

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE – 3 FEBRUARY 2015**

**REVENUE MONITORING 2014/15 AND RENEWAL & REPAIR FUND POSITION 2014/15**

**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 2014 to 30 November 2014, 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 30 November 2014 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.
- iii) approve the virements set out in section 4.12 which are in excess of the permitted delegated authority limits as prescribed in section 4.3 of the Financial Regulations.

**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 13 February 2014 the Council approved the revenue budget estimates for the 2014/15 financial year. Details of the updated revenue budgets are contained in the Final Revenue Budget Volume 2014/15 issued in May 2014. **Appendix A** provides a summary of the budgets by Business Unit and details the movements for monitoring purposes in 2014/15.

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 13 February 2014 provided additional funding to the Renewal and Repair Fund of £3.590 million. This was aggregated to the closing balance at 31 March 2014 (£3.895 million) to provide funding across the five Categories of £7.485 million. In addition, £0.615 million was contributed from individual department 2013/14 underspends brought forward, giving a total opening balance of £8.100 million. The position of the Renewal and Repair Fund is outlined in section 4.12 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 2014 to 30 November 2014 (8 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 against profiled budget and also 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 The profiled budget for a given period is intended to reflect the timing of when expenditure is anticipated to be incurred or income received. The profiled budgets have been based on historic patterns of income and expenditure over previous years but adjusted for any deviations expected in the current year. Members are, however, advised that whilst some areas of the budget, such as employee costs, are relatively easy to profile other areas are more difficult to profile accurately and this can, on occasion, give rise to significant variances in percentage terms being shown due simply to timing differences between profile and actual. Therefore, it is important to look at the position against the profiled budget and the projected outturn together to get a more informed picture.

### 3.8 **100% Carry Forwards**

A total of £4.241 million 100% carry forwards was approved by Angus Council, committee report 270/14 refers. This consisted of £3.119 million revenue budget and £1.122 million for transfer to the Special Funds. From the total value of 100% carry forwards of £3.119 million a sum of £0.015 million has been retained in balances, £3.104 million has been added to the 2014/15 revenue budget and £1.122 million has been transferred to the Special Funds

### 3.9 **50% Carry Forwards**

The Council's annual accounts process for 2013/14 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 £0.288 million and has been applied to the 2014/15 revenue budget.

## 4. **CURRENT POSITION**

### 4.1 **Monitoring Budget**

**Appendix C** sets out the reconciliation of the Monitoring Budget with that contained in the Final Revenue and Capital Budget Volume 2014/15. 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.

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

**Monitoring Budget Summary**

<b><u>Movements</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>
<b>2014/15 Final Budget Volume</b>		245,881
Budgeted items excluded for monitoring purposes		
less CSS Recharges		1,024
Contribution to Special Funds & Balances		(3,590)
Capital Financed from Current Revenue		(700)
Specific Grants		(45)
<b>Monitoring Budget</b>		<b>242,570</b>
Virements		
100% Carry Forwards	3,104	
50% Carry Forwards	<u>288</u>	3,392
Unspent Grant Monies from 2013/14		412
Unspent Grant Monies from 2011/12 (and before)		0
Re-determinations		402
<b>Monitoring Budget</b>		<b>246,776</b>

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 showing an underspend of £0.238 million (8%) between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 30 November 2014 and the main reasons for this variance.

The Chief Executive's Unit is currently projecting an underspend of £0.165 million (4%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the table below.

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

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Staff Slippage - vacant posts and reduced hours.	(16)	(58)
Property Cost	Rates and rent payments not yet through. Cleaning costs (Tayside Contracts) projected to be lower than budget as a result of actual spend in previous years.	(26)	(14)
Supplies & Services	Various spend items not yet through.	(31)	6
Third Party Payments	Bought in Services projected to have an underspend as Lean Project expenditure will run in to 2015/16.	(63)	(43)
Transport Costs / Income	Minor variances.	(9)	8
<b>Total (Underspend)/Overspend</b>		<b>(145)</b>	<b>(101)</b>

### Chief Executive's - Economic Development (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Nov £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage due to vacancies and on-going restructure.	(56)	(101)
Property Cost	Projected year end overspend due to new rental charges in respect of the Journeycall facility in Arbroath, and the undertaking of necessary maintenance works (as identified by Property) to the ED Business Units. Variance to Actual costs to November due to timing of charges for energy, water, cleaning and commercial waste.	(34)	100
Supplies & Services	Projected overspend primarily due to further proposed Towards Employment contributions and involvement with Youth Employment Initiative and the Shared Apprenticeship Programme. This is partly offset by grant income. Increased Marketing costs are offset by the reduction in expenditure re the Tartan Day Golf Tournament which has been contracted out to an outside party for 2014/15 & 2015/16.	25	60
Third Party Payments	Proposed increase to the current Angus Council contribution into the East of Scotland Investment Fund (ESIF) and new funding for Strategic Town Centre and Regeneration works in 2014/15.	19	28
Income	Excess income due in the main to higher than anticipated Property Rental Income and additional Towards Employment Team income. Projected Outturn accounts for full recovery of outstanding Leader, ERDF and general Government grant monies.	(51)	(150)
Misc.	Other Minor Variances	4	(1)
<b>Total (Underspend)/Overspend</b>		<b>(93)</b>	<b>(64)</b>

It should be noted that committee report 504/14 approved further spend in 2014/15 and 100% carry forwards into 2015/16 totalling £0.090 million which reduces the projected underspend to £0.075 million. In addition a further £0.032 million of underspend/100% carry forward requests are being requested for approval in report 46/15 to this committee. If approved this would reduce the projected underspend to £0.043 million.

#### 4.4 People

The People directorate is showing an underspend of £0.566 million (0.53%) between the actual expenditure to date and the profiled revenue budget. The tables below summarises the net revenue position for the period ended 30 November 2014 and the main reasons for this variance compared to profile.

The People directorate is currently projecting an underspend of £0.506 million (0.32%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the tables below.

The figures below identify a significant overspend in Adult Services and the Head of Service has prepared a formal recovery plan to seek to address the underlying budget issues.

**Schools & Learning (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	A minor underspend position is currently being projected within School & Learning. This is mainly due to an underspend on secondary teacher's salary costs and Education Development Services salary costs which is partially offset by an overspend within primary education and additional costs in respect of primary teachers being disclosure checked under a new scheme for which there is no budget provision.	(17)	(21)
Property Cost	No significant variances anticipated at this stage.	17	24
Supplies & Services	The projected overspend mainly relates to higher than budgeted expenditure on school meals however this is fully offset by related additional income. An overspend is also anticipated within Education Development Services due to additional expenditure on various initiatives however again this is fully offset by increased grant income.	252	346
Income	Income is expected to be above budget due to higher than budgeted school meals income and increased grant income within Education Development Services.	(419)	(606)
Misc.	Other Minor Variances.	6	9
<b>Total (Underspend)/Overspend</b>		<b>(161)</b>	<b>(248)</b>

**Children & Young People (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	This largely relates to an underspend in staffing across the Children and Families service due to delays in filling post through the graduate recruitment scheme and the early achievement of savings in the Youth Justice Services and the School & Family Support Service. The underspend has been augmented as a result of the delay in implementing the 600 hours early learning and childcare initiative. This initiative is now beginning to make progress.	(492)	(652)
Third Party Payments	As a result of fluctuating demand the projected underspend is mainly due to lower than expected funding payments to external providers of pre-school childcare.	(88)	(147)
Misc.	Other Minor Variances.	(14)	(52)
<b>Total (Underspend)/Overspend</b>		<b>(594)</b>	<b>(851)</b>

### Adult Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Nov £000</u>	<u>Projected Outturn £000</u>
Property Costs	The projected overspend relates mainly to increased PPP costs at Beechhill House and higher than anticipated cleaning costs attributable to unbudgeted inflation.	124	191
Supplies & Services	The underspend is as a result of action being taken to curtail spend across all business segments in Adult Care to assist with Adult Services projected overspend. This cost saving exercise is limited to discretionary costs only.	(302)	(482)
Third Party Payments	Overspends in this area include payments for residential and nursing care, direct payments, and externally provided care at home. This is mainly due to demand not reducing as expected for externally provided services.	927	1,378
Income	The additional income is due mainly from residential and nursing charges which in part offsets additional third party costs.	(113)	(136)
Misc.	Other Minor Variances.	9	20
<b>Total (Underspend)/Overspend</b>		<b>645</b>	<b>971*</b>

\* The Head of Service has been tasked with providing a formal recovery plan. An outline plan is now in place and it will be implemented over the remainder of the financial year.

### Quality & Performance (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Nov £000</u>	<u>Projected Outturn £000</u>
Staff Costs	The projected underspend position is mainly due to staff slippage within the People directorate support section as a result of unfilled posts being held to meet future savings targets.	(221)	(324)
Third Party Payments	The projected overspend position is mainly due to unbudgeted costs associated with health integration. This is offset by additional income.	334	525
Income	Income is expected to be higher than budget mainly due to increased income to offset Third Party Payment costs..	(568)	(568)
Misc.	Other Minor Variances.	(1)	(11)
<b>Total (Underspend)/Overspend</b>		<b>(456)</b>	<b>(378)</b>

A number of investment and carry forward proposals for utilisation of the projected underspend in either the current year or for a 100% carry forward into financial year 2015/16 were submitted by the People Directorate. Report 504/14 approved proposals totalling £0.525 million (£0.070 million for 2014/15 & £0.455 million for 2015/16) for the People Directorate. It is worth noting that included within these proposals was a request to carry forward £0.175 million related to the implementation of the Children & Young People Bill, however, the underspend on this initiative has increased to approximately £0.210 million at this stage in the year. This movement will be reviewed as part of the 2014/15 final accounts process and any adjustments to approved carry forwards will be brought back to members for approval in the 2014/15 Financial Outturn report to Angus Council in June.

In addition a further £0.134 million of underspend/100% carry forward requests are being requested for approval in report 46/15 to this committee.

It should be noted that the overall total value of approved carry forwards and requested carry forwards exceeds the current projected underspend. This position will be monitored closely and reported back to the next Policy & Resources committee.

#### 4.5 Communities (General Fund)

Communities directorate is currently showing an underspend of £1.769 million (6.2%) between the actual expenditure to date and the profiled revenue budget. The tables below summarise by division the net revenue position for the period ended 30 November 2014 and the main reasons for this variance.

The Communities directorate is currently projecting an overall underspend of £1.653 million (3.3%) 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>Actual To Nov £000</u>	<u>Projected Outturn £000</u>
Property Costs	Higher than anticipated Rates in respect of County Buildings, Forfar.	(22)	14
Supplies & Services	Commonwealth Games related expenditure (e.g. payments to staff undertaking baton relay marshal duties).	20	25
Third Party Payments	Removal of the requirement to demolish portacabins at County Buildings Forfar.	1	(60)
Misc	Other minor variances.	(6)	0
<b>Total (Underspend)/Overspend</b>		<b>(7)</b>	<b>(21)</b>

##### Business Support (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Nov £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Slippage through reduced hours and a number of vacancies within the section.	(25)	(38)
Property Costs	Year end William Wallace House recharge from Housing.	(2)	34
Misc	Other minor variances.	3	1
<b>Total (Underspend)/Overspend</b>		<b>(24)</b>	<b>(3)</b>

##### Services to Communities (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Nov £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Slippage mainly due to vacant posts / phased retiral within Leisure. Offset to a degree by previous year's budget savings against ACCESS staff costs which were ultimately not implemented.	(76)	(59)
Property Costs	Actual below budget to date due to old year maintenance accruals and some costs slow to come through ledger (e.g. building cleaning, energy). Projected overspend due to ACCESS Line's year end William Wallace House recharge for which there is no budget and libraries / museums building cleaning costs for which there is insufficient budget.	(489)	79
Supplies & Services	Overspend due to Webster Theatre ticket agency payments (payment budget is out of alignment with associated income budget) and ACCESS banking fees (part of a previous year's budget saving, but level of service has not changed).	47	122
Income	Income higher than budgeted across leisure facilities, mainly due to the continuing success of Direct Debit membership sales. Recharge income relating to HRA use of Access services has also increased in proportion to the gross overspend arising within the section.	(60)	(258)
Misc.	Other minor variances.	(32)	(11)
<b>Total (Underspend)/Overspend</b>		<b>(610)</b>	<b>(127)</b>

**Technical and Property Services (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	The monitoring position pertains primarily to staff slippage within Roads (£149k) and Property (£158k). The projected outturn position pertains to staff slippage within Roads (£175k) and Property (£265k).	(304)	(440)
Property Costs	The monitoring position reflects Property electricity and gas payments.	(74)	(17)
Third Party Payments	The monitoring position relates to timing of Roads contractor payments. The projected outturn positions relates to Roads: Anticipated street lighting energy underspend £430k, A92 unitary charge underspend £100k, offset by additional costs within street lighting: works £40k, Salix finance repayment £40k, Salix installation works £56k, electrical testing works £40k and car parking decriminalisation review underspend £35k - the proposed utilisation of the lighting energy £430k underspend was approved at the Policy & Resources committee of 14 October 2014 (report 434/14 refers).	(269)	(389)
Income	The monitoring position relates to timing of Property fee income. The projected outturn position relates to additional Roads capital fee income.	269	(100)
Misc.	Other minor variances.	(9)	(13)
<b>Total (Underspend)/Overspend</b>		<b>(387)</b>	<b>(959)</b>

**Planning & Place (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Underspend mainly due to staff slippage within Community Planning and Planning Divisions. This will be offset to a degree by agile working spend below.	(93)	(234)
Supplies & Services	Increased spend in this area due to costs relating to mobile and flexible working within Community Planning and electronic recordkeeping in Planning funded from staff costs underspend above.	(2)	90
Third Party Payments	Underspend mainly due to an anticipated reduction in the costs of homelessness provision and a further delay to Private Sector House Condition Survey (£40,000) within Other Housing.	(41)	(67)
Other Expenditure	Mainly due to an anticipated reduction in housing benefit expenditure.	(51)	(65)
Income	Mainly due to anticipated Planning Application and Building Warrant Income in excess of budget, offset somewhat by a reduction in housing benefit admin subsidy in Other Housing.	(257)	(295)
Misc.	Other minor variances.	7	8
<b>Total (Underspend)/Overspend</b>		<b>(437)</b>	<b>(563)</b>



**Regularity, Protective & Prevention Services (Variances)**

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Nov £000</u>	<u>Projected Outturn £000</u>
Staff Costs	The monitoring and projected outturn positions relate to staff slippage primarily within Parks & Gardens Operations, Waste and Environmental Health.	(148)	(367)
Property Costs	The monitoring position relates to underspends in Waste resulting from timing of energy & maintenance payments. The projected outturn underspend pertains to Environmental Management HQ, Waste and Parks & Gardens: resulting from savings after moving from Ravenswood to The Mart.	(184)	(144)
Supplies & Services	The monitoring and projected outturn positions reflect Parks & Gardens and Waste reduced waste disposal costs and reduced project materials costs.	(271)	(261)
Third Party Payments	Monitoring and projected outturn overspend relates to contract hire payments.	46	25
Other Costs	The projected outturn position relates to the anticipated increase in VHC recharges due to greater number of waste collection vehicles.	18	216
Income	The monitoring position reflects the significant drop in recyclates income & burial income. The projected outturn position further accounts for the under recovery against budget pertaining to Fleet Services recharges, partially offset by additional parks and gardens rechargeable income.	235	551
<b>Total (Underspend)/Overspend</b>		<b>(304)</b>	<b>20</b>

It should be noted that of the overall underspend of £1.653 million, £1.056 million has been approved for reinvestment spend and 100% carry forward into 2015/16. This includes the £0.430 million which was approved for utilising the street lighting underspend (reports 504/14 and 434/14 refers).

In addition a further £0.699 million of underspend/100% carry forward requests are being requested for approval in report 46/15 to this committee. It should be noted that the overall total value of approved carry forwards and requested carry forwards exceeds the current projected underspend. This position will be monitored closely and reported back to the next Policy & Resources committee.

4.6 **Resources**

The Resources directorate is currently showing an underspend position of £0.507 million (7.8%) between the actual expenditure to date and the profiled revenue budget. The tables below summarises the net revenue position for each division for the period ended 30 November 2014 and the main reasons for this variance compared to profile.

The Resources department is currently projecting a gross underspend position of £0.759 million (8.0%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the tables below.

### **Corporate Improvement & Finance (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Staff slippage – A number of posts are being held vacant with a view to future budget savings exercises.	(216)	(331)
Supplies & Services	The overspend position is mainly due to increased spend on computer systems support however this is fully offset by additional grant income.	38	35
Third Party Payments	Exceptional hardship payments balance transferred out at year end.	32	0
Income	Mainly due to additional DWP administration grant income.	(3)	(50)
Misc.	Other Minor Variances.	(0)	(2)
<b>Total (Underspend)/Overspend</b>		<b>(149)</b>	<b>(348)</b>

### **Organisational Change (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Staff slippage which is mainly due to posts being held vacant and staff working reduced hours.	(100)	(88)
Property Costs	Underspend mainly due to savings on property costs in respect of the data centres in Forfar and Arbroath.	(1)	(5)
Supplies & Services	2013-14 refund received from BT in respect of telephone services not anticipated, offset by minor overspends in other budget heads.	(10)	(10)
Misc.	Other Minor Variations.	3	5
<b>Total (Underspend)/Overspend</b>		<b>(108)</b>	<b>(98)</b>

### **Legal & Democratic Services (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Staff slippage which is mainly due to the timing of filling vacant posts, posts being held vacant to meet future budget cuts and staff working reduced hours within Core Services and Print & Design Unit.	(195)	(293)
Property Costs	Overspend due to unbudgeted property costs in respect of a storage unit at Orchardbank.	9	22
Supplies & Services	Underspend mainly due to savings within miscellaneous supplies & services within Core Services. Printing materials within the PDU are also below budget.	(90)	(130)
Income	Variance mainly due to lower than budgeted PDU income levels and reduced income from property enquiries and legal fees. This is partially offset by increased income within Registrars.	25	74
Misc.	Other Minor Variances.	1	14
<b>Total (Underspend)/Overspend</b>		<b>(250)</b>	<b>(313)</b>

It should be noted that of the overall projected underspend of £0.759 million, £0.233 million has been approved for reinvestment spend and 100% carry forward into 2015/16 (committee report 504/14 refers) reducing the projected underspend to £0.526 million.

In addition a further £0.124 million of underspend/100% carry forward requests are being requested for approval in report 46/15 to this committee. If approved this would reduce the projected underspend to £0.402 million.

#### 4.7 **Transforming Angus**

Transforming Angus is below the profiled budget to 30 November 2014 by £0.486 million (81%) and projecting an underspend position against the full year budget of £0.533 million (59%). This is mainly due to the timing of delivering the various change programmes. The Transforming Angus budget, given its nature, is difficult to predict, however, any underspend against this budget will be automatically carried forward into the following financial year.

#### 4.8 **Other Services**

Other Services is currently showing an underspend of £0.206 million (15%) between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 30 November 2014 and the main areas of this variance compared to profile.

Other Services is currently projecting an under spend of £1.045 million (11%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the table below. The projection now assumes an underspend on the Provision for Additional Burdens of £0.250 million to reflect that we are nearing the end of the financial year and any further underspend on this budget will available as a contingency.

#### **Other Services (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Other minor variances.	5	0
Property Costs	Other minor variances.	2	(1)
Supplies & Services	Children's Panel.	(5)	(8)
Supplies & Services	Election Expenses.	(18)	(30)
Supplies & Services	Public Records (Scotland) Act.	(98)	(149)
Supplies & Services	PVG Retrospective Checking.	0	(50)
Supplies & Services	Ordnance Survey.	0	(50)
Supplies & Services	Scotland Excel.	0	(2)
Supplies & Services	Other minor variances.	21	9
Supplies & Services	Provision for Additional Burdens	0	(250)
Third Party Payments	Children's Panel.	(39)	(55)
Third Party Payments	Discretionary Housing Payments.	13	238
Third Party Payments	Citizens Advice Bureau.	3	3
Third Party Payments	COSLA.	(4)	(4)
Third Party Payments	Other minor variances.	(4)	(2)
Third Party Payments	Council Tax Reduction Scheme	0	(200)
Income	Corporate Properties.	(16)	(14)
Income	Interest on Revenue Balances.	0	(75)
Income	Children's Panel.	(11)	0

Income	Discretionary Housing Payments.	0	(358)
Income	Other Income.	(55)	(47)
<b>Total (Underspend)/Overspend</b>		<b>(206)</b>	<b>(1,045)</b>

It should be noted that of the overall projected underspend of £1.045 million, £0.179 million has been approved for reinvestment spend and 100% carry forward into 2015/16 (committee report 504/14 refers) reducing the projected underspend to £0.866 million.

#### 4.9 **Capital Financing Costs**

Capital Financing Costs are currently projected to be in line with budget taking into account the flexibility which exists to use any underspend for the early repayment of debt should resources allow.

#### 4.10 **Tayside Joint Valuation Board**

The Valuation Joint Board expenditure is currently in line with budget. The Joint Boards' projected outturn is currently anticipated to be in line with budget for 2014/15.

#### 4.11 **Housing Revenue Account**

The HRA is currently showing an underspend of £0.110 million between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 30 November 2014 and the main reasons for this variance compared to the profiled position. It is currently projected that there will be a surplus of £0.247 million from the Housing Revenue Account in 2014/15. It is intended that officers from Corporate Improvement & Finance (Resources) and Housing (Communities) directorates will determine the optimum use of any surplus revenue account funding once the 2014/15 final position has been determined.

#### **Housing Revenue Account (Variances)**

<b><u>Budget Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Nov £000</u></b>	<b><u>Projected Outturn £000</u></b>
Supervision & Management	The projected budget slippage is from various unfilled posts within the overall Housing budget mainly caused by recruiting internally and secondments which then require further recruitment.	(139)	(296)
Repairs & Maintenance	Variance is due to projected overspends on planned maintenance and specialist cleaning services.	28	83
Loss of Rents	Projected levels of voids lower than budget.	1	(50)
Rents & Services Charges	Slightly reduced income mainly due to projected garage rental income being lower than budget.	0	19
Other Income / Expenditure	Minor variances in other income and expenditure budgets.	0	(3)
<b>Total (Surplus) / Deficit</b>		<b>(110)</b>	<b>(247)</b>

#### 4.12 **Renewal & Repair Fund**

The estimated uncommitted balance available on the funds as at 31 March 2015 as shown in the table below is £0.954 million: (Property £0.274 million; Information Technology £0.241 million; Roads & Transport £0.106 million; Print & Graphic Design £0.254 million; Recreation £0.079 million).

Once the de minimis retention levels are taken into account the effective aggregate available balance on all funds reduces to £0.569 million.

<b><u>Renewal &amp; Repair Fund</u></b>	<b><u>Opening Balance 01/04/14</u></b> <b><u>£000</u></b>	<b><u>Payments made to 30/11/14</u></b> <b><u>£000</u></b>	<b><u>Estimated Outstanding Commitments to 31/03/15</u></b> <b><u>£000</u></b>	<b><u>Estimated Uncommitted Balance 31/03/15</u></b> <b><u>£000</u></b>	<b><u>Fund Minimum Balance</u></b> <b><u>£000</u></b>	<b><u>Estimated Available Balance 31/03/15</u></b> <b><u>£000</u></b>
Property	2,214	(550)	(1,390)	274	(150)	124
Information Technology	2,007	(849)	(917)	241	(100)	141
Roads & Transport	2,331	(1,038)	(1,187)	106	(100)	6
Print & Graphic Design	254	0	0	254	(20)	234
Recreation	1,294	(162)	(1,053)	79	(15)	64
<b>Total Fund</b>	<b>8,100</b>	<b>(2,599)</b>	<b>(4,457)</b>	<b>954</b>	<b>(385)</b>	<b>569</b>

#### 4.13 **Virements 2014/15**

Under Financial Regulations 4.3 each Directorate has a delegated virement limit 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 limits formal approval by members is required.

Following the completion of the Financial Services Staffing Review, finance staff transferred from the People Directorate to Resources from 1 October 2014. Approval is now sought for an in year virement of £0.197 million from People to Resources staff costs to re-align the relevant budgets for the six months. It is anticipated that the full year budget adjustment required for 2015/16 will be included in the current budget setting process.

## 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 £4.661 million is projected at this point in the financial year. It should be noted that committee approval has been given or is being sought for a number of reinvestment spend proposals and 100% carry forwards and some of the projected underspend will be eligible for 50% carry forward under the carry forward scheme. The 50% carry forward amount will depend on the financial position at the year end but based on current projections this is estimated at £0.288 million. The anticipated adjustments are set out in the table below.

	£000
<b>Projected Outturn</b>	4,661
<b>Less: Transforming Angus 100% carry forward (report 83/14)</b>	(533)
Use of street lighting underspend (report 434/14)	(430)
Reinvestment spend/carry forwards approved (report 504/14)	(1,653)
Reinvestment spend/carry forwards seeking approval (report 46/15)	(989)
Estimated 50% Carry forwards	(288)
<b>Adjusted 2014/15 Projected Outturn</b>	<b>768</b>

5.3 HRA is projecting a £0.247 million surplus during 2014/15.

5.4 The Renewal and Repair Fund has an estimated uncommitted closing balance of £0.954 million. Once the minimum balance has been removed there is an estimated usable balance of £0.569 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 2014/15 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