cost are included in the above)								
8	Policy & Planning	Policy & Planning Officer	1,097	1,209	1,168	(41)	(3)	
9	Training	Group Manager - Training & Development	987	1,078	1,072	(6)	(1)	
10	Transport	Group Manager - Technical Support	1,185	1,153	1,107	(46)	(4)	
11	Technical Support	Group Manager - Technical Support	793	797	812	15	2	
12	Operational Support	Group Manager - Risk Reduction	808	503	432	(71)	(14)	
13	Financial Services	Financial Services Manager	177	153	165	12	8	
14	Human Resources	Human Resources Manager	346	334	317	(17)	(5)	
16	Information Services	Assistant County Officer	567	629	632	3	0	
17	Health and Safety	Group Manager - Technical Support	64	63	66	3	5	
18	Performance Information	Policy & Planning Officer	66	116	76	(40)	(34)	
19	TOTAL MANAGEMENT AND SUPPORT BUDGETS		6,090	6,035	5,847	(188)	(3)	

Notes

£000s

1	Fire Stations	(404)
	Training - Specific Modernisation Initiatives (IRMP)	(116)
	Training - Fire Services College	(26)
	Premises	63
	Specific Modernisation Initiatives (IRMP)	(191)
	Maintenance of Equipment	(26)
	Arson Reduction - Warwickshire Car Clear	(60)
	New Dimensions Resilience Grant	(53)
	Other Minor Variations	5
2	Pensions	(598)
	Retirement - Lump Sums	(262)
	Pensions Contributions - Transfers into the Service	(336)
3	Fire Safety	(48)
	Staff Vacancy	(34)
	Equipment	(7)
	Other Minor Variations	(7)
4	Water	(16)
	Maintenance of Equipment	(16)
5	Communications & Fire Control	(60)
	Fire Control - Overtime to cover absence	30
	IT & Communications - Replacement Multiplexers	(76)
	BT Rentals	(14)

Libraries, Heritage & Trading Standards

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for the Department of Libraries, Heritage & Trading Standards was £15,645,000 (including the planned use of balances). Since the original budget was approved there have been budget adjustments of £823,000. Therefore the 2005/2006 budget for the service is now £16,468,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net overspend for the year on items within the Department's control is £299,000. Details are shown below.

Table 1: Outturn spending 2005/2006		£000	£000
Original Budget - Gross			17,137
Original Budget - Net			15,645
Adjusted for:			
Bookstart Project		10	
2004/5 Reserves Reversal		560	
2004/5 Overspend		(108)	
Capital Financing		(3)	
Notional Assets		(3)	
Modernisation Agenda		448	
Building Maintenance		(81)	
Total Adjustments			823
Revised Budget			16,468
Actual Net Spending			16,945
Overspend (against revised budget)			477
Trust Fund – Net contribution (a)			6
Customer Service Centre – overspend (b)			(184)
Net Departmental Overspend			299

- a) The Museum and County Record Office Trust Funds received net contributions of £6,269.

- b) A net overspend of £184,458 by the Customer Services Centre is expected to be corporately funded.

2.2 Detailed analysis of final overspend is shown in Annexes A to C as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager

2.3 The principal items which have led to the overspend are summarised in the table below.

Table 2: Major variations	£000
<p>Department</p> <p>Procurement Target</p> <p>The balance of £116,000 is a residual sum following the introduction of the procurement target in 2003/2004. There is a medium term plan in place to recover this amount.</p> <p>I.T. Overspend</p> <p>The overspend relates to 2003/2004 and 2004/2005. The figure has been reduced during 2005/2006 from £294,000 to £266,000 through service contributions. Members supported a revenue contribution to the Department to redress the permanency issues in 2005/2006.</p> <p>As with procurement, a medium term plan has now been introduced to recover the residual balance.</p>	<p>116</p> <p>266</p>
<p>Management Services</p> <p>Core</p> <p>Planned savings (vacant posts) were deliberately made in order to assist in meeting expected front line service shortfalls in 2006/2007 and assistance in the funding of an HR post.</p> <p>Devolved Maintenance</p> <p>Essential maintenance demands have increased with the age of our buildings, vandalism and general wear and tear by public use.</p>	<p>(41)</p> <p>11</p>
<p>Cultural Services</p> <p>County Records Office</p> <p>An underspend occurred through staff turnover and the delay with work relating to an on-line catalogue facility. During 2006/2007 both recruitment and the on-line catalogue project will be completed.</p> <p>Arts Service</p> <p>The 2005/06 "Artsweek" project is being continued in 2006/2007.</p>	<p>(25)</p> <p>(5)</p>

Library & Information Service	
Divisional Libraries An under achievement of income across the Divisions in areas such as video lending, DVD and CD hire together with additional costs relating to gas, electricity and equipment has resulted in an overspend.	72
Schools Library Service External factors have caused delays in completing the acquisition and implementation of a new library management system. This will be achieved in 2006/2007.	(11)
Mobile Library Service Due to the significant age of our vehicle stock increased charges have been experienced. This will continue in 2006/2007 whilst the new vehicles are being procured.	5
Trading Standards Last years underspend was largely due to the Service not operating with a full establishment of staff. The resulting effect of this was that savings were made on staff salaries, travel and training.	(89)
Total Overspend	299

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the Department of Libraries, Heritage & Trading Standards was allocated £88,000 to fund specific projects. Spending on these projects in 2005/2006 was £88,000. Further details are given below.

Table 3: Specific budget allocations 2005/2006	Budget £000	Spending £000	Variation £000	Explanation
Trading Standards – Food for health, protecting children and young people and combating doorstep crime.	80	80	-	See notes below.
Loss of Grant	8	8	-	See notes below.
Total	88	88	-	

3.2 £80,000 Explanation

Talking Shop

Launch of Virtual High Street, the computer interactive tool delivering consumer education to children and young people on consumer education and consumer rights. The "talking shop" initiative is set up to deliver a programme of events to any number of schools simultaneously.

Food for Health

A campaign aimed at young children where "Cyril the Seal" educates and informs children on healthy eating options was delivered.

Sustaining Regional Coordination

CEnTSA (Central England Trading Standards Authorities) was launched. The group coordinates activities for the region on consumer and business issues. A number of working groups and training courses for enforcement, Trading Standards Officers and management were delivered that reinforced and educated all members.

Protecting Children & Young Children

A campaign aimed protecting young children from the consumption of alcohol by prosecuting those premises that unlawfully sold it. A trainee post was converted into a Trading Standards Officer post to support this.

Combating Doorstep crime

Operation Rogue Trader was run as part of the national Operation Liberal aimed at combating doorstep crime.

3.3 £8,000 Explanation

This amount was allocated to replace loss of grant in relation to the Crossing the Boundaries initiative.

4 Reserves

4.1 The Department of Libraries, Heritage & Trading Standards began the year with accumulated reserves of £172,000 (including trust fund balances of £280,000) As a result of the overspend and reserve movements in the year the reserves position at 31 March 2006 is £13,000 overdrawn. However after excluding the Trust Funds (see Table 4) and Customer Service Centre Overspend (see table 1) the reserves are £299,000 overdrawn.

4.2 The Department's overall reserves position can therefore be summarised as follows:

Table 4: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service reserves	(108)	108	(299)	(299)
Museums Trust Funds	260	0	4	264
County Record Office Trust Funds	20	0	2	22
Total	172	108	(293)	(13)
Available Revenue Reserves	(108)	108	(299)	(299)

- 4.3 As a result of the Council's restructuring all of the above balance of reserves as at 31st March 2006 have been allocated to the new Adult, Health and Community Services Directorate. Members are asked to note the reduction in the 2006/2007 revenue budget for the Adult, Health & Community Services Directorate of £299,000 to ensure that the services reserves are not overdrawn.
- 4.4 Members are asked to approve the funding of the overspend of £184,000 on the Customer Service Centre in 2005/2006 from General Reserves.

5 Comparison with the 2005/2006 Provisional Outturn

- 5.1 The Department of Libraries, Heritage & Trading Standards last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the Department was predicting an overspend of £417,000. The actual overspend of £299,000 therefore represents a £118,000 change in the service's position.

Table 5: Comparison between provisional and final outturn		
	Provisional Outturn as reported on 2nd February 2006 £000	2005/2006 Final Outturn £000
IT Overspend	294	266
Procurement	123	116
Library Service	64	72
Trading Standards	(30)	(89)
Other	(34)	(66)
Total	417	299

- Library Service – Southern Division overspend on salaries and under achievement of income.
- Trading Standards – Vacant post unfilled.
- Other – A number of various underspends throughout the department.

- 5.2 The reduced overspend on the Customer Service Centre since the quarter 3 projection was partly due to a delay in occupying new premises in Bedworth. Also management action was taken to delay the transfer of some functions into the centre to further reduce the overspend of the service.

GRAEME BETTS
Strategic Director, Adult, Health & Community Services
Shire Hall
Warwick

2 June 2006

Annex A: Revenue Outturn 2005/2006 - Service Analy

Line Ref.	A.1	DEPARTMENT OF LIBRARIES HERITAGE AND TRADING STANDARDS	A.2	A.3	A.4	A.5	A.6	A.7
	£000		£000	£000	£000	£000	%	Notes
	2004/2005		2005/2006	2005/2006	2005/2006	Variation from		
	Outturn		Original	Revised	Outturn	Revised Budget		
	Exp/Inc		Budget	Budget	Exp/Inc			
		LIBRARIES AND INFORMATION SERVICE						
		Libraries						
1	4,032	H. Q. (Includes Mobile Libraries)	4,694	4,770	4,771	1	0	
2	734	Northern Area	874	785	794	9	1	
3	1,027	Nuneaton and Bedworth	1,213	1,136	1,159	23	2	
4	924	Eastern Area	1,108	956	985	29	3	
5	999	Southern Area	1,170	1,208	1,218	10	1	
6	1,565	Central Area	1,867	1,727	1,733	6	0	
7	43	Schools Library Service	47	51	40	(11)	(22)	
8	9,324		10,973	10,633	10,700	67	1	
		HERITAGE AND CULTURE						
		County Museum						
9	1,089	H. Q.	1,251	1,263	1,261	(2)	(0)	
10	35	Archaeology	40	185	185	0	0	
11	605	County Record Office	692	857	829	(28)	(3)	
12	156	Arts	170	175	170	(5)	(3)	
13	216	Programme Development	185	192	191	(1)	(1)	
14	2,101		2,338	2,672	2,636	(36)	(7)	
		TRADING STANDARDS						
15	505	Consumer Protection	667	666	646	(20)	(3)	
16	79	Support Services	0	(6)	(23)	(17)	283	
17	219	Education, Development & Information	293	611	592	(19)	(3)	
18	25	Programme Development	35	33	23	(10)	(30)	
19	28	CEnTSA	48	28	28	0	0	
20	434	Business Services	512	259	256	(3)	(1)	
21	696	Compliance	768	797	777	(20)	(3)	
22	0	Foot and Mouth	0	0	0	0	0	
23	1,986		2,323	2,388	2,299	(89)	(4)	
		DIRECTORATE						
24	887	Core	0	500	619	119	24	
25	3	Record Management Project	0	6	2	(4)	(67)	
		MANAGEMENT SERVICES						
26	780	Departmental Services	0	186	422	236	127	
27	780		0	186	422	236	127	
		OTHER SERVICES						
28	0	Customer Service Centre/Switchboard	11	83	267	184	222	2
29	15,081	NET DEPARTMENTAL EXPENDITURE	15,645	16,468	16,945	477	3	
		CONTRIBUTION TO / (FROM) RESERVES						
30	37	Contribution to/(from) Service Savings	560	(108)	(407)	(299)		1/2/3
31		Contribution to/(from) Earmarked Reserves			6	6		2
32		Contribution to/(from) General Reserves			(184)	(184)		2
33		Contribution to/(from) PIF						
34	15,118	NET REVENUE REQUIREMENT (Outturn Prices)	16,205	16,360	16,360	0	0	

NOTE :-

- 1 The above figures include £6K due to the net contribution from the Museum and County Record Office Trust Funds.
- 2 £184K - the above overspend related to the Customer Service Centre and it is expected this will be funded corporately.
- 3 Taking the above adjustments into account the departmental overspend figure is £299K.

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	DEPARTMENT OF LIBRARIES HERITAGE AND TRADING STANDARDS		B.2	B.3	B.4	B.5	B.6	B.7
	£000			£000	£000	£000	£000	%	
	2004/2005			2005/2006	2005/2006	2005/2006	Variation from		Notes
	Outturn			Original	Revised	Outturn	Revised Budget		
	Exp/Inc			Budget	Budget	Exp/Inc			
		EXPENDITURE							
1	9,951	Employees		8,656	10,717	10,630	(87)	(1)	1
2	1,279	Premises		1,381	1,424	1,493	69	5	2
3	309	Transport		280	315	324	9	3	
4	3,485	Supplies and Services		2,796	2,057	2,539	482	23	3
5	1,093	Third Party Payments		22	1,361	1,380	19	1	4
6	1,694	Support Services		2,100	2,121	2,112	(9)	(0)	
7	2,285	Notional Asset Rentals		2,242	2,239	2,239	0	0	
8	221	Capital Financing Costs		109	127	122	(5)	(4)	
9	20,317	TOTAL EXPENDITURE		17,586	20,361	20,839	478	2	
		INCOME							
10	(431)	Other Grants, Reimbursements and Contributions		(213)	(433)	(430)	3	(1)	
11	(4,516)	Customer and Client Receipts		(1,279)	(3,184)	(3,188)	(4)	0	
12	(289)	Internal Income		(449)	(276)	(276)	0	0	
13	(5,236)	TOTAL INCOME		(1,941)	(3,893)	(3,894)	(1)	0	
14	15,081	NET DEPARTMENTAL EXPENDITURE		15,645	16,468	16,945	477	3	

**The significant variances are (£10,000+) :-
Expenditure**

- 1 The Department has incurred a large underspend due to staff vacancies within the Trading Standards Department.
- 2 An overspend has occurred due to an increase in cleaning, grounds maintenance and energy costs.

- The vast majority of this overspend relates to I.T. and the Procurement Target. The amount includes a major sum rolled forward from 2003/04 & 2004/05. The planned funding is through a 3 year contribution programme from the Directorate Services. An additional overspend has also occurred within the Customer Service Centre/Switchboard (£184K).
- 3
 - 4 Various small overspends relating to projects across the Department

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

Line Ref.	DEPARTMENT OF LIBRARIES HERITAGE AND TRADING STANDARDS Service Description Responsible Officer		C.1	C.2	C.3	C.4	C.5	C.6
			£000	£000	£000	£000	%	
			2005/2006	2005/2006	2005/2006	Variation from		Notes
			Original Budget	Revised Budget	Outturn Exp/Inc	Revised Budget		
	Service Budgets							
	(including a full apportionment of management and support charges)							
1	Libraries: H.Q.	Head of Library and Information Service	3,659	3,680	3,680	0	0	
2	Nuneaton and Bedworth	Area Manager	1,213	1,136	1,159	23	2	1
3	Northern	Area Manager	874	785	794	9	1	
4	Eastern	Area Manager	1,108	956	985	29	3	2
5	Southern	Area Manager	1,170	1,208	1,218	10	1	
6	Central	Area Manager	1,867	1,727	1,733	6	0	
7	Library Stock Services	Principal Librarian	259	298	302	4	1	
8	Centrally Held Stock Fund	Principal Librarian	776	776	775	(1)	(0)	
9	Schools Library Service	Manager - Schools Library Service	47	51	40	(11)	(22)	3
10	Customer Service Centre/Switchboard	Head of Library and Information Service	11	83	267	184	222	4
11	Peoples Network	Head of Library and Information Service	0	16	14	(2)	(13)	
12	Museum General	Head of Museum Service	1,251	1,263	1,261	(2)	(0)	
13	Museum Archaeology	Field Archaeologist	40	185	185	0	0	
14	Directorate	Director	0	500	619	119	24	5
15	Record Management	Director	0	6	2	(4)	(67)	
16	Departmentally Held Funds	Head of Resources and Performance	0	186	422	236	127	6
17	Programme Development	Programme Development Officer	355	404	398	(6)	(1)	
18	Head of Heritage & Cultural Services	Head of Heritage & Cultural Services	0	(37)	(37)	0	0	
19	County Records Office	Head of Archives	692	857	829	(28)	(3)	7
20	Consumer Protection	Divisional Trading Standards Officer	667	666	646	(20)	(3)	8
21	Management & Services Support	Assistant Head of Trading Standards	0	(6)	(24)	(18)	300	9
22	Education, Development & Information	Divisional Trading Standards Officer	293	611	592	(19)	(3)	10
23	Programme Development	Head of Trading Standards	35	33	24	(9)	0	
24	CEnTSA	Regional Coordinator	48	28	28	0	0	
25	Business Services	Divisional Trading Standards Officer	512	259	256	(3)	(1)	
26	Compliance	Divisional Trading Standards Officer	768	797	777	(20)	(3)	11
27	Foot and Mouth	Divisional Trading Standards Officer	0	0	0	0	0	
28	TOTAL SERVICE BUDGETS		15,645	16,468	16,945	477	3	
	Management and Support Budgets							
	(whose apportioned cost are included in the above)							
27	Management Services - Libraries and Heritage		3,183	3,186	3,422	236	7	
28	Management Services - Trading Standards		901	357	339	(18)	(5)	
29	TOTAL MANAGEMENT AND SUPPORT BUDGETS		4,084	3,543	3,761	218	6	12

The significant variances (£10,000+) :-

- 1 An under achievement of Income has lead to an overspend.
- 2 An under achievement of Income together with an overspend in property related costs has resulted in an overspend.
- 3 Income targets were over achieved. This will be used in 2006/2007 to purchase a new Schools Library Service Management software system.
- 4 Additional salary costs have lead to an overspend.
- 5 The majority of this overspend relates to the Procurement target which will be funded over a 3 year period.
- 6 The majority of this overspend relates to the I.T. overspend which will be funded over a 3 year period.
- 7 Delays in work relating to an on-line catalogue have occurred.This will now take place in 2006/2007.
- 8 Savings have been made due to staff vacancies.
- 9 Savings have been made due to staff vacancies.
- 10 Savings have been made due to staff vacancies.
- 11 Savings have been made due to staff vacancies.
- 12 The total budgets include the following:
 - i) Management Services Core
 - ii) Departmentally Held Funds
 - iii) External Charges

The variances being explained where appropriate in the above notes

PLANNING TRANSPORT AND ECONOMIC STRATEGY

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for Planning, Transport and Economic Strategy was £51,961,000 (including the planned use of balances). Since the original budget was approved we have reduced our need for funding from the virtual bank so that £705,000 has been recalled and there have been budget adjustments of £74,000. Therefore the 2005/2006 budget for the service is now £51,330,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net overspend for the year on items within the Service's control is £174,000.

Table 1: Outturn spending 2005/2006	£000	£000
Original Budget – Gross		63,382
Original Budget - Net		51,961
Recall of Virtual Bank Advance		(705)
Adjusted for:		
Carry forward from 2004/2005	(530)	
Notional asset rentals	(1,127)	
Virtual Bank fund for Decriminalisation	1,040	
PSA reward for Waste Management	493	
London 2012 Games	50	
Street advertising	100	
Modernisation costs	141	
Vehicle capital financing	(112)	
Other adjustments	19	
Total Adjustments		74
Revised Budget		51,330
Actual Net Spending		51,504
Overspend (against revised budget)		174

- 2.2 Detailed analysis of final overspend is shown in Annexes A to D as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager

- Annex D - shows the analysis of Business Unit Trading accounts and reserves.

Each annex also includes an explanation of significant variations.

- 2.3 The principal items which have led to the overspend are summarised in the table below.

Table 2: Major variations	£000
Development Group – Reduced section 38 income.	143
Waste Management – lower than expected waste.	(201)
RASWA – additional income from utility works in the highways.	(162)
Economic Development including EPIC – Cost of the new centre prior to the income stream coming on line.	210
Traffic Projects – Mainly additional recharges to capital and other sources of income.	(193)
Bishopton Park and Ride – The operational costs of the new service were higher than predicted and the initial patronage is lower than the business case prediction.	174
County Roads Maintenance – Routine roads maintenance costs have been slightly higher than expected.	259
County Fleet – the surplus was less than expected mainly due to a high amount of unbilled work at the end of March which for technical accounting and administrative reasons could not be charged until the first month of the new year.	111
Other	(11)
Speed Workshop Income	(156)
Total	174

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the Planning Transport and Economic Strategy Department was allocated £690,000 to fund specific projects. Spending on these projects in 2005/2006 was £710,000. Further details are given below.

Table 3: Specific budget allocations 2005/2006	Budget £000	Spending £000	Variation £000	Explanation
Bus Service	660	660	0	Used to sustain the existing Public Transport Network Search fee income reduced more than expected
Loss of Search fee income	30	50	20	
Total	690	710	20	

4 Spending on 2005/2006 Virtual Bank Loans

- 4.1 In February 2002 members agreed to the setting up of the virtual bank. During the year the Decriminalisation Project was loaned a net £1,040,000 to fund the setting up of special parking areas across the County. We have recalled £705,000 of this loan giving a net budget of £335,000. The £705,000 will be available to draw down in future years. Spending on these projects in 2005/2006 was £335,000. Further details are given below.

Table 4: Virtual Bank Loans 2005/2006	Budget £000	Spending £000	Variation £000	Explanation
Decriminalisation of Parking	335	335	0	
Total	335	335	0	

- 4.2 The repayment of this loan will commence in 2006/2007.

5 Reserves

- 5.1 The service began the year with net overdrawn reserves of £419,000 (including business unit reserves). As a result of the overspend and reserve movements in the year the reserves position at 31 March 2006 is £63,000 overdrawn. The additional £156,000 from Speed Workshops income is to be held in a separate reserve and the £330,000 deficit on Service and Business unit reserves will be funded as first call on the 2006/2007 budget.
- 5.2 The service also operates 2 business units in relation to Vehicle Repair and Maintenance (CFM) and Civil Engineering (Design Services). Business units began the year with accumulated reserves of £114,000 this included a WARCO overdrawn reserve of £49,000 which ceased operations in May 2004. This was transferred to the Departments service reserves .Trading during the year resulted in an overall surplus of £59,000. Business unit reserves therefore stood at £59,000 at the year-end.

Table 5:	Business	Approved	Surplus/	Business
-----------------	-----------------	-----------------	-----------------	-----------------

Business Unit Reserves	Unit Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	use in 2005/2006	(Deficit) in 2005/2006 £000	Unit Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
County Fleet Maintenance	63	(63)	(22)	(22)
WARCO	(49)	49	0	0
Design Services	100	(100)	81	81
Total	114	(114)	59	59

5.3 The Service's overall reserves position can therefore be summarised as follows:

Table 6: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service reserves	(644)	644	(389)	(389)
Business Unit Reserves	114	(114)	59	59
Speed Workshops	86	0	156	242
Other	25	0	0	25
Total	(419)	530	(174)	(63)

5.4 Members are asked to note a contribution of £330,000 from the service's 2006/2007 revenue budget to ensure the service's reserves are not overdrawn.

6 Comparison with the 2005/2006 Provisional Outturn

6.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an overspend of £470,000. The actual overspend of £174,000 therefore represents a £296,000 improvement in the service's position.

Table 7: Comparison between provisional and final outturn		
	Provisional	2005/2006 Final

	Outturn as reported on 2nd February 2006 £000	Outturn £000
Waste Management	78	(201)
Strategic Services	0	155
Regeneration & Economic Dev. including EPIC	196	114
Performance Management	(215)	(213)
Strategic Business Project	164	164
Community Services	20	36
Transport Planning	(15)	(334)
Decriminalisation	(145)	(70)
Warwickshire Engineering	60	306
Other Variations	185	199
Bishopton Park and Ride	142	174
Decrim – Virtual Bank	0	0
Speed Workshops	0	(156)
Total	470	174

6.2 The main variations from the Provisional Outturn are as follows:

Waste Management – Lower than expected levels of waste in the last few months of the year.

Strategic Services – This reflects lower than expected receipts from developers on Section 38 Road adoption income.

Regeneration and Economic Development – Staff vacancies and reduced project expenditure.

Transport Planning – Increased charges to Capital and the decriminalisation projects and staff vacancies.

Warwickshire Engineering – Reduced income from our Depots plus slightly higher costs than expected on routine maintenance of the highways .

Speed Workshops – The additional income received is held in a ring fenced earmarked reserve for use on Road Safety Projects in future years.

John Deegan

Strategic Director for Environment & Economy
May 2006

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1	DEPARTMENT OF PLANNING	A.2	A.3	A.4	A.5	A.6	A.7
	£000 2004/2005 Outturn Exp/Inc	TRANSPORT AND ECONOMIC STRATEGY	£000 2005/2006 Original Budget	£000 2005/2006 Revised Budget	£000 2005/2006 Outturn Exp/Inc	£000 Variation from Revised Budget	%	Notes
1		County Highways						
2	102	Structural Maintenance	663	165	0	(165)	100%	1
3	5,313	Routine Maintenance	4,093	3,748	4,621	873	23%	2
4	1,087	Winter Maintenance	1,412	1,455	1,459	4	0%	
5	443	Agent Authorities	371	371	370	(1)	(0%)	
6	772	Public Liability Insurance	685	742	744	2	0%	
7	0	Surface Dressing	1,233	0	0	0	0%	2
8	2,181	Street Lighting	2,169	2,933	2,615	(318)	(11%)	3
9	2,905	County Highways Admin and Technical	3,542	3,178	2,764	(414)	(13%)	4
10	233	Management and Support	377	233	233	0	0%	
11	13,036		14,545	12,825	12,806	(19)	0%	
		Strategic Services						
12	630	Strategy Unit	793	632	688	56	9%	5
13	620	Development Group	805	664	806	142	21%	6
14	496	Sustainability	554	541	500	(41)	(8%)	7
15	9,680	Waste Management	11,528	11,299	11,098	(201)	(2%)	8
16	11,426		13,680	13,136	13,092	(44)	0%	
		Transport Planning						
17	515	Traffic signs and signals	549	525	519	(6)	(1%)	
18	338	Traffic group	549	450	290	(160)	(36%)	9
19	429	Road safety	704	570	369	(201)	(35%)	10
20	0	School crossing patrols	0	0	0	0	0%	
21	0	Casualty reduction Partnership	0	0	0	0	0%	
22	94	Decriminalisation	300	(67)	(70)	(3)	4%	
23	0	Virtual Bank	0	335	335	0	0%	
24	1,331	HTI and Transport Planning	1,498	1,391	1,407	16	1%	
25	2,707		3,600	3,204	2,850	(354)	(11%)	
		Social & Community Planning						
26	(53)	Fleet Management	63	29	29	0	0%	
27	1,580	Transport Operations	2,520	2,233	2,101	(132)	(6%)	
28	1,205	Countryside Services	1,388	1,214	1,249	35	3%	
29	466	Environmental Design	533	406	425	19	5%	
30	3,198		4,504	3,882	3,804	(78)	-2%	

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1	DEPARTMENT OF PLANNING					A.2	A.3	A.4	A.5	A.6	A.7
	£000 2004/2005 Outturn Exp/Inc	TRANSPORT AND ECONOMIC STRATEGY	£000 2005/2006 Original Budget	£000 2005/2006 Revised Budget	£000 2005/2006 Outturn Exp/Inc	£000 Variation from Revised Budget	%	Notes				
31	648	Performance Management	819	643	602	(41)	-6%					
		Regeneration & Management										
32	1,386	Economic Development	1,455	1,227	1,436	209	17%	11				
33	909	Regeneration Projects	973	886	840	(46)	(5%)					
34	245	Strategic Management	274	131	162	31	24%	12				
35	861	Regeneration Policy and Europe	871	721	778	57	8%	13				
36	3,401		3,573	2,965	3,216	251	8%					
		Business Units										
37	149	WARCO	0	0		0	0%					
38	(63)	CFM	(60)	(89)	22	111	(125%)	14				
39	(100)	Design Services	56	(79)	(81)	(2)	3%					
40	(14)		(4)	(168)	(59)	109	(65%)					
41	0	Additional savings/funding	(3,542)	0	0	0	0%					
42												
43	11,496	Capital Charges	13,648	12,520	12,520	0	0%					
44	1,698	Corporate & Democratic core	1,054	2,323	2,670	347	15%					
45	84	Unapportionable Pension Costs	84	0	3	3	0%					
46	47,680	NET DEPARTMENTAL EXPENDITURE	51,961	51,330	51,504	174	0%					
		CONTRIBUTION TO / (FROM) RESERVES										
47	(654)	Contribution to/(from) Service Savings		530	200	(330)						
48	86	Contribution to/(from) Earmarked Reserves			156	156						
49	0	Contribution to/(from) Earmarked Reserves - Virtual Bank			0	0						
50	0	Contribution from PIF fund				0						
51	0	Contribution to/(from) Virtual Bank	(1,040)	(335)	(335)	0						
52	0	Contribution to Insurance Fund				0						
53	47,112	NET REVENUE REQUIREMENT (Outturn Prices)	50,921	51,525	51,525	0						

Annex A: Revenue Outturn 2005/2006 - Service Analysis

DEPARTMENT OF PLANNING TRANSPORT & ECONOMIC STRATEGY

Notes		£'000
	County Highways	
1	The contribution to capital should have been £165,000 but we decided to reduce this contribution in order to reduce our revenue expenditure.	(165)
2	Overspends on Routine maintenance have been offset by funding Surface dressing from capital sources	873
3	Street Lighting Column replacements have been funded from the additional capital allocation	(318)
4	Increased income from Skips & Scaffolds etc and staff vacancies	(414)
5	Strategy Unit Pressures arising from the e-govt project and producing the Waste Plan	56
6	Development Group Reduction in Section 38 (road adoptions) Income	142
7	Sustainability Mainly staff vacancies	(41)
8	Waste Management Lower than expected tonnages towards the end of the financial year	(201)
	Transport Planning	
9	The Traffic group has generated more staff recharges than expected.	(160)
10	Within the Road safety budget additional income has been generated from the speed workshops activity of £155k. the surplus on this activity has been ring fenced to support accident reduction initiatives.	(201)

Annex A: Revenue Outturn 2004/2005 - Service Analysis

DEPARTMENT OF PLANNING TRANSPORT & ECONOMIC STRATEGY

Notes		£'000
11	Regeneration & Management Within Economic Development we are over budget mainly through support of major projects such as the new EPIC centre , vital villages and the small business loan scheme.	209
12	Strategic Management This is mainly to fund new policy initiatives	31
13	Regeneration Policy Regeneration Policy and Europe This reflects the £268k contribution to the Strategic Business initiative	57
14	CFM At the end of March we had an amount of unbilled work in the region of £100k This also reflects much needed investment in environmental improvements in the depots , new vehicles and equipment and increased investment in training	111

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	DEPARTMENT OF PLANNING					B.2	B.3	B.4	B.5	B.6	B.7
	£000	TRANSPORT & ECONOMIC STRATEGY	£000	£000	£000	£000	%			Notes		
	2004/2005		2005/2006	2005/2006	2005/2006	Variation from						
	Outturn		Original	Revised	Outturn	Revised Budget						
Exp/Inc		Budget	Budget	Exp/Inc	C-B							
		EXPENDITURE	A	B	C							
1	13,403	Employees	12,464	14,478	13,833	(645)	(4%)					
2	1,063	Premises	833	885	1,029	144	16%			1		
3	15,989	Transport	16,876	16,991	18,030	1,039	6%					
4	5,631	Supplies and Services	3,217	5,968	4,571	(1,397)	(23%)			2		
5	27,343	Third Party Payments	28,159	25,308	30,500	5,192	21%			2		
6	342	Transfer Payments	0	550	72	(478)	(87%)			2		
7	4,464	Support Services	5,118	5,274	5,353	79	1%					
8	12,081	Notional Asset Rentals	14,233	13,106	13,106	0	0%					
9	0	Capital Financing Costs	0	0	0	0	0%					
10	80,316	TOTAL EXPENDITURE	80,900	82,560	86,494	3,934	5%					
		INCOME										
11	(4,867)	Government Grants	(2,117)	(4,256)	(5,219)	(963)	23%			3		
12	(1,252)	Other Grants, Reimbursements and Contributions	(2,977)	(1,316)	(1,160)	156	(12%)					
13	(9,184)	Customer and Client Receipts	(6,327)	(7,738)	(9,700)	(1,962)	25%			4		
14	0	Interest	0	0	0	0						
15	(17,333)	Internal Income	(17,518)	(17,920)	(18,911)	(991)	6%			5		
16	(32,636)	TOTAL INCOME	(28,939)	(31,230)	(34,990)	(3,760)	12%					
17	47,680	NET DEPARTMENTAL EXPENDITURE	51,961	51,330	51,504	174	0%					

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

DEPARTMENT OF PLANNING TRANSPORT & ECONOMIC STRATEGY

Notes		£'000
1	This reflects the costs of the new business centres and investment in environmental measures	144
2	Supplies and Services - Third Party payments - and Transfer payments Overall these have increased by £2.6 million this overall increase represents provision of new services such as Stratford Decriminalisation which are funded from additional third party income	3,317
3	Increase in grant funded schemes	(963)
4	Increased third party funding of schemes .	(1,962)
5	Internal income This reflects charges for vehicle costs	(991)

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

DEPARTMENT OF PLANNING TRANSPORT AND ECONOMIC STRATEGY			C.1	C.2	C.3	C.4	C.5	C.6
Line Ref.	Service Description	Responsible Officer	£000 2005/2006 Original Budget A	£000 2005/2006 Revised Budget B	£000 2005/2006 Outturn Exp/Inc C	£000 Variation from Revised Budget C-B	%	Notes
Service Budgets								
(including a full apportionment of management and support charges)								
Warwickshire Engineering								
1	County Highways	Head of Warwickshire Engineering	14,629	12,825	12,809	(16)	(0%)	1
2	Design Services	Design Services Manager	56	(79)	(81)	(2)	3%	
3	WARCO	Head of Warwickshire Engineering	0	0	0	0	0%	
4	CFM	Head of Warwickshire Engineering	(60)	(89)	22	111	(125%)	
Strategic Services								
5	Strategy Unit	Head of Strategic Services	793	632	688	56	9%	
6	Development Group	Head of Strategic Services	805	664	806	142	21%	2
7	Sustainability	Head of Strategic Services	554	541	500	(41)	(8%)	
8	Waste Management	Head of Strategic Services	11,528	11,299	11,098	(201)	(2%)	3
Social and Community Services								
9	Transport Operations	Head of Social and Community Planning	2,583	2,262	2,130	(132)	(6%)	4
10	Countryside Services	Head of Social and Community Planning	1,388	1,214	1,249	35	3%	
11	Environmental Design	Head of Social and Community Planning	533	406	425	19	5%	
Transport Planning								
12	Transport Planning	Head of Transport Planning	3,600	2,869	2,515	(354)	(12%)	5
13	Virtual Bank - Decriminalisation	Head of Transport Planning	0	335	335	0	0%	
14	Casualty Reduction Partnership	Head of Transport Planning	0	0	0	0	0%	
Regeneration and Management Services								
15	Economic Development	Head of Regeneration	1,455	1,227	1,436	209	17%	6
16	Regeneration Projects	Head of Regeneration	973	886	840	(46)	(5%)	
17	Regeneration Policy and Europe	Head of Regeneration	871	721	778	57	8%	7
18	Strategic Management unit	Head of Regeneration	274	131	162	31	24%	8
Performance Management								
19	Performance Management	Head of Performance Management	819	643	602	(41)	(6%)	
Other								
20	Corporate and Democratic	Head of Regeneration	1,054	2,323	2,670	347	15%	
21	Additional savings / funding	Head of Regeneration	(3,542)	0	0	0	0%	
22	Capital Charges	Head of Regeneration	13,648	12,520	12,520	0	0%	
23	TOTAL SERVICE BUDGETS		51,961	51,330	51,504	174	0%	
Management and Support Budgets								
(whose apportioned cost are included in the above)								
24	Executive		613	696	757	61	9%	
25	Financial & Office Services		749	684	738	54	8%	
26	Personnel		716	790	787	(3)	(0%)	
27	Information technology		342	353	304	(49)	(14%)	
28	Switchboard		18	18	18	0	0%	
29	Treasurers Business Services		45	39	39	0	0%	
30	Property Services Maintenance		41	28	35	7	25%	
31	CAMS Comms		58	58	58	0	0%	
32	County Offices		352	352	352	0	0%	
33	Chief Executives Department		373	445	445	0	0%	
34	Property Services Maintenance		137	137	137	0	0%	
35	Legal Service SLA		230	230	239	9	4%	
36	CAMS core charges		1,086	1,086	1,086	0	0%	
37	Treasurers core charges		358	358	358	0	0%	
38	TOTAL MANAGEMENT AND SUPPORT BUDGETS		5,118	5,274	5,353	79	1%	

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

DEPARTMENT OF PLANNING TRANSPORT & ECONOMIC STRATEGY

Notes		£'000
1	County Highways Increased works costs have been offset by savings in Administration	(16)
2	Development Group Reduction in Section 38 (road adoptions) Income	142
3	Waste Management Lower than expected tonnages towards the end of the financial year	(201)
4	Transport Operations This is mainly additional income to support community transport initiatives	(132)
5	Transport Planning The Traffic group has generated more staff recharges than expected.	(354)
6	Within Economic Development we are over budget mainly through support of major projects such as the new EPIC centre, vital villages and the small business loan scheme.	209
7	Regeneration Policy and Europe : This reflects the £266k contribution to the Strategic Business initiative	57
8	Strategic Management this is where we hold the budget to support new initiatives.	31

Annex D: Revenue Outturn 2004/2005 - Business Unit Trading Account and Statement of Reserves

Line Ref.	D.1 £000 2004/2005 Outturn	DEPARTMENT OF PTES County Fleet Maintenance BUSINESS UNIT Annual Trading Account for year ending 31/3/2006	D.2	D.3 £000 2005/2006 Outturn	D.4	Notes
		Income				
		Business Income				
1	(952)	Internal Customers	(854)			
2	(870)	External Customers	(1,118)			
3		Core Recharges				
4	(1,822)	Total Income		(1,972)		
		Expenditure				
5	1,678	Direct Costs	1,912			
		Overheads				
6	81	Central/Departmental Support	82			
7		Other Support Services				
8		Extraordinary Expenditure				
9	1,759	Total Expenditure		1,994		
10	(63)	(Surplus)/Deficit		22	Budget Target (89)	
		Statement of Reserves as at 31/3/2006				
11	0	Balance brought forward from 2004/2005		63		
12	63	Surplus/(deficit) transferred to reserves	22			
13	0	Appropriations for departmental reserves	(63)			
14	63	Balance carried forward to 2006/2007		(41) 22		

Notes to the Accounts

1. The deficit of £22k is as a result of the repair and maintenance of vehicles and plant

There is in the region of £100k of unbilled work that has not been charged due to internal accounting and administrative arrangements

2. Accounts are prepared under the Historic cost convention

3. There is no approval to operate with a subsidy

	D.1	DEPARTMENT OF PTES	D.2	D.3	D.4	Notes
Line Ref.	£000 2004/2005 Outturn	Design Services Annual Trading Account for year ending 31/3/2006		£000 2005/2006 Outturn		
		Income				
		Business Income				
1	(2,903)	Internal Customers	(2,973)			
2	(418)	External Customers	(399)			
3		Core Recharges				
4	(3,321)	Total Income		(3,372)		
		Expenditure				
5	3,014	Direct Costs	3,084			
		Overheads				
6	207	Central/Departmental Support	207			
7		Other Support Services				
8		Extraordinary Expenditure				
9	3,221	Total Expenditure		3,291		
10	(100)	(Surplus)/Deficit		(81)	Budget Target (79)	
		Statement of Reserves as at 31/3/2006				
11	0	Balance brought forward from 2004/2005		100		
12	100	Surplus/(deficit) transferred to reserves	81			
13	0	Appropriations for departmental reserves	(100)			
14	100	Balance carried forward to 2005/2006		(19) 81		

Notes to the Accounts

1. The surplus of £81k is as a result of the design and supervision of civil engineering contracts
2. The accounts are prepared under the historic cost convention.
3. There is no approval to operate with a subsidy
4. There is no extraordinary expenditure.

PROPERTY SERVICES

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for the Property Services department was £3,006,000. Since the original budget was approved there have been budget adjustments of £1,459,000. Therefore the 2005/2006 budget for the service is now £4,465,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net overspend for the year on items within the Service's control is £190,000. Details are shown below.

Table 1: Outturn spending 2005/2006		£000	£000
Original Budget - Gross			5,272
Original Budget - Net			3,006
Adjusted for:			
Structural Maintenance		535	
Modernisation - redundancy costs		720	
Notional Asset Rental increase		204	
Total Adjustments			1,459
Revised Budget			4,465
Actual Net Spending			4,655
Overspend (against revised budget)			190

- 2.2 Detailed analysis of final overspend is shown in Annexes A to D as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager
- Annex D - shows the analysis of Business Unit Trading accounts and reserves.

Each annex also includes an explanation of significant variations.

- 2.3 The principal items which have led to the overspend are summarised in the table below.

Table 2: Major variations	£000
Construction Services Business Unit - spending was £38,000 more than the budgeted spending of £3,695,000 whilst income was £152,000 less than the budgeted income of £3,695,000	190
Travellers' Sites - Costs of over £2,000 per month were incurred at the Alvecote site following delays in a dispute being resolved by the Court. Other significant costs associated with running the site e.g. electricity, water were also incurred during this dispute.	61
Rural Estates (including Smallholdings, Forestry and Tree Inspection) - some running costs exceeded the budget.	25
Urban Estates - a considerable underspend arose on the salaries budget due to vacancies not being filled. Also, income was greater than expected.	(123)
County and Area Offices - this overspend arose mainly from the £169,000 spent on setting up new offices at Kings House in Nuneaton. These costs will be recovered from the occupying departments in the year(s) ahead	145
Surplus Properties - this overspend arises mainly from Probation moving out of Warwick House, Nuneaton and some delay arising in filling the space vacated.	55
Access for Disabled - the calls made on this budget, which is for adaptations to assist staff, were less than budgeted for.	(44)
Resources & Performance - this underspend arose mainly from the Director leaving the department in the autumn	(54)
Information Systems - this cost centre spent in excess of its budget in order to maintain adequate services to the rest of the department. It is recognised that its budget is insufficient and a review is taking place to establish how this can be rectified.	32
Safe Water - a contractor has been appointed to undertake safe water risk assessments in County buildings but the appointment process took longer than expected and, consequently, less spending was incurred than expected.	(103)
Central Property Register - replacement computer system - no budget had been set aside in 2005/2006 because the spending that did take place had originally been expected to be incurred in 2004/2005	61
Structural Maintenance - a relatively minor underspend (1.5%) on a £2.5 million budget	(37)
Other	(18)
Total	190

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget Property Services department was allocated £148,000 to fund specific projects. Spending on these projects in 2005/2006 was £201,000. Further details are given below.

Table 3: Specific budget allocations 2005/2006	Budget £000	Spending £000	Variation £000	Explanation
Offices at the Old Clink, Holloway, Warwick	75	63	(12)	2005/6 was only a part-year effect
Loss of rental income -various locations	73	138	65	The loss of rental income was even greater than forecast
Total	148	201	53	

4 Reserves

- 4.1 The service began the year with accumulated reserves of £579,000 (including business unit reserves). As a result of the overspend and reserve movements in the year the reserves position at 31 March 2006 is £389,000 in-hand. Property Services has now ceased to exist as a separate department and these reserves are combined with those of the former CAMS and Treasurers departments to become the reserves of the new Resources Directorate. As yet it is too early to say how the new directorate will use these reserves but it is very clear that there are considerable spending pressures in the new directorate and it is very likely that these reserves will be required by the directorate in 2006/2007 or in future years.
- 4.2 The service also operates a number of business units in relation to Construction Services, Rural Estates, Smallholdings and Forestry. Business units began the year with accumulated reserves of £536,000. Trading during the year resulted in an overall deficit of £236,000. Business unit reserves therefore stood at £300,000 at the year-end.

Table 4: Business Unit Reserves	Business Unit Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Surplus/(Deficit) in 2005/2006 £000	Business Unit Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Construction Services	480	(190)	290
Rural Estates	(60)	(14)	(74)
Smallholdings	182	(20)	162
Forestry	(66)	(12)	(78)
Total	536	(236)	300

Construction Services (£190,000 deficit)

It has been another busy year for the Business Unit and there is evidence from customer surveys to demonstrate a significant improvement in perceptions of the

service by customers, particularly customers at schools. Whether or not the Unit makes a surplus or a deficit in any particular year is a result of a fine balance of a number of factors affecting income and expenditure and the Unit has in previous years made some significant surpluses. In 2006/2007 the Unit will again ensure that expenditure is controlled carefully and all fee income due is recovered.

Rural Estates (£14,000 deficit), Smallholdings (£20,000 deficit) and Forestry (£12,000 deficit)

These deficits are small in the context of the scale of business conducted by these groups. From 1st April 2006 these services transfer to the Environment and Economy directorate.

4.3 The Service's overall reserves position can therefore be summarised as follows:

Table 5: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service reserves Business Unit reserves	43	0	46	89
	536	0	(236)	300
Total	579	0	190	389

Property Services department has aimed to retain reserves of at least £500,000 because of the potential for sudden and significant requirements for spending on buildings and because of the danger of trading conditions turning unfavourable for one or more of the business units. The recovery of £169,000 in relation to Kings House as referred to in paragraph 2.3 above will restore Property reserves to a figure just over £500,000 all else being equal.

4.4 As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Directorates as follows:-

Table 6: Reserves	Resources Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Environment + Economy Directorate Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Total Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service reserves Business Units	89	0	89
	290	10	300
Total	379	10	389

5 Comparison with the 2005/2006 Provisional Outturn

- 5.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an overspend of £193,000. The actual overspend of £190,000 therefore represents a £3,000 change in the service's position.

Table 7: Comparison between provisional and final outturn		
	£000	£000
	Provisional Outturn as reported on 2nd February 2006	2005/2006 Final Outturn
Smallholdings	53	20
Construction Business Unit	110	190
Travellers' Sites	50	61
Other	(20)	(81)
Total	193	190

- 5.2 The internal fee income earned by the Construction Services Business Unit is very difficult to forecast accurately as it arises on a very large number of different jobs and comes from a variety of different internal customers. The difference between the £110,000 provisional outturn and the £190,000 final outturn needs to be seen in this context and also in the context of income in excess of £3.5 million. The main component of the variation on the 'Other' line is that the internal fee income earned by the Urban Estates team was greater than forecast at provisional outturn stage. Similarly to Construction Services, the Urban Estates income is difficult to forecast accurately because of the way in which it arises.

David Clarke
Strategic Director of Resources
Shire Hall
31 May 2006

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1	DEPARTMENT OF PROPERTY SERVICES				A.2	A.3	A.4	A.5	A.6	A.7
	£000		£000	£000	£000	£000	£000	%		Notes	
	2004/2005	2005/2006	2005/2006	2005/2006	Variation from						
	Outturn	Original	Revised	Outturn	Revised Budget						
Exp/Inc	Budget	Budget	Exp/Inc								
		A	B	C	C-B						
1	162	Construction Services	0	0	190	190	0			(A)	
		Rural Estates									
2	220	Rural Estates (incl. Travellers sites)	109	436	492	56	13				
3	562	Smallholdings	223	262	282	20	8				
4	60	Myton Sports Ground	59	59	73	14	24				
5	8	Forestry	0	0	12	12	0				
6	850		391	757	859	102	13			(B)	
7	83	Urban Estates Services	0	1	(122)	(123)	(12,300)			(C)	
8	119	Shire Hall Complex	(174)	(155)	(59)	96	(62)			(D)	
9	619	Area Offices/Other Properties	538	543	592	49	9				
10	997	Surplus Properties	1,434	1,550	1,605	55	4				
11	42	Acc/Deficit for year	50	50	6	(44)	(88)				
		Property Services Dept - Core Services									
12	293	Asset Mgmt Plans/Safe Water/Asbestos	0	0	(131)	(131)	100				
13	69	Central property Register Replacement System	0	0	61	61	100				
14	1,148	Other Core Services	767	1,465	1,437	(28)	(2)				
15	1,510		767	1,465	1,367	(98)	(7)			(E)	
		Building Maintenance									
16	92	Non Delegated Maintenance	0	254	217	(37)	(15)				
17	0	Delegated Maintenance	0	0	0	0	0				
18	0	Agency Services	0	0	0	0	0				
19	92		0	254	217	(37)	(15)				
20	4,474	NET DEPARTMENTAL EXPENDITURE	3,006	4,465	4,655	190	4				
		CONTRIBUTION TO / (FROM) RESERVES									
21	(189)	Contribution to/(from) Departmental Reserves	0	0	(190)	(190)	100				
22		Contribution to/(from) Specific Earmarked Reserves									
23	0	Contribution to/(from) Virtual Bank	0	0	0	0	0				
24		Contribution to/(from) PIF									
25	4,285	NET REVENUE REQUIREMENT (Outturn Prices)	3,006	4,465	4,465	0	0				

Annex A: Variations and Explanations

- (A) £190,000 **Construction Services**
Overspend Higher than anticipated Supplies and Services expenses and income lower than expected.
- (B) £102,000 **Rural Estates**
Overspend This was largely due to an overspend of £60k at the Alvecote travellers' site on management charges and running costs, along with higher-than-budgetted grounds maintenance costs at Myton Sports Ground and small deficits on the Smallholdings and Forestry business units.
- (C) £123,000 **Urban Estates**
Underspend This resulted from unfilled staff vacancies and from higher-than-budgetted income.
- (D) £96,000 **County Offices**
Overspend This was largely due to a deficit on rental income and on internal general fees and charges
- (E) £95,000 **Core Services**
Underspend Savings on employee costs in the Management Services division added to lower expenditure than anticipated on Asset Management Planning and Safe Water projects.

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	DEPARTMENT OF PROPERTY SERVICES					B.7
	£000	£000	£000	£000	£000	%	Notes
	2004/05	2005/06	2005/06	2005/06	Variation from		
	Outturn	Original	Revised	Outturn	Revised Budget		
	Exp/Inc	Budget	Budget	Exp/Inc	C-B		
		A	B	C			
		EXPENDITURE					
1	3,661	Employees	4,229	4,064	4,048	(16)	(0)
2	3,057	Premises	3,308	3,792	4,368	576	15 (A)
3	179	Transport	154	154	236	82	53
4	2,552	Supplies and Services	1,877	3,924	3,401	(523)	(13) (B)
5	0	Third Party Payments	0	0	0	0	0
6	0	Transfer Payments	0	0	0	0	0
7	362	Support Services	507	788	823	35	4
8	2,505	Notional Asset Rentals	2,350	2,814	2,875	61	0
9	121	Capital Financing Costs	0	0	0	0	0
10	12,437	TOTAL EXPENDITURE	12,425	15,536	15,751	215	1
		INCOME					
11	0	Government Grants	0	0	0	0	0
12	0	Other Grants, Reimbursements and Contributions	0	0	0	0	0
13	(1,036)	Deficit for year	(2,266)	(1,043)	(817)	226	(22) (C)
14	0	Interest	0	0	0	0	0
15	(6,927)	Internal Income	(7,153)	(10,028)	(10,279)	(251)	3 (D)
16	(7,963)	TOTAL INCOME	(9,419)	(11,071)	(11,096)	(25)	0
17	4,474	NET DEPARTMENTAL EXPENDITURE	3,006	4,465	4,655	190	4

Annex B: Variations and Explanations

- | | | | |
|-----|------------|-----------------------------------|--|
| (A) | £576,000 | Premises | |
| | Overspend | | The main reason for the overspend is the apparently higher than budgetted rents and rates in relation to Wedgnock House. The "problem" is apparent rather than real and arises because the budget for Wedgnock House was not allocated to constituent budget heads such as rent and rates. |
| (B) | £523,000 | Supplies and Services | |
| | Underspend | | The underspend is explained by apparently lower than budgetted miscellaneous costs in relation to Wedgnock House. The "problem" is apparent rather than real and arises because the budget for Wedgnock House was all held against a single line in "supplies and services" rather than against budget lines such as rent and rates. |
| (C) | £226,000 | Customer and client income | |
| | Overspend | | This is due to lower general income and lower rent income than expected. |
| (D) | £251,000 | Internal income | |
| | Underspend | | This is primarily due to capital fee income being much greater than was budgetted. |

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

DEPARTMENT OF PROPERTY SERVICES			C.1	C.2	C.3	C.4	C.5	C.6
Line Ref.	Service Description	Responsible Officer	£000	£000	£000	£000	%	Notes
			2005/2006	2005/2006	2005/2006	Variation from		
			Original Budget	Revised Budget	Outturn Exp/Inc	Revised Budget		
			A	B	C	C-B		
Service Budgets								
(including a full apportionment of management and support charges)								
1	Construction Services	M.J. Welsby	0	0	190	190	0	(A)
2	Rural Estates	P.F. Rhodes	109	436	492	56	0	
3	Smallholdings	P.F. Rhodes	223	262	281	19	7	
4	Myton Sports Ground	P.F. Rhodes	59	59	73	14	24	
5	Forestry	K. Simons	0	0	13	13	0	
6	Urban Estates Services	D. Halsall	0	1	(122)	(123)	(123)	(B)
7	Shire Hall Complex - County Offices	R. Maddison	(174)	(155)	(59)	96	(62)	(C)
8	Area Offices/Other Properties	R. Maddison	538	543	592	49	9	
9	Surplus Property	D. Halsall	1,434	1,550	1,605	55	4	
10	Access for Disabled	R. Maddison	50	50	6	(44)	(88)	
11	Asset Mgt.Plans	D. Halsall	0	0	(26)	(26)	(26)	
12	Safe Water/ Asbestos	M.J. Welsby	0	0	(105)	(105)	(105)	(D)
13	Other Core Services	P.H. Ridley	767	1,465	1,437	(28)	(2)	
14	Central Property Register Replacement System	O.David	0	0	61	61	0	
15	Structural Maintenance	M.J. Welsby	0	254	217	(37)	(15)	
16	TOTAL SERVICE BUDGETS		3,006	4,465	4,655	190	4	

Annex C: Variations and Explanations

- | | | |
|-----|------------------------|--|
| (A) | £190,000
Overspend | Construction Services
Higher than anticipated Supplies and Services expenses and income lower than expected. |
| (B) | £123,000
Underspend | Urban Estates
This resulted from unfilled staff vacancies and from higher-than-budgetted income. |
| (C) | £96,000
Overspend | County Offices
This was largely due to a deficit on rental income and on internal general fees |
| (D) | £105,000
Underspend | Safe water/Asbestos
This underspend is primarily on the Safe Water project, where the start of a new risk assessment contract was delayed. |

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	DEPARTMENT OF PROPERTY SERVICES	D.2	D.3	D.4
	£000	CONSTRUCTION SERVICES BUSINESS UNIT		£000	
Line Ref.	2004/2005 Outturn	Annual Trading Account for year ending 31/3/2006		2005/2006 Outturn	
		Income			
		Business Income			
1	(1,873)	Internal Customers	(2,748)		
2	(126)	External Customers	(67)		
3	(517)	Core Recharges	(755)		
4	(2,516)	Total Income		(3,570)	
		Expenditure			
5	2,288	Direct Costs	2,670		
	0	Overheads			
6	391	Central/Departmental Support	1,091		
7	0	Other Support Services	0		
8	0	Extraordinary Expenditure	0		
9	2,678	Total Expenditure		3,760	
10	162	Deficit for year		190	
11	0	Budget Target		0	
12	162	Deficit for year		190	
		Statement of Reserves as at 31/3/2006			
13	642	Balance brought forward from 2004/2005		480	
14	(162)	Deficit transferred to reserves	(190)		
15	0	Appropriations for departmental reserves	0		
16	480	Balance carried forward to 2006/2007		290	

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	DEPARTMENT OF PROPERTY SERVICES	D.2	D.3	D.4
	£000	FORESTRY BUSINESS UNIT		£000	
Line Ref.	2004/2005 Outturn	Annual Trading Account for year ending 31/3/2006		2005/2006 Outturn	
		Income			
		Business Income			
1	(208)	Internal Customers	(291)		
2	(34)	External Customers	(85)		
3	0	Core Recharges	0		
4	(242)	Total Income		(376)	
		Expenditure			
5	191	Direct Costs	260		
	0	Overheads			
6	59	Central/Departmental Support	130		
7	0	Other Support Services	0		
8	0	Extraordinary Expenditure	0		
9	250	Total Expenditure		389	
10	8	Deficit for year		13	
11	0	Budget Target		1	
12	8	Deficit for year		12	
		Statement of Reserves as at 31/3/2006			
13	(58)	Balance brought forward from 2004/2005		(66)	
14	(8)	Deficit transferred to reserves	(12)		
15	0	Appropriations for departmental reserves	0		
16	(66)	Balance carried forward to 2006/2007		(78)	

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	DEPARTMENT OF PROPERTY SERVICES SMALLHOLDINGS BUSINESS UNIT	D.2	D.3	D.4
	£000			£000	
Line Ref.	2004/2005 Outturn	Annual Trading Account for year ending 31/3/2006		2005/2006 Outturn	
		Income			
		Business Income			
1	0	Internal Customers	(29)		
2	(547)	External Customers	(500)		
3	0	Core Recharges	0		
4	(547)	Total Income		(529)	
		Expenditure			
5	258	Direct Costs	214		
	0	Overheads			
6	851	Central/Departmental Support	597		
7	0	Other Support Services	0		
8	0	Extraordinary Expenditure	0		
9	1,109	Total Expenditure		810	
10	562	Deficit for year		281	
11	567	Budget Target		262	
12	(5)	(Surplus)/Deficit for year		19	
		Statement of Reserves as at 31/3/2006			
13	177	Balance brought forward from 2004/2005		182	
14	5	Surplus/(Deficit) transferred to reserves	(19)		
15	0	Appropriations for departmental reserves	0		
16	182	Balance carried forward to 2006/2007		163	

Annex D: Revenue Outturn 2005/2006 - Business Unit Trading Account and Statement of Reserves

	D.1	DEPARTMENT OF PROPERTY SERVICES RURAL ESTATES BUSINESS UNIT	D.2	D.3	D.4
	£000			£000	
Line Ref.	2004/2005 Outturn	Annual Trading Account for year ending 31/3/2006		2005/2006 Outturn	
		Income			
		Business Income			
1	(35)	Internal Customers	(215)		
2	(138)	External Customers	(32)		
3	0	Core Recharges	0		
4	(173)	Total Income		(247)	
		Expenditure			
5	202	Direct Costs	499		
	0	Overheads			
6	124	Central/Departmental Support	90		
7	0	Other Support Services	0		
8	0	Extraordinary Expenditure	0		
9	326	Total Expenditure		588	
10	153	Deficit for year		341	
11	155	Budget Target		327	
12	(2)	(Surplus)/Deficit for year		14	
		Statement of Reserves as at 31/3/2006			
13	(62)	Balance brought forward from 2004/2005		(60)	
14	2	Surplus/(Deficit) transferred to reserves	(14)		
15	0	Appropriations for departmental reserves	0		
16	(60)	Balance carried forward to 2006/2007		(74)	

SOCIAL SERVICES

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for Social Services was £113,485,000 (including the planned use of balances) since the original budget was approved there has been budget adjustments of £20,000. Therefore, the 2005/2006 budget for the service is now £113,465,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net overspend for the year on items within the Service's control is £218,000. Of this £4,000 relates to Young Persons Social Inclusion leaving £214,000 for Social Services. Details are shown below.

Table 1: Outturn spending 2005/2006	Social Services £000	Young Persons Social Inclusion £000	Total £000
Original Budget - Gross	164,101	238	164,339
Original Budget - Net	113,247	238	113,485
Adjusted for:			
Young Persons Social Inclusion	-	172	172
Transfer to/(from) reserves	(385)	(151)	(536)
Capital charges and other corporate adjustments	344	-	344
Revised Budget	113,206	259	113,465
Actual Net Spending	113,420	263	113,683
Overspend (against revised budget)	214	4	218

- 2.2 Detailed analysis of final underspend is shown in Annexes A to D as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager
- Annex D – shows the detailed analysis of reserves

Each annex also includes an explanation of significant variations.

- 2.3 The principal items which have led to the overspend are summarised in the table below.

Table 2: Major variations	£000
Children's Services	
• Care Management	296
• Residential Care	(316)
• Other Care Services	637
Adult Services	
• Care Management	(3,124)
• Other Care Services	2,705
Other	20
Total	218

Children's Services

- 2.4 The recorded overspend of £617,000 in Table 2 is made after the costs of corporate and department support services have been recharged to direct services. The actual overspending recorded against direct service budgets within children's services was higher at £871,000.
- 2.5 Expenditure on children's social care is driven principally by the numbers of looked after children that an authority has and the numbers of referrals coming in to the department that are responded to. Warwickshire has a successful track record of maintaining relatively low unit costs of looked after children because of investment in its foster care base and minimal use of more expensive residential placements. However, the increases in our looked after children population experienced during last year, coupled with increased referrals has meant that the department has failed to meet costs from within existing resources. The County Council, in setting its budget for 2006/2007, allocated additional resources for children's social care in recognition of the higher looked after population.

Adult Services

- 2.6 Although an underspend of £419,000 is shown for Adult Services in Table 2, this is after having recharged the costs of corporate and departmental support services. The outturn based on direct service budgets only was a £21,000 underspend.
- 2.7 The delivery of spend so close to budget by managers was only achieved by deferring a number of key developments, particularly around services for older people that need to be commissioned jointly with NHS colleagues. Deferral of developments was necessary in the main due to the ever increasing demands for high cost specialist services for people with disabilities. However, the savings in spend on older people has meant a number of performance targets have not been met.
- 2.8 Clearly this position is not sustainable and the challenge for the new Adult, Health and Community Services Directorate will be the repositioning of the budgets to

address financial pressures in Disability Services, now between £3 to £4 million whilst improving the performance measures for older people.

3 Reserves

- 3.1 The service began the year with accumulated reserves of £387,000. Because of the overspend and reserve movements in the year the reserves position at 31 March 2006 is £273,000 in-hand.
- 3.2 The Service's overall reserves position can therefore be summarised as follows:

Table 6: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Non earmarked reserves	(208)	208	(214)	(214)
Earmarked reserves	595	(104)	(4)	487
Total	387	104	(218)	273

- 3.3. In the original budget for 2006/2007, £200,000 had been planned to be used from earmarked reserves to support the budget of the Adult, Health and Community Services Directorate. This is no longer required and needs reversing. The Director is proposing to move £40,000 set aside for systems implementation to the vehicle replacement reserve. In addition, it is proposed to only use £80,000 of the systems implementation resources in 2006/2007 until plans can be reviewed in the new Children, Young People and Families Directorate.
- 3.4. As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Directorates as follows:-

Table 6: Reserves	Adult Health and Community Services Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Children, Young People and Families Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Non-earmarked	544	(758)	(214)
Earmarked	121	366	487
Total	665	(392)	273

- 3.5. Members are asked to approve £80,000 of the earmarked reserves to support the 2006/2007 budget for the Children, Young People and Families Directorate at this

point. In addition Members are asked to approve a contribution of £758,000 from the service reserves transferred into the Children, Young People and Families Directorate by the Education Department to ensure the service's reserves are not overdrawn.

- 3.6. Members are also asked to approve the reversal of the £200,000 use of earmarked reserves planned for 2006/2007 not now required and the use of £544,000 from reserves to support the 2006/2007 budget for the Adult, Health and Community Services Directorate.

4 Comparison with the 2005/2006 Provisional Outturn

- 4.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an overspend of £450,000. The actual overspend of £218,000 therefore represents a £232,000 improvement in the service's position.

Table 7: Comparison between provisional and final outturn		
	Provisional Outturn as reported on 2nd February 2006 £000	2005/2006 Final Outturn £000
Children's Services (including Asylum Seekers)	980	871
Adult Services	0	(21)
Management and Support	(530)	(632)
Total	450	218

- 4.2. Plans for savings were put in place in order to reduce the provisional outturn to as near the budget as possible by the end of the year. In particular, further savings in management and support were sought in order to contribute to any non-achievement of savings in services.

Graeme Betts

Strategic Director of Adult Health and Community Services
Shire Hall
June 2006

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1		DEPARTMENT OF SOCIAL SERVICES					A.7	
	£000	2004/2005	A.2	A.3	A.4	A.5	A.6		
	Outturn	Exp/Inc	£000	£000	£000	£000	%	Notes	
			2005/2006	2005/2006	2005/2006	Variation from			
			Original	Revised	Outturn	Revised Budget			
			Budget	Budget	Exp/Inc				
			A	B	C	C-B			
			Children Services						
1	17,392		Care Management & Family Support	19,668	19,083	19,379	296	2%	1
2	4,022		Residential Care	4,060	3,079	2,762	(316)	(10%)	2
3	8,254		Other Care Services	7,735	9,397	10,033	637	7%	3
4	29,668		TOTAL CHILDREN SERVICES	31,462	31,559	32,175	616	2%	
			Adult Services						
			Elderly People						
5	9,837		Care Management	13,042	12,160	10,082	(2,078)	(17%)	4
6	16,237		Residential Care	18,600	18,854	18,422	(432)	(2%)	5
7	10,818		Other Care Services	12,241	13,687	13,164	(523)	(4%)	6
			People with Learning Disability						
8	3,421		Care Management	3,696	3,877	3,612	(265)	(7%)	7
9	9,722		Residential Care	9,203	9,710	10,172	461	5%	8
10	7,972		Other Care Services	7,000	7,166	9,618	2,453	34%	9
			People with Physical or Sensory Disability						
11	3,122		Care Management	4,277	3,466	2,887	(579)	(17%)	10
12	1,873		Residential Care	2,765	2,454	2,358	(96)	(4%)	11
13	4,848		Other Care Services	4,465	4,199	5,348	1,149	27%	12
			People with Mental Needs						
14	2,199		Care Management	2,430	2,489	2,287	(202)	(8%)	13
15	1,789		Residential Care	1,890	1,541	1,606	66	4%	
16	1,059		Other Care Services	1,169	1,330	1,016	(314)	(24%)	14
17	72		Other Adult	221	227	169	(58)	(26%)	15
18	72,969		TOTAL ADULT SERVICES	80,998	81,160	80,742	(419)	(1%)	
19	34		ASYLUM SEEKERS	33	37	43	6	14%	
			SUPPORTING PEOPLE	0	0	0	0	0%	
	0		REPAYMENT OF OVERSPEND/EFFICIENCY SAVINGS 2004/2005	0	0	0	0	0%	
20	568		SERVICE STRATEGY & REGULATION	991	709	723	14	2%	
21	103,239		NET DEPARTMENTAL EXPENDITURE	113,485	113,465	113,683	218	0%	
			CONTRIBUTION TO / (FROM) RESERVES						
22	1,360		Contribution to/(from) Departmental Reserves		208	(6)	(214)	(103%)	
23			Contribution to/(from) Service Savings						
24	187		Contribution to/(from) Earmarked Reserves	488	(104)	(108)	(4)	4%	
25			Contribution to/(from) General Reserves						
26			Contribution to/(from) Quality and Best Value Fund						
27	104,786		NET REVENUE REQUIREMENT (Outturn Prices)	113,973	113,569	113,569	(0)	(0%)	

NOTES TO ANNEX A

Children's Services

1. **Care Management & Family Support (+£296,000).** Difficulties in recruitment and retention resulted in an under spend of £138,000 on staffing partly offset by increased training and recruitment costs of £56,000. Premises costs increased by some £43,000 as did transport costs by £87,000. Agency costs also increased by £217,000 as did admin and other costs by £269,000. Supplies & Services reduced by £57,000. Capital costs reduced by £13,000 and apportioned management and support costs also reduced by £168,000.
2. **Residential Care (-£316,000).** There has been a saving in residential care costs in line with the continual development of foster care services.
3. **Other Care Services (+£637,000).** Foster care placements were overspent by £260,000. Parent & Baby Homes were overspent by £127,000 due to a loss of funding in 05/06. Other Care Services overspent by £250,000.

Adult Services

4. **Elderly People - Care Management (-£2,078,000).** There were net under spends on staffing and other running costs of £1,553,000. In addition, there was a reduction in apportioned management and support costs of £525,000.
5. **Elderly People - Residential Care (-£432,000).** There was a saving in residential care costs in line with helping people to live at home longer.
6. **Elderly People - Other Care Services (-£523,000).** This was mainly due to an under spend on domiciliary and day care services, as development was delayed to help offset other overspends, but there was increased investment in Direct Payments of £173,000.
7. **Learning Disability - Care Management (-£265,000).** This was mainly due to an increase in the charges to teams for aids and adaptations of £197,000 combined with an under spend in staffing of £154,000. Other costs were also reduced by some £92,000. Apportioned Management & Support costs increased by some £178,000.
8. **Learning Disability - Residential Care (+£461,000).** This budget continues to be overspent and needs to be addressed in future budgets.
9. **Learning Disability - Other Care Services (+£2,453,000).** There was increased spending on Direct Payments, £550,000, day care, £353,000 other community services, £1,144,000 and an increase in domiciliary care, £1,364,000. This was offset by an increase in income, £580,000 and a reduction in other costs, £378,000.
10. **Physical Disability - Care Management (-£579,000).** This was mainly due to an increase in the ICES Pooled Budget income of £266,000 combined with under spends in staffing of £167,000, Homecare, £88,000 and a reduction in apportioned management and support costs of £58,000.
11. **Physical Disability - Residential Care (-£96,000).** There was a fall in residential costs as diversion to provision in the community increased.

12. **Physical Disability - Other Care Services (+£1,149,000).** Mainly increased investment in Direct Payments of £690,000. Increases also in Homecare of £404,000 and Community Services of £132,000. There was a reduction in running costs of £77,000.
13. **Mental Needs - Care Management (-£202,000).** Savings in staffing of £29,000 and an increase in income of £46,000. A reduction in apportioned management and support costs of £97,000 and Supporting People of £30,000.
14. **Mental Needs - Other Care Services (-£314,000).** Mainly Savings in Homecare of £323,000 and Day-care of £46,000. An increased investment in Direct Payments of £11,000 and an increase in income of £15,000. Other running costs increased by £59,000.
15. **Other Adult Services (-£58,000).** Mainly due to a reduction in running costs of £35,000 combined with a reduction in Residential Care Services of £17,000 and an increase in income of £6,000.

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	DEPARTMENT OF SOCIAL SERVICES			B.2	B.3	B.4	B.5	B.6	B.7
	£000 2004/2005 Outturn Exp/Inc		£000 2005/2006 Original Budget A	£000 2005/2006 Revised Budget B	£000 2005/2006 Outturn Exp/Inc C	£000 Variation from Revised Budget C-B	%		Notes	
		EXPENDITURE								
1	36,112	Employees - Salaried Staff	37,811	41,124	38,879	(2,245)	(5%)		1	
2	10,969	Employees - Manual Staff	11,178	11,191	10,900	(291)	(3%)		2	
3	2,676	Premises	3,251	1,908	1,672	(236)	(12%)		3	
4	4,245	Transport	3,567	3,647	4,323	676	19%		4	
5	4,813	Supplies and Services	10,625	5,049	5,026	(23)	(0%)			
6	91,121	Third Party Payments	88,516	95,269	100,198	4,929	5%		5	
7	0	Transfer Payments	0	0	0	0	0%			
8	5,065	Support Services	6,295	6,401	6,586	185	3%		6	
9	2,300	Notional Asset Rentals	2,303	2,214	2,214	0	0%			
10	297	Capital Financing Costs	795	1,304	1,122	(182)	(14%)		7	
11	157,599	TOTAL EXPENDITURE	164,339	168,108	170,921	2,813	2%			
		INCOME								
12	(29,826)	Government Grants	(28,992)	(29,911)	(28,593)	1,318	(4%)		8	
13	(6,245)	Other Grants, Reimbursements and Contributions	(5,014)	(10,030)	(12,235)	(2,205)	22%		9	
14	(18,289)	Customer and Client Receipts	(16,848)	(14,702)	(16,410)	(1,708)	12%		10	
15	0	Interest	0			0	0%			
16	0	Internal Income	0			0	0%			
17	(54,360)	TOTAL INCOME	(50,854)	(54,643)	(57,238)	(2,595)	5%			
18	103,239	NET DEPARTMENTAL EXPENDITURE	113,485	113,465	113,683	218	0%			

NOTES TO ANNEX B

1. **Salaried Staff (-£2,245,000).** Delayed implementation of new posts and filling of vacancies have caused a significant under spending of £3,708,000 in 2005/06, which has been offset by use of agency staff, £1,447,000 and increased recruitment and other employee costs £16,000.
2. **Manual Staff (-£291,000).** Mainly recruitment difficulties in the Internal Homecare Services.
3. **Premises (-£236,000).** In the main this was a reduction in Minor Improvements combined with an increase in Internal Service Unit Recharges.
4. **Transport (+£676,000).** Mainly increased costs for hired transport, £308,000, travelling allowances £303,000 and volunteer/client travel costs, £65,000.
5. **Third Party Payments (+£4,929,000).** There were increased costs for Direct Payments £1,113,000, equipment £1,183,000, foster care £708,000, day and other community services, £460,000, and in domiciliary care £1,465,000.
6. **Support Services (+£185,000).** This was due to an increase in the Legal Services unit charge to children of £228,000 and also an additional internal charge for social inclusion of £40,000. These increases were partly offset by a reduction of £83,000 in other areas.
7. **Capital Financing (-£182,000).** This is due almost entirely to a reduction in revenue contributions to capital.
8. **Government Grants (+£1,318,000).** This is due almost entirely to a reduction in the Supporting People grant of £1,314,000.
9. **Other Grants, Reimbursement etc (-£2,205,000).** Mainly due to increased income from other Local Authorities and agencies. In particular an increase in South Disability Contracts of £498,000 and an increase in the ICES pooled budget of £709,000.
10. **Customer & Client Receipts (-£1,708,000).** This is mainly due to increased income from residential charges, £909,000, Homecare, £415,000, interagency adoption, £46,000, general fees and charges, £40,000 other income £201,000

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

DEPARTMENT OF SOCIAL SERVICES		C.1	C.3	C.2	C.4	C.5	C.6	
Line Ref.	Service Description	Responsible Officer	£000 2005/2006 Original Budget A	£000 2005/2006 Revised Budget B	£000 2005/2006 Outturn Exp/Inc C	£000 Variation from Revised Budget C-B	%	Notes
Service Budgets								
(Including a full apportionment of Management & Support Costs)								
DIRECTOR		G. Betts						
1	Crime & Disorder and Other Countywide Services	G. Betts	77	77	77	0	0%	
HEAD OF CHILDREN'S SERVICES		C. Hallett						1
2	Assistant Head of Children's Services (Rugby)	D. Vickers	4,344	4,166	4,156	(10)	(0%)	
3	Assistant Head of Children's Services (North Warwickshire)	M. Barnes	2,044	2,158	2,027	(131)	(6%)	
4	Assistant Head of Children's Services (Quality)	C.Hallett	1,736	1,844	1,422	(422)	(30%)	
4	Assistant Head of Children's Services (Nuneaton and Bedworth)	M. Barnes	5,976	6,204	6,929	724	10%	
5	Assistant Head of Children's Services (Stratford)	M. Cliff	5,608	5,137	5,143	6	0%	
6	Assistant Head of Children's Services (Warwick)	M. Cliff	5,015	5,508	6,016	507	8%	
7	Other Children's Countywide Services	C. Hallett	4,951	4,497	4,631	134	3%	
8	Services to Deaf People	A. Thomson	306	343	370	26	7%	
9	Emergency Duty Team	C. Mountford	431	430	414	(15)	(4%)	
10	Head of Children's Planning	P. Sawbridge	900	1,078	1,066	(12)	(1%)	
HEAD OF ADULTS SERVICES		J. Bakker						
11	General Adult Countywide Services	J. Bakker	2,599	1,268	(413)	(1,682)	407%	2
12	Intermediate Care / Supporting People	R. Killingbeck	613	590	577	(13)	(2%)	6
13	Mental Health	M. McGorry	4,604	4,328	4,262	(66)	(2%)	6
14	Disability North	S. Smith	12,599	13,614	16,169	2,555	16%	3
15	Older People North	J. Whiting	9,560	9,771	9,645	(126)	(1%)	4
16	Older People Community Care North	D. Rutter	14,976	15,762	14,796	(966)	(7%)	5
17	Disability South	S. Smith	10,026	10,558	12,056	1,499	12%	3
18	Older People South	P. Seal	8,672	9,056	8,645	(411)	(5%)	4
19	Older People Community Care South	J. Price	16,145	16,437	15,439	(998)	(6%)	5
20	Service Manager Commissioning	K. Harlock	(718)	(1,040)	(1,208)	(168)	14%	6
21	NON CLIENT SPECIFIC SERVICES	Various	2,031	968	739	(229)	(31%)	6
22	SERVICE STRATEGY	G. Betts	991	709	723	14	2%	
23	TOTAL SERVICE BUDGETS		113,485	113,465	113,683	218	0%	
Management and Support Budgets								
(Whose apportioned costs are included above.)								
DIRECTORATE		G. Betts	715	1,059	1,118	58	5%	
RESOURCES MANAGEMENT		Vacant						7
25	Audit/Clerks	P. Lumley-Holmes	661	673	670	(3)	(0%)	
26	Financial Services	P. Lumley-Holmes	3,847	2,535	2,338	(197)	(8%)	
27	Information Strategy	P. Hill	5,020	4,813	4,688	(125)	(3%)	
28	Central Services & Projects	P. Atkinson	514	502	476	(26)	(5%)	
29	Building Maintenance and Transport	D. Curle	3,285	3,175	3,246	71	2%	
30	ADULT SERVICES - COMMISSIONING AND CONTRACTING	K. Harlock	903	889	818	(70)	(9%)	6
ORGANISATIONAL DEVELOPMENT								8
31	Head of Organisational and Performance Development	L. Holland	125	89	86	(3)	(4%)	
32	Human Resources	J. Hawthorn	1,405	1,917	1,783	(133)	(7%)	
33	Workforce Development	S. Sharland	1,745	1,270	1,021	(249)	(24%)	
34	Customer Relations	K. Smith	300	276	253	(23)	(9%)	
35	TOTAL MANAGEMENT AND SUPPORT BUDGETS		18,520	17,198	16,498	(700)	(4%)	

NOTES TO ANNEX C

Children's Services

1. **Children's Services (+807,000).** The number of looked after children in each district area can vary year on year. The Nuneaton and Bedworth and Warwick areas in particular overspent. Development and contributions to capital spending were held back by the Assistant Head of Children's Services (Quality) at line 4.

Adult Services

2. **General Adult Countywide Services (-1,682,000).** The Head of Adult Services held back significant resources earmarked for developments due to significant base service pressures, particularly disability.
3. **Disability - North (+£2,555,000), South (+£1,499,000).** There is an ongoing overspend in both residential and domiciliary care that needs to be addressed in future years budgets.
4. **Older People - North (-£126,000), South (-£411,000).** There was an under spending in internal homecare services in part due to difficulties in recruiting care staff.
5. **Older People Community Care - North (-£966,000), South (-£998,000).** There have been savings made by holding back developments and the filling of posts in order to help keep overall adult spending nearer budget.
6. **Other Adult Services (-£476,000).** All other managers made savings, mainly by delaying the filling of vacant posts in order to help offset the disability overspend.

Support Services

7. **Resources Management (-£280,000).** Savings were sought across these services through delaying developments, in particular relating to I.T., and delayed filling of posts in order to offset overspending of services, but this cannot be sustained in the long term.
8. **Organisational Development (-£408,000).** Savings were sought by delaying the filling of vacant posts and training development in order to help offset the overspending of services.

Annex D

Use Of Reserves 2005/2006

Type of Expenditure	A	B	C	D	Memo 2006/2007 £'000
	April 2005	Adjustments 2005/2006	Impact of Final Outturn	(A + B + C) March 2006	
	£'000	£'000	£'000	£'000	
Non Earmarked Reserves in hand/(overdrawn)	(208)	208	(214)	(214)	214
Earmarked Reserves					
Adult Services :-					
Homes for Elderly People and Social Education Centres	81	0	0	81	0
Vehicle Equipment	200	(200)	40	40	0
Strategy for Older People	16	(16)	0	0	0
Total Adult Services	297	(216)	40	121	0
Children's Services :-					
Young Persons Social Inclusion	92	(88)	(4)	0	0
Systems Implementation	0	200	(40)	160	(80)
S31 Children's Disability	206	0	0	206	0
Total Children's Services	298	112	(44)	366	(80)
Total earmarked reserves	595	(104)	(4)	487	(80)
Total reserves in hand/(overdrawn)	387	104	(218)	273	134

TREASURER'S DEPARTMENT

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for the Treasurer's Department was £361,000 (including the planned use of balances). Since the original budget was approved there have been budget adjustments of £450,000. Therefore the 2005/2006 budget for the service is now £811,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net overspend for the year on items within the Service's control is £59,000. Details are shown below.

Table 1: Outturn spending 2005/2006		
	£000	£000
Original Budget - Gross		1,392
Original Budget - Net		361
Adjusted for:		
Use of reserves	388	
Modernisation redundancy costs	60	
Notional asset rentals	2	
Total Adjustments		450
Revised Budget		811
Actual Net Spending		870
Overspend (against revised budget)		59

- 2.2 Detailed analysis of final overspend is shown in Annexes A to C as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager

Each annex also includes an explanation of significant variations.

- 2.3 The principal items which have led to the overspend are summarised in the table below.

Table 2: Major variations	£000
Financial Management, Exchequer & Accountancy: <i>Higher than expected internal income due to the majority of systems work being concentrated on e-procurement development, which was then rechargeable to CAMS. The remainder of the underspend was due to staff vacancies not being filled.</i>	(181)
People, Performance & Governance: <i>Staff savings, particularly in Payroll following implementation of HRMS. Additional income from external work undertaken by Warwickshire Audit.</i>	(68)
Projects: <i>Additional income from work undertaken for Police and Regional Fire.</i>	(19)
Executive & Staff Development: <i>Budgets realigned mid-year, with departmental underspends held centrally for remainder of year.</i>	(82)
Payroll Project: <i>Increased CAMS charges, plus unbudgeted essential hardware upgrade.</i>	411
Other minor variations	(2)
Total	59

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the Treasurer's Department was allocated £40,000 to fund loss of income from Magistrates Courts. This has been fully spent during 2005/2006.

4 Reserves

- 4.1 The service began the year with accumulated reserves of £588,000. As a result of the overspend and reserve movements in the year the reserves position at 31 March 2006 is £141,000 in-hand. The Director is proposing to hold these reserves as a contingency.
- 4.2 The Service's overall reserves position can therefore be summarised as follows:

Table 3: Reserves	Reserves In-Hand/ at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand at 31 March 2006 £000
Service reserves	588	(388)	(59)	141
Total	588	(388)	(59)	141

- 4.3 As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Resources Directorate.

5 Comparison with the 2005/2006 Provisional Outturn

- 5.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an overspend of £130,000. The actual overspend of £59,000 therefore represents a £71,000 improvement in the service's position.

Table 4: Comparison between provisional and final outturn		
	£000	£000
	Provisional Outturn as reported on 2nd February 2006	2005/2006 Final Outturn
HR Payroll Project	333	411
Systems budgets	(67)	(196)
Payroll	(12)	(40)
CIPFA Trainees	(17)	(25)
Other budgets	(107)	(91)
Total	130	59

Dave Clarke
Strategic Director of Resources
Shire Hall
May 2006

Annex A: Revenue Outturn 2005/2006 - Service Analysis

Line Ref.	A.1	COUNTY TREASURER'S DEPARTMENT					A.7	
	£000	A.2	A.3	A.4	A.5	A.6	Notes	
	2004/2005	£000	£000	£000	£000	%		
	Outturn	2005/2006	2005/2006	2005/2006	Variation from			
Exp/Inc	Original Budget	Revised Budget	Outturn Exp/Inc	Revised Budget				
		A	B	C	C-B			
		Core Services						
1	(379)	Financial Management, Exchequer & Accountancy	(10)	(244)	(426)	(182)	75	1
2	(25)	Financial Planning & Pensions	0	0	(1)	(1)	(100)	2
3	(110)	People, Performance & Governance	75	(76)	(144)	(68)	89	3
4	38	Projects	0	(27)	(46)	(19)	70	4
5	236	Executive & Staff Development	173	350	268	(82)	(23)	5
6	(240)		238	3	(349)	(352)	(11,733)	
7	592	Payroll Project	123	808	1,219	411	51	6
8	352	NET DEPARTMENTAL EXPENDITURE	361	811	870	59	7	
		CONTRIBUTION TO / (FROM) RESERVES						
9	19	Contribution to/(from) Service Savings	0	(388)	(447)	(59)	0	
10	0	Contribution to/(from) Earmarked Reserves	0	0	0	0	0	
11	0	Contribution to/(from) Virtual Bank	0	0	0	0	0	
12	371	NET REVENUE REQUIREMENT (Outturn Prices)	361	423	423	0	0	

Notes to Annex A

- 1 Majority of systems work was concentrated on e-procurement development, which was rechargeable to CAMS budgets. The remainder of the underspend is due to unfilled staff vacancies.
- 2 Overspends on office redecoration not budgeted for and increased travel costs offset by staff vacancies.
- 3 Staff savings, particularly in Payroll following the implementation of HRMS. Also additional income from external work undertaken by Warwickshire Audit.
- 4 Additional income from work undertaken for Police and Regional Fire.
- 5 Departmental underspends identified mid-year held centrally.
- 6 Increased CAMS charges and unbudgeted essential systems upgrade.

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	COUNTY TREASURER'S DEPARTMENT	B.2	B.3	B.4	B.5	B.6	B.7
	£000		£000	£000	£000	%		
	2004/2005		2005/2006	2005/2006	2005/2006	Variation from		Notes
	Outturn		Original	Revised	Outturn	Revised Budget		
	Exp/Inc		Budget	Budget	Exp/Inc			
		EXPENDITURE	A	B	C	C-B		
1	3,084	Employees	3,446	3,394	3,303	(91)	(3)	
2	2	Premises	0	8	15	7	88	1
3	33	Transport	33	31	30	(1)	(3)	
4	1,973	Supplies and Services	710	2,057	2,244	187	9	2
5	0	Third Party Payments	0	0	0	0	0	
6	0	Transfer Payments	0	0	0	0	0	
7	1,432	Support Services	1,566	1,323	1,696	373	28	3
8	183	Notional Asset Rentals	189	191	191	0	0	
9	43	Capital Financing Costs	0	0	0	0	0	
10	6,750	TOTAL EXPENDITURE	5,944	7,004	7,479	475	7	
		INCOME						
11	0	Government Grants	0	0	0	0	0	
12	0	Other Grants, Reimbursements and Contributions	0	0	0	0	0	
13	(1,254)	Customer and Client Receipts	(1,031)	(1,046)	(1,340)	(294)	28	4
14	0	Interest	0	0	0	0	0	
15	(5,144)	Internal Income	(4,552)	(5,147)	(5,269)	(122)	2	5
16	(6,398)	TOTAL INCOME	(5,583)	(6,193)	(6,609)	(416)	7	
17	352	NET DEPARTMENTAL EXPENDITURE	361	811	870	59	7	

Notes to Annex B

EXPENDITURE

- 1 Office redecoration not included in original budget.
- 2 Increased spend on external consultants and computer equipment, partially offset by underspends on printing.
- 3 Increased CAMS charges.

INCOME

- 4 Additional income from Warwickshire Police & West Midlands Regional Fire Board, also increased income from external payroll customers.
- 5 Additional contributions from CAMS towards HR Payroll project, plus staff secondment income not originally budgeted (see also underspend on em

Annex C: Budget Management Performance 2005/2006

COUNTY TREASURER'S DEPARTMENT		C.1	C.2	C.3	C.4	C.5	C.6
Line Ref.	Service Description	Responsible Officer	£000 2005/2006 Original Budget A	£000 2005/2006 Revised Budget B	£000 2005/2006 Outturn Exp/Inc C	£000 Variation from Revised Budget C-B	% Notes
Service Budgets							
(including a full apportionment of management and support charges)							
1	Exchequer Services	Exchequer Services Manager - P McGaffin	0	0	1	1	100
2	Financial Accounting	Group Accountant - Financial Accounting - A Lovegrove	(10)	(9)	4	13	(144)
3	Systems	Systems Manager - G Smith	0	(235)	(431)	(196)	83 1
4	Treasury Management	Group Manager - Treasury Management & Pensions - P Triggs	0	0	15	15	100
5	Pensions Services	Pensions Services Manager - N Buxton	0	0	0	0	0
6	Budget & Technical	Group Accountant - Budget & Technical - V Rennie	0	0	(17)	(17)	(100) 2
7	Warwickshire Audit	Audit Services Manager - G Rollason	0	(64)	(79)	(15)	23 3
8	Payroll Services	Payroll Production Manager - J Semple	75	(12)	(52)	(40)	333 4
9	Projects	Head of Projects - C Juckes	0	(27)	(46)	(19)	70
10	Payroll Project	Director of Resources - D Clarke	123	808	1,219	411	51 5
11	Executive & other	Financial Services Manager - N Cumberledge	173	350	256	(94)	(27)
12	TOTAL SERVICE BUDGETS		361	811	870	59	7
Management and Support Budgets							
(whose apportioned cost are included in the above)							
13	Office Services	Financial Services Manager - N Cumberledge	173	298	249	(49)	(16) 6
14	Executive	Financial Services Manager - N Cumberledge	0	60	78	18	30
15	Staff Development	Departmental Support Manager - M Bradbury	0	(8)	(33)	(25)	313 7
16	CIPFA Trainees	Group Accountant - G Shaw	0	0	(25)	(25)	(100) 8
17	Departmental Support	Departmental Support Manager - M Bradbury	0	0	(13)	(13)	(100)
18	TOTAL MANAGEMENT AND SUPPORT BUDGETS		173	350	256	(94)	(27)

Notes

- Majority of systems work concentrated on e-procurement, rechargable to CAMS. Also staff vacancies.
- Staff savings due to unfilled vacancy.
- Additional income from external work undertaken, plus lower than budgeted transport costs.
- Staff savings following implementation of HRMS, printing charges lower than budgeted, additional income from external customers.
- Increased CAMS charges, unbudgeted essential systems upgrade.
- Departmental savings identified mid-year held centrally.
- Staff training budget not fully spent; additional income from staff speaking fees.
- Unanticipated vacancy, consequent savings on training costs.

OTHER SERVICES

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for Other Services was £27,707,000 (including the planned use of balances). Since the original budget was approved there have been budget adjustments of £(2,785,000). Therefore the 2005/2006 budget for the service is now £24,922,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net underspend for the year on items within the Service's control is £1,975,000. Details are shown below.

Table 1: Outturn spending 2005/2006		
	£000	£000
Original Budget - Gross		29,246
Original Budget - Net		27,707
Adjusted for:		
Bookstart project – transfer to LHTS	(10)	
Use of PSA reward monies	186	
Capital fund usage	(67)	
ISO14001 (PIF)	(24)	
Vehicles capital financing adjustment	250	
Leased fire appliances transfer	(100)	
ESPO surplus transfer to general reserves	(76)	
Street column advertising contract not let (funding to PTES)	(100)	
Schools reorganisation debt charges	(48)	
Modernisation redundancy costs	(2,766)	
Building (structural) maintenance	(30)	
Total Adjustments		(2,785)
Revised Budget		24,922
Actual Net Spending	22,570	
Add: budgeted contribution to Insurance Fund (interest)	377	
Adjusted net spending		22,947

Over/(Under)spend (against revised budget)		(1,975)
---	--	----------------

2.2 The above underspend is after allocating a budgeted contribution of £377,000 of interest to the Insurance Fund. This means a total net contribution to the Insurance Fund of £687,000 including interest for the year. If the interest paid to the Insurance Fund is excluded this gives a net underspend for Other Services of £2,352,000.

2.3 Detailed analysis of final underspend is shown in Annexes A to C as follows:

- Annex A - shows the analysis by activities and outputs of the Service
- Annex B - shows the analysis by Service inputs (e.g. staff costs)
- Annex C - shows the analysis by cost centre manager

Each annex also includes an explanation of significant variations.

2.4 The principal items which have led to the underspend are summarised in the table below.

Table 2: Major variations	£000
Capital financing charges	(1,721)
Interest on revenue balances	(1,990)
Insurances	(310)
LABGI income	(464)
Funding cost of restructuring resulting from Modernisation	2,766
County Council elections	220
PSA2	(430)
Street lighting income funded from Other Services	100
Other admin expenditure & income	80
Other variations	(226)
Total	(1,975)

3 Spending on specific 2005/2006 budget allocations

3.1 In February 2005, as part of the 2005/2006 budget Other Services was allocated £760,000 to fund specific projects. Spending on these projects in 2005/2006 was £144,000. Further details are given below.

Table 3: Specific budget allocations 2005/2006	Budget £000	Spending £000	Variation £000	Explanation
Liveability Agenda	30	0	(30)	See note 1 below
Modernisation Agenda	230	174	(56)	See note 1 below

Local Public Service Agreement 2	500	70	(430)	See note 1 below
Total	760	244	(516)	

Note 1:

The modernisation and PSA2 underspends will be paid into earmarked reserves to be drawn on in future years. The Liveability Agenda underspend will be paid into general reserves.

4 Spending on 2005/2006 Virtual Bank Loans

- 4.1 In February 2002 members agreed to the setting up of the virtual bank. During the year Other Services was loaned £500,000 to provide pump-priming for PSA2. Spending on this project in 2005/2006 was £70,000, as shown above (Table 3). The remainder of this allocation will be put into an earmarked reserve to be called upon during 2006/2007.

5 Reserves

- 5.1 At the start of the year, there were accumulated reserves of £893,000 relating to Other Services budgets. As a result of the underspend and reserve movements in the year the reserves position at 31 March 2006 is £957,000 in-hand. Other Services' reserves are held for various specific purposes as detailed below.
- 5.2 The Service's overall reserves position can be summarised as follows:

Table 4: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Quadrennial elections	211	0	(220)	(9)
PSA	679	(679)	430	430
Policy Initiative Fund	3	0	13	16
Modernisation Fund	0	0	56	56
LABGI	0	0	464	464
Total	893	(679)	743	957

The LABGI (Local Authority Business Growth Incentive) reserve will be used to support the Authority's 2006/2007 budget, as already agreed by Members.

6 Comparison with the 2005/2006 Provisional Outturn

- 6.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting an underspend of £3,818,000. The actual underspend of £1,975,000 therefore represents a £1,843,000 change in the service's position.

Table 5: Comparison between provisional and final outturn		
	£000	£000
	Provisional Outturn as reported on 2nd February 2006	2005/2006 Final Outturn
Interest on revenue balances	(1,970)	(1,990)
Capital financing charges	(1,834)	(1,721)
Other admin charges	40	70
Members allowances	(30)	(28)
PIF fund	(19)	(14)
LABGI income	0	(464)
Funding of cost of restructuring resulting from modernisation	0	2,766
Insurances	0	(310)
Modernisation	0	(56)
PSA2	0	(430)
Street lighting contract	0	100
County Council elections	0	220
Other budgets	(5)	(118)
Total	(3,818)	(1,975)

- 6.2 The major variation from the provisional outturn is the funding for redundancies resulting from Modernisation. The decision to fund these from Other Services was taken specifically as a result of the large underspend forecast in February. Included in the figure shown above is the creation of a provision to cover redundancy payments to those members of staff leaving on or after 1st April 2006 and therefore all such costs are accounted for in 2005/2006.
- 6.3 Other variations not included in the provisional outturn include LABGI and PSA2, which are discussed in sections 3 and 5. The additional underspend on insurance was due to a variation between premiums collected and claims paid out; this cannot be forecast accurately before year-end due to the nature of the expenditure. Likewise, the expenditure on County Council elections reflects the fact that we are dependant on receiving claims from the district councils for this

expenditure and therefore cannot forecast the outturn position until claims have been received.

Dave Clarke
Strategic Director of Resources
Shire Hall
May 2006

Annex A: Revenue Outturn 2005/06 - Service Analysis

Line Ref.	A.1		OTHER SERVICES			A.2	A.3	A.4	A.5	A.6	A.7
	£000					£000	£000	£000	£000	%	
	2004/2005					2005/2006	2005/2006	2005/2006	Variation from		Notes
	Outturn					Original	Revised	Outturn	Revised Budget		
Exp/Inc					Budget	Budget	Exp/Inc	C-B			
					A	B	C				
Corporate and Democratic Core											
1	65	CAMS	65	65	65	0	0				
2	1,332	Chief Execs.	1,420	1,420	1,420	0	0				
3	137	Property Services (including County Offices)	164	164	164	0	0				
4	757	Treasurers	764	764	764	0	0				
5	84	LGA Subscription	98	98	103	5	5				
6	1	Other	14	14	0	(14)	(100)				
7	206	Banking & Treasury Management	216	216	201	(15)	(7)				
8	2,582		2,741	2,741	2,717	(24)	(1)				
Other Support Services											
9	77	Staff Club	104	74	65	(9)	(12)				
10	18	Control of Substances Hazardous to Health	19	19	17	(2)	(11)				
11	58	Subscriptions	58	58	53	(5)	(9)				
12	66	Reorganisation Pensions	70	70	67	(3)	(4)				
13	(100)	Warwickshire Care Services	(100)	(100)	(100)	0	0				
14	19,302	Capital Financing Charges	23,385	23,420	21,699	(1,721)	(7)				
15	13	Other Administrative Expenses	43	60	119	53	88				
16	19,434		23,579	23,601	21,914	(1,687)	(7)				
Other Apportionable Central Overheads											
17	345	External Audit Fees	284	284	250	(34)	(12)				
18	4	National Fraud Initiative	0	0	0	0	100				
19	(785)	Insurances	0	0	(310)	(310)	(100)				
20	1,300	Avon Valley - insurance	0	0	0	0	100				
21	943	Members Allowances and Expenses	998	998	970	(28)	(3)				
22	1,807		1,282	1,282	910	(372)	(0)				
Central Services to the Public											
23	5	County Council Elections	82	82	302	220	268				
24	1	Donation re Charity Registration	1	1	1	0	0				
25	6		83	83	303	220	265				
Other Operating Income and Expenditure											
26	188	Environment Agency (Flood Defence Levy)	219	202	202	0	0				
27	(2,690)	PSA Reward Grant	0	186	186	0	0				
28	108	Public Service Agreements	500	500	70	(430)	(86)				
29	372	Wedgenock House	300	300	300	0	0				
30	0	Babies Need Books	10	0	0	0	0				
31	(30)	Interest on Car Loans	(40)	(40)	(23)	17	(43)				
32	(2,370)	Interest on Revenue Balances (net)	(1,633)	(1,633)	(3,623)	(1,990)	122				
33	(81)	Other Income	0	(118)	(104)	17	(14)				
34	0	Liveability Agenda	30	30	0	(30)	(100)				
35	0	Street Lighting income	0	(100)	0	100	(100)				
36	0	LABGI Grant	0	0	(464)	(464)	(100)				
37	0	Modernisation Fund	230	230	174	(56)	(24)				
38	0	Modernisation Funding (redundancies)	0	(2,766)	0	2,766	(100)				
39	(4,503)		(384)	(3,209)	(3,279)	(70)	2				
Contributions to / (From) Funds											
40	319	Interest to the Insurance Fund	306	306	377	71	23				

41	61	Quality and Best Value Fund	0	18	5	(13)	100
42	0	Spending to Invest	100	100	0	(100)	(100)
43	380		406	424	382	(42)	(0)
44	19,706	NET DEPARTMENTAL EXPENDITURE	27,707	24,922	22,947	(1,975)	(8)
		CONTRIBUTIONS TO AND FROM RESERVES					
45	0	Transfer to/(from) Education Finance Lease Reserve			7	7	
46	775	Transfer to/(from) General Reserves		(76)	977	953	
47	(288)	Use of Capital Fund	(377)	(310)	(348)	(38)	
48	0	Transfer (from) / to LABGI Reserve			464	464	
49	77	Transfer (from) / to Elections Reserve			(220)	(220)	
50	679	Transfer (from) / to PSA Reserve		(186)	244	430	
51	(61)	Transfer (from) / to Quality & Best Value Fund			13	13	
52		Transfer (from) / to Modernisation Fund			56	56	
53	785	Contribution to the Insurance Fund			310	310	
54	21,673	NET REVENUE REQUIREMENT (Outturn Prices)	27,330	24,350	24,350	0	0

Annex B: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	B.1	OTHER SERVICES	B.2	B.3	B.4	B.5	B.6	B.7
	£000		£000	£000	£000	%		
	2004/2005		2005/2006	2005/2006	2005/2006	Variation from		Notes
	Outturn		Original	Revised	Outturn	Revised Budget		
	Exp/Inc		Budget	Budget	Exp/Inc	C-B		
			A	B	C	C-B		
1	7	Employees	17	17	41	24	141	
2	403	Premises	380	350	322	(28)	(8)	
3	2	Transport	80	80	0	(80)	(100)	
4	3,582	Supplies and Services	3,978	1,555	2,576	1,021	66	
5	188	Third Party Payments	377	186	188	2	1	
6	0	Transfer Payments	90	90	201	111	123	
7	2,291	Support Services	2,440	2,440	2,413	(27)	(1)	
8	0	Notional Asset Rentals	3	3	3	0	0	
9	19,745	Capital Financing Costs	23,691	23,726	21,699	(2,027)	(9)	
10	26,218	TOTAL EXPENDITURE	31,056	28,447	27,443	(1,004)	(4)	
		INCOME						
11	(2,690)	Government Grants	0	0	(464)	(464)	(100)	
12	(19)	Other Grants, Reimbursements and Contributions	(21)	(21)	(18)	3	(14)	
13	(208)	Customer and Client Receipts	(104)	(280)	(282)	113	(40)	
14	(2,400)	Interest	(1,415)	(1,415)	(3,623)	(2,208)	156	
15	(1,195)	Internal Income	(1,809)	(1,809)	(109)	1,700	(94)	
16	(6,512)	TOTAL INCOME	(3,349)	(3,525)	(4,496)	(971)	28	
17	19,706	NET DEPARTMENTAL EXPENDITURE	27,707	24,922	22,947	(1,975)	(8)	

Annex C: Revenue Outturn 2005/2006 - Budget Management Performance

OTHER SERVICES			C.1	C.2	C.3	C.4	C.5	C.6
Line Ref.	Service Description	Responsible Officer	£000	£000	£000	%		Notes
			2005/2006	2005/2006	2005/2006	Variation from		
			Original Budget	Revised Budget	Outturn Exp/Inc	Revised Budget		
			A	B	C	C-B		
Service Budgets								
(Including a full apportionment of management and support charges)								
1	Corporate and Democratic Core (CAMS)	Jeff Reading	65	65	65	0	0	
2	Corporate and Democratic Core (Chief Executives)	David Preece	1,420	1,420	1,420	0	0	
3	Corporate and Democratic Core (Property Services)	Graham Shaw	164	164	164	0	0	
4	Corporate and Democratic Core (Treasurer's)	Nicola Cumberledge	764	764	764	0	0	
5	Corporate and Democratic Core (Other Services)	Nicola Cumberledge	112	112	103	(9)	(8)	
6	Corporate and Democratic Core (Banking & Treasury Management)	Phil Triggs	216	216	201	(15)	(7)	
7	Staff Club	Nicola Cumberledge	113	74	65	(9)	(12)	
8	Control of Substances Hazardous to Health	John Palmer	19	19	17	(2)	(11)	
9	Subscriptions	Nicola Cumberledge	60	58	53	(5)	(9)	
10	Reorganisation Pensions	Nicola Cumberledge	70	70	67	(3)	(4)	
11	Capital Financing Charges	Phil Triggs	23,385	23,420	21,699	(1,721)	(7)	
12	Contributions to the Insurance Fund (interest)	Phil Triggs	306	306	377	71	23	
13	External Audit Fees	Nicola Cumberledge	284	284	250	(34)	(12)	
14	Insurance	David Preece	0	0	(310)	(310)	(100)	
15	Member's Allowances	Janice Semple	998	998	970	(28)	(3)	
16	PSA Reward Grant		0	186	186	0	0	
17	Public Service Agreements	Nicola Cumberledge	500	500	70	(430)	(86)	
18	County Council Elections	David Preece	82	82	302	220	268	
19	Environment Agency Levy	Nicola Cumberledge	209	202	202	0	0	
20	Wedgenock House	Graham Shaw	300	300	300	0	0	
21	Other Income and Expenditure	Nicola Cumberledge	43	(57)	13	70	(123)	
22	Spending to Invest	Nicola Cumberledge	100	100	0	(100)	(100)	
23	Warwickshire Care Services Income	Nicola Cumberledge	(100)	(100)	(100)	0	0	
24	Car Loan Interest	Phil McGaffin	(40)	(40)	(23)	17	(43)	
25	Interest on Revenue Balances	Phil Triggs	(1,633)	(1,633)	(3,623)	(1,990)	122	
26	Policy Initiative Fund	Nicola Cumberledge	0	18	5	(13)	(72)	
27	Livability Agenda	Nicola Cumberledge	30	30	0	(30)	(100)	
28	Babies Need Books	Paul Walsh	10	0	0	0	0	
29	Street Lighting Advertising		0	(100)	0	100	(100)	
30	Modernisation Fund	Jim Graham	230	230	174	(56)	(24)	
31	Modernisation Fund - redundancies	Appointments Committee	0	(2,766)	0	2,766	(100)	
32	LABGI Grant		0	0	(464)	(464)	(100)	
33	TOTAL SERVICE BUDGETS		27,707	24,922	22,947	(1,975)	(8)	

YOUTH OFFENDING SERVICE

FINAL REVENUE OUTTURN 2005/2006

1 2005/2006 Budget

- 1.1 The original budget for Youth Offending service was £1,027,000 (including the planned use of balances.) Since the original budget was approved there have been budget adjustments of £342,000. Therefore the 2005/2006 budget for the service is now £1,369,000.

2 2005/2006 Final Outturn Spending

- 2.1 The total net underspend for the year on items within the Service's control is £1,000. Details are shown below.

Table 1: Outturn spending 2005/2006		£000	£000
Original Budget - Gross			1,874
Original Budget - Net			1,027
Adjusted for:			
Use of Reserves (2004/2005 Carry Forward)	342		
Total Adjustments			342
Revised Budget			1,369
Actual Net Spending			1,368
Underspend (against revised budget)			(1)

- 2.2 Detailed analysis of final underspend is shown in Annexes A to B as follows:

- Annex A - shows the analysis by Service inputs (e.g. staff costs)
- Annex B - shows the analysis by cost centre manager

Each annex also includes an explanation of significant variation

- 2.3 The principal items which have led to the underspend are summarised in the table below.

Table 2: Major variations	£000
Secure Accommodation	40
Staffing vacancies	(40)
Building maintenance/phones and cleaning costs	6
Telephone/photocopying charges at Criminal Justice Centre	(4)
Cancellation of a training course prior to year end	(3)
Total	(1)

3 Spending on specific 2005/2006 budget allocations

- 3.1 In February 2005, as part of the 2005/2006 budget the Youth Offending service was allocated £22,000 to fund specific projects. Spending on these projects in 2005/2006 was £22,000. £20,000 relates to the element of replacement under the Service Level Agreement with CAMS on IT services and £2,000 to fund staff regradings.

4 Reserves

- 4.1 The service began the year with accumulated reserves of £328,000. As a result of the underspend and reserve movements in the year the reserves position at 31 March 2006 is £158,000 in-hand. The Head of Service is proposing to use the following reserves to support the 2006/2007 revenue budget:

	£000
Information Officer	30
Support existing staffing complement (previously resourced from reserves)	30
Total Use of Reserves 2006/2007	60

Committed reserves beyond 2006/2007 are detailed as follows:

Secure Accommodation (3 years @ £20,000 p.a.)	60
Land Rover running costs	6
Two Wheels project	2
Information Officer	30
Total Committed Reserves	98
 Total Reserves at 31 March 2006	 158

4.2 The Service's overall reserves position can therefore be summarised as follows:

Table 3: Reserves	Reserves In-Hand/ (Overdrawn) at 1 April 2005 £000	Adjustments to Reserves in year £000	Final Outturn £000	Reserves In-Hand/ (Overdrawn) at 31 March 2006 £000
Service Reserves	200	(68)	1	133
IT Replacement	27	(20)		7
Mentoring Scheme	18	(18)		0
Ryogens	63	(45)		18
Implementation				
Basic Skills Tutor	20	(20)		0
Total	328	(171)	1	158

4.3 As a result of the Council's restructuring the above balance of reserves as at 31st March 2006 has been reallocated to the new Children's, Young People & Families Directorate.

4.4 Members are asked to approve the use of £60,000 reserves to support the service's 2006/2007 budget.

5. Comparison with the 2005/2006 Provisional Outturn

5.1 The service last reported the expected outturn position to Cabinet as part of the corporate 2005/2006 Provisional Outturn report on 2 February 2006. At this time the service was predicting a nil variation. The actual underspend of £1,000 therefore represents a change of £1,000 in the service's position.

Table 4: Comparison between provisional and final outturn		
	Provisional Outturn as reported on 2nd February 2006 £000	2005/2006 Final Outturn £000
Youth Offending Team (See note 5.2 below)	0	(1)
Total	0	(1)

5.2 The variation relates to fewer sessional workers needed than predicted on Restorative Justice.

Marion Davis
Strategic Director
Children, Young People
& Families, Shire Hall
Warwick
19 May 2006

Diane Johnson
Head of Youth Offending Service
12 Hamilton Terrace
Leamington

Annex A: Revenue Outturn 2005/2006 - Subjective Analysis

Line Ref.	A.1 £000 2004/2005 Outturn Exp/Inc	YOUTH OFFENDING TEAM					A.7 Notes
		A.2 £000 2005/2006 Original Budget A	A.3 £000 2005/2006 Revised Budget B	A.4 £000 2005/2006 Outturn Exp/Inc C	A.5 £000 Variation from Revised Budget C-B	A.6 %	
		EXPENDITURE					
1	1438	1,194	1,473	1,434	(39)	(3)	1
2	161	97	155	171	16	10	2
3	138	113	119	141	22	18	3
4	382	296	182	269	87	48	4
5	130	189	284	357	73	26	5
	16	0	0	0	0	0	
6	2265	1,889	2,213	2,372	159	7	
		INCOME					
7	0	0	0	0	0	0	
8	(983)	(501)	(808)	(856)	(48)	6	
9	0	(346)	0	0	0	0	
10	0	0	0	0	0	0	
11	(109)	(15)	(36)	(148)	(112)	311	6
12	(1,092)	(862)	(844)	(1,004)	(160)	19	
13	1,173	1,027	1,369	1,368	(1)	0	
		CONTRIBUTIONS TO/(FROM) RESERVES					
14	(57)	171	(171)	(171)	0	0	
15	0	0	0	1	1	0	
16	1,116	1,198	1,198	1,198	0	0	
		NET REVENUE REQUIREMENT (OUTTURN PRICES)					

Notes

1. A number of posts have been vacant for part of the year, and there have been delays in suitable recruitment.
2. Increased Building Maintenance works funded by additional Prevention grant during 2005/2006.
3. Higher costs on essential user mileage due to more visits to young people.
4. A marked increase in 2005/2006 of young people remanded by the courts and increased demand for secure accommodation.
5. Additional computer maintenance costs during 2005/2006 which was funded by E-Government Ryogens - CAMS.
6. Additional internal income received from CAMS - E-Government Ryogens to fund all expenditure related to this project for 2005/2006 only..

Annex B: Revenue Outturn 2005/2006 - Budget Management Performance

YOUTH OFFENDING TEAM			B.1	B.2	B.3	B.4	B.5	B.6
Line Ref.	Service Description	Responsible Officer	£000	£000	£000	£000	%	Notes
			2005/2006	2005/2006	2005/2006	Variation from		
			Original	Revised	Outturn	Revised Budget		
			Budget	Budget	Exp/Inc			
			A	B	C	C-B		
Service Budgets								
(including a full apportionment of management and support charges)								
1	YOT POOLED BUDGET	Diane Johnson - Head of Service	1,095	1,358	1,361	3	0	
2	YOT LEAMINGTON SPA	Diane Johnson - Head of Service	67	69	64	(5)	(7)	
3	NUMBER 16 HAMILTON TERRACE	Diane Johnson - Head of Service	37	38	36	(2)	(5)	
4	YOT RUGBY	Heather Walton - Team Manager	50	24	30	6	25	1
5	YOT TRAINING	Rachel Faulkner - Team Manager	0	15	12	(3)	(20)	2
6	YOT IT BUDGET	Leslie Celic - Team Manager	40	67	64	(3)	(4)	
7	CRIMINAL JUSTICE CENTRE NUNEATON	Leslie Celic - Team Manager	20	42	38	(4)	(10)	3
8	YJB CORE FUNDING GRANT	Diane Johnson - Head of Service	0	0	6	6	0	
9	YJB SUBSTANCE MISUSE GRANT	Diane Johnson - Head of Service	0	0	0	0	0	
10	YJB REFERRAL ORDERS GRANT	Diane Johnson - Head of Service	0	0	(1)	(1)	0	
11	MENTORING SCHEME	Heather Walton - Team Manager	0	18	18	0	0	
12	TWO WHEELS SCHEME	Heather Walton - Team Manager	0	0	4	4	0	
13	RESTORATIVE JUSTICE	Heather Walton - Team Manager	70	70	67	(3)	(4)	
14	INTENSIVE SUPERVISION & SURVEILLANCE	Heather Walton - Team Manager	0	0	0	0	0	
15	LAND ROVER	Heather Walton - Team Manager	0	0	1	1	0	
16	MOTOR GROUP	Heather Walton - Team Manager	0	5	4	(1)	0	
17	E-GOVERNMENT RYOGENS	Leslie Celic - Team Manager	0	0	0	0	0	
18	DIRECT WORK	Nicky Nicholls - Operations Manager	0	15	14	(1)	0	
19	VICTIM IN PARTNERSHIP	Diane Johnson - Head of Service	0	0	2	2	0	
CONTRIBUTIONS FROM OTHER AGENCIES:-								
19	Warwickshire Probation Board	Diane Johnson - Head of Service	(152)	(152)	(152)	0	0	
20	Warwickshire Police Authority	Diane Johnson - Head of Service	(116)	(116)	(116)	0	0	
21	Health Authority	Diane Johnson - Head of Service	(84)	(84)	(84)	0	0	
22	TOTAL SERVICE BUDGETS		1,027	1,369	1,368	(1)	(0)	

Notes

1. Overspend relates to building work; phones and cleaning costs.
2. A training course was cancelled prior to year end which was not rescheduled in the 2005/2006 financial year.
3. The Nuneaton Criminal Justice Centre main partner - Warwickshire Police Authority did not recharge the Youth Offending Service for telephone and photocopying charges as predicted.