

Finance &amp; Information Technology Committee - 5 May 1998

**REVENUE MONITORING STATEMENT**

Report No 479/98

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 1997 to 28 February 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 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.

Departments are now monitoring their actual expenditure and income against those budgets.

**3 INTRODUCTION**

This report sets out the actual revenue expenditure incurred and income received for the period 1 April 1997 to 28 February 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 appraises 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 year 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.

#### 4 FORMAT OF REPORT (continued)

##### (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

##### Other Housing

Actual expenditure is 16.5% (£825k) above budget. This adverse variance is due in the main to an increase in housing benefits payments. However grants relating to this expenditure to the extent of 95% are receivable.

As reported to this committee in report 1104/97 on October 21 1997, the receipt of grants is excluded for the purposes of monitoring due to the irregular pattern of receipt which could distort the income position.

The effect of this treatment of grants is that although the monitoring statement indicates the above variance, the net effect on the Council's performance in terms of keeping within the cash limited budget is dramatically reduced.

##### Local Government Reform Costs

In addition to the Other Housing issue referred to above, the budget for Local Government Reform Costs is currently running in excess of phased budget. Notwithstanding the relatively small value of the budget involved, measures are being taken to identify and control the potential problem areas. Due to the size and specific nature of the budget, there is little scope for virement, and it is probable that expenditure will exceed budget in the current year by around £30k. However, the amounts involved are not significant, and it is not expected that in overall terms, the Council's expenditure will exceed the cash limited budget.

##### General Issues

It will be noted from the information set out in the Sections to this statement that notwithstanding the position in respect of Housing and Local Government Reform Costs, and to a lesser extent Cultural Services, the overall profiled budget is currently greater than expenditure to date. The main issues which indicate this apparent favourable position are staff, property costs and supplies and services, offset by the income position and the adverse position of third party payments of Other Housing.

##### *Staff Costs*

As reported to this committee in March, in report no 324/98, staff costs, particularly those incurred by the Education, Planning and Social Work Departments appear to be low in comparison with the phased budget, however after discussion with service department staff it is anticipated that:

- The Education budget will be fully utilised as increased costs in respect of staff training and supply teaching will be incurred during the latter period of the financial year.
- It is not anticipated that the staff costs of the Planning Department will reach budgeted levels. This is due in the main to reduced take up of trainee placements, and will be offset by a reduction in the level of grant income receivable in respect of trainees.
- Staff costs in respect of the Social Work Department currently indicate an underspend of approximately £650k. Full take up of this budget is not anticipated resulting in a balance which will be available for virement.

##### *Property costs*

Expenditure on property costs, particularly property maintenance, is difficult to profile. However, expenditure to date, whilst not in line with profiled budgets is increasing, and it is likely that this will continue during the final month, reflecting full take up of this budget.

## General Issues (continued)

### *Supplies and Services*

Expenditure is currently running at 5% or £350k less than profiled budget. However, as with property costs, the timing of payments in respect of supplies and services is not easy to identify with any certainty, and it is anticipated that increased take up of these budgets will ensue over the remaining part of the year.

### *Income*

Income is not being generated at expected levels, especially in respect of the Planning Department for the reason mentioned above in respect of staff costs, and the Social Work Department where income in respect of residential accommodation is not reaching budgeted expectations.

The position in respect of all of the above issues will continue to be monitored closely.

## 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 the Sections to 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.

DSS/LBH

14 April 1998

Section A - Summary Of Net Revenue Expenditure - General Fund Services (Sections B to G)

Statement showing Total Net Revenue Expenditure For The Period 1 April 1997 to 28 February 1998 compared with the Total Net Budget for the financial year (excluding Capital Financing Costs, Central Support Service Recharges and Specific/Other Grants)

Department / Service	(1) Budgeted Net Expenditure ** 1997/98 £000	(2) Virement £000	(3) Revised Net Budget £000	(4) Budgeted Expenditure For 11 Months To 28/02/1998 £000	(5) Actual Net Expenditure For 11 Months To 28/02/1998 £000	(6) Column (5) As A Percentage Of Column (4) %
Education	47,087		47,087	40,643	40,206	98.92%
Social Work	21,026		21,026	19,303	18,902	97.92%
Roads	5,630		5,630	4,640	4,380	94.40%
Cultural Services	2,106		2,106	1,844	1,882	102.06%
Environmental & Consumer Protection	4,655		4,655	2,837	2,751	96.97%
Planning, Transport & Economic Development	2,763		2,763	2,432	2,104	86.51%
Recreation Services	5,236		5,236	4,453	4,220	94.77%
Central Support Services	8,666		8,666	8,081	7,425	91.88%
Miscellaneous Other Services	1,083		1,083	573	372	64.92%
Other Housing	11,948		11,948	4,999	5,824	116.50%
Local Government Reform Costs	223		223	204	234	114.71%
Other Expenditure	159		159	130	118	90.77%
Property Maintenance				1,707	1,707	100.00%
<b>Total Angus Council Departments</b>	<b>110,582</b>		<b>110,582</b>	<b>91,846</b>	<b>90,125</b>	<b>98.13%</b>
Police Joint Board Allocation to Angus Council	6,519	n/a	6,519	5,972	5,972	100.00%
Fire Joint Board Allocation to Angus Council	3,066	n/a	3,066	2,810	2,810	100.00%
Valuation Joint Board Allocation to Angus Council	522	n/a	522	479	479	100.00%
<b>Total Joint Board Allocations</b>	<b>10,107</b>		<b>10,107</b>	<b>9,261</b>	<b>9,261</b>	<b>100.00%</b>
<b>Net Expenditure</b>	<b>120,689</b>		<b>120,689</b>	<b>101,107</b>	<b>99,386</b>	<b>98.30%</b>
Angus Contracts Surplus	(350)	n/a	(350)	883	719	81.43%
Tayside Contracts	(210)	n/a	(210)	(193)	(193)	100.00%
	<b>120,129</b>		<b>120,129</b>	<b>101,798</b>	<b>99,913</b>	<b>98.15%</b>

\* All Non CCT Cleansing billed at year end.

\*\* This includes the additional allocation of funds to fully reflect the pay award of 2.5%

## Section B - Staff Costs

Statement showing Staff Costs for the period 1 April 1997 to 28 February 1998 compared with the profiled budget for the same period.

Department / Service	(1) Budgeted Net Expenditure 1997/98 £000	(2) Virement £000	(3) Revised Net Budget £000	(4) Budgeted Expenditure For 11 Months To 28/02/1998 £000	(5) Actual Net Expenditure For 11 Months To 28/02/1998 £000	(6) Column (5) As A Percentage Of Column (4)
Education	37,002	-20	36,982	33,511	33,304	99.38%
Social Work	14,272	342	14,614	13,396	12,742	95.12%
Roads	1,576		1,576	1,433	1,402	97.84%
Cultural Services	1,262		1,262	1,143	1,177	102.97%
Environmental & Consumer Protection	1,123		1,123	1,018	968	95.09%
Planning, Transport & Economic Development	2,510		2,510	2,280	2,127	93.29%
Recreation Services	995		995	918	923	100.54%
Central Support Services	7,947	10	7,957	7,294	7,136	97.83%
Miscellaneous Other Services	210		210	131	91	69.47%
Other Housing						
Local Government Reform Costs	133		133	122	71	58.20%
Other Expenditure	284		284	260	234	90.00%
Property Maintenance						
<b>Total Angus Council Departments</b>	<b>67,314</b>	<b>332</b>	<b>67,646</b>	<b>61,506</b>	<b>60,175</b>	<b>97.84%</b>
Police Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Fire Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Valuation Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total Joint Board Allocations</b>					-	n/a
<b>Total Net Expenditure</b>	<b>67,314</b>	<b>332</b>	<b>67,646</b>	<b>61,506</b>	<b>60,175</b>	<b>97.84%</b>

\*\* This includes the additional allocation of funds to fully reflect the pay award of 2.5%

## Section C - Property Costs

Statement showing Property Costs for the period 1 April 1997 to 28 February 1998 compared with the profiled budget for the same period.

Department / Service	(1) Budgeted Net Expenditure 1997 / 98 £000	(2) Budgeted Expenditure £000	(3) Revised Net Budget £000	(4) Budgeted Expenditure For 11 Months To 28/02/1998 £000	(5) Actual Net Expenditure or 11 Months to 28/02/1998 £000	(6) Column (5) As A Percentage Of Column (4)
Education	6,081		6,081	4,286	4,188	97.71%
Social Work	648		648	402	419	104.23%
Roads	105		105	83	74	89.16%
Cultural Services	340		340	291	323	111.00%
Environmental & Consumer Protection	193		193	99	76	76.77%
Planning, Transport & Economic Development	261		261	202	181	89.60%
Recreation Services	782		782	508	348	68.50%
Central Support Services	836		836	706	525	74.36%
Miscellaneous Other Services	103		103	91	71	78.02%
Other Housing	12		12	11	15	136.36%
Local Government Reform Costs						
Other Expenditure	22		22	18	8	44.44%
Property Maintenance				1,707	1,707	100.00%
<b>Total Angus Council Departments</b>	<b>9,383</b>		<b>9,383</b>	<b>8,404</b>	<b>7,935</b>	<b>94.42%</b>
Police Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Fire Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Valuation Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total Joint Board Allocations</b>				<b>8,404</b>	<b>7,935</b>	<b>94.42%</b>

## Section D - Supplies & Services

Statement showing Supplies & Services for the period 1 April 1997 to 28 February 1998 compared with the profiled budget for the financial year.

Department / Service	(1) Budgeted Net Expenditure 1997/98 £000	(2) Virement	(3) Revised Net Budget £000	(4) Budgeted Expenditure of 11 Months to 28/02/1998 £000	(5) Actual Net Expenditure For 11 Months To 28/02/1998 £000	(6) Column (5) As A Percentage Of Column (4) %
Education	3,066	20	3,086	2,694	2,733	101.45%
Social Work	1,003	10	1,013	929	970	104.41%
Roads	518		518	439	438	99.77%
Cultural Services	639		639	532	516	96.99%
Environmental & Consumer Protection	1,049		1,049	759	732	96.44%
Planning, Transport & Economic Development	508		508	466	371	79.61%
Recreation Services	236		236	163	145	88.96%
Central Support Services	1,415	26	1,441	1,338	1,134	84.75%
Miscellaneous Other Services	200		200	183	73	39.89%
Other Housing	6		6	5	0	0.00%
Local Government Reform Costs	10		10	9	26	288.89%
Other Expenditure	127		127	116	146	125.86%
Property Maintenance						
<b>Total Angus Council Departments</b>	<b>8,777</b>	<b>56</b>	<b>8,833</b>	<b>7,633</b>	<b>7,284</b>	<b>95.43%</b>
Police Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Fire Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Valuation Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total Joint Board Allocations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>
<b>Total Net Expenditure</b>	<b>8,777</b>	<b>56</b>	<b>8,833</b>	<b>7,633</b>	<b>7,284</b>	<b>95.43%</b>

## Section E - Third Party Payments

Statement showing Third Party Payments for the period 1 April 1997 to 28 February 1998 compared with the profiled budget for the financial year.

Department / Service	(1) Budgeted Net Expenditure 1997/98 £000	(2) Virement £000	(3) Revised Net Budget £000	(4) Budgeted Expenditure For 11 Months To 28/02/1998 £000	(5) Actual Net Expenditure For 11 Months To 28/02/1998 £000	(6) Column (5) As A Percentage Of Column (4) %
Education	1,341		1,341	830	800	96.39%
Social Work	7,235	64	7,299	6,028	6,150	102.02%
Roads	4,105		4,105	3,141	2,909	92.61%
Cultural Services	0		0			n/a
Environmental & Consumer Protection	4,435		4,435	2,590	2,537	97.95%
Planning, Transport & Economic Development	1,549		1,549	1,374	1,063	77.37%
Recreation Services	3,840 **		3,840	3,246	3,173	97.75%
Central Support Services	212		212	68	42	61.76%
Miscellaneous Other Services	768		768	349	391	112.03%
Other Housing	11,946		11,946	4,998	5,817	116.39%
Local Government Reform Costs	0		0			n/a
Other Expenditure	45		45	28	33	117.86%
Property Maintenance						
<b>Total Angus Council Departments</b>	<b>35,477</b>	<b>64</b>	<b>35,541</b>	<b>22,652</b>	<b>22,915</b>	<b>101.16%</b>
Police Joint Board Allocation to Angus Council	6,519	n/a	6,519	5,972	5,972	100.00%
Fire Joint Board Allocation to Angus Council	3,066	n/a	3,066	2,810	2,810	100.00%
Valuation Joint Board Allocation to Angus Council	522	n/a	522	479	479	100.00%
<b>Total Joint Board Allocations</b>	<b>10,107</b>	<b>0</b>	<b>10,107</b>	<b>9,261</b>	<b>9,261</b>	<b>100.00%</b>
<b>Total Net Expenditure</b>	<b>45,584</b>	<b>64</b>	<b>45,648</b>	<b>31,913</b>	<b>32,176</b>	<b>100.82%</b>

\*\* This includes the pay award excess costs of Angus Contracts which will flow through to client departments third party payments budget



## Section F - Other Expenditure

Statement showing Other Expenditure for the period 1 April 1997 to 28 February 1998 compared with the profiled budget for the financial year.

Department / Service	(1) Budgeted Net Expenditure 1997/98 £000	(2) Provision £000	(3) Revised Net Budget £000	(4) Budgeted Expenditure For 11 Months To 28/02/1998 £000	(5) Actual Net Expenditure For 11 Months To 28/02/1998 £000	(6) As a Percentage Of Column (4) %
Education	1,482		1,482	1,235	1,231	99.68%
Social Work	704	3	707	648	641	98.92%
Roads	116		116	111	113	101.80%
Cultural Services	69		69	64	62	96.88%
Environmental & Consumer Protection	330		330	307	347	113.03%
Planning, Transport & Economic Development	240		240	223	205	91.93%
Recreation Services	210		210	201	214	106.47%
Central Support Services	259		259	230	220	95.65%
Miscellaneous Other Services	38		38	35	15	42.86%
Other Housing	0		0			
Local Government Reform Costs	80		80	73	137	187.67%
Other Expenditure	6		6	6	9	150.00%
Property Maintenance						
<b>Total Angus Council Departments</b>	<b>3,534</b>	<b>3</b>	<b>3,537</b>	<b>3,133</b>	<b>3,194</b>	<b>101.95%</b>
Police Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Fire Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Valuation Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total Joint Board Allocations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>
<b>Total Net Expenditure</b>	<b>3,534</b>	<b>3</b>	<b>3,537</b>	<b>3,133</b>	<b>3,194</b>	<b>101.95%</b>

## Section G - Income

Statement showing Income for the period 1 April 1997 to 28 February 1998 compared with the profiled budget for the financial year (excluding specific and other grant income).

	(1)	(2)	(3)	(4)	(5)	(6)
Department / Service	Budgeted Net Income 1997/98 £000	Virement £000	Revised Net Budget £000	Budgeted Income For 11 Months To 28/02/1998 £000	Actual Net Income For 11 Months to 28/02/1998 £000	Column (6) As A Percentage Of Column (4)

Education	1,885		1,885	1,913	2,050	107.16%
Social Work	2,836	419	3,255	2,100	2,020	96.19%
Roads	790		790	567	556	98.06%
Cultural Services	204		204	186	196	105.38%
Environmental & Consumer Protection	2,476		2,476	1,936	1,909	98.61%
Planning, Transport & Economic Development	2,305		2,305	2,113	1,843	87.22%
Recreation Services	827		827	583	583	100.00%
Central Support Services	2003	36	2,039	1,555	1,632	104.95%
Miscellaneous Other Services	236		236	216	269	124.54%
Other Housing	16		16	15	8	53.33%
Local Government Reform Costs						
Other Expenditure	325		325	298	312	104.70%
Property Maintenance						
<b>Total Angus Council Departments</b>	<b>13,903</b>	<b>455</b>	<b>14,358</b>	<b>11,482</b>	<b>11,378</b>	<b>99.09%</b>
Police Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Fire Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Valuation Joint Board Allocation to Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total Joint Board Allocations</b>						
<b>Total Net Expenditure</b>	<b>13,903</b>	<b>455</b>	<b>14,358</b>	<b>11,482</b>	<b>11,378</b>	<b>99.09%</b>

## Section H - Housing Revenue Account

Statement showing the Housing Revenue Account for the period 1 April 1997 to 28 February 1998 compared with the profiled budget for the financial year.

Department / Service	(1) Budgeted Net Expenditure 1997/98 £000	(2) Provisional Virement	(3) Revised Net Budget £000	(4) Budgeted Expenditure For 10 Months To 31/01/1998 £000	(5) Actual Net Expenditure For 10 Months To 31/01/1998 £000	(6) As A Percentage Of Column (4) %
Financing Costs	8,822		8,822	8,087	8,087	100%
Administrative Costs	3,375		3,375	3,094	3,094	100%
Repairs & Maintenance	3,388		3,388	3,106	2,846	92%
Other Costs	255		255	234	234	100%
<b>Total</b>	<b>15,840</b>		<b>15,840</b>	<b>14,521</b>	<b>14,261</b>	<b>98%</b>
<b>Income</b>						
Council House Rents	14,047		14,047	12,876	12,876	100%
Other Rents	224		224	205	205	100%
Interest, etc	203		203			n/a
Application of Reserves	1,366		1,366			n/a
<b>Total</b>	<b>15,840</b>		<b>15,840</b>	<b>13,081</b>	<b>13,081</b>	<b>100%</b>

