

***DETAILED ANALYSIS OF INCOME AND
EXPENDITURE BY PROGRAMME GROUP***

Programme Group 1 - Housing and Building

Since the Adopted Budget the Council identified funding changes which were notified under the following headings:

(i)	PEACE II Allocation	(€274,000)
(ii)	RAS	€75,000
(iii)	Voluntary Housing Loan Charges	(€7,000)
(iv)	Funding Gap Transfer from Disposal of Asset Proceeds	€2,820,000
(v)	Central Heating	€544,000
(vi)	Various headings including Training	(€65,209)
(vii)	Asylum Seekers Costs	(€78,600)
	Total:	<u>€3,014,191</u>

Expenditure

Revised Budget	€20,663,224
Revised Expenditure	€19,475,166
Under-Expenditure	€1,188,058

Net under-expenditure of approximately € 1,188,000 occurred in the following areas:

Loan Charges - Mortgage	€976,600
Accommodation of Homeless (part contra)	€50,000
Estate Management (part contra)	€77,200
General Administration & Miscellaneous - Varied	€84,200
TOTAL	€1,188,000

There were significant savings in expenditure in this Programme Group under the Loan Charges heading. I refer to decisions taken at Budget meetings to apply the proceeds from the sale of certain assets to the historical Mortgage Funding Gap. Following a detailed analysis of the accounting treatment the historical Mortgage Funding Gap of €2,507,432 at 31st December 2006 will be cleared in 2007 using the proceeds. This course of action has realised savings of €575,000 in 2006. Other Loan Charges savings were €286,000 relating to activity and interest rate movements and €115,000 in respect of the Non re-Accrual of capital accrued in 2005.

Programme Group 1 - Housing and Building (Continued)

Income

Revised Budget	€14,783,436
Revised Income	€14,665,185
Under-Realisation of Income	(€118,251)

Net under-realisation of income of approximately €118,000 occurred in the following areas:

Accommodation of Homeless (part contra)	(€41,000)
Estate Management (part contra)	(€43,600)
Central Heating/Peace/Revitalisation	(€66,000)
Miscellaneous - Varied	(€22,400)
Additional Income	
Housing Rents/Shared Ownership Subsidy	€55,000
Net Total	(€118,000)

The net additional income for Rent, Shared Ownership Rent and Shared Ownership Subsidy amounts to €55,000.

Arrears of Rent amount to €980,240 at 31st December, 2006. This figure is a decrease of €170,520 on the 2005 amount of €1,150,760.

Arrears of Housing Loan Repayments amounted to €528,402 at 31st December 2006. This is a decrease of €116,458 on the 2005 amount which was €644,860.

Bad Doubtful Debts - Programme Group 1	
Arrears of Rents @ 31 st December 2006	€980,240
Provision included for Bad/Doubtful Debts	€800,229
Arrears for Housing Loan Repayments @ 31 st December 2006	€528,402
Provision included for Bad/Doubtful Debts	€100,000

All arrears cases are being pursued relentlessly for payment.

The overall position on this Programme Group for Expenditure and Income for 2006 is a net improvement of €1,069,807. See last column in Table 2 in Financial Review.

Programme Group 2 - Roads, Transportation & Safety

Since the Adopted Budget the Council identified funding changes which were notified under the following heading:

(i)	Road Grant Notifications	€11,215,458
(ii)	Various income headings including Car Parking Charges, Private Works, etc.	€571,736
	Total	€11,787,194

Expenditure

Revised Budget	€63,555,598
Revised Expenditure	€63,958,660
Over Expenditure	(€403,062)

Net over expenditure of approximately €403,000 occurred in the following areas:

Road Maintenance and Improvement	(€519,000)
Private Works	(€263,000)
Under Expenditure:	
General Administration including Pensions & Others	€346,000
Transportation Studies	€33,000
Net Over Expenditure	(€403,000)

Over expenditure of €519,000 occurred on Road Maintenance and Improvements. The headings accounting for this were Winter Maintenance (€162,000), Provision of Salt Depots (€126,000), Public Lighting Maintenance on the National Primary and National Secondary Roads (€135,000) and a net savings amount of €96,000 on various headings in the overall Roadworks Programme.

Programme Group 2 - Roads, Transportation & Safety (Continued)

Income

Revised Budget	€50,952,374
Revised Income	€51,764,173
Additional Income	€811,799

Net additional income of approximately €812,000 occurred in the following areas:

Grant headings - Some Contra	€799,400
Car Parking Charges	€37,300
<u>Under Realisation of Income</u>	
Miscellaneous Headings	(€24,700)
Net Total	€812,000

A detailed review of all income headings in this Programme Group was carried out and only income that will materialise in 2007 was accrued including amounts in respect of over expenditure on specific E.U. Co-Funded Projects (Carndonagh Relief Road and Rossnowlagh Link Road) as well as a number of projects under the general heading of "Gaeltacht" funded.

The overall position on this Programme Group for Expenditure and Income for 2006 is a net improvement of €408,738. See last column in Table 2.

Programme Group 3 - Water & Sewerage Services

Since the Adopted Budget the Council identified funding changes which were notified under the following heading:

(i) Transfer to Training Fund in other Programme Groups	€283,332
Total	€283,332

Expenditure

Revised Budget	€18,591,495
Revised Expenditure	€19,355,712
Over-Expenditure	(€764,217)

Net over-expenditure of approximately €764,000 occurred in the following areas:

Maintenance of Water Supply Schemes/Maintenance of Waste Water Schemes and Public Conveniences	(€318,500)
Bad Debts written off and an increase in provisions for Bad/Doubtful Debts	(€488,000)
General Administration and Miscellaneous Costs - Varied	(€30,700)
Under Expenditure	
Charges for Water supplied from Northern Ireland	€73,200
TOTAL	(€764,000)

There was net over expenditure of €318,000 approximately under all of the Maintenance headings in this Programme Group. The main area of over expenditure was Water Supply Scheme Maintenance (€454,800). The negative impact of provisions for Bad/Doubtful Debts reflects the ongoing work in the tidy up and verification of the existing Water Charges Database.

Programme Group 3 - Water & Sewerage Services (Continued)

Income

Revised Budget	€7,700,964
Revised Income	€6,704,050
Under-Realisation of Income	(€996,914)

Under-realisation of income of approximately €997,000 occurred under the Water Services heading.

Water Charges	(€1,462,100)
Additional Income	
Waste Water Charges	€335,700
Group Water Supply Schemes Administration Recoupment	€68,000
Miscellaneous including Connection Fees and Fluoridation	€61,400
Net Total	(€997,000)

The under-realisation of Water Charges income can be attributed to a number of factors. As already reported in the 2007 Budget the 2,500 additional customers targeted in the 2006 Budget did not materialise resulting in a loss of Income €925,000. Another factor which contributed to the Income shortfall was a decrease in consumption and consumers introducing conservation measures. The tidy up of the database, already referred to in Expenditure, also impacted on the 2006 Income. There was additional income from Connection Fees, Fluoridation as well as Recoupment of Group Water Supply Schemes Administration Costs.

Arrears of Water Charges amount to €2,238,829 at 31st December 2006. This is a reduction of €760,666 on the 2005 amount of €2,999,495.

Bad Doubtful Debts - Programme Group 3	
Arrears of Water Charges @ 31 st December 2006	€2,238,829
Provision included for Bad/Doubtful Debts	€1,185,000

All arrears cases are being pursued relentlessly for payment.

The overall position on this Programme Group for Expenditure and Income for 2006 is a net dis-improvement of €1,761,130. See last column in Table 2.

Programme Group 4 - Planning and Development

Since the Adopted Budget the Council identified funding changes which were notified under the following headings:

(i.)	C&E Projects	€538,005
(ii.)	County Enterprise Board Recoupment	(€34,700)
(iii.)	Transfer to other Programme Group (Draft Budget adjustment linked to 1% Rate reduction at statutory meeting)	(€25,000)
	Total:	€478,305

Expenditure

Revised Budget	€7,790,077
Revised Expenditure	€7,396,099
Under-Expenditure	€393,978

Net under-expenditure of approximately €394,000 occurred in the following areas:

County Development Plan	€89,900
Community & Enterprise Projects & Administration Costs (part contra)	€276,300
General Administration and Miscellaneous - Varied	€27,800
TOTAL	€394,000

The saving of €276,300 under the Community & Enterprise headings in this Programme Group should be linked to a similar heading in Programme Group 6. When the Expenditure and Income in both Programme Groups is combined the overall net position is a saving of €148,600.

Programme Group 4 - Planning and Development (Continued)

Income

Revised Budget	€3,948,145
Revised Income	€4,464,499
Additional Income	€516,354

Net additional income of €516,000 approximately occurred in the following areas:

Planning Fees	€586,600
Miscellaneous Headings	€8,900
Community & Enterprise Activities (Contra saving in Expenditure)	(€79,500)
Net Total	€516,000

The additional Income in this Programme Group derives mainly from Planning Fees as shown above.

The overall position on this Programme Group for Expenditure and Income for 2006 is a net improvement of €910,332

Programme Group 5 - Environmental Protection

Since the Adopted Budget the Council identified funding changes which were notified under the following headings:

Transfer to other Programme Group	(€44,000)
Total	<u>(€44,000)</u>

Expenditure

Revised Budget	€12,406,955
Revised Expenditure	€12,500,710
Over-Expenditure	(€93,755)

Net over-expenditure of approximately €94,000 occurred in the following areas:

Landfill Maintenance & Other Waste Headings including Civic Amenity Sites	(€198,000)
Environmental Campaign/Awareness/Recycling	€131,000
Loan Charges	€269,000
Sub-Total Waste Management	€202,000
Fire Service - Mainly Payroll Costs	(€290,000)
Over Expenditure	
Water Safety	€11,000
Administration	(€17,000)
TOTAL	(€94,000)

Net savings in expenditure under a number of Waste Management headings, €202,000 as shown above, helps to part mitigate reduced Income in this area. The over expenditure in Fire Services is mainly attributable to an increase in the number of call outs and is offset by additional income.

Programme Group 5 - Environmental Protection (Continued)

Income

Revised Budget	€6,073,524
Revised Income	€6,130,042
Additional Income	€56,518

The net additional income of approximately €57,000 occurred in the following areas:

Landfill Charges/Levies - Partly Offset by €202,000 of Expenditure Savings	(€433,000)
Civic Amenity Sites Income	(€56,000)
Pollution Control	(€61,000)
Miscellaneous	€24,000
Additional Income	
Fire Service - Charges/Certificates	€307,300
Grants & Others	€45,700
Permits/Recycling/Awareness	€230,000
Total	€57,000

The decrease in Landfill Charges and Levies is directly linked to tonnage of waste entering the Landfill Sites, which Members are already aware of, was less than anticipated. The €433,000 shortfall in income is partly offset by expenditure savings of €202,000 as well as increased Income under a number of Waste Management headings listed above. As already stated the additional Fire Service Income offsets the Over Expenditure under this heading

Arrears of Landfill Charges amounted to €893,191 at 31st December 2006. This is a decrease of €377,062 on the 2005 amount which was €1,270,253.

Bad Doubtful Debts - Programme Group 5	
Arrears of Fire Service Charges	€406,832
Provision included for Bad/Doubtful Debts	€180,000

Arrears of Fire Service Charges amounted to €406,832 at 31st December, 2006. This is an increase of €173,271 on the 2005 amount which was €233,561.

The overall position on this Programme Group for Expenditure and Income in 2006 is a dis improvement of €37,237. See last column in Table 2.

Programme Group 6 - Recreation and Amenity

Since the Adopted Budget the Council identified funding changes which were notified under the following headings:

(i.)	Arts Council	(€40,000)
(ii.)	Expenditure Accounted for in Capital	(€243,800)
(iii.)	Public Art	€173,300
(iv.)	C&E Projects	€230,970
(v.)	Heritage Grant	€69,400
Total:		€189,870

Expenditure

Revised Budget	€8,156,542
Revised Expenditure	€8,080,389
Under-Expenditure	€76,153

Net under-expenditure of approximately €76,000 occurred in the following areas:

Library Service - All Headings	€20,000
Arts/Museum/Archives	€23,000
Casual Trading	€24,000
Miscellaneous Items	€83,400
Community & Enterprise Projects	(€74,400)
TOTAL	€76,000

The savings in this Programme Group occurred mainly in the Library/Arts Service. The Community & Enterprise Projects over expenditure has been referred to already in Programme Group 4.

Programme Group 6 - Recreation and Amenity (Continued)

Income

Revised Budget	€1,772,710
Revised Income	€1,815,829
Additional Income	€43,119

The net additional income of approximately €43,000 occurred in the following areas:

Library Service - All headings	€22,500
Arts/Museum/Archives/Heritage	(€26,800)
C&E Projects	€26,200
Ballyshannon Leisure Centre Recoupment	€12,700
Miscellaneous Items - Varied	€8,400
Total	€43,000

The overall position on this Programme Group for Expenditure and Income for 2006 is a net improvement of €119,272. See last column in Table 2.

Programme Group 7 - Agriculture, Education, Health & Welfare

Since the Adopted Budget the Council identified funding changes which were notified under the following headings:

(i.)	V.E.C. Pensions	€92,500
(ii.)	Higher Education Grants	€495,300
	Total:	€587,800

Expenditure

Revised Budget	€13,532,550
Revised Expenditure	€13,585,435
Over-Expenditure	(€52,885)

Net over-expenditure of approximately €53,000 occurred in the following areas:

Maintenance of Piers and Harbours	(€12,900)
Loan Charges Piers & Harbours	(€57,800)
Higher Education Grants	(€19,500)
Under Expenditure:	
Administration & Miscellaneous - Varied	€37,200
Net Over Expenditure	(€53,000)

Programme Group 7 - Agriculture, Education, Health & Welfare
(Continued)

Income

Revised Budget	€11,174,552
Revised Income	€11,092,202
Under Realisation of Income	(€82,350)

The net under realisation of approximately €82,000 of Income occurred in the following areas:

Harbour Dues	(€13,300)
Higher Education Grants	(€80,600)
Miscellaneous - Administration	€11,900
Total	(€82,000)

A full reconciliation of Higher Education Grants was done to 31st December 2006. This has resulted in a shortfall in Income of €80,600 which relates in part to 2006 but mainly to previous years.

The overall position on this Programme Group for Expenditure and Income for 2006 is a net dis-improvement of €135,235. See last column in Table 2.

Programme Group 8 - Miscellaneous

Since the Adopted Budget the Council identified funding changes which were notified under the following headings:

(i.)	Programme 8.2 - Machinery and Materials Account	€1,701,000
(ii.)	Reduction in Malicious Injuries Recoupment	(€100,000)
(iii.)	Register of Electors Recoupment	€104,000
(iv.)	Transfer from Other Programme Groups (Original Draft Budget adjustment linked to 1% reduction at statutory meeting)	€145,000
	Total:	€1,850,000

Expenditure

Revised Budget	€22,716,757
Revised Expenditure	€23,664,698
Over-Expenditure	(€947,941)

Net over-expenditure of approximately €948,000 occurred in the following areas:

Financial Management

Rates Write Offs	(€816,100)
Provision for Bad/Doubtful Debts	(€200,000)
Under Expenditure	
Overdraft Interest	€28,600
Administration Costs	€91,200
Sub Total	(€896,300)
Local Elections	€7,200
Veterinary Service	€36,400
Members Costs - Net of all headings	€67,400
Courthouse Maintenance	(€29,400)
General Administration & Miscellaneous - Payroll (including Superannuation), Advertising, Training etc.	(€133,300)
TOTAL	(€948,000)

Programme Group 8 contains many items of expenditure and is made up of 12 individual Programmes.

The main issue to emerge from the foregoing list is that there was over-expenditure under the Financial Management heading of €896,300 mainly to do with Irrecoverable Rates (€816,100). This reflects ongoing difficulties with the collection of Rates and the inadequacy of the provisions in the 2006 Budget for Irrecoverable Accounts.

Following meetings/discussions with Revenue Collectors during and at the end of 2006, an opinion was formed that €2.012m was irrecoverable and was duly written off. The write offs may have been in full or in part on customer accounts depending on each individual case and arose for one of the following reasons which were reported on at the April GP meeting.

- (A) Properties closed and up for rent or under repair.
- (b) Charities, Domestic, Hardship, Settlements.
- (c) Other

The net Over Expenditure for all other headings in Programme Group 8 (Economic Development Loan Charges, Machinery & Materials, Elections, Courthouses, Coroners, Veterinary Services and Members' costs) amounts to €51,700.

Programme Group 8 - Miscellaneous (Continued)

Income

Revised Budget	€12,907,649
Revised Income	€12,991,914
Additional Income	€84,265

Net additional income of €84,000 approximately occurred in the following areas:

Plant & Materials, Programme 8.2	€84,500
Recoupment of Overdraft Interest Costs	€12,500
Recoupment of Register of Election Costs	€12,500
Various Headings including Veterinary Service, Facilities Management, Building Control & Other Recoupments	(€25,500)
Total	€84,000

The overall position on this Programme Group for Expenditure and Income for 2006 is a net improvement of €863,675. See last column in Table 2.

Rates - Debtors Arrears

Arrears of Rates amounted to €2,074,122 at 31st December 2006. This is an increase of €132,284 on the 2005 amount which was €1,941,838.

Arrears of €2.074m (383 customers) was carried forward at the end of 2006, and are included in the 2007 warrant for collection. €0.575m of these arrears have been collected in 2007 to date. The number of customers who were in arrears at year-end was 383, of these 123 have now paid in full and 73 have made part payments. There are currently 57 cases at various stages of the legal process regarding rates arrears. We are currently examining audited accounts submitted by 20 customers and we have also requested accounts from a further 12 customers, approximate, who are claiming hardship due to downturn in economic activity and other reasons. We have also received commitments for payment from approximately 75 customers who were in arrears at 31st December 2006 for an amount in excess of €300,000.

Bad Doubtful Debts - Programme Group 8	
Arrears of Rates @ 31 st December 2006	€2,074,122
Provision included for Bad/Doubtful Debts	€1,039,000