

ANGUS COUNCIL

**RESOURCES AND CENTRAL SERVICES COMMITTEE
STRATEGIC POLICY COMMITTEE**

**1 DECEMBER 2005
6 DECEMBER 2005**

SUBJECT: REVENUE MONITORING STATEMENT

REPORT BY ACTING DIRECTOR OF FINANCE

<p>Abstract: This report apprises members of the actual revenue expenditure incurred and income received in respect of the Council's departments for the period 1 April 2005 to 31 October 2005.</p>

1 RECOMMENDATION

- 1.1 It is recommended that the Committee notes 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 Budgetary Control

Financial control is a council aspect of control operating across the Council. Budgetary control is part of financial control and it is important that

- a The responsibilities of Officers and Members for the setting and control of budgets are properly defined.
- b Budgets are set in accordance with pre-determined approved policy objectives.
- c Revenue items are properly controlled by the effective periodic monitoring of financial out-turn against detailed budgets.
- d Significant variances are promptly identified, reported and acted upon.
- e The system contributes to the Council's ability to demonstrate that resources are being used in an economical, effective and efficient way.

This report particularly refers to matters in 3.1 (c), (d) & (e). Matters in (a) and (b) are dealt with in the Financial Regulations and the Budget Strategy Group respectively.

3.2 General

This report sets out the actual revenue expenditure incurred and income received for the period 1 April 2005 to 31 October 2005 for each Angus Council department as well as the Police, Fire and Valuation Joint Boards.

4 FORMAT OF REPORT

4.1 General

The report is broken down into eight separate sections covering the Council's General Fund departments and the Housing Revenue Account. Sections A to G cover the Council's General Fund departments, that is, those funded by the Council taxpayer whilst Section H appraises members of the position in relation to the Housing Revenue Account, that is, those services funded by Council house rentpayers.

4.2 General Fund Departments

Section A is a comparison of overall net expenditure by department, Sections B to F cover the main types of expenditure which these departments incur and Section G relates to income from fees and charges.

In each section a comparison of actual compared with a profiled budget is provided. The profiled budget for a given period is intended to reflect the timing of when expenditure is expected to be incurred or income received. The more predictable nature of staff costs payments allows the annual budget to be more readily profiled taking into account seasonal staffing variations and other factors. Despite the less predictable nature of other types of expenditure and income the annual budgets for these have also been profiled. These profiles have been based on income and expenditure patterns experienced in the first eight years of Angus Council, adjusted for any deviations expected in the current year.

The expected surpluses from Angus Council Trading Accounts and Tayside Contracts are shown in Section A for information.

4.3 Housing Revenue Account

Section H of the report sets out the actual expenditure incurred for the year to date on the Housing Revenue Account and compares this with the profiled budget for the same period.

[\(Appendices A, B, C, D, E, F, G, H\)](#)

5 COMMENTARY ON INFORMATION SHOWN IN STATEMENT

5.1 For the purposes of monitoring, a number of adjustments to the Council Tax budget set in March 2005 have been made in the preparation of this report. These adjustments mainly involve the exclusion of capital financing costs, which will not be calculated until the financial year end and certain specific and other grants, the receipt of which is irregular and could distort the reported income position.

5.2 Members may recall Report 525/01 to the Finance and Information Technology Committee of 1 May 2001 which set out proposals for virement flexibility between financial years. This virement flexibility permits each General Fund department to carry forward 50% of any under spend in one year to the following financial year,

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

- 5.3 Environmental & Consumer Protection – The outturn report submitted to committee indicates that waste management operations are currently projecting a deficit of £277k. This is reflected in the year to date figures shown in Appendix A.
- 5.4 Leisure Services – The outturn report submitted to committee indicates that Leisure Services trading expect to achieve a surplus of £681k, i.e. £350k in excess of budget. This is reflected in the year to date figures shown in Appendix A.
- 5.5 Roads department are showing an over spend due to rechargeable work but this will be fully recoverable by additional income.
- 5.6 Planning & Transport – The outturn report submitted to committee indicates an underspend of £150k and this is reflected in the year to date figures shown in Appendix A.

6 HUMAN RIGHTS IMPLICATIONS

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

7 CONSULTATION

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

8 CONCLUSION

- 8.1 It will be further noted from the information set out in Sections B to F of this report that under some of the cost heads, individual departmental actual expenditure is currently ahead of the phased budget. Whilst there are no particular concerns arising from these areas, the position will continue to be monitored closely to ensure that overall net expenditure does not exceed departmental cash limited budgets.

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 / GSW
November 2005.

Colin McMahon
Acting Director of Finance