

**REPORT TO: POLICY & RESOURCES COMMITTEE - 11 JANUARY 2010**

**REPORT ON: REVENUE MONITORING 2009/2010**

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 10-2010**

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2009/2010 Projected Revenue Outturn as at 30 November 2009 monitored against the adjusted 2009/2010 Revenue Budget.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Elected Members:
- a note that the overall General Fund 2009/2010 Projected Revenue Outturn as at 30 November 2009 shows an overspend of £220,000 against the adjusted 2009/2010 Revenue Budget.
  - b note that the Housing Revenue Account as at 30 November 2009 is projecting an underspend of £113,000 against the adjusted HRA 2009/2010 Revenue Budget.
  - c agree that the Director of Finance will take every reasonable action to ensure that the 2009/2010 Revenue expenditure is below or in line with the adjusted Revenue Budget.
  - d instruct the Director of Finance in conjunction with all Chief Officers of the Council to continue to monitor the Council's 2009/2010 Projected Revenue Outturn.

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

- 3.1 The overall projected 2009/2010 General Fund Revenue outturn position for the City Council shows an overspend of £220,000 based on the financial information available at 30 November 2009. A system of perpetual detailed monitoring will continue to take place up to 31 March 2010 with the objective of the Council achieving a final outturn which is below or in line with the adjusted 2009/2010 Revenue Budget.
- 3.2 The Housing Revenue Account outturn position for 2009/2010 is currently projecting an underspend of £113,000 based on the financial information available for the period to 30 November 2009. A system of perpetual detailed monitoring will continue to take place up to 31 March 2010 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2009/2010 HRA Revenue Budget.

## **4 BACKGROUND**

- 4.1 Following approval of the Council's 2009/2010 Revenue Budget by the Special Policy and Resources Committee on 12 February 2009 this report is now submitted in order to monitor the 2009/2010 Projected Revenue Outturn position as at 30 November 2009, against the adjusted 2009/2010 Revenue Budget.
- 4.2 This report provides a detailed breakdown of departmental revenue monitoring information along with explanations of material variances against adjusted budgets. Where departments are projecting a significant under or overspend against adjusted budget, additional details have been provided. Where departmental 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 2009/2010 Revenue Budget, the Director of Finance considered the key strategic, operational and financial risks faced by the Council over this period (please refer to report 104-2009, approved by Special Policy & Resources Committee on 12 February 2009, for further details). 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 departments
- 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 2009/2010 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 30 NOVEMBER 2009

6.1 The forecast position as at 30 November 2009 for General Fund services is summarised below:

	<u>Adjusted</u> <u>Budget</u> <u>2009/10</u> <u>£000</u>	<u>Forecast</u> <u>2009/10</u> <u>£000</u>	<u>Variance</u> <u>£000</u>
Total Expenditure	349,216	349,201	(15)
Total Income	<u>(349,216)</u>	<u>(348,981)</u>	<u>235</u>
Forecast Overspend	<u>          -</u>	<u>      220</u>	<u>      220</u>

The forecast position as at 30 November 2009 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 department/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. These adjustments include funding transfers and the transfer of budgets between budget headings within the Revenue Budget, allocations from Contingencies and also unspent budgets that have been carried forward from the previous financial year.

**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 department along with appropriate explanations. It should be emphasised that this report identifies projections based on the first eight months of the financial year to 30 November 2009. The figures are therefore indicative at this stage and are used by the Chief Executive, Director of Finance and Chief Officers to identify variances against budget and enable corrective action to be taken as appropriate.

### **Departmental Commentary**

#### 6.3 Social Work (£789,000 overspend)

The majority of this overspend reflects a number of cost pressures within Children Services. These include the department's share of the residential schools placement budget, together with an anticipated overspend for family placements. The department are also projecting that payments to external bodies for Adult respite care services will be greater than budgeted reflecting the significant cost pressures surrounding this area and the current level of demand for this service. These overspends will be partly offset by projected savings in staff costs following a management restructuring exercise and also due to delays in filling staff vacancies.

#### 6.4 City Development:

##### Planning & Transportation (£467,000 overspend)

In Building Quality, income for building warrants, planning applications and property enquiries is significantly lower than budgeted, reflecting a reduction in these activities due to the current economic climate. This shortfall in income is partly offset by various projected underspends including reduced subsidies being provided to bus operators and savings in electricity costs for street lighting following the renegotiation of the contract.

#### 6.5 Education (£250,000 overspend)

The department are facing a number of cost pressures across all sectors including staff costs and property costs. These overspends are partly being contained through a reduction in supplies and services expenditure (further details of these variances are detailed on Appendix B). Whilst individually these variances may seem large, they should be viewed in the context of the department's overall net controllable revenue budget i.e. £122m. The department will continue to monitor these cost pressures with the objective of achieving a final outturn which is below or in line with the budget.

#### 6.6 Finance General (£83,000 underspend)

The above variance reflects additional income that is projected from Joint Boards relating to the development of Resourcelink Human Resources system. This income will be partly offset by an anticipated overspend in supplies and services expenditure.

#### 6.7 Environmental Health & Trading Standards (£174,000 underspend)

These projected savings mainly relate to staff costs due the current level of unfilled vacancies within the department.

#### 6.8 Finance Revenues (£350,000 underspend)

This mainly reflects additional grant income anticipated by the department together with a projected underspend in staff costs due mainly to unfilled vacancies.

6.9 Capital Financing Costs/Interest on Revenue Balances (£900,000 underspend)

Expenditure on capital financing costs is anticipated to be lower than budgeted following the restructuring of loan debt.

6.10 General Revenue Funding (£240,000 additional income)

Reflects an anticipated increase in General Revenue Funding received from Scottish Government following recent changes to previously notified amounts.

6.11 Other Balances (£475,000 overspend)

Reflects use of balances to fund additional staffing resources for Social Work Child Protection Team and Access Team to address the issues raised in the recent Child Protection Report. Balances have also been utilised to fund additional expenditure incurred due to increase in the number of children that are being accommodated as a result of child protection concerns.

**7 HOUSING REVENUE ACCOUNT - MONITORING POSITION AS AT 30 NOVEMBER 2009**

7.1 The forecast position as at 30 November 2009 for the HRA is summarised below:

	<u>Adjusted</u> <u>Budget</u> <u>2009/10</u> <u>£000</u>	<u>Forecast</u> <u>2009/10</u> <u>£000</u>	<u>Variance</u> <u>£000</u>
Total Expenditure	49,756	49,755	(1)
Total Income	<u>(49,756)</u>	<u>(49,868)</u>	<u>(112)</u>
Forecast Underspend	_____ -	<u>(113)</u>	<u>(113)</u>

7.2 On expenditure, the department are projecting a significant underspend in the planned maintenance programme, this is due to some of this work being funded by the department's capital programme together with slippage in a number of projects. This will be offset by an increase in repairs and relets expenditure and greater than budgeted lost rents and bad debts due to an increase in the number of voids together with various other overspends anticipated by the department. In terms of income, rental income is expected to be greater than budgeted following a reduction in the number of council house sales anticipated. This is partly offset by a projected shortfall in interest on revenue balances due to lower than anticipated interest rates being received on cash balances held. The overall impact is an underspend of £113,000 against the adjusted HRA 2009/2010 Revenue Budget.

**8 CONCLUSION**

As in previous years, the Director of Finance will work with all Chief Officers of the Council to monitor the Council's 2009/2010 Revenue Budget and, through prudent budget management, take every reasonable action to achieve an outturn position below or in line with the approved 2009/2010 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.

There are no major issues.

10 **CONSULTATIONS**

The Chief Executive, 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.

11 **BACKGROUND PAPERS**

None.

**MARJORY M STEWART  
DIRECTOR OF FINANCE**

**23 DECEMBER 2009**

**DUNDEE CITY COUNCIL**  
**2009/2010 REVENUE OUTTURN MONITORING**  
**PERIOD 1 APRIL 2009 - 30 NOVEMBER 2009**

Appendix A

Statement analysing 2009/2010 Projected Revenue Outturn to Budget (Capital Charges, Central Support & Central Buildings Recharges have been excluded from Departments as these costs are outwith their control).

	Approved Budget £000	Budget Adjustments £000	Adjusted Budget £000	Forecast £000	Worse Than Budget £000	Better Than Budget £000	Net Variance £000	Notes
<b>General Fund Departments</b>								
Social Work	80,953	940	81,893	82,682	789		789	1
City Development:								
Planning & Transportation	7,458	(3)	7,455	7,922	467		467	2
Economic Development	4,341	(52)	4,289	4,299	10		10	3
Education	121,649	177	121,826	122,076	250		250	4
Other Housing	2,025		2,025	2,044	19		19	5
Leisure & Communities	22,787	215	23,002	23,002				
Supporting People	12,389		12,389	12,389				
DCS - Land Services Client	2,103		2,103	2,103				
Waste Management	15,423	1,230	16,653	16,597		(56)	(56)	6
Central Support Services:								
Chief Executive	1,145	139	1,284	1,284				
Personnel	1,427	2	1,429	1,429				
Information Technology	5,175	43	5,218	5,218				
Support Services - Admin/Legal	3,345	(5)	3,340	3,340				
- Architects	(561)		(561)	(561)				
Finance General	3,433	(24)	3,409	3,326		(83)	(83)	7
Environmental Health & Trading Stds	3,136		3,136	2,962		(174)	(174)	8
Miscellaneous Services:								
Chief Executive	409	175	584	584				
Support Services	123		123	123				
Finance Revenues	3,818	(2)	3,816	3,466		(350)	(350)	9
Dundee CAB	110		110	110				
Contribution to Employment Unit	94		94	94				
	290,782	2,835	293,617	294,489	1,535	(663)	872	
Miscellaneous Income	(2,618)		(2,618)	(2,618)				
DCS - Contracting Activities	(562)		(562)	(562)				
Capital Financing Costs /								
Interest on Revenue Balances	23,451		23,451	22,551		(900)	(900)	10
<u>Contingencies</u>								
General	200	(184)	16	16				
Corporate Savings & Efficiencies	(267)	267	0	0				
Discretionary NDR Relief	147		147	147				
Supplementary Superannuation Costs	1,678	8	1,686	1,686				
Resources t/f from Capital Programme	(1,600)		(1,600)	(1,600)				
	311,211	2,926	314,137	314,109	1,535	(1,563)	(28)	
<b>Joint Boards</b>								
Tayside Joint Police Board	18,934		18,934	18,934				
Tayside Fire & Rescue Board	15,115		15,115	15,115				
Tayside Valuation Joint Board	1,030		1,030	1,043	13		13	11
<b>Total Expenditure</b>	346,290	2,926	349,216	349,201	1,548	(1,563)	(15)	
<b>Sources of Income</b>								
General Revenue Funding /								
Contribution from NNDR Pool	(289,074)	(1,206)	(290,280)	(290,520)		(240)	(240)	12
Council Tax	(55,916)		(55,916)	(55,916)				
Use of Balances -								
Committed Balances c/f	(1,300)	(1,033)	(2,333)	(2,333)				
Other Balances		(475)	(475)	0	475		475	13
Renewal & Repair Fund	0	(212)	(212)	(212)				
<b>(Surplus)/Deficit for the year</b>	0	0	0	220	2,023	(1,803)	220	
<b>Housing Revenue Account</b>	0	0	0	(113)		(113)	(113)	14

**REASONS FOR 2009/2010 CONTROLLABLE PROJECTED REVENUE OVERTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**

Appendix B

AT 30 NOVEMBER 2009

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)Spend</u>			
<b>Social Work</b>	1	789	Departmental	Staff Costs	(400)	Reflects projected savings following management restructuring exercise and delays in filling staff vacancies.			
				Third Party Payments	230	Reflects continued significant pressures around Adult Care and Free Personal Care.			
				Income	(33)	Non-recurring additional income generated through repayment of cash reserves and balances from Social Work funded voluntary bodies.			
				Third Party Payments	398	Continued pressure of increase in numbers of placements made to avoid inappropriate care settings for children and also due to effect of fee increases being greater than budgeted			
					645	Increased number of looked after children and also increase in the numbers of children requiring permanent substitute care away from their birth parents.			
				Older People	(34)	Reduction in payments for external residential placements as demand is being met internally through Craigie House residential home.			
					(74)	Mainly due to non-recurring contributions from clients towards residential accommodation in local authority homes.			
				Adults	164	Greater demand for respite care.			
					(107)	This is mainly due to increased charges for day care services partly offset by withdrawal of service/contribution from Perth & Kinross Council at Whitetop and from Angus Council at Mackinnon Centre.			
				<b>City Development:</b>	2	467	Building Quality	Income	649
Policy & Regeneration	66	Reflects saving that was assumed in approved budget that has not materialised.							
Sustainable Transport	(20)	Reflects various planned efficiencies to offset projected overspend.							
Winter Maintenance	(58)	Reflects reduction in bus route development grants being paid to bus operators.							
Street Lighting	(92)	Increased recharge for winter maintenance activities to On Street Car Parking.							
	(63)	Reflects renegotiation of electricity contract for street lighting.							
	(36)	Projected saving due to maintenance painting of street lighting columns being deferred.							
Planning & Transportation									

**REASONS FOR 2009/2010 CONTROLLABLE PROJECTED REVENUE OVERTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**  
**AT 30 NOVEMBER 2009**

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>
Economic Development	3	10	City Square	Property Costs	69	Reflects projected overspend on responsive maintenance and health and safety costs.
			Tayside House	Various	32	Reflects various overspends projected by the department.
			Mainstream	Income	(91)	Additional income projected from various grants and contributions
			Property Management	Staff Costs	(171)	Staff costs are projected to be underspent mainly due to various unfilled vacancies.
				Supplies & Services	(16)	Reflects projected underspends on various supplies & services costs.
				Income	188	Rental income is lower than budgeted due to increased number of vacant properties in the current economic climate.
<u>Education</u>	4	250	Departmental	Staff Costs	350	Staff costs are projected to be greater than budget due to surplus secondary teaching staff.
					200	Reflects salary increments paid to Local Government Employees across all sectors not met within budget.
					424	Mainly due to the increase in the number of care assistants that are required to work with children with additional support needs.
					(250)	Staff training & development costs are projected to be underspent due to a reduction in externally provided training courses.
				Property Costs	170	Reflects net projected overspend on cleaning contract across all sectors.
				Supplies & Services	(755)	Anticipated underspend in various supplies and services expenditure across all sectors.
			Education other than School	Third Party Payments	111	Education Department share of projected overspend on residential and secure placements budget.
<u>Other Housing</u>	5	19	Miscellaneous	Income	19	Reflects reduction in the number of property enquiries being received due to current economic climate.
<u>Waste Management</u>	6	(56)	Departmental	Various	(56)	Reflects various net underspends projected by the department.
<u>Finance General</u>	7	(83)	General	Supplies & Services	51	Reflects projected overspends on various supplies & services costs including consultancy costs, sales ledger accounts commission and computer licences.
				Income	(125)	Mainly increased recharges to Joint Boards relating to development of Resourcelink HR system.
<u>Env Health &amp; Trading Standards</u>	8	(174)	Regulation	Staff	(167)	Staff costs are projected to be underspent mainly due to various unfilled vacancies.



**REASONS FOR 2009/2010 CONTROLLABLE PROJECTED REVENUE OVERTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**

Appendix B

**AT 30 NOVEMBER 2009**

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>
<u>Finance Revenues</u>	9	(350)	Revenues	Staff	(78)	Projected underspend due to unfilled vacancies, long-term sick leave and maternity leave, partly offset by increased overtime.
				Income	(273)	Mainly reflects additional administration grant from Department of Works & Pensions together with various other additional income including recharge of diligence and legal fees relating to collection of unpaid accounts. This is partly offset by shortfall in miscellaneous income.
<u>Capital Financing Costs/IORB</u>	10	(900)	Capital Financing Costs/IORB		(900)	Reflects lower than anticipated expenditure on capital financing costs following restructuring of loan debt.
<u>Tayside Valuation Joint Board</u>	11	13	Requisition	Staff	13	Mainly reflects DCC's share of TVJB projected overspend in staff costs.
<u>General Revenue Funding</u>	12	(240)	General Revenue Funding		(240)	Reflects anticipated increase in GRF following recent changes to previously notified amounts.
<u>Other Balances</u>	13	475	Other Balances		475	Reflects use of other balances to fund additional staffing resources for Social Work Child Protection Team and Access Team to address the issues raised in the recent Child Protection Report. Expenditure also reflects the increased number of children being accommodated as a result of child protection concerns.
<u>Housing Revenue Account</u>	14	(113)	Repairs & Relets		493	Reflects increase in the level of repairs and maintenance that are currently required to be carried out through the DCS/Housing Partnership, along with higher than anticipated relet expenditure due to increased number of voids.
			Planned Maintenance		(1,045)	Anticipated saving in planned maintenance costs following slippage in certain projects and some works being transferred to capital programme.
			Lost Rents and Bad Debts		346	Mainly increase in the lost rents due to greater than anticipated number of void properties (e.g. properties awaiting repairs prior to being relet).
			Rent of Houses		(389)	Additional income collected from rents due to a lower number of council house sales than was anticipated.
			Land Rents		(24)	Increased income due to rent reviews.
			Open Space Maintenance		(64)	Expenditure on open space maintenance is less than anticipated due to a reduction in the number of one off orders.
			Caretaking Services		65	Mainly due to holiday pay arrears payments.
			Loan Charges		94	Overspend reflects higher than budgeted loan repayments.
			IORB		240	Shortfall in income due to the actual level of interest received on balances being lower than the level assumed in the agreed HRA budget.
			Mainstream Furnished		61	Reflects shortfall in rental income for this type of accommodation.
			Stair lighting		63	Mainly reflects increased electricity charges.
			Housing Administration		65	Increased expenditure expected on energy costs, car allowances, training, etc.
			Grants to Housing Organisations		(18)	Projected savings on grants/contributions to Women's Aid and Energy Advice Team.

<u>General Fund Departments</u>	<u>Alloc From ConTs</u> <u>£000</u>	<u>2008/09 Under spends b/fwd</u> <u>£000</u>	<u>Funding T/Fs</u> <u>£000</u>	<u>Alloc from R&amp;R Fund</u> <u>£000</u>	<u>Transfers Between Depts</u> <u>£000</u>	<u>Appendix C</u>	
						<u>Other Transfers</u> <u>£000</u>	<u>Dept Totals</u> <u>£000</u>
<u>Education</u>							
1. DSM Balances		364					
2. T/f to L&C for physical activities for children					(106)		
3. T/f Staff Costs to Chief Executive					(51)		
4. T/f from Corp Savings & Efficiencies Contingency						(30)	177
<u>Social Work</u>							
1. Child Trust Fund Top Up		7					
2. Child Protection Team and Access Team						150	
3. Nethergate Centre Dilapidation Works				103			
4. Adult Support & Protection Implementation Framework			438				
5. T/f from Corp Savings & Efficiencies Contingency						(9)	
6. Additional resources for Child Protection placements / Direct Assistance						325	
7. T/f of Changing Childrens Services Budget to Chief Exec					(72)		
8. T/f staff costs to Personnel						(2)	940
<u>City Development: Planning &amp; Transportation</u>							
1. T/f from Corp Savings & Efficiencies Contingency						(3)	(3)
<u>City Development: Economic Development</u>							
1. Ordnance survey fee					(43)		
2. T/f from Corp Savings & Efficiencies Contingency						(1)	
3. T/f additional superannuation costs to General Fund					(8)		(52)
<u>Leisure &amp; Communities</u>							
1. T/f from Education for physical activities for children					106		
2. Maintenance costs payable for Dundee Ice Arena				85			
3. T/f from Corp Savings & Efficiencies Contingency						(4)	
4. Algae reduction (Clatto Reservoir/Stobswell Ponds)				16			
5. T/f from Finance General (Elected Members Remuneration)					1		
6. T/f from Chief Executive re promotional activities					3		
7. Central Library repairs & alterations				8			215
<u>Waste Management</u>							
1. Zero Waste Fund 2008/09 C/Fwd		462					
2. Zero Waste Fund 2009/10			575				
2. Additional share of Zero Waste Fund 2009/10			193				1,230
<u>CSS - Chief Executive</u>							
1. Community Planning Partnership		21					
2. T/f Staff Costs from Education					51		
3. T/f from Corp Savings & Efficiencies Contingency						(2)	
4. T/f of Changing Childrens Services Budget from Social Work					72		
5. T/f to Leisure & Communities re promotional activities					(3)		139
<u>CSS - Personnel</u>							
1. Transfer staff costs from Social Work						2	2
<u>CSS - Information Technology</u>							
1. Ordnance survey fee					43		43
<u>CSS - Support Services</u>							
1. T/f from Corp Savings & Efficiencies Contingency						(5)	(5)
<u>CSS - Finance General</u>							
1. Computer Audit		4					
2. T/f from Corp Savings & Efficiencies Contingency						(26)	
5. T/f to L&C / Gen Cont (Elected Members Remuneration)					(2)		(24)
<u>MS - Chief Executive</u>							
1. Ext Funded Projects (Integrated Child Services)		89					
2. Employment Unit		86					175

	<u>2008/09</u>				<u>Appendix C</u>		
<u>General Fund Departments</u>	<u>Alloc From Conts</u>	<u>Under spends b/fwd</u>	<u>Funding T/Fs</u>	<u>Alloc from R&amp;R Fund</u>	<u>Transfers Between Depts</u>	<u>Other Transfers</u>	<u>Dept Totals</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>MS - Finance Revenues</u>							
1. T/f from Corp Savings & Efficiencies Contingency						(2)	(2)
<u>General Contingency</u>							
1. T/f to Corp Savings & Efficiencies						(67)	
2. T/f to Corp Savings & Efficiencies						(118)	
3. T/f from Finance General (Elected Members Remuneration)					1		(184)
<u>Corporate Savings &amp; Efficiencies Contingency</u>							
1. T/f from General Contingency						67	
2. T/f to various departments						82	
3. T/f from General Contingency						118	267
<u>Supplementary Superannuation Costs</u>							
1. T/f additional superannuation costs from City Development (Ec Dev)					8		8
<b>Total Adjustments (General Fund)</b>	<b>0</b>	<b>1,033</b>	<b>1,206</b>	<b>212</b>	<b>0</b>	<b>475</b>	<b>2,926</b>

Risks - Revenue	Assessment		Risk Management / Comment
	Original	Revised	
<u>General Inflation</u> General price inflation may be greater than anticipated.	Low	Low	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>Pay Awards</u> Pay awards settlements may be greater than anticipated.	Zero	Zero	Existing LG Employees pay award agreed to 31 March 2010 (Teachers to 31 March 2011) therefore not considered as risk for the current financial year.
<u>Single Status</u> The provision for the costs associated with implementing Single Status may be insufficient.	Low	Low	Departmental budgets increased to cover incremental progression through the new grades.
<u>Equal Pay Claims</u> 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> Level of interest rates paid will be greater than anticipated.	Low/ Med	Low/ Med	Treasury Mgmt Strategy. Limited exposure to variable rate funding.
<u>Interest on Revenue Balances</u> Level of interest rates will be lower than anticipated.	Med/ High	Med/ High	Treasury Mgmt Strategy. Reduction in income will be offset by lower temporary borrowing costs.
<u>Savings</u> Failure to achieve agreed level of savings & efficiencies.	Low/ Med	Low/ 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> The possibility of new cost pressures or responsibilities emerging during the course of the financial year.	Low/ Med	Low/ 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> The uncertainty that the level of chargeable income budgeted will be received.	Med/ High	Med/ 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> 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>New Accounting Standards</u> The impact of adopting International Financial Reporting Standards (IFRS) is unclear.	Zero	Zero	The implementation of IFRS has been largely deferred to 2010/11. Any significant financial impacts are likely to be mitigated by government legislation.