

ANGUS COUNCIL

**FINANCE & INFORMATION TECHNOLOGY COMMITTEE – 11 March, 2003
POLICY & RESOURCES COMMITTEE – 18 March, 2003**

REVENUE MONITORING STATEMENT

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises members of the actual revenue expenditure incurred and income received in respect of the Council's departments for the period 1 April 2002 to 31 January, 2003.

1. RECOMMENDATION

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

2. BACKGROUND

At the Special meeting of Angus Council on 14 February, 2002 the Council approved the revenue budget estimates for the 2002/2003 financial year. Details of the individual departmental revenue budgets are contained in the Final Revenue And Capital Budgets Volume 2002/2003 issued to members in April, 2002.

3. INTRODUCTION

This report sets out the actual revenue expenditure incurred and income received for the period 1 April 2002 to 31 January, 2003 for each Angus Council department as well as the Police, Fire and Valuation Joint Boards.

4. FORMAT OF REPORT

4.1 General

The report is broken down into eight separate sections covering the Council's General Fund departments and the Housing Revenue Account. Sections A to G cover the Council's General Fund departments, that is those funded by the Council taxpayer whilst Section H appraises members of the position in relation to the Housing Revenue Account, that is, those services funded by Council house rentpayers.

4.2 General Fund Departments

Section A is a comparison of overall net expenditure by department, Sections B to F cover the main types of expenditure which these departments incur and Section G relates to income from fees and charges.

In each section a comparison of actual compared with a profiled budget is provided. The profiled budget for a given period is intended to reflect the timing of when expenditure is expected to be incurred or income received. The more predictable nature of staff costs payments allows the annual budget to be more readily profiled taking into account seasonal staffing variations and other factors. Despite the less predictable nature of other types of expenditure and income the annual budgets for these have also been profiled. These profiles have been based on income and expenditure patterns experienced in the first six years of Angus Council, adjusted for any deviations expected in the current year.

The expected surpluses from Angus/Tayside Contracts are shown in Section A for information.

5. COMMENTARY ON INFORMATION SHOWN IN STATEMENT

Members may recall Report 525/01 to the Finance and Information Technology Committee of 1 May 2001 which set out proposals for virement flexibility between financial years. This virement flexibility permits each General Fund department to carry forward 50% of any underspend in one year to the following financial year, subject to a maximum ceiling. The Departmental budgets shown in the attached Statement have been amended for sums available under the 50% carry forward scheme as set out in Report 1049/02 although it should be noted that the carry forward in respect of Contract Services (£78k) has been allocated to Recreation Services for application as a contract variation to Contract Services. It should also be noted that the Education carry forward has been revised to £100k from £84k.

It should also be noted the figures in the attached statement include the additional monies received from the Scottish Executive for Quality of Life projects. This was detailed in committee report 861/02. A separate report is attached as Appendix A to show the position of these monies on a departmental basis.

The main issues arising from the attached statement are as follows:-

5.1 Housing Revenue Account

Section H of the report sets out the actual expenditure incurred for the year to date on the Housing Revenue Account and compares this with the profiled budget for the same period.

The budget figures shown detail the movements from the original budget to the latest budget as reported to the Housing Committee rent-fixing meeting. However there have been some developments since then.

In the estimates report there was reference to having to review the position on Unplanned Maintenance following the main Unplanned Maintenance contract ending prematurely towards the tail end of 2002. The review is largely complete and is showing that extra budget provision of some £293k is likely to be required in the current financial year.

The Capital Programme report before the Committee is showing that the likely spend on capital will be some £144k less than the resources available. Property Services keep progress under constant review and have now concluded that it will not be possible to close this gap. Furthermore, capital receipts available for financing the programme are now estimated at some £122k more than the report. The upshot of this is that the requirement for CFCR is likely to be some £266k less than anticipated.

It is proposed to vire the excess CFCR provision to Unplanned Maintenance with any remaining requirement being a call on the working balance.

5.2 Leisure Services

The virement amount of £539k includes the £200k additional monies awarded for upgrading Leisure Management facilities.

6. HUMAN RIGHTS IMPLICATIONS

There are no Human Rights implications arising from this Report.

7. CONSULTATION

The Chief Executive and Director of Law and Administration have been consulted in the preparation of this report.

8. CONCLUSION

It will be further noted from the information set out in Sections B to F of this report that under some of the cost heads, individual departmental actual expenditure is currently ahead of the phased budget. Whilst there are no particular concerns arising from these areas, the position will continue to be monitored closely to ensure that overall net expenditure does not exceed departmental cash limited budgets. A further revenue monitoring report covering the period 1 April 2002 to 28 February, 2003 will be submitted to the Committee in due course.

DAVID S. SAWERS
DIRECTOR OF FINANCE

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 this report.

DSS/JC/NS
March , 2003.