

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE – 2 DECEMBER 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 appraises members of the actual revenue expenditure incurred and income received for the period 1 April 2014 to 30 September 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 September 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.

**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 September 2014 (6 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 Unit is currently showing an underspend of £0.216 million (9%) between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 30 September 2014 and the main reasons for this variance.

The Chief Executive Unit is currently projecting an underspend of £0.169 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 Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Staff Slippage - Vacant posts and reduced hours.	(19)	(54)
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.	(41)	(14)
Supplies & Services	Various spend items not yet through.	(22)	6
Third Party Payments	Bought in Services projected to have an underspend as Lean Project expenditure will run in to 2015/16.	(42)	(25)
Transport Costs	Other minor variances.	(15)	(9)
Income	Other minor variances.	4	14
<b>Total (Underspend)/Overspend</b>		<b>(135)</b>	<b>(82)</b>

**Chief Executives' - Economic Development (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Staff slippage due to vacancies and on-going restructure.	(58)	(103)
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.	18	100
Supplies & Services	Overspend projected primarily due to further proposed Towards Employment contributions and involvement with Youth Employment Initiative and the Shared Apprenticeship Programme. This is partly offset by TET 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	50
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	5	25
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.	(70)	(158)
Misc.	Other Minor Variances	(1)	(1)
<b>Total (Underspend)/Overspend</b>		<b>(81)</b>	<b>(87)</b>

4.4 **People**

The People directorate is showing an underspend of £0.524 million (0.70%) between the actual expenditure to date and the profiled revenue budget. The tables below summarises the net revenue position for the period ended 30 September 2014 and the main reasons for this variance compared to profile.

The People directorate is currently projecting an underspend of £0.398 million (0.3%) 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 Sept £000</u>	<u>Projected Outturn £000</u>
Staff Costs	A minor overspend position is currently being projected within School & Learning. This is mainly due to a small overspend on teacher's salary costs 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.	14	39
Property Cost	No significant variances anticipated at this stage.	9	21
Supplies & Services	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 however again this is fully offset by additional grant income.	193	416
Income	Income is expected to be above budget due to increased grant income within Education Development Services and higher than budgeted income from school meals.	(351)	(756)
Misc.	Other Minor Variances.	(19)	(39)
<b>Total (Underspend)/Overspend</b>		<b>(154)</b>	<b>(319)</b>

### Children & Young People (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Sept £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 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 has now started to make progress.	(214)	(499)
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. The timing of sizeable payments to external contractors for children and families has created an overspend against profiled budget. This will rectify itself in the short term.	984	(306)
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.	51	(55)
<b>Total (Underspend)/Overspend</b>		<b>821</b>	<b>(860)</b>

**Adult Services (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	The current position reflects staff slippage. The projected outturn reflects the delay in outsourcing. This delay is being covered by council staff employees in the interim. This position will be resolved when the outsourcing initiative has been completed in full.	(71)	270
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.	(429)	135
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.	(249)	(483)
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 resultant from demand not reducing as expected for externally provided services.	632	1,934
Other Expenditure	The underspend position against 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.	(194)	54
Income	The excess income is due mainly from residential and nursing charges. These in part offset additional third party costs. Budgets have not been varied in order that the financial impact of not meeting policy targets can be fully measured.	(319)	(669)
<b>Total (Underspend)/Overspend</b>		<b>(630)</b>	<b>1,241*</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)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Underspend currently being projected is mainly due to staff slippage within the People – directorate support as a result of unfilled posts being held to meet future savings targets.	(343)	(448)
Income	Income is expected to be higher than budget mainly due to increased grant income.	(104)	(107)
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.	(114)	95
<b>Total (Underspend)/Overspend</b>		<b>(561)</b>	<b>(460)</b>

4.5 **Communities (General Fund)**

Communities directorate is currently showing an underspend of £1.442 million (6.7%) 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 September 2014 and the main reasons for this variance.

The Communities directorate is currently projecting an overall underspend of £1.597 million (3.2%) 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)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
Supplies & Services	Commonwealth Games related expenditure (e.g. payments to staff undertaking baton relay marshal duties)	1	20
Third Party Payments	Removal of the requirement to demolish portacabins at County Buildings Forfar	0	(60)
Misc	Other minor variances	17	2
<b>Total (Underspend)/Overspend</b>		<b>18</b>	<b>(38)</b>

**Business Support (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Reduced hours and a number of vacancies	(12)	(23)
Property Costs	Year end William Wallace House recharge from Housing	(2)	27
Misc	Other minor variances	12	4
<b>Total (Underspend)/Overspend</b>		<b>(2)</b>	<b>8</b>

**Services to Communities (Variances)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
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.	(87)	(20)
Property Costs	Some costs have yet to be processed through ledger, the most significant being rates. 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.	(727)	52
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).	(63)	98
Income	Income higher than budgeted across leisure facilities, mainly due to the continuing success of Direct Debit membership sales.	(87)	(167)
Misc.	Other minor variances.	(5)	(12)
<b>Total (Underspend)/Overspend</b>		<b>(969)</b>	<b>(49)</b>

### Technical and Property Services (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Sept £000</u>	<u>Projected Outturn £000</u>
Staff Costs	Monitoring position pertains to slippage within Roads (£102k) and Property (£138k). Outturn position pertains to staff slippage within Roads (£125k) and Property (£248k).	(238)	(373)
Property Costs	Monitoring & outturn position primarily pertains to cleaning & energy budgets within Property.	(77)	(18)
Supplies & Services	Monitoring position: several aggregate overspends within Roads supplies and services budgets.	45	(5)
Third Party	Projected Outturn position 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 this £430k underspend was approved at the Policy & Resources committee of 14 October 2014 (report 434/14 refers).	(15)	(389)
Other Costs	n/a	(11)	4
Income	Monitoring position due to Property Q2 capital fees not processed to date Outturn position relates to additional Roads capital fee income.	571	(100)
<b>Total (Underspend)/Overspend</b>		<b>275</b>	<b>(881)</b>

### Planning & Place (Variances)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Sept £000</u>	<u>Projected Outturn £000</u>
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.	(147)	(186)
Supplies & Supplies	Increased spend in this area due to costs relating to mobile and flexible working within Community Planning funded from staff costs underspend above.	(16)	13
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	0	(67)
Other Expenditure	Mainly due to an anticipated reduction in housing benefit expenditure.	(10)	(71)
Income	Mainly due to increased Planning Application and Building Warrant Income, offset somewhat by a reduction in housing benefit admin subsidy in Other Housing. In addition contributions to the Affordable Housing reserve of some £20,000 are anticipated this financial year which will be transferred to balances at the year end	(229)	(380)
<b>Total (Underspend)/Overspend</b>		<b>(402)</b>	<b>(691)</b>

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

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Sept £000</u>	<u>Projected Outturn £000</u>
Staff Costs	The monitoring position relates to staff slippage primarily within Parks & Gardens Ops., Environmental Health and Waste. The Projected Outturn position relates to staff slippage primarily within Parks & Gardens Ops., Waste, Environmental Health / Consumer Protection however, total underspend partially reduced by overspend within Fleet Services.	(135)	(243)
Property Costs	Monitoring underspend relates to Waste resulting from timing of energy & maintenance payments Outturn underspend pertains to Environmental Management. HQ and Parks & Gardens resulting from savings after moving from Ravenswood to The Mart.	(178)	(137)
Supplies & Services	Monitoring and outturn position reflects Parks & Gardens and Waste position pertaining to reduced waste disposal costs and reduced project materials costs.	(759)	(412)
Third Party	The monitoring position results from Fleet Services due to timing of external contract hire payments.	251	15
Other Costs	Monitoring position relates to Waste and timing of fuel recharges and outturn position relates to Waste anticipated increase in VHC recharges due to greater number of vehicles.	(455)	207
Income	Monitoring & Outturn position reflects the under recovery against budget pertaining to Fleet Services recharges and also the significant drop in recyclates income. The monitoring position is further adversely effected due to profiling of Parks & Gardens rechargeable income and the timing of the actual recharge.	914	624
<b>Total (Underspend)/Overspend</b>		<b>(362)</b>	<b>54</b>

#### 4.6 Resources

The Resources directorate is currently showing an underspend position of £0.256 million (6.0%) 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 September 2014 and the main reasons for this variance compared to profile.

The Resources department is currently projecting a gross underspend position of £0.542 million (5.2%) 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>Actual To Sept £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.	(124)	(297)
Supplies & Services	The overspend position is mainly due to increased spend on computer systems support however this is fully offset by additional grant income.	36	50
Income	Mainly due to additional DWP administration grant income.	(22)	(43)
Misc.	Other Minor Variances.	(3)	(4)
<b>Total (Underspend)/Overspend</b>		<b>(113)</b>	<b>(294)</b>

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

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £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.	(65)	(83)
Property Costs	Underspend mainly due to savings on property costs in respect of the data centres in Forfar and Arbroath.	(1)	(3)
Misc.	Other Minor Variations.	3	8
<b>Total (Underspend)/Overspend</b>		<b>(63)</b>	<b>(78)</b>

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

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £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.	(95)	(181)
Property Costs	Overspend due to unbudgeted property costs in respect of a storage unit at Orchardbank.	5	13
Supplies & Services	Mainly due to savings within miscellaneous supplies & services within Core Services. Printing materials within the PDU are also below budget.	(30)	(63)
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.	40	60
Misc.	Other Minor Variances.	0	1
<b>Total (Underspend)/Overspend</b>		<b>(80)</b>	<b>(170)</b>

#### **4.7 Transforming Angus**

Transforming Angus is below the profiled budget to 30 September 2014 by £0.284 million (80%) and projecting an underspend position against the full year budget of £0.544 million (60%). 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 overspend of £0.025 million (2%) between the actual expenditure to date and the profiled revenue budget. The table below summarises the net revenue position for the period ended 30 September 2014 and the main reasons for this variance compared to profile.

Other Services is currently projecting an under spend of £0.361 million (4%) 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)**

<b><u>Subjective Cost Heading</u></b>	<b><u>Explanation</u></b>	<b><u>Actual To Sept £000</u></b>	<b><u>Projected Outturn £000</u></b>
Staff Costs	Various small overspends	4	0
Supplies & Services	Children's Panel	(1)	(5)
Supplies & Services	Election Expenses	0	(30)
Supplies & Services	Public Records (Scotland) Act	0	(149)
Third Party Payments	Children's Panel	0	(28)
Third Party Payments	Discretionary Housing Payments	0	(120)
Third Party Payments	Citizens Advice Bureau	3	3
Income	Corporate Properties	(12)	(19)
Income	Children's Panel	(9)	(10)
Income	Various Small amounts of additional income	(10)	(3)
<b>Total (Underspend)/Overspend</b>		<b>(25)</b>	<b>(361)</b>

#### **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 £0.253 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 September 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)

<u>Subjective Cost Heading</u>	<u>Explanation</u>	<u>Actual To Sept £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.	(243)	(302)
Repairs & Maintenance	Variance is due to projected overspends on planned maintenance and specialist cleaning services.	9	86
Loss of Rents	Projected level of voids lower than budget based on actual voids to end of August.	(25)	(50)
Rents & Services Charges	Slightly reduced income mainly due to projected garage rental income being lower than budget.	4	19
Other Income / Expenditure	Minor variances in other income and expenditure budgets	2	(0)
<b>Total (Surplus) / Deficit</b>		<b>(253)</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 £0.838 million: (Property £0.179 million; Information Technology £0.241 million; Roads & Transport £0.106 million; Print & Graphic Design £0.254 million; Recreation £0.058 million).

Once the de minimis retention levels are taken into account the effective aggregate available balance on all funds reduces to £0.453 million.

<u>Renewal &amp; Repair Fund</u>	<u>Opening Balance 01/04/14 £000</u>	<u>Payments made to 30/09/14 £000</u>	<u>Estimated Outstanding Commitments to 31/03/15 £000</u>	<u>Estimated Uncommitted Balance 31/03/15 £000</u>	<u>Fund Minimum Balance £000</u>	<u>Estimated Available Balance 31/03/15 £000</u>
Property	2,214	(447)	(1,588)	179	(150)	29
Information Technology	2,007	(530)	(1,236)	241	(100)	141
Roads & Transport	2,331	(788)	(1,437)	106	(100)	6
Print & Graphic Design	254	0	0	254	(20)	234
Recreation	1,294	(107)	(1,129)	58	(15)	43
<b>Total Fund</b>	<b>8,100</b>	<b>(1,872)</b>	<b>(5,390)</b>	<b>838</b>	<b>(385)</b>	<b>453</b>

## 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 £3.611 million is projected at this point in the financial year. However, this includes the projected underspend of £0.544 million for Transforming Angus which is subject to a 100% carried forward (report 83/14 refers).
- 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 £0.838 million. Once the minimum balance has been removed there is an estimated usable balance of £0.453 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.

**REPORT AUTHOR: KIM MCAULLY, SENIOR ACCOUNTANT**  
**EMAIL DETAILS: FINANCE@angus.gov.uk**

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