

**REPORT TO: POLICY & RESOURCES COMMITTEE – 18 FEBRUARY 2019**

**REPORT ON: REVENUE MONITORING 2018/2019**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 54-2019**

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2018/2019 projected revenue outturn as at 31 December 2018 monitored against the adjusted 2018/2019 Revenue Budget.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that Elected Members:
- a note that the overall General Fund 2018/2019 projected revenue outturn as at 31 December 2018 is projecting a breakeven position against the adjusted 2018/2019 Revenue Budget. The projection is unchanged from the position reported at 30 November 2018.
  - b note that the Housing Revenue Account as at 31 December 2018 is projecting a breakeven position against the adjusted HRA 2018/2019 Revenue Budget. The projection is unchanged from the position reported at 30 November 2018.
  - c agree that the Council Management Team will take every reasonable action to ensure that the 2018/2019 revenue expenditure is below or in line with the adjusted Revenue Budget.
  - d instruct the Executive Director of Corporate Services in conjunction with the Council Management Team to continue to monitor the Council's 2018/2019 projected revenue outturn.

## **3 FINANCIAL IMPLICATIONS (see Appendix A)**

- 3.1 The overall projected 2018/2019 General Fund Revenue outturn position for the City Council is a projected breakeven based on the financial information available at 31 December 2018. A system of perpetual detailed monitoring will continue to take place up to 31 March 2019 with the objective of the Council achieving a final outturn which is below or in line with the adjusted 2018/2019 Revenue Budget.
- 3.2 The Housing Revenue Account outturn position for 2018/2019 is a projected breakeven position based on the financial information available for the period to 31 December 2018. A system of perpetual detailed monitoring will continue to take place up to 31 March 2019 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2018/2019 HRA Revenue Budget.

## **4 BACKGROUND**

- 4.1 Following approval of the Council's 2018/2019 Revenue Budget by the Special Policy and Resources Committee on 22 February 2018, this report is now submitted in order to monitor the 2018/2019 projected revenue outturn position as at 31 December 2018, against the adjusted 2018/2019 Revenue Budget.

The total Revenue Budget per page 6 of the 2018/2019 Final Revenue Budget Volume is £351.085m. For Revenue Monitoring purposes, the Council Tax Reduction Scheme budget of £12.295m is moved from expenditure to income and netted off against Council Tax income. This results in total budgeted expenditure of £338.790m for Revenue Monitoring purposes, as per Appendix A.

- 4.2 This report provides a detailed breakdown of service revenue monitoring information along with explanations of material variances against adjusted budgets. Where services are projecting a significant under or overspend against adjusted budget, additional details have been provided. Where service expenditure is on target and no material variances are anticipated, additional information has not been provided.

## 5 RISK ASSESSMENT

- 5.1 In preparing the Council's 2018/2019 Revenue Budget, the Executive Director of Corporate Services considered the key strategic, operational and financial risks faced by the Council over this period (Article II of the minute of the meeting of the Special Policy & Resources Committee on 22 February 2018, Report No: 51-2018 refers). In order to alleviate the impact these risks may have should they occur, a number of general risk mitigation factors are utilised by the Council. These include the:

- system of perpetual detailed monthly budget monitoring carried out by service
- general contingency provision set aside to meet any unforeseen expenditure
- level of general fund balances available to meet any unforeseen expenditure
- level of other cash backed reserves available to meet any unforeseen expenditure
- possibility of identifying further budget savings and efficiencies during the year, if required.

- 5.2 The key risks in 2018/2019 have now been assessed both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. These risks have been ranked as either zero, low, medium or high. Details of this risk assessment, together with other relevant information including any proposed actions taken by the Council to mitigate these risks, are included in Appendix D to this report.

## 6 GENERAL FUND SERVICES - MONITORING POSITION AS AT 31 DECEMBER 2018

- 6.1 The forecast position as at 31 December 2018 for General Fund services is summarised below:

|                   | <u>Adjusted<br/>Budget<br/>2018/19<br/>£000</u> | <u>Forecast<br/>2018/19<br/>£000</u> | <u>Variance<br/>£000</u> |
|-------------------|---|--------------------------------------|--------------------------|
| Total Expenditure | 344,247   | 344,659                              | 412                      |
| Total Income      | <u>(344,247)</u>                                | <u>(344,659)</u>                     | <u>(412)</u>             |
| Forecast Position | <u>          -</u>                              | <u>          -</u>                   | <u>          -</u>       |

The forecast position as at 31 December 2018 is shown in more detail in the appendices to this report, as follows:

**Appendix A** shows the variances between budget and projected outturn for each service of the Council.

**Appendix B** provides detailed explanations for the variances against budget that are shown in Appendix A.

**Appendix C** lists the budget adjustments that have been undertaken to date.

**Appendix D** lists the key strategic, operational and financial risks being faced by the Council. These risks have been assessed and ranked accordingly both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. Any changes to the assessment from the previous reporting period, together with any additional comments included, are highlighted in bold type.

- 6.2 The following paragraphs summarise the main areas of variance by service along with appropriate explanations. It should be emphasised that this report identifies projections based on the first nine months of the financial year to 31 December 2018. The figures are therefore indicative at this stage and are used by the Chief Executive, Executive Director of Corporate Services and members of the Council Management Team to identify variances against budget and enable corrective action to be taken as appropriate.

### **Service Commentary**

6.3 General

Article V, Committee Report No 9-2018, Policy and Resources Committee of 8 January 2018 notes “services will be expected to operate within the limits of their overall revenue budget allocation. Cost pressures which emerge in-year should, where possible, be accommodated within the relevant service revenue budgets.” Accordingly there will be overs and unders within each service. The main areas are summarised below.

6.4 Children & Family Services (Breakeven)

Within staff costs, the service is anticipating an overspend on learning & care assistants which will be offset by underspends to be achieved on teachers in addition to anticipated underspends across all LGE staffing budgets across the other sectors.

6.5 Dundee Health & Social Care Partnership (£60,000 overspend)

The financial monitoring position for the Dundee Health and Social Care Partnership (DHSCP) based on 2018/2019 financial year end as at 31<sup>st</sup> December 2018 shows a net overspend position of £1.184m.

The projected financial position is primarily due to an overspend in GP prescribing of £504k and the net impact of hosted services of £803k less general net over/underspends. The financial position for services delegated from Dundee City Council shows a balanced financial position.

The DHSCP has deployed a financial recovery plan to reduce and mitigate the effects of the anticipated overspend. The impact of the recovery plan has reduced the overspend position to £166k, this has been achieved by reviewing and releasing legacy balances of £1m and also reducing discretionary expenditure.

The potential impact to the Council should the overspend not be fully contained is £60k.

6.6 City Development (£2,270,000 overspend)

The service is projecting an overspend in staff costs. Overspends in relation to property costs are also anticipated and relate to the following areas:

- non-domestic rates - due to properties being vacant and also delay in disposal of asset caused by commercial market condition;
- cleaning costs – mainly due to higher than budgeted costs associated with maintaining our corporate buildings;
- repairs & maintenance - mainly due to assessments/inspections such as Health & Safety, CCTV and also remedial works required arising from assessments
  - Service needs have driven the asset management strategy with effective arrangements being in place for managing the performance of Council assets. The cost of keeping Council properties in good condition and fit for purpose has risen in recent years. There are also external forces such as various legislative requirements i.e. Health and Safety at work which the Council has a duty to ensure that buildings under their control comply with.

- other property costs - due to loss of income on vacant units.

These property overspends are partially offset by projected underspend on energy costs. Initiative such as Non Domestic Energy Efficiency framework invested under capital programme in installing energy conservation measures and improving lighting which will mitigate the risk of continually increasing energy cost and also continue to deliver revenue savings.

Extensive work is underway on reviewing and discussing property budgets with partners looking at ways to work collaboratively on maintenance requests. A detailed review of Council empty properties with appropriate action and strategies being implemented.

Monitoring of the expenditure being incurred on property repairs and maintenance is being undertaken by City Development and Corporate Finance staff, with actions being taken to reduce expenditure where appropriate.

The service is also projecting a shortfall in external rental income in addition to lower than anticipated income from investment properties. Planning application and building warrant fees are also projected to be lower than anticipated. Additional property rental income deficit due to a number of units such as retail, café and office space within the Railway Station are still to be let and unlikely to generate any income this year. These reductions in income are expected to be partially offset by higher car parking fees and other income being more than anticipated.

In addition, the service is projecting an overspend in Winter Maintenance costs of £200k, the current financial year expenditure includes £100k of operations costs incurred at the start of the 18/19 financial year due to the late end of season adverse weather.

6.7 Neighbourhood Services (Breakeven)

Within Communities, the service is projecting an income shortfall as a result in the non-achievement of budgeted income targets from interpretation and translation unit and grant income payable for the S Word café. This adverse variance is anticipated to be offset by savings in staff costs due to the current level of slippage across Neighbourhood Services.

6.8 Chief Executive (£19,000 overspend)

The service is projecting an overspend due to increased property costs re DCA and increased third party payment costs, partially offset by staff costs underspend due to vacant posts.

6.9 Corporate Services (£455,000 underspend)

The service is anticipating an underspend due to staff cost savings re Apprenticeship Levy, vacant posts and staff training budgets. Additional grant funding is partially offset by reduction in contribution from Perth & Kinross Council for Tayside Scientific Services. In addition, the service has received additional income in the form of Clothing Grant from Scottish Government.

6.10 Capital Financing Costs / IORB (£1,566,000 underspend)

The above underspend reflects a projected saving in capital financing costs.

6.11 Contingencies – Other (£1,659,000 overspend)

The above projected overspend relates to the revised potential pay award being higher than anticipated when budget was set and savings in additional hours/overtime not likely to be achieved.

6.12 Miscellaneous Income (£1,625,000 additional income)

Relates to a one-off gain re Dundee City Developments.

6.13 Discretionary NDR Relief (£61,000 overspend)

Relates to projected overspend on Discretionary Non-Domestic Rates relief

- 6.14 Supplementary Superannuation Costs (£11,000 underspend)  
Relates to projected underspend on Supplementary Superannuation Costs
- 6.15 Council Tax Reduction Scheme (£412,000 underspend)  
Relates to projected underspend on Council Tax Reduction Scheme payments.
- 6.16 Fire at Braeview Academy  
Expenditure to be incurred by the Council in terms of the excesses on the Insurance policy is £1.1m which will be met from the Insurance Fund. Costs relating to the fire are being gathered with ongoing dialogue taking place with the loss adjustor.

## 7 ONGOING ACTIONS

- 7.1 Each service is working closely with Corporate Finance staff, firstly to ensure that these projections are met and then to identify scope to improve the outcome.
- 7.2 In addition, further Council-wide initiatives are underway to help manage existing and emerging cost pressures. These include reviewing the requirements for overtime working, a focus on absence rates and increased vacancy control over the remainder of the financial year. There is an ongoing review of discretionary spend and other opportunities for efficiencies and budget savings.
- 7.3 There is also close working with Dundee HSCP and LACD on revenue requirements for current and future funding.

## 8 HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 31 DECEMBER 2018

- 8.1 The forecast position as at 31 December 2018 for the HRA is summarised below:

|                   | <u>Adjusted<br/>Budget<br/>2018/19<br/>£000</u> | <u>Forecast<br/>2018/19<br/>£000</u> | <u>Variance<br/>£000</u> |
|-------------------|---|--------------------------------------|--------------------------|
| Total Expenditure | 52,759  | 52,759                               | -                        |
| Total Income      | <u>52,759</u>                                   | <u>52,759</u>                        | -                        |
| Forecast Position | -   | -                                    | -                        |

- 8.2 The service is anticipating that expenditure on repairs, relets and health and safety contracts will exceed budget due to the current level of demand and will continue to closely monitor this demand together with the associated expenditure levels. This adverse variance is projected to be offset by savings elsewhere within the HRA budget.
- 8.3 The overall impact is a breakeven position against the adjusted HRA 2018/2019 Revenue Budget. A system of perpetual detailed monitoring will continue to take place up to 31 March 2019 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2018/2019 HRA Revenue Budget.

## 9 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. Details of the risk assessment are included in Appendix D to this report.

There are no major issues.

10 **CONSULTATIONS**

The Council Management Team were consulted in the preparation of this report.

11 **BACKGROUND PAPERS**

None.

**GREGORY COLGAN**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**07 FEBRUARY 2019**

| <b>DUNDEE CITY COUNCIL</b>  |                 |                    |                |                  |               |                |                     |             |                  |                 |
|---|-----------------|--------------------|----------------|------------------|---------------|----------------|---------------------|-------------|------------------|-----------------|
| <b>2018/2019 REVENUE OUTTURN MONITORING</b>   |                 |                    |                |                  |               |                |                     |             |                  |                 |
| <b>PERIOD 1 APRIL 2018 - 31 DECEMBER 2018</b>   |                 |                    |                |                  |               |                |                     |             |                  |                 |
| Statement analysing 2018/2019 Projected Revenue Outturn to Budget (Capital Charges, Central Support, Corporate Business Support, Central Buildings & Corporate Property Recharges have been excluded from Services as these costs are outwith their control). |                 |                    |                |                  |               |                |                     |             |                  |                 |
|   | <b>Approved</b> |                    | <b>Revised</b> |                  |               |                |                     |             | <b>Previous</b>  | <b>Movement</b> |
|   | <b>Revenue</b>  | <b>Total</b>       | <b>Revenue</b> | <b>Projected</b> | <b>Worse</b>  | <b>Better</b>  | <b>Net</b>          |             | <b>Months</b>    | <b>since</b>    |
|   | <b>Budget</b>   | <b>Budget</b>      | <b>Budget</b>  | <b>Outturn</b>   | <b>Than</b>   | <b>Than</b>    | <b>Variance</b>     |             | <b>Projected</b> | <b>Previous</b> |
|   | <b>2018/19</b>  | <b>Adjustments</b> | <b>2018/19</b> | <b>2018/19</b>   | <b>Budget</b> | <b>Budget</b>  | <b>(see Appx B)</b> | <b>Note</b> | <b>Variance</b>  | <b>Month</b>    |
|   | <b>£000</b>     | <b>£000</b>        | <b>£000</b>    | <b>£000</b>      | <b>£000</b>   | <b>£000</b>    | <b>£000</b>         |             | <b>£000</b>      | <b>£000</b>     |
| <b>General Fund Services</b>  |                 |                    |                |                  |               |                |                     |             |                  |                 |
| Children & Families   | 158,290         | 559                | 158,849        | 158,849          |               |                |                     | 1           |                  |                 |
| Dundee Health & Social Care Partnership   | 73,638          | 56                 | 73,694         | 73,754           | 60            |                | 60                  | 2           |                  | 60              |
| City Development  | 12,207          | 1,223              | 13,430         | 15,700           | 2,270         |                | 2,270               | 3           | 2,069            | 201             |
| Neighbourhood Services  | 28,359          | 294                | 28,653         | 28,653           |               |                |                     | 4           |                  |                 |
| Chief Executive   | 11,383          | 225                | 11,608         | 11,627           | 19            |                | 19                  | 5           | 14               | 5               |
| Corporate Services  | 29,536          | 3,141              | 32,677         | 32,222           |               | (455)          | (455)               | 6           | (53)             | (402)           |
| DCS Construction  | (2,812)         | (45)               | (2,857)        | (2,857)          |               |                |                     |             |                  |                 |
|   | 310,601         | 5,453              | 316,054        | 317,948          | 2,349         | (455)          | 1,894               |             | 2,030            | (136)           |
| Capital Financing Costs / Interest on Revenue Balances  | 25,099          | 1,500              | 26,599         | 25,033           |               | (1,566)        | (1,566)             | 7           | (1,039)          | (527)           |
| Contingencies:  |                 |                    |                |                  |               |                |                     |             |                  |                 |
| - General   | 500             | (308)              | 192            | 192              |               |                |                     |             |                  |                 |
| - Other   | 2,670           | (1,020)            | 1,650          | 3,309            | 1,659         |                | 1,659               | 8           | 509              | 1,150           |
| - Unallocated Corporate Savings:  |                 |                    |                |                  |               |                |                     |             |                  |                 |
| Channel Shift / Digital Council   | (729)           |                    | (729)          | (729)            |               |                |                     |             |                  |                 |
| Other   | (1,362)         |                    | (1,362)        | (1,362)          |               |                |                     |             |                  |                 |
| Miscellaneous Items   | (1,632)         | (147)              | (1,779)        | (3,404)          |               | (1,625)        | (1,625)             | 9           | (1,500)          | (125)           |
| Discretionary NDR Relief  | 247             |                    | 247            | 308              |               | 61             | 61                  | 10          |                  | 61              |
| Supplementary Superannuation Costs  | 2,482           | 9                  | 2,491          | 2,480            |               | (11)           | (11)                | 11          |                  | (11)            |
| Tayside Valuation Joint Board   | 914             |                    | 914            | 914              |               |                |                     |             |                  |                 |
| <b>Total Expenditure</b>  | <b>338,790</b>  | <b>5,487</b>       | <b>344,277</b> | <b>344,689</b>   | <b>4,008</b>  | <b>(3,596)</b> | <b>412</b>          |             | <b>0</b>         | <b>412</b>      |
| <b>Sources of Income</b>  |                 |                    |                |                  |               |                |                     |             |                  |                 |
| General Revenue Funding   | (231,298)       | (3,399)            | (234,697)      | (234,697)        |               |                |                     |             |                  |                 |
| Contribution from NNDR Pool   | (55,553)        |                    | (55,553)       | (55,553)         |               |                |                     |             |                  |                 |
| Council Tax   | (51,939)        |                    | (51,939)       | (52,351)         |               | (412)          | (412)               | 12          |                  | (412)           |
| Use of Balances -   |                 |                    | 0              | 0                |               |                |                     |             |                  |                 |
| Committed Balances c/f  |                 | (2,008)            | (2,008)        | (2,008)          |               |                |                     |             |                  |                 |
| Change Fund   |                 | (80)               | (80)           | (80)             |               |                |                     |             |                  |                 |
| <b>(Surplus)/Deficit for the year</b>   | <b>0</b>        | <b>0</b>           | <b>0</b>       | <b>0</b>         | <b>4,008</b>  | <b>(4,008)</b> | <b>0</b>            |             | <b>0</b>         | <b>0</b>        |
| <b>Housing Revenue Account</b>  | <b>0</b>        | <b>0</b>           | <b>0</b>       | <b>0</b>         | <b>0</b>      | <b>0</b>       | <b>0</b>            | 13          | <b>0</b>         | <b>0</b>        |

**REASONS FOR 2018/2019 CONTROLLABLE PROJECTED REVENUE OVERTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**  
**AT 31 DECEMBER 2018**

| <u>Service</u>                                     | <u>Note</u> | <u>As at</u><br><u>31 Dec</u><br><u>£000</u> | <u>As at</u><br><u>30 Nov</u><br><u>£000</u> | <u>Cost Centre</u>  | <u>Subjective</u><br><u>Analysis</u> | <u>As at</u><br><u>31 Dec</u><br><u>£000</u> | <u>As at</u><br><u>30 Nov</u><br><u>£000</u> | <u>Reason / Basis of Over/(Under)spend</u>   |
|--|-------------|--|--|---------------------|--------------------------------------|--|--|--|
| <u>Children &amp; Families Services</u>            | 1           | 0  | 0  | <u>Departmental</u> | Staff Costs                          | 500  | 500  | Special LGE - Overspend on learning & care assistants  |
|  |             |  |  |                     |                                      | (200)  | (200)  | Teachers - estimated slippage due to staff changes (Leavers and Starters)  |
|  |             |  |  |                     |                                      | (300)  | (300)  | LGE Staffing - underspend anticipated across other sectors   |
| <u>Dundee Health &amp; Social Care Partnership</u> | 2           | 60   | 0  | <u>Departmental</u> |                                      | 60   | 0  | The financial monitoring position for the Dundee Health and Social Care Partnership (DHSCP) based on 2018/2019 financial year end as at 31 <sup>st</sup> December 2018 shows a net overspend position of £1.184m. The potential impact to the Council should the overspend not be fully contained is £55k. |
| <u>City Development</u>                            | 3           | 2,270  | 2,069  | <u>Departmental</u> | Staff Costs                          | 455  | 455  | Lower than anticipated slippage  |
|  |             |  |  |                     | Supplies & Services                  | 283  | 283  | Electricity charges street lighting and cyclic cost effect in production and submission of Local Development Plan.   |
|  |             |  |  |                     | Transport                            | 35   | 35   | Mainly car allowances and travel costs across all services   |
|  |             |  |  |                     | Third Party Payments                 | (318)  | (318)  | Mainly lower spend on the Employability Project  |
|  |             |  |  |                     | Property                             | 925  | 925  | The net overspend on property is due to non domestic rates (£92k), repairs and maintenance (£900k), cleaning (£53k), various other costs (£90k). These overspends are partially offset by projected underspend on energy costs (£210k).  |
|  |             |  |  |                     | Income                               | 689  | 689  | Reflects projected shortfall in external rental income, lower than anticipated income on Investment Properties and planning fees offset by higher car parking charges and other income.  |
| <u>Neighbourhood Services</u>                      | 4           | 0  | 0  | <u>Communities:</u> | Income                               | 107  | 107  | Lower than budgeted income from Translation Service and S Word Café  |
|  |             |  |  | <u>Departmental</u> | Staff                                | (107)  | (107)  | Mainly reflects savings in staff costs due to the current level of slippage across Neighbourhood Services.   |



**REASONS FOR 2018/2019 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**  
**AT 31 DECEMBER 2018**

| <u>Service</u>                        | <u>Note</u> | <u>As at</u><br><u>31 Dec</u><br><u>£000</u> | <u>As at</u><br><u>30 Nov</u><br><u>£000</u> | <u>Cost Centre</u> | <u>Subjective</u><br><u>Analysis</u> | <u>As at</u><br><u>31 Dec</u><br><u>£000</u> | <u>As at</u><br><u>30 Nov</u><br><u>£000</u> | <u>Reason / Basis of Over/(Under)spend</u>  |
|---------------------------------------|-------------|--|--|--------------------|--------------------------------------|--|--|---|
| <u>Chief Executive</u>                | 5           | 19   | 14   |                    | Supplies & Services                  | 19   | 14   | The projected net overspend is due to increased property costs re DCA and increased third party payments costs partially offset by staff costs underspend due to vacant posts |
| <u>Corporate Services</u>             | 6           | (455)  | (53)   |                    | Staff Costs                          | (269)  | (122)  | Savings re Apprenticeship Levy, staff vacancies and staff training  |
|                                       |             |  |  |                    | Income                               | 69   | 69   | Reduced income re Scientific Services partly offset by additional grant funding.  |
|                                       |             |  |  |                    |                                      | (255)  | 0  | Clothing Grant from Scottish Government   |
| <u>Capital Financing Costs / IORB</u> | 7           | (1,566)                                      | (1,039)                                      |                    | Capital Financing Costs / IORB       | (1,566)                                      | (1,039)                                      | Anticipated saving in relation to Capital Financing Costs   |
| <u>Contingencies - Other</u>          | 8           | 1,659  | 509  |                    | Contingencies                        | 1,659  | 509  | Revised additional pay award pressures relating to non-teaching staff and savings in additional hours/overtime not likely to be achieved.                                     |
| <u>Miscellaneous Income</u>           | 9           | (1,625)                                      | (1,500)                                      |                    | Income                               | (1,625)                                      | (1,500)                                      | Gain from Dundee City Developments Ltd  |
| <u>Non Domestic Rates</u>             | 10          | 61   | 0  |                    |                                      | 61   | 0  | Projected overspend in year   |
| <u>Supplementary Superannuation</u>   | 11          | (11)   | 0  |                    |                                      | (11)   | 0  | Projected underspend relating to supplementary superannuation costs   |
| <u>Council Tax Reduction Scheme</u>   | 12          | (412)  | 0  |                    |                                      | (412)  | 0  | Projected budget underspend in year   |
| <b><u>TOTAL GENERAL FUND</u></b>      |             | <b>0</b>                                     | <b>0</b>                                     |                    |                                      | <b>0</b>                                     | <b>0</b>                                     |   |

**REASONS FOR 2018/2019 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**  
**AT 31 DECEMBER 2018**

| <u>Service</u>   | <u>Note</u> | <u>As at</u><br><u>31 Dec</u><br><u>£000</u> | <u>As at</u><br><u>30 Nov</u><br><u>£000</u> | <u>Cost Centre</u> | <u>Subjective</u><br><u>Analysis</u> | <u>As at</u><br><u>31 Dec</u><br><u>£000</u> | <u>As at</u><br><u>30 Nov</u><br><u>£000</u> | <u>Reason / Basis of Over/(Under)spend</u>  |
|--|-------------|--|--|--------------------|--------------------------------------|--|--|---|
| <u>Housing Revenue</u><br><u>Account</u>                     | 13          | 0  | 0  |                    | Staff Costs                          | (218)  | (215)  | Mainly reflects net anticipated slippage due to current level of unfilled posts.  |
|  |             |  |  |                    | Property Costs                       | 550  | 556  | Reflects higher than anticipated costs for repairs, relets and health & safety contracts due to current level of demand for these services. |
|  |             |  |  |                    | Capital Financing Costs              | (205)  | (280)  | Reflects projected saving on capital financing costs due to lower than anticipated interest rates.  |
|  |             |  |  |                    | Income                               | (127)  | (61)   | Mainly reflects additional income from interest on revenue balances and rental income.  |
| <b><u>TOTAL HOUSING</u></b><br><b><u>REVENUE ACCOUNT</u></b> |             | <b>0</b>                                     | <b>0</b>                                     |                    |                                      | <b>0</b>                                     | <b>0</b>                                     |   |

**Dundee City Council**  
**Revenue Monitoring to 31st March 2019 - Budget Adjustments to date**

|   | <u>2017/18</u>       |                     | <u>Funding</u>     | <u>Alloc from Change Fund</u> | <u>Alloc from R&amp;R Fund</u> | <u>T/Fs Between Depts / Conts</u> | <u>Dept Totals</u> |
|---|----------------------|---------------------|--------------------|-------------------------------|--------------------------------|-----------------------------------|--------------------|
|   | <u>Alloc To/From</u> | <u>Under spends</u> |                    |                               |                                |                                   |                    |
|   | <u>Conts</u>         | <u>b/fwd</u>        |                    |                               |                                |                                   |                    |
| <b><u>General Fund Services</u></b>                       | <b><u>£000</u></b>   | <b><u>£000</u></b>  | <b><u>£000</u></b> | <b><u>£000</u></b>            | <b><u>£000</u></b>             | <b><u>£000</u></b>                |                    |
| <b><u>Children &amp; Families</u></b>                     |                      |                     |                    |                               |                                |                                   |                    |
| Parent Pay - Transfer of budget to Client Services        |                      |                     |                    |                               |                                | (52)                              |                    |
| Permanent tfr of Opportunities for All budget             |                      |                     |                    |                               |                                | (45)                              |                    |
| Permanent tfr of budget for Discovery Work Team           |                      |                     |                    |                               |                                | (105)                             |                    |
| Transfer of staff budget from Corporate Services          |                      |                     |                    |                               |                                | 26                                |                    |
| Transfer of on-going pension costs for 17-18 (FYE)        |                      |                     |                    |                               |                                | (7)                               |                    |
| Transfer of CDT equipment budget                          |                      |                     |                    |                               |                                | 14                                |                    |
| CFCR Cont to Kingspark resurfacing works                  |                      |                     |                    |                               |                                | (15)                              |                    |
| 1+2 Language Policy (£81k)                                |                      |                     | 81                 |                               |                                |                                   |                    |
| Access to Sanitary Products - Schools                     |                      |                     | 47                 |                               |                                |                                   |                    |
| Whole System Approach                                     |                      |                     | 25                 |                               |                                |                                   |                    |
| Induction Monies  |                      |                     | 570                |                               |                                |                                   |                    |
| 2017/2018 Carry Forwards                                  |                      | 20                  |                    |                               |                                |                                   |                    |
|   |                      |                     |                    |                               |                                |                                   | 559                |
| <b><u>Dundee Health &amp; Social Care Partnership</u></b> |                      |                     |                    |                               |                                |                                   |                    |
| ECN - Protecting People posts                             | 37                   |                     |                    |                               |                                |                                   |                    |
| British Sign Language                                     |                      |                     |                    |                               |                                | (11)                              |                    |
| Tfr of Dundee Partnership Grants                          |                      |                     |                    |                               |                                | 30                                |                    |
|   |                      |                     |                    |                               |                                |                                   | 56                 |
| <b><u>City Development</u></b>                            |                      |                     |                    |                               |                                |                                   |                    |
| Transfer of staff budget to Corporate Services            |                      |                     |                    |                               |                                | (52)                              |                    |
| 2017/2018 Carry Forwards                                  |                      | 352                 |                    |                               |                                |                                   |                    |
| Ongoing early retirement costs to October                 |                      |                     |                    |                               |                                | (1)                               |                    |
| Dundee PSO  |                      |                     | 938                |                               |                                |                                   |                    |
| Transfer of CDT equipment budget                          |                      |                     |                    |                               |                                | (14)                              |                    |
|   |                      |                     |                    |                               |                                |                                   | 1,223              |
| <b><u>Neighbourhood Services</u></b>                      |                      |                     |                    |                               |                                |                                   |                    |
| Transfer of staff budget from Corporate Services          |                      |                     |                    |                               |                                | 46                                |                    |
| Transfer of staff budget to Corporate Services            |                      |                     |                    |                               |                                | (27)                              |                    |
| Tfr of Dundee Partnership Grants                          |                      |                     |                    |                               |                                | 156                               |                    |
| Transfer of staff budget from Corporate Services          |                      |                     |                    |                               |                                | (24)                              |                    |
| 2017/2018 Carry Forwards                                  |                      | 74                  |                    |                               |                                |                                   |                    |
| RRTP Homelessness Redetermination                         |                      |                     | 68                 |                               |                                |                                   |                    |
| Free Child Burials  |                      |                     | 6                  |                               |                                |                                   |                    |
| Transfer of Post to Corp Serv                             |                      |                     |                    |                               |                                | (5)                               |                    |
|   |                      |                     |                    |                               |                                |                                   | 294                |
| <b><u>Chief Executive</u></b>                             |                      |                     |                    |                               |                                |                                   |                    |
| British Sign Language                                     |                      |                     |                    |                               |                                | 11                                |                    |
| Transfer of staff budget from Chief Executive             |                      |                     |                    |                               |                                | 21                                |                    |
| Tfr of Dundee Partnership Grants                          |                      |                     |                    |                               |                                | (186)                             |                    |
| 2017/2018 Carry Forwards                                  |                      | 58                  |                    |                               |                                |                                   |                    |
| Contingencies re Rep, Science Ctr, LACD                   | 256                  |                     |                    |                               |                                |                                   |                    |
| Business Analysts from Change Fund                        |                      |                     |                    | 41                            |                                |                                   |                    |
| Ongoing early retirement costs to October                 |                      |                     |                    |                               |                                | (1)                               |                    |
| UNESCO City of Design & Cultural Strategy                 | 15                   |                     |                    |                               |                                |                                   |                    |
| UNESCO City of Design & Cultural Strategy                 |                      |                     |                    |                               |                                | 10                                |                    |
|   |                      |                     |                    |                               |                                |                                   | 225                |

|  | <u>2017/18</u>       |                     | <u>Funding</u> | <u>Alloc from Change Fund</u> | <u>Alloc from R&amp;R Fund</u> | <u>T/Fs Between Depts / Conts</u> | <u>Dept Totals</u> |             |             |             |              |               |
|--|----------------------|---------------------|----------------|-------------------------------|--------------------------------|-----------------------------------|--------------------|-------------|-------------|-------------|--------------|---------------|
|  | <u>Alloc To/From</u> | <u>Under spends</u> |                |                               |                                |                                   |                    | <u>T/Fs</u> | <u>Fund</u> | <u>Fund</u> | <u>Conts</u> | <u>Totals</u> |
|  | <u>£000</u>          | <u>£000</u>         |                |                               |                                |                                   |                    | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u>  | <u>£000</u>   |
| <b><u>General Fund Services</u></b>                  |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| <b><u>Corporate Services</u></b>                     |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Parent Pay - Transfer of budget to Client Services   |                      |                     |                |                               |                                | 52                                |                    |             |             |             |              |               |
| Permanent tfr of Opportunities for All budget        |                      |                     |                |                               |                                | 45                                |                    |             |             |             |              |               |
| Permanent tfr of budget for Discovery Work Team      |                      |                     |                |                               |                                | 105                               |                    |             |             |             |              |               |
| Transfer of staff budget to Children & Families      |                      |                     |                |                               |                                | (26)                              |                    |             |             |             |              |               |
| Transfer of staff budget to Neighbourhood Serv       |                      |                     |                |                               |                                | (46)                              |                    |             |             |             |              |               |
| Transfer of staff budget from Neighbourhood Serv     |                      |                     |                |                               |                                | 27                                |                    |             |             |             |              |               |
| Transfer of staff budget to Chief Executive          |                      |                     |                |                               |                                | (21)                              |                    |             |             |             |              |               |
| Transfer of staff budget from City Development       |                      |                     |                |                               |                                | 52                                |                    |             |             |             |              |               |
| 2017/2018 Carry Forwards                             |                      | 563                 |                |                               |                                |                                   |                    |             |             |             |              |               |
| Transfer of staff budget from Construction           |                      |                     |                |                               |                                | 39                                |                    |             |             |             |              |               |
| Transfer of staff budgets from Housing               |                      |                     |                |                               |                                | 147                               |                    |             |             |             |              |               |
| Transfer of staff budget from Neighbourhood Serv     |                      |                     |                |                               |                                | 24                                |                    |             |             |             |              |               |
| Transfer of Apprenticeship Levy                      | 1,020                |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Increased funding re regrade                         |                      |                     |                |                               |                                | 6                                 |                    |             |             |             |              |               |
| Channel Shift/Firmstep                               |                      |                     |                | 39                            |                                |                                   |                    |             |             |             |              |               |
| Discretionary Housing Payment                        |                      |                     | 855            |                               |                                |                                   |                    |             |             |             |              |               |
| School Clothing Grant                                |                      |                     | 255            |                               |                                |                                   |                    |             |             |             |              |               |
| Transfer of Post from NS                             |                      |                     |                |                               |                                | 5                                 |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | 3,141              |             |             |             |              |               |
| <b><u>Construction</u></b>                           |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Transfer of staff budget to Corporate Services       |                      |                     |                |                               |                                | (39)                              |                    |             |             |             |              |               |
| Increased funding re regrade                         |                      |                     |                |                               |                                | (6)                               |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | (45)               |             |             |             |              |               |
| <b><u>Capital Finance Costs / IORB</u></b>           |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Dundee Growth Accelerator                            |                      |                     | 1,500          |                               |                                |                                   |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | 1,500              |             |             |             |              |               |
| <b><u>Miscellaneous Income</u></b>                   |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Transfer of staff budgets to Corporate Services      |                      |                     |                |                               |                                | (147)                             |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | (147)              |             |             |             |              |               |
| <b><u>General Contingency</u></b>                    |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| ECN - Protecting People posts (DHSCP)                | (37)                 |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Contingencies re Rep, Science Ctr, LACD              | (256)                |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| UNESCO City of Design & Cultural Strategy            | (15)                 |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | (308)              |             |             |             |              |               |
| <b><u>Savings &amp; Other Contingencies</u></b>      |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Transfer of Apprenticeship Levy                      | (1,020)              |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | (1,020)            |             |             |             |              |               |
| <b><u>Supplementary Superannuation</u></b>           |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Transfer of on-going pension costs for 17-18 (FYE)   |                      |                     |                |                               |                                | 7                                 |                    |             |             |             |              |               |
| Ongoing early retirement costs to October            |                      |                     |                |                               |                                | 2                                 |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | 9                  |             |             |             |              |               |
| <b><u>Capital Adjustment Acct</u></b>                |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| CFCR Cont to Kingspark resurfacing works             |                      |                     |                |                               |                                | 15                                |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | 15                 |             |             |             |              |               |
| <b><u>Capital Charges</u></b>                        |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| CEX - Unesco   |                      |                     |                |                               |                                | (10)                              |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | (10)               |             |             |             |              |               |
| <b><u>General Revenue Funding</u></b>                |                      |                     |                |                               |                                |                                   |                    |             |             |             |              |               |
| Funding re Stage 1 of SG Budget Bill paid in 2017/18 |                      | 961                 |                |                               |                                |                                   |                    |             |             |             |              |               |
|  |                      |                     |                |                               |                                |                                   | 961                |             |             |             |              |               |
| <b>Total Adjustments (General Fund)</b>              | <b>0</b>             | <b>2,028</b>        | <b>4,345</b>   | <b>80</b>                     | <b>0</b>                       | <b>0</b>                          | <b>6,453</b>       |             |             |             |              |               |

| Risks - Revenue   | Assessment   |              | Risk Management / Comment   |
|---|--------------|--------------|---|
|   | Original     | Revised      |   |
| <u>General Inflation</u><br>General price inflation may be greater than anticipated.  | Med          | Med          | Corporate Procurement strategy in place, including access to nationally tendered contracts for goods and services. In addition, fixed price contracts agreed for major commodities i.e. gas and electricity.  |
| <u>Equal Pay Claims</u><br>A provision may be required for the cost of equal pay claims.  | Low          | Low          | Relatively few cases being taken through the Employment Tribunal process.   |
| <u>Capital Financing Costs</u><br>Level of interest rates paid will be greater than anticipated.  | Low/<br>Med  | Low/<br>Med  | Treasury Mgmt Strategy. Limited exposure to variable rate funding.  |
| <u>Savings</u><br>Failure to achieve agreed level of savings & efficiencies.  | Low/<br>Med  | Low/<br>Med  | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by departments to ensure savings targets are met.   |
| <u>Emerging Cost Pressures</u><br>The possibility of new cost pressures or responsibilities emerging during the course of the financial year.   | Low/<br>Med  | Low/<br>Med  | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by departments to ensure cost pressures are identified early and corrective action can be taken as necessary.   |
| <u>Chargeable income</u><br>The uncertainty that the level of chargeable income budgeted will be received.  | Med/<br>High | Med/<br>High | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by departments to ensure any shortfalls are identified as early as possible and corrective action can be taken as necessary.  |
| <u>Council Tax Collection</u><br>Provision for non-collection of Council Tax (3.2%) may not be adequate.  | Low          | Low          | Provision set takes cognisance of amounts collected for previous financial years. Non-payers subject to established income recovery procedures.   |
| <u>Welfare Reform</u><br>The changes introduced as part of the welfare reform exercise may increase the risk that budgeted income collection levels are not achieved and that current non-collection provision levels are inadequate. | Low/<br>Med  | Low/<br>Med  | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by departments to ensure any shortfalls are identified as early as possible and corrective action can be taken as necessary. Budget also introduced for discretionary housing payments to assist those affected by these changes. |