

ANGUS COUNCIL

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

**1 DECEMBER 2005
6 DECEMBER 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 been amended for sums available under the 50% carry forward scheme.

4 FINANCIAL IMPLICATIONS

- 4.1 Education – The underspend is in line with Committee Report 1299/05. It is mainly due to increased one-off income in respect of trainee teachers within Primary being offset by higher than budgeted residential school costs within Special.
- 4.2 Social Work – Residential Schools – Adherence to the cash limited budget is shown, but 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.
- 4.3 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. This will be kept under careful review and strict control will be exercised to achieve further savings wherever possible. This is particularly important in view of the present assessment on the

Trading Account position where a deficit of £101k is projected compared to the budgeted £176k surplus, projecting a total overspend of £277k. This is due in part to rising fuel costs and increasing regulation at Restenneth Landfill Site. Various issues are being pursued with the intent of achieving the cash-limited budget position.

- 4.4 Planning & Transport are projecting an under spend of £150k due to savings on payments to bus operators for subsidising bus routes.
- 4.5 Finance General within Central Support Services is showing an underspend of £50k due to staff slippage.
- 4.6 Other Housing are projecting an overspend of £87k. This is due to Housing Benefit grant projections being lower than anticipated.
- 4.7 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 £150k above budget; an under spend of £70k in Ground Operations labour costs due to staff slippage and £130k which relates to additional income received by Ground Operations from external works. It should be noted that this surplus should contribute to financing capital overspends which will be faced by the department during 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
18/11/05
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