

ANGUS COUNCIL

CONTRACT SERVICES COMMITTEE - 20 AUGUST 2002

FINANCIAL PERFORMANCE 2001/2002

JOINT REPORT BY CONTRACT SERVICES MANAGER AND DIRECTOR OF FINANCE

ABSTRACT

This report informs Members of the unaudited financial performance by Contract Services in financial year 2001/2002.

1. RECOMMENDATION

It is recommended that Members note the contents of the report.

2. BACKGROUND

In their publication "Understanding our Business" the Scottish Executive recommends that Members are kept fully informed on the financial performance of all DSOs. Angus Council has already agreed that this information be provided on a quarterly basis as well as an annual summary. This report therefore complies with this recommendation.

3. FINANCIAL PERFORMANCE 2001/2002

Angus Council's accounts for 2001/2002 have now been submitted for audit. Contained therein is the overall performance of Contract Services, as shown below. A contribution of £356,000 was returned to the General Fund. This equates to an additional surplus of £78,000 compared to the revised budgeted target of £278,000. This surplus will be carried forward to 2002/2003 for the purchase of additional equipment etc in accordance with the Financial Regulations.

The detailed performance figures are:-

	Defined Activities						Non Defined /Non CCT Activities 2001/02 £'000	TOTAL 2001/02 £'000
	Vehicle Maint. 2001/02 £'000	Refuse Coll. 2001/02 £'000	Street Cleans. 2001/02 £'000	Building Clean. 2001/02 £'000	Ground Maint. 2001/02 £'000	Leisure Mgmt. 2001/02 £'000		
Total Expenditure	637	1,444	828	350	1,938	2,015	3,419	10,631
Total Turnover	639	1,745	846	419	2,033	2,064	3,442	11,188
Operating (Surplus) Achieved 2001/02	(2)	(301)	(18)	(69)	(95)	(49)	(23)	(557)
R & R Equipment		2	1		39	2	19	63
Capital Charges		22	12		44		18	96
Leisure Management Equipment						42		42
Adjusted (Surplus) / Deficit Returned to Council	(2)	(277)	(5)	(69)	(12)	(5)	14	(356)

There are several adjustments that are required to be made to the operating surplus of £557,000 to comply with the Accounting Code of Practice.

Under Capital Accounting arrangements users of assets are charged for the use of those assets no matter how financed. The charge for the year in respect of assets used by Contract Services was £96,000 as shown above. It should be noted that this charge is reflected in the revised budget target figure of £278,000.

In addition expenditure funded by the Repairs and Renewals fund has to be charged to the Service department during the year-end accounting procedures. The amount for Contract Services for the year was £63,000 as shown above, and similarly is also reflected in the revised budget target figure.

Points of particular interest during the year were:-

- Ground Maintenance won a considerable amount of additional work in direct competition with the private sector. Much of this was incorporated within the existing work patterns with little additional expenditure.
- Cleansing Services carried out additional work mainly related to the DERL shutdowns.
- In Leisure Management the departmental-led Hot Cards promotion turned round a predicted shortfall in income to ensure achievement of the financial objective.
- Contract Services during the year purchased £42,000 worth of fitness equipment in view of an outturn surplus greater than budget.
- Savings were also achieved within the Headquarters budget headings.

It is therefore considered that the 2001/2002 performance has been very satisfactory resulting in a welcome contribution to Angus Council's overall financial position.

4. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

5. HUMAN RIGHTS IMPLICATIONS

There are no Human Rights implications arising from this report.

6. CONSULTATION

The Chief Executive and the Director of Law & Administration have been consulted on the contents of this report.

M P Graham
Contract Services Manager
16 July 2002

D S Sawers
Director of Finance

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 this report.