

**REPORT TO: FINANCE COMMITTEE – 12 MARCH 2001**

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

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 144-2001**

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2000/01 Projected Revenue Outturn as at 31 January 2001 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 January 2001 shows an overspend of £263,000 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 £263,000 based on the financial information available at 31 January 2001. 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 January 2001. 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 January 2001, 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 £1.27m 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 Planning & Transportation (£350,000)

The projected overspend is due to a higher than anticipated demand for winter maintenance of £319,000 and a reduction in car park income of £53,000. The total overspend of £372,000 is offset by additional rental income and other savings of £22,000, resulting in a net overspend of £350,000.

#### 7.2 Residential Schools: Social Work (£342,000) and Education

The projected overspend on secure and residential care of £1,011,000 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 £669,000 of this overspend will be contained within the departments' overall revenue budgets, Social Work (£579k) and Education (£90k) through a combination of the allocation of new monies, and an increased level of income. The balance of £342,000 will result in an overspend in the Social Work Department budget.

#### 7.3 Education (£149,000)

There is a projected overspend of £349,000 due to the increase in number of temporary teachers and staff. It is anticipated that £220,000 of this overspend will be contained within the overall Education revenue budget and the remaining balance of £149,000 will result in an overspend in the Education Department budget.

#### 7.4 Housing/Council Tax Benefit (£118,000)

The projected overspend of £118,000 based on spend against a budget of £2,935,000 is due to the recent finalisation of last year's (1999/00) Housing/Council Tax Benefit claim. 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 the financial year 2000/01.

#### 7.5 Tayside Fire Joint Board (£156,000)

The revenue monitoring statement for the period to the end of January 2001 for Tayside Fire Joint Board projected an overspend of £300,000, the principal reasons for this being a higher level of ill health retirals and general pensions. The City Council will have to pay an additional amount of some £156,000 being its proportionate share of the projected £300,000 overspend.



## **Underspends**

### **7.6 Environmental & Consumer Protection (£29,000)**

The projected underspend of £29,000 is due to a combination of factors. The fire at the Baldovie Incinerator has meant that there has been a saving in a variety of expenditure heads estimated to produce a cumulative saving of circa £329,000. However, the Director of Finance has retained £300,000 of this saving to meet any shortfall in recovery of the Council's invoices for additional costs due to the fire. An insurance claim has been submitted by DERL and will be settled shortly.

### **7.7 DSO/DLO Surpluses (£491,000)**

The projected additional surplus of £491,000 has been generated by Dundee Contract Services due to an increase in turnover and the efforts of management and workforce working together to minimise overheads and improve efficiency.

### **7.8 Capital Financing Costs/Interest on Revenue Balances (£358,000)**

The projected underspend of £358,000 in Capital Financing Costs is due to a projected saving in the budgeted loan interest rate of 6.75%.

## **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.

2-Mar-01:  
Reports/REVMON

**DUNDEE CITY COUNCIL**  
**2000/01 REVENUE OUTTURN MONITORING**  
**PERIOD 1 APRIL 2000 - 31 JANUARY 2001**

**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>					
Planning & Transport	7,386	47	7,433	7,783	<b>350</b>
Social Work	40,451	209	40,660	41,002	<b>342</b>
Education	68,366	27	68,393	68,542	<b>149</b>
Housing/Council Tax Benefit	2,935		2,935	3,053	<b>118</b>
Economic Development	2,916	748	3,664	3,690	<b>26</b>
Environment & Consumer Prot	11,551	36	11,587	11,558	<b>(29)</b>
Leisure & Parks	8,494	33	8,527	8,527	
Neighbourhood Resources	7,194	27	7,221	7,221	
Arts & Heritage	2,351		2,351	2,351	
<u>Central Support Services</u>					
Chief Executive	215		215	215	
Personnel & Mgmt Serv	1,187	4	1,191	1,191	
Information Technology	4,353	(238)	4,115	4,115	
Finance	1,149	15	1,164	1,164	
Support Services-Admin/Legal	1,159	23	1,182	1,182	
-Architects	(360)		(360)	(360)	
<u>Miscellaneous Services</u>					
Chief Executive	798		798	798	
Finance	4,492	(7)	4,485	4,485	
Support Services	1,360		1,360	1,360	
Other Housing	1,476		1,476	1,476	
Miscellaneous Income	(2,389)		(2,389)	(2,389)	
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	165,084	924	166,008	166,964	<b>956</b>
DSO/DLO Surpluses	(961)		(961)	(1,452)	<b>(491)</b>
Capital Financing Costs/Interest on Revenue Balances	19,142		19,142	18,784	<b>(358)</b>
Contingencies	1,270	(364)	906	906	
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	184,535	560	185,095	185,202	<b>107</b>
<b>Joint Board</b>					
Tayside Fire Joint Board	9,628		9,628	9,784	<b>156</b>
Tayside Joint Police Board	13,608		13,608	13,608	
Tayside Valuation Jt Board	801		801	801	
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	208,572	560	209,132	209,395	
	=====	=====	=====	=====	
		[note 1]			
<b>TOTAL PROJECTED 2000/01 GENERAL FUND OVERSPEND AS AT 31/3/2001</b>					<b>263</b>
					=====
<b>Housing Revenue Account</b>	-	-	-	-	<b>NIL</b>
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Note 1. £560k represents transfers from General Fund (£425k) & Renewal & Repair Fund (£135k).

Worksheet in 144-2001.obd 06/06/2001 09:47