

REPORT TO: FINANCE COMMITTEE – 11 DECEMBER 2000

REPORT ON: REVENUE MONITORING 2000/01

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 746-2000

1 PURPOSE OF REPORT

- 1.1 To provide Elected Members with an analysis of the 2000/01 Projected Revenue Outturn as at 31 October 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 October 2000 shows an overspend of £35,000 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 £35,000 based on the financial information available at 31 October 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 October 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 October 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 £0.904m 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 (£157,000)

The projected overspend of £157,000 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 (£118,000)

The projected overspend of £118,000 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 DSO/DLO Surpluses (£395,000)

The projected net increase of £395,000 in surpluses is the combination of a projected increase in contributions of £424,000 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 - 31 OCTOBER 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	110	40,561	40,958	397
Environment & Consumer Prot	11,551	43	11,594	11,751	157
Housing/Council Tax Benefit	2,935		2,935	3,053	118
Planning & Transport	7,386		7,386	7,436	50
Economic Development	2,916	560	3,476	3,502	26
Neighbourhood Resources	7,194	10	7,204	7,222	18
Other Housing	1,476		1,476	1,484	8
Arts & Heritage	2,351		2,351	2,359	8
Education	68,366		68,366	68,366	
Leisure & Parks	8,494	48	8,542	8,542	
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	47	4,548	4,548	
Support Services-Admin/Legal	1,360	61	1,421	1,421	
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	165,084	751	165,835	166,617	782
DSO/DLO Surpluses	(961)		(961)	(1,356)	(395)
Capital Financing Costs/Interest on Revenue Balances	19,142		19,142	19,142	
Contingencies	1,270	(78)	1,192	826	(366)
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	184,535	673	185,208	185,229	21
Joint Board					
Tayside Fire Joint Board	9,628		9,628	9,642	14
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	209,280	
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		[note 1]			
TOTAL PROJECTED 2000/01 GENERAL FUND OVERSPEND AS AT 31/3/2001					35
					=====
Housing Revenue Account	-	-	-	-	NIL
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Note 1. £673k represents transfers from General Fund (£500k) & Renewal & Repair Fund (£173k).

Worksheet in 746-2000.obd 03/05/2001 10:58