

**REPORT TO: FINANCE COMMITTEE – 13 NOVEMBER 2000**

**REPORT ON: REVENUE MONITORING 2000/01**

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 687-2000**

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2000/01 Projected Revenue Outturn as at 30 September 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 30 September 2000 shows an overspend of £27,000 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 £27,000 based on the financial information available at 30 September 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.
- 3.2 The Housing Revenue Account projects a spend in line with budget based on the financial information available at 30 September 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 30 September 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 £0.836m 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.

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 (£231,000)

The projected overspend of £231,000 based on an adjusted budget of £11,594,000 is mainly due to a higher disposal of refuse to Wellbank landfill than budgeted. The Department are reviewing this activity and efforts will be made to reduce the projected overspend.

#### 7.3 Housing/Council Tax Benefit (£126,000)

The projected overspend of £126,000 based on a budget of £2,935,000 is due to the recent finalisation of last year's (1999/00) Housing/Council Tax Benefit claim, when the subsidy due for 1999/00 was slightly less than estimated in the 1999/00 accounts. This shortfall in income will require to be accounted for in 2000/01.

#### 7.4 Tayside Fire Joint Board (£150,000)

The Tayside Fire Joint Board is projecting an excess over budget in 2000/01 of £289,000 due to additional retirement pensions payable. The City Council's share (52%) of this projected overspend is £150,000.

### Underspend

#### 7.5 DSO/DLO Surpluses (£495,000)

The projected net increase of £495,000 in surpluses is the combination of a projected increase in contributions of £524,000 from Dundee Contract Services due to an increase in turnover and the efforts of management and workforce working together to minimise overheads and improve efficiency and a £29,000 reduction in contribution from Tayside Contracts arising from a timing difference in preparing budgets. The Council, when setting

its 2000/01 Revenue Budget, had estimated a £250,000 surplus, whereas Tayside Contracts had estimated £221,000.

**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.

**DUNDEE CITY COUNCIL**  
**2000/01 REVENUE OUTTURN MONITORING**  
**PERIOD 1 APRIL 2000 - 30 SEPTEMBER 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)
<b>Department</b>					
Social Work	40,451	100	40,551	40,948	397
Environment & Consumer Prot	11,551	43	11,594	11,825	231
Housing/Council Tax Benefit	2,935		2,935	3,061	126
Economic Development	2,916	560	3,476	3,504	28
Neighbourhood Resources	7,194	10	7,204	7,222	18
Other Housing	1,476		1,476	1,482	6
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	
Miscellaneous Income	(2,389)		(2,389)	(2,389)	
<u>Central Support Services</u>					
Chief Executive	215		215	215	
Finance	1,140	12	1,152	1,152	
Personnel & Mgmt Serv	1,187		1,187	1,187	
Support Services-Admin/Legal	1,159	22	1,181	1,181	
-Architects	(360)		(360)	(360)	
Information Technology	4,353	(162)	4,191	4,191	
<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	
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	165,084	694	165,778	166,584	806
DSO/DLO Surpluses	(961)		(961)	(1,456)	(495)
Capital Financing Costs/Interest on Revenue Balances	19,142		19,142	19,142	
Contingencies	1,270	(21)	1,249	815	(434)
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	184,535	673	185,208	185,085	(123)
<b>Joint Board</b>					
Tayside Fire Joint Board	9,628		9,628	9,778	150
Tayside Joint Police Board	13,608		13,608	13,608	
Tayside Valuation Jt Board	801		801	801	
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	208,572	673	209,245	209,272	
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		[note 1]			
<b>TOTAL PROJECTED 2000/01 GENERAL FUND OVERSPEND AS AT 31/3/2001</b>					----- 27 =====
<b>Housing Revenue Account</b>	-	-	-	-	NIL =====

Note 1. £673k represents transfers from General Fund (£500k) & Renewal & Repair Fund (£173k).