

ANGUS COUNCIL

**RESOURCES AND CENTRAL SERVICES COMMITTEE
STRATEGIC POLICY COMMITTEE**

**11 MARCH 2004
16 MARCH 2004**

SUBJECT: REVENUE MONITORING STATEMENT

REPORT BY DIRECTOR OF FINANCE

Abstract: This report apprises members of the actual revenue expenditure incurred and income received in respect of the Council's departments for the period 1 April 2003 to 31 January 2004.

1. RECOMMENDATION

- 1.1 It is recommended that the Committee -
- (i). notes the contents of this report for its interest
 - (ii). approves the £55k virement proposal from Property Services

2. BACKGROUND

- 2.1 At the Special meeting of Angus Council on 13 February 2003 the Council approved the revenue budget estimates for the 2003/2004 financial year. Details of the individual departmental revenue budgets are contained in the Final Revenue and Capital Budgets Volume 2003/2004 issued to members in April 2003.

3. INTRODUCTION

- 3.1 This report sets out the actual revenue expenditure incurred and income received for the period 1 April 2003 to 31 January 2004 for each Angus Council department as well as the Police, Fire and Valuation Joint Boards.

4. FORMAT OF REPORT

4.1 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 apprises members of the position in relation to the Housing Revenue Account, that is, those services funded by Council house rentpayers.

4.2 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 seven years 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.

4.3 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

- 5.1 Members may recall Report 525/01 to the Finance and Information Technology Committee of 1 May 2001 which set out proposals for virement flexibility between financial years. This virement flexibility permits each General Fund department to carry forward 50% of any underspend in one year to the following financial year, subject to a maximum ceiling. The Departmental budgets shown in the attached Statement have been amended for sums available under the 50% carry forward scheme as set out in Report 993/03.
- 5.2 It will be noted that Planning and Transport net expenditure is showing a considerable reduction against budget. This is primarily down to underspends in relation to Concessionary Fares and also to additional income from Planning Applications and Building Warrants. The Outturn Report to this Committee seeks approval for a contribution of the overall projected underspend of £500k (or such other sum) to the Capital Fund.
- 5.3 Education is showing a favourable variance of £105k. The position will be carefully monitored and assuming the overall projected underspend is broadly consistent, the Director of Education will arrange for school devolved budgets to be augmented prior to the end of the financial year.
- 5.4 Environmental and Consumer Protection is showing an adverse position overall. However, compensatory savings on application of Waste Strategy monies will occur in the remainder of the year so as to ensure achievement of the cash limited budget.
- 5.5 Angus Contracts is currently showing an excess return over the profiled budget. However charges still to come through are expected to bring the actual surplus for the year more in line with the budgeted surplus of £399k.

- 5.6 Finance Revenues is currently showing an adverse position overall. This is due to higher than anticipated property costs, supplies and services and third party payments. However, additional grant funding is being received which will offset these additional costs and cash limited budgets will be maintained.
- 5.7 Other Housing is showing an adverse position overall. This is mainly due to higher housing benefit payments than expected. However, the level of grant due to be received from the Department for Work & Pensions will be adjusted as part of the final accounts process and should reduce the current overspend to maintain budget levels.

6. PROPERTY SERVICES VIREMENT

- 6.1 Property Services have identified an underspend in staff costs in the order of £60k which is in the main due to staff slippage that has arisen during the year. The Director of Property has identified a number of issues which urgently require attention or are required to facilitate more efficient use of staff resources and permission is being sought to vire £10k to property costs budget and £45k to supplies and services budget.

7. CONSULTATION

- 7.1 There are no Human Rights implications arising from this Report.

8. CONCLUSION

- 8.1 It will be further noted from the information set out in Sections B to F of this report that under some of the cost heads, individual departmental actual expenditure is currently ahead of the phased budget. Whilst there are no particular concerns arising from these areas, the position will continue to be monitored closely to ensure that overall net expenditure does not exceed departmental cash limited budgets. A further revenue monitoring report covering the period 1 April 2003 to 31 January 2004 will be submitted to the Committee when finalised.

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.

DSS/GSW
01/03/04

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