

ANGUS COUNCIL

CONTRACT SERVICES COMMITTEE - 15 AUGUST 2000

FINANCIAL PERFORMANCE 1999/2000

JOINT REPORT BY CONTRACT SERVICES MANAGER AND DIRECTOR OF FINANCE

ABSTRACT

This report informs Members of the unaudited financial performance by Contract Services in financial year 1999/2000.

1. RECOMMENDATION

It is recommended that Members note the contents of the report.

2. BACKGROUND

In their publication "Understanding our Business" the Scottish Executive recommends that Members are kept fully informed on the financial performance of all DSOs. Angus Council has already agreed that this information be provided on a quarterly basis as well as an annual summary. This report therefore complies with this recommendation.

3. FINANCIAL PERFORMANCE 1999/2000

Angus Council's accounts for 1999/2000 have now been submitted for audit. Contained therein is the overall performance of Contract Services, as shown below. A contribution of £310,000 was returned to the General Fund. Defined activities made surpluses totalling £375,000 which exceeds the financial objective of break-even imposed by Central Government under CCT regulations, after allowing for capital charges. The detailed performance figures are:

	Defined Activities						Non Defined/ Non CCT Activities 1999/00 £'000	TOTAL 1999/00 £'000	Budget 1999/00 £'000
	Vehicle Maint. 1999/00 £'000	Refuse Coll. 1999/00 £'000	Street Cleans. 1999/00 £'000	Building Clean. 1999/00 £'000	Ground Maint. 1999/00 £'000	Leisure Manage. 1999/00 £'000			
Total Expenditure	587	1,461	770	318	2,024	1,921	3,037	10,118	10,036
Total Turnover	618	1,586	803	383	2,073	1,993	2,972	10,428	10,359
Contribution to General Fund 1999/00	31	125	33	65	49	72	(65)	310	323
Add Back Capital Charges *			2		46		15	63	63
Adjusted Surplus/ (Deficit)	31	125	35	65	95	72	(50)	373	386

* Under Capital Accounting Arrangements users of assets are charged for the use of those assets no matter how financed. The capital charges added back as shown above, circa £63,000, relate to assets previously financed in full from DSO revenue surpluses, mainly for mechanical assets. The adjusted surplus of £373,000 is therefore the relevant figure to use in assessing the DSO performance. The original targeted surplus for the year was £418,000, which was revised to £386,000 to account for agreed budget amendments.

4. GENERAL COMMENTS

Various items affected the overall financial performance of Contract Services, including the theft of ground maintenance equipment to the value of £42,000, of which £20,000 had to be met from the 1999/2000 cash limited budget, and the reduction in available finance for additional work to be authorised by the Clients due to the severe financial circumstances currently applicable to all local authorities.

On the whole, it is considered that the 1999/2000 performance has been satisfactory and made a welcome contribution to Angus Council's overall financial position.

5. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

6. CONSULTATION

The Chief Executive and the Director of Law & Administration have been consulted on the contents of this report.

M P Graham
Contract Services Manager
1 August 2000

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 this report.