

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES COMMITTEE
STRATEGIC POLICY COMMITTEE

20 OCTOBER 2005
3 NOVEMBER 2005

SUBJECT: REVENUE BUDGET OUTTURN 2005/06

REPORT BY ACTING DIRECTOR OF FINANCE

<p>Abstract: The purpose of this report is to give members an indication of the likely revenue outturn for the financial year 2005/2006.</p>

1 RECOMMENDATION

1.1 It is recommended that the Committee note the contents of this report for its interest.

2 BACKGROUND

2.1 At the Special meeting of Angus Council on 10 February 2005 the Council approved the revenue budget estimates for the 2005/2006 financial year. Details of the individual departmental revenue budgets are contained in the Final Revenue and Capital Budgets Volume 2005/2006 issued to members in April 2005.

3 INTRODUCTION

3.1 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 outturn and the original budget are investigated and where necessary, budget virements effected.

3.2 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, subject to a maximum ceiling. The Departmental budgets shown in the attached Statement have yet to be amended for sums available under the 50% carry forward scheme.

4 FINANCIAL IMPLICATIONS

4.1 Social Work – Residential Schools – Early projections indicate that this budget will be under pressure this year. If the projections are confirmed it will be challenging to contain the position within the social work and education departmental budgets. The Directors of Social Work & Health and Education are investigating the situation and will liaise with the Acting Director of Finance in this regard.

4.2 Environmental & Consumer Protection – Core and Trading Accounts. The position shown for the non trading aspects is £100k favourable due to increased income from generation of electricity at Restenneth Landfill Site. Strict control is being exercised to achieve further savings wherever possible and the availability of unused grant from previous financial years is being investigated which is likely to present an even more favourable outturn. This is particularly important in view of the difficult picture emerging under Trading Account Services where a deficit is currently projected of

£274k compared to a £176k surplus. However this adverse movement includes significant sums yet to be fully documented and calculated that are likely to be covered by Waste Strategy Fund grant. Rising fuel costs and increases in expenditure at Restenneth Landfill Site consequent upon ever increasing regulation are other factors giving rise to this adverse position. There is ongoing review of this challenging budget situation which will be the subject of future reports.

- 4.3 Planning & Transport are projecting an under spend of £150k due to savings on payments to bus operators for subsidising bus routes.
- 4.4 Trading Accounts – Leisure Services expect to achieve a surplus £681k, i.e. £350k in excess of budget. This is mainly down to three key areas; increased income from Sports Services of £170k above budget; an under spend of £80k in Ground Operations labour costs due to staff slippage and £100k which relates to additional income received by Ground Operations from external works. It should be noted that this surplus will in the first instance be used to finance capital overspends in 2005/06.

5 HUMAN RIGHTS IMPLICATIONS

- 5.1 There are no Human Rights implications arising from this Report.

6 CONSULTATION

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

7 CONCLUSION

- 7.1 This report reflects ongoing monitoring of budget versus actual.

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.

CM/GW
September 2005

Colin McMahon
Acting Director of Finance

Report No 1243/05

**2005/06 Projections
Statement**

(Excluding capital financing costs, specific and other grants and central support services recharges)

Department	(1) Please Refer to Notes in Appendix	(2) Budget 2005/06 £'000	(3) Projected Outturn Based on 31-Aug-05 Ledgers £'000	(4) Projected Variances from Original Budget		
				Adverse £'000	Favourable £'000	Total Variance £'000
Education		83,491	83,491	0	0	0
Social Work		49,442	49,442	0	0	0
Roads		8,233	8,233	0	0	0
Leisure Services		9,294	9,294	0	0	0
Environmental and Consumer Protection		8,132	8,032	0	100	(100)
Planning & Transport		3,899	3,749	0	150	(150)
Economic Development		703	703	0	0	0
Central Support Services		11,088	11,088	0	0	0
Training		251	251	0	0	0
Finance Revenues		1,651	1,651	0	0	0
Miscellaneous Other Services		2,340	2,340	0	0	0
Other Housing		989	989	0	0	0
Other Expenditure		306	306	0	0	0
				0	0	0
Sub -Total Angus Council Departments		179,819	179,569	0	250	(250)
Police Joint Board Allocation to Angus Council		9,520	9,520	0	0	0
Fire Joint Board Allocation to Angus Council		4,982	4,982	0	0	0
Valuation Joint Board Allocation to Angus Council		741	741	0	0	0
Total Joint Board Allocations		15,243	15,243	0	0	0
Tayside Contracts		(150)	(150)	0	0	0
Angus Trading Services - Waste Management Operations		(176)	274	450	0	450
Angus Trading Services - Leisure		(331)	(681)	0	350	(350)
Total Net Expenditure		194,405	194,255	450	600	(150)