

REPORT TO: FINANCE COMMITTEE – 16 OCTOBER 2000

REPORT ON: REVENUE MONITORING 2000/01

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 621-2000

1 PURPOSE OF REPORT

- 1.1 To provide Elected Members with an analysis of the 2000/01 Projected Revenue Outturn as at 31 August 2000 monitored against the adjusted 2000/01 Revenue Budget.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:

- a notes that the overall General Fund 2000/01 Projected Revenue Outturn as at 31 August 2000 shows an overspend of £311,000 against the adjusted 2000/01 Revenue Budget, and that the Housing Revenue Account projects a 2000/01 spend in line with budget; and
- b instructs the Director of Finance, in conjunction with all Chief Officers of the Council to continue to monitor the Council's 2000/01 Projected Revenue Outturn and to use his best endeavours to ensure that the final outturn for the financial year is as close to the approved Revenue Budget as possible.

3 FINANCIAL IMPLICATIONS (see Appendix A)

- 3.1 The overall projected 2000/01 General Fund Revenue outturn position for the City Council shows an overspend of £311,000 based on the financial information available at 31 August 2000. A system of perpetual detailed monitoring is taking place up to 31 March 2001 and it is the objective of the Council to achieve a final outturn which is as close to the approved 2000/01 Revenue Budget as possible. Any General Fund overspend at 31 March 2001 will require to be met from General Fund balances.
- 3.2 The Housing Revenue Account projects a spend in line with budget based on the financial information available at 31 August 2000. The Housing Department, in conjunction with the Director of Finance, will continue to monitor total expenditure to achieve a final outturn which is at or below the approved 2000/01 Revenue Budget.

4 LOCAL AGENDA 21 IMPLICATIONS

None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

6 BACKGROUND

- 6.1 The Council's Corporate Plan has as one of its values "efficiently utilise our resources to provide the standards of public service expected by the citizens and at an acceptable cost". It is essential that this value is actioned in the monitoring of the Council's Revenue Budget and the presentation of a regular monitoring report to the Finance Committee is seen as a representation of the achievement of that value.

- 6.2 Following approval of the Council's 2000/01 Revenue Budget by the Special Finance Committee on 9 March 2000, this report is now submitted to monitor the 2000/01 Projected Revenue Outturn as at 31 August 2000, against the 2000/01 Revenue Budget.
- 6.3 The Final 2000/01 Revenue Budget included a contingency provision of £1.27m to cover any unforeseen items of expenditure which may occur during the course of the financial year. A total of £0.82m has now been allocated from or earmarked within this contingency, the main item being £0.43m to fund the higher than budgeted water and wastewater charges levied by NOSWA.

7 REASONS FOR VARIANCES

The main areas of Departmental variances and associated explanations are as follows:

Overspends

7.1 Residential Schools: Social Work (£397,000) and Education

The projected overspend on secure and residential care of £757,000 based on a budget of £1,430,000 is due to an increase in the number of referrals, the majority of which are outwith the Council's control. It should be noted that all external placements are reviewed on a continuous basis. In addition, the delay in opening the Council's Close Support Unit has resulted in external placements continuing for a longer period than was originally budgeted. A detailed report on this projected overspend has been included as a separate item on this Committee's agenda.

At this stage it is anticipated that £360,000 of this overspend will be contained within the departments' overall revenue budgets, Social Work (£270k) and Education (£90k) through a combination of the allocation of new monies and higher than budgeted income levels. The balance of £397,000 will result in an overspend in the Social Work Department budget.

7.2 Environmental & Consumer Protection (£342,000)

The projected overspend of £342,000 based on an adjusted budget of £11,594,000 is mainly due to a higher disposal of refuse to Wellbank landfill than budgeted (£247k) and a higher than budgeted disposal of ash from DERL (£97k). ECPD are reviewing these activities and efforts will be made to reduce the projected overspend.

8 CONSULTATIONS

- 8.1 All Chief Officers have been consulted in the calculation of projected outturns included in this report, insofar as they apply to their own individual department.

DAVID K DORWARD
DIRECTOR OF FINANCE

BACKGROUND PAPERS

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.

2000/01 REVENUE OUTTURN MONITORING
PERIOD 1 APRIL 2000 - 31 AUGUST 2000

APPENDIX A

Statement analysing 2000/01 Projected Revenue Outturn to Budget (Capital Charges, Central Support & Central Buildings Recharges have been excluded from Departments as these costs are outwith their control).

	(col 1) Final Revenue Budget 2000/01 £000	(col 2) Transfers from/ (to) Contingency, General & R & R Fund £000	(col 3) Adjusted Revenue Budget 2000/01 £000 (col 1+2)	(col 4) Projected Revenue Expenditure 2000/01 £000	(col 5) Projected Budget Variance 2000/01 £000 (col 4-3) + overspend (underspend)
Department					
Social Work	40,451		40,451	40,848	397
Environment & Consumer Prot	11,551	43	11,594	11,936	342
Economic Development	2,916	560	3,476	3,490	14
Neighbourhood Resources	7,194	10	7,204	7,212	8
Education	68,366		68,366	68,366	
Planning & Transport	7,386		7,386	7,386	
Leisure & Parks	8,494	48	8,542	8,542	
Arts & Heritage	2,351		2,351	2,351	
Other Housing	1,476		1,476	1,476	
Housing/Council Tax Benefit	2,935		2,935	2,935	
Miscellaneous Income	(2,389)		(2,389)	(2,389)	
<u>Miscellaneous Services</u>					
Chief Executive	798		798	798	
Finance	4,501		4,501	4,501	
Support Services-Admin/Legal	1,360	61	1,421	1,421	
<u>Central Support Services</u>					
Chief Executive	215		215	215	
Finance	1,140		1,140	1,140	
Personnel & Mgmt Serv	1,187		1,187	1,187	
Support Services-Admin/Legal	1,159	21	1,180	1,180	
-Architects	(360)		(360)	(360)	
Information Technology	4,353	(162)	4,191	4,191	
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	165,084	581	165,665	166,426	761
DSO/DLO Surpluses	(961)		(961)	(961)	
Capital Financing Costs/Interest					
on Revenue Balances	19,142		19,142	19,142	
Contingencies	1,270	(8)	1,262	812	(450)
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	184,535	573	185,108	185,419	311
Joint Board					
Tayside Joint Police Board	13,608		13,608	13,608	
Tayside Fire Joint Board	9,628		9,628	9,628	
Tayside Valuation Jt Board	801		801	801	
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	208,572	573	209,145	209,456	
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		[note 1]			
TOTAL PROJECTED 2000/01 GENERAL FUND OVERSPEND AS AT 31/3/2001					311
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Housing Revenue Account	-	-	-	-	NIL
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Note 1. £573k represents transfers from General Fund (£500k) & Renewal & Repair Fund (£73k).

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