

**ANGUS COUNCIL**

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

**3 FEBRUARY 2005  
8 FEBRUARY 2005**

**SUBJECT: REVENUE BUDGET OUTTURN 2004/05**

**REPORT BY DIRECTOR OF FINANCE**

<p><b>Abstract: The purpose of this report is to give members an indication of the likely revenue outturn for the financial year 2004/2005.</b></p>
---

**1 RECOMMENDATION**

1.1 It is recommended that the Committee:-

- a. note the contents of this report for its interest.
- b. approves virement of £300k to the Capital Fund (or such other sum as may be determined as the year progresses) in respect of Social Work under spend and resolves accordingly to make such contribution.
- c. approves virement of £200k to the Capital Fund (or such other sum as may be determined as the year progresses) in respect of Planning & Transportation and resolves accordingly to make such contribution.

**2 BACKGROUND**

2.1 At the Special meeting of Angus Council on 12 February 2004 the Council approved the revenue budget estimates for the 2004/2005 financial year. Details of the individual departmental revenue budgets are contained in the Final Revenue And Capital Budgets Volume 2004/2005 issued to members in April 2004.

**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 under spend, subject to a maximum ceiling. The Departmental budgets shown in the [attached Statement](#) have been amended for the approved carry forward sums.

#### **4 FINANCIAL IMPLICATIONS**

- 4.1 Appendix A sets out the latest assessment of spend versus budget and the following particular comments are made:-
- 4.2 A recent report to this Committee in relation to Education revenue budget sets out that an estimated under spend of £585k is envisaged for the year, and that it is proposed to accelerate IT and capital projects involving transfers to the R&R fund (£150k) and the Capital fund (£200k). Once these transfers are made the Education revenue budget surplus will be reduced by £350k. It will be noted that £130k of the remainder of the proposed under spend is ring fenced by the Scottish Executive and will be carried forward on an earmarked basis with £105k being regarded as contingency at present. These two latter sums (£235k) are thus shown as a favourable balance in Appendix A.
- 4.3 Social Work continues to be an extraordinary complex area, including Supporting People issues. A prudent approach has been adopted to maintain the cash-limited budget position, and with the recent confirmation of Supporting People grant a revised outturn has been prepared. At this time there is a projected under spend of £600k in the main due to supporting people and difficulties in recruiting staff. Approval is being sought to transfer £300k (or whatever sum is determined) of this to the Capital Fund towards the Orchardbank development. An outturn of £300k is therefore shown in Appendix A.
- 4.4 It should be noted that the initial budget disaggregation of Contract Services between Leisure Services and Waste Management Operations has been revisited as it became apparent that the allocation made at that time was not sustainable. A transfer of £100k to Waste Management Operations has been made from Leisure Services and Appendix A reflects this updated position.
- 4.5 It has been drawn to the Committee's attention in previous reports that income in the current financial year from Planning Applications and Building Warrants has been ahead of profiled budget. The latest outturn projection confirms this. There are likely to be cost pressures arising in respect of Arbroath Harbour Development and it is proposed to transfer £200k (or whatever sum is determined) to the Capital Fund. The outturn for Planning and Transportation at £120k under spend reflects this.
- 4.6 An under spend is showing against Central Support Services and is made up of Information Technology (£150k), Finance General (£57k), Personnel (£30k) & Chief Executive (£20k). The under spend in Information Technology has resulted from staff slippage and increased income while Finance General, Personnel and Chief Executive are in the main due to staff slippage. This is shown in Appendix A.
- 4.7 Finance Revenues is showing an under spend of £20k. This is due to staff slippage being generated throughout the year.
- 4.8 Other Expenditure is projected to be under spent by £51k and is made up of District Courts & Licensing (£25k) and Registrars (26k). Both under spends are due to higher than budgeted income and are shown as a favourable balance in Appendix A.

#### **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.

DSS/GW  
21/01/05

David S. Sawers  
Director of Finance