

FINANCE & INFORMATION TECHNOLOGY COMMITTEE - 17 March 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 JANUARY 1998

Set out in the attached statement are the latest projections of year end outturn net expenditure based on the extrapolation of figures from the January 1998 financial ledgers.

Based on these projections, after accounting for the grant income in respect of housing benefits described below, it is anticipated that net expenditure is not expected to exceed the cash limited budget set by the Council in March 1997 ("Total Variance" Column in part 4 of main statement).

Social Work Department

It is anticipated that further virement will be required, but overall the expected position is that this department will not utilise it's full budget due to non-implementation of new developments.

Housing

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 £530n 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 500k thus reducing the net impact of the adverse variance.

Local Government Reform Costs (LGRC)

A shortfall of £30k is currently projected in respect of travel costs of employees incurred as a result of reorganisation.

Procedures are currently under way to identify measures that can be taken to address the projected 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 February 1998 financial ledgers will be submitted to the next meeting of the Committee.

DSS/LBH
February 27, 1998

1997/98 Projections Statement

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

Department	(1) Please Refer to Notes	(2) Budget 1997/98 £'000	(3) Projected Outturn Based on Jan-98 Ledgers £'000	(4) Projected Variances from Original Budget					Total Variance £'000
				Adverse £'000	Favourable £'000	Identified Virement £'000	Unidentified Virement £'000		
Education	1	47,087	47,087	70	70	70			0
Social Work	2	21,026	20,726	3380	3,680	2830	550		-300
Roads		5,630	5,630						0
Cultural Services		2,106	2,106						0
Environmental and Consumer Protection	3	4,655	4,660	85	80	80	80		5
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	36			0
Miscellaneous Other Services		1,083	1,083						0
Other Housing	5	11,948	12,566	632	14				618
Local Government Reform Costs	6	223	253	30					30
Other Expenditure		157	157						0
Sub - Total Angus Council Departments		110,582	110,935	4,233	3,880	2,936	630		353
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
Total Joint Board Allocations		10,107	10,107	0	0	0	0		0
Revenues Joint Arrangements		0	0						0
Tayside Contracts		-210	-210						0
Angus Contracts		-350	-350						0
Total Net Expenditure		120,129	120,482	4233	3,880	2936	630		353

Note

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

** The projected overspend in respect of Housing is mainly due to benefit payments for which grant monies, which are not accounted for in this report, of £500k are receivable.

Note 1**Education**

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**

Report No: 157/97	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	18.4		18.4	Independent Advocacy Scheme
	9.1		9.1	Cross Roads, Angus
	1.9		1.9	Child Protection
	6.4		6.4	Angus Home Start
	76.9		76.9	Tayside Council on Alcohol
	200.0		200.0	Hospitalfield Project
	13.7		13.7	Gowrie Housing Association
	15.0		15.0	Physically Disabled Home
	22.0		22.0	Care Management - Mental Illness
	7.8		7.8	Deaf/Blind UK Funding
	22.0		22.0	Princess Royal Trust Fund for Carers
	15.0		15.0	Mosaic Partnership
	100.0		100.0	Angus Home Care Project (Salv. Army)
	39.0		39.0	Adaption to Homes
	20.0		20.0	Sheltered Housing
	83.0		83.0	Residential Homes
	2,180.0	300.0	2,480.0	Residential charges
		125.0	125.0	Fostering Charges
		75.0	75.0	Residential Schools
		50.0	50.0	Property Maintenance
Sub Total c/f	2,830.2	550.0	3,380.2	

Note 2**Social Work -cont**

Report No: 157/97	Identified Virement £000	Unidentified Virement £000	Total £000	Description
Sub Total b/f	2,830.2	550.0	3,380.2	

Budget Source of Virement

Resource Transfers				
Health Board	-358.1		-358.1	
Dundee City Council	-12.5		-12.5	
Perth & Kinross Council	-10.3		-10.3	
DSS	-269.3	-250.0	-519.3	
Charges -				
Residential Accomodation	-2,180.0		-2,180.0	
Underspend on employment costs		-600.0	-600.0	
Sub Total	<u>-2,830.2</u>	<u>-850.0</u>	<u>-3,680.2</u>	
Total	<u>0.0</u>	<u>-300.0</u>	<u>-300.0</u>	

Note 3**Environmental & Consumer Protection**

Report	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	0	30	30	Projected overspend on tyres/licences/insurance
	0	55	55	Projected shortfall in income - Public Conv. Waste paper etc
Sub Total	<u>0</u>	<u>85</u>	<u>85</u>	

Budget Source of Virement

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

Note 4**Finance Revenues**

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**

Report	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	0	530	530	Additional Housing Benefits Payments
	0	92	92	Additional Housing Advances Payments
	0	10	10	Additional cost of Homeless
Sub Total	<u>0</u>	<u>632</u>	<u>632</u>	

Budget Source of Virement

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

Note 6**Local Government Reform Costs**

Report	Identified Virement £000	Unidentified Virement £000	Total £000	Description
	0	30	30	Travelling expenses
Total	<u>0</u>	<u>30</u>	<u>30</u>	