

## ANGUS COUNCIL

## POLICY &amp; RESOURCES COMMITTEE

19 JUNE 2001

## ROADS &amp; TRANSPORT RENEWAL &amp; REPAIR FUND - ADDITIONAL CONTRIBUTION

## REPORT BY THE DIRECTOR OF FINANCE

**ABSTRACT**

This report seeks approval for the transfer of resources from the Council's General Fund Balances to the Roads & Transport Renewal & Repair Fund in light of the overspend on 2000/01 winter maintenance costs.

**1. RECOMMENDATIONS**

It is recommended that the Committee :

- (i) note the contents of this report for its interest ;
- (ii) agree to the transfer of resources totalling £0.5 million from General Fund balances into the Roads & Transport Renewal & Repair Fund.

**2. INTRODUCTION**

The Roads Committee, at its meeting of 26 April 2001, was advised of a projected overspend on the 2000/01 winter maintenance programme of some £0.495 million (Report 513/01 refers). This overspend was due to an exceptionally severe winter, compared to the "average" winter on which the budget for winter maintenance is established. Report 513/01 advised that in order to maintain the department's 2000/01 cash limited budget, £0.495 million would be drawn from the available balance in the Roads & Transport Renewal & Repair Fund and vired to the Roads revenue budget in order to contain the cost of winter maintenance.

It was noted within Report 513/01 that the Director of Finance would consider the replenishment of the Roads & Transport Renewal & Repair Fund in light of General Fund revenue balances available to the Council once the 2000/01 accounts had been finalised.

**3. 2000/01 YEAR END POSITION**

Report 729/01 to the Finance & Information Technology Committee of 12 June 2001 and also Item 3 on this Agenda reported an overall revenue budget surplus for 2000/01 of £2.248 million, contributing to year end General Fund balances of some £8.023 million. The budget surplus arose, in part, due to the increased surplus achieved by Tayside Contracts, some of which was a consequence of additional income generated from the Roads department's increased 2000/01 winter maintenance expenditure. Adjusting for Devolved School Management Reserve Funds of £0.545 million contained within this sum, a net General Fund balance at 1 April 2001 of £7.478 million is evident. A number of commitments / provisions will require to be financed from this sum :

- General Fund contingency (Report 202/01 refers) ;
- Invest to Save (Report 1245/00 refers) ;
- 2001/02 pay award budget shortfall (Report 394/01 refers) ;
- Departmental budget carry forward (Report 525/01 refers) ;
- Unspent Policy Led Budget sums ;
- Carry forward of 2000/01 Police Joint Board underspend ;
- Use of underspend on DERL to fund CFCR at Restenneth.

However, it is estimated that a General Fund balance of some £2.5 to £2.75 million will still be available permitting a top-up contribution to the Roads & Transport Renewal & Repair Fund to be made. It should be noted that these year end figures are provisional at present and still subject to audit but it is envisaged that any amendments which may arise will be of relatively minimal consequence in relation to the estimated balances available.

It is proposed, therefore, that an allocation of £0.5 million be made from General Fund balances to the Roads & Transport Renewal & Repair Fund in order to replenish the fund in light of the action taken to contain the 2000/01 updated winter maintenance overspend within the Roads revenue budget.

#### **4. FINANCIAL IMPLICATIONS**

It will be noted from the level of General Fund balance available that a £0.5 million contribution can be made to the Roads & Transport Renewal & Repairs Fund without compromising the Council's contingency levels.

#### **5. HUMAN RIGHTS IMPLICATIONS**

There are no human rights implications arising from this report.

#### **6. CONSULTATION**

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

#### **7. CONCLUSION**

The £0.495 million overspend on the winter maintenance programme in 2000/01 was accommodated by transferring resources from the Roads & Transport Renewal & Repair Fund, thereby enabling the Roads department to maintain their cash limited budget in 2000/01. In light of the Council's General Fund balance position as at 31/03/01, it is proposed that a £0.5 million sum be contributed from General Fund Balances to the Roads & Transport Renewal & Repair Fund in 2001/02 to replenish the Fund to the level intended for 2001/02 overall Roads budget provision purposes.

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 the above Report.