Abstract:
This report apprises members of the actual expenditure compared with budget in respect of the Corporate Services department for the period 1 April 2010 to 31 December 2010 (9 months), together with the anticipated year end position.

1 RECOMMENDATION

It is recommended that the Committee notes the contents of this report for its interest.

2 INTRODUCTION

The responsibilities of chief officers with regard to revenue monitoring are set out in Section 3 of the Council’s Financial Regulations. To ensure that budgetary control is exercised in accordance with these regulations, reports on budget monitoring covering revenue, capital and renewal and repair funds expenditure are presented to the Corporate Services Committee at key points during the financial year.

This report sets out the actual net expenditure / (income) position for the period 1 April 2010 to 31 December 2010 (9 months) and the projected outturn for each division.

3 CAPITAL MONITORING

Table 1 below summarises the Corporate Services net capital position for the period ended 31 December 2010.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Capital Programme 2010/11 (per report 647/10)</th>
<th>Net Budget £000's</th>
<th>Actual to 31 Dec 10 £000's</th>
<th>Budget Balance at 31 Dec 10 £000's</th>
<th>Projected Outturn £000's</th>
<th>Projected Over / (Under) Spend £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>91</td>
<td>0</td>
<td>(91)</td>
<td>0</td>
<td>0</td>
<td>(91)</td>
</tr>
<tr>
<td>Information Technology</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Law &amp; Administration (Print Unit)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Property</td>
<td>(115)</td>
<td>(316)</td>
<td>(201)</td>
<td>(131)</td>
<td>(16)</td>
<td></td>
</tr>
<tr>
<td>Corporate Services Total</td>
<td>(24)</td>
<td>(316)</td>
<td>(292)</td>
<td>(131)</td>
<td>(107)</td>
<td></td>
</tr>
</tbody>
</table>
The Information Technology and Law & Administration Divisions have gross capital budgets of £0.834 million and £0.064 million respectively in 2010/11. However, this budgeted expenditure is fully funded from within the Information Technology and Print and Design Unit Renewal & Repairs Funds respectively, resulting in a net capital spend of zero. Finance has a gross capital budget of £0.153 million however £62,000 of budgeted expenditure is funded from the Information Technology Renewal & Repairs Fund.

In overall terms, at 31 December 2010 there is actual net income position of £0.316 million against a net income budget of £0.024 million leaving a budget balance of £0.292 million to be spent by the end of financial year 2010/11. The department is projecting an underspend of £107,000 at the year end. A brief commentary on each division is set out below:-

**Finance Division**

The Efficiency Reform Fund is a corporate resource administered through Finance and has a budget of £91,000. However it is anticipated that no spend will take place in 2010/11. The Resourcelink Upgrade and Enhancement project has a gross capital budget of £50,000 and is fully funded from Information Technology Renewal & Repairs Fund. An underspend of £20,000 is projected on this project however this will be retained in the Renewal & Repairs Fund for subsequent Resource Link Upgrades. The Integra Upgrade and Enhancement project has a gross capital budget of £12,000 and again is fully funded from Information Technology Renewal & Repairs Fund. However this project is now programmed to be undertaken in financial year 2011/12.

**Information Technology Division**

Information Technology is currently estimating a gross full year spend of £0.807 million against a 2010/11 monitoring budget of £0.834 million. The gross underspend of £27,000 is mainly due to projected slippage on the Corporate Information Portal project (£47,000) which has arisen due to a change in governance arrangements. The Customer Services Programme Board now has accountability for determining priorities for this development and the type of operational functionality requiring the introduction of enterprise Client Access Licences is unlikely to feature in financial year 2010/11. This is partially offset by minor managed overspends on other projects, notably Angus Net Replacement Phase 2 project (£22,000) following the approval by Corporate Services Committee to the upgrade of broadband provision at Tannadice and Newtyle Primary Schools at a cost of £49,000 (Report 764/10 refers).

**Law & Administration (incl. Print Unit) Division**

Law & Administration have a gross expenditure budget of £64,000 for the purchases of a plate setter (£19,000) and a printing press (£45,000) which is being fully funded from the Print & Design Unit Renewal and Repairs Fund. This expenditure is likely to slip into financial year 2011/12 due to procurement processes.
Property Division

Property currently has an actual net income position of (£0.316 million). This is due to the ring-fenced capital receipt proportion of £602,000 in respect of the overall St James House interim payment received earlier this year.

Property are projecting a year end nominal underspend on the net capital budget of £16,000 at this stage. Small overspends are being projected on the Kirriemuir Town Hall project due to additional expenditure on the gas mains pipe and on the alterations at Montrose Museum due to difficulties with the sourcing of stone acceptable to Historic Scotland. These minor overspends have been offset by a compensating underspend on the costs of Bruce House Phase 2 and the re-profiling of the Access for Disabled Programme.

4 REVENUE MONITORING

Table 2 below summarises the net revenue expenditure position for the period ended 31 December 2010.

<table>
<thead>
<tr>
<th>Revenue Budget 2010/11 (excluding Central Support Recharge)</th>
<th>Net Vired Budget £000’s</th>
<th>Profiled Monitoring Budget to 31 Dec 10 £000’s</th>
<th>Actual to 31 Dec 10 £000’s</th>
<th>Variance Profile v Actual Over / (Under) £000’s</th>
<th>Projected Outturn £000’s</th>
<th>Variance Budget v Outturn Over / (Under) £000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>4,124</td>
<td>3,880</td>
<td>3,654</td>
<td>(226)</td>
<td>3,916</td>
<td>(208)</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1,688</td>
<td>847</td>
<td>759</td>
<td>(88)</td>
<td>1,548</td>
<td>(140)</td>
</tr>
<tr>
<td>Law &amp; Administration</td>
<td>2,377</td>
<td>1,727</td>
<td>1,496</td>
<td>(231)</td>
<td>2,407</td>
<td>30</td>
</tr>
<tr>
<td>Property</td>
<td>2,155</td>
<td>1,499</td>
<td>1,619</td>
<td>120</td>
<td>1,873</td>
<td>(282)</td>
</tr>
<tr>
<td>Corporate Services Total</td>
<td>10,344</td>
<td>7,953</td>
<td>7,528</td>
<td>(425)</td>
<td>9,744</td>
<td>(600)</td>
</tr>
</tbody>
</table>

There is currently an underspend of £425,000 compared to the profiled monitoring budget at this stage in the year. Overall the department is projecting a year end underspend of £600,000 however a number of 100% carry forward requests and contributions to R&R Funds amounting to £250,000 were considered along with other such requests in a separate report to the Strategic Policy Committee on the 1st February 2011 and have now been approved. This will result in a net projected underspend of £350,000. A brief commentary on each division is set out below:-

Finance

The Finance Division is currently below the profiled budget by some £226,000 (5.8%). This is mainly due to staff slippage resulting from the management of vacant posts.
The Finance Division is currently projecting a year end underspend of £208,000. This is mainly due to staff slippage as a result of restricting the filling of vacant posts, full-time posts being filled on a part-time basis only and maternity leave. Third Party Payments are also expected to be under budget as a result of a reduced charge from Dundee City Council for the Tayside Procurement Consortium. Supplies & Services are currently underspent as a result of headroom within the 50% budget flexibility carry forward from 2009/10.

Finance submitted one 100% budget carry forward request and an IT R&R Fund contribution together amounting to £80,000. These requests have now been approved and will result in a net projected underspend of £128,000.

Information Technology

Information Technology are currently below the profiled budget by £88,000. This is due to managing staff vacancies within the division.

Information Technology are projecting a year end underspend of £140,000. Of this underspend £98,000 is due to staff slippage within the division, with the balance of £42,000 being additional income from a recharge to the Improvement Service relating to a staff secondment.

Information Technology requested an IT R&R Fund contribution amounting to £70,000. This request was approved by the Strategic Policy committee on the 1st February 2011 and will now leave a net projected underspend of £70,000.

Law & Administration

Law & Administration Division are currently below the profiled budget by £231,000 (13%). This is due in the main to staff slippage as a result of not filling vacant posts within the Core Services section.

A year end net overspend of £30,000 is however anticipated across the Law & Administration Division. The projection allows for the repayment of £270,000 of outstanding debt in respect of the Print Unit building which will reduce future loan charges. The underspend position of £240,000 before allowing for this special repayment is due to staff slippage as a result of vacant posts within Core Services and increased liquor licensing income.

The Print & Design Unit is currently projecting a year end break even position. Income levels for 2010/11 are 13% ahead of the levels generated for the period April to December last year and the signs are that the PDU will perform significantly better financially than it did in 2009/10.

Property

Property are currently showing an overspend against the profiled revenue budget of £120,000. This is mainly due to the timing of the receipt of capital professional fees and is therefore not considered to be a concern.
A year end underspend of £282,000 is anticipated due in the main to the management of staff slippage plus projected additional capital fee income. On-going actions to implement mutually agreed early retirement of staff to achieve efficiency savings may reduce any underspend as additional one-off pension fund strain costs may be required. Additionally the anticipated additional fee income is reliant upon the capital programme adhering to schedule.

One 100% budget carry forward request and a contribution to the IT R&R Fund together amounting to £100,000 have been approved and will result in a net projected underspend of £182,000.

5 Renewal and Repair Funds 2010/11

Table 3 below summarises the position on the Property, Information Technology and Print & Design Renewal & Repair Fund as at 31 December 2010.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Property</th>
<th>Information Technology</th>
<th>Print &amp; Design</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000’s</td>
<td>£000’s</td>
<td>£000’s</td>
</tr>
<tr>
<td>Total R&amp;R Fund as at 1 April 2010</td>
<td>1,646</td>
<td>2,249</td>
<td>247</td>
</tr>
<tr>
<td>Total expenditure to 31 Dec 2010</td>
<td>524</td>
<td>358</td>
<td>0</td>
</tr>
<tr>
<td>Total R&amp;R Fund as at 31 Dec 2010</td>
<td>1,122</td>
<td>1,891</td>
<td>247</td>
</tr>
<tr>
<td>Total committed expenditure outstanding</td>
<td>926</td>
<td>1,582</td>
<td>64</td>
</tr>
<tr>
<td>Uncommitted Fund balance as at 31 Dec 2010</td>
<td>196</td>
<td>309</td>
<td>183</td>
</tr>
<tr>
<td>Less minimum Fund balance</td>
<td>(150)</td>
<td>(100)</td>
<td>(20)</td>
</tr>
<tr>
<td>Available Fund balance as at 31 Dec 2010</td>
<td>46</td>
<td>209</td>
<td>163</td>
</tr>
</tbody>
</table>

The estimated uncommitted balance available on the funds detailed in the above summary totals £0.688 million.

Once the de minimis retention levels are taken into account the effective uncommitted balance reduces to £0.418 million.

6 FINANCIAL IMPLICATIONS

There are no financial implications arising directly as a result of the recommendations contained in this report.

Overall, the department is projecting an underspend of £0.600 million at the year end for net revenue expenditure (reduced to £350,000 as the 100% carry forward requests and IT R&R Fund contributions were approved at the Strategic Policy committee on the 1st February 2011) and a underspend of £107,000 on net capital expenditure. This position will continue to be closely monitored and any alterations will be reported as part of the regular revenue and capital monitoring reports presented to each cycle of the Corporate Services Committee.
7  HUMAN RIGHTS IMPLICATIONS

There are no Human Rights implications arising from this Report.

8  EQUALITIES IMPLICATIONS

The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

9  SINGLE OUTCOME AGREEMENT

This report contributes to the following local outcome(s) contained within the Single Outcome Agreement for Angus:-

- Resources are used effectively.

10 CONSULTATION

The Chief Executive, Head of Finance and Head of Law & Administration have been consulted in the preparation of this report.

11 CONCLUSION

It will be noted from the information set out above that in the main expenditure is currently behind the phased budget. There are no particular concerns arising from these areas at present but the position will continue to be monitored closely during the course of the financial year.

COLIN McMAHON
DIRECTOR OF CORPORATE SERVICES

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.