

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 14 MARCH 2017

REVENUE MONITORING 2016/17 AND RENEWAL & REPAIR FUND POSITION 2016/17

REPORT BY IAN LORIMER, HEAD OF CORPORATE IMPROVEMENT AND FINANCE

ABSTRACT

This report appraises members of the actual revenue expenditure incurred and income received for the period 1 April 2016 to 31 January 2017 together with the anticipated year end position in respect of each Council Directorate. In addition the report details the actual financial position of the Renewal and Repair Fund in respect of the Property, Information Technology, Roads & Transport, Print and Design Unit and Recreation funds at 31 January 2017 and the estimated closing balance at the year-end.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:-

- i) review and scrutinise the content of this report, in particular the comments on the Financial Implications section regarding the projected year end position; and
- ii) note the Renewal and Repair fund position;

2. ALIGNMENT TO ANGUS COMMUNITY PLAN / SINGLE OUTCOME AGREEMENT

2.1 This report contributes as a whole to the local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016.

3. BACKGROUND

3.1 At the Special Meeting of Angus Council on 18 February 2016 the Council approved the revenue budget estimates for the 2016/17 financial year. Details of the updated revenue budgets are contained in the Final Revenue Budget Volume 2016/17 published in May 2016. **Appendix A** provides a summary of the budgets by Business Unit and details the movements for monitoring purposes in 2016/17.

3.2 The Renewal & Repair Fund is made up of five separate categories which cover the prescribed areas noted below:-

- Property
- Information Technology
- Roads & Transport
- Print & Design
- Recreation

3.3 The Special Meeting of Angus Council on 18 February 2016 provided additional funding to the Renewal and Repair Fund of £1.975 million. This was aggregated to the closing balance at 31 March 2016 (£3.120 million) to provide funding across the five Categories of £5.095 million. The position of the Renewal and Repair Fund is outlined in section 4.11 of this report.

3.4 **Budgetary Control**

The responsibilities of chief officers with regard to revenue monitoring are set out in Section 3 of the Council's Financial Regulations. In this regard, this report seeks to ensure that budgetary control is exercised through early identification, reporting and addressing of variances from the revenue budget.

3.5 **Reporting Period**

This report sets out the actual revenue expenditure incurred and income received for the period 1 April 2016 to 31 January 2017 (10 months) and the projected outturn for each Angus Council Directorate.

3.6 The monitoring report in **Appendix B** is broken down into eight separate sections and provides details of the actual net expenditure and the projected net spend against full year budget for all Council Directorates, as well as the Joint Boards. **Appendix B** Section A shows the summary position of net revenue expenditure and projected outturns for all Directorates. Sections B to F detail the net revenue expenditure and projected outturn position on the basis of expenditure categories e.g. staff costs, property costs etc. Section G highlights the position for income from fees, charges, grants etc. whilst Section H details the position in relation to the Housing Revenue Account (those services funded by council house rent payers).

3.7 **100% Carry Forwards**

A total of £8.450 million 100% carry forwards was approved by Angus Council, committee reports 42/16 and 248/16 refers. From the total value of 100% carry forwards a sum of £0.574 million has been retained in balances, £6.405 million has been added to the 2016/17 revenue budget and £1.471 million has been transferred to the Special Funds.

50% Carry Forwards

The Council's annual accounts process for 2015/16 identified a number of revenue budget underspends. Under the terms of the virement flexibility scheme, Directorates are permitted to carry forward the lower of 50% of this underspend, or an upper limit. The final position on 50% carry forward amounts in accordance with the scheme has been calculated at £0.629 million and has been applied to the 2016/17 revenue budget.

4. **CURRENT POSITION**

Appendix C sets out the reconciliation of the Monitoring Budget with that contained in the Final Revenue and Capital Budget Volume 2016/17. As per last year Capital Funded from Current Revenue (CFCR) has been included in the monitoring budget. The budgeted Central Support Service (CSS) recharges have been removed from the budget for monitoring purposes.

4.1 **Monitoring Budget**

4.2 A summary of the revenue monitoring budget position is outlined in the table below.

Monitoring Budget Summary

<u>Movements</u>	<u>£000</u>
2016/17 Final Budget Volume	247,913
<u>Budgeted items excluded for monitoring purposes</u>	
CSS Recharges	1,066
Contribution to Special Funds & Balances	(790)
Capital Financed from Current Revenue	0
Specific Grants	(38)
Transforming Angus Tier 1 Savings	173
Sub-total	248,324
<u>Virements (non-recurring budget uplifts)</u>	

Contribution from Angus Welfare Fund	36
100% Carry Forwards	6,405
50% Carry Forwards	629
Re-determinations	848
Unspent Grant Monies from 2015/16	79
Re-alignment of Health & Social Care Grant Funding	(2,463)
2016/17 Monitoring Budget	253,858

The following paragraphs provide commentary on the financial performance of each Directorate based on the actual spend to date versus profiled budget and the projected outturn versus the updated budget for the year. Only key commentary for each cost category has been provided in the interests of keeping the size of this report at a reasonable level. If members of the Committee have specific queries to this level of detail, these should be raised with the Head of Corporate Improvement and Finance at the earliest opportunity.

4.3 **Chief Executive's Unit**

The Chief Executive's Unit is currently projecting an underspend of £0.355 million (8.8%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the tables below.

Chief Executive's - Core inc. Members Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff Slippage and vacant posts.	113
Supplies & Services	Not all of 50% carry forward from 2015/16 is required in 2016/17 (£85k) and various other underspends (£23k).	108
Misc.	Other Minor Variances	(13)
Total Underspend/(Overspend)		208

Chief Executive's - Economic Development (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage from part year vacancies and maternity leave	36
Property Costs	Underspends on Building general repairs (£10k) and miscellaneous property costs (£10k). net overspend on other variances (£4k)	16
Supplies and Services	Anticipated underspends on the 100% carry forward budget (£54k) and the Borjomi Project (£15k), net overspend on other variances (£10k)	59
Third party payments	Projected underspend on Leader projects (£135k), net underspend in other areas (£7k)	142
Income	Unbudgeted green economy income (£18k), Scottish Employment Recruitment Income higher (£24k), under recovery of income on Projects due to lower spend – Borjomi (£15k) and Leader (£135k)	(108)
Misc.	Other minor variances	2
Total Underspend/(Overspend)		147

It should be noted that committee report 48/17 (2016/17 Revenue Budget Carry Forwards) approved carry forwards into 2017/18 totalling £0.308 million for the Chief Executive Unit which reduces the overall projected underspend of £0.355 million to £0.047 million.

4.4 Children & Learning Directorate

The Children & Learning Directorate budget contains a non-devolved element, controlled and managed by Angus Council and a devolved school budget element, managed by the schools. For completeness and accuracy these two budgets are now reported separately.

Children & Learning Directorate Budget Variances

The Children & Learning Directorate is currently projecting an underspend of £3.387 million (2.76%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the tables below. Of this underspend, £0.955 million relates to the Schools & Learning devolved budget managed by schools.

Schools & Learning – Non-devolved budget (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	This underspend relates to a surplus against visiting teachers, music instructors and staff absences. The underspend which related to a historic budget calculation has been realigned to offset overspends and accurately reflect the costs of the service	349
Property Costs	Underspend anticipated on energy costs.	58
Supplies & Services	The projected underspend is predominantly due to a number of carry forwards that are now not expected to be utilised within this financial year but which will be required in 2017/18. This is marginally reduced by additional committed expenditure relating to digital prototypes and vocational learning training	505
Third Party Payments	This is mainly due to lower than anticipated Education Maintenance Allowances (EMA) payments. These payments are fully reimbursed by Scottish Government.	54
Other Expenditure	This is mainly due to underspends on school transport costs and car allowances. The previous report highlighted a potential overspend on school transport however this has been addressed by viring budgets from other areas of underspend.	111
Income	This is mainly due to unbudgeted teacher secondment/per capita income within secondary schools which is partially offset by reduced EMA grant income.	18
Total Underspend/(Overspend)		1,095

Schools & Learning - Devolved School Budget (Variances)

A schedule detailing the projected devolved school budget over or underspend, for secondary schools only, by school is included at appendix D.

	<u>Explanation</u>	<u>Projected Outturn £000</u>
Primary	This mainly relates to savings on supply costs and LG salary costs. Underspends are also anticipated within property costs and education materials particularly within resourced schools. The resourced schools were allocated additional funding which will be form part of their DSM carry forward and be utilised in financial year 2017/18.	328
Secondary	This mainly relates to underspends on teachers' salary costs within secondary schools. Additional expenditure is expected with property costs and educational materials however this is offset by increased income.	627
Total Underspend/(Overspend)		955
Schools & Learning – Total		2,050

Children & Young People (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	The underspend is mainly due to additional funding within Early Years, ASN and the Business Unit which is partially offset by overspends within Children & Families and Criminal Justice as a result of unachieved slippage targets.	85
Property Costs	Underspends on rent/rates, property maintenance and energy costs within Children & Family Services are partially offset by increased rental costs within Early Years.	10
Supplies & Services	This underspend is largely due to a number of carry forwards that are now not expected to be utilised.	304
Third Party Payments	This underspend relates to lower than anticipated payments to outside parties. However, third party commitments are inherently difficult to project due to unpredictable fluctuations in demand for services such as fostering and adoption placements and therefore the current projection may move considerably before the end of the financial year.	378
Other Expenditure	Other Minor Variances	14
Income	Additional income received within the Criminal Justice Service	254
Total Underspend/(Overspend)		1,045

Quality & Performance (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	This underspend is due to posts which have intentionally been held vacant whilst a review has been undertaken of services and budgetary pressures within the Children & Learning Directorate.	218
Property Costs	This underspend is largely due to lower than anticipated costs against rents/rates and cleaning costs as a result of efficiencies achieved through the agile agenda.	74
Supplies & Services	This underspend relates to lower than anticipated expenditure across general supplies and services and office/equipment purchases and maintenance.	79
Third Party Payments	This overspend is due to higher than anticipated annual subscription costs, membership fees and software license fees	(129)
Misc.	This relates to an anticipated underspend against staff car allowances due to the early adoption of agile working. There is also a marginal increase in income.	50
Total Underspend/(Overspend)		292

It should be noted that committee report 48/17 (2016/17 Revenue Budget Carry Forwards) approved carry forwards into 2017/18 totalling £1.282 million for the Children & Learning Directorate. In addition, £0.275 million of the 2016/17 underspend has been accepted as a budget saving for 2017/18 and the devolved school budget underspend is £0.955 million. Taking of this into account reduces the projected underspend of £3.387 million to £0.875 million.

It should be noted there are also further 100% carry forward requests likely to be submitted during the Final Accounts exercise which, if approved, will reduce the underspend position further.

4.5 **Health & Social Care Integration Joint Board**

The Integrated Joint Board is currently projecting an overspend of £0.019 million (0.04%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the tables below.

Adult Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	The Help to Live at Home project has resulted in a move from internal provision through permanent staff to outsourced provision through third party providers. This has resulted in an underspend against the original staff cost budget and a corresponding overspend (albeit higher than anticipated) against third party payments. The overspend against third party payments has been exacerbated by the Scottish Living Wage which has resulted in an inflationary increase to our third party contracts. However, additional Health Board funding has alleviated some of the pressure as has the realignment of budgets.	610
Third Party Payments		(1,574)
Property Costs	Due to lower than anticipated costs against rents and unplanned maintenance.	353
Supplies & Services	Due to lower than budgeted costs against office equipment purchases and maintenance.	280
Other	Underspend of £192k against Transport costs due to lower than anticipated costs for hire/lease vehicles	187
Income	Income budgets, for the most part, have now been correctly aligned to account for the additional Health Board funding agreed by the CFO of the Angus Health & Social Care Partnership. Integrated Care Fund income has not historically been budgeted but will be from 17-18 onwards	125
Total Underspend/(Overspend)		(19)

4.6 **Communities (General Fund)**

The Communities directorate is currently projecting an overall underspend of £1.457 million (3.1%) between projected outturn net expenditure and the revenue budget, with the main reasons for this variance detailed by division in the tables below.

Directorate (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Slippage and unfilled posts.	17
Property Costs	Anticipated underspend on Utilities Costs (£28k) offset by more minor overspends (£6k).	22
Third Party Payments	Managed underspend against 50% carry forward to offset lower caravan park income below.	75
Income	Lower than anticipated income from Caravan Park.	(77)
Misc.	Other minor variances.	(3)
Total Underspend/(Overspend)		34

Business Support Variances

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Slippage and Unfilled posts.	21
Property Costs	Higher than budgeted William Wallace House Recharge.	(27)
Income	Likely over recovery from Housing recharge.	50
Misc.	Other minor variances.	(10)
Total Underspend/(Overspend)		34

Services to Communities (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Costs associated with Angus Alive Galleries Unit service redesign which Angus Council have agreed to meet.	(40)
Property Costs	Uncommitted balance of rates budgets not taken as a saving in 2016/17 (£32k) and slight underspend anticipated on energy (per Property energy reports). Offset by £17k additional spend for unforeseen works at Monikie Country Park.	22
Income	HRA recharge income estimated to be some £50k below target	(41)
Misc.	Other minor variances.	(33)
Total Underspend/(Overspend)		(92)

Technical and Property Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Net slippage / vacancies across all sections, primarily Roads.	440
Supplies & Services	Fuel purchase for Harbour users underspend (£50k), budget neutral, see income below, carry forwards from 2015/16: Arbroath Harbour dredging underspend (£83k) due to SEPA licence restrictions; and Agile implementation Property (£115k) underspent pending further discussion with Agile Implementation Team and other minor variance (£9k).	265
Third Party Payments	Winter Maintenance underspend to date with end of year forecast utilising 5yr. average spend patterns for winter maintenance (£325k) offset by underspends within A92 unitary charge (£20k) and Decriminalisation Parking Enforcement set up and operating costs slippage (£35k and £56k respectively) awaiting Scottish Government approval and administration procurement tender review and award; offset by overspends in roads maintenance (£85k).	351
Income	Roads / Property capital / R&R fee income reduction due to: contraction of financial plan (£149k); and reduced recharges for Harbour fuel (£50k).	(178)
Misc.	Other minor variances.	18
Total Underspend / (Overspend)		896

Planning & Place (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage and vacant posts within community planning (£154k) and Planning (£167k).	321
Supplies And Services	Underspends in English as a second Language (£17k), Friday Night Projects (£10k,) Charrettes (£18k) Participatory Budgets (£10k) and other Supplies and Services within Community Planning £5k.	60
Third Party Payments	Mainly due to underspends in Community Learning and Development (£31k), Pooled Youth Work (£13k), Other Initiatives (£7k), offset by a number of net overspends totalling (£9k).	42
Other Expenditure	Increased levels of Housing Benefit payments (£497k) and Higher Housing Benefit administration costs (£175k) anticipated during the year. . Various minor underspends (£32k).	(640)
Income	Increased overall Housing Benefit Grant income (£573k), increased Housing Benefit Administration subsidy (£175k), increased Private Landlord Registration fees (£34k). The increased income however is offset by a likely reduction in levels of Planning Income (£116k) and the corporate risk taken on overall Planning Income (£100k). In addition there are more minor net Income reductions totalling (£25k).	541
Misc.	Other minor overspends.	(5)
Total Underspend/(Overspend)		319

Affordable Housing Revenue Account – Contributions from developers and payments made from the affordable housing account are recorded initially during the year, in the Planning & Place revenue account to meet accounting treatment requirements. Any such contributions and payments will transfer automatically to the Affordable Housing Revenue Account at the year end and will therefore not be available to the Communities Directorate for operational use throughout the year. Where contributions and payments are made any operational underspend or overspend reported in the above table will be adjusted to detail the level of underspend available to the Communities Directorate.

Contributions amounting to £0.026 million have been received from developers so far this year and payments amounting to £0.028 million made in respect of the development of the Travelling Peoples Site at Tayock and for the share of an empty homes officer post have been removed from the above underspend at this time.

Regularity & Protective Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Net slippage across all sections.	174
Supplies & Services	Increased gate fees for disposal of food waste and co-mingled recyclate due to price rises and tonnages processed.	(125)
Other Expenditure	Primarily due to fuel price increase and additional maintenance requirements. £178k of this is rechargeable and reflected in increased income projection.	(317)
Income	Increased residual expenditure for Fleet to be recharged and also additional income from HRA for anti-social behaviour & Parks and Gardens	468
Misc.	Other minor variances.	66
Total Underspend/(Overspend)		266

It should be noted that £0.531 million of the projected underspend relates to carry forward requests which were considered and approved at the special budget setting meeting on 16 February 2017 (report 48/17 refers). After adjusting for these approved carry forward requests, the projected underspend reduces to £0.501 million.

Further carry forward requests are however likely to be submitted as part of working through the final accounts exercise, which if approved would further reduce the underspend position. It's currently anticipated that such further carry forward requests will include £0.91 million in respect of Decriminalised Parking Enforcement implementation following delays receiving Scottish Government approval for the scheme.

4.7 **Resources**

The Resources directorate is currently projecting an overall underspend position of £0.860 million (8.2%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the tables below.

Corporate Improvement & Finance (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff Slippage due to vacant posts and delayed recruitment	471
Property Costs	Budget for Welfare Rights, to be removed in future for Agile savings.	42
Supplies & Services	Underspend due to 2015/16 100% carry forwards not going to be spent (£50k) and other minor variances.	22
Income	Additional Income from the DWP for new legislation (£77k), additional fees from Scottish Water (£40k) and minor other variances (£10k) offset by loss of income through year end management recharges (£30k)	97
Misc.	Other minor variances	16
Total Underspend/(Overspend)		648

Organisational Change (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage due to vacant posts and delays in recruiting staff.	184
Supplies & Services	Increased spend on computer hardware	(28)
Misc	Other minor variances	4
Total Underspend/(Overspend)		160

Legal & Democratic Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage due to vacant posts	221
Property Costs	DSO Cleaning costs budget saving of £40k has not been realised due to the Agile programme	(25)
Supplies & Services	Various underspends across the business unit	50
Income	Mainly due to a currently projected shortfall in income from DRU. Income targets were set prior to the transformation of the service and are being reviewed.	(191)
Misc.	Other minor variances	(3)
Total Underspend/(Overspend)		52

It should be noted that committee report 48/17 (2016/17 Revenue Budget Carry Forwards) approved carry forwards into 2017/18 totalling £0.374 million for the Resources Directorate which reduces the overall projected underspend of £0.860 million to £0.486 million.

Transforming Angus (Variances)

Transforming Angus is projecting an underspend position of £0.064 million (7.1%) with the main reasons for this variance detailed in the table below. The Transforming Angus budget, given its nature, is difficult to predict, however, any underspend against this budget will be automatically carried forward and added to the TA Change Fund held in balances.

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Slippage due to reduced staff cost projections following delay in recruitment process of staff and review of other staff cost projections.	59
Misc.	Minor variances	5
Total Underspend/(Overspend)		64

4.8 Other Services

Other Services is currently projecting an under spend of £0.990 million (10%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the table below. This projection assumes an underspend on the Provision for Additional Burdens of £0.600 million to reflect that we are nearing the end of the financial year, and any further underspend on this budget will be available as a contingency.

Other Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Staff Costs	Main reason for underspend is vacant posts within the Public Records Scotland budget.	25
Property Costs	Main reason for underspend is Energy Efficiency CRC Scheme	134
Supplies & Services	Main reason for underspend is Provision for Additional Burdens (£600k), CCTV costs (137k), Tay City Deal (£32k), Election Expenses (£26k) and Staff Training (£25k). Carry forward made for May 2017 Council Elections.	828
Misc.	Other Minor Variances	3
Total Underspend/(Overspend)		990

It should be noted that of the overall projected underspend of £0.990 million, £0.679 million has been included in the 2016/17 100% carry forward requests submitted by Directorates as detailed in report 48/17 (Chief Executives £0.120 million, Communities £0.034 million, Resources £0.525 million) which would reduce the projected underspend to £0.311 million.

4.9 Capital Financing Costs

In line with the capital long term affordability assessment presented to the special budget setting meeting of the Council on 18 February 2016 (report 64/16 refers), £1.000 million of the Capital Financing Costs budget will be utilised in the current year for the early repayment of debt to reduce future years' debt servicing costs.

After allowing for the early debt repayment amount and the updated capital plan position per the Final Capital Budget Volume and the ongoing 17/18 budget process, the Capital Financing Costs budget is projected to be underspent by some £1.894 million. In line with the principles agreed in report 64/16, £0.894 million of this underspend will be carried forward as it is fully committed to reduce the level of borrowing required in 2017/18 as part of the agreed financing strategy for the Council's capital programme.

4.10 Tayside Joint Valuation Board

Valuation Joint Board – the Council's share of the Tayside Valuation Joint Board requisition is currently projected to show an underspend of £0.006 million in 2016/17, based on the Joint Board's Revenue Monitoring position for the 9 months to 31 December 2016 (Report TVJB3-2017 refers).

4.10 Housing Revenue Account

It is currently projected that there will be a surplus of £0.765 million from the Housing Revenue Account in 2016/17. It is intended that officers from Corporate Improvement & Finance (Resources) and Housing (Communities) directorates will consider a number of options during the year including additional contributions to capital funding or special repayments of debt to optimise use of any surplus revenue account funding. Members will be kept fully informed of the development of these options during the remainder of the financial year.

Housing Revenue Account (Variances)

<u>Budget Heading</u>	<u>Explanation</u>	<u>Projected Outturn £000</u>
Financing Charges	Lower borrowing costs	173
Supervision and Management	Mainly due to slippage and unfilled posts within the community housing teams and the strategy team	305
Repairs and Maintenance	Bathroom repairs higher than anticipated	10
Other minor variances	Other minor variances	(11)
Rents and Service Charges	Increased rental income due to higher than budgeted new build properties now part of the overall housing stock	288
Total Surplus / (Deficit)		765

4.12 Renewal & Repair Fund

The estimated uncommitted balance available on the funds as at 31 March 2017 as shown in the table below is £1.017m (Property £0.309m; Information Technology £0.100m; Roads & Transport £0.100m; Print & Graphic Design £0.192m; Services to Communities £0.301m and Parks & Cemeteries £0.015m).

Once the de minimis retention levels are taken into account the effective aggregate available balance on all funds reduces to £0.632m.

<u>Renewal & Repair Fund</u>	<u>Opening Balance 01/04/16 £000</u>	<u>Payments made to 30/11/16 £000</u>	<u>Estimated Outstanding Commitments to 31/03/17 £000</u>	<u>Estimated Uncommitted Balance 31/03/17 £000</u>	<u>Fund Minimum Balance £000</u>	<u>Estimated Available Balance 31/03/17 £000</u>
Property	2,072	(622)	(901)	549	(150)	399
Information Technology	1,901	(480)	(971)	450	(100)	350
Roads & Transport	755	(136)	(86)	533	(100)	433
DRU	257	(65)	0	192	(20)	172
Services to Communities	386	(54)	(31)	301	0	301
Parks & Cemeteries	291	(104)	(93)	94	(15)	79
Total Fund	5,662	(1,461)	(2,082)	2,119	(385)	1,734

4.13 **Virements**

Under Financial Regulations 4.3 each Director has a delegated virement limit within each financial year that allows the transfer of budget resource from one area of the Directorate to another or from Directorate to Directorate. Where a virement is in excess of these virement limits formal approval by members is required.

5. **FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications arising for the Council directly from the recommendations contained within this report. The variances against profiled budgets and full year budgets noted in Section 4 are the subject of ongoing review.
- 5.2 Members will have noted from **Appendix B** that an underspend of £9.076 million is projected at this point in the financial year. There are a number of anticipated adjustments required and these are set out in the table below, leaving an adjusted projected underspend of £2.425 million.

	£m
Projected Outturn	9.076
Less:	
Devolved School Management underspend – ring fenced	(0.955)
100% carry forward Capital Financing Costs (report 64/16 refers)	(0.894)
2015/16 Carry forwards included in 2017/18 budget savings	(0.275)
2016/17 Unspent grant monies carried forward to 2017/18	(0.189)
Transforming Angus projected underspend – automatic carry forward	(0.064)
2016/17 100% Carry forward approved (report 48/17)	(3.174)
2017/18 Budget Strategy– Provision for Severance costs and other risks	(1.100)
Adjusted 2016/17 Projected Outturn	2.425

- 5.3 HRA is projecting a £0.765 million surplus during 2016/17.
- 5.4 The Renewal and Repair Fund has an estimated uncommitted closing balance of £2.119 million. Once the minimum balance has been removed there is an estimated usable balance of £1.734 million.

NOTE: 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.

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List of Appendices:

Appendix A - Calculation of 2016/17 Revenue Monitoring Budgets

Appendix B - Summary of Net Revenue Expenditure & Projected Outturn - All Directorates

Appendix C - Reconciliation of Monitoring Budget with Council Tax Setting Budget

Appendix D – Reconciliation of Under/Over spend on Secondary Schools DSM Budgets