

REPORT TO: FINANCE COMMITTEE - 15 AUGUST 2005

REPORT ON: REVENUE MONITORING 2005/2006

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 472-2005

1 PURPOSE OF REPORT

- 1.1 To provide Elected Members with an analysis of the 2005/2006 Projected Revenue Outturn as at 30 June 2005 monitored against the adjusted 2005/2006 Revenue Budget.

2 RECOMMENDATION

- 2.1 It is recommended that the Elected Members:

- a note that the overall General Fund 2005/2006 Projected Revenue Outturn as at 30 June 2005 shows an overspend of £1,019,000 against the adjusted 2005/2006 Revenue Budget.
- b note that the Housing Revenue Account Projected Outturn is projecting an underspend of £153,000 against the adjusted 2005/2006 Revenue Budget.
- c agree that the Depute Chief Executive (Finance) will take every reasonable action to ensure that the 2005/2006 Revenue expenditure is below or in line with the adjusted Revenue Budget.
- d instruct the Depute Chief Executive (Finance) in conjunction with all Chief Officers of the Council to continue to monitor the Council's 2005/2006 Projected Revenue Outturn.

3 FINANCIAL IMPLICATIONS (see Appendix A)

- 3.1 The overall projected 2005/2006 General Fund Revenue outturn position for the City Council shows an overspend of £1,019,000 based on the financial information available at 30 June 2005. A system of perpetual detailed monitoring will continue to take place up to 31 March 2006 with the objective of the Council achieving a final outturn which is below or in line with the adjusted 2005/2006 Revenue Budget.
- 3.2 It should be noted that the Contingency provision for unforeseen or emergency expenditure within the 2005/2006 Revenue Budget is only £200,000, therefore departments are expected to review expenditure and income to ensure that the actual outturn is in line with the 2005/2006 Revenue Budget.
- 3.3 The Housing Revenue Account outturn position for 2005/2006 is currently projecting an underspend of £153,000 based on the financial information available for the period to 30 June 2005. This underspend will result in a corresponding transfer to the Renewal and Repair Fund. The outturn position will then be in line with the adjusted 2005/2006 Housing Revenue Account budget.

4 LOCAL AGENDA 21 IMPLICATIONS

None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

6 BACKGROUND

- 6.1 Following approval of the Council's 2005/2006 Revenue Budget by the Special Finance Committee on 10 February 2005 this report is now submitted in order to monitor the 2005/2006 Projected Revenue Outturn position as at 30 June 2005, against the adjusted 2005/2006 Revenue Budget.
- 6.2 The Final 2005/2006 Revenue Budget included a contingency provision of £200,000 to cover any unforeseen items of expenditure, which may occur during the course of the financial year. It is anticipated that this money will be fully committed by the end of the financial year.

7 GENERAL FUND - REASONS FOR VARIANCES

The main areas of Departmental variances and associated explanations are as follows:

Overspends

7.1 Social Work (£503,000)

There is a projected overspend of £600,000 in the Care Home Placements Budget due to the continued pressure on the department to meet delayed discharge from hospital targets. In addition, an overspend of £100,000 is projected for the Family Placements scheme due to the increase in the number of children being looked after. These are partly offset by a projected underspend in Staff Costs due to delays in recruiting Social Care staff together with other miscellaneous underspends and additional income.

7.2 Economic Development (£397,000)

The overspend is due to the anticipated shortfall in the level of external rental income that will be received this financial year. The Director of Economic Development has advised that the budgeted rental income is not achievable given the current commercial/industrial rental market situation. In addition to this, the department is projecting a shortfall in the level of advertising income that will be achieved.

7.3 Finance Revenues (£112,000)

The above is due to an anticipated overspend in staff costs.

Underspends

7.4 Environmental Health & Trading Standards/Scientific Services (£97,000)

The above relates mainly to Staff Costs where due to unfilled vacancies the department anticipate that an underspend will be achieved.

7.5 Finance General (£51,000)

This is mainly due to a projected underspend in Staff Costs because of unfilled vacant posts together with various other miscellaneous underspends.

8 HOUSING REVENUE ACCOUNT - REASONS FOR VARIANCES

The Housing Revenue Account (HRA) overall position for 2005/2006 is projecting an underspend of £153,000 as compared with the 2005/2006 Revenue Budget. This budget was subsequently reduced by £1,000,000 in the submission to meet the Scottish Housing Quality Standard and against this revised budget £847,000 worth of savings have yet to be achieved.

9 CONSULTATIONS

The Chief Executive, the Depute Chief Executive (Support Services) and all other Chief Officers have been consulted in the calculation of projected outturns included in this report, insofar as they apply to their own individual department.

10 BACKGROUND PAPERS

None.

**DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)**

4 AUGUST 2005

DUNDEE CITY COUNCIL
2005/2006 REVENUE OUTTURN MONITORING
PERIOD 1 APRIL 2005 - 30 JUNE 2005

APPENDIX A

Statement analysing 2005/2006 Projected Revenue Outturn to Budget (Capital Charges, Central Support and Central Buildings Recharges have been excluded from Departments as these costs are outwith their control).

	(col 1) Final Revenue Budget 2005/06 £000	(col 2) Transfers from/(to) Contingency, General & R & R Fund £000	(col 3) Adjusted Revenue Budget 2005/06 £000 (col 1+2)	(col 4) Projected Revenue Expenditure 2005/06 £000	(col 5) Projected Budget Variance 2005/06 £000 (col 4-3) + overspend (underspend)
Department					
Social Work	61,225	645	61,870	62,373	503
Economic Development	3,717		3,717	4,114	397
<u>Miscellaneous Services</u>					
Chief Executive	68		68	68	
Support Services	117		117	117	
Finance Revenues	3,836		3,836	3,948	112
DCAB, Other Grants	118		118	118	
Education	97,173	650	97,823	97,823	
Planning & Transportation	10,875	229	11,104	11,104	
Leisure & Arts	10,843	321	11,164	11,164	
DCS - Land Services Client	2,237	24	2,261	2,261	
Miscellaneous Income	(2,627)		(2,627)	(2,627)	
Communities	9,613	247	9,860	9,860	
Other Housing	1,133		1,133	1,133	
Waste Management	13,794		13,794	13,794	
<u>Central Support Services</u>					
Chief Executive	1,046	26	1,072	1,072	
Personnel & Management Services	1,713		1,713	1,713	
Information Technology	5,372		5,372	5,372	
Support Services - Admin/Legal	2,887		2,887	2,887	
- Architects	(409)		(409)	(409)	
Finance General	2,942	31	2,973	2,922	(51)
Env Health, Trading St & Scientific Ser	2,485	59	2,544	2,447	(97)
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	228,158	2,208	230,366	231,230	864
DCS Contracting Activities	(755)		(755)	(600)	155
Supporting People	-	14	14	14	
Housing/Council Tax Benefit	(227)		(227)	(227)	
Capital Financing Costs/ Interest on Revenue Balances	21,294		21,294	21,294	
Contingencies	200		200	200	
Discretionary NDR Relief	80		80	80	
Suppl Superann Costs	1,439		1,439	1,439	
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	250,189	2,246	252,435	253,454	1,019
Joint Board					
Tayside Fire Joint Board	17,639		17,639	17,639	
Tayside Joint Police Board	13,109		13,109	13,109	
Tayside Valuation Joint Board	953		953	953	
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	281,890	2,246	284,136	285,155	
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		Note 1			
TOTAL PROJECTED 2005/2006 GENERAL FUND OVERSPEND AS AT 31/3/2006					1,019
					=====
Housing Revenue Account	<u>-</u>	<u>(153)</u>	<u>(153)</u>	<u>(153)</u>	Nil
		Note 2			

Note 1 - £2,246k represents the total departmental balances carried forward that are all held in the overall General Fund.
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Note 2- The £153k represents the transfer from the Housing Revenue Account to the Housing Revenue Renewal & Repair Fund.