

**REPORT TO: FINANCE COMMITTEE - 9 SEPTEMBER 2002**

**REPORT ON: REVENUE MONITORING 2002/03**

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 654-2002**

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2002/03 Projected Revenue Outturn as at 31 July 2002 monitored against the adjusted 2002/03 Revenue Budget.

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Management Team:

- a notes that the overall General Fund 2002/03 Projected Revenue Outturn as at 31 July 2002 shows an underspend of £7,000 against the adjusted 2002/03 Revenue Budget.
- b notes that the Housing Revenue Account Projected Outturn is in line with the adjusted 2002/2003 Revenue Budget.
- c agrees with the Director of Finance to take every reasonable action to ensure that the 2002/03 Revenue expenditure is in line with the approved Revenue Budget.
- d agrees with the Director of Finance to continue to monitor the Council's 2002/03 Projected Revenue Outturn.

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

- 3.1 The overall projected 2002/03 General Fund Revenue outturn position for the City Council shows an underspend of £7,000 based on the financial information available at 31 July 2002. The projected underspend of £7,000 will be carried forward in General Fund balances. A system of perpetual detailed monitoring will continue to take place up to 31 March 2003 with the objective of the Council achieving a final outturn which is in line with the approved 2002/03 Revenue Budget.
- 3.2 The Housing Revenue Account outturn position for 2002/2003 is currently projecting a spend consistent with the overall budget based on the financial information available for the period to 31 July 2002. The Director of Housing, in conjunction with the Director of Finance, will continue to monitor total expenditure to achieve a final outturn position, which is in line with the approved 2002/03 Revenue Budget.

## **4 LOCAL AGENDA 21 IMPLICATIONS**

None.

## **5 EQUAL OPPORTUNITIES IMPLICATIONS**

None.

## **6 BACKGROUND**

- 6.1 The Council Plan has as one of its values "efficiently utilise our resources to provide the standards of public service expected by the citizens and at an acceptable cost". It is essential that this value is actioned in the monitoring of the Council's Revenue Budget and

the presentation of this monitoring report to the Management Team is seen as a representation of the achievement of that value.

- 6.2 Following approval of the Council's 2002/03 Revenue Budget by the Special Finance Committee on 14 February 2002 this report is now submitted in order to monitor the 2002/03 Projected Revenue Outturn position as at 31 July 2002, against the adjusted 2002/03 Revenue Budget.
- 6.3 The Final 2002/03 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. A total of £102,000 has been allocated and the remainder earmarked within this contingency.
- 6.4 As indicated in the 2002/2003 Final Revenue Budget a Contingency of £3,174,000 (New Monies) was set aside for new Scottish Executive initiatives. This has now been fully allocated, with £2,540,000 transferred to Social Work and £58,000 to Education, £191,000 to Neighbourhood Resources Development Department, £6,000 to ECPD and the remaining £379,000 to Other Housing.

## 7 GENERAL FUND - REASONS FOR VARIANCES

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

### Overspends

#### 7.1 Finance Revenues (£58,000)

The projected overspend is mainly due to additional staff being employed to provide a smoother transition during staff turnover.

### Underspends

#### 7.2 Capital Financing Costs/ Interest on Revenue Balances (£66,000)

The projected underspend is due to a reduction in the Councils average cost of borrowing.

## 8 HOUSING REVENUE ACCOUNT - REASONS FOR VARIANCES

The Housing Revenue Account (HRA) overall position for 2002/03 is projecting a spend in line with the 2002/03 Revenue Budget. There is, however, over and underspends within the HRA Account of which the main items are highlighted below:

### Overspends

#### 8.1 Repairs and Maintenance (incl Planned Maintenance and CFCR) £543,000

The projected overspend of £543,000 is due to the provision of an increased level of demand for day to day repairs and relets. There are also a number of approved Planned Maintenance projects which are incurring additional necessary expenditure.

### Underspends

#### 8.2 Loan Charges £143,000

A reduction in the loan interest rate has resulted in a saving of £143,000.

8.3 Insurance £100,000

A revision in the allocation of insurance premiums has led to a saving on the budgeted provision of £100,000.

8.4 Lost Rents and Bad Debts £170,000

The projected underspend is due to a higher level of houses being let.

8.5 Hostel Support Grant £101,000

The amount of grant as notified by the Scottish Executive was £101,000 higher than budget.

9 **CONSULTATIONS**

- 9.1 All Chief Officers have been consulted in the calculation of projected outturns included in this report, insofar as they apply to their own individual department.

**DAVID K DORWARD**  
**DIRECTOR OF FINANCE**

**BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

MA/AK  
16-Oct-02  
Reports/REVMON.sept

**DUNDEE CITY COUNCIL  
2002/03 REVENUE OUTTURN MONITORING  
PERIOD 1 APRIL 2002 - 31 JULY 2002**

**APPENDIX A**

Statement analysing 2002/03 Projected Revenue Outturn to Budget (Capital Charges, Central Support & Central Buildings Recharges have been excluded from Departments as these costs are outwith their control).

	(col 1) Final Revenue Budget 2002/03 £000	(col 2) Transfers from/ (to) Contingency, General & R & R Fund £000	(col 3) Adjusted Revenue Budget 2002/03 £000 (col 1+2)	(col 4) Projected Revenue Expenditure 2002/03 £000	(col 5) Projected Budget Variance 2002/03 £000 (col 4-3) + overspend (underspend)
<b>Department</b>					
Education	81,412	73	81,485	81,485	
Social Work	46,496	6,598	53,094	53,094	
Environmental & Consumer Protection	13,743	9	13,752	13,752	
Leisure & Arts	9,267		9,267	9,267	
Planning & Transportation	8,236	249	8,485	8,485	
Neighbourhood Resources	7,598	233	7,831	7,831	
Economic Development	3,318		3,318	3,318	
Other Housing	918	379	1,297	1,297	
Miscellaneous Income	(2,560)		(2,560)	(2,560)	
<b>Central Support Services</b>					
Chief Executive	142		142	142	
Personnel & Management Services	1,303		1,303	1,303	
Support Services - Admin/Legal	1,555		1,555	1,555	
- Architects	(377)		(377)	(377)	
Information Technology	4,531		4,531	4,531	
Finance General	1,366	4	1,370	1,370	
<b>Miscellaneous Services</b>					
Chief Executive	922		922	922	
Support Services	1,030		1,030	1,030	
Finance Revenues	4,828	138	4,966	5,025	59
DCS - Ground Maintenance Client	2,015		2,015	2,015	
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	185,743	7,683	193,426	193,485	59
DSO / DLO Surpluses	(1,072)		(1,072)	(1,072)	
Housing / Council Tax Benefit	3,082	(138)	2,944	2,944	
Capital Financing Costs /					
Interest on Revenue Balances	19,572		19,572	19,506	(66)
Contingencies	200	(102)	98	98	
New Monies	3,174	(3,174)	0	0	
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	210,699	4,269	214,968	214,961	(7)
<b>Joint Board</b>					
Tayside Fire Joint Board	10,986		10,986	10,986	
Tayside Joint Police Board	14,997		14,997	14,997	
Tayside Valuation Joint Board	882		882	882	
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	237,564	4,269	241,833	241,826	
	=====	=====	=====	=====	
		[note 1]			
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<b>TOTAL PROJECTED 2002/03 GENERAL FUND OVERSPEND AS AT 31/3/2003</b>					(7)
					=====
<b>Housing Revenue Account</b>	-	-	-	-	NIL
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Note 1. £4,269k represents transfers from General Fund (£76k), and from the Renewal & Repair fund (£15k) and allocation of free Nursing Care of (£3,018k), Care Home Fees of (£1000k) and Concessionary Travel (£160k)