

ANGUS COUNCIL

ITEM No. 6

Finance & Information Technology Committee - 1st December, 1998
Policy & Resources Committee - 8th December, 1998

REVENUE MONITORING STATEMENT

Report By The Director of Finance

ABSTRACT

This report apprises members of the actual revenue expenditure incurred and income received in respect of the Council's departments for the period 1st April, 1998 to 31st October, 1998.

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.

3. INTRODUCTION

This report sets out the actual revenue expenditure incurred and income received for the period 1st April 1998 to 31st October, 1998 for each Angus Council department as well as the Police, Fire and Valuation Joint Boards.

4. FORMAT OF REPORT

(I) 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 apprises members of the position in relation to the Housing Revenue Account, that is, those services funded by Council house rentpayers.

(II) 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 two 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.

(III) 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.

5. COMMENTARY ON INFORMATION SHOWN IN STATEMENT

Section C of the report (Property costs) includes an amount for each department in respect of property maintenance which is managed by the property department using the Archimedes management information system. Property maintenance was previously monitored in total, with budgeted and actual expenditure held within an overall suspense account. It is now possible to identify the individual departmental budgeted and actual expenditure in respect of property maintenance, and this has been duly reflected in the attached report, although the information available refers to information for the six months to 30th September, 1998.

The overall position indicated by Section A indicates that net expenditure has been held within budget during the first six months of the year. However a small number of departments are currently operating slightly in excess of budget in terms of net expenditure, and the position with regard to these departments is referred to below:

Environmental & Consumer Protection - The overspend in respect of supplies and services is mainly the result of payments relating to Landfill Tax (£26k) and SEPA Licence (£21k), but also includes a number of small overspends in a number of areas. The position with regard to all areas will continued to be monitored closely to ensure that net costs are contained within the departmental budget.

The overspend in third party payments is mainly in respect of the Vehicle Hire Centre, for which it is anticipated that additional income will accrue.

Revenues (Finance) - As previously reported, staff costs are currently in excess of budget due to the need for overtime at the beginning of the financial year to ensure tax demands are issued timeously. This overspend has now to a large extent been offset against additional income, but the position will be closely monitored to ensure that net costs do not exceed the departmental budget.

Other Housing - Payment of rent rebates and allowances are currently in excess of budget. This is reflected in third party payments as additional costs of £201k, but is offset by grant receivable to the extent of £191k, leaving a net overspend in this area of approximately £10k for the first seven months of the year. The Council has little scope in terms of controlling the level of rent rebates and allowances, and if the current trend continues, measures will be required to identify areas of alternative savings. The higher than anticipated level of income indicated in the report reflects additional income received in respect of housing benefits refunds arising from recovery of claimant errors/fraud etc., however this will be taken into account in the calculation of grant receivable, and will not result in overall additional income to the Council.

Cultural Services - Although total expenditure is currently within budget, this is due in the main to an underspend in property costs which is the result of a rates bill estimated at £69k which has been budgeted for but not paid at the end of September. This offsets overspends in the area reported previously, and for which virement is currently being considered, ie

Staff costs, which are currently overspent for two reasons:

- as a result of a temporary staffing structure currently in place as previously reported. Compensating savings are accruing as a result of slippage in respect of a chief officer post, but these have not yet fully offset the cost of the temporary staffing structure. Virement has been identified and will be implemented shortly.
- as a result of additional hours worked by hallkeepers. The effect of this overtime will result in the generation of additional income, but this has not yet been reflected in the statements.

6. CONSULTATION

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

7. 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. This 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 1st April 1998 to 31st December, 1998 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.

DSS/GF/NS
27 November, 1998

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 Oct-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		21,927	21,927					
Roads		5,541	5,541					
Cultural Services		2,080	2,080					
Environmental and Consumer Protection	b	4,863	4,844	8	-27	0	0	-19
Planning & Transport		2,049	2,049					
Economic Development		520	520					
Recreation Services		5,393	5,393					
Central Support Services		7,438	7,438					
Training	a	841	941	100	0	0	0	100
Finance Revenues		1,371	1,371					
Miscellaneous Other Services		890	890					
Other Housing	c	834	811	0	-23	0	0	-23
Local Government Reform Costs		238	238					
Other Expenditure		269	269					
Sub -Total Angus Council Departments		104,178	104,236	108	-50	0	0	58
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
Tayside Contracts		-196	-196					0
Angus Contracts		-302	-302					0
Total Net Expenditure		114,256	114,314	108	-50	0	0	58

