

**Name of meeting and date:** Cabinet  
Wednesday 16<sup>th</sup> June 2009

Council  
Wednesday 24<sup>th</sup> June 2009

**Title of report:** Financial Outturn 2008/09  
Rollover Revenue Budget

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Is it in the <a href="#">Council's Forward Plan</a> ?	Not applicable
Is it eligible for "call in" by <a href="#">Scrutiny</a> ?	Not applicable
Cabinet member <a href="#">portfolio</a>	Cllr M Khan and Cllr K Pinnock

**Electoral [wards](#) affected and ward councillors consulted:** All

**Public or private:** Public

## 1. Purpose of report

This report examines outturn figures for the 2008/09 financial year, and makes recommendations to the Cabinet on the levels of "rollover" and "clawback" to be allowed in 2009/10. The Cabinet in turn is required to make recommendations to the Council meeting on the 24<sup>th</sup> June 2009.

## 2. Key points

In-year monitoring and the Council's new MTFP anticipated underspendings in 2008/09, which would be available to offset budget pressures in 2009/10 and later years.

The final position shows an underspending of £15.1m in 2008/09. However, much of this relates to expenditure which will now slip into 2009/10.

The major issues are in line with earlier monitoring, with the largest variations being:-

- additional costs within the Children and Young Peoples Service (ChYPS), related to safeguarding services and higher numbers of children entering the care system.

- the impact of the recession on levels of income, most notably from planning applications.
- savings on Treasury Management as a result of beneficial interest rates in the first half of the year and higher than anticipated slippage in the Capital Plan.
- reduced costs on Adult Services with lower than predicted increases in the numbers of 'customers'.

There were reduced requirements across a range of services, including slippage on new initiatives. The Council's rollover mechanism provides a basis for the funding of these initiatives to be carried forward into 2009/10.

In addition, the separate Collection Fund has a deficit of £0.9m at 31<sup>st</sup> March 2009 as a result of lower than anticipated levels of Council Tax income. This deficit will need to be replenished in future years and balances should be set aside to meet this.

### **3. Implications for the Council**

The recently agreed MTFP required an increased use of balances to sustain future Council Tax levels. That requirement has been achieved. Proposals for the rollover of budgets in services to meet previous commitments are also made.

The net position, after the recommended rollover proposals, increases uncommitted balances by £2.4m. It is recommended that this be retained to match additional requirements relating to the Collection Fund shortfall and to one-off costs associated with Single Status (£1.5m).

### **4. Consultees and their opinions**

This report has been prepared by the Director of Finance in consultation with the Executive Management Group.

### **5. Officer recommendations and reasons**

It is recommended:-

- i) that entitlements to rollover and provisions for clawback in 2009/10 should be as set out in Appendix 1 to this report, as amended by the proposals in paragraphs 2.9 to 2.36. These are summarised in Appendix 3;
- ii) that the additional balances identified be set aside to offset a deficit in the Collection Fund and to fund one-off costs of Single Status; and
- iii) that these recommendations are referred to the Council on 24<sup>th</sup> June 2009, for approval.

**6. Cabinet portfolio holders' recommendation**

The portfolio holders support the officer recommendation.

**7. Next steps**

The Cabinet's proposal will be considered at full Council on 24<sup>th</sup> June 2009.

**8. Contact officer and relevant papers**

Dick Hewitson Director of Finance	01484 221124 (8601124)
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Robin Goater Assistant Director of Finance (Accountancy)	01484 221027 (860 1027)
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Jane Kennerdale Senior Finance Officer	01484 221146 (860 1146)
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## 1. BACKGROUND

- 1.1 The 2008/09 Revenue Budget made provision for net spending of £307.8m. Supplementary budgets amounting to £7.0m (net) were subsequently agreed as an outcome from last year's Rollover process. The Revised Budget therefore became £314.8m.
- 1.2 The overall outturn for 2008/09 **for the Council as a whole** is £299.7m, **indicating an underspending of £15.1m** (£14.8m in 2007/08). Many of the key elements were recognised in earlier monitoring reports, with the benefits already taken into account in the Council's latest Medium Term Financial Plan.

## 2. MAIN ISSUES

### Rollover

- 2.1 **Rollover** is the mechanism which allows overspendings or underspendings in one financial year to be accommodated/used in the following year. It is intended to secure the better use of the Council's resources and is an extremely useful management tool. This ensures no artificial rush to maximise spending at financial year ends and also allows any resources saved by effective management action to be used in the following year to fund deferred commitments, and to support the achievement of new priorities and the delivery of longer term efficiency savings. This also allows earmarking of resources for new or key issues.

In this report, the term '**rollover**' is used to indicate the carrying forward of resources released by underspending and the term '**clawback**' is used to indicate reductions in 2009/10 budgets arising from overspendings in 2008/09. The methods for calculating rollover are prescribed in the Council's Financial Procedure Rules.

- 2.2 The net underspending at **service level** (i.e. excluding central budgets) **amounted to £6.8m** (compared with an underspending of £8.1m in 2007/08). This will normally be the starting point for decisions on rollover. This net underspending comprises many significant variations, with the aggregate of underspendings at **activity level** £16.4m (£13.3m in 2007/08), and the aggregate of overspendings £9.5m (£5.2m in 2007/08). A detailed analysis of all the variances is shown in columns (B) (C) and (D) of Appendix 1 to this report.

The calculations of rollover and clawback are shown at **activity level** in columns (F) and (G) of Appendix 1, with column (H) showing net rollover or clawback **at service level**. The figures in column (E) show the maximum rollover allowed by Financial Procedure Rules for each activity. This is based on 5% of the Revised Estimate, or, where income is equivalent to one-third or more of gross expenditure, 5% of gross expenditure. This mechanism caps some underspending for the purposes of carrying forward resources.

- 2.3 In summary, the aggregate of rollover entitlements is £13.8m (total col (F)), and the aggregate of 'clawback' is £9.5m (total col (G)). In this pure form, rollover would work as follows:-

Table 1A. Rollover calculations - first pass

	£m
Supplementary budget allocations in 2009/10 to those activities which underspent in 2008/09 (from column (F) of Appendix 1).	13.8
LESS	
Reductions in budgets in 2009/10 for those activities which overspent in 2008/09 (from column (G) of Appendix 1)	9.5
Net increase in budgets in 2009/10	<u>4.3</u>

Table 1B. Changes to balances – first pass

	£m
Net underspending in 2008/09 taken to General Fund Balances (from column (D) of Appendix 1).	15.1
LESS	
Resources needed to fund rollover in 2009/10 (above)	4.3
Addition to unreserved balances	<u>10.8</u>

The difference between the overall underspending **at service level** in 2008/09 (£6.8m) and the net addition to budgets in 2009/10 (£4.3m) represents the extent to which rollover entitlements have been capped. A full list of these is shown in Appendix 2.

- 2.4 In practice, however, it is necessary to check that budget reductions for 2009/2010 are sustainable, and whether there are special circumstances to be taken into account in allowing rollover. The rest of this report deals with proposed changes to the mechanistic calculation of the figures.

### **Additional Matters of Principle**

- 2.5 In certain instances, it is possible that a service can suffer clawback greater than its overspending in the previous year. This happens because overspendings are clawed back in full, whilst underspending can be capped, and if a service has significant underspending and overspendings **at activity level** there will always be this risk. This is not currently covered by Financial Procedure Rules, but the established convention is **that the clawback at service level should be limited to the previous year's service overspending**.

- 2.6 In recent years, the budgets for certain 'demand-led' services such as Housing Benefits have been protected because it is not possible to manage demand in any significant way. The corollary to this approach is that any underspendings are 'ring-fenced' and not available to the managing services. This principle has been applied where appropriate.
- 2.7 The rollover system has applied for many years to all of our services. This has allowed 'trading' or 'support' services to make deficits or surpluses and carry them forward to the following years. However, local authority accounting practices, and in particular the Best Value Accounting Code of Practice (BVACOP), require 'material' surpluses or deficits to be given back, or charged, to front line services. In these circumstances, budgets have been moved to/from front line services to compensate so that the implications of BVACOP do not corrupt our rollover arrangements. Changes have been made for the following services:-
- (i) Central Resource Group
  - (ii) Strategic Finance;
  - (iii) Corporate HR;
  - (iv) Cleaning of Buildings;
  - (v) Performance and Communication;
  - (vi) Transport;
  - (vii) Intech;
  - (viii) Catering;
  - (ix) Corporate Governance;
  - (x) Land bank;
  - (xi) Design and Property Services;
  - (xii) Building Services;
  - (xii) Group Services;
  - (xiv) Legal;
  - (xv) Policy and Governance; and
  - (xvi) Office Accommodation
- 2.8 Finally, Heads of Service have been encouraged to manage their budgets over a longer period than 12 months, and have been given assurances as far as possible **that rollover will be allowed to work without interference from the corporate centre. This report is based heavily on that assumption.** It should also be acknowledged that the 2009/10 service plans are to an extent underpinned by the presumption of rollover.

### **Commentary on Outturn and Proposals for Particular Services**

- 2.9 The following paragraphs offer a commentary on material variations from budgets where appropriate for specific services, and make proposals for intervening in the pure rollover process. If a service is not mentioned then it is assumed that rollover/clawback will be determined in the 'pure' way as set out in Appendix 1.

- 2.10 Within the **Children and Young People's Service**, regular monitoring has identified a range of pressures and overspendings, the most significant factor being higher demands on the **Safeguarding Service**. Detailed reports were presented to Cabinet during the year in accordance with Financial Procedure Rules and a strategy was established which aimed to identify savings within the service to offset this. This included a stringent review of all vacant posts and maximising flexibility to charge allowable expenditure to grants. **The final position was an overspending of £4.5m on Safeguarding with compensating underspendings of £1.5m in other parts of the Service.**

Corporately, our budget planning assumed that this overspending would be contained from underspendings in other areas. As outlined elsewhere, these savings have been achieved and therefore **it is recommended that full mitigation of clawback be applied.**

In addition, there are four further issues where the rollover rules should be amended. Included in the net overspending above are three elements of underspending on particular projects which have slipped. Had spending on these projects proceeded as planned, the overspending would have been higher at £3.5m, but within the range covered in the MTFP. **It is recommended that rollover is allowed for the Building Schools for the Future project (£341k), for the Foster Parent Campaign (£99k) and for the Vibe website (£48k).** Also included in the net service overspending is an overspending of £190k on schools maintenance which will be recovered from the equivalent budgets in 2009/10.

**Overall, it is recommended that clawback is mitigated in full and that net rollover of £298k (net) is allowed.**

- 2.11 **Environmental Services** contained costs within overall budgets and consistent with earlier monitoring reports. The largest underspending related to slippage on the corporate energy projects budget (£510k), which is proposed to be rolled over in full.
- 2.12 **Streetscene** underspent its budget by £99k, largely as a result of delays in recruitment. The budget however included £75k for specific new developments which were delayed and it is proposed that this should be surrendered. Base provision is made for the continuation in the new MTFP.

**It is recommended that £75k rollover is surrendered.**

- 2.13 Two major potential overspendings on the **Highways Service** were recognised in monitoring, relating to income reductions on the Parking Service (final overspending £549k) and additional winter maintenance costs linked to the exceptional winter weather in the last year (final position £674k).

Detailed reports were submitted to Cabinet on a range of actions across all parts of the service to offset these pressures, and these have limited the net overspending to £488k.

**It is recommended that full mitigation be applied and no clawback be required in 2009/10.**

- 2.14 The £56k underspending on **Design and Property Services** will be used in part to offset the overspending of £239k on the **Office Accommodation Service**. This overspending resulted from higher levels of voids and previous year's clawback. Action is required to ensure a longer term stable budget position for Office Accommodation.

**It is recommended that the net clawback (across the two activities) is mitigated in full.**

- 2.15 The **Land, Property and Land Bank Management Service** overspent its budget by £300k, mainly as a result of significant one-off costs on remedial works to properties at Low Mill Lane.

**In light of the exceptional and one off nature of these costs it is recommended that this overspending be fully mitigated.**

- 2.16 The **Building Services** DLO had a successful trading year due to higher than anticipated levels of activity. This is a significant improvement from 2007/08 where mitigation of a significant loss was required. In light of the previous year's mitigation, **it is recommended that rollover should be surrendered in this financial year.**

- 2.17 The **Catering DSO** achieved a small surplus, resulting in an underspending of £52k against the budget. This latter achievement is highlighted because of the significant successes achieved in containing higher food costs by a combination of higher income levels and efficiency savings.

- 2.18 **Housing General Fund Services** underspent its budget by £329k which was primarily due to turnover/vacancy management and delays in the implementation of new initiatives agreed as part of the 2008/09 budget. These more than offset increased costs of additional temporary accommodation (£187k).

**It is recommended that rollover be reduced by £111k in respect of one-off savings arising from the slower than planned introduction of two new initiatives (Affordable Housing and Empty Homes).**

- 2.19 For **Adult Services** the final outturn position showed a net underspending of £3.3m, around £400k higher than had been predicted at Week 40. For the purposes of the new MTFP, it was assumed that the whole of the underspending at Week 40 would be returned to the centre.

**It is recommended that part of this additional saving (£341k) be allowed as rollover within Adult Services.**

- 2.20 **Community Support and Safer Communities Services** underspent their budgets by £229k and £241k respectively across a number of budget headings. A report was submitted to Cabinet on 4<sup>th</sup> February 2009 in relation to a potential underspending on the Families Intervention Project and requesting that rollover be extended. It is considered that this can be contained within total normal rollover for Community Support and Community Safety.



- 2.21 For **Neighbourhood Element** there is a reported underspending of £248k, which under the 'rules' be capped at £25k. However, the underspending is really the result of arrangements to maximise grant entitlement and the expenditure will in practice transfer into 2009/10.

**It is recommended that the rollover cap should not be applied in relation to Neighbourhood Element and that rollover should be set at £248k.**

- 2.22 Across the **Planning group** of services, there was a net overspending of £553k. A loss of planning fee income was identified as one of the key early impacts of the recession, and the final loss of budgeted income was £1.3m. A strategy to offset this by a range of measures was adopted, with savings from reduced staffing and additional other income. In addition, savings have been achieved against budgets set aside for the Local Development Framework.

**It is recommended that clawback at the group level (£553k) is mitigated in full.**

- 2.23 The **Economic Development Service** (including the **Green Business Network (GBN)** ) underspent its budget by £16k. This was mainly as a result of additional grant income, offset by a shortfall on GBN built up over a number of years, with further slippage of some income into 2009/10.

- 2.24 The **Regeneration Development Service** underspent by £260k. This was mainly as a result of vacancies, additional income and an underspending in respect of Queensgate, following the need to review progress on the original scheme in light of new economic conditions. The underspending has been capped at £108k by the rules.

- 2.25 Across **Culture and Leisure Services** a net underspending of £361k was achieved. The most significant element related to reduced costs due to delays in implementing the LICS programme. The service was able to contain reduced income as a result of the winter weather, and also a retrospective reduction in a previous year's grant.

- 2.26 **Intech** underspent by £477k due to vacant posts and achieving additional income as a result of an increase in number of devices attached to the network. The underspending is planned to be used to help fund the new corporate software which otherwise would require capital funding.

- 2.27 **Corporate HR** underspent its budget by £205k primarily due to vacancies and delays in recruitment.

- 2.28 The **Policy and Governance Service** underspent by £728k, of which the largest element is related to Local Area Committees delegated budget (£516k). The usual convention for Area Committee budgets is that full rollover is allowed and this position is assumed here. The budget also included a new provision in 2008/09 for small scale celebration events, which was not used. **It is recommended that rollover is reduced by £50k to take account of this.**

The **Kirklees Partnership** had an underspending of £32k, which would ordinarily have been capped at £20k. In this case, the service had planned the overspending in its new budget, and so it **is proposed that the cap is removed.**

**It is also proposed that £25k rollover be allowed for Electoral Services** to run a take up campaign in advance of the forthcoming General Election.

- 2.29 The **Performance and Communication Service** underspent its budget by £494k due primarily to vacant posts and to surpluses on internal trading activities which experienced exceptional workloads in areas with low marginal costs. In view of trading losses being written off in past years, it is proposed that 50% of the surpluses in 2008/09, in respect of Document Solutions (£43k), Graphics (£31k) and Community Languages (£11k), should be surrendered.

**The Service has agreed to surrender rollover of £85k.**

- 2.30 **Corporate and Democratic Core** overspent its budget by £210k. These costs primarily relate to recharges from other services and to audit fees.

**It is recommended that the clawback be mitigated in full.**

- 2.31 **Corporate Governance** underspent by £84k. These costs also primarily relate to recharges from other services.

**It is recommended that the rollover be surrendered in full.**

- 2.32 The cost of **Revenues and Benefits** is split between benefits payments to the public and administration and support. Both elements are supported by central government grants but not necessarily directly matched to costs.

The budget for **Benefits Payments** underspent by £37k which, in accordance with paragraph 2.6 above, **is surrendered.**

- 2.33 **Corporate Budgets** had an underspending of £2.6m. This primarily relates to the Corporate Priorities Budget which is the Council's major revenue budget resource for strategic projects and initiatives. These budgets are traditionally rolled forward in total to retain funding for such projects. In this case, it was agreed for the new MTFP that £1.0m of this underspending would be surrendered to balances.

**It is recommended that rollover of £1.0m should be surrendered in line with the above strategy.**

## Summary of Proposals

- 2.34 If members accept these proposals, the rollover entitlements will change as follows:-

Table 2. Adjustments to rollover calculations

	£k	£k
Original calculated rollover figure from paragraph 2.3 [This figure has already taken out underspendings in excess of 5% amounting to £2.593m. A full list of automatically 'lost' rollover is shown in Appendix 2.]		13,796
<u>Plus</u> additional rollover allowed		
(a) ChYPS (BSF mainly)	298	
(b) Neighbourhood Element	223	
(c) Planning	1,267	1,788
<u>Less</u> rollover surrendered:-		
(a) Streetscene	75	
(b) Design and Property Services	56	
(c) Building Services	197	
(d) Housing Services	111	
(e) Adult Services	2,266	
(f) Policy and Governance	13	
(g) Performance and Communication	85	
(h) Corporate Governance	84	
(i) Revenues and Benefits	37	
(j) Corporate Budgets	1,000	3,924
<b>Modified rollover</b>		<b>11,660</b>

- 2.35 Similarly the clawback figures will change as follows:-

Table 3. Adjustments to clawback calculations

	£k	£k
Original calculated clawback		9,546
<u>Less</u> mitigation proposed:-		
(a) ChYPS	3,331	
(b) Highways	577	
(c) Office Accommodation	239	
(d) Land Property and Land Bank Management	300	
(e) CDC	210	4,657
<b>Modified clawback</b>		<b>4,889</b>

- 2.36 If all these proposals are accepted, then the net rollover at **service level** would be £6.8m as follows:-

Table 4. Net rollover allocations

	£m
Modified rollover (Table 2)	11.660
Modified clawback (Table 3)	4.889
Net Rollover	<u>6.771</u>

### **Central Budgets**

- 2.37 The central budgets were underspent by £8.3m. Generally speaking, savings from these budgets are returned to balances, except where they are project-based.

### 2.38 Treasury Management

Significant savings of £4.2m were achieved in relation to Treasury Management, although these were largely recognised within the earlier monitoring and the updated MTFP and budget planning.

The main elements relate to reductions on net external borrowing costs as a result of higher than anticipated slippage on the Capital Plan (see separate report on this elsewhere on the agenda) together with additional income earned from increased revenue balances, especially in the first half of the year before the banking crisis. In addition, £0.8m of revenue savings were obtained by taking to the centre planned revenue contributions to capital projects in services.

### 2.39 Central Budgets/contingencies

The remaining central budgets are usually referred to as the Central Contingencies, but in fact much of it relates to ongoing budgets where there is no one service to which they can be attached.

These central budgets have underspent in 2008/09 by £4.1m, although there are many, often offsetting, variances.

A change in accounting arrangements required the full Performance Reward Grant (PRG) to be accounted for in 2008/09, whereas the MTFP budgets for this in two instalments in 2008/09 and 2009/10. The resources of £1.465m will need to be rolled forward. Equally the budget provision to pass on part of this PRG to partners was not used in 2008/09 and will also need to be carried forward.

In addition, services have carried forward underspendings in 2008/09 to fund expenditure in the new MTFP. To aid clarity these planned underspendings were transferred from 2008/09 service budgets to central contingency budgets. The sum of £0.914m will need to be carried forward.

There is also slippage on a number of smaller projects e.g. Health and wellbeing which also need resources to be carried forward.

Finally, the government announced late in the financial year the last tranche of LABGI grants (Local Authority Business Growth Incentive), which was not included in the budget. It is proposed that this should be rolled forward and added to the current CPB budget for mitigating the effects of the recession.

**It is recommended that total rollover of £3.98m is allowed, of which £0.500m should be allocated to the CPB.**

### **Collection Fund**

- 2.40 The Collection Fund is a discrete statutory account and does not directly impact on rollover considerations. Due to the emerging impact of the recession, the Council is experiencing higher than anticipated arrears and has had to increase its provision for bad debts. The final position resulted in a deficit of £906k, which will impact on the 2009/10 Revenue Budget by providing less income. Unless the position on the Collection Fund improves during 2009/10, the General Fund will need to compensate.

### **Housing Revenue Account**

- 2.41 The Housing Revenue Account (HRA) is ringfenced by statute and therefore there can be no intervention in Rollover with contributions to or from the Council's General Fund.

The HRA outturn position was a £2.8m surplus. The budget for repairs and maintenance was underspent by £455k, or 2.1% against budgeted activity and included an unanticipated year end distribution of a surplus on Building Services (£720k).

Elsewhere, the bad debt requirement was also less than budgeted, by £177k, although there remains some potential volatility, reflected in the 2009-12 MTFP, relating to the medium term impact of the recession. A number of Council support service charges to HRA were also lower than anticipated, by £365k in total. Excellent Homes for Life (PFI 5) development costs were £211k less than anticipated.

Interest income earned on HRA cashflow was £814k higher than budgeted. This was due in part to the additional income generated from the overall in-year surplus, and in part due to the inclusion of accumulated Major Repairs Allowance cash reserves, which are earmarked to support the approved public sector housing capital plan. It is anticipated that interest income in 2009/10 will revert to the pre-existing budget, due to a much lower interest rate applied to the calculation. Service charge income was also £351k higher than budgeted for, but this had been reflected in both in-year monitoring, and in the 2009/12 MTFP.

Overall HRA balances, net of approved commitments, remain in line with budgetary forecasts, at around £20 million. It is anticipated that some of this will be available for future 'one-off' developments that add value to landlord services to tenants, including any significant resource commitments to fund future potential developments such as Excellent Communities For Life (PFI6), the outcome from the national Housing Subsidy review and potential Council new build initiatives.

Also, the most recent HRA Business Plan forecasts still maintain the position of an emerging medium term in-year deficit, albeit from 2017/18, while we remain locked into the current subsidy regime. Again, this is subject to change depending on what comes from the national housing subsidy review.

It is also recommended that £210k from the in-year surplus generated, be earmarked to fund additional site preparation costs arising from the Fieldhead estate regeneration capital scheme; the latter forms part of the Public Sector Housing section of the overall Council Capital Plan rollover and update report 2009/14.

### **Effect on the 2009/10 Budget and Levels of Balances**

- 2.42 When the 2009/2010 Revenue Budget was being prepared, I reported a forecast net underspending in 2008/2009 of £5.9m, and that £3.9m would be required to fund rollover in 2008/09. In other words, the assumption was that £2.0m would be released from the rollover process to add to balances.
- 2.43 There have been some changes from these assumptions and, if members accept the proposals in this report, then the new position will be as follows:-

Table 5. Movements in balances 2007/08

	Assumptions in 2008/09 Budget Report £m	Outturn Figures £m
Overspendings/Underspendings (CR) in 2007/2008 Budget:		
Services	1.971 CR	6.843 CR
Central Budgets - general	3.944 CR	8.286 CR
	<hr/>	
Addition to balances (CR)	5.915 CR	15.129 CR
Provision for rollover:		
Services	3.936	6.771
Central Budgets		3.983
	<hr/>	
	3.936	10.754
Net use of balances / Net addition to balances (CR)	<u>1.979 CR</u>	4.375 CR
Net increase in uncommitted balances		<u>2.396 CR</u>

This addition to uncommitted balances is by its nature one-off, and should not be used to fund recurring expenditure, to avoid longer term implications. As discussed in para 2.41, it will be necessary to reserve £0.9m to compensate for the shortfall on the Collection Fund.

#### 2.44 Longer Term Issues

It was acknowledged in agreeing the most recent MTFP that equal pay and equal value claims represent a major risk facing Kirklees and other Councils. The cost of the likely outcomes of managing claims is not currently included in the MTFP, but there is a contingency plan to seek approval from the government to capitalise costs. Revenue funding may need to be provided in the event of the government not giving approval to capitalisation in full.

In the short term, most additional cost pressures which have been identified are funded within the current MTFP. However, there is an emerging need to make one off hardship payments to groups of staff who are disadvantaged by the Single Status process. It is recommended that £1.5m is set aside for this purpose.

#### Procedural Issues

2.45 The rollover provisions apply at activity level, that is additional (or reductions to) budgets will be allocated in 2009/10 to **those activities** which underspent (or overspent) in 2008/09. Any subsequent reallocation of resources across activities will be subject to the virement rules in 2009/10, with those requiring Cabinet approval referred to the Cabinet as soon as possible after the Council meeting.

2.46 Assuming approval of the recommendations above, one service seeks formal approval at this stage to reallocate the rollover between activities, as set out in Appendix 4. This is strictly virement in 2009/10, and needs Cabinet approval.

### 3. **IMPLICATIONS FOR COUNCIL POLICY**

The Medium Term Financial Plan takes account, so far as possible, of the Council's priorities and its current Corporate Improvement Programme. The limited resources released from these proposals will be used to support the implementation of Single Status, one of the key priorities.

### 4. **IMPLICATIONS FOR COUNCIL GOVERNANCE**

This is a key element of the corporate governance arrangements and is submitted to both Cabinet and the Council itself. This report is linked to, and summarises information within, the formal Statement of Accounts which will be submitted to the Council's Audit and Governance Committee on 30<sup>th</sup> June 2009, for approval.

## **5. MONITORING AND REVIEW**

This represents the final stage of monitoring and reporting on the 2008/09 Revenue Budget. Where appropriate, trends identified will be used to update the next MTFP.

R Hewitson  
Director of Finance

### **Contact Officers:**

Dick Hewitson	01484 221124 (860 1124)
Robin Goater	01484 221027 (860 1027)
Jane Kennerdale	01484 221146 (860 1146)



## Rollover 2008/09

	(A) ORIGINAL ESTIMATE £'000s	(B) REVISED ESTIMATE £'000s	(C) ACTUAL EXPENDITURE £'000s	(D) VARIANCE £'000s	(E) MAXIMUM ROLLOVER £'000s	(F) ROLLOVER £'000s	(G) CLAWBACK £'000s	Appendix 1 (H) NET ROLLOVER @ SERV.LEVEL £'000s
<b>SUMMARY</b>								
Children & Young People	77,763	96,182	99,147	2,965	19,502	1,696	-5,027	-3,331
Environment,Transport & Property	50,567	55,901	55,593	-308	9,597	2,083	-1,864	219
Adult & Communities	113,765	116,304	111,768	-4,536	6,335	4,081	-694	3,387
Regeneration	34,812	40,544	40,392	-152	2,682	1,037	-1,751	-714
Central Services	13,295	17,589	15,366	-2,223	8,972	2,310	-210	2,100
Corporate Budgets	6,550	5,854	3,265	-2,589	2,589	2,589	0	2,589
	296,752	332,374	325,531	-6,843	49,677	13,796	-9,546	4,250
Joint Committees	18,122	18,174	18,258	84				
Treasury Management	-2,768	-16,342	-20,589	-4,247				
N.D.C.	-12,278	-9,368	-9,368	0				
Contingencies	7,926	-10,037	-14,160	-4,123				
<b>TOTAL</b>	<b>307,754</b>	<b>314,801</b>	<b>299,672</b>	<b>-15,129</b>				
<b>ROLLOVER FROM 2007/08</b>	<b>7,047</b>							
	<b>314,801</b>							
<b>Housing Revenue Account</b>								
Repairs and Maintenance	20,970	20,970	20,515	-455				
General Management	16,323	16,323	15,747	-576				
Special Services	3,386	3,386	3,369	-17				
Other Expenditure	21,533	21,533	21,393	-140				
Income	-62,212	-62,212	-63,821	-1,609				
	0	0	-2,797	-2,797				

Nb. Rollover doesn't apply, as ring-fenced account

## Rollover 2008/09

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	Appendix 1 (H)
	ORIGINAL	REVISED	ACTUAL		MAXIMUM		CLAWBACK	NET ROLLOVER
	ESTIMATE	ESTIMATE	EXPENDITURE	VARIANCE	ROLLOVER	ROLLOVER		@ SERV.LEVEL
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Children &amp; Young People</b>								
Localities	*	7,034	7,675	7,047	-628	1,434	628	0
Learning	*	7,231	10,868	10,343	-525	1,840	525	0
School Budgets	*	6,024	7,051	6,969	-82	13,378	82	0
Safeguarding & Specialist Provision		32,779	33,201	37,678	4,477	1,649	0	-4,477
Planning, Performance & Commissioning		3,602	9,220	8,393	-827	461	461	0
Resources and Support	*	21,093	28,167	28,717	550	740	0	-550
		77,763	96,182	99,147	2,965	19,502	1,696	-5,027
<b>Total Children &amp; Young People</b>		77,763	96,182	99,147	2,965	19,502	1,696	-5,027
<b>Environment,Transport &amp; Property</b>								
<b>Environmental Services</b>								
Environmental Health		3,747	3,649	3,665	16	181	0	-16
Waste Collection		9,208	9,366	9,236	-130	463	130	0
Waste Disposal	*	7,524	7,862	7,845	-17	614	17	0
Street Cleansing		4,497	4,298	4,327	29	215	0	-29
Public Conveniences		510	360	358	-2	20	2	0
Environmental Waste Support	*	0	0	0	0	78	0	0
Directorate Resource Support	*	0	0	0	0	98	0	0
		25,486	25,535	25,431	-104	1,669	149	-45
Bereavement Services	*	121	59	-30	-89	103	89	0
Corporate Budgets		0	717	207	-510	510	510	0
Environment Unit		1,111	4,892	4,882	-10	43	10	0
		26,718	31,203	30,490	-713	2,325	758	-45
<b>Transport Service</b>	*	-184	-83	-182	-99	422	99	0
<b>Contact Centres</b>	*	2,313	111	37	-74	122	74	0
<b>Streetscene</b>		2,198	2,262	2,163	-99	113	99	0
<b>Highways</b>								
Forward,Planning & Strategy		1,020	1,147	1,001	-146	57	57	0
Project Delivery	*	5,107	6,670	6,535	-135	150	135	0
Cylic & Reactive Works		9,697	10,128	9,848	-280	492	280	0
Network Management	*	2,150	736	793	57	68	0	-57
Winter Maintenance & Adverse Weather		1,789	1,790	2,464	674	90	0	-674
Community Safety Initiatives	*	4,167	4,550	4,319	-231	233	231	0
Parking	*	-2,931	-3,103	-2,554	549	189	0	-549
Management,Admin & Business	*	0	0	0	0	824	0	0
		20,999	21,918	22,406	488	2,103	703	-1,280
Highways Construction	*	0	-193	-193	0	809	0	0
		20,999	21,725	22,213	488	2,912	703	-1,280
<b>Design &amp; Property Service Operational</b>	*	78	243	187	-56	475	56	0
<b>Office Accommodation</b>	*	0	-134	105	239	237	0	-239
<b>Land, Property &amp; Land Bank Management</b>	*	-913	555	855	300	106	0	-300
<b>Building Services</b>	*	-476	-68	-265	-197	1,819	197	0
<b>Cleaning &amp; Caretaking</b>	*	78	53	8	-45	400	45	0
<b>Catering</b>	*	-244	34	-18	-52	666	52	0
<b>Total Environment,Transport &amp; Property</b>		50,567	55,901	55,593	-308	9,597	2,083	-1,864

## Rollover 2008/09

		(A) ORIGINAL ESTIMATE £'000s	(B) REVISED ESTIMATE £'000s	(C) ACTUAL EXPENDITURE £'000s	(D) VARIANCE £'000s	(E) MAXIMUM ROLLOVER £'000s	(F) ROLLOVER £'000s	(G) CLAWBACK £'000s	Appendix 1 (H) NET ROLLOVER @ SERV.LEVEL £'000s
<b>Adult &amp; Communities</b>									
<b>Housing General Fund</b>	*	6,921	5,923	5,594	-329	499	329	0	329
<b>Strategic Housing</b>									
Supporting People	*	146	526	480	-46	20	20	0	
Asylum Support	*	0	-47	-47	0	105	0	0	
		146	479	433	-46	125	20	0	20
<b>Adult Services</b>									
Older People		53,591	55,473	52,225	-3,248	2,743	2,743	0	
Physical Disabilities		10,253	10,239	10,317	78	509	0	-78	
Learning Disabilities		24,470	24,917	25,505	588	1,231	0	-588	
Mental Health		7,502	6,935	6,445	-490	339	339	0	
Commissioning & Planning		3,168	3,827	3,621	-206	191	191	0	
		98,984	101,391	98,113	-3,278	5,013	3,273	-666	2,607
<b>Community Support</b>									
Central		4,358	4,002	3,761	-241	160	160	0	
Multi Purpose Centres	*	-245	-286	-302	-16	51	16	0	
Benefits Advice Services		702	734	758	24	37	0	-24	
Grants to Vol Organisations		923	948	952	4	47	0	-4	
		5,738	5,398	5,169	-229	295	176	-28	148
<b>Safer Communities</b>		1,941	2,274	2,033	-241	114	114	0	114
<b>Neighbourhood Renewal</b>	*	4	0	0	0	20	0	0	
<b>Neighbourhood Element</b>		0	495	247	-248	25	25	0	
<b>Pathfinder</b>		31	238	197	-41	20	20	0	
<b>Group Services</b>	*	0	106	-18	-124	224	124	0	124
<b>Total Adult &amp; Communities</b>		113,765	116,304	111,768	-4,536	6,335	4,081	-694	3,387
<b>Regeneration</b>									
<b>Planning etc</b>									
Development Control	*	719	384	1,766	1,382	161	0	-1,382	
Policy & Heritage	*	2,191	2,057	1,813	-244	114	114	0	
Building Control	*	697	690	509	-181	53	53	0	
Local Licensing & Hackney Carriage Service	*	46	51	-84	-135	44	44	0	
Local Land Charges	*	-137	-148	-28	120	20	0	-120	
		3,516	3,034	3,976	942	392	211	-1,502	
LDF		300	479	90	-389	24	24	0	
		3,816	3,513	4,066	553	416	235	-1,502	-1,267
<b>Economic Development</b>									
Economic Development	*	3,181	5,959	5,726	-233	353	233	0	
Green Business Network		0	41	258	217	20	0	-217	
		3,181	6,000	5,984	-16	373	233	-217	16
<b>Regeneration Development Service</b>	*	0	326	66	-260	108	108	0	108
<b>Markets</b>	*	-81	1,168	1,100	-68	113	68	0	68
<b>Cultural &amp; Leisure Services</b>									
Libraries & Information Centres		8,897	9,093	8,838	-255	421	255	0	
Town Halls & Public Halls		2,160	2,466	2,424	-42	107	42	0	
Registration Service	*	281	288	286	-2	37	2	0	
Museums & Galleries		2,744	2,941	2,958	17	125	0	-17	
Culture & Leisure Development	*	2,920	2,899	2,862	-37	314	37	0	
Leisure Management		4,689	4,769	4,712	-57	160	57	0	
Culture & Leisure Marketing	*	126	124	126	2	25	0	-2	
Parks & Open Spaces	*	6,079	6,957	6,970	13	483	0	-13	
Strategy & Business Support	*	0	0	0	0	159	0	0	
		27,896	29,537	29,176	-361	1,672	393	-32	361
<b>Total Regeneration</b>		34,812	40,544	40,392	-152	2,682	1,037	-1,751	-714

## Rollover 2008/09

Rollover 2008/09

Appendix 1

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
	ORIGINAL	REVISED	ACTUAL		MAXIMUM			NET ROLLOVER	
	ESTIMATE	ESTIMATE	EXPENDITURE	VARIANCE	ROLLOVER	ROLLOVER	CLAWBACK	@ SERV.LEVEL	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Central Services									
Chief Executive's Office	*	0	-22	-40	-18	32	18	0	18
Legal Services	*	-88	18	-6	-24	228	24	0	24
Central Resource Group	*	0	45	-4	-49	76	49	0	49
Intech	*	0	538	61	-477	681	477	0	477
Corporate HR	*	366	449	244	-205	250	205	0	205
Policy & Governance									
Policy & Governance	*	0	248	71	-177	275	177	0	
Local Area Structures		369	1,123	607	-516	516	516	0	
Kirklees Partnership		202	204	172	-32	20	20	0	
Electoral Services		839	870	867	-3	44	3	0	
		1,410	2,445	1,717	-728	855	716	0	716
Performance & Communication	*	-220	285	-209	-494	383	383	0	383
Corporate & Democratic Core		7,295	7,349	7,559	210	367	0	-210	-210
Corporate Governance	*	0	78	-6	-84	157	84	0	84
Revenues & Benefits									
Revenues & Benefits	*	4,532	6,269	6,086	-183	576	183	0	
Benefit Payments	*	0	0	-37	-37	5,033	37	0	
		4,532	6,269	6,049	-220	5,609	220	0	220
Strategic Finance	*	0	135	1	-134	334	134	0	134
Total Central Services		13,295	17,589	15,366	-2,223	8,972	2,310	-210	2,100
Corporate Budgets									
Energy & Water Conservation		390	137	0	-137	137	137	0	
Corporate Priorities Budget		6,160	5,717	3,265	-2,452	2,452	2,452	0	
		6,550	5,854	3,265	-2,589	2,589	2,589	0	2,589

**Rollover 2008/09****Appendix 1**

	(A) ORIGINAL ESTIMATE £'000s	(B) REVISED ESTIMATE £'000s	(C) ACTUAL EXPENDITURE £'000s	(D) VARIANCE £'000s	(E) MAXIMUM ROLLOVER £'000s	(F) ROLLOVER £'000s	(G) CLAWBACK £'000s	(H) NET ROLLOVER @ SERV.LEVEL £'000s
<b>Joint Committees</b>								
WYPTE	16,191	16,191	16,191	0	810	0	0	
Waste Management	153	163	163	0	20	0	0	
WY Joint Committees	1,221	1,263	1,263	0	63	0	0	
Coroners	370	370	453	83	20	0	-83	
Environment Agency	63	63	63	0	20	0	0	
Canal Maintenance	124	124	125	1	20	0	-1	
	18,122	18,174	18,258	84	953	0	-84	-84
<b>Treasury Management</b>	* -2,768	-16,342	-20,589	-4,247	1,960	1,960	0	1,960
<b>Non Distributed Costs</b>	-12,278	-9,368	-9,368	0	20	0	0	0

**2008-09 Rollover surrendered on 5% rule****Appendix 2**

<b>Service/Activity</b>	<b>£000s</b>	<b>£000s</b>
ChYPS - Planning, Performance & Commissioning		366
Highways - Forward planning & Strategy		89
Housing - Supporting People	26	
Housing - Neighbourhood Element	223	
Housing - Pathfinder	<u>21</u>	270
Adult Services - Older People	505	
Adult Services - Mental Health	151	
Adult Services - Commissioning & Planning	<u>15</u>	671
Community Support - Central		81
Safer Communities		127
Planning - Policy & Heritage	130	
Building Control	128	
Local Licensing & Hackney Carriage Service	91	
L.D.F.	<u>365</u>	714
Regeneration Development Service		152
Kirklees Partnership		12
Performance & Communication		111
		<u><u>2,593</u></u>

**Rollover 2008/09****Appendix 3**

	<b>Net Rollover (+) Clawback (-) @ Service Level £'000s</b>	<b>Adjustments to Rollover (+) Clawback (-) £'000s</b>	<b>Total Rollover (+) Clawback (-) @ Service Level £'000s</b>
Children & Young People	-3,331	3,629	298
Environmental Services	713		713
Transport Service	99		99
Contact Centres	74		74
Streetscene	99	-75	24
Highways	-577	577	0
Design & Property Service Operational	56	-56	0
Office Accommodation	-239	239	0
Land, Property & Land Bank Management	-300	300	0
Building Services	197	-197	0
Cleaning & Caretaking	45		45
Catering	52		52
Housing General Fund	329	-111	218
Housing	65	223	288
Adult	2,607	-2,266	341
Community Support	148		148
Safer Communities	114		114
Group Services	124		124
Planning	-1,267	1,267	0
Economic Development	16		16
Regeneration Development Service	108		108
Markets	68		68
Cultural & Leisure	361		361
Chief Executive's Office	18		18
Legal Services	24		24
Central Resource Group	49		49
Intech	477		477
Corporate HR	205		205
Policy & Governance	716	-13	703
Performance & Communication	383	-85	298
Corporate & Democratic Core	-210	210	0
Corporate Governance	84	-84	0
Revenues & Benefits	220	-37	183
Strategic Finance	134		134
Corporate Budgets	2,589	-1,000	1,589
	4,250	2,521	6,771
Contingencies			3,983
			10,754

	<b>Rollover Clawback (-) @ Activity Level £'000s</b>	<b>Virement required £'000s</b>	<b>Total Rollover (+) Clawback (-) @ Activity Level £'000s</b>
<b><u>Culture &amp; Leisure</u></b>			
Libraries & Information Centres	255	-195	60
Town Halls & Public Halls	42	-42	0
Registration Service	2	-2	0
Museums & Galleries	-17	17	0
Culture & Leisure Development	37	133	170
Leisure Management	57	-57	0
Culture & Leisure Marketing	-2	2	0
Parks & Open Spaces	-13	13	0
Strategy & Business Support	0	131	131
	361	0	361