

FINANCIAL REPORT MONITORING PACK – 31 DECEMBER 2019

1. INTRODUCTION

1.1 This report provides a summary of the financial monitoring reports as at the end of December 2019. There are six detailed reports summarised in this Executive Summary:

- Revenue Budget Monitoring Report as at 31 December 2019
-

- Underspend of £0.150m from a planned reduction in roads maintenance to offset the overspends
- Additional income of £0.140m from

2.1.7 The forecast outturn for Social Work has seen an improvement over the last few months. The month end positions are noted in the table below:

Month End	Social Work Forecast Outturn
June	£2.307m overspend
July	£1.931m overspend
August	£1.712m overspend
September	£1.669m overspend
October	£1.480m overspend
November	£1.376m overspend
December	£1.310m overspend

This improvement month on month gives some assurance that actions by management and agreed within the recovery plan are making a difference and are bringing the outturn down. It remains to be seen as to what further reductions can be made to the forecast outturn but there are still outstanding actions to be delivered. I will continue to liaise closely with the IJB's Head of Finance and Transformation on this issue. m8

2.1.8 The comments above don't take into consideration the most significant 8E (r)39

Category	No of Options	2019-20 £000	2020-21 £000	2021-22 £000
Delivered	10	689.3	800.0	875.0
On Track to be Delivered	6	554.0	880.0	880.0
Still to be Implemented	0	0.0	0.0	0.0
Being Developed	0	0.0	0.0	0.0
Potential Shortfall	2	355.0	390.0	390.0
Delayed	0	0.0	0.0	0.0
Total	18	1,598.3	2,070.0	2,145.0

2.2.4 The table below outlines the progress as at 31 December 2019 for the policy savings options agreed in February 2018 but not achieved in 2018-19 or those that have further increase in value in 2019-20 onwards.

Category	No of Options	2018-19 £000	2019-20 £000	2020-21 £000
Delivered	15	1,002.0	1,592.8	2,191.8
On Track to be Delivered	2	37.5	121.5	271.5

Still to be 125.8 <</MCII

2.4 Capital Plan Monitoring Report

- 2.4.1 Capital Plan Monitoring Report – this report provides a summary of the current capital plan monitoring position. Information is provided in terms of monitoring year to date budget, current full year budget, future years total budget and funding and non-financial in terms of project performance.
- 2.4.2 Actual net expenditure to date is £14.625m compared to a budget for the year to date of £14.524m giving rise to an overspend for the year to date of £0.101m (0.7%). There are a number of small variances contributing to this year to date position.
- 2.4.3 The forecast outturn for 2019-20 is a forecast net expenditure of £17.375m compared to an annual budget of £23.295m giving rise to a forecast underspend for the year of £5.920m (25.4%). The largest projects contributing to this variance are: Town Centre Funds, Street Lighting LED project, Harbour Investment Programme, Primary Schools and Environmental Projects.
- 2.4.4 The forecast total net projects costs on the capital plan are £151.764m compared to a total budget for all projects of £151.942m giving rise to a forecast underspend for the overall capital plan of £0.178m (0.12%). This arises from an accumulation of non-material variances less than +/- £0.050m.
- 2.4.5 In respect of total project performance, there are 147 projects within the

2.6 Reserves and Balances

2.6.1 This report summarises the overall level of reserves and balances and monitors the spending of the earmarked reserves, providing detailed information on the unspent budget earmarked balances.

2.6.2 The Council has a total of £187.139m unusable reserves that are not backed with resources. They are required purely for accounting purposes.

2.6.3 As 31 March 2019, the Council had a total of £55.528m of usable reserves. Of this:

- £1.696 relates to the Repairs and Renewals Fund
- £4.352 relates to Capital Funds
- £49.480 was held in the General Fund, with £42.936m of this balance earmarked for specific purposes.

2.6.4 Of the earmarked balance of £42.936m:

- £32.294m is invested or committed for major initiatives/capital projects
- £3.752m has already been drawn down
- £2.981m is still to be drawn down in 2019-20
- £3.709m is planned to be spent in future years
- £0.200m is no longer required and released back to the general fund

2.6.5 The General Fund contingency is set at 2% of net expenditure for 2019-20 and amounts to £4.838m. At the beginning of the financial year there was £1.706m of unallocated General Fund Balance (over 12 -0 0 1fb4 (t)2 ())TJ 0 -1.15 Td

This section of the report will be used to outline revenue virements in the period that require approval. Capital virements are included within the capital monitoring report.

2.7.2 For the periods November 2019 and December 2019, there is one virement over £0.200m requiring authorisation:

- £0.250m budget transferred from Executive Director Douglas Hendry to a central code. This is in respect of the Procurement Savings target being realigned within the structure.

3. RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee:

- a) Consider the revenue budget monitoring report as at 31 December 2019 and note the comments in respect of the Health and Social Care Partnership.
- b) Note the progress with the policy savings options as at 31 December 2019
- c) Note the financial risks for 2019-20.
- d) Note the current financial position with the employability team and note that a report will be brought to the Policy and Resources Committee in May 2020.
- e) Consider the capital plan monitoring report as at 31 December 2019 and approve the proposed changes to the capital plan as detailed in Appendix 4 to the report.
- f) Note the treasury monitoring report as at 31 December 2019.
- g) Consider the reserves and balances report as at 31 December 2019.
- h) Recommend to Council that the revenue virements over £0.200m during November and December are approved.

4. IMPLICATIONS

- | | | |
|-----|------------------------|---|
| 4.1 | Policy – | None. |
| 4.2 | Financial - | Outlines the revenue and capital monitoring for 2019-20 as at 31 December 2019. |
| 4.3 | Legal - | None. |
| 4.4 | HR - | None. |
| 4.5 | Fairer Scotland Duty - | None. |
| 4.6 | Risk - | Risks are included in financial risks report. |
| 4.7 | Customer Service - | None. |

**Kirsty Flanagan
Section 95 Officer
13 February 2020**

**Policy Lead for Financial Services and Major Projects - Councillor Gary
Mulvaney**