

## FINANCE &amp; INFORMATION TECHNOLOGY COMMITTEE - 3 February 1998

## REVENUE BUDGET OUTTURN 1997/98

Report By The Director of Finance

**ABSTRACT**

The purpose of this report is to give members an update on the Council's projected financial position to the end of the current 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 6 March 1997 the Council approved the revenue budget estimates for the 1997/98 financial year. Details of the individual departmental revenue budgets are contained in the Final Revenue And Capital Budgets Volume 1997/98 issued to members in May 1997.

The revenue budgets have 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, year end projections of outturn net expenditure are now being prepared on a regular basis. These projections 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 are then 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 is 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. PROJECTION STATEMENT FOR DECEMBER 1997**

Set out in the attached statement are the latest projections of year end outturn net expenditure based on the extrapolation of figures from the December 1997 financial ledgers.

Based on these projections, with the exception of Local Government Reform Costs (LGRC), and Other Housing, expenditure is expected to reach but not exceed the cash limited budget set by the Council in March 1997 ("Total Variance" Column in part 4 of main statement). Procedures are currently under way to identify measures that can be taken to address the issue of the LGRC projected adverse variance.

As reported to members in the monitoring statement, report no 153/98, expenditure in respect of housing benefits is currently ahead of budget, and this is expected to continue, producing a projected adverse variance of £618k in gross terms. However, grant income (which is not reported in the attached statement) is receivable in respect of housing benefits, and it is anticipated that this income will be in the region of 590k thus reducing the net impact of the adverse variance.

## **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 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 that the projections will be subject to further change and refinement during the year.

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

DSS/LH 26-Jan-98

# 1997/98 Projections Statement

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

Department	(1)	(2)	(3)	(4)				
	Please Refer to Notes	Budget 1997/98 £'000	Projected Outturn Based on Dec-97 Ledgers £'000	Adverse £'000	Favourable £'000	Identified Virement £'000	Unidentified Virement £'000	Total Variance £'000
Education	1	47,087	47,087	70		70		0
Social Work	2	21,026	21,026	418		418		0
Roads		5,630	5,630					0
Cultural Services		2,106	2,106					0
Environmental and Consumer Protection	3	4,655	4,655	85	80		5	0
Planning, Transport & Economic Development		2,763	2,763					0
Recreation Services		5,236	5,236					0
Central Support Services	4	8,668	8,668	36	36			0
Miscellaneous Other Services		1,083	1,083					0
Other Housing	5	11,948	12,566	632	14			618
Local Government Reform Costs		223	253	30				30
Other Expenditure		157	157					0
<b>Sub - Total Angus Council Departments</b>		<b>110,582</b>	<b>111,230</b>	<b>1271</b>	<b>130</b>	<b>488</b>	<b>5</b>	<b>648</b>
Police Joint Board Allocation to Angus Council		6,519	6,519					0
Fire Joint Board Allocation to Angus Council		3,066	3,066					0
Valuation Joint Board Allocation to Angus Council		522	522					0
<b>Total Joint Board Allocations</b>		<b>10,107</b>	<b>10,107</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues Joint Arrangements		0	0					0
Tayside Contracts		-210	-210					0
Angus Contracts		-350	-350					0
<b>Total Net Expenditure</b>		<b>120,129</b>	<b>120,777</b>	<b>1271</b>	<b>130</b>	<b>488</b>	<b>5</b>	<b>648</b>

## Note

1. The departmental budgets includes additional monies allocated from the general fund (£328k in total) to fully fund the pay award agreed for 1997/98 as advised to members in report no 962/97.

**Note 1****Education - Projected Outturn**

Report No: 157/97	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	50	0	50	School Meals - Increase in Energy budget
	20	0	20	Angus Nurseries - Additional Education Materials
Sub Total	70	0	70	

**Budget Source of Virement**

Secondary Schools - electricity	-50	0	-50
Angus Nurseries - Staff Costs	-20	0	-20
Total	0	0	0

**Note 2****Social Work - Projected Outturn**

Report No: 157/97	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	22	0	22	Staff Costs - Mental Illness
	20	0	20	Sheltered Housing
	83	0	83	Residential Homes
	93	0	93	Third Party Payments Various Projects
	200	0	200	Hospitalfield Project
Sub Total	418	0	418	

**Budget Source of Virement**

Health Board Contributions	-418	0	-418
Total	0	0	0

**Note 3****Environmental & Consumer Protection**

Report No: 157/97	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	30	0	30	Projected overspend on tyres/licences/insurance
	50	5	55	Projected shortfall in income - Public Conv. Waste paper etc
Sub Total	<u>80</u>	<u>5</u>	<u>85</u>	

**Budget Source of Virement**

Staff Costs	-55	0	-55	Vacancies - Consumer Protection Nurse
Third Party Payments	-25	0	-25	
Total	<u>0</u>	<u>5</u>	<u>5</u>	

**Note 4****Finance Revenues - Projected Outturn**

Report No: 157/97	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	10	0	10	Staff Costs - Overtime
	26	0	26	Supplies & Services - Computer Support Charges, photocopying and Miscellaneous Supplies
Sub Total	<u>36</u>	<u>0</u>	<u>36</u>	

**Budget Source of Virement**

Misc Income	-4	0	-4
NOSWA Collection Charge	-32	0	-32
Total	<u>0</u>	<u>0</u>	<u>0</u>

**Note 5**

**Other Housing - Projected Outturn**

Report No: 157/97	Identified Virement £000	Unidentified Virement £000	Total £000	<u>Description</u>
	0	530	530	Additional Housing Benefits Payments
	4	88	92	Additional Housing Advances Payments
	10	0	10	Additional cost of Homeless
Sub Total	<u>14</u>	<u>618</u>	<u>632</u>	

**Budget Source of Virement**

Housing Benefit Recharge	0	0	0
Total	<u>14</u>	<u>618</u>	<u>632</u>