

REPORT TO: FINANCE COMMITTEE - 13 SEPTEMBER 2004

REPORT ON: REVENUE MONITORING 2004/05

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 620-2004

1 PURPOSE OF REPORT

- 1.1 To provide Elected Members with an analysis of the 2004/05 Projected Revenue Outturn as at 31 July 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 31 July 2004 shows an overspend of £127,000 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 £127,000 based on the financial information available at 31 July 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 £428,000 compared with the original approved Revenue Budget based on the financial information available for the period to 31 July 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 31 July 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 Environmental Health, Trading Standards & Scientific Services (£38,000)

The department has projected an overspend of £38,000 due to additional staff costs providing absence cover.

7.2 Other Housing (£12,000)

The projected overspend is mainly due to the rental of a new store being higher than expected.

7.3 Finance Revenues (£77,000)

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

7.4 Education

The department is projecting an overspend of £119,000 which is Education's share of the overspend in the Secure and Residential Care Budgets. The department will meet this from savings projected in the overall Education Departmental Revenue Budget.

7.5 Social Work

The department is projecting an overspend of £476,000 in the Secure and Residential Care Budget due to increased demand for placements. Social Work's share of this overspend is £357,000 (the remainder being transferred to Education). A further overspend of £73,000 in Non-Domestic Rates has arisen due to a change in use of Douglas House. The total departmental overspend (£430,000) is being offset by an underspend in staff costs of £430,000 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.

8 HOUSING REVENUE ACCOUNT - REASONS FOR VARIANCES

The Housing Revenue Account (HRA) overall position for 2004/2005 is projecting an underspend of £428,000 as compared with the 2004/05 Revenue Budget. The underspend 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)

27 AUGUST 2004

DUNDEE CITY COUNCIL
2003/04 REVENUE OUTTURN MONITORING
PERIOD 1 APRIL 2004 - 31 JULY 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>					
Env Health, Trading St & Scientific Ser	2,340	40	2,380	2,418	38
Other Housing	1,073		1,073	1,085	12
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	
Planning & Transportation	10,813	428	11,241	11,241	
Leisure & Arts	10,453	247	10,700	10,700	
Communities	9,035	221	9,256	9,256	
Economic Development	3,395		3,395	3,395	
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	535	3,733	3,810	77
DCAB, Other Grants	116		116	116	
DCS - Ground Maintenance Client	2,329		2,329	2,329	
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	220,357	3,172	223,529	223,656	127
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	3,172	243,771	243,898	127
<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	3,102	273,763	273,890	
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		Note 1			
TOTAL PROJECTED 2004/05 GENERAL FUND OVERSPEND AS AT 31/3/2005					127
					=====
Housing Revenue Account	-	(428)	(428)	(428)	Nil
		Note 2			

Note 1 - £3,102k represents a transfer of £430k from the General Fund balance, a reduction of £70k in the Fire GAE and a DSM balance of £462k, £1,681k of Departmental balances carried forward, £599k of Quality of Life balances all held in the overall General Fund.

Note 2 - The £428k represents the transfer to the Renewals & Repairs Fund from the Housing Revenue Account.