

REPORT TO: FINANCE COMMITTEE - 10 JANUARY 2005

REPORT ON: REVENUE MONITORING 2004/05

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 23-2005

1 PURPOSE OF REPORT

- 1.1 To provide Elected Members with an analysis of the 2004/05 Projected Revenue Outturn as at 30 November 2004 monitored against the adjusted 2004/05 Revenue Budget.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:

- a notes that the overall General Fund 2004/05 Projected Revenue Outturn as at 30 November 2004 shows an overspend of £182,000 against the adjusted 2004/05 Revenue Budget.
- b notes that the Housing Revenue Account Projected Outturn is in line with the adjusted 2004/2005 Revenue Budget.
- c agrees that the Depute Chief Executive (Finance) will take every reasonable action to ensure that the 2004/2005 Revenue expenditure is in line with the adjusted Revenue Budget.
- d instructs the Depute Chief Executive (Finance) in conjunction with all Chief Officers of the Council to continue to monitor the Councils 2004/2005 Projected Revenue Outturn.

3 FINANCIAL IMPLICATIONS (see Appendix A)

- 3.1 The overall projected 2004/05 General Fund Revenue outturn position for the City Council shows an overspend of £182,000 based on the financial information available at 30 November 2004. A system of perpetual detailed monitoring will continue to take place up to 31 March 2005 with the objective of the Council achieving a final outturn which is in line with the adjusted 2004/05 Revenue Budget.
- 3.2 It should be noted that the Contingency provision within the 2004/05 Revenue Budget is only £200,000, therefore departments are expected to review expenditure and income to ensure that the actual outturn is in line with the 2004/2005 Revenue Budget.
- 3.3 The Housing Revenue Account outturn position for 2004/05 is currently projecting an underspend of £782,000 compared with the original approved Revenue Budget based on the financial information available for the period to 30 November 2004. However, this underspend will result in a corresponding transfer to the Renewal and Repair Fund. The outturn position will then be in line with the adjusted 2004/05 Housing Revenue Account budget.

4 LOCAL AGENDA 21 IMPLICATIONS

None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

6 BACKGROUND

- 6.1 Following approval of the Council's 2004/05 Revenue Budget by the Special Finance Committee on 12 February 2004 this report is now submitted in order to monitor the 2004/05 Projected Revenue Outturn position as at 30 November 2004, against the adjusted 2004/05 Revenue Budget.
- 6.2 The Final 2004/05 Revenue Budget included a contingency provision of £200,000 to cover any unforeseen items of expenditure, which may occur during the course of the financial year. It is anticipated that this will be fully committed by the end of the financial year.

7 GENERAL FUND - REASONS FOR VARIANCES

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

Overspends

7.1 Other Housing (£29,000)

The projected overspend is largely in the Lily Walker Centre budget. This is the result of the new homelessness provisions included in the Housing (Scotland) Act 2001, creating demand greater than expected for Bed & Breakfast places.

7.2 Finance Revenues (£153,000)

The Finance Revenues Department is currently projecting an overspend in staff costs.

7.4 Social Work

There is a projected overspend of £691,000 in the Corporate Secure and Residential Care Budget due mainly to higher cost placements. Social Work's share of this overspend is £518,000 (the remainder being transferred to Education). A further overspend of £37,000 in Non-Domestic Rates has arisen due to a change in use of Douglas House and £30,000 in Family Placement budget due to additional demand for residential places. The total departmental overspend (£585,000) is being offset by saving within other budgets including an underspend in staff costs resulting from continuing recruitment problems due to a national shortage of specialist personnel. The net effect is a breakeven position in the Social Work Revenue Budget.

7.5 Education

The department is projecting an overspend of £182,000 which includes Education's share of the overspend in the Secure and Residential Care Budgets (£173,000) and overspends in other budget headings of £9,000. The department will meet these from savings projected in the overall Education Departmental Revenue Budget.

8 HOUSING REVENUE ACCOUNT - REASONS FOR VARIANCES

The Housing Revenue Account (HRA) overall position for 2004/2005 is projecting an underspend of £782,000 as compared with the 2004/05 Revenue Budget. The underspend is due to savings in Repairs and Relets through the Partnership agreement and slippage in Planned Maintenance and CFCR. This will result in a corresponding transfer to the Renewal and Repair Fund to bring the net spend in line with the adjusted HRA budget.

9 **CONSULTATIONS**

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

10 **BACKGROUND PAPERS**

None.

DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

22 DECEMBER 2004

DUNDEE CITY COUNCIL
2003/04 REVENUE OUTTURN MONITORING
PERIOD 1 APRIL 2004 - 31 October 2004

APPENDIX A

Statement analysing 2004/05 Projected Revenue Outturn to Budget (Capital Charges, Central Support and Central Buildings Recharges have been excluded from Departments as these costs are outwith their control).

	(col 1) Final Revenue Budget 2004/05 £000	(col 2) Transfers from/ (to) Contingency, General & R & R Fund £000	(col 3) Adjusted Revenue Budget 2004/05 £000 (col 1+2)	(col 4) Projected Revenue Expenditure 2004/05 £000	(col 5) Projected Budget Variance 2004/05 £000 (col 4-3) + overspend (underspend)
<u>Department</u>					
Other Housing	1,073		1,073	1,102	
Education	94,946	1,143	96,089	96,089	
Social Work	59,396	423	59,819	59,819	
Waste Management	12,854	2	12,856	12,856	
Leisure & Arts	10,453	247	10,700	10,700	
Planning & Transportation	10,813	428	11,241	11,241	
Communities	9,035	221	9,256	9,256	
Economic Development	3,395		3,395	3,395	
Env Health, Trading St & Scientific Ser	2,340	40	2,380	2,380	
Miscellaneous Income	(2,638)		(2,638)	(2,638)	
<u>Central Support Services</u>					
Chief Executive	976	31	1,007	1,007	
Personnel & Management Services	1,513		1,513	1,513	
Information Technology	5,215		5,215	5,215	
Support Services - Admin/Legal	2,679		2,679	2,679	
- Architects	(422)		(422)	(422)	
Finance General	2,883	52	2,935	2,935	
<u>Miscellaneous Services</u>					
Chief Executive	20	50	70	70	
Support Services	183		183	183	
Finance Revenues	3,198	450	3,648	3,801	153
DCAB, Other Grants	116		116	116	
DCS - Ground Maintenance Client	2,329		2,329	2,329	
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	220,357	3,087	223,444	223,626	182
DCS Contracting Activities	(665)		(665)	(665)	
Housing / Council Tax Benefit	(298)		(298)	(298)	
Capital Financing Costs/ Interest on Revenue Balances	19,784		19,784	19,784	
Contingencies	200		200	200	
Discretionary NDR Relief	80		80	80	
Suppl Superann Costs	1,141		1,141	1,141	
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	240,599	3,087	243,686	243,868	182
<u>Joint Board</u>					
Tayside Fire Joint Board	12,629	(70)	12,559	12,559	
Tayside Joint Police Board	16,493		16,493	16,493	
Tayside Valuation Joint Board	940		940	940	
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	270,661	3,017	273,678	273,860	
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		Note 1			
TOTAL PROJECTED 2004/05 GENERAL FUND OVERSPEND AS AT 31/3/2005					182
					=====
Housing Revenue Account	---	(782)	(782)	(782)	Nil

Note 1 - £3,017k represents a transfer of £430k from the General Fund balance, a reduction of £70k in the Fire GAE and a DSM balance of £462k, £1,596k of Departmental balances carried forward, £599k of Quality of Life balances all held in the overall General Fund.

Note 2 - The £782 represents the transfer to the Renewals & Repairs Fund from the Housing Revenue Account.