

ANGUS COUNCIL

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

**17 MARCH 2005
22 MARCH 2005**

SUBJECT: REVENUE BUDGET OUTTURN 2004/05

REPORT BY 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 2004/2005.</p>

1 RECOMMENDATION

- 1.1 It is recommended that the Committee:-
- a. note the contents of this report for its interest.
 - b. Approves a further transfer of £110k from Education revenue budget for ICT provision in primary schools per committee report 1316/04.
 - c. Approves the transfer of the amount of the Trading Services-Leisure Services account over and above the budgeted surplus to a Prudential Borrowing Asset Replacement Reserve, as referred to in paragraph 4.10.
 - d. Approves the transfer of £248k as referred to in paragraph 4.4 to a Prudential Borrowing Asset Replacement Reserve.

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 Education are estimating an under spend of £940k for the year and it is proposed to accelerate IT and capital projects involving transfers to the R&R fund (£260k) and the Capital fund (£350k). Once these transfers are made the Education revenue budget surplus will be reduced by £610k. 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 £200k being regarded as contingency at present. These two latter sums (£330k) 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 has been given to transfer £300k (or whatever sum is determined) of this to the Capital Fund towards the Orchardbank development. The under spend against budget is therefore shown at £300k.
- 4.4 The Environmental and Consumer Protection outturn figure takes into account the transfer of budget of £248k to a Prudential Borrowing Asset Management Reserve. This relates to an initiative to place the procurement of vehicles on a secure and sustainable footing using the provisions of the Prudential Borrowing arrangements. The reserve will be used to contribute to additional borrowing costs.
- 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 approval has been given 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 (£65k), Finance General (£53k), 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 £19k. This is due to staff slippage being generated throughout the year.
- 4.8 Other Housing are anticipating an over spend of £8k. This is due to higher than budgeted water costs at Tayock.

- 4.9 Other Expenditure is projected to be under spent by £68k and is made up of District Courts & Licensing (£40k) and Registrars (28k). Both under spends are due to higher than budgeted income and are shown as a favourable balance in Appendix A.
- 4.10 The trading position of Trading Services-Leisure Services is such as to allow (in accordance with Financial Regulations) spending on various replacement items not included in the original budget of some £95k and thereafter to yield an additional amount of £80k above the budgeted surplus. It is proposed to transfer this additional amount (as may be adjusted as final figures for the year emerge) to a Prudential Borrowing Asset Replacement Reserve in order to place the procurement of replacement grounds maintenance and sports equipment on a secure and sustainable basis.

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
21/02/05

David S. Sawers
Director of Finance