

FINANCE & INFORMATION TECHNOLOGY COMMITTEE - 5 May 1998

REVENUE BUDGET OUTFURN 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 have been prepared on a regular basis throughout the year. 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 are investigated and where necessary, budget virements are, and indeed have been, 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 FEBRUARY 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 February 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). It should however be noted that some departments have yet to identify virement to offset adverse variance arising.

4. PROJECTION STATEMENT FOR FEBRUARY 1998 (continued)

Social Work Department

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

Housing

As reported to members in the monitoring statement, report no ???/98, expenditure in respect of housing benefits is currently ahead of budget, and this is expected to continue, producing a projected adverse variance of £530k 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.

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. Base on this latest set of projections no major problems are anticipated.

DSS/LBH
17 April 1998

1997/98 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 1997/98 £'000	(3) Projected Outturn Based on Feb-98 Ledgers £'000	(4) Projected Variances from Original Budget				
				Adverse £'000	Favourable £'000	Identified Virement £'000	Unidentified Virement £'000	Total Variance £'000
Education	1	47,087	47,048	70	-39	70		-39
Social Work	2	21,026	20,726	418	300	418		-300
Roads		5,630	5,630					0
Cultural Services	3	2,106	2,106	71		57 + 3	14 - 3	0
Environmental and Consumer Protection	4	4,655	4,660	85		80	5	0
Planning, Transport & Economic Development		2,763	2,763					0
Recreation Services		5,236	5,236					0
Central Support Services		8,668	8,668					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
Sub -Total Angus Council Departments		110,582	110,896	1306	261	639	19	309
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	120,443	1306	261	639	19	309

Note 1

Education - Projected Outturn

Description	<u>Identified</u> <u>Virement</u> £'000	<u>Unidentified</u> <u>Virement</u> £'000	<u>Variances</u> £'000
School Meals - Increase in Energy Budget	50	0	0
Angus Nurseries - Additional Education Materials	20	0	0
Teachers Costs (Various Sections)			-39
Sub Total	<hr/> 70	<hr/> 0	<hr/> -39
<u>Budget Source of Virement</u>			
Secondary Schools - Electricity	-50	0	0
Angus Nurseries :- Staff Costs	-20	0	0
Total	<hr/> 0	<hr/> 0	<hr/> -39

Note 2

Social Work - Projected Outturn

Description	<u>Identified</u> <u>Virement</u> £'000	<u>Unidentified</u> <u>Virement</u> £'000	<u>Variances</u> £'000
Resource Transfer	418	0	0
DSS Transfers	0	0	-250
Underspend on Employee Costs	0	0	-50
Sub Total	<hr/> 418	<hr/> 0	<hr/> -300
<u>Budget Source of Virement</u>			
Various Cost Centres	-418	0	0
Total	<hr/> 0	<hr/> 0	<hr/> -300

Note 3

Cultural Services - Projected Outturn

Description	<u>Identified Virement</u> £'000	<u>Unidentified Virement</u> £'000	<u>Variances</u> £'000
Overspend on Staff Costs	42	0	0
Additional Property Costs	15	14	0
Sub Total	<hr/> 57	<hr/> 14	<hr/> 0
<u>Budget Source of Virement</u>			
Savings in Supplies & Services	-41	0	0
Additional Income	-14		
Savings in Transport Costs	-2	0	0
Total	<hr/> 0	<hr/> 14	<hr/> 0

Note 4

Environmental & Consumer Protection - Projected Outturn

Description	<u>Identified Virement</u> £'000	<u>Unidentified Virement</u> £'000	<u>Variances</u> £'000
Projected overspend on Tyres/Licences/ Insurance	30	0	0
Projected shortfall in Income - Public Conv. Waste Paper etc.	50	5	0
Sub Total	<hr/> 80	<hr/> 5	<hr/> 0
<u>Budget Source of Virement</u>			
Staff Costs Vacancies Consumer Protection and Nurse	-55	0	0
Third Party Payments	-25	0	0
Total	<hr/> 0	<hr/> 5	<hr/> 0

Note 5

Other Housing - Projected Otturn

	Identified Virement £'000	Unidentified Virement £'000	Variances £'000
Additional Housing Benefits Payments	0	0	530
Additional Housing Advances Payments	4	0	88
Addition cost of Homeless	10	0	0
Sub Total	<hr/> 14	<hr/> 0	<hr/> 618
<u>Budget Source of Virement</u>			
Housing Benefit Recharge	14	0	0
Total	<hr/> 0	<hr/> 0	<hr/> 618