

REVENUE BUDGET OUTTURN 1998/99

Report By The Director of Finance

ABSTRACT

The purpose of this report is to give members an update on the Council's revenue monitoring arrangements for the purposes of making year end outturn projections. This report is based on the initial financial data available for the first five months of the financial year.

1 RECOMMENDATION

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

2 BACKGROUND

At the Special meeting of Angus Council on 5th March 1998 the Council approved the revenue budget estimates for the 1998/99 financial year. Details of the individual departmental revenue budgets are contained in the Final Revenue And Capital Budgets Volume 1998/99 issued to members in April 1998.

The revenue budgets have now been input to the financial ledger and departments are now monitoring actual expenditure to date against budget provision.

3 INTRODUCTION

As part of the Council's procedures for monitoring revenue expenditure and income, it is intended that year end projections of outturn net expenditure will be prepared on a regular basis. These projections will use the actual position to the end of a given month taken from the financial ledger as a starting point. Projections of future months' expenditure and income will then be made, and the two figures added together to provide a year end projected outturn position which is compared to the original budget. Any significant variances between the projected outturn and the original budget will be investigated and where necessary, budget virements will be effected.

The projected outturns exercise will be carried out for all Council departments (excluding Housing Revenue Account) in full consultation with departmental staff, in order to identify significant issues and gain an appreciation of future expenditure plans.

4. CURRENT POSITION

The revenue monitoring process is continuing, and meetings between finance and departmental staff to discuss key budget issues are taking place. The information available based on the actual income and expenditure for the five months to 31st August 1998 has not highlighted any major issues other than that noted below.

As indicated on the attached 1998/99 Projections Statement it is anticipated that net expenditure incurred by the Training Section which is now part of the Personnel Department, will exceed the budget.

Members may be aware that this issue was the subject of report 278/98 in March of this year to the Economic Development and Personnel and Property Services Committees. This report identified an anticipated budget overspend for 1997/98 in the Training Section, due primarily to the non-achievement of income at the anticipated level, and predicted that the problem would extend to the following year (1998/99). In 1997/98 the overspend was contained within the overall Planning Transport and Economic Development Departmental budget, however no resources have been identified within the Personnel Department which may be available for virement in respect of the 1998/99 budget.

The activities of the Training Section are currently the subject of a VFM study, but it is not expected that sufficient savings will be identified within this section to bring net expenditure within budget during the current financial year, although it is expected that the overspend can be reduced.

Based on these projections, expenditure is expected to exceed the cash limited budget set by the Council in March 1998 (see "Total Variance" column in part 4 of the statement). However steps are currently being taken to identify measures which can be taken to ensure this situation does not prevail.

5 CONSULTATION

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

6 CONCLUSION

These projections are undertaken to gauge how individual departmental expenditure and income is expected to outturn at the financial year end compared to the original budget set by the Council. It is anticipated at this stage that, notwithstanding the issue in respect of the Training Section, all expenditure will be held within the overall budget, although projections may be subject to further change and refinement during the year.

A further revenue outturn report based on the October 1998 financial ledgers will be submitted to the next meeting of the Committee.

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.

1998/99 Projections Statement

(Excluding capital financing costs specific and other grants and central support services recharges)

Department	(1) Please Refer to Notes in Appendix	(2) Original Budget 1998/99 £'000	(3) Projected Outturn Based on Aug-98 Ledgers £'000	(4) Projected Variances from Original Budget				
				Adverse £'000	Favourable £'000	Identified Virement £'000	Unidentified Virement £'000	Total Variance £'000
Education		49,924	49,924					
Social Work		21,977	21,977					
Roads		5,541	5,541					
Cultural Services		2,080	2,080					
Environmental and Consumer Protection		4,863	4,863					
Planning & Transport		2,049	2,049					
Economic Development		520	520					
Recreation Services		5,393	5,393					
Central Support Services		7,438	7,438					
Training	1	841	921	80				80
Finance Revenues		1,371	1,371					
Miscellaneous Other Services		840	840					
Other Housing		834	834					
Local Government Reform Costs		238	238					
Other Expenditure		269	269					
Sub - Total Angus Council Departments		104,178	104,258	80	0	0	0	80
Police Joint Board Allocation to Angus Council		6,808	6,808					0
Fire Joint Board Allocation to Angus Council		3,213	3,213					0
Valuation Joint Board Allocation to Angus Council		555	555					0
Total Joint Board Allocations		10,576	10,576	0	0	0	0	0
Layside Contracts		-196	-196					0
Angus Contracts		-302	-302					0
Total Net Expenditure		114,256	114,336	80	0	0	0	80

Projected Outturn August, 1998

Note 1

Training Services

Budget	£841k	Projected Outturn	£921k
--------	-------	-------------------	-------

Training Services are anticipating an overspend of £80k due to non-achievement of unrealistic budgeted income levels.