

ANGUS COUNCIL

FINANCE & INFORMATION TECHNOLOGY COMMITTEE – 11 March, 2003
POLICY & RESOURCES COMMITTEE – 18 March, 2003

REVENUE BUDGET OVERTURN 2002/2003

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

The purpose of this report is to give members an indication of the likely revenue overturn for the financial year 2002/2003.

1. RECOMMENDATION

It is recommended that the Committee notes the contents of this report for its interest and furthermore –

- a) approves virement of £929k (or such other sum as may be determined as the year progresses) in respect of Social Work underspend to the Capital Fund and resolves accordingly to make such contribution.
- b) approves virement of £100k in respect of the Planning and Transport underspend to the Capital Fund and resolves accordingly to make such contribution.

2. BACKGROUND

At the Special meeting of Angus Council on 14 February, 2002 the Council approved the revenue budget estimates for the 2002/2003 financial year. Details of the individual departmental revenue budgets are contained in the Final Revenue And Capital Budgets Volume 2002/2003 issued to members in April 2002.

3. INTRODUCTION

As part of the Council's procedures for monitoring revenue expenditure and income, year end projections of net expenditure are prepared on a regular basis (taking account of actual figures to date). Any significant variances between the projected overturn and the original budget are investigated and where necessary, budget virements effected.

4. CURRENT POSITION

The budgets set out in the Appendix have been amended by carry forwards. Report 525/01 to the Finance and Information Technology Committee of 1 May, 2001 set out proposals for virement flexibility between financial years. This virement flexibility permits each General Fund department to carry forward 50% of any underspend in 2001/2002 to the 2002/2003 financial year, subject to a maximum ceiling. The departmental budgets shown in the attached statement have been amended for the amounts set out in Report 1049/02 although it should be noted that the carry forward in respect of Contract Services (£78k) has been allocated to Recreation Services for application as a contract variation to Contract Services. It should also be noted that the Education carry forward has been revised to £100k from £84k.

It should also be noted the figures in the attached statement include the additional monies received from the Scottish Executive for Quality of Life projects. This was detailed in committee report 861/02.

As a result of previous years' underspends on Policy Led Budgeting initiatives, a virement of £180k has been made from General Fund balances into the relevant departmental budgets.

The Appendix indicates the following variations :-

Education – The projected overturn shows an underspend of £125k as reported to the previous committee meeting. The Director of Education has allocated additional financial resources to schools to ensure that the departmental expenditure is as near the agreed budget as possible. Appropriate virement has taken place to DSM headings.

Social Work – Reference is made to committee report 64/03 at which approval was sought to transfer the anticipated underspend on new monies to the Council's Local Capital Fund. This will allow the development of required physical resources for the department. In total the new monies received by the department is over £5.5 million of which up to £4.6 million is expected to be spent this year. The outturn figure has been amended to take account of this. It is the current intention to transfer the underspend of £929k to the Local Capital Fund. It will be appreciated however that the demand-led nature of the Social Work budget makes it difficult to be precise as to the level of underspend and accordingly the figure may change.

Roads – An overspend of £168k is shown under Roads. This is due to the recent purchase of the car park in Kirriemuir. The 02/03 budget included £80k income in respect of car parks, (this being a repayment to general fund balances for the prior year trading deficit). However the actual purchase of £88k was delayed until the current financial year, thus producing a technical overspend of £168k.

Planning & Transport – An underspend of £300k is shown under Planning. £175k of this arises on the new concessionary travel scheme. It is proposed that £100k of this sum be transferred to the Capital Fund in connection with development of infrastructure related to the Arbroath Harbour Development with the remaining £75k carried forward on an earmarked basis. A further £34k arises from increased planning applications/building warrants income net of agreed additional expenditure on computers (£96k) and microfilming (£50k). A £91k underspend has also occurred on the ringfenced Access to the Countryside budget which will be carried forward in full to financial year 2003/04.

Other Housing – The £11k overspend is made up of a lower level of grant support on Housing Benefit (£35k), which is offset by premature loan repayments (£24k) although it should be noted capital financing charges will increase accordingly.

5. HUMAN RIGHTS IMPLICATIONS

There are no Human Rights implications arising from this Report.

6. CONSULTATION

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

7. CONCLUSION

This report reflects ongoing monitoring of budget versus actual. There are no particular issues of concern at present.

DAVID S. SAWERS
DIRECTOR OF FINANCE

NOTE: 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.

DSS/JC/NS
March, 2003