

## Revenue and Capital Monitoring 2003/04 Half Year Position

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### City of Edinburgh Council

13 November 2003

#### Purpose of report

1. To refer to the Council recommendations arising from the half year monitoring of revenue and capital expenditure.

#### Details

2. On 4 November 2003, the Executive considered the attached report by the Director of Finance on the half year monitoring of revenue and capital expenditure. The half year position indicated a projected deficit of £0.953m. Details of the adverse and favourable positions for a number of service areas were given and movement from the three month position was shown. The capital investment programme showed a projected overspend of £9.731m on a projected out-turn of £84.470m.
3. In Environmental and Consumer Services, expenditure pressures arising from the closure of Powderhall transfer station were projected to result in additional costs of £0.854m in 2003/04. Other expenditure pressures totalling £0.050m had been identified. The Director of Environmental and Consumer Services had reviewed departmental expenditure and had identified additional contributions of £0.343m from the three trading operations, assuming no detrimental weather or industrial relations problems. Taken together these factors accounted for a net overspend of £0.561m.
4. The Director of Environmental and Consumer Services had indicated that this overspend could only be contained by terminating the contracts of all temporary staff and all permanent staff with less than one year's service thus avoiding redundancy payments. The total staffing reduction required was an estimated 50 APT&C staff and 70 manual workers and would result in service implications across the department including other cleaning, containerisation, public conveniences, environmental wardens, telephone enquiry section and environmental health.
5. On 21 August 2003, the Council agreed that there be no carry forward of the balance of the variance arising in 2002/03, subject to a review at the six-month stage in light of the overall position. Following that review it was evident that the department would not be able to contain the carry forward overspend from 2002/03 within available resources.

6. The Director of Finance had made a number of recommendations, including that the Executive should determine if the savings proposal brought forward by the Director of Environmental and Consumer Services was to be accepted in the current year. If it was not accepted, members would have to note the probability of an overspend in 2003/04 to be met through budget flexibility arrangements.
7. The Executive Member for Sustainability and Finance recommended the Executive not to accept the advice of the Director of Environmental and Consumer Services regarding the containment of the overspend by means of job losses.
8. The Executive agreed: -
  - 1) to note the projected deficit on the General Fund of £0.953m;
  - 2) in respect of the proposals for dealing with the overspend in Environmental and Consumer Services to approve the proposals by the Executive Member for Sustainability and Finance: -
    - a) that the Director of Environmental and Consumer Services be instructed to ensure that front line services be maintained but to seek efficiencies where possible to minimise the overspend in the current financial year; and
    - b) that any overspend in the Department of Environmental and Consumer Services not contained within available resources in the current financial year be included in the department's year-end carry forward under budget flexibility rules;
  - 3) to recommend to the Council that the balance of the Environmental and Consumer Services overspend of £0.280m, carried forward from 2002/03 under the budget flexibility scheme, be met from reserves;
  - 4) to instruct all Service Directors to continue to exercise control over expenditure and bring expenditure into line with budget;
  - 5) to instruct Service Directors to identify appropriate reductions in their fleet requirements or to agree a virement to Corporate Services, as detailed in paragraph 3.7 of the report by the Director of Finance;
  - 6) to note the progress on service developments;
  - 7) to note the progress on projects funded through spend to save;
  - 8) to note the balanced position on the HRA revenue budget;
  - 9) to note the projected shortfall of £9.731m in capital resources and that options for meeting the projected shortfall were being explored;
  - 10) to instruct Directors to ensure that any slippage identified was maintained until the end of the financial year;

- 11) to note that the virement for projects deferred until 2004/05 had been processed in October;
- 12) to discharge the outstanding motion calling for a report on the deferment of key capital receipts;
- 13) to note the projected position on the HRA capital budget; and
- 14) to note that the report would be considered by the Resource Management and Audit Scrutiny Panel.

## Recommendations

8. That the Council: -
  - 8.1 approve that the balance of the Environmental and Consumer Services overspend of £0.280m, carried forward from 2002/03 under the budget flexibility scheme, be met from reserves; and
  - 8.2 otherwise note the half yearly position on revenue and capital expenditure, including the proposals for dealing with the projected adverse variance in the Department of Environmental and Consumer Services as detailed in the report.

**Donald Anderson,**  
Leader

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<b>Appendices</b>	1. Report No E/267/03-04/F by the Director of Finance
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<b>Wards affected</b>	City Wide
<b>Background Papers</b>	None

## Revenue and Capital Monitoring 2003/04 Half Year Position

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### Executive of Council

4<sup>th</sup> November 2003

#### 1 Purpose of Report

To advise the Executive of the Council on the half year revenue and capital monitoring positions.

#### 2 Background

- 2.1 Council approved the 2003/04 revenue budget on 13th February 2003. The report to Council included a risk assessment of the assumptions made in rolling forward the three-year budget.
- 2.2 Council considered a report on the unaudited financial out-turn for 2002/03 at their meeting of 21<sup>st</sup> August 2003. This report approved the carry forward of £1.885m under the budget flexibility scheme. This included the recommendation that there be no carry forward of the adverse variance in respect of Environmental and Consumer Services at this time, with a review at the six month stage in light of the overall position, following the re-opening of Powderhall. The report also approved utilisation of up to £0.95m of general reserves in lieu of the insurance claims fund to meet increases insurance premiums in 2003/04.
- 2.3 Council considered a further report on the three-month monitoring position at their meeting on 21<sup>st</sup> August 2003, together with two reports from the Director of City Development on pressures in the three-year capital programme. Council approved an additional £2m for City Development and £0.25m for Social Work and Education. Should the £2m not be manageable within section 94 consent, a similar contribution is to be made from reserves to repay debt, with a contribution from current revenue to fund capital expenditure.

#### 3 Financial Performance - Revenue Budget

- 3.1 The half-year position (based on period five data) indicates a projected deficit of £0.953m. The detailed position is shown in Appendix 1. Movement from the three-month position is detailed in Appendix 2. The main variances at the six-month position are summarised below:

	<b>Adverse/ (Favourable) £m</b>
City Development	0.850
Environmental and Consumer Services	0.904
Fire Joint Board	0.238
Valuation Joint Board	(0.015)
Trading Operations	
Environmental Services - Ground Maintenance	(0.100)
Environmental Services - Other Cleaning	(0.243)
Net Cost of Benefits	(0.081)
Loan Charges	(0.600)
<b>Projected Deficit</b>	<b>0.953</b>

### 3.2 City Development (£0.850m adverse)

- (i) Planning and Building Control - the report to the Executive of the Council recommended that the projected overspend of £0.85m in 2003/04 be dealt with through budget flexibility, as the net costs of the project in earlier years should be compensated by increased income streams in later years.
- (ii) Pressures arising from IT expenditure outwith the BT contract, reduction in parking income, agency and temporary staff and external contractors, and other miscellaneous pressures are offset by savings on permanent staff and increased income from recharges to capital and other fees and charges.

### 3.3 Environmental and Consumer Services (£0.904m adverse)/Environmental Services Trading Operations (£0.343m favourable)

- (i) Expenditure pressures arising from the closure of Powderhall transfer station are projected to result in additional costs of £0.854m during 2003/04. The transfer station has now reopened. Other expenditure pressures totalling £0.050m have been identified.
- (ii) The Director of Environmental and Consumer Services has reviewed expenditure within his department, and the projections for the three trading operations. Additional contributions of £0.343m are projected from the three trading operations assuming no detrimental weather or industrial relations problems.
- (iii) The above factors account for the net overspend of £0.561m. The Director has indicated that this overspend can only be contained by terminating the contracts of all temporary staff and all permanent staff with less than one year's service thus avoiding redundancy payments. The total staffing reduction required is estimated at 50 APT & C staff and 70 manual workers and would result in service implications across the department including other cleaning, containerisation, public conveniences, environmental wardens, telephone enquiry section and environmental health.

- (iv) As noted at 2.2 above, Council, at its meeting on 21<sup>st</sup> August 2003 recommended that there be no carry forward of the balance of the adverse variance of £0.280m arising in 2002/03, subject to a review at the six-month stage in light of the overall position. Following the review, it is evident that the department will not be able to contain the carry forward overspend from 2002/03 within available resources. It is therefore recommended that this amount be met from general reserves.

#### 3.4 **Fire Joint Board (£0.238m adverse)**

- (i) The Scottish Executive has determined that distribution of pensions GAE for 2003/04 will be based on historic spend rather than predicted need. The Fire Board is continuing to make representations to Scottish Ministers and a meeting with the Justice Minister has been recently held. Although the minister was sympathetic, any resolution of this issue will require him to identify alternative resources. The projected out-turn assumes that funding will continue to be allocated on the basis of historic spend. This is estimated to cost the Council £0.556m.
- (ii) Net savings amounting to £0.208m are projected in a number of areas. These include employee and property costs that are partly offset by increased transport, supplies and services costs, and a shortfall in income from sales, fees and charges. An underspend of £0.110m against the 2002/03 requisition was carried forward.
- (iii) The projected out-turn for the Fire Joint Board excludes the estimated unbudgeted costs of £0.750m relating to the pay settlement, whereby an average increase of 7% is payable from November 2003. The Council's share of this cost is £0.429m. A bid for transitional funding is to be made to the Scottish Executive.

#### 3.5 **Loan Charges (£0.600m favourable)**

The favourable variance in loan charges has arisen from a projected reduction in the pool rate for interest, together with lower than anticipated expenditure, as a result of the deferment of projects to 2004/05.

#### 3.6 **Other Pressures**

Further expenditure pressures, which may impact in the current year, are identified below:

- (i) **Corporate Services** - The Department is showing a budget pressure of around £0.063m at period five. Almost 40% of this relates to a projected overspend in the Children's Panel, amounting to £0.025m. The department is taking continuous action to control recruitment and at the same time, ensure stringent controls on discretionary expenditure are exercised in order to bring expenditure in line with budget

- (ii) **Education** - Expenditure pressures are evident on home to school transport (£0.178m) and independent school fees for existing special needs placements (£0.600m). Work is on going to examine ways of containing these pressures. On Educational grounds the Education Department has refused a significant number of additional parental placement requests for independent special schools and is currently defending four separate actions in the Sheriff Court. An adverse decision will require the Council to fully fund the costs of the additional parental placement requests for special needs pupils. Work is also ongoing to quantify the impact of job sizing (McCrone) in the current year.
- (iii) **Social Work (including Blindcraft)** - There are significant pressures amounting to an overspend of £1.1m on fostering due to the success of the fostering recruitment campaign. This is partly being funded through the use of one off underspends from the carry forward from 2002/03. There will be additional pressures associated with costs arising from implementing the recommendations of the Caleb Ness inquiry. At this stage, these have not been quantified.
- (iv) **Culture and Leisure** - A number of expenditure pressures have been identified including the operation of the Usher Hall, ground maintenance costs at cemeteries and the failure to meet income targets in the Museum and Arts and Libraries Divisions. The Director of Culture and Leisure is currently seeking to contain these pressures within budgetary provision.
- (v) **Supporting People** - The costs across Scotland for Supporting People have exceeded the original estimates. As a result, the 5% which requires to be funded by local authorities has also risen. The Scottish Executive is reviewing the funding gap to see how this can be met. There is, however, no guarantee that any additional funding will be made available to local authorities. There are a number of issues on the funding of Supporting People which will be considered in a future report.
- (vi) **Edinburgh Building Services** - EBS did not achieve its budgeted contribution in 2002/03. A report to the Executive in June 2003 included actions to revise contract prices, which were set in 1999, and this will be reported on to the Executive again in the autumn. There are ongoing IT difficulties with the billing of EBS invoices and this means that it is difficult to accurately project the outturn position. In these circumstances a prudent approach has been taken to incurring commitments on Housing repairs.
- (vii) **Housing Non HRA** - There was a deficit on this account in 2002/03, mainly due to an under-recovery of fees on Building Design Services. A report is being prepared for Council Management Team in November to highlight the recurring deficit position this year of around £0.5m and explore the options available to bring the account back into balance.
- (viii) **Dynamic Earth** - Members will recall that the Council has signed an overdraft guarantee, to a value of £0.400m. Council will be liable for a sum up to this amount should the guarantee be called in.

- 3.7 During the 2003-2006 budget process, the Director of Corporate Services advised all Service Directors that, efficiency savings would require to be made within fleet services, the budget for which is maintained centrally by Corporate Services. As a result, Service Directors were asked to identify alterations to be made to their fleet quota that would enable these savings to be made. The table below summarises the savings to be made. Service Directors are asked to advise the Director of Corporate Services of the relevant reductions in their fleet requirements or to agree a virement to Corporate Services equivalent to the sum in the table below.

<b>Department</b>	<b>£</b>
City Development	13,327
Corporate Services	766
Culture and Leisure	7,738
Education	5,914
Environmental Services	20,256
Housing	131
Social Work (including Blindcraft)	15,868
<b>Total</b>	<b>64,000</b>

### 3.8 **Cities Review / Additional Funding**

Departmental budgets will be adjusted to take account of the additional resources made available through the Cities Growth Fund (revised profile for 2003/04 £3.382m) and other sources. These additional resources will be included in the revenue and capital monitoring reports as well as a range of output measures which clearly demonstrate the Council's delivery of key objectives. Lead officers for each project have been identified and core monitoring information required to meet both Council and Scottish Executive requirements has been agreed. Detailed monitoring will be included in the nine-month report.

### 3.9 **Service Improvements**

Members will recall that £1.141m was included in the approved budget for Service Improvements. Details of the expenditure to date are included in Appendix 3.

### 3.10 **Spend to Save Projects**

Details of the progress on projects approved for funding through Spend to Save funds are shown in Appendix 4.

### 3.11 **Housing Revenue Account**

The Housing Revenue Account is projecting a balanced position. There are, however, a number of pressures, including decreased rent due to higher levels of right to buy sales, pension strain costs, loss of rental income on empty properties and other under-recovered income. These pressures will be contained through savings in other areas, including loan charges and increased Housing Support Grant Income.

### 3.12 **Financial Performance - Capital Budget**

The projected gross out-turn, as detailed in Appendix 5, is £84.470m, while projected income from consents and receipts is £74.739m, resulting in an overspend of £9.731m. Appendix 6 shows the movement from the three-month position.



- 3.13 Section 94 rules remain in place for 2003/04, and therefore the council is permitted to have a maximum overspend of 10% of consent (adjusted for the impact of consent swaps brought forward), equivalent to £4.419m. The current overspend exceeds this amount by £5.312m. The change, which has arisen in period 5, is due to uncertainties over the timing of three capital receipts, totalling £5.263m. These receipts are not certain to be realised in the current financial year, and this is reflected in the current projections. A number of factors affect the realisation of the receipts, including the requirement for planning applications to be determined, and terms and conditions to be purified. It is therefore prudent at this point in time, to advise the Executive of the position, and explore the alternatives, including consent swaps.
- 3.14 Service Directors are advised at this stage, that it may be necessary to defer further projects into 2004/05, however, the Director of City Development has advised that a number of key deadlines in relation to these receipts will shortly be reached, and that a further update will be provided for inclusion in the next monitoring report.
- 3.15 Service Directors are required to ensure that slippage identified to date continues to be deferred until next financial year.
- 3.16 Members will recall that the three-month report included details of projects that will be deferred until 2004/05. Appendix 5 shows the virements to the current year's budget, which require to be processed to manage capital expenditure within available resources. This virement has been processed in October.
- 3.17 In considering the last monitoring report the Council adopted a motion instructing the Director of Finance to report as a matter of urgency on the reasons for deferment of key capital receipts and what might be done to minimise the chances of such deferment in the future.
- 3.18 As Members will be aware capital receipt generation involves a complex process of managing risks, many of which are external e.g. market fluctuation in price, the need in most cases to obtain Planning permission for what is proposed, the purchasers funding arrangements, side agreements with adjoining proprietors etc. The problem of "lumpiness" in the receipts programme i.e. undue dependence on a small number of larger receipts has been raised before and is a product of the Council's shrinking land supply. For the same reason the complexity of risk in receipt generation is likely to increase with time.
- 3.19 Two examples were quoted in the Motion - Lochend Butterfly and Dewar Place/Torphichen Street. In the former case the first eight months after receipt of offers were taken up with a legal challenge which when heard was summarily dismissed by the Court of Session. Delay subsequently occurred pending alteration to the Local Plan. Side agreements are also required in respect of bridge access and drainage arrangements. While a detailed Planning application was submitted in June 2003 and consent is expected shortly, it remains prudent to assume a carry forward of the receipt until next financial year rather than risk a major shortfall at a late stage in the current year. The case of Dewar Place/Torphichen Street is similarly complicated by a third party interest which intrudes into the site. The offer approved in early 2002 has not yet been purified because after a complex Planning process consent was granted for a lesser area than the developers had anticipated. During this time the office market in general deteriorated and the pre-let on which their offer had been predicated fell away. Nevertheless there is now a live Planning consent and a future receipt can be expected when markets improve.

- 3.20 The Director of City Development in conjunction with the Director of Finance does everything possible to manage these risks effectively. The substitution of receipts (i.e. bringing forward fresh receipts in place of those which slipped) along with the measures outlined above are essential ingredients in this risk management strategy. From next year the annuality issues which arise from the Section 94 consent arrangements will no longer apply and the actual timing of Capital Receipts will, therefore, become less critical.
- 3.21 The Housing Revenue Account Capital Programme is projecting a balanced position, as shown in Appendix 7.

## **4 Conclusion**

- 4.1 A number of actual and potential revenue expenditure pressures have been identified since the budget was set in February 2003.
- 4.2 Delays in realisation of key capital receipts have resulted in a significant projected shortfall in available capital resources to fund this year's capital expenditure programme. While Service Directors have identified projects that can be deferred until 2004/05, there remains a significant pressure on the capital account, for which various options are currently being explored.

## **5 Recommendations**

The Executive of the Council is requested to:

- i) note the projected deficit on the General Fund of £0.953m;
- ii) determine if the savings proposal brought forward by the Director of Environmental and Consumer Services is to be accepted in the current year. Should the proposals not be acceptable, members should note the probability of an overspend in 2003/04 to be met next year through budget flexibility arrangements;
- iii) refer this report to Council to approve that the balance of the Environmental and Consumer Services overspend of £0.280m, carried forward from 2002/03 under the budget flexibility scheme be met from reserves;
- iv) instruct all Service Directors to continue to exercise control over expenditure and bring expenditure into line with budget;
- v) instruct Service Directors to identify appropriate reductions in their fleet requirements or to agree a virement to Corporate Services, as detailed in 3.7 above;
- vi) note the progress on service developments, as shown in Appendix 3;

- vii) note the progress on projects funded through spend to save, as shown in Appendix 4;
- viii) note the balanced position on the HRA revenue budget;
- ix) note the projected shortfall of £9.731m in capital resources and that options for meeting the projected shortfall are being explored;
- x) instruct directors to ensure that any slippage identified is maintained until the end of the financial year;
- xi) note the virement for projects deferred until 2004/05 has been processed in October;
- xii) discharge the outstanding motion calling for a report on the deferment of key capital receipts;
- xiii) note the projected position on the HRA capital budget.



**D. McGougan,  
Director of Finance.**

*24th October 2003*

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<b>Appendices</b>	7
<b>Contact/Tel:</b>	Alison Henry: 0131-469 3172
<b>Wards affected</b>	All
<b>Background papers</b>	Departmental monitoring statements

## THE CITY OF EDINBURGH COUNCIL

## REVENUE MONITORING 2003/04

## PERIOD 5

## SERVICE ANALYSIS

Account	Approved 2003/04 Budget £'000	Virements £'000	Revised 2003/04 Budget £'000	2002/03 Budget Flexibility £'000	Total Budget £'000	Budget to Date £'000	Actual to Date £'000	Variance to Date		Projected Outturn £'000	Projected Variance	
								£'000	%		£'000	%
City Development	34,585	79	34,664	(221)	34,443	13,961	13,203	(758)	-5.4%	35,293	850	2.5%
Corporate Services	16,831	2,785	19,616	(5)	19,611	10,720	10,782	62	0.6%	19,611	0	0.0%
Culture and Leisure	28,296	122	28,418	(62)	28,356	12,623	11,669	(954)	-7.5%	28,356	0	0.0%
Education	234,413	(574)	233,839	287	234,126	90,646	86,285	(4,361)	-4.8%	234,126	0	0.0%
Environmental & Consumer Services	37,134	67	37,201	0	37,201	16,509	17,491	982	5.9%	38,105	904	2.4%
Finance	19,017	(126)	18,891	302	19,193	12,473	10,033	(2,440)	-19.6%	19,193	0	0.0%
Housing - Non HRA	8,645	318	8,963	(407)	8,556	4,112	2,516	(1,596)	-38.8%	8,556	0	0.0%
Joint Board Requisitions -												
Police	47,851	0	47,851	0	47,851	19,938	19,938	0	0.0%	47,851	0	0.0%
Fire	22,719	0	22,719	0	22,719	7,652	7,470	(182)	-2.4%	22,957	238	1.0%
Valuation	3,450	0	3,450	(6)	3,444	1,234	1,207	(27)	-2.2%	3,429	(15)	-0.4%
Social Work	161,323	(866)	160,457	2,185	162,642	64,954	65,108	154	0.2%	162,642	0	0.0%
Social Inclusion Partnership Fund	1,736	0	1,736	n/a	1,736	1,946	3,297	1,351	69.4%	1,736	0	0.0%
<b>General Fund Services Subtotal</b>	<b>616,000</b>	<b>1,805</b>	<b>617,805</b>	<b>2,073</b>	<b>619,878</b>	<b>256,768</b>	<b>248,999</b>	<b>(7,769)</b>	<b>-3.0%</b>	<b>621,855</b>	<b>1,977</b>	<b>0.3%</b>
<b>Trading Operations</b>												
City Devt - Edinburgh Road Services	(249)	(55)	(304)	n/a	(304)	92	(8)	(100)	-108.7%	(304)	0	0.0%
Corp Servs - Direct Cleaning	(123)	0	(123)	n/a	(123)	(18)	(26)	(8)	44.4%	(123)	0	0.0%
Corp Servs - Fleet Maintenance	(43)	0	(43)	n/a	(43)	5	9	4	80.0%	(43)	0	0.0%
Corp Servs - Other Catering	(8)	0	(8)	n/a	(8)	(4)	11	15	-375.0%	(8)	0	0.0%
Corp Servs - School/Welfare Catering	(134)	8	(126)	n/a	(126)	248	361	113	45.6%	(126)	0	0.0%
Env Servs - Ground Maintenance	(38)	0	(38)	n/a	(38)	(343)	(358)	(15)	4.4%	(138)	(100)	263.2%
Env Servs - Other Cleaning	(293)	18	(275)	n/a	(275)	(600)	(837)	(237)	39.5%	(518)	(243)	88.4%
Env Servs - Refuse Collection	(32)	27	(5)	n/a	(5)	(76)	(109)	(33)	43.4%	(5)	0	0.0%
Housing - Edinburgh Building Services	(201)	(80)	(281)	n/a	(281)	(67)	(67)	0	0.0%	(281)	0	0.0%
<b>Total Trading Operations</b>	<b>(1,121)</b>	<b>(82)</b>	<b>(1,203)</b>	<b>0</b>	<b>(1,203)</b>	<b>(763)</b>	<b>(1,024)</b>	<b>(261)</b>	<b>34.2%</b>	<b>(1,546)</b>	<b>(343)</b>	<b>28.5%</b>
Grants to Voluntary Organisations	260	(260)	0	n/a	0	0	0	0		0	0	N/A
Net Cost of Benefits	7,973	(245)	7,728	n/a	7,728	2,655	12,517	9,862	371.5%	7,647	(81)	-1.0%
Loans Charges	78,842	82	78,924	n/a	78,924	0	0	0		78,324	(600)	-0.8%
Dividend Income	(2,215)	0	(2,215)	n/a	(2,215)	0	0	0		(2,215)	0	N/A
Prior Years Tax Collection	(950)	0	(950)	n/a	(950)	0	0	0		(950)	0	0.0%
Prior Year and Other Adjustments	0	0	0	n/a	0	0	0	0		0	0	N/A
Contribution from Earmarked Reserves	(950)	950	0	(2,073)	(2,073)	0	0	0		(2,073)	0	N/A
Contribution from Balances	(254)	(950)	(1,204)	n/a	(1,204)	0	0	0		(1,204)	0	0.0%
<b>Total General Fund</b>	<b>697,585</b>	<b>1,300</b>	<b>698,885</b>	<b>0</b>	<b>698,885</b>	<b>258,660</b>	<b>260,492</b>	<b>1,832</b>	<b>0.7%</b>	<b>699,838</b>	<b>953</b>	<b>0.1%</b>
Funded by -												
Revenue Support Grant	(349,226)	(1,300)	(350,526)	n/a	(350,526)	(48,030)	(48,030)	0		(350,526)	0	0.0%
Non Domestic Rates	(159,990)	0	(159,990)	n/a	(159,990)	0	0	0		(159,990)	0	0.0%
Council Tax	(188,369)	0	(188,369)	n/a	(188,369)	0	0	0		(188,369)	0	0.0%
<b>Deficit / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>210,630</b>	<b>212,462</b>	<b>1,832</b>	<b>0.9%</b>	<b>953</b>	<b>953</b>	<b>N/A</b>

Housing - HRA	0	0	0	0	0	(14,406)	(12,655)	1,751	N/A	0	0	N/A
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## THE CITY OF EDINBURGH COUNCIL

## REVENUE MONITORING 2003/04

## PERIOD 5

## MOVEMENT FROM PERIOD 3

Account	Projected Variance		
	Period 3 £'000	Period 5 £'000	Movement £'000
City Development	1,116	850	(266)
Corporate Services	0	0	0
Culture and Leisure	0	0	0
Education	0	0	0
Environmental & Consumer Services	1,147	904	(243)
Finance	0	0	0
Housing - Non HRA	0	0	0
Joint Board Requisitions -			
Police	0	0	0
Fire	231	238	7
Valuation	0	(15)	(15)
Social Work	(236)	0	236
Social Inclusion Partnership Fund	0	0	0
<b>General Fund Services Subtotal</b>	<b>2,258</b>	<b>1,977</b>	<b>(281)</b>
<b>Trading Operations</b>			
City Devt - Edinburgh Road Services	0	0	0
Corp Servs - Direct Cleaning	0	0	0
Corp Servs - Fleet Maintenance	0	0	0
Corp Servs - Other Catering	0	0	0
Corp Servs - School/Welfare Catering	79	0	(79)
Env Servs - Ground Maintenance	0	(100)	(100)
Env Servs - Other Cleaning	0	(243)	(243)
Env Servs - Refuse Collection	0	0	0
Housing - Edinburgh Building Services	0	0	0
<b>Total Trading Operations</b>	<b>79</b>	<b>(343)</b>	<b>(422)</b>
Grants to Voluntary Organisations	0	0	0
Net Cost of Benefits	(269)	(81)	188
Loans Charges	0	(600)	(600)
Dividend Income	0	0	0
Prior Years Tax Collection	0	0	0
Prior Year and Other Adjustments	0	0	0
Contribution from Earmarked Reserves	0	0	0
Contribution from Balances	0	0	0
<b>Total General Fund</b>	<b>2,068</b>	<b>953</b>	<b>(1,115)</b>
Funded by -			
Revenue Support Grant	0	0	0
Non Domestic Rates	0	0	0
Council Tax	0	0	0
<b>Deficit / (Surplus)</b>	<b>2,068</b>	<b>953</b>	<b>(1,115)</b>

<b>Housing - HRA</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**CITY of EDINBURGH COUNCIL**  
**REVENUE MONITORING 2003/2004**

**SERVICE IMPROVEMENTS**

	£'000s	Implementation Proposals	Timetable	Impact
<b>City Development</b>				
Enforcement Officers, Case Officers to support Structure and Local Plan and biodiversity officer	65	Recruitment of Biodiversity officer and planning case officers under way; Planning Policy post filled.		Enforcement Officers - to proactively monitor key conditions on planning consents. Planning Case Officer - to focus on major planning applications, actively managing their progress to determination. Biodiversity Officer - to ensure biodiversity initiatives will continue after current level of external funding ceases. Planning Policy Post - to contribute to monitoring and implementation of statutory planning policy.
<b>Corporate Services</b>				
Improving Customer Services / ICT Development	120	Recruit 3xClient Officer, 1xProgramme Support+Admin and 2x Communication Officer to support enhanced ICT Programme Management	2xClient Officer in post (1 left vacant in 2004/5), Programme Support Officer starts August, Comms Recruitment in process	Only part funding for enhanced team provided in 2003/4. Other funding to come from BT settlement.
Local Development Committees	120	LDCs to distribute grants to community groups to support initiatives for Children And Young People.	This is determined by demand and the LDC committee cycle. Nevertheless all funds are expected to be distributed by end of 2003-2004 LDC committee cycle.	Manifesto commitments achieved through the funding of relevant community projects.
CCTV	80	Secure transmission and maintenance arrangements for CCTV schemes with minor support costs.	On-going, but to be completed by 31st March 2004.	Allows for CCTV element of community safety remit to be delivered.
<b>Culture and Leisure</b>				
Libraries - Weekend Opening	140	Six community libraries will open from 1 - 5 p.m. on Saturday afternoons and from 12 - 4 p.m. on Sunday afternoons. Locations to be determined.		Enhanced service to the public. Increased issues and use of facilities.
Libraries - Book Stock	100	Funding will be used for fiction collections in weekend opening libraries and additional children's stock.		Increased issues and reader satisfaction.
Festival Cavalcade	30	Grant awarded 2003/04.		Maintained Council-wide funding at 2002/03 level.
<b>Environmental and Consumer Services</b>				
City Centre Public Conveniences - Attendants	112	Provision of permanent toilet attendants.	Commenced May 2003	Improved service in three city centre conveniences.
Cemeteries - Health and Safety	64	Inspectors now employed	Work progressing	Improvement in safety within cemeteries for public.
Food Safety Officers	50	Two food safety officers being appointed	Interviews have taken place. Vacancies to be filled within the next month.	Increase in number of inspections, thus improving present service.
<b>Council Wide ( Distribution to be agreed)</b>				
Voluntary Grants	260	Monies were distributed to departments as per the report Grant Aid to Third Parties 2003/04: Three Year Agreements, Annual and Other Project Grants, to the Executive of the Council on 11th March 2003.	Distribution as per report.	Increased contribution to the voluntary sector.
<b>TOTAL</b>	<b>1,141</b>			

Department / Project	Approval Date	PROJECT COSTS			SAVINGS			Actual Savings in Departmental Budgets £'000	Actual Savings to replenish S. to S. Fund £'000	Notes
		Approved Project Cost £'000	Cumulative Spend to 31-Mar-03 £'000	Spent 2003-04 £'000	Expend. yet to be incurred £'000	Revised Final / Estimated Cost £'000	Approved Estimated Savings £'000			
<b>Completed Projects</b>										
<b>Social Work</b>										
- Wellington School Investment	Fin Ctee - 28/3/00 & 25/4/00	290	263			263		133		
- Benefits Maximisation	Finance Committee - 28/3/00	114	82			82		100		
- Shopping Service	Finance Committee - 28/3/00	80	80			80		100		
- Balerno / Minto Street	Finance Committee - 28/3/00	450	270			270				
<b>Corporate Services</b>										
- D/O/SDO Reconfiguration	Finance Committee - 25/4/00	20	0			0				
- Waste Management Strategy	Finance Committee - 25/4/00	80	40			40				
- Best Value Reviews	Finance Committee - 25/4/00	60	0			0				
- Open Space Task Force Implementation	Finance Committee - 25/4/00	20	6			6				
<b>Current Projects</b>										
<b>Social Work</b>										
- City for all Ages	Finance Committee - 23/5/00	200	202			202	40	0	0	Savings not achievable until strategy is implemented fully.
<b>Corporate Services</b>										
- Water Conservation	Council 13/02/03	275	0		275	275	275			
- Fit Water Meters	Council 13/02/03	50	0		50	50				
- Setting up of Contact Centre	Council 13/02/03	300	0		300	300				
<b>City Development</b>										
- New Transport Initiative	Finance Committee - 23/5/00	690	546	39	105	690	690	0	0	Funds to be replenished from congestion charging income in 2003/04. However, if not adopted, fund would be replenished by increasing parking charges
- Decorations - Infrastructure	Council 13/02/03	147	0		147	147	147			
<b>Total</b>		2,776	1,489	39	877	2,405	1,152	393	0	

## THE CITY OF EDINBURGH COUNCIL

## CAPITAL MONITORING 2003/04

## PERIOD 5

## NON HRA

Account	Revised Budget £'000	Actual to Date £'000	Projected Outturn £'000	Projected Variance		Transfer to 2004/05
				£'000	%	
City Development	46,219	8,425	37,815	-8,404	-18%	-6,320
Corporate Services	2,989	2,419	2,558	-431	-14%	-441
Culture and Leisure	6,575	1,017	5,295	-1,280	-19%	-1,279
Education	20,533	5,828	17,552	-2,981	-15%	-2,917
Environmental/Consumer Servs	2,893	377	1,771	-1,122	-39%	-1,306
Finance	0	0	135	135	n/a	0
Housing - Non HRA	942	585	942	0	0%	0
Housing - Private Sector Grants	5,387	1,445	5,387	0	0%	0
Social Work	5,017	1,254	5,246	229	5%	-496
Capital Investment Fund	68	50	50	-18	-26%	0
Corporate Projects	329	31	211	-118	-36%	0
Development Fund	89	0	89	0	0%	0
Gilmerton Limestone	444	6	53	-391	-88%	-401
Flood Prevention	6,188	0	6,188	0	0%	0
Scottish Executive (F.E.T.A.)	8	204	8	0	0%	0
Cities Review	1,170	0	1,170	0	0%	0
<b>TOTAL</b>	<b>98,851</b>	<b>21,641</b>	<b>84,470</b>	<b>-14,381</b>	<b>-15%</b>	<b>-13,160</b>

<b>Section 94 Consent</b>						
Basic Consent	-27,492	-27,492	-27,492	0	0%	0
Challenge Fund Consent	-691	-691	-691	0	0%	0
Public Transport Fund Consent	-13,137	-13,137	-13,137	0	0%	0
Cities Review	-1,170	-1,170	-1,170	0	0%	0
Capital Receipts:						
Asset Sales - General Services	-40,408	-7,496	-13,228	27,180	-67%	13,160
Common Repairs Trust	-3,000	0	-3,500	-500	17%	0
Flood Prevention	-6,188	0	-6,188	0	0%	0
Other Receipts & Adjustments	-5,966	-2,707	-6,047	-81	N/A	0
CFCR - General Services	-3,286	-811	-3,286	0	0%	0
<b>SUB TOTAL</b>	<b>-101,338</b>	<b>-53,504</b>	<b>-74,739</b>	<b>26,599</b>	<b>-26%</b>	<b>13,160</b>
Balance Surplus/(Shortfall)	2,487	31,863	-9,731	-12,218	65%	0
<b>TOTAL</b>	<b>-98,851</b>	<b>-21,641</b>	<b>-84,470</b>	<b>14,381</b>	<b>-15%</b>	<b>13,160</b>



THE CITY OF EDINBURGH COUNCILCAPITAL MONITORING 2003/04MOVEMENT FROM PERIOD 3NON HRA

Account	Projected Variance		
	Period 3 £'000	Period 5 £'000	Movement £'000
City Development	(8,320)	(8,404)	(84)
Corporate Services	(160)	(431)	(271)
Culture and Leisure	(1,279)	(1,280)	(1)
Education	(3,167)	(2,981)	186
Environmental/Consumer Servs	(1,306)	(1,122)	184
Finance	0	135	135
Housing - Non HRA	(1)	0	1
Housing - Private Sector Grants	0	0	0
Social Work	(109)	229	338
Capital Investment Fund	0	(18)	(18)
Corporate Projects	0	(118)	(118)
Development Fund	0	0	0
Gilmerton Limestone	(401)	(391)	10
Flood Prevention	0	0	0
Scottish Executive (F.E.T.A.)	0	0	0
<b>TOTAL</b>	<b>(14,743)</b>	<b>(14,381)</b>	<b>362</b>

Section 94 Consent			
Basic Consent	0	0	0
Challenge Fund Consent	0	0	0
Public Transport Fund Consent	0	0	0
Capital Receipts:			
Asset Sales - General Services	21,811	27,180	5,369
Common Repairs Trust	0	(500)	(500)
Flood Prevention	0	0	0
Other Receipts & Adjustments	(1)	(81)	(80)
CFCR - General Services	0	0	0
<b>SUB TOTAL</b>	<b>21,810</b>	<b>26,599</b>	<b>4,789</b>
Balance Surplus/(Shortfall)	(7,067)	(12,218)	(5,151)
<b>TOTAL</b>	<b>14,743</b>	<b>14,381</b>	<b>(362)</b>

## THE CITY OF EDINBURGH COUNCIL

## CAPITAL MONITORING 2003/04

## PERIOD 5

## HOUSING REVENUE ACCOUNT

	Revised Budget £'000	Actual to Date £'000	Projected Outturn £'000	Projected Variance	
				£'000	%
Gross Expenditure	25,962	5,792	26,664	702	2.7%
Less : Allowance for Overprogramming	(1,250)	0	0	1,250	-100.0%
Current Revised Programme	24,712	5,792	26,664	1,952	7.9%

Section 94 Consent					
Basic Consent	(16,916)	(16,916)	(16,916)	0	0.0%
Capital Receipts:					
Income	(12,292)	(6,713)	(13,988)	(1,696)	13.8%
Set Aside Receipts	7,779	4,810	9,151	1,372	N/A
Usable Receipts b/f	(248)	(1,450)	(1,450)	(1,202)	484.7%
Contribution from Revenue	(3,035)	(3,035)	(3,035)	0	0.0%
Usable Receipts c/f	0	17,512	(426)	(426)	N/A
TOTAL	(24,712)	(5,792)	(26,664)	(1,952)	7.9%

**Agenda item: Executive of 4 November 2003**

**Report title: Revenue and Capital Monitoring – 2003-2004  
Half Year Position**

In accordance with the Council's constitutional arrangements, the contents of this report have been noted by the appropriate Executive Member.

Without prejudice to the integrity of the report, and the recommendations contained within it, the Executive Member expresses his/her own views as follows:

I strongly recommend that the Council Executive not accept the advice of the Director and Environmental Services contained in paragraph 3.3 (iii). We do not accept that the overspend can only be contained through job losses and service reduction in areas which are key political priorities for this administration and in which we have increased investment significantly in successive Budgets.

Consequently, I will move that the Council Executive accepts the recommendations in the report from the Director of Finance and, in response to recommendation 5(ii):

1. Instructs the Director of Environmental and Consumer Services to ensure that front line services are maintained but seeks efficiencies where possible to minimise the overspend in the current financial year.
2. Approves that any overspend not contained within available resources in the current financial year be included in the department's year-end carry forward under budget flexibility rules.

Signed: *Maureen M. Child* Date: *28 Oct 2003*

**For information** – Paragraph 8.2 of the Council's Constitutional Arrangements states:

"Officers will continue to prepare reports, with professional advice and recommendations, on matters requiring decisions by the Executive:

- a report seeking decisions on matters of corporate strategy, corporate policy and corporate projects will be submitted direct to the Executive
- a report seeking decisions on matters relating to the special responsibilities allocated to an individual member of the Executive will be submitted, in the first instance, to that member. The member will add his or her own recommendation to it before submission to the Executive. Where the Executive member disagrees with the advice and the recommendation of the officers, the Executive member will also state his or her reasons."

**From** - "Capital City Government – The New Arrangements" (Appendix 2 – Constitutional Arrangements) – agreed at Full Council 18 May 2000.