

Financial Position Quarter Three 2017/18

1. General Fund Revenue Budget

- 1.1 The Council approved a General Fund Revenue Budget of £13,825,060 on 22 February 2017. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.

2. Capital Programme

- 2.1 A Capital Programme totalling £3,047,000 was approved at the same Council meeting. Of this total, £1,500,000 relates to the total cost of new schemes for 2017/18 together with £1,547,000 for schemes brought forward from the original 2016/17 Capital Programme. In addition £2,890,616 slippage was incurred in 2016/17, resulting in a total Capital Programme of £5,937,616 for 2017/18.

3. Revenue Budget Position

- 3.1 At this point in the financial year, we would have expected to have spent approximately £5,465,532; we have actually spent £5,660,525. Therefore, as at the end of the third quarter, the general fund budget shows an adverse variance of £194,993.

- 3.2 The main reasons for the overall adverse variance to date are:

- a. Waste Services is operating at a net overspend. This is due to a shortfall in recycled material income and overspending on agency/overtime costs. An Action Plan has been developed to minimise the overspend in this area. Actions include, reducing the use of agency staff over the winter period, reviewing overtime working to ensure this is kept to the minimum necessary, a block on non-essential spending, uplift on material sales value following a retendering process, driving out further operational efficiencies, restricting vehicle hire, running a communications campaign to drive up recycling tonnages for metals and exploring providing back-up from other in-house teams.
- b. Costs associated with the redundancies of the Cleaners ahead of the move to Castle House.
- c. Income from car parking is below the amount budgeted for, a review of car parking income is currently being undertaken and the sale of Permits is being promoted with key partners and large businesses in an attempt to improve income levels.
- d. Elections service as a result of the independent review undertaken into the Parliamentary election and from the employment of agency staff.

There are also a number of favourable variances, the main variance being:

- a. Employee costs in respect of a number of vacant posts and flexible retirements that have taken place across the Council.

4. Capital Programme Position

4.1 The Capital Programme approved by Council in February 2017 has been updated to take account of slippage in 2016/17. Where planned expenditure did not occur last year, this has been added to the budget for 2017/18 (apart from any cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2017/18 totals £5,937,616.

4.2 £4,601,272 of the revised budget was expected to be spent by 31 December; the actual amount spent was £4,585,907 resulting in a favourable variance at the end of quarter three of £15,365.

5. Investment Counterparties

5.1 As at 31 December 2017 the Council had no funds to invest.

5.2 With regard to the Council's frozen investment in Heritable Bank the total amount repaid now totals £2,457,623, which is 98% of the total that was frozen.