

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 14 OCTOBER 2014

REVENUE MONITORING / PROJECTED OUTTURN STATEMENT 2014/15 AND RENEWAL & REPAIR FUND POSITION 2014/15

REPORT BY IAN LORIMER, HEAD OF CORPORATE IMPROVEMENT AND FINANCE

ABSTRACT

This report apprises members of the actual revenue expenditure incurred and income received for the period 1 April 2014 to 31 August 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 31 August 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.
- ii) approve the virements set out in Section 7 which are in excess of the permitted delegated authority limits as prescribed in section 4.3 of the Financial Regulations.
- iii) note the Renewal and Repair fund position.
- iv) a underspend in street lighting of £430,000 be used to fund identified needs in the Communities Directorate – Technical and Property services (Section 4 – street lighting)

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 (interim) issued in May 2014. Details of the 2014/15 budgets are detailed in Appendix A.

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 to provide funding across the five Categories of £7.485 million. The position of the Renewal and Repair Fund is outlined in section 8 of this report.

Budgetary Control

- 3.4 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.

Reporting Period

- 3.5 This report sets out the actual revenue expenditure incurred and income received for the period 1 April 2014 to 31 August 2014 (5 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. Tayside Contracts expected surplus is also shown in **Appendix B** for information. **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. It is important therefore to look at the position against the profiled budget and the projected outturn together to get a more informed picture. This combined monitoring and projected outturn report allows this overall view to be taken more readily.

3.8 100% Carry Forwards

Committee reports 684/13, 70/14 & 270/14 approved 100% carry forwards from 2013/14 totalling £4.401 million. This consisted of £3.119 million revenue budget and £1.122 million for transfer to the Special Funds (£4.241 million). From the total value of 100% carry forwards of £3.119 million a sum of £0.015 million has been retained in balances and £3.104 million has been applied 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

Monitoring Budget

- 4.1 **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

Movements	£000	£000
2014/15 Final Budget Volume		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)
Monitoring Budget		242,570
Virements		
100% Carry Forwards	3,104	
50% Carry Forwards	288	3,3392
Unspent Grant Monies from 2013/14		412
Unspent Grant Monies from 2011/12 (and before)		0
Re-determinations		402
Monitoring Budget		246,776

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.

Chief Executive's Unit

- 4.3 The Chief Executive Unit is currently showing an underspend of £0.4 million (23%) between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 31 August 2014 and the main reasons for this variance.

The Chief Executive Unit is currently projecting an underspend of £0.25 million (6%) 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)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff Slippage - Vacant posts and reduced hours.	(13)	(55)
Property Cost	Rates and rent payments not yet through. Cleaning costs (Tayside Contracts) projected to be lower than budget based on actual spend in previous years	(32)	(5)
Supplies & Services	Various spend items not yet through.	(45)	0
Third Party Payments	Audit Bought in Services under spend to date.	(37)	0
Transport Costs	Other minor variances.	(11)	(1)
Income	Other minor variances.	3	8
Total (Underspend)/Overspend		(135)	(53)

Economic Development (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage due to vacancies and ongoing restructure.	(74)	(103)
Property Cost	Projected year end overspend due to increased Business Development costs.	5	46
Supplies & Services	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.	10	18
Third Party Payments	Projected underspend due in the main to current low expenditure position with Leader Grant Claims (Original Project due to finish Dec 14). Angus Employment Grant Scheme expenditure also slower than anticipated at the present time.	(48)	(71)
Income	Monitoring variance due to phasing of Income receipts and additional Towards Employment Team income.	(164)	(85)
Misc.	Other Minor Variances	0	(2)
Total (Underspend)/Overspend		(271)	(197)

People

- 4.4 The People directorate is showing an underspend of £0.745 million (0.47%) between the actual expenditure to date and the profiled revenue budget. The tables below summarises the net revenue position for the period ended 31 August 2014 and the main reasons for this variance compared to profile.

The People directorate is currently projecting an underspend of £0.0768 million (0.04%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the tables below.

Schools & Learning (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Staff Costs	An underspend is currently projected. Savings on teacher's salary costs within secondary education due to secondary rolls dropping further than expected. These are partially offset by anticipated overspends within teachers/LG staff salary costs within primary education. Please note that absence cover tends to increase in the winter months and accordingly it is difficult to predict the final position.	(102)	(213)
Property Cost	Please note than an element of risk is attached to property maintenance, energy and water charges as a significant proportion of these charges are realised late in the financial year. Also, energy costs in particular can be unpredictable.	11	(22)
Misc.	Other Minor Variances.	(7)	21
Total (Underspend)/Overspend		(98)	(214)

Children & Young People (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Staff Costs	This largely relates to an underspend in staffing across the Children and Families service due to delays in filling posts through the graduate recruitment scheme and the early achievement of savings in the Youth Justice Service and the School & Family Support Service.	(87)	(174)
Third Party Payments	The projected underspend is mainly due to lower than expected funding payments to external providers of pre-school childcare. The timing of sizeable payments to external contractors for children and families has created an overspend against profiled budget. This will rectify itself over the short term.	949	(89)
Misc.	The current overspend position is due to the timing of income being received. The final underspend position relates to a series of minor variances.	19	(71)
Total (Underspend)/Overspend		881	(334)

Adult Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Staff Costs	The current position reflects staff slippage. The overspend position is as a result of specific identified funding which has yet to be vired to cover costs. Essentially all labour costs will be covered directly from specific included in the income heading below.	(120)	476
Property Costs	The underspend on the profiled budget relates to the timing of rent, rates and energy payments. This variation will rectify itself in the short term. The projected overspend relates mainly to PPP costs at Beechhill House and cleaning costs attributable to unbudgeted inflation.	(416)	145
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.	(184)	(468)
Transport	The underspend on the profiled budget relates to the timing of vehicle hire recharges. The projected overspend is mainly due to fuel costs of the department's vehicles.	(171)	52
Third Party Payments	Overspends in this area include payments for residential and nursing care, direct payments, residential schools and externally provided care at home. This is mainly resultant from demand not reducing as expected for externally provided services.	160	1,932
Income	The excess income is due mainly from residential and nursing charges and additional identified funding which will contribute to the staff cost overspends. This includes the Community Care Change Fund. These amounts of additional funding will be vired to cover costs.	(214)	(1,034)
Total (Underspend)/Overspend		(945)	1,103*

* The Head of Service has been tasked with providing a formal recovery plan

Quality & Performance (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Underspend currently being projected is mainly due to staff slippage within the People – directorate support as a result of unfilled posts held to meet future savings targets.	(147)	(121)
Supplies & Services	Projected overspend position at this stage due to one off purchases within Educational Development Services. This additional expenditure is fully offset by additional grant income. The budget will be re-aligned to address this issue for future months.	149	272
Income	Income is expected to be higher than budget mainly due to increased grant income. This will offset overspends in the Educational Development Service (EDS), supplies and services.	(454)	(797)
Misc.	The underspend on the profiled budget relates to the timing of rent, rates and energy payments. The final overspend position relates a series of minor variances.	(131)	23
Total (Underspend)/Overspend		(583)	(623)

Communities (General Fund)

- 4.5 Communities directorate is currently showing an underspend of £0.927 million (7.1%) 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 August 2014 and the main reasons for this variance.

The Communities directorate is currently projecting an overall underspend of £1.499 million (3.0%) 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 August £000</u>	<u>Projected Outturn £000</u>
Property Costs	Slippage arises from property costs including rent, rates and energy not yet through ledger	(62)	2
Supplies & Services	Commonwealth Games related expenditure (e.g. payments to volunteers)	9	14
Misc	Other minor variances	(28)	0
Current (Underspend) / Projected Overspend		(81)	16

Business Support (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To August £000</u>	<u>Projecte d Outturn £000</u>
Property Costs	Year end William Wallace House recharge from Housing	(1)	27
Misc	Other minor variances	(15)	(10)
Current (Underspend) / Projected Overspend		(16)	17

Service to Communities (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To August £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Slippage mainly due to a combination of vacant posts and phased retiral within Leisure. Offset to a degree by previous years budget savings against ACCESS staff costs which were ultimately not implemented.	(112)	(110)
Property Costs	Some costs have yet to be processed through ledger. Projected overspend mainly due to ACCESS Line's year end William Wallace House recharge for which there is no budget (the function was previously located within Angus House and formed part of central support recharge).	(136)	34
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).	(41)	107
Income	Income higher than budgeted across leisure facilities	(58)	(118)
Misc.	Other minor variances	(22)	(8)
Current (Underspend) / Projected (Underspend)		(369)	(95)

Technical and Property Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug 2014 £000</u>	<u>Projected Outturn 2014/15 £000</u>
Staff Costs	The monitoring position relates to slippage within Roads (£85k) and Property (£128k). The outturn position pertains to slippage as a result of unfilled posts within Roads (£125k) and Property (£227k).	(213)	(352)
Property Costs	The monitoring and outturn position relates to cleaning and energy budget heads within Property	(59)	(18)
Supplies & Services	The monitoring and outturn position relate to the aggregate of a series of minor overspends within Roads supplies and services budgets	63	75
Third Party	The monitoring position is due to the timing of contractor payments within Roads. The outturn position relates to the Roads service provision and in particular the anticipated street lighting energy underspend £430k*; and the A92 unitary charge underspend £100k. This is offset by additional costs within street lighting (works £40k; Salix finance repayment £40k; Salix installation works £56k; and electrical testing works £40k).	(580)	(354)
Misc.	Other Minor Variances	(6)	4
Income	The monitoring position is due to Property quarter 1 capital fees not yet processed. The outturn position relates to additional Roads capital fee income.	543	(100)
Current (Underspend) / Projected (Underspend)		(252)	(745)

* This is subject to the street lighting note outlined later in this report.

Planning & Place (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Staff Costs	The underspend is mainly due to post vacancies within Community Planning and Planning Divisions.	(120)	(151)
Supplies And Services	The increased spend in this area due to costs relating to mobile and flexible working within Community Planning	(37)	43
Third Party Payments	The underspend mainly due to anticipated reduction in the costs of Homelessness Provision within Other Housing.	(14)	(27)
Other Expenditure	This is mainly due to an anticipated reduction in Housing Benefit payments and reduced costs of Administering Housing Benefit Scheme	(2)	(71)
Income	This is mainly due to increased Planning Application and Building Warrant Income, offset somewhat by a reduction in Housing Benefit Admin Subsidy in Other housing	(226)	(552)
Misc.	Other more Minor Net Variances.	(2)	2
Current (Underspend) / Projected (Underspend)		(401)	(756)

Regularity, Protective & Prevention Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug 2014 £000</u>	<u>Projected Outturn 2014/15 £000</u>
Staff Costs	The monitoring position relates to staff slippage primarily within Parks & Gardens Operations, Environmental Health and Waste. The outturn position relates to staff slippage primarily within Parks & Gardens Operations, Environmental Health and Consumer Protection, however the total underspend is partially reduced by overspend within Fleet Services.	(126)	(116)
Property Costs	The monitoring underspends to Waste relates to timing of energy and maintenance payments. The outturn underspend pertains to Environmental Management, headquarters and Parks & Gardens resulting from savings after moving from Ravenswood to the Mart.	(89)	(131)
Supplies & Services	The monitoring and outturn position reflects Parks and Gardens and Waste position relating to reduced disposal costs and reduced project materials costs.	(245)	(408)
Third Party	The current position relates to the timing of external contract hire payments in respect of Fleet Services.	224	15
Other Costs	The monitoring position reflects Waste and timing of fuel recharges. The outturn position relates to the Waste provisions anticipated increase in Vehicle Hire Cost recharges.	(235)	182
Income	The monitoring position primarily due to profiling of Parks & Gardens rechargeable income, whilst the outturn position reflects the under recovery against budget pertaining to Fleet Services.	663	522
Current Overspend / Projected Overspend		192	64

Resources

- 4.6 The Resources directorate is currently showing an underspend position of £186k (5.4%) 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 31 August 2014 and the main reasons for this variance compared to profile.

The Resources department is currently projecting a gross underspend position of £358k (3.4%) 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>Actual To August £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage – A number of posts are being held vacant with a view to future budget savings exercises.	(89)	(178)
Supplies & Services	The overspend position is mainly due to increased spend on computer systems support however this is fully offset by additional grant income.	21	45
Income	Mainly due to additional DWP administration grant income.	(22)	(38)
Misc.	Other Minor Variances.	(2)	(4)
Total (Underspend)/Overspend		(92)	(175)

Organisational Change (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To August £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage which is mainly due to posts being held vacant and staff working reduced hours.	(31)	(55)
Property Costs	Underspend mainly due to savings on property costs in respect of the data centres in Forfar and Arbroath.	(2)	(5)
Misc.	Other Minor Variations.	4	(3)
Total (Underspend)/Overspend		(29)	(63)

Legal & Democratic Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To August £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Staff slippage which is mainly due to the timing of filling vacant posts and staff working reduced hours within Core Services and Print & Design Unit.	(78)	(136)
Property Costs	Overspend mainly due to unbudgeted property costs in respect of a storage unit at Orchardbank.	7	11
Supplies & Services	Mainly due to savings within miscellaneous supplies & services within Core Services. Printing materials within the PDU are also below budget.	(28)	(61)
Income	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.	34	65
Misc.	Other Minor Variances.	0	1
Total (Underspend)/Overspend		(65)	(120)

Note – The Transforming Angus budget will be subject a ring fenced 100% carry forward therefore an overspend/underspend will have no impact on the Council's position. The current monitoring statement notes that Transforming Angus is on budget.

Other Services

- 4.7 Other Services is currently showing an overspend of £0.009millions (1%) between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 31 August 2014 and the main reasons for this variance compared to profile.

Other Services is currently projecting an under spend of £0.162millions (2%) between outturn net expenditure and the revenue budget with the main reasons for this variance detailed in the table below. The projection assumes that the Provision for Additional Burdens budget is to be used in full during the year any underspend will be available as a contingency.

Other Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
Supplies & Services	Children's Panel	0	(5)
Third Party Payments	Children's Panel	0	(27)
Third Party Payments	Discretionary Housing Payments	0	(120)
Income	Childrens' Panel	(9)	(10)
Total (Underspend)/Overspend		(9)	(162)

Capital Financing Costs

- 4.8 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.

Tayside Joint Valuation Board

- 4.9 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.

Housing Revenue Account

- 4.10 The HRA is currently showing an underspend of £0.003 million between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 31 August 2014 and the main reasons for this variance compared to the profiled position. It is currently projected that there will be a surplus of £0.254 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.

<u>Budget Heading</u>	<u>Explanation</u>	<u>Actual To Aug £000</u>	<u>Projected Outturn £000</u>
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.	(43)	(239)
Repairs & Maintenance	Variance is for income from rechargeable repairs.	(19)	(6)
Rents & Services Charges	Year to date slippage due to estimated rental income figures.	64	(5)
Other Income / Expenditure	Minor variances in other income and expenditure budgets	(5)	(4)
Total (Surplus) / Deficit		(3)	(254)

Virements (2014/15)

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. The following virements and their related values where approval is sought are outlined below:-

Directorate	£000	Notes
People – Education Development Support	1,865	The transfer of budget responsibility from Quality & Performance to Schools and Learning to reflect the current directorate structure.
People – Support for Pupils	11,362	The transfer of budget responsibility from Quality & Performance to Schools and Learning to reflect the current People-directorate structure.
People – Welfare Rights	612	The transfer of budget responsibility from Quality & Performance to Adult Services to reflect the current People-directorate structure.

Street Lighting

Technical & Property Services is estimating a revenue budget underspend of £745,000 in 2014/15. This can be split £241,000 Property and £504,000 Roads and Transport, the Roads and Transport underspend can be further split between street lighting energy £430,000 and others £74,000 respectively.

The Roads 2014/15 street lighting energy outturn expenditure is currently estimated to be £836,000, this equates to a £430,000 budget underspend compared to the annual budget of £1,266,000.

This significant underspend has occurred due to number of factors, being:

- The Roads business unit have undertaken significant street lighting infrastructure improvement works recently which have resulted in the replacement of inefficient lamps with new energy efficient units which results in significant reduced energy consumption;
- The current 2014/15 energy budget is predicated on the 2012/13 actual energy consumption figures;
- The actual unit energy cost price is lower than anticipated (when the 2014/15 budget was set), due to the start of a new contract.

Committee approval is sought to utilise the aforementioned anticipated £430,000 2014/15 street lighting energy underspend in the following priority order:

- Contingency towards: winter maintenance budget overspend and/or corporate energy budget risk resulting from contract price fluctuations;
- Funding the cost of further additional: street lighting infrastructure replacement works and/or road maintenance works (patching);
- The early repayment c. £160,000 of Salix grant funding received in 2014/15 for street lighting infrastructure improvements;

The position will continue to be monitored to enable funding to be effectively applied. The Roads street lighting budget for 2015/16 shall be reviewed as part of the Council's 2015/16 budget setting process.

Renewal & Repair Fund

The estimated uncommitted balance available on the funds as at 31 March 2015 as shown in table 1 above is £0.967 million: (Property £316k; Information Technology £256k; Roads & Transport £106k; Print & Graphic Design £254k; Recreation £35k).

Once the de minimis retention levels are taken into account the effective aggregate available balance on all funds reduces to £0.582 million.

Renewal & Repair Fund	Opening Balance 01/04/14 £ 000	Payments made to 30/08/14 £ 000	Estimated Outstanding Commitments to 31/03/15 £ 000	Estimated Uncommitted Balance 31/03/15 £ 000	Fund Minimum Balance £ 000	Estimated Available Balance 31/03/15 £ 000
Property	2,214	(314)	(1,584)	316	(150)	166
Information Technology	2,007	(462)	(1,289)	256	(100)	156
Roads & Transport	2,331	(270)	(1,955)	106	(100)	6
Print & Graphic Design	254	0	0	254	(20)	234
Recreation	1,294	(95)	(1,164)	35	(15)	20
Total Fund	8,100	(1,141)	(5,992)	967	(385)	582

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 5 are the subject of ongoing review.
- 5.2 Members will have noted from **Appendix B** that an underspend of £2.337 million is projected at this point in the financial year.
- 5.3 HRA is projecting a £0.254 million surplus during 2014/15.
- 5.4 The Renewal and Repair Fund has an estimated uncommitted closing balance of £0.967 million. Once the minimum balance has been removed there is an estimated usable balance of £0.582 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.

Finance/IL/GW/AJ

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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](#)