

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE - 12 JUNE 2001
POLICY & RESOURCES COMMITTEE -19 JUNE 2001

ITEM No 3

REVENUE BUDGET OUTTURN 2000/2001

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises Members of the near final year-end position on the General Fund and the Housing Revenue Account for the financial year 2000/01. The report notes that the Annual Accounts for the year are now well advanced and will shortly be complete for circulation with the papers for the Council meeting at the end of the month prior to them being submitted by the due date.

1. RECOMMENDATIONS

It is recommended that the Committee note the contents of this report.

2. INTRODUCTION

The Council sets budgets for the General Fund and the Housing Revenue Account (HRA) and activities are controlled against these budgets. The Council has in place a reporting structure to monitor the actual-versus-spend position throughout the year.

This report sets out the near year-end position on the General Fund and the HRA. The figures are shown (at Appendices A and B) in a different format from the usual monitoring reports. The Appendices are essentially extracts from the relevant statements that will be incorporated in the Annual Accounts booklet to be issued in due course.

There may be movement in the figures as the accounts are not yet complete. However any further significant entries to individual services net expenditure/income will be offset by associated corporate entries. It is not envisaged that the overall surplus/deficit figures will show any material change.

3. GENERAL FUND

The Council set the budget for the General Fund in March 2000 and this provided for an addition to balances of £575K including £225k for spend-to-save projects and £200k allocated to Vehicle R. & R. Fund. Throughout the year additional budgets were approved and use made of the spend-to-save monies as follows:

| | |
|--|--------------|
| | £'000 |
| Budget Carry Forward Scheme | 356 |
| Shortfall in pay awards | 246 |
| Liabilities arising from detriment | 69 |
| Further Policy Led Budgeting initiatives | 289 |
| Further contributions to Special Funds | 1,000 |
| Kirkton EZ | 66 |
| Assisted Area Dispute | 38 |
| Re Hsg/Council Tax Benefit | 6 |
| Use of Spend-to-Save Monies | 75 |
| Additional CFCR (Local Capital Fund) | 292 |
| | ----- |
| | 2,437 |
| Less element of above charged outwith | |
| General Fund | <u>172</u> |
| | <u>2,265</u> |

Thus the control budget total to be financed from Council Tax, RSG and Non Domestic Rates is the addition of the original budget volume figure of £128.656m (including the £200k for the vehicles R & R Fund but excluding the £375k addition to balances and sums available for Spend-to-Save) and the £2.265m additions as above. Taking account of the transfer of the Miscellaneous Income collections of £660k in respect of Community Charge and previous years' Council Tax from Miscellaneous Services to the financing section the revised total is £131,581.

There were also a number of RSG redeterminations totalling £527k, and the original budget has been increased to include these. Again taking account of the Miscellaneous Income as referred to above the total of the financing section becomes £130,218 meaning that the bottom line budget figure is £1,363 deficit.

In addition, a change in accounting practice has been implemented for 2000/2001 whereby expenditure on projects being funded by R & R Funds has been, first of all, charged to services but with this expenditure then being met by a contribution from the R & R Funds to the General Fund at the corporate level. Thus services budgets have been appropriately increased by a total of £3.092m but with a contribution of the same amount being included in the Contributions from/to Special Funds figure. The net figure shown for these contributions is £352k being the contribution from the R. & R. Fund of £3.092m less approved contribution to the Funds of £2.740m.

The original budget set did not include the capital charges which Committees/Services have to bear as a result of the application of the capital accounting regime. Capital charges comprise a depreciation and a capital finance charge based on current valuations and the budget figures shown now include these charges for more direct comparison. It should be appreciated however that compensating entries are made to reserves etc. so that the bottom line is unaffected.

Central Support budgets recharged to Committees have been increased by the due proportion of pay awards etc and also capital charges relating to office accommodation. Actual recharges also take into account the way that staff actually spend their time. However, departments do not benefit and are not disadvantaged by the movement in central support charges and such movements are discounted in the assessment of performance.

The following table sets out the figures for each Committee taking account of the above:

| Committee | Actual | Budget | Variance | Central Support Movement | Variance related to departmental control |
|-------------------------------------|--------|--------|----------|--------------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Education | 64,604 | 64,715 | (111) | (9) | (102) |
| Social Work | 25,866 | 26,006 | (140) | 95 | (235) |
| Roads | 11,269 | 11,355 | (86) | (83) | 3 |
| Cultural Services | 2,815 | 2,813 | 2 | 26 | (24) |
| Environment and Consumer Protection | 6,632 | 6,916 | (284) | (16) | (268) |
| Planning and Transport | 2,550 | 2,727 | (177) | (33) | (144) |
| Economic Development | 1,376 | 1,436 | (60) | (60) | 0 |
| Recreation Services | 7,703 | 7,950 | (247) | (206) | (41) |
| Miscellaneous Services | 4,494 | 5,090 | (596) | 245 | (351) |
| Other Housing | 1,699 | 1,764 | 65 | 56 | (121) |
| Joint Boards | 11,400 | 11,413 | (13) | 0 | (13) |
| Finance – Revenues | 1,284 | 1,597 | (313) | (157) | (156) |
| Training Services | 192 | 262 | (70) | (12) | (58) |
| Contract Services | (232) | (244) | 12 | 29 | (17) |

The significant variations are explained mainly as follows:

Education

The underspends are as follows :-

| | |
|--------------------------------------|----------|
| Nursery underspends | £'000s |
| School Meals underspends | (126) |
| Bursaries underspends | (22) |
| Alternatives to Exclusion underspend | (27) |
| Various Primary overspends | (36) |
| Various Secondary overspends | 45 |
| Various other overspends | 55 |
| | <u>9</u> |
| | (102) |

Social Work -

The underspend in Social Work is made up of the following :-

| | £'000s |
|---|--------------|
| Community Care Management - Saving in Staff Costs and Additional Income | (120) |
| Local Authority Homes - Saving in Staff Costs and Additional Income | (412) |
| Private and Voluntary Placements - Saving in Placements | (45) |
| Family Placements - Increased Foster Payments | 92 |
| Occupational Therapy - Increased Expenditure on Aids & Adaptations | 107 |
| Home Care Resources (inc. Meals on Wheels) - Additional Income | (73) |
| Additional Staff & Running Costs | 216 |
| | <u>(235)</u> |

Cultural Services

The underspend is due to savings in Energy and Property Maintenance.

Environment and Consumer Protection

| | |
|---|--------------|
| Vacant Posts | (80) |
| Reduction in cost of Road Tax | (15) |
| Closure of DERL Incinerator | (210) |
| Additional Payments to Contract Services for Fuel | 95 |
| Overspend of Vehicle Workshop Charges | 110 |
| Increased Tipping Charges | (136) |
| Commercial Waste | <u>(32)</u> |
| | <u>(268)</u> |

Planning And Transport

| | |
|-----------------------------|--------------|
| College Transport Income | (40) |
| Planning Application Income | (87) |
| Miscellaneous Underspends | <u>(17)</u> |
| | <u>(144)</u> |

Recreation Services

The underspend of £41k is mainly due to an increase in income from rechargeable works.

Miscellaneous Services

The underspend is due to increases in Interest on Revenue Balances (£300k) and Policy led budgeting projects which has been offset by overspends on Corporate Properties and Electoral Registration (£94k).

Other Housing

| | |
|---------------------------------------|--------------|
| Net savings on lower benefit payments | (136) |
| Homelessness/Tayock additional costs | 22 |
| Various | <u>(6)</u> |
| | <u>(120)</u> |

Joint Board

The Joint Board figure is underspent by £13k due to overspend on Fire offset by a reduction in Police expenditure.

Finance – Revenues

| | |
|--|--------------|
| Additional recharge costs to Housing benefit | (74) |
| Miscellaneous Income | (44) |
| Council Tax Administrative Grant | (28) |
| Miscellaneous Savings | <u>(10)</u> |
| | <u>(156)</u> |

Training Services

| | |
|-----------------------|-------------|
| Additional income | (38) |
| Property underspends | (15) |
| Transport underspends | (12) |
| Supplies overspend | 10 |
| Staff underspends | <u>(3)</u> |
| | <u>(58)</u> |

It can be seen therefore that once again Departments have worked within budget and indeed in some cases have achieved considerable underspends.

4. HOUSING REVENUE ACCOUNT

Appendix B shows the position on the HRA for the year. An expected deficit of £635k turned out as a surplus of some £222k.

The main variations are:

| | £'000 |
|--|------------|
| Decrease in repair and maintenance costs – largely arising on planned maintenance projects delays | (414) |
| Savings on Financing Costs from lower CFCR as a result of delays in the capital programme and also from lower interest rates | (327) |
| Savings in Housing Management staff costs | (122) |
| Other | <u>6</u> |
| | <u>857</u> |

5. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report

6. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications arising from this report.

7. CONSULTATION

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

8. CONCLUSION

The annual accounts for the year 2000/2001 are well advanced and show generally favourable positions on the General Fund and Housing Revenue Account. The figures demonstrate that the discipline of working within cash-limited budget has been maintained.

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 the above Report.

JC/AD
8 June 2001

Consolidated Revenue Account

PURPOSE

This statement sets out the details of the costs of the functions for which the Council is responsible. It also shows how the net cost has been financed from General Government Grants and from Local Taxpayers. It thus demonstrates the effectiveness of the Council Tax and Rent Fixing exercises which were undertaken prior to the commencement of the financial year.

CONSOLIDATED REVENUE ACCOUNT FOR YEAR ENDED 31st MARCH, 2001

| EXPENDITURE | 2000/01 | 2000/01 | 1999/00 | 2000/01 |
|--|-------------------------|-----------------------------|-----------------------------|--|
| | Net Expend. £'000 | Budget Net Exp. £'000 | Actual Net Exp. £'000 | Net Cost per head of Pop'n. £ |
| Education | 64,604 | 64,715 | 59,304 | 588 |
| Social Work | 25,866 | 26,006 | 24,238 | 235 |
| Roads | 11,269 | 11,355 | 9,313 | 103 |
| Cultural Services | 2,815 | 2,813 | 2,641 | 26 |
| Environmental & Consumer Protection | 6,632 | 6,916 | 6,275 | 60 |
| Planning & Transport | 2,550 | 2,727 | 2,553 | 23 |
| Economic Development | 1,376 | 1,436 | 1,489 | 13 |
| Recreation Services | 7,703 | 7,950 | 6,512 | 70 |
| Miscellaneous Services | 4,494 | 5,090 | 4,960 | 41 |
| Other Housing | 1,699 | 1,764 | 1,765 | 15 |
| Joint Boards | 11,400 | 11,413 | 11,025 | 104 |
| Finance Revenues | 1,284 | 1,597 | 1,347 | 12 |
| Training Services | 192 | 262 | 241 | 2 |
| NET COST OF GENERAL FUND SERVICE | 141,884 | 144,044 | 131,663 | 1,292 |
| Housing Revenue Account - (Surplus) / Deficit | (222) | 635 | 404 | (2) |
| NET COST OF GENERAL FUND SERVICES AND HOUSING REVENUE ACCOUNT | 141,662 | 144,679 | 132,067 | 1,290 |
| Angus Contract Services - Surplus | (232) | (244) | (310) | (2) |
| Tayside Contracts - Share of Surplus | (450) | (210) | (196) | (4) |
| Asset Management Revenue Account | (7,066) | (6,496) | (6,838) | (64) |
| Prior Year Adjustment | (286) | 0 | (195) | (3) |
| NET OPERATING EXPENDITURE | 133,628 | 137,729 | 124,528 | 1,217 |
| Deduct Housing Revenue Account, result shown above | 222 | (635) | (404) | 2 |
| Add Appropriation Account | (5,281) | (5,311) | (498) | (48) |
| Sub Totals Carried Forward | 128,569 | 131,783 | 123,626 | 1,171 |

Consolidated Revenue Account

| EXPENDITURE (continued) | | 2000/01 | 2000/01 | 1999/00 | 2000/01 |
|--|---|-------------------------|-----------------------------|-----------------------------|--|
| | | Net Expend. £'000 | Budget Net Exp. £'000 | Actual Net Exp. £'000 | Net Cost per head of Pop'n. £ |
| Sub Totals Brought Forward | | 128,569 | 131,783 | 123,626 | 1,171 |
| Contributions (from)/ to :- | | | | | |
| | - Renewal and Repairs Fund (Net) | (352) | (352) | 3,660 | (3) |
| | - Capital Fund | 150 | 150 | 500 | 1 |
| | - General Bad Debts Provision | 0 | 0 | 39 | 0 |
| AMOUNT TO BE MET FROM GOVERNMENT GRANT AND LOCAL TAXPAYERS | | 128,367 | 131,581 | 127,825 | 1,169 |
| INCOME | | | | | |
| | Aggregate External Finance | 65,199 | 65,199 | 68,625 | 593 |
| | National Non-Domestic Rate Pool | 35,746 | 35,745 | 30,993 | 325 |
| | Council Tax | 29,259 | 29,274 | 27,691 | 266 |
| AMOUNT RECEIVED FROM GOVERNMENT GRANT AND LOCAL TAXPAYERS | | 130,204 | 130,218 | 127,309 | 1,184 |
| (SURPLUS) | (SURPLUS)/DEFICIT FOR YEAR | (1,837) | 1,363 | 516 | (15) |
| /DEFICIT | DEVOLVED SCHOOL MANAGEMENT EXPENDITURE | (411) | 0 | 27 | (4) |
| | | (2,248) | 1,363 | 543 | (19) |
| | BALANCE AT START OF YEAR | (5,775) | (5,300) | (6,318) | (53) |
| BALANCE AT END OF YEAR | | (8,023) | (3,937) | (5,775) | (72) |

Angus Council
Annual Accounts-2000/2001
Housing Revenue Account

PURPOSE This statement indicates how much the Council spent in fulfilling its statutory requirements to provide, improve and manage housing to suit housing needs.

| | 2000/01 Actual £'000 | 2000/01 Budget £'000 | Actual 1999/00 £'000 | 2000/01 Cost per House £ |
|---|----------------------------|----------------------------|----------------------------|-----------------------------------|
| EXPENDITURE | | | | |
| Repairs and Maintenance | 5,426 | 5,875 | 6,141 | 555 |
| Supervision and Management | 3,689 | 3,811 | 3,524 | 377 |
| Capital Financing Charges | 7,082 | 7,409 | 6,466 | 724 |
| Bad Debts and Bad Debt Provision | 61 | 26 | 12 | 6 |
| TOTAL EXPENDITURE | 16,258 | 17,121 | 16,143 | 1,662 |
| INCOME | | | | |
| Rent paid by Tenants | 8,334 | 7,861 | 8,130 | 852 |
| Rent Rebates | 7,207 | 7,729 | 6,745 | 737 |
| GROSS RENT INCOME FROM DWELLINGS | 15,541 | 15,590 | 14,875 | 1,589 |
| Other Rental Income | 282 | 304 | 271 | 29 |
| Interest on Revenue Balances | 355 | 350 | 333 | 36 |
| Other Income | 274 | 222 | 243 | 28 |
| Housing Support Grant | 28 | 20 | 17 | 3 |
| TOTAL INCOME | 16,480 | 16,486 | 15,739 | 1,685 |
| (SURPLUS) /DEFICIT | | | | |
| (SURPLUS)/DEFICIT FOR YEAR | (222) | 635 | 404 | -23 |
| BALANCE AT START OF YEAR | (1,293) | (1,293) | (1,697) | (132) |
| BALANCE AT END OF YEAR | (1,515) | (658) | (1,293) | (155) |

