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Provost's Introduction

My first year in office as the Provost of Angus has been to me both a revelation and reaffirmation of the county's strengths and potential.

The people of Angus are involved in all aspects of life from the arts to business and are making their mark far beyond the county boundaries, promoting and sustaining our cultural and commercial wealth and their endeavours deserve recognition.

Organised by the Angus Ahead campaign, which is co-ordinated and supported by the council, the annual Angus Ambassador Awards recognise outstanding achievement and accomplishment across all sectors. Hosting the celebration and promotion of this astonishing array of talent is one of the most rewarding of the Provost's duties.

The individual achievement of our 2003 Ambassador of the Year - taking the British Amateur Golf title in 2004 and securing a place at the 2005 US Masters - reinforces the county's golfing credentials as Angus prepares for the return to Carnoustie in 2007 of the Open, one of the world's premier sporting events.

Sadly the global community still endures conflict and the threat of terrorism. In Angus we recognised the invaluable role Arbroath based 45 Commando Royal Marines plays in combating these threats by granting them the Freedom of Angus in September 2003.

The pomp and ceremony of such an auspicious occasion is the exception rather than the norm in the civic calendar and the day-to-day work of the council goes on regardless. But this is not to say that notable achievement is scarce in Angus.

New, extended and refurbished schools, such as Inverkeilor and Edzell primaries, are certainly worth noting. The work to these and other schools demonstrates the council's continued commitment to the provision of modern premises for our pupils, premises designed for the delivery of 21st century learning.

The creation of new commercial and industrial space is also critical to the future development and prosperity of the county. Through an innovative partnership between the council and the developer the new Orchardbank Business Park in Forfar has the potential to create over 1,000 local jobs. That and the work done to promote and provide for call centre employment form just a portion of the council's economic development portfolio.

Forward planning to take advantage of opportunities and respond to need is critical. As we work more closely with our community planning partners at a county and community level we are all becoming more adept and aware of the ways in which we can plan, develop and deliver essential services and provide the leadership and vision to help the county prosper and progress.

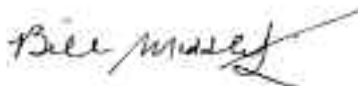
In 2004/05 we will see significant progress made on Angus' essential infrastructure in terms of the major construction projects of the A92 and the new Montrose Bridge. The IT network too continues to grow, with the successful broadband campaigns assisting both the council and local companies as the service rolls out. Within the council we continue to address the E-Government targets and have relaunched our own website, introducing more online services such as our library catalogue.

All of these developments have customers at their heart as we strive to improve our services, systems and performance and provide best value to the people of Angus.

I commend this report to you and look forward to seeing our ambitions and aspirations for the county come to fruition in the coming years.



Bill Middleton
Provost of Angus





Chief Executive's Report

I am delighted to introduce Angus Council's annual report and accounts for 2003/04 and thank you for taking the time to read it.

As a council, we are here to provide services on behalf of the people of Angus. As Chief Executive of this council, I have been reassured during the year to see our services consistently perform well when compared with other councils in Scotland. I commend the efforts of staff at all levels across the council who, by their efforts, help us to maintain our position as one of Scotland's best-performing local authorities. However, we cannot afford to rest on our laurels. There is always room for improvement, and that is why I was particularly pleased to learn that Angus was to be the first council in Scotland to undergo the new Audit of Best Value and Community Planning.

Statutory duties of Best Value and Community Planning were placed on local authorities by the Local Government in Scotland Act 2003. An audit process was developed to review the extent to which councils could demonstrate best value across their functions. The audit of Angus Council began in December 2003, with the findings of the process to be published in autumn 2004.

The self-assessment process in itself was a challenging and rewarding process, and the improvements which will be identified by the audit will provide a blueprint to take Angus Council forward in the coming years. I am keen to see the council build on the strong foundations which are in place, and respond effectively to new challenges ahead.

As I said above, we are here to provide services on behalf of the people of Angus. It is, therefore, important that you can access information about these services and judge for yourself how they are doing. This report is one way in which we tell you what our services have been doing and how well we have managed our finances over the last year.

In addition to this report and a range of other documents we produce, we publish information on our website (www.angus.gov.uk) and operate ACCESSLine. The direct line to council services ACCESSLine, on 08452 777 778, exists to answer your queries and help you access a broad range of council services.

I am keen to hear your views. If you have any comments on this report or, indeed, any of the services you receive from Angus Council, I would encourage you to complete the short questionnaire at the back of this report, telling us what you think. Postage is free. Alternatively, our website contains a 'Have Your Say' page from which you can e-mail us your comments and suggestions.

If we don't know what you think about how our services are performing on your behalf, we can't make any changes you think are necessary.

Sandy Watson OBE
Chief Executive




A warm reception for customers

Statement of Assurance of Corporate Governance

Angus Council's main responsibility is to ensure that it carries out its business lawfully and to proper standards, and that public money is properly accounted for and used in the most effective, efficient and economical way possible. Elected members and senior officers of the council are responsible for putting in place management arrangements for the governance of the council's affairs and all of the resources at its disposal.

To this end, Angus Council has adopted a local code of corporate governance which sets out the standards that we will aim to achieve in the following areas:-

- the way in which we work with the Angus community and keep them informed about what and how we are doing
- the arrangements we have in place to deliver good services which represent value for money
- the clarity and effectiveness of our political and management structures and business management processes
- the systems we have in place to identify and control the key risks facing the council
- the standards of conduct which we have in place for our elected members and every member of staff.

Over the past two years, we have put in place clear systems to review the extent to which we are meeting the standards set out in our local code of corporate governance. These systems help us to make sure that our approach is both adequate and effective in practice.

The Chief Executive has specific responsibility to:-

- oversee the implementation of the code
- monitor and review the extent to which the council is complying with the code in practice
- report annually to the Strategic Policy Committee on the extent of compliance, recommending any changes which may be needed to the code to ensure it remains a relevant and challenging benchmark against which we can assess our performance.

In addition, the council's Chief Internal Auditor has been given the responsibility to independently review corporate governance arrangements and report her findings to the Strategic Policy Committee each year. In practice, this provides assurance of the adequacy and accuracy of the review process conducted each year by the Chief Executive.

Significant progress has been made to implement the core elements of the local code. Work will continue in future years, however, to develop and improve our systems to ensure that they can meet the challenging demands set out for councils in the Local Government in Scotland Act 2003. We will update our local code of corporate governance as necessary to reflect them.

On the basis of the reports submitted by the Chief Executive and the Chief Internal Auditor to the Strategic Policy Committee in June 2004, we are satisfied that, with the exception of the matters noted below, Angus Council's corporate governance arrangements are adequate and operating effectively.

To ensure full compliance with the terms of our local code of corporate governance, we need to continue to develop the following areas:-

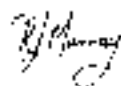
- undertake a regular programme of major best value reviews on areas which affect a number of departments of the council or one or more of our public sector partners eg NHS Tayside
- improve our performance management system to give a wider, more integrated view of how the council as a whole is doing
- introduce a risk management system across the council to identify key risks and put in place systems to monitor and control them
- approve and implement corporate procurement and communication strategies and action plans
- link budgeting processes more directly to service planning
- review the local code of corporate governance to pull together and reflect the recommendations from the council's improvement plan which was prepared based on the best value audit

Plans are in place to address these issues in the coming year, although some of them are complex and will require a period of time to become fully embedded across the council and its departments.

It will be a priority for the council in the coming year to continue to improve our business management processes to ensure high standards of corporate governance.



Councillor Rob Murray
Leader of Angus Council




Sandy Watson OBE
Chief Executive



Council Members & Wards



1 Kirriemuir West

Ian Mackintosh JP (Con)
Kirkton of Kingoldrum
Kirriemuir DD8 5HW
Tel: 01575 574716



7 Forfar Central

Ron Scrimgeour (SNP)
39 Gowan Rigg
Forfar DD8 2EE
Tel: 01307 469145



13 Montrose Hillside

Kathleen M Ritchie JP (SNP)
Braebost
Kinnaber Road
Hillside
Montrose
DD10 9EP
Tel: 01674 830568



2 Kirriemuir East

John Henderson JP (SNP)
Roebrek
Linross
Glamis
Forfar DD8 1QN
Tel: 01307 840544



8 Forfar East

Bill Middleton (SNP)
51 Lilybank Crescent
Forfar DD8 2HZ
Tel: 01307 463989



14 Forfar South

Bill Robertson (SNP)
1 Drimmie Place
Letham DD8 2DW
Tel: 01307 818905



3 Brechin West

The Hon Ruth J
Leslie Melville (Ind)
Little Deuchar
Fern
Forfar DD8 3RA
Tel: 01356 650279



9 Brechin South Esk

Joy Mowatt JP (SNP)
35 Gellatly Place
Brechin DD9 6BS
Tel: 01356 623981



15 Letham & Friockheim

David Lumgair (Con)
East Idvies
Letham
DD8 2QN
Tel: 01307 818233



4 Brechin North Esk

Robert G Myles JP (Ind)
Dalbog
Edzell DD9 7UU
Tel: 01356 648265



10 Montrose Ferryden

Mark Salmond JP (Ind)
3 Gardyne Street
Montrose DD10 9BJ
Tel: 01674 660098



16 Sidlaw West

Frank Ellis (SNP)
1 Quarry Cottages
Lovehall Road
Wellbank DD5 3QF
Tel: 01382 350473



5 Westfield & Dean

Iain Gaul (SNP)
46 Prior Road
Forfar DD8 3DT
Tel: 01307 464698



11 Montrose Central

Terry Wood (Ind)
1 St Mary's Road
Montrose DD10 8EU
Tel: 01674 672829



17 Sidlaw East & Ashludie

Helen Oswald (SNP)
17 Ireland Street
Carnoustie DD7 6AS
Tel: 01241 859876



6 Forfar West

Glennis Middleton (SNP)
51 Lilybank Crescent
Forfar DD8 2HZ
Tel: 01307 463989



12 Montrose West

George Norrie MBE
JP (Ind)
Drumneath
26 Mall Park Road
Montrose DD10 8NS
Tel: 01674 673807



18 Monifieth West

Stewart McGlynn (SNP)
75 Brook Street
Monifieth DD5 4AJ
Tel: 01382 534567

19 Monifieth Central



Rob Murray JP (SNP)
8 Beechgrove
Monifieth DD5 4TE
Tel: 01382 534908

24 Keptie



Dr Richard Speirs
(Lib Dem)
No 1 Cottage
Fraserfield
Woodville
Arbroath DD11 2QW
Tel: 01241 890384

28 Harbour



Alex King JP (SNP)
12 Dalhousie Place
Arbroath DD11 2BT
Tel: 01241 872107

20 Carnoustie West



Jack Gibb (SNP)
70 Broomwell Gardens
Monikie DD5 3QP
Tel: 01382 370258

25 Arbroath North



Jennifer Speirs
(Lib Dem)
No 1 Cottage
Fraserfield
Woodville
Arbroath DD11 2QW
Tel: 01241 890384

29 Clifftown



Sheena M Welsh (SNP)
Montquhir
Carmyllie
Arbroath DD11 2QS
Tel: 01241 860317

21 Carnoustie Central



Peter A Murphy (Lab)
Ashlea
44 Burnside Street
Carnoustie DD7 7HL
Tel: 01241 852106

26 Brothock



Ian J Angus (SNP)
9 Steading Place
Hospitalfield
Arbroath DD11 2NL
Tel: 01241 870082

Angus Council 2003/07

SNP	17
Ind	6
Lib Dem	3
Con	2
Lab	1

Further details can be found at
www.angus.gov.uk

22 Carnoustie East



David Selfridge JP (SNP)
35 Taymouth Street
Carnoustie DD7 7JJ
Tel: 01241 854416

27 Hayshead & Lunan

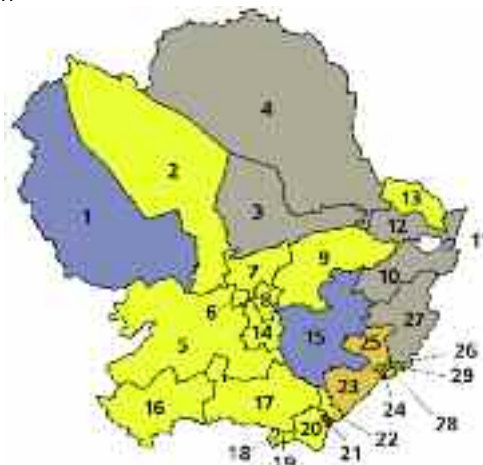


Robert Spink (Ind)
The Grange
Inverkeilor
Arbroath DD11 4UU
Tel: 01241 830307

23 Arbirlot & Hospitalfield



Peter Nield JP (Lib Dem)
44 Keptie Road
Arbroath DD11 3EH
Tel: 01241 872054



Your councillor can be contacted at:-
Members' Services,
The Cross, Forfar, DD8 1BX
Tel: 01307 473000
Fax: 01307 461968
Email: members@angus.gov.uk

Committee Structure

In July 2003 the committee structure was changed from 14 committees to nine. Details can be found at www.angus.gov.uk

POLICY COMMITTEES

Strategic Policy

Convener
Rob Murray
15 members

RESOURCE COMMITTEES

Resources & Central Services

Convener
Alex King
15 members

SERVICE COMMITTEES

Social Work & Health

Convener
Glennis Middleton
15 members

Education

Convener
Jack Gibb
20 members
(including 3 representing churches and 2 representing teachers)

Housing

Convener
Frank Ellis
15 members

Environmental & Leisure Services

Convener
Joy Mowatt
15 members

Infrastructure Services

Convener
David Selfridge
15 members

OTHER COMMITTEES

Civic Licensing

Convener
Helen Oswald
11 members

Development Control

Convener
Stewart McGlynn
11 members

STATUTORY BOARDS

Tayside Joint Police Board

Convener
Colin Young
(Perth & Kinross)
18 members
(5 Angus,
7 Dundee and
6 Perth & Kinross)

Tayside Joint Fire Board

Convener
Charles Farquhar OBE
(Dundee)
18 members
(5 Angus,
7 Dundee and
6 Perth & Kinross)

Tayside Joint Valuation Board

Convener
Helen Oswald
(Angus)
15 members
(4 Angus,
6 Dundee and
5 Perth & Kinross)

Tayside Contracts Joint Committee

Convener
Ron Scrimgeour
(Angus)
18 members
(5 Angus,
6 Dundee and
7 Perth & Kinross)

Angus Licensing Board

Chairman
Alex King
11 members

Vision

We will focus our attention on, and be led by, our customers and residents. We will work to deliver effective and efficient services that are available to everyone.

We will promote the following:

- Active involvement in society
- Equal opportunities for everyone
- Developments that last
- A thriving economy
- Lifelong learning
- Healthy, safe and caring communities
- Quality in our environment

The Economy

The importance of a prosperous local economy cannot be underestimated and Angus Council works with local businesses to help maintain jobs in the area and attract new businesses. A full programme of trade development activities was carried out, including successful attendance at Offshore Europe last year in Aberdeen, and a full trade mission to Beijing, Yantai and Shanghai.

Tourism remains a vital component of the Angus economy. The council hosted a variety of events as diverse as basketball, archery, the 'Wee Wonders' mini golf initiative, and the Monikie Triathlon, which is widely regarded as one of the top events on the Triathlon calendar.

Actions Achieved 2003/04

Help local businesses to succeed

The services of Business Gateway Angus continued to promote new and existing businesses. 154 start-up businesses were assisted in 2003/04.

The Angus Grants Scheme, run by the Business Gateway Angus on behalf of the council's economic development unit and SET, awarded 17 grants to local businesses.

With the financial backing of the council, the Caledonian Railway in Brechin hosted two weekends with Thomas the Tank Engine, attracting over 6,000 visitors.

Improve conditions for manufacturing, distributing and using goods and services (for example, by upgrading the road network)

Angus Council has joined the other Scottish councils in undertaking the first Scottish Roads Maintenance Condition Survey. The 2003/04 figures show Angus is amongst the best performing councils in Scotland.

Winter maintenance services were improved by the addition of Sunday gritting of priority footways, and revised coverage for priority gritting through the week and weekend.

Market Angus for investment and tourism (for example, through the Angus Ahead campaign)

A programme of events was carried out to raise Angus' profile and develop a clearer Angus 'brand'. An Angus Ahead logo was adopted, Angus Ambassador Awards 2003 were held and an Angus community planning portal on the internet is in development.

A record 20,000 visitors attended SeaFest 2003 over two days.

An interactive website which provides information on vacant business land and property is in operation.



Promoting a diverse economy



Computer generated image for the replacement bridge at Montrose

Support the development of a well-qualified and experienced workforce that meets the needs of employers

We are working with Angus College and Angus Training Group to support the Angus Engineering Group to increase the uptake of modern apprenticeships.

We also deliver a range of training and employment programmes to young and unemployed people through our contracts with Scottish Enterprise Tayside and Jobcentre Plus.

Target growth in services and tourism by improving Angus products (for example, golf and other leisure activities)

Arbroath Smokies were awarded PGI (Protected Geographical Interest) status by the European Union in March 2004. Angus Council promoted the programme and marked the award with a reception at Angus College.

We helped develop the 'Carnoustie Country Dream Ticket', which gives golfers the opportunity to play on four of the world's classic links courses for as little as £90.

Promote Angus as a clean, family-friendly and environmentally-friendly place to visit

The seafront area developments at Monifieth were completed and a sustainable footpath link reinstated to link to the coastal path development.

We gained the Seaside Award for Montrose Seafront, which recognises well-managed resort beaches, which are clean and safe. This is the first step to achieving Blue Flag status.

Finish the upgrading of the A92

Construction is underway on the A92 Dundee - Arbroath Dualling Project (PFI Scheme). The project is due to be completed ahead of schedule in late 2005.

Replace the Montrose Bridge

Planning consent for the new bridge was granted by the Scottish Executive in December 2003. Construction started in 2004 with the new bridge expected to be open to traffic in autumn 2005.

The Economy *continued*

Upgrade Arbroath Harbour

The redevelopment of the harbour progressed with the installation of new harbour gates and pontoon berths. A pollution interceptor system on the slipway was provided, and repairs made to quay roadways and West Breakwater.

Improve Forfar, Monifieth, and Carnoustie town centres

Following public consultation, the scheme for Forfar Town Centre was re-assessed. The scope of the proposals was widened leading the council to investigate town-wide image enhancements.

The regeneration of Monifieth Town Centre is still under consideration. A presentation was given to the Monifieth Partnership in March 2004.

Improvement work in Carnoustie was scheduled to follow works in Forfar.

Develop the Angus towns promotion programme to help revitalise town centres

We helped local partnerships to promote their areas.

Promotional leaflets detailing local attractions, events, places to eat, stay etc are being distributed nationally and internationally.

Develop town heritage initiatives across Angus

We supported the Arbroath Heritage Society in its re-enactment of the 2003 Viking Raid in Arbroath, and gave advice and assistance to Brechin Arts Festival and SeaFest.

Support a varied rural economy

A study revealed a high level of interest in establishing an Angus Craft Workers Association.

The council provided support to help establish an interactive angling website.

Develop new business panels and business centres

A programme of new business parks/business centres for each burgh was developed.

Angus Council and the Muir Group are developing a new major business park at Orchardbank in Forfar - one of the first joint ventures of its kind in Scotland. Start date: August 2004.

A spur road and estate parking were developed at Brechin Business Park on time and within budget.

Promote the relocation of civil service jobs to Angus

One unsuccessful bid was made in 2003/04.

Promote Angus as a location for contact centre investment, and give priority to projects and programmes that last

Three sites are currently being promoted across Angus, two in Brechin, one of which is ready for use, with the third in Arbroath. The Arbroath site, which the council is helping to promote, is being funded by a private developer. The sites range from 5,000 sq ft to 20,000 sq ft in size.



Starting construction of the A92 dual carriageway



Checking the flora and fauna on the first Angus Glens Walking Festival

2003/04 In Practice

- The first Angus Glens Walking Festival in May/June 2003 attracted around 350 people to 19 guided walks. The festival won the tourism category of the Angus Ambassador Awards, and was runner-up in the national Thistle Awards organised by VisitScotland
- 86.86% of the council's industrial and commercial units were occupied with 86.16% of average rent roll achieved
- 943 council jobs were advertised in the community
- A database has been established through the job centre, containing details of people interested in Angus call centre jobs
- The Angus Digital Media Centre in Brechin won a national Dynamic Places award from Scottish Enterprise, and supported 26 local groups, with 617 people receiving training
- 123 individuals from council training programmes were helped into sustainable jobs
- Scottish Tourist Board Awards were retained in all leisure centres and caravan parks
- Nine successful applications were made for European funding, securing £56,783 for the Angus economy. Advice on other sources of funding, application procedures etc is also offered to local businesses

Lifelong Learning

The promotion of education for people of all ages can help develop a more confident and skilled workforce. This locally based workforce will help attract businesses to the area and provide the skills to meet the current and future needs of the business community.

Actions Achieved 2003/04

Carry out literacy work with young people

A pilot youth literacy project runs in Forfar, in partnership with the Forfar Drugs Initiative Group, and targets young people that have left school. The project seeks to work with young people in an informal environment, using their interests and concerns to help them get better at reading and writing. Training is also provided to a wider group of youth workers, to encourage them to consider literacy in their general work.

Provide training and support for community and voluntary-sector organisations

Training programmes have been developed for part-time and voluntary youth workers.

A comprehensive training programme for voluntary sector childcare providers was delivered.

Four multi-agency training events dealing with emergency planning related issues were attended by 20 people. Training was also undertaken with voluntary agencies, with 64 volunteers trained.

Respond to health issues that communities have identified

The Angus Youth Congress website contains details of organisations providing advice on health (www.ayc-scotland.org.uk). Young people can also pop into the No1 for Youth office in Forfar to get personal advice; and the CAFÉ project in Arbroath also has a young people's health information point.

After consultation with stakeholders and the community planning partners, the first Alcohol Action Plan for Angus (2003/06) was produced.

The findings of an independent evaluation of drugs and alcohol education in schools, commissioned by the Education department and funded by SEED, were presented at a national conference in March 2004.

Improve access to learning through new technology

A People's Network infrastructure has been installed in libraries and halls across Angus. Provision has been made to enable disabled people to use the facilities.

Internet facilities have been provided for local youth organisations and community education facilities.

Broadband has been provided for a number of schools, including connection to the Scottish Schools Digital Network.



The Café project

Increase learning opportunities through village halls and libraries and other community facilities

The community education service (now community learning & development service) supports a range of projects and initiatives in village halls and community facilities. 14 village halls are used as venues for ICT training in the upland area, catering for over 600 learners in total. An out of school hours learning group runs in Memus and the Glens Hall, catering for primary and secondary school children.

We work with hall management committees to help them run and develop the use of halls. This leads to a broader range of social and educational activities being available locally.

Extend the Dialogue Youth project

A new youth bus has been commissioned for young people in Angus. Launch date: autumn 2004.

Facilities will include a:-

- satellite internet connection
- consultation area
- reception area
- small meeting room

It will visit young people in Angus where services are needed or requested most.

Support the modern apprenticeship scheme

58 young people were helped into training in 2003/04, through the modern apprenticeship scheme. Employed by local employers, the range of occupational areas included:

- motor vehicle mechanics
- engineering

- dental surgery assistants
- administration

Provide training and development opportunities for all our staff

A variety of training and development opportunities are available to all employees annually through the council's performance appraisal and development scheme.

On average, each employee received 3.2 training days during 2003/04, with 74.65% of employees receiving training. This compares with external averages of 2.9 days and 55% of employees for large public sector organisations.

219 employees were supported through the European Computer Driving Licence during 2003/04.

Support communities to take part in developing their areas

We support local area partnerships in Arbroath, Brechin, Carnoustie, Kirriemuir and the Glens, Monifieth and Montrose.

These consist of representatives from the community, local businesses and public and voluntary sector agencies who work together to identify and address the priorities for the local area.

Work continues with the communities of Forfar and Sidlaw/Newtyle to establish their local needs.

2003/04 In Practice

- Chatterbooks children's reading groups were established in Arbroath and Kirriemuir
- There was a significant increase in the number of new adult literacy and numeracy learners in Angus
- The council met the government's targets for the ratio of computers to pupils in schools
- The Lifelong Learning Partnership agreed and submitted a Literacy and Numeracy Action Plan for 2004/06 to the Scottish Executive
- We increased community based literacy provision
- The 8th Angus Book Award took place
- Improved self discipline and anti-bullying measures have been adopted in schools
- We hosted the 2003 Careers Exhibition for children aged 12-13 years to raise awareness of careers in the land based sector
- An information and communication technology strategy for community learning was agreed by the Angus Community Learning and Development Partnership
- We managed the training of 229 young people on our Skillseekers programme and 44 were helped to achieve a Scottish Vocational Qualification (SVQ)

Healthy, Safe & Caring Communities

Angus Council plays a crucial role, in partnership with others, to help the people of Angus live in safe and caring communities, with access to a healthy way of living. Working with partners, we are addressing issues of crime and disorder and community safety, and helping to encourage healthier lifestyles. By providing easy access to information, advice and support, and by making leisure facilities available to everyone, we aim to improve the quality of life for many.

Actions Achieved 2003/04

Increase access to play activities for children across Angus

The 'Towdabout', is a mobile playground, which has been designed with safety in mind. It can be used either supervised or unsupervised and is towed to a location and unfolded in a matter of minutes.

We are developing a range of new and improved sports facilities across Angus:-

- pitches and changing accommodation at Montrose Sports Centre/Montrose Academy
- a synthetic multi-purpose pitch at Arbroath Sports Centre/Arbroath High School
- a high ropes course at Monikie Country Park

Promote healthy eating through education and social work services

The number of schools working towards becoming Health Promoting establishments continues to grow and the reward scheme has been adapted to include healthy eating and physical activity.

Tackle bullying in Angus schools

Anti-bullying training has been provided to school staff and to members of voluntary agencies working in schools. This has resulted in improved practice across Angus and a decrease in unresolved bullying situations. In recognition of good practice in Angus, the education service hosted a national conference to promote effective anti-bullying and positive ethos strategies.

Develop a range of services for children and young people who are affected by smoking and drug and alcohol misuse

An evaluation of services has been carried out, funded through the Changing Children's Services Fund Drugs Stream, aimed at children and young people who misuse drugs or are affected by their parents' substance misuse. The results will be presented to the Drugs & Alcohol Action Team (DAAT) and other key agencies during 2004/05.

We supported Tayside Police's 'Operation Dry-Up 2003' which aimed to reduce the access to, supply and consumption of alcoholic products by under age people across Angus.



The Towdabout at Aberlemno Primary School

Encourage children and young people to take part in sport, leisure and cultural activities

Funding was secured, in partnership with the Scottish Arts Council, for the new youth music initiative and the appointment of an arts co-ordinator. The youth music initiative is a 3-year project designed to provide music lessons for children in primary schools. The arts co-ordinator will consolidate and develop arts events in schools to diversify current provision.

A programme has been introduced through Disability Sport for children and young adults with profound disabilities. A number of sportsmen, women and children with disabilities have represented Angus at national and international level at various events.

Promote a range of information and educational activities on sex and personal relationships for young people in and outwith the school setting

Twilight classes and in-service training days for sex and relationship education took place in a number of primary schools during 2003/04 with training offered to teachers of pupils with additional support needs. Parental information evenings were very well received.

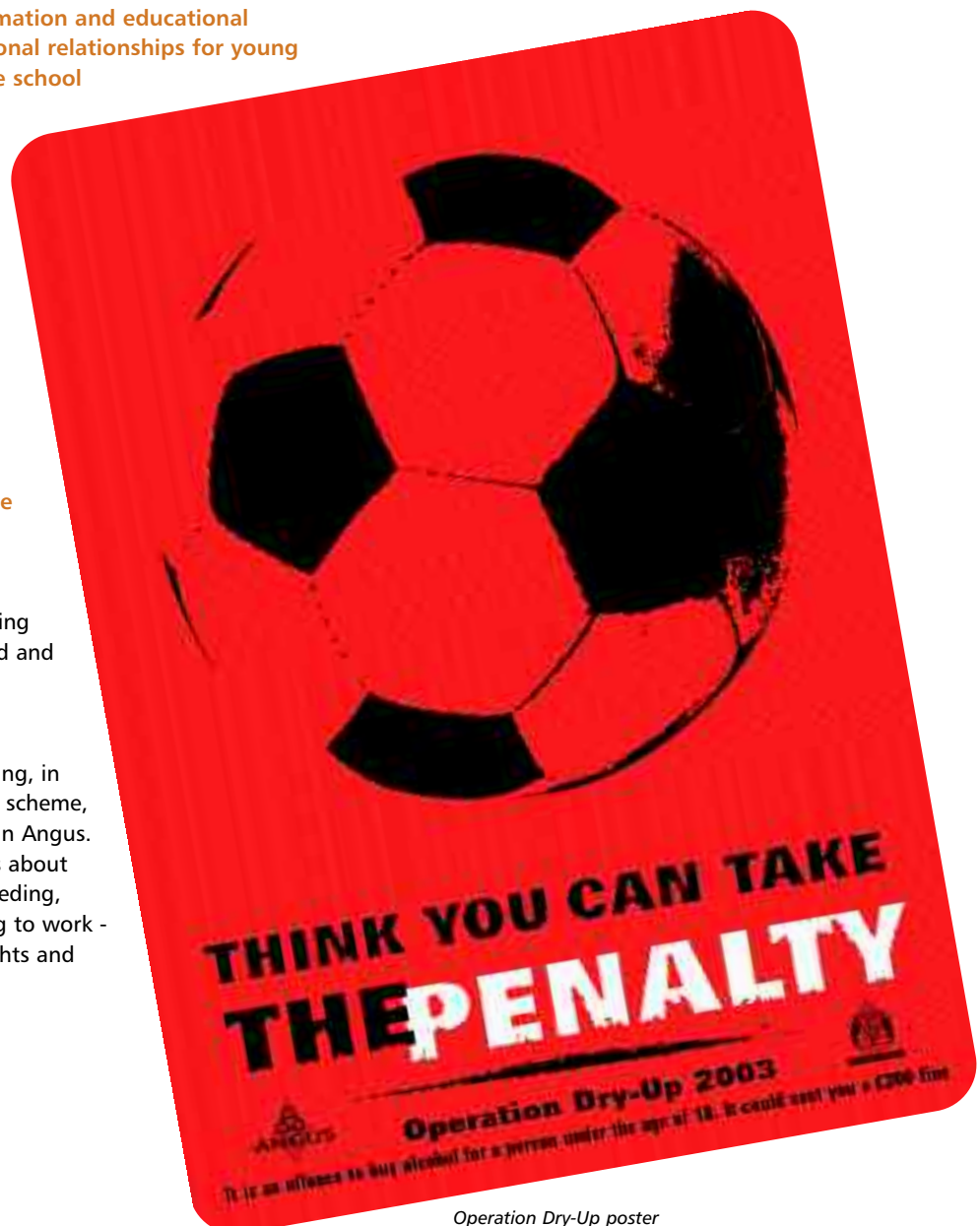
Build on the success of the Scotland Health at Work awards scheme

Many of Angus Council's departments are now working towards or to maintain gold and silver awards.

In October 2003, a pilot presentation on breastfeeding, in partnership with the SHAW scheme, took place in three venues in Angus. This was to raise awareness about cultural barriers to breastfeeding, breastfeeding and returning to work - employer and employee rights and responsibilities.

Work with GPs to promote physical activity and exercise

Exercise Referral is a major partnership initiative involving Angus Council and NHS Tayside and is the permanent version of a pilot which ran in Angus in the mid-90s. During 2003/04, arrangements were made for the introduction of the programme to all GP practices and leisure centres in the Angus area. Roll-out started in May 2003.



Operation Dry-Up poster

Healthy, Safe & Caring Communities continued

Develop personal housing and support plans with young tenants

Work is underway to ensure that, in the future, all young people will have their housing and support needs determined by a housing support assessment/plan. The assessment will determine what housing support the young person requires and the plan will map out how this support will be delivered. The service will be reviewed to ensure the plan is meeting the needs of the young person. The aim of both the assessment and plan is to ensure that young people can secure appropriate housing/support and live independently.

Promote nutrition and physical activity for elderly people

A nutritionist was appointed in Arbroath to develop community nutrition projects, based on the needs of vulnerable groups of people. The nutritionist has been able to demonstrate an increase in the nutritional knowledge, awareness and skills of the people who have taken part in the project.

An exercise referral programme is in place across Angus. Around 70 patients took part in the scheme in 2003/04. Each patient has 12 sessions at a local leisure centre where activity undertaken is carefully monitored.

Support community health development across Angus

Some groundbreaking research into health improvement was taken forward with the Public Health Institute for Scotland and the Angus Community Planning Partnership. The final report of this work is entitled 'Health Improvement and Community Planning in Angus'. The research establishes a model which is designed to deliver health improvement activity across Angus.

Tackle anti-social behaviour within our communities

A community safety team was established. It comprises an anti-social behaviour unit, community wardens and a police community safety liaison officer. The team's remit is to gather and disseminate information regarding crime and anti-social behaviour to target identified hot-spots.

Provide risk-assessment training for small businesses

A number of local training events for local businesses, as well as a national event with the Health and Safety Executive (HSE), were organised during 2003/04.



Test of fitness

Introduce a mobile CCTV unit

Through the Tayside Safety Camera Partnership, fixed and mobile cameras are being used to detect speeding at locations with bad accident records and excessive vehicle speeds.

Introduce road-safety measures

In 2003/04 we introduced 'Twenty's Plenty' into another 17 areas, and subsidised Pass-Plus training for 170 young drivers.

Train home-visiting staff in home-safety awareness

Home Safety Risk Assessment training was delivered by the Royal Society for the Prevention of Accidents (ROSPA) for staff from Angus Council, Tayside Police, NHS Tayside and Angus Care and Repair.

Work to reduce the cases of domestic abuse

The Scottish Executive confirmed that financing of the Barnardo's domestic abuse worker and the women's aid refuge worker has been extended to March 2006. These workers provide support to the victims of domestic abuse, making it possible for victims to come forward and abusers to be prosecuted.

Support and promote Angus Victim Support Scheme

The Angus Victim Support Scheme continues to be supported financially by Criminal Justice Social Work in Angus.

Raise awareness of food safety and fire safety

Much of this work is undertaken by the council's Environmental and Consumer Protection department who carry out environmental health checks and provide training to raise awareness of food hygiene and fire safety issues.



Road safety

2003/04 In Practice

- We hosted a variety of sports events, including:-
 - an international basketball tournament
 - the North of Scotland Archery Championships
 - the National Pony Club Tetrathlon
 - the Scottish Disability Sport National Football 11-a-side championships
 - the 'Wee Wonders' mini golf initiative as part of a wider national (British) event
 - Monikie Triathlon - now widely regarded as one of the top events on the Triathlon calendar
- Continued to progress the Cycling, Walking and Safer Streets Programme
- A community health project was established in the Sidlaw area. The project focuses on helping the community identify and do something about health issues. This takes in, transport issues, heat and lighting, all of which have implications for health and well being
- The 'Safe as Houses' initiative helped reduce crimes of housebreaking by almost 50% in Angus
- A health drop-in service was established in No1 for Youth
- A marketing plan was introduced to raise the profile of leisure centres and the direct debit scheme. This has resulted in a 50% increase in direct debits
- 'Driving Ambition Angus' was launched in partnership with Tayside Police, the Driving Standards Agency and the Vehicle and Operator Services Agency. This aims to reduce the number of road accidents involving young drivers by providing information and practical advice to 6th year pupils in Angus
- A housing consortium was established, which is a partnership agreement between Housing, Social Work & Health and the independent living team. This helps young people, who have been looked after by the local authority, gain access to a range of accommodation and support

The Environment

Angus is an area of outstanding natural heritage, providing an excellent quality of life for its residents and visitors alike. This needs to be protected and enhanced, so that future generations can enjoy at least the same standard of living as the present generation.

Angus Council views the protection of the area's beauty and diverse resources as a key priority, with an emphasis on sustainability.

Actions Achieved 2003/04

Make sure that we manage our properties to reduce how many resources they use up and to increase recycling (heating, lighting and waste) as far as possible

CO₂ emissions from council-owned properties were reduced by 5% and we became the first council in Scotland to receive Energy Efficiency Accreditation.

Make sure that all new properties are built in line with best environmental practice in relation to location, energy, waste and use of materials

We are investigating the option of using wood from sustainable forests for construction timber.

The feasibility of using biomass systems, which is carbon neutral, for heating new build properties is being explored.

Follow best environmental practice when delivering our services, including buying environmentally-friendly products (for example, paper and timber)

Wherever appropriate and possible, all procurement will recognise the council's commitment to sustainable development. We will use our sustainability checklist to assess the impact of all major projects and will seek to minimise the impact of development on the environment; both in terms of the development itself and the materials used.

The council will encourage the use of goods carrying the Fairtrade mark when catering for council meetings and functions. It will implement fair trade where possible in its purchasing policies and those of its suppliers.

Introduce a green travel plan

A green travel plan is being drafted. Completion date: end 2004. The intention is to produce a staff travel plan as well as a green travel plan for Angus as a whole.

Manage our ground in an environmentally-friendly way

80 hectares of community woodlands throughout Angus are managed to promote biodiversity. The overall management of the 320 hectares in our country parks is focused on managing our ground in an environmentally-friendly way, wherever practical.

The new Conservation Act, which comes into force in autumn 2004, places a duty on councils to look after the land resource, and find ways to enhance the biodiversity as a routine part of their management.

Make sure our housing is energy-efficient and free from dampness

A range of improvements have been carried out in our council houses, including the installation of new heating systems, insulation, and double glazing.

Provide opportunities for leisure activities (including footpaths and cycle paths) and improve the quality of major natural assets such as the coast

Funding was secured for a major footpath project in the East Cairngorms with adjoining councils, the Cairngorms National Park and Scottish Enterprise. This programme upgrades cross country paths and provides local networks for Brechin and Kirriemuir.



Exploring the countryside

We have published a shoreline management plan for all the coasts in Angus. Coastal defences have been constructed at Carnoustie and Monifieth, which include paths linking to existing networks.

Funding was secured, in partnership with Sustrans, to provide a path through MoD land at Barry Buddon. This project will install another section of the National East Coast Route and the international North Sea Route.

Increase the amount of waste that is recycled and composted, and reduce the amount sent to landfill

Angus is the top local authority recycler in Scotland, with the amount of household waste recycled increasing, and the amount sent to landfill reducing.

In a Scottish first, Angus Council joined forces with the commercial sector for the recycling of liquid food cartons.



Solar panels in Arbroath

2003/04 In Practice

- There was a significant reduction in the amount of household waste sent to landfill sites from 49.5% in 2002/03 to 38.6% 2003/04
- Interim flood protection arrangements for properties in Brechin were put in place (pending the full flood prevention scheme). Work is also planned at Tayock, Montrose
- An Eco Thaw salt additive was tried, giving improved coverage and effectiveness with less salt used
- A fuel poverty strategy was developed
- The cleaning of streets, public paths and parks/open spaces were integrated to keep these cleaner on a seven-day week basis, using the 'Green Teams'
- An Angus Countryside Access Strategy was prepared
- Monifieth Landfill Remediation/Coastal Protection Scheme was completed and the construction phase of the Carnoustie Coast Protection Scheme started
- We are testing new energy systems in our properties eg solar water heating systems in some council houses
- A landfill gas recovery project is in operation at Restenneth Landfill
- A grant scheme has been introduced, which helps private households with the costs of converting to solar water heating or other renewable technologies

Customer Care

Customer Care is at the forefront of our service delivery. We are committed to the provision of courteous and helpful services to our customers. Angus Council is a diverse organisation, but customers should be able to expect a consistent standard of service from us.

That is why we are aiming to deliver the best standards of care possible to our customers by:-

- putting customer care at the forefront of our service delivery
- building on our existing good practice
- delivering customer services that are modern and what people want

Actions Achieved 2003/04

Achieve high standards of customer care by involving our staff and customers

A Customer Care Working Group was set up within the council to look in detail at our current arrangements and recommend how we could get better. A Customer Care Toolkit, policies and standards are being developed to ensure that staff across the council deliver a consistently high standard of service when dealing with customers.

The services provided by the council's ACCESSLine 08452 777 778 continue to grow, with a resultant expansion of opening hours and number of operators.

Use modern technology to help people reach us

A range of services is now directly available from ACCESSLine, making it easier for people to contact the council.

An online 'Have Your Say' database is now on the council's website. This provides an opportunity for people to respond to consultation exercises on specific subjects or to e-mail general comments, questions or suggestions to us. In the past year, 4080 requests for information have been received.

Routes to Leisure cards and a direct debit scheme have been launched, to encourage greater use of the council's leisure facilities. This has led to increased use of facilities, with the number of attendances for indoor sports in Angus being twice the Scottish average.

Give people every opportunity to:-

- **Get information**

Information about the council is available on the website (www.angus.gov.uk), from ACCESSLine or any council office. We have prepared a range of leaflets and publications covering some of the main issues we receive queries about.

With regard to the Freedom of Information Act, our publication scheme sets out the main documents and sources of information we have readily available, and awareness training is being delivered to staff.



ACCESSLine waiting to take your call

- **Ask for a service**

You can request a service on-line, via ACCESSLine or in ACCESS offices. You can also write to us, direct to a member of staff or a department, or to the Chief Executive.

- **Make a payment**

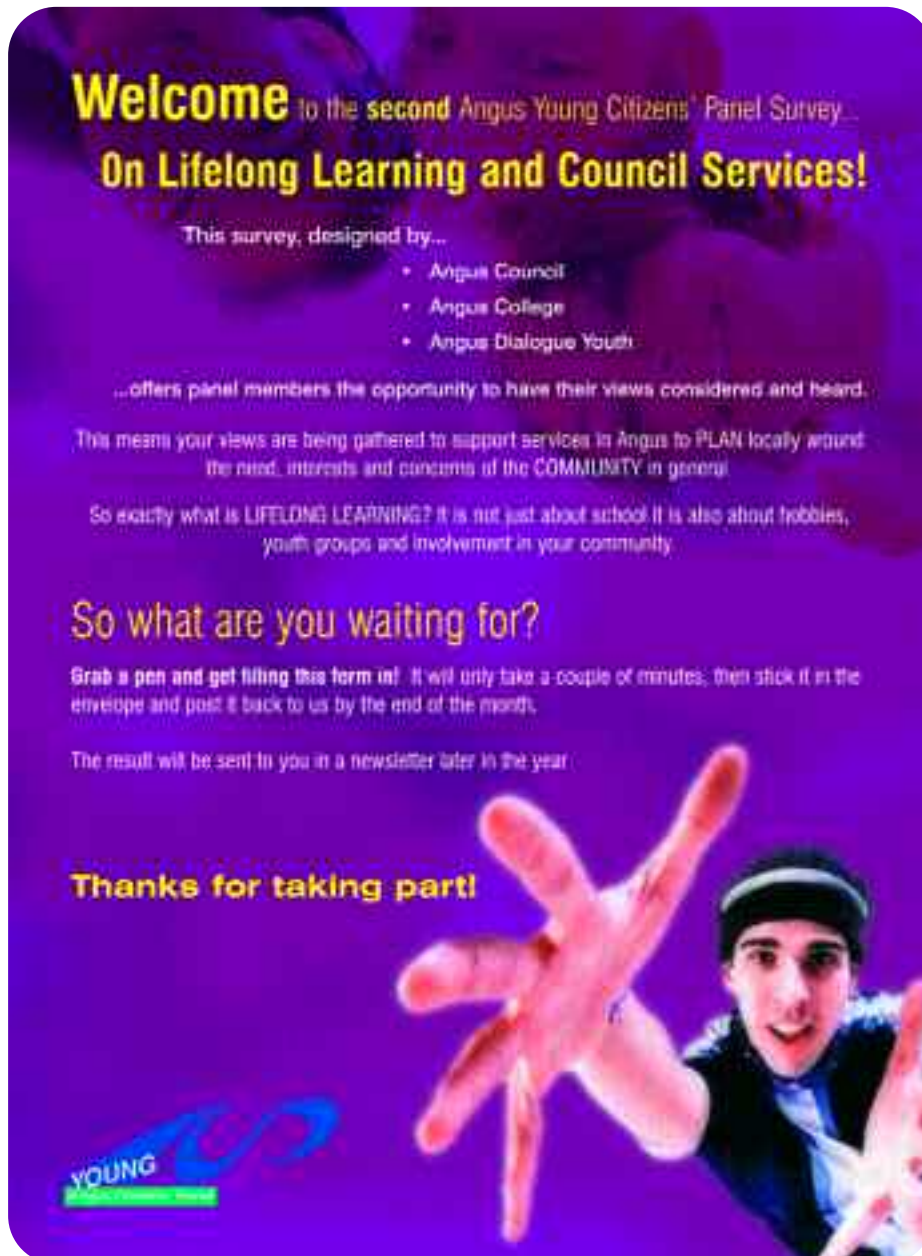
Direct debit is available for council tax payments and for membership of our leisure facilities.

ACCESSLine is currently piloting a system to receive payment for special uplifts and to enable people to buy bins over the telephone.

- **Let us know their views**

You can let us know what you think in a range of ways. On the internet, via our website, by telephoning ACCESSLine or departments directly, or by writing to us. Our publications and leaflets often also have a feedback form attached to them, like the one at the back of this report, to make it easy for you to let us have your views.

The council has also set up a citizens' panel of people from across Angus who receive surveys from us throughout the year on a range of issues. In September 2003, we set up a young citizens' panel to help us to find out what young people think.



Welcome to the **second** Angus Young Citizens' Panel Survey ...
On Lifelong Learning and Council Services!

This survey, designed by...

- Angus Council
- Angus College
- Angus Dialogue Youth

...offers panel members the opportunity to have their views considered and heard.

This means your views are being gathered to support services in Angus to PLAN locally around the needs, interests and concerns of the COMMUNITY in general.

So exactly what is LIFELONG LEARNING? It is not just about school. It is also about hobbies, youth groups and involvement in your community.

So what are you waiting for?

Grab a pen and get filling this form in! It will only take a couple of minutes; then stick it in the envelope and post it back to us by the end of the month.

The result will be sent to you in a newsletter later in the year.

Thanks for taking part!

YOUNG

Community Planning

Community planning is about everyone (organisations and communities) working more effectively together to make their local area a better place to live.

To do this in Angus, we have set up the Angus Community Planning Partnership. This involves representatives from Communities Scotland, Scottish Enterprise Tayside, NHS Tayside, Tayside Police, Tayside Fire Brigade, the Angus Association of Voluntary Organisations, the Angus Rural Partnership, Angus LHCC, Angus College and Angus Council. The leader of Angus Council, Rob Murray, chairs the partnership in recognition of the legal duty placed upon all councils to lead the community planning process in their area.

The partnership is working together to tackle priorities identified under the headings of:-

- the economy
- lifelong learning
- healthy and safe communities
- caring communities
- the environment

Groups have been established to lead the work carried out under these specific headings. Their intention is to make public sector agencies work better together for the good of local communities.

A number of local area partnerships have also been set up, which include representatives of local communities and businesses. These local partnerships are identifying the key priorities for their burgh and working together to improve the area in which they live and work.

Actions Achieved 2003/04

Carry out a review of and prepare a report on our community plan each year

The Angus Community Plan was published in December 2000. The 2003/04 Progress Report and Review of the Angus Community Plan and a Performance Indicator Supplement was published in March 2003. The report sets out our achievements in that year, as well as our plans for the future.

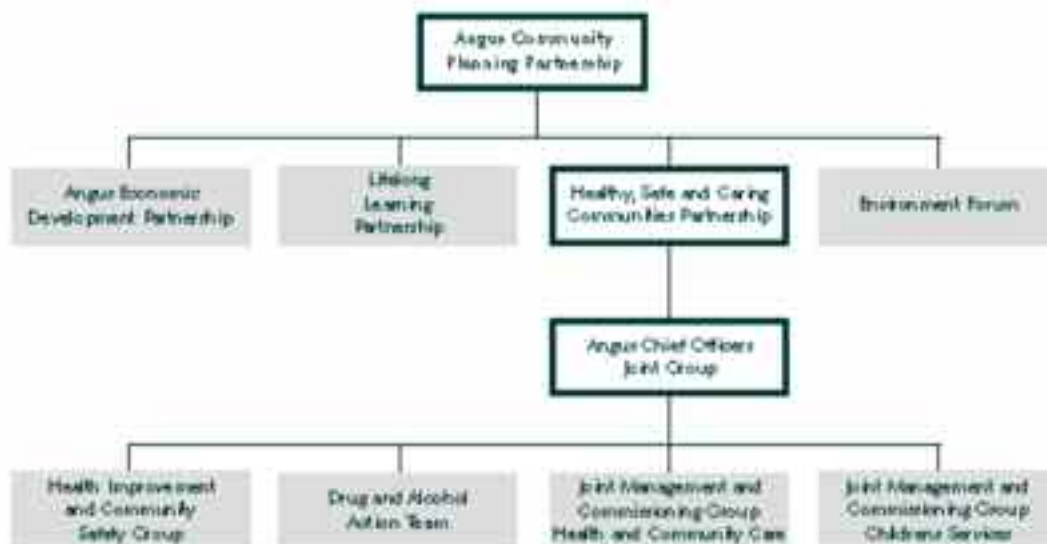
Work with neighbouring local authorities and other partners to progress and co-ordinate regional issues. A new City Region Partnership for Tayside and Fife has evolved from the Scottish Executive's Cities Review. As part of this, each local authority involved will look at one of four areas including:-

- the economy and tourism (Angus)
- transport (Dundee)
- healthy, safe and caring communities (Perth & Kinross)
- waste management (Fife)

Put into practice actions arising from the Active Citizenship Strategy

Active citizenship arrangements in Angus have been developed over the past 12 months with the agreement of an action plan looking at 'engaging young people in the community planning process', and a similar action plan for the 50+ age group.

In addition to this, the Angus Community Planning Partnership teamed up with Age Concern Scotland and the Scottish Executive to develop an Angus 50+ pilot, similar to Dialogue Youth, but for the 50+ age group. Elements of this pilot may be rolled out nationally.



Community planning structure model



Community planning conference

2003/04 In Practice

- Local Partnerships were established in Arbroath, Brechin, Carnoustie, Kirriemuir and the Glens, Monifieth and Montrose
- The first performance indicators supplement to the Angus Community Plan was published in March 2004
- An Angus Community Planning Partnership communications strategy and action plan has been produced
- The formation of Graham Crescent & District Residents Association in Forfar has been successful in tackling anti-social behaviour in their area. They have worked with the police and the council to improve their area
- Six local community planning seminars took place, with a further three planned for 2004/05
- The Regenerate! North Arbroath community regeneration project received European funding, allowing a team of four workers to be employed
- Glencadam Distillery was purchased and then re-opened
- With a site agreed for a new skatepark in Forfar, parents and supporters are working together to raise funds to take the project forward
- A wheeled sports facility at Martin Park, Kirriemuir opened
- Work began on the new Forfar and Kirriemuir Community Resource Centre in August 2003. The centre is the replacement for Forfar Infirmary and Whitehills Hospital and the project also includes the refurbishment of Beech Hill House Care Home

Best Value

The Local Government in Scotland Act 2003 placed, amongst other things, a duty of best value upon all local authorities. For the first time, local authorities were given a clear definition of what being a best value authority was.

Attached to the Act, an audit of local authorities was introduced. In November 2003, it was announced that Angus Council would be the first council in Scotland to undertake the new Best Value Audit. Our self assessment was submitted to Audit Scotland in February 2004 and sets out where we think we are doing well and where we recognise we can improve.

Audit Scotland reviews our arrangements and publishes a report, drawing conclusions on the extent to which Angus Council can be described as a best value authority. The next step in the process is the preparation of an improvement plan to tackle the issues raised by the audit, for submission to the Accounts Commission for formal approval.

Actions Achieved 2003/04

Manage and deliver our services in the most effective, efficient and economic ways possible

We improved council tax collection rates once more (improvement has been achieved year on year since local government reform).

We have agreements in place with Tayside Police and SEPA to effectively deal with instances of noise nuisance, dog fouling, littering and fly-tipping in Angus. Efficiency in dealing with litter has now improved with an increased number of fixed penalty notices being issued. Joint patrols with the police have begun and most fly-tipping complaints are dealt with within three days.

We have successfully integrated the cleaning of streets, public paths and parks/open spaces to keep these cleaner on a seven-day week basis using the 'Green Teams'.

All of our nine leisure centres have achieved Quest (quality in leisure management) status. The Quest external assessment process rated one of our leisure centres in the top 5% in Britain, and a further three centres in the top 15%.

We implemented an appeals framework for housing allocations and tenancy changes and developed an internal quality and compliance review protocol.

Set up effective, efficient and open ways to review the services we provide

Reviews of services and the way we provide them are carried out each year, both within departments and across the council as a whole.



Plans into action on A92

A partnership arrangement was established within Tayside for criminal justice social work services. This partnership seeks to promote the effective use of resources across the three councils and develop new joint services.

Share information across our departments and with our public-sector partners

An information sharing protocol is in place with NHS Tayside, Dundee City and Perth & Kinross councils.

We are working to increase data compatibility across partners.

Report on our performance to all our stakeholders

We report upon performance in a variety of ways. This annual report has a performance indicator supplement, as does the annual progress report and review of the community plan.

Performance leaflets are available in ACCESS offices, main reception areas and libraries, and performance information is also available through www.angus.gov.uk.

We are currently developing a corporate performance management framework, which will help us to report to all our stakeholders.



Leisure quest

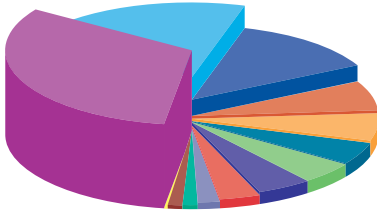
2003/04 In Practice

- Over 440 people were provided with intensive community support to allow them to leave hospital earlier or to prevent admission to hospital. This equates to approximately 6,000 hospital bed-nights saved
- With a view to providing more effective support at an earlier stage to people with dementia, a project was funded by social work to work in partnership with health
- We have joint arrangements with our neighbouring authorities in Tayside to promote the delivery of improved trading standards services to citizens
- We have successfully completed the third year audit by the Food Standards Agency in relation to Food Safety and Animal Feeding Stuffs enforcement work in Angus, with no non-conformances reported
- The revenue and capital budgets for the year were set and monitored to ensure that our services operated within cash limited budgets
- The council approved a policy statement on the council's relationship with Angus community councils and action plan, and a revised policy statement on the council's relationship with the voluntary sector and action plan
- Charging policies and arrangements were comprehensively reviewed
- Arrangements are in hand to deal with new trading account requirements
- The appointment of a management systems officer will improve corporate performance management arrangements

How the Money was Spent

Chart 1 How The Money Was Spent By Service

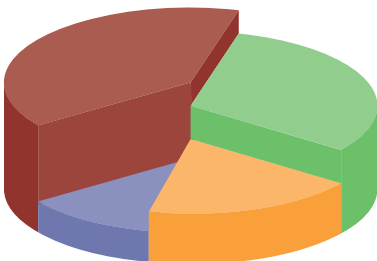
Gross Revenue Expenditure 2003/04
Expressed in % and as £'000 (by service)



■ Education 31.86% £89,323	■ Contract Services 4.75% £13,331
■ Social Work 20.35% £57,058	■ Environmental Services 4.73% £13,273
■ Housing Services 12.81% £35,919	■ Miscellaneous Services 3.52% £9,874
■ Roads & Transport Services 6.44% £18,064	■ Planning & Development Services 1.85% £5,186
■ Cultural & Related Services 5.92% £16,612	■ Central Services 1.31% £3,681
■ Joint Bodies 4.87% £13,645	■ Corporate & Democratic Core 1.26% £3,531
	■ Training Services 0.32% £898

Chart 2 How The Money Was Spent Type of Expenditure

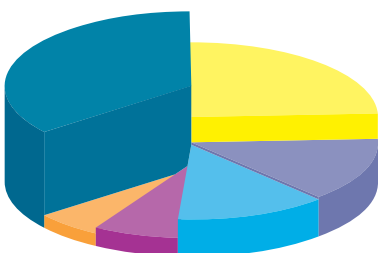
Gross Revenue Expenditure 2003/04
Expressed in % and as £'000 (by type)



■ Staff Costs 39.0% £109,245
■ Third Party Costs 31% £86,803
■ Running Costs 18.6% £52,040
■ Capital Finance Charges 11.5% £32,307

Chart 3 Where the Money Came From

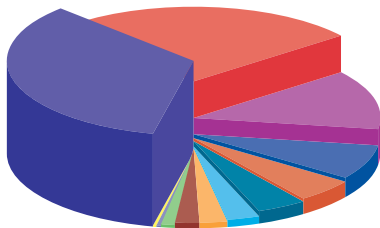
Gross Income 2003/04
Expressed in % and as £'000 (by source)



■ Revenue Support Grant 35.4% £99,246
■ Customer & Clients 24.4% £68,550
■ Non-Domestic Rates Income 13.8% £38,614
■ Council Tax 13.1% £36,795
■ Specific Grants 7.4% £20,866
■ House Rents 5.9% £16,469

Chart 4 Capital Expenditure on Services

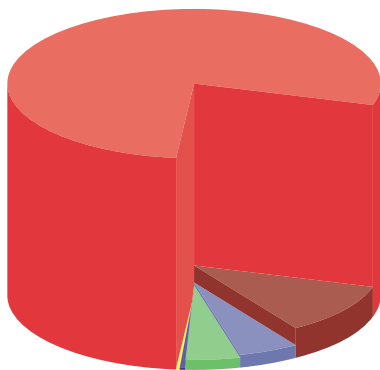
Capital Expenditure 2003/04
Expressed in % and as £'000 (by service)



■ Roads 33.9% £8,827	■ Leisure Services 2.8% £718
■ Housing Revenue Account 27.1% £7,047	■ Economic Development 2.4% £619
■ Education 12.9% £3,347	■ Improvement Grants 2.1% £550
■ Central Support/ Other Services 7.5% £1,940	■ Social Work 1.2% £311
■ Environmental & Consumer Protection 5.1% £1,326	■ Contract Services 0.4% £115
■ Planning & Transport 4.3% £1,128	■ Council House Purchase 0.3% £82

Chart 5 Expenditure Analysed

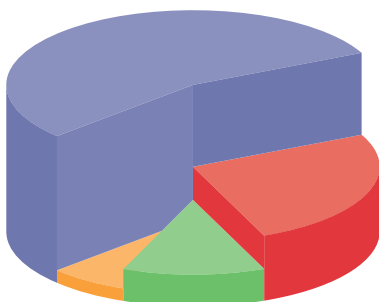
Capital Expenditure 2003/04
Expressed in % and as £'000 (by type)



■ Works & Site Servicing 78.1% £20,318
■ Professional Fees 11.2% £2,901
■ Deferred Charges 5.2% £1,352
■ Vehicles & Plant 4.7% £1,222
■ Miscellaneous 0.5% £135
■ Advances 0.3% £82

Chart 6 Source of Finance

Source of Finance 2003/04
Expressed in % and as £'000



■ Advances from Loans Fund 54.9% £14,284
■ Contribution from Revenue 25.8% £6,711
■ Grants 12.3% £3,209
■ Sale of Assets 6.9% £1,806



Chief Executive's Economic Development

Sandy Watson OBE *Chief Executive*

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Economic Development	1,096	1,051	802
Total Net Expenditure	1,096	1,051	802
CAPITAL EXPENDITURE			
New Build/Redevelopment	1,031	449	584
Financial Assistance	80	46	93
Land Acquisition	150	-	150
Miscellaneous Projects	163	103	146
Sub-Total	1,424	598	973
Covenant Repayments	19	19	-
Total Expenditure	1,443	617	973

THE YEAR'S PERFORMANCE

Revenue net expenditure was below budget by approx £45k (4.1%). This was due to a lower than anticipated support services recharge.

Capital expenditure was below the revised budget by approx £826k (57.2%). This was mainly due to a slippage on the acquisition of industrial land and construction of business centres block allocations and also delays to the provision of services at Orchardbank project.

Aims

- promote Angus as a centre for digital media
- increase visitor numbers to Angus
- increase investment in Angus and assist businesses with trade development activities
- provide and manage industrial and commercial property
- maximise uptake of European and other external funding
- promote Angus for business and tourism
- promote Angus as a centre for walking holidays
- protect employment in Arbroath and local communities through the protection of the Arbroath Smokie name
- support and encourage business start-ups through the Business Gateway Angus
- assist in the formation of businesses with growth potential and enhance the development of existing small businesses in Angus

Achievements 2003/04

- 86.86% of the council's industrial and commercial units were occupied and 86.16% of average rent roll achieved
- made nine successful applications for European funding, securing £56,783 for the Angus economy
- the Angus Ahead campaign held a full series of events and promotional activities. New literature and graphics were produced and the highly successful Angus Ambassador Awards were held in November 2003
- as a core funder of the Business Gateway Angus, a marketing officer is based there to promote the services of the Gateway to new and existing businesses. Helped 154 start-up businesses in 2003/04

Ambitions

- develop Angus Digital Media Centre as a national centre for digital media
- increase prosperity in Angus by encouraging local businesses to thrive and new ones to set up, particularly in the service sector
- develop, with the Muir Group, Orchardbank Business Park by the end of 2004, creating up to 50 plots for local and incoming businesses. This is the largest economic development project in Angus in 20 years and is the first major joint venture of its kind in Scotland. Other projects in Kirriemuir, Carnoustie and Monifieth will also be brought forward in 2004/05
- provide support to increase number of successful applications for EU and Lottery funding to maximise income to Angus
- raise awareness of Angus, its character, strengths and opportunities, at local, national and international levels



Protected Geographical Interest status for the Arbroath Smokie



Contract Services

On 1 April 2004, Contract Services merged with the Leisure Services and Environmental & Consumer Protection departments

Aims

- provide an efficient, high standard of service to the people of Angus at the lowest possible cost
- provide long-term employment to a locally based, directly employed workforce
- enrich the quality of life of the citizens of Angus and its visitors through the provision of accessible, attractive and quality environment, leisure and recreational facilities and associated services
- stimulate a 'right first time' qualitative approach to service delivery
- help the overall budget of Angus Council by generating, maximising and returning surplus income to the council
- win and successfully carry out contracts for outside bodies, where legally entitled to do so
- develop partnership working for the benefit of the community and people of Angus
- develop employees in accordance with the training audit, to ensure they are suitably trained and have the skills to provide the services required

Achievements 2003/04

- provided leisure facilities seven days a week for 361 days of the year, attracting over 1.3 million users
- taught 5000 children to swim
- emptied over 2.5 million waste bins and disposed of 70,000 tonnes of rubbish
- maintained over 4.7 million square metres of grass
- retained 'Quest' quality registration in all nine leisure facilities
- retained approved training centre status under the Institute of Qualified Lifeguards in all seven swimming pools
- Arbroath Superloo was a national winner
- the targeted income from external clients was achieved and, in fact, bettered
- further developed partnership working with:-
 - Noranside prison to provide work experience and for the recycling of bedding plants and bulbs
 - NHS Tayside to provide exercise on referral and cardiac rehabilitation services
 - Angus College to provide leisure facilities for student educational purposes
- carried out over 760 days training within the Cleansing, Ground Maintenance and Leisure Management sections

Ambitions

- continue to provide a stable working environment for a locally based, directly employed workforce
- enhance and promote Angus as an area where the quality of life enjoyed by the residents is seen as a major attraction
- obtain Investors in People status for the whole of the service
- retain 'Quest' registration within leisure management
- retain ground maintenance ISO 9001 registration
- continue to develop partnership working for the overall improvement of the services provided

SERVICE COST PROFILE

	Activities			TOTAL 2003/04 £'000
	Ground Operations 2003/04 £'000	Sports Services 2003/04 £'000	Waste & Cleaning Operations 2003/04 £'000	
EXPENDITURE				
Total Expenditure	3,162	3,447	4,907	11,516
TURNOVER				
Total Turnover	3,395	3,645	4,999	12,039
(SURPLUS)/DEFICIT	(233)	(198)	(92)	(523)

THE YEAR'S PERFORMANCE

The adjusted budgeted surplus for Contract Services was £514k, therefore an additional surplus of £9k was generated.



iIP award for the leisure management section of Contract Services

Jim Anderson *Director*

Education

SERVICE COST PROFILE

	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
REVENUE			
NET EXPENDITURE			
Departmental Administration	-	-	428
Day Schools:-			
Nursery inc Childcare Strategy	3,583	3,422	4,022
Primary	31,830	31,895	27,835
Secondary inc Alternatives To Exclusion	37,366	37,239	31,956
Special	4,415	4,543	4,528
School and Family Support	161	162	181
Psychology Services	368	371	343
Support for Pupils **	2,209	2,291	3,396
Community Education	1,941	1,581	1,674
Other Services	1,499	1,450	978
Total Net Expenditure	83,372	82,954	75,341

**Please note that School Crossing Patrol is included in Support for Pupils

CAPITAL EXPENDITURE

Rosemount Primary School Replacement	6	1	6
Southmuir/Websters High School			
Modernisation/Ext	45	13	15
Forfar/Carnoustie Schools Projects	225	227	450
Modernisation/Extension Primary Schools	484	465	749
Maisondieu Primary School	22	32	-
Forfar Academy Curtain Walling	18	9	5
School Buildings - Additional Resources	348	361	-
Schools Fund	350	300	87
Information and Communication Technology	626	642	521
Inverkeilor Primary School	460	538	2
Educational Improvements	203	209	198
Edzell Primary School	500	486	-
Capital Grants	30	18	32
Miscellaneous Works	12	45	15
Sub Total	3,329	3,346	2,080
Total Expenditure	3,329	3,346	2,080

THE YEAR'S PERFORMANCE

Revenue Expenditure for the year was below the original budget by £418k (0.5%). The under spend was mainly due to a slight reduction in pupil roll and slippage in staff costs.

Capital Expenditure was £17k (0.5%) in excess of budget and, therefore, very much in line with available resources.

Aims

We are committed to realising the potential of all children, young people, communities and staff by:

- putting people at the heart of all we do
- nurturing an ethos of achievement
- striving for sustainable improvement
- working co-operatively

Achievements 2003/04

- 23 schools have now gained bronze and silver awards under the Health Promoting Schools Scheme, and five Angus schools have registered for the Eco Schools Project
- raised pupil attainment levels in primary schools
- improved S4 results at Credit level in Standard Grade
- increased levels of work on creativity, including Cognitive Acceleration in Science Education, and the Critical Skills Programme
- continued improvements to school environments (eg Cortachy Primary School, Edzell Primary School, Inverkeilor Primary School, Arbroath Academy)
- improved self-discipline and anti-bullying measures (eg a National Parental Conference was hosted by Angus Council in October 2003 and a Best Practice Report on Anti-Bullying measures was distributed)
- developed a staff training pack in Pupil Care Support for secondary school teachers
- carried out improvements to schools to support the inclusion of pupils with disabilities and significant additional support needs
- effectively established a large number of Pupil Councils in schools across Angus, and involved some Pupil Council members in a major Angus-led national conference on Drugs Education

Ambitions

- continue to drive up standards of attainment in primary and secondary schools
- ensure that new management structures in primary and secondary schools are effectively introduced in ways which are both supportive to staff and enhance the learning and teaching process
- further refine the use of Angus CPD Online
- attain Investors in People accreditation
- take forward the Forfar/Carnoustie Schools Project within the published timescale
- complete new/revised policies within the approved Policy Development Framework



Schools orchestra



Stewart Heggie Director

Environmental & Consumer Protection

On 1 April 2004, the waste services division of Contract Services merged with Environmental & Consumer Protection

Aims

- safeguard and promote public health and consumer awareness
- provide advice and expertise to the public, trade and business locally
- enhance the service provided to all our customers by introducing on-line and interactive technology to complement existing telephone and counter access
- assist in educating and motivating members of the public and business to improve and protect the environment

Achievements 2003/04

- successfully trained four student officers to professional qualification level within both the Environmental Health and Trading Standards sections of the department
- successfully completed the third year audit by the Food Standards Agency in relation to Food Safety and Animal Feeding Stuffs enforcement work in Angus, with no non-conformances reported
- improved the management of our Fleet Services operations, commenced the modernisation programme for their workshop facilities, and successfully transferred administration of staff leased car services, utilising three new vehicle suppliers
- successfully used new civil enforcement powers under the Enterprise Act 2002 in three instances, and reported for prosecution in four instances, in our role of protecting individual consumers and the collective interests of all consumers
- put in place a dedicated Senior Environmental Health Officer to develop closer working links with Development Control staff and provide professional input into the Planning and Development process of the council
- established joint arrangements with our neighbouring authorities in Tayside to promote the delivery of improved Trading Standards services to citizens

Ambitions

- continue to hold top place in the list of best local authority recyclers in Scotland
- build on the successful merger between Environmental & Consumer Protection and the waste services division of Contract Services to improve service delivery to the public and business
- maintain our Investors in People status, and develop this across the larger, merged department
- roll out a new Business Advice and Education Policy, to assist local businesses comply with legislation affecting them
- develop with our customers, through the Citizens' Panel and Scottish Waste Awareness Group, a better understanding of how to best manage our waste through the accepted method of 'reduce, recycle and re-use'
- modernise our Fleet Services section by improving the types of vehicles used, by reducing maintenance costs and by developing better procurement methods
- modernise Waste Management operations to reflect the new Waste Strategy Implementation Agenda

SERVICE COST PROFILE

REVENUE	2003/04 Budget	2003/04 Actual	2004/05 Budget
NET EXPENDITURE	£000	£000	£000
Environmental Health	1,134	1,024	1,291
Cleansing Service	6,843	6,816	6,315
Vehicle Hire Centre	280	350	(93)
Vehicle Maintenance Workshop	(38)	(56)	(6)
Consumer Protection	508	521	575
Public Analyst	99	110	104
Total Net Expenditure	8,826	8,765	8,186

CAPITAL EXPENDITURE

Strategic Waste Fund	-	182	-
Recycling & Civic Amenity Sites	8	10	-
Lochhead Landfill Site	414	415	9
Vehicle Replacement	-	234	6
Plant for Vehicle Workshop	-	43	-
Contaminated Land	497	438	-
Air Quality Management	4	4	-
Total Expenditure	923	1,326	15

THE YEAR'S PERFORMANCE

Net revenue expenditure was below budget by £61k (0.70%).

This was mainly due to staff slippage (£152k), offset against an overspend within VHC as a result of higher repairs costs (£70k), and an over budgeted cost of Public Analyst (£11k).

Net Capital Expenditure was over budget by £403k.



Recycling action



Ron Ashton Director

Housing

HOUSING REVENUE ACCOUNT SERVICE COST PROFILE

REVENUE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
NET EXPENDITURE			
Repairs, Maintenance etc	5,589	5,983	6,271
Management & Supervision	4,753	4,269	6,464
Capital Finance Charges	7,327	6,241	6,342
Total Expenditure	17,669	16,493	19,077
House Rents	16,698	16,469	17,247
Garages/Garage Sites/Shops	361	338	375
Land	8	13	8
Miscellaneous	748	1,372	1,005
Housing Support Grant	16	64	56
Total Income	17,831	18,256	18,691
(Surplus)/Deficit for year	-	(1,763)	386
Surplus at start of year	(338)	(338)	(886)
Surplus at close of year	(500)	(2,101)	(500)
CAPITAL EXPENDITURE			
New Building	200	25	909
Modernisations & Rehabilitations	4,799	5,910	1,326
Other	2,781	1,112	7,586
Total Expenditure	7,780	7,047	9,821
Income - Sale of Houses etc.			
Useable Proportion	1,092	1,089	3,700
Total Income	1,092	1,089	3,700
Capital Expenditure	6,688	5,958	6,121

THE YEAR'S PERFORMANCE

Revenue expenditure on Repairs, Maintenance exceeded budget by £394k. Mainly due to joinery works (£170k), pre tenancy repairs (£47k), roofing repairs (£46k) and boundary repairs (£39k).

Increases in Void and Lost Rents were £89k over budget.

Management and Supervision savings of £484k were in the main due to lower recharges for Housing Management (£260k). This was due to additional income of £155k for recoverable staff costs and commission, and corporate and democratic core recharges (£101k).

Staff costs were £224k under budget due to slippage, difficulties and delays in filling vacant posts.

Capital charges underspend of £1.086m resulting from lower interest charges - (£241k) and lower CFCR (£845k) due to lower capital spend than expected. Additional income of £425k was due to higher other income of £624k due to additional grants, warm deal/central heating and homelessness/housing act/additional housing support grant (£48k). This was offset by lower rental income for houses (£229k) and lower other rental income (£18k).

Net capital expenditure was under budget by £730k (10.9%). This was due to an underspend on capital projects.

Aims

- ensure that all residents of Angus have the opportunity to access good quality, affordable housing
- retain a strong housing department, that is both a direct provider of affordable rented housing and an enabler of a range of housing tenures
- provide a high quality housing service that is responsive to the needs of the housing customer
- maintain and improve our housing stock via a responsive repairs service and a comprehensive stock improvement programme
- ensure safe and sustainable housing schemes and communities through the implementation of sound management practices that incorporate tenants' and residents' views
- provide appropriate levels of support to vulnerable tenants to help sustain tenancies
- provide a housing information and advice service
- co-ordinate a multi-agency approach to assessing and meeting housing and associated support needs
- encourage best practice amongst all housing providers in Angus

Achievements 2003/04

- opened Brechin ACCESS Office
- completed a best value management review of the sheltered housing service
- restructured the Homelessness Housing Support service
- continued work associated with the regeneration of Clifftown, Arbroath and selected a preferred developer for the regeneration of Queen's Park, Brechin
- undertook research into the needs of Gypsy Travellers and Black and Minority Ethnic groups
- developed a Community Safety Team, including a Community Warden scheme
- developed the Homelessness Strategy 2003/08 and the Local Housing Strategy 2004/09, including the preparation of a Fuel Poverty Strategy
- commenced a £3m programme to resurface footpaths
- published the Tenant Participation Strategy and developed consultation exercises, including the 2004/05 rent increase proposals

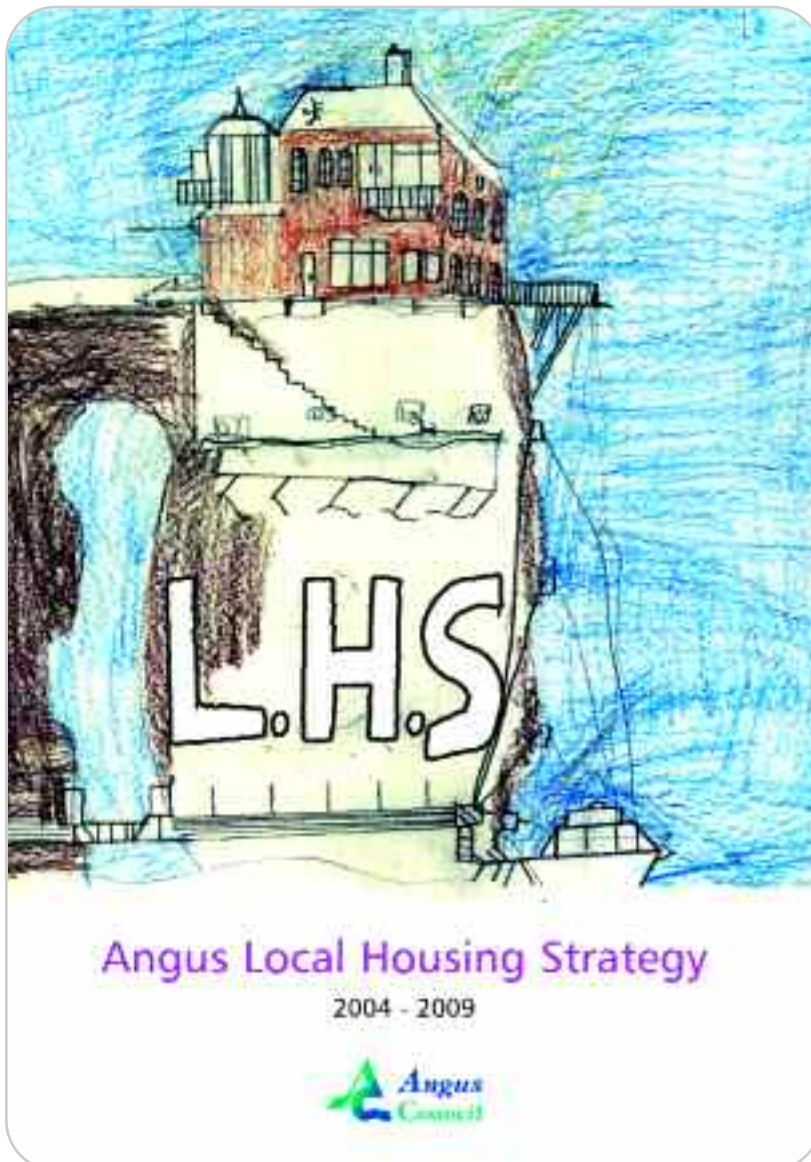


Solar panels in Arbroath

Housing

Ambitions

- ensure that all Housing Revenue Account properties meet the Scottish Housing Quality Standard by 2015
- complete area regeneration projects in North Arbroath and Queen's Park, Brechin and resolve the issue of low demand council housing
- implement, with partner housing organisations, a Common Housing Register by 31 March 2006
- fully involve tenants and tenant organisations in policy reviews and in setting and monitoring service standards
- implement the improvement plan which was agreed during the inspection by Communities Scotland to ensure improvement in services can be demonstrated by the next inspection
- locate all Housing headquarters staff within the same building



The Angus Local Housing Strategy document

OTHER HOUSING SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Improvement Grants	60	63	63
Housing Advances	(19)	(23)	(21)
Rent Rebates	471	371	117
Rent Allowances	522	477	69
Other	325	321	515
Total Net Expenditure	1,359	1,209	743
CAPITAL EXPENDITURE			
Improvement Grants	550	540	549
Total Expenditure	550	540	549

THE YEAR'S PERFORMANCE

Revenue expenditure was under budget by £150k (11%) due in the main to rent rebates and allowances. Rent rebates underspend of £100k was due to higher administration grant income of £28k, higher benefit grant income of £99k offset by higher administration charges of £27k compared to estimate. Rent allowance underspend of £45k was due to lower benefit payments of £143k, higher administration grant income (£26k), offset by lower benefit grant income of £85k and by higher administration charges of £38k.

Capital expenditure for improvement grants at £540k was under budget by some £10k (1.8%) due to lower than anticipated demand.



John Zimny Director

Leisure Services

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
RECREATION DIVISION			
Arbroath Sports & Community Centre	128	129	-
Burial Grounds	573	593	489
Country Parks	595	583	721
New Opportunities Fund	(1)	-	-
Parks & Gardens	2,731	2,760	2,431
Sports Centres & Swimming Pools	4,805	4,744	4,963
Tourism	147	107	137
Net Expenditure	8,978	8,916	8,741
CULTURAL DIVISION			
Library Service	1,986	1,942	1,926
Museums & Galleries	602	602	704
Public Halls & Theatre	914	912	912
Net Expenditure	3,502	3,456	3,542
Total Net Expenditure	12,480	12,372	12,283
CAPITAL EXPENDITURE			
Angus Local Studies Centre	13	1	-
Balances on Completed Works - Cultural Services	-	1	-
Balances on Completed Works - Recreation Services	2	(5)	-
Brechin Town House - Phase 3	-	-	100
Carnoustie Leisure Centre - Replacement Sauna	-	13	-
Carnoustie Sport & Leisure Arena	-	-	614
Crombie & Monikie Reservoirs Maintenance	210	276	123
Glaxo Play Area - Montrose	5	-	-
Ground Operations Machinery	-	-	87
Mid Links Restoration	530	383	1,258
Monifieth Seafront Development	52	44	-
Monikie Country Park - High Ropes Facility	-	-	61
Saltire Leisure Centre - Spa Bath System Upgrade	-	5	-
Webster Theatre, Arbroath	-	-	114
Sub Total	812	718	2,357
Covenant Repayments	64	64	-
Total Expenditure	876	782	2,357

THE YEAR'S PERFORMANCE

RECREATION DIVISION

The overall revenue underspend was £62k. This was largely due to underspends on property maintenance (£54k), transport (£10k) and central support costs (£14k). There was also additional income received totalling £59k. Offsetting this were overspends on supplies & services (£40k) and third party payments (£34k).

CULTURAL DIVISION

The overall revenue underspend was £46k. This was made up of an underspend on property costs of £66k and additional income of £52k. This situation was partially negated by overspends on transport costs (£8k), staff costs (£38k), supplies & services (£20k) and central support costs (£6k).

Capital Expenditure was £94k underspent.

On 1 April 2004, the leisure division of Contract Services merged with Leisure Services

Aims

- provide high quality leisure and cultural services and facilities which will enhance the quality of life for Angus' citizens
- sustain, protect and enhance the characters of landscape in Angus' parks, gardens, burial grounds and open spaces
- promote the arts and heritage, and encourage community participation and involvement
- encourage cultural tourism
- promote lifelong learning

Achievements 2003/04

- completed the first phase of refurbishment at Reid Hall, Forfar and Montrose Town Hall
- introduced a marketing plan to raise the profile of leisure centres and the direct debit scheme - direct debit has increased by approximately 50%
- opened Brechin Town House Museum
- delivered the Hairst Summer Arts Festival 2003
- seven leisure centres were above the national average score for Quest registration
- retained Approved Training Centre status with the Institute of Qualified Lifeguards
- developed an Angus Sports Plan
- held the annual Angus Sports Awards in conjunction with the Angus Sports Council

Ambitions

- gain Blue Flag status for Montrose Seafront
- continue to promote Exercise Referral in all the main towns in Angus, working in conjunction with NHS Health Promotion and medical practices
- work in partnership with NHS Tayside to implement classes in Forfar, Montrose and Arbroath for people requiring cardiac rehabilitation. Train further staff to the standards required by the British Association of Cardiac Rehabilitation and expand classes to other towns
- continue to work with the Safe Angus for Everyone (SAFE) group to offer a variety of activities during evenings and holiday periods
- publish a Physical Activity plan
- continue to expand the variety and range of classes and opportunities available
- promote the achievements of Angus sportsmen and women through the Sports Awards event
- continue to give support to our athletes with disabilities and increase the number participating at regional, national and international levels
- redevelop Webster Theatre



Pushing fitness



Alex Anderson *Director*

Planning & Transport

Aims

- deal with planning applications and building warrants quickly, professionally and thoroughly
- provide and maintain an up-to-date strategic and local planning service and statutory land use framework
- prepare, monitor and review transport strategies and policies, including the development of a cost-effective network of public, education and community transport services
- contribute to the development of corporate strategies and initiatives, particularly for the environment and rural issues

Achievements 2003/04

- completed public consultation on the Draft Angus Local Plan, including 10 public meetings, two stakeholder forums and a meeting with the Youth Forum, attended by around 600 people
- prepared building warrants and planning application details for viewing through the internet
- improved Arbroath bus station by making all bus bays accessible to low floor vehicles for use by wheelchair users, together with the installation of CCTV
- published guidance on Building Control standards and an advice note on applying for a warrant to erect a conservatory
- implemented the new Housing Improvement Grants system and approved 90% of grant applications within 8 weeks
- dealt with Building Warrants quickly - 90% of Certificates of Completion were issued within three working days of all work on site being completed satisfactorily
- determined 86% of householder planning applications within two months
- implemented a free travel concession scheme for men aged 60-64
- prepared an Angus Countryside Access Strategy
- reviewed tendered bus services, including 33 existing and seven new services
- carried out a sustainability appraisal of the draft Local Plan
- published demographic information from the Census 2001
- achieved a successful outcome in 70% of planning application appeal decisions
- completed the Tay Estuary Rail Study in partnership with neighbouring councils

Ambitions

- publish a finalised Angus Local Plan
- allow public access to building warrant and planning application details through the internet and enable submission of building warrants and planning applications electronically
- extend the coastal footpath from Monifieth to Carnoustie and from Carnoustie to Easthaven
- publish a State of the Angus Environment Report
- achieve Investors in People status
- improve our performance in determining planning applications
- improve the availability of access to information on public transport services by making the Angus Journey Planner available on the council's website
- ensure a smooth transition to the new Building Standards regulations
- oversee Forfar Town Centre Environmental Improvements

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Planning	2,155	1,991	1,694
Transport	2,119	2,007	2,547
Total Net Expenditure	4,274	3,998	4,241
CAPITAL EXPENDITURE			
Planning	361	331	230
Transport	-	-	10
Housing Improvement Grants	540	550	-
Interchange Improvements at Railway Stations			
In Angus (PTF)	385	67	318
Additional Projects (PTF)	-	326	-
Total Expenditure	1,286	1,274	558

THE YEAR'S PERFORMANCE

Revenue net expenditure was below budget by approx £276k (6.5%). This was due to Access to the Countryside grant not being expended in 2003/04 (100% CF to 04/05), reduced conservation grant payments, and lower than anticipated expenditure in respect of dangerous buildings.

Capital expenditure was below budget by approx £12k (0.93%). This was mainly due to savings on the Rural Initiatives allocation.



Paths network



Ronnie McNeil Director

Roads

SERVICE COST PROFILE

	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
REVENUE			
NET EXPENDITURE			
Structural/Cyclic	6,540	6,215	3,047
Statutory Duties	730	526	633
Traffic & Transport	919	833	494
Road Lighting	1,328	1,440	959
Winter Maintenance	1,663	1,902	1,655
Arbroath Harbour	181	176	72
Rechargeable Works	-	(3)	-
Car Parking	(85)	(37)	74
Coastal Protection	154	110	40
Flood Prevention	56	79	25
Departmental Administration	(119)	10	-
Total Net Expenditure	11,367	11,251	6,999
CAPITAL EXPENDITURE			
Bridge Assessment/Repairs/ Strengthening/Replacement	619	836	782
Road Safety/Traffic Signals/ Pedestrian Crossings	254	334	33
Skid Resistance/Road Safety (CFCR)	530	-	1
Major Projects	1,562	1,329	629
Carriageway/Footway Reconstruction	3,207	3,530	1,390
Lighting Upgrades	815	1,018	334
Environmental Improvements	168	22	96
Miscellaneous Projects	1,675	1,742	476
Total Expenditure	8,830	8,811	3,741

THE YEAR'S PERFORMANCE

Revenue net expenditure was below budget by approx. £116k (1%). This was due to a net transfer of project expenditure from revenue to capital (£257k) as part of the reclassification exercise. This was offset by increased support service costs (£107k) and CFRP expenditure (£36k).

Capital expenditure was below budget by approx. £19k (0.02%). This was due to delays in the start of the Forfar Town Centre project which was partially offset by increased expenditure on the drainage at Medicine Well Drive project and Arbroath Harbour Infrastructure repairs project.



Renewed cobbles at Arbroath harbour

Aims

- provide a safe, well maintained and accessible public road network
- keep the streetlights lit at night throughout Angus
- provide best value engineering and harbour services to Angus Council
- provide a replacement for the existing bridge carrying the A92 over the River South Esk at Montrose
- provide a flood prevention scheme for at risk areas of Brechin
- replace obsolete and structurally unsound street lighting stock

Achievements 2003/04

- successfully completed all statutory and planning procedures for the replacement of the existing bridge carrying the A92 over the River South Esk at Montrose
- repaired 75% of over 5,500 reported street lighting faults within seven days
- completed the second year of the Scottish Road Maintenance Condition Survey in partnership with the other Scottish councils
- increased the percentage of lighting columns replaced to 3.3% of the total number of lighting columns
- improved safety at road junctions with work carried out at the Murroes Primary School junction and the East Bog junction
- amended the traffic management arrangements in Arbroath, Carnoustie and Montrose; updated the Weight Restrictions on Bridges Order; and made a new Traffic Management Order for the Fit O' The Toon, Arbroath 20 mph zone
- completed the Monifieth Landfill Remediation/Coastal Protection Scheme
- strengthened the Barry Burn Bridge, Broomley Bridge, Lunan Bridge, Craigendowie Bridge, Bridge of Margie, Ballintore Castle Bridge, Holemill Bridge, Wellford Bridge and Shielhill Bridge; and refurbished the Dighty Water Footbridge

Ambitions

- commence the construction phase of the replacement bridge carrying the A92 over the River South Esk at Montrose
- commission new harbour gates and pontoon berthage at Arbroath harbour
- construct new roundabout access to the Arbroath harbour development
- complete an option appraisal and environmental statement for the Brechin Flood Prevention Scheme
- introduce year-round night scouting for street lighting faults
- implement a Pavement Management System compliant with UKPMS standard to analyse road conditions and prioritise maintenance treatments
- extend the scope of the department's Quality Management System to cover all departmental activities
- achieve Investors in People status



Keeping traffic moving in Glamis



Robert Peat Director

Social Work & Health

Aims

- provide good quality social work services in Angus to meet assessed needs
- actively involve service users, carers and other stakeholders in the design and delivery of social work services
- work in partnership, particularly with health and housing, to provide seamless care as part of the joint future agenda
- promote the well-being of children and young people in Angus in an integrated way, in line with the Changing Children's Services agenda
- develop and implement strategies and action plans in partnership with other public and independent organisations in response to local and national policies and initiatives

Achievements 2003/04

- established the Angus Joint Strategic Support Unit to take forward the development and redesign of local services in line with the Joint Future and Better Integrated Children's Services agendas
- we are well-below the Scottish average for the length of time people are delayed in hospital and have consistently met or fallen below the target set in relation to the number of people delayed
- increased the number of people with learning disabilities travelling independently to resource centres in Angus from four (in 2001) to 35. In conjunction with Planning and Transport, local bus companies and travel providers, public transport is now more accessible to these service users
- an investment in preventative services to vulnerable families with very young children through Sure Start, has led to a year on year increase in the number of children supported - from 202 in 1999/00 to 515 in 2002/03
- achieved an increase in the level of residential respite provision for children with disabilities by doubling the capacity at the Strathmore Centre through the use of 'Quality of Life' funding
- developed a new Bail Information and Supervision Scheme. About four people per month from priority client groups are now made subject to supervised bail rather than being remanded to custody
- a benefits calculator was developed by our Welfare Rights Team to help people check their entitlement to Pension Credit. In partnership with the Information Technology department, we have been able to provide this calculator on-line via the Angus Council website

Ambitions

- undertake more effective consultation with stakeholders, both as a department and jointly with our partner agencies, by setting clear objectives for consultation exercises and making realistic recommendations for action
- produce a series of booklets for the public clearly setting out what services are available, how to access them, referral criteria and what quality standards to expect
- establish a short-term task group, involving partner agencies, to undertake a comprehensive review of all the issues relating to 'balance of care'. This will feed into the ongoing review of the Extended Local Partnership Agreement and Joint Community Care Plan
- expand the remit of the departmental recruitment & retention working group to cover issues such as 'valuing staff'
- further develop our performance framework and extend the balanced scorecard across joint service areas ie. adult mental health and older people
- develop a departmental risk register

SERVICE COST PROFILE

REVENUE	2003/04	2003/04	2004/05
NET EXPENDITURE	Budget	Actual	Budget
	£000	£000	£000
Children & Families	7,005	6,886	8,119
Older People	21,192	22,561	23,570
Physical Disabilities	2,542	2,215	2,815
Learning Disabilities	4,305	5,275	4,257
Mental Health	380	47	464
Additions	252	226	270
Criminal Justice Services	(16)	(19)	5
Administration	4,148	2,370	2,378
Total Net Expenditure	39,806	39,562	41,878

CAPITAL EXPENDITURE

Development Gowanlea Resource Centre	11	13	-
Upgrade of Heating Systems: Forties Road, Montrose	27	30	-
Upgrade: Forties Road, Montrose	8	8	-
Upgrade: Lilybank, Forfar	148	149	2
Refurbish Bungalow, St Drostan	10	8	37
Upgrade: Camus House	10	7	15
Development of Headquarters Accommodation	5	3	635
Balances on Completed Works	-	-	1
Angus Community Care Charitable Trust	-	1	-
Sub Total	219	219	690
Covenant Repayment - Seaton Grove, Arbroath	88	88	88
Total Expenditure	307	307	778

THE YEAR'S PERFORMANCE

Net revenue expenditure was below budget by £244k (0.61%). This was due to underspends in planned & unplanned maintenance, energy costs and quality of life funding.

Overall capital expenditure was on budget.



Emergency rest centre registration



Chief Executive's Corporate Policy

Sandy Watson OBE *Chief Executive*

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Chief Executive	711	711	749
Member Services	692	635	690
Emergency Planning	65	70	70
Community Planning	232	153	239
Total Net Expenditure	1,700	1,569	1,748

CAPITAL EXPENDITURE

None

note

Chief Executive and Members' Services revenue costs are fully recharged to user departments as a Central Service overhead.

THE YEAR'S PERFORMANCE

Revenue net expenditure was below budget by approx £131k (7.7%). This was mainly due to reduced expenditure on quality of life projects and increased contributions from external agencies within Community Planning.

Aims

- provide policy and strategic management advice to the council
- ensure service functions are co-ordinated across the council
- provide strategic direction to the council in preparing budgets, presenting policy options and leading chief officers on corporate policies and programmes
- ensure that the council can respond effectively to any emergency that might arise

Achievements 2003/04

- actively contributed to the establishment of a new City Region Partnership for Tayside and Fife, evolving from the Scottish Executive's Cities Review
- established local partnerships in most of the Area Forum areas
- launched the Young Angus Citizens' Panel
- launched the Have Your Say database on the council's website
- Issued around 270 news releases to print, broadcast and online media, obtaining extensive coverage of the council's performance and activities
- developed and produced a new Corporate Plan for Angus Council 2003-07
- edited, designed and produced a quarterly staff magazine
- produced a strategic risk register and introduced systems for monitoring the progress of action plans
- produced the Best Value submission and submitted it to Audit Scotland on time
- led the work of the benchmarking family of local authorities
- produced and tested a Rest Centre Registration Scheme, with staff trained to input data as required

Ambitions

- continue to develop and implement systems to meet the needs of a local emergency response
- identify ways of ensuring partners are delivering on community planning priorities
- develop successful of partnerships throughout Angus
- continue to have all 26 community councils operational
- strengthen the relationship between Angus Council and the Angus community councils
- strengthen and develop the relationship between Angus Council and the voluntary sector
- promote active citizenship and social inclusion by providing a consistent framework for volunteering and volunteers working with the council
- complete the pilot of the community engagement model, which is designed to ensure results of consultation and involvement exercises are fed into the community planning process, and that feedback is given, ensuring a two-way flow of information
- maintain the Angus Citizens' Panel and the Angus Young Persons Citizens' Panel
- increase the usage of the 'Have Your Say' database



Encouraging the youth voice

Personnel Services

Aims

- develop personnel, safety and employee development policies and procedures which meet statutory requirements, national agreements and best employment practice
- offer advice and support to departments on personnel, safety and employee development issues
- assist in the creation of a positive, safe and healthy work environment
- promote and assist employee development
- deliver training and employment programmes to young and unemployed people in Angus

Achievements 2003/04

- introduced a Human Resources Strategy for the council
- provided 177 training courses on 47 different subjects representing 2,598 employee training days and, in addition, delivered IT training for 423 employees
- through training and employment programmes, installed loft insulation in 74 council-owned properties throughout Angus
- developed an Employee Code of Conduct
- advertised 943 jobs within the community

Ambitions

- continue to undertake the core activities of the services efficiently and effectively
- develop and introduce a structured management development programme
- continue to implement the nationally agreed Job Evaluation Scheme within the council
- use the opportunities presented by electronic service delivery to improve quality and efficiency
- continue to achieve job outcome targets for participants in the New Deal 18-24 Environment Task Force and New Deal 25+ Programme, as contracted with Jobcentre Plus
- retain Investors in People recognition
- retain Scotland's Health at Work Gold Award

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Personnel	829	747	923
Training Services	303	247	295
Employment Disability Unit	88	88	88
Total Net Expenditure	1,220	1,082	1,306

CAPITAL EXPENDITURE

None

note

All Personnel Services revenue costs are fully recharged to user departments as a central service overhead.

THE YEAR'S PERFORMANCE

Revenue net expenditure was below budget by approx. £138k (11.3%). This was mainly due to lower than budgeted staff costs within Personnel and savings on trainee allowances and trainee travel within Training Services.



Angus Council achievers awards



David Sawers Director

Finance

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Finance (General)	2,003	1,926	1,990
Finance (Revenues)	1,828	1,658	1,438
Total Net Expenditure	3,831	3,584	3,428

CAPITAL EXPENDITURE

None

note

All Finance (General) revenue costs are fully recharged to user departments as a Central Service overhead.

THE YEAR'S PERFORMANCE

Finance (General) revenue expenditure was below budget by £77k in the main due to savings in staff costs.

Finance (Revenues) revenue expenditure was below budget by £170k (9.3%) mostly due to additional income (£175k) arising from higher Housing Benefit Management recharge (£56k), higher Council Tax Administration grant (£53k), along with additional commission and other income (£64k).

Aims

- provide efficient and effective administration of the council's services
- provide comprehensive financial advice to the council's services
- provide an efficient local tax collection service
- provide an effective council tax and housing benefits administration service
- contribute to the establishment and maintenance of sound corporate governance

Achievements 2003/04

- developed full internal audit arrangements for the Local Code of Corporate Governance
- provided an overall financial framework which allowed the council to operate effectively and within the requirements of the law/best practice and professional guidance
- completed the 2002/03 accounts in accordance with both the statement of recommended practice and the best value accounting code of practice and ensured an unqualified audit certificate was issued
- co-ordinated the setting of the revenue and capital budgets for the year and helped to ensure that services operated within cash limited budgets
- actively supported the implementation of the statutory requirements of the Local Government in Scotland Act 2003, with particular reference to best value, community planning and proper accounting practice
- achieved financial close on the Forfar Community Resource Centre Public Private Partnership project, and the A92 Dualling Private Finance Initiative project

Ambitions

- continue to undertake the core activities of the service efficiently and effectively
- ensure full participation in the 2004 Spending Review for Local Government
- continue to develop and update financial processing and reporting systems, with particular regard to e-government
- continue to support the implementation of the statutory requirements of the Local Government in Scotland Act 2003
- continue to provide financial advice and otherwise contribute to the work of the Forfar/Carnoustie Schools project
- continue to develop and review Revenues and Benefits in line with the council's statutory duties to oversee the arrangements for the implementation of the new revenues information technology system



Ground breaking finance



Andy Greenhill *Director*

Information Technology

Aims

- develop and manage a sustainable information technology infrastructure to meet the demands of all council services
- develop and implement information technology strategies to support the enhancement of teaching and learning across Angus
- seek to develop facilities which enhance the communication between the council and its citizens

Achievements 2003/04

- implemented infrastructure sharing with NHS Tayside in support of Joint Working/Community Planning and with various criminal justice partners as part of the ISCJIS (Integration of Scottish Criminal Justice Information Systems) system
- developed a new council website which was the first Scottish local authority site to adhere to accessibility standards
- implemented online services via the council website, including access to the full council library catalogue
- successfully developed/replaced £1.5m of IT infrastructure
- implemented advanced network management tools to improve support capacity to users
- replaced/upgraded major information systems in the Revenues, Social Work and Finance departments
- retained ISO9001, Investors in People and SHAW (Scottish Health At Work) Gold accreditation

Ambitions

- extend broadband networking to primary schools
- develop a voluntary citizens entitlement card (smartcard) for access to council services
- extend online facilities for the public via the council's website including payments and planning applications
- maintain quality and staff accreditations
- develop a land and property gazetteer for Angus
- upgrade major systems in housing management
- make geographic systems available on the corporate intranet



IT carrying out maintenance work

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Information Technology	1,736	1,649	1,853
Total Net Expenditure	1,736	1,649	1,853

CAPITAL EXPENDITURE

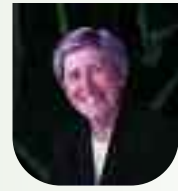
None

note

All Information Technology revenue costs are fully recharged to user departments as a Central Service overhead.

THE YEAR'S PERFORMANCE

Net revenue expenditure was below budget by £87k (5.0%), largely due to staff slippage (£53k), an underspend in transport costs (£12k) and extra income receipts from Service Level Agreements and other recharges (£30k) and an overspend in supplies (£8k).



Catherine Coull Director

Law & Administration

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Law & Administration	1,400	1,305	1,580
Central Telephones	257	275	270
HQ Buildings	1,538	1,562	1,490
Registrars	202	187	174
Print Unit	62	60	2
District Courts & Licensing	236	269	180
Total Net Expenditure	3,695	3,658	3,696

CAPITAL EXPENDITURE

None

note

All Law and Administration/HQ Buildings/Central Telephones revenue costs are fully recharged to user departments as a Central Service overhead.

THE YEAR'S PERFORMANCE

Net revenue expenditure was under budget by £37k (1%). There were a variety of reasons for this with the main ones being a Law & Administration underspend (£95k) and a Registrars underspend (£17k) mainly due to higher than budgeted income. This was offset by overspends mainly in supplies & services costs within Central Telephones (£18k), HQ Buildings (£24k) and District Courts and Licensing (£33k).



Local election count in May 2003

Aims

- provide a comprehensive legal service to the council on all aspects of the law
- provide the secretariat to the council, its committees and sub-committees
- ensure the proper presentation and transaction of business at meetings of the authority
- provide a quality print and design service to the council, producing leaflets and brochures meeting the standards and specification set by clients
- provide a customer focused registration of births, deaths and marriages service to the people of Angus
- provide efficient reception services at each of the council's headquarters buildings and an effective first point of telephone contact for service to the people of Angus through ACCESSLine

Achievements 2003/04

- successfully implemented the ISCJIS (Integration of Scottish Criminal Justice Information Systems) initiative between the District Court and Procurator Fiscal IT systems
- provided legal support for major council projects - A92 Private Finance Initiative, Montrose Bridge replacement, Forfar/Carnoustie schools project, Arbroath Harbour redevelopment, Orchardbank industrial development, redevelopment of Edzell Primary School, Golf Clubs Working Group, Lochhead and Restenneth Landfill Gas Migration Scheme
- provided legal support to council departments to ensure the successful implementation of major new legislation - eg the Enterprise Act 2002, the Adults with Incapacity (Scotland) Act 2001, new Through Care and After Care Regulations, the Mental Health (Care and Treatment) (Scotland) Act 2003, and the Supporting People Initiative
- improved legal advice and guidance to council departments including revisions to the Notice of Intention to Develop/Listed Building Consent protocol and the protocol on the signature of agreements for Angus Council
- made agendas and reports for all standing committees available on the internet in advance of meetings
- amalgamated registration districts into one composite Angus registration district and rationalised registration provision to three dedicated offices, thus achieving economies in running costs
- improved accommodation for ACCESSLine, enabling additional functions to be taken on and improved response times to callers with more enquiries solved at first point of contact
- successfully held combined elections for Angus Council and the Scottish Parliament

Ambitions

- continue to support major council projects and assist client departments with legal matters
- continue to ensure statutory compliance throughout the council as new legislation is introduced
- ensure appropriate strategies, policies and procedures are in place for full implementation of the Freedom of Information Act on 1 January 2005
- carry out all preparatory work for the implementation of Feudal Reform legislation in November 2004
- implement new procedures for support to the council in relation to new corporate legislation



Mike Lunny Director

Property Services

Aims

- provide strategic property advice and core services within the council's corporate management processes
- provide quality professional services across the range of property disciplines
- provide the co-ordination and programming of these services within a multi-disciplined team to provide a comprehensive and integrated professional service

Achievements 2003/04

Implemented the Housing capital programme of £6.2m and part (approximately £1.9m) of the Housing planned maintenance programme.

Major elements of the programmes included:-

- modernisation of 30 houses throughout the council area
- central heating replacement & rewiring in 300 houses
- replacement of kitchens in 580 houses
- provision of architectural and procurement support to the proposed new office accommodation for the Housing department in Forfar (£1.4m)

Implemented major projects within the composite capital programme consisting mainly of:-

- completion of the partnering projects for Inverkeilor and Cortachy Primary Schools (£1,085,000)
- completion of various alterations and extension projects funded from the allowance of £300,000 from the School Building Improvement Fund
- completion of the upgrading of toilet and office accommodation at Lilybank Adult Resource Centre, Forfar (£202,000)
- completion of alterations and extension to Strathmore Centre, Forfar (£70,000)
- completion of the contract for the new Brechin ACCESS office (£265,000)

Ambitions

- implement the housing capital programme, making maximum use of the financial resources available to ensure continued investment in the council housing estate to the benefit of tenants
- ensure that non-housing properties are properly and economically maintained, in accordance with best practice and legislative requirements
- provide healthy and safe environments for staff and visitors, and continuously support the operations and service delivery of occupying departments
- support the development of the property asset of the council to meet the needs of service departments as identified in the corporate plan
- promote continuity of energy supply to non-housing properties, establish and maintain economic energy contracts and manage strategies to reduce energy consumption to achieve established targets and protect the local environment
- develop a water and waste water management strategy
- develop a strategy for sustainability in construction within our building projects
- continue with the programme of adaptations to properties to provide access/facilities for the disabled
- support the modernising government agenda through the development of e-tendering and e-procurement

SERVICE COST PROFILE

REVENUE NET EXPENDITURE	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Property Services	1,468	1,419	1,641
Local Offices	306	325	237
Total Net Expenditure	1,774	1,744	1,878
CAPITAL EXPENDITURE			
Extension to Ravenswood	-	195	55
Upgrade of the Reid Hall, Forfar	-	381	24
Other Property Improvements	662	586	1,121
Total Expenditure	662	1,162	1,200

note

All Property Services/Local Offices revenue costs are fully recharged to user departments as a Central Service overhead.

THE YEAR'S PERFORMANCE

Net revenue expenditure was £30k (1.7%) under budget. This was due to additional fee income of £112k and an underspend in staff costs (£13k) offset by additional expenditure within Property Costs (£27k) and supply costs (£64k).

Capital expenditure was 75.5% above that originally estimated mainly due to the transfer of projects initially to be funded from Renewals and Repairs funding.



The new Brechin ACCESS Office

Miscellaneous Services/Workforce Picture

MISCELLANEOUS SERVICES SERVICE COST PROFILE

Revenue Net Expenditure	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Miscellaneous Services			
Property Enquiries	(50)	(64)	(50)
Community Councils	42	38	31
Long Service Award Scheme	4	5	5
COSLA	70	71	71
Ombudsman	-	1	-
Insurance - Leased Cars	73	73	18
Freedom of Angus Ceremonies	6	-	-
Modernising Government Fund	(31)	(31)	-
Modernising Government Fund 2	(22)	(22)	-
S83 Expenditure	6	8	12
Support Services	70	71	54
Staff Training	146	110	90
Health & Safety at Work	18	12	18
Street Name Plates	30	41	30
Upkeep of Clocks and Memorials	26	28	26
Centralised Property Maintenance	227	328	467
Christmas Lighting	56	56	56
Community Planning	232	153	-
ACCESS Offices	43	43	40
Corporate Properties	632	674	632
Corporate Subscriptions	13	9	13
Corporate Accounting Matters	760	16	1,125
Angus Rural Partnership	30	30	35
Ordnance Survey	63	64	66
Community Safety Initiatives	-	-	-
CCTV	391	285	194
Council Tax Benefits	191	212	-
NDR Discretionary Relief	70	105	85
Angus Ahead	84	78	80
Citizens' Panel	11	8	-
Investors in People Assessment Costs	16	-	10
Employee Assistance Programme	47	2	36
Corporate Initiatives	132	2	340
Provision for Bad Debts	-	2	-
Policy Led Budgeting	39	40	30
Quality of Life	42	7	-
Spend to Save	-	-	-
Corporate & Democratic Core	3,710	3,531	3,090
AMRA	(6,841)	(8,084)	(8,084)
Interest on Revenue Balances	(410)	(363)	(315)
Elections	203	186	128
Grants to Voluntary Bodies	38	31	38
Children's Panel	120	99	124
Total of Miscellaneous Central Services	331	(2,101)	(1,505)

CAPITAL EXPENDITURE

None

THE YEAR'S PERFORMANCE

Revenue net expenditure was £2,432k below budget. This was due to a variety of factors, mainly an increase in income of £1,242k arising on the asset management revenue account (from lower interest on the Council's borrowing) and an underspend on other corporate projects of £1,190k, the major ones being corporate accounting matters (£744k), corporate initiatives (£130k), corporate & democratic core (£179k) and CCTV (£106k).

COST PROFILE JOINT BOARDS

Revenue Net Expenditure	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Police	8,718	8,681	8,895
Fire	4,250	4,250	4,614
Joint Valuation Board	714	714	730
Total Expenditure	13,682	13,645	14,239
Capital Expenditure			
Tayside Joint Valuation Board	16	16	-
Total Expenditure	16	16	-
Cost Profile Joint Arrangements			
Revenue Net Expenditure	2003/04 Budget £000	2003/04 Actual £000	2004/05 Budget £000
Tayside Contracts	(225)	(291)	(200)
Total Expenditure	(225)	(291)	(200)

STAFF EMPLOYED PER DEPARTMENT

ANGUS COUNCIL	MALE			FEMALE			TOTAL		
	03/04	02/03	01/02	03/04	02/03	01/02	03/04	02/03	01/02
Chief Executive's	35	36	34	59	54	53	94	90	87
Contract Services	311	302	283	262	271	257	573	573	540
Education	506	512	497	1780	1799	1810	2286	2311	2307
Environmental & Consumer Protection	41	38	32	27	26	21	68	64	53
Finance	52	49	47	116	106	101	168	155	148
Housing	49	47	44	162	151	155	211	198	199
Information Technology	31	30	29	13	11	11	44	41	40
Law & Administration	27	24	24	71	66	61	98	90	85
Leisure Services	63	64	59	119	102	104	182	166	163
Planning & Transport	37	33	32	33	34	32	70	67	64
Property Services	65	66	62	28	24	25	93	90	87
Roads	55	53	52	14	12	12	69	65	64
Social Work	148	150	108	1094	1084	890	1242	1234	998
TOTAL	1420	1404	1303	3778	3740	3532	5198	5144	4835

Financial Report



David Sawers *Director*

Director of Finance's Report

The accounts of Angus Council are set out in statements 2 to 15. They incorporate the information required by the Code of Practice on Local Authority Accounting in Great Britain - A Statement of Recommended Practice. The statements are intended to present fairly the finances of the council during the year to 31 March 2004 and are supported by various notes.

The accounts identify two major categories of expenditure - revenue spending covering operational expenditure and capital spending covering costs of acquisition, construction and improvement of assets. This report draws together all the figures and provides an explanation of the financial performance of the council during 2003/04.

Accounting Principles

The statement of Main Accounting Principles sets out the basis upon which the financial statements have been prepared and explains the accounting treatment. The council has adopted the accounting practices recommended by the Chartered Institute of Public Finance and Accountancy and the Local Authorities (Scotland) Accounts Advisory Committee.

Particular attention is drawn to the new pensions accounting requirements under Financial Reporting Standard 17 (FRS17). Under these requirements, costs of services delivered by the council are restated to include an actuarially assessed cost of the increased liability falling upon the council in respect of employee pensions under the Local Government Pension Scheme as opposed to the actual employer contributions paid during the year in accordance with the scheme. Adjustments are made outwith the cost of services in the Consolidated Revenue Account and the Housing Revenue Account to ensure that the impact on council tax and housing rents is neutral. The requirements also lead to the creation of a Pension Asset or Pension Liability offset by a Pension Reserve. At the 31 March 2004 there was a Pension Liability of £35.387m with a corresponding negative Pension Reserve. This Pension Liability is the difference between the value at 31 March 2004 of the scheme's assets (investments etc) attributable to the council and the present value of the liabilities relating to pensions for council employees (past and present). Thus if the council were to have discharged its responsibilities at 31 March 2004 there would have been a shortfall of some £35.387m. However it is important to recognise that this snapshot scenario is not a provision within the scheme. The scheme is a long term operation and periodic actuarial assessment is made of the rate of contribution that the council as employer has to pay to the Pension Fund to ensure that it meets its long term liability. The Pension Liability of £35.387m as stated compares with the £55.540m the previous year - a favourable movement of £20.153m reflecting improvements in stock market etc investments.

Statements

In accordance with the Accounting Code of Practice (ACOP) the council produces various statements. A brief description of the purpose of each statement is shown on the statement concerned. The council operates under two main funds - the General Fund and the Housing Revenue Account. The Consolidated Revenue Account statement relates to the General Fund and summarises gross expenditure and income and goes on to show how the net expenditure was financed. The Housing Revenue Account statement relates to the Housing Revenue Account. The Consolidated Balance Sheet provides the snapshot of the council's assets and liabilities as at 31 March 2004. The Trading Accounts, council tax income and Non-Domestic Rates Income statements provide further detail behind relevant figures in the Consolidated Revenue Account. The Statement of Reserves sets out movements in the reserves and the Cash Flow Statement reconciles cash inflows and outflows in terms of revenue account movements and other Balance Sheet items. The Statement on the System of Internal Financial Control comments on the soundness of internal financial controls in place.

Review of the Year

The council sets a General Fund revenue budget within the parameters laid down by the Scottish Executive. The Housing Revenue Account revenue budget was established in light of all relevant legislative requirements. Capital budgets were formulated within the Section 94 (of the Local Government (Scotland) Act 1973) provisions. The council operated within those budgets.

It will be noted from the Consolidated Revenue Account that about 57% of General Fund net expenditure was financed by Central Government Grant (RSG), almost 22% came from amounts due under national non-domestic rating (NNDR) and 21% came from local taxpayers. RSG is paid on a regular basis throughout the year from the Scottish Executive. NNDR is billed at the start of the financial year and collected locally but sums are also received from the Scottish Executive on a regular basis to bring the council's NNDR up to the level determined by the Scottish Executive. Amounts due from local taxpayers are billed at the start of the financial year. The collection performance of these amounts is generally above the Scottish average, but any non-payment is subjected to rigorous recovery procedures.

Revenue Budget Performance - General Fund

The General Fund (see Consolidated Revenue Account Statement 2) finances council services funded by government grants and local taxpayers. There was a general underspend of departmental budgets of some £3.233m, reduced to £2.718m after taking account of HRA Capital Financing Charges, CFCR and HRA surplus. An additional return of £0.182m from Trading Services, savings in debt charges of £1.020m, additional contribution to print unit R&R fund of £0.020m, additional council tax and community charge collections/NNDR of £0.188m offset by increased principal repayment of £1.074m produced an underspend against budget of £3.014m. In a financial climate where tight budgetary control is essential, the results on the General Fund are encouraging.

General Fund Account - Revenue Balance

The General Fund balance at the end of the year totalled £10.087m, of this £0.954m relates to DSM monies, £3.7m is required for working balance purposes, £2.922m is already committed leaving an uncommitted balance of £2.511m from which a sum yet to be determined will be required in respect of year end budget flexibility.

Revenue Budget Performance - Housing Revenue Account

The Housing Revenue Account (see statement 3) deals with council house management transactions. It ended the year with a surplus for the year of £1.763m compared with a budgeted surplus of £0.162m. This arose through lower interest charges (due to lower interest rates) of £240k; reduced call of £844k for CFCR financing in view of underspends on the housing capital programme; increased grant income of £678k; savings of £244k arising through vacancies; increased spending of £246k on repairs and maintenance; reduced net income of £313k from rents due to higher than expected house sales, increased write-offs and lower voids; and various other items netting to a favourable £316k.

Director of Finance's Report continued

Trading Accounts

The Local Government (Scotland) Act 2003 requires the maintenance of Trading Accounts for services meeting certain criteria and the council has decided that Trading Accounts should be maintained for the services delivered previously under the auspice of Angus Contracts in addition to the Print Unit and Commercial Waste Collection Operations. Statement 4 shows that a surplus of £0.600m was returned to general fund. It is a requirement that Trading Accounts break even on a rolling 3-year basis. This was achieved in 2003/04.

Tayside Contracts operate under a joint arrangement between Angus, Dundee and Perth & Kinross Councils. The agreed share of the operating surplus for 2003/04 of £0.291m has been taken into the accounts. Adjustments have been made to the surplus figures already taken into account for prior years to 31 March 2003. These adjustments have been included in the Prior Year adjustment.

Other Reserves

The balance sheet indicates that there are capital and revenue reserves of £289.223m. A net £264.233m of this total relates to unusable reserves and arise from capital accounting arrangements and new accounting requirements under FRS17. The other £24.990m is accounted for by General Fund and Housing Revenue Accounts of some £10.087m and £2.101m respectively with the remaining £12.802m being largely represented by Renewal and Repairs Funds, the Capital Fund and the Insurance Fund. More detail is shown in statement 8.

Capital Budget Performance

The council invested £26.010m in its General Services and Housing Capital Programmes. Further detail is provided in statement 10 where a comparison with the revised budget is shown.

Capital Expenditure and Debt

Capital expenditure is mainly controlled through the allocation of capital consents by the Scottish Ministers, although the council has flexibility to finance part of their programme through contributions from the Revenue Account. The council completed the year without exceeding the capital expenditure limits set by the Scottish Ministers.

The gross capital expenditure of £26.010m consisted mainly of expenditure on improvements of housing stock, schools, industrial development and roads. The capital expenditure was funded through borrowing (54.9%), sale of assets (7%), contribution from revenue (25.8%), with the remainder (12.3%) being met from grants received/other income.

On the General Fund, borrowing increases overall indebtedness and consequently the level of principal repayments and loan interest borne by the Consolidated Revenue Account increases each year. However, it should be noted that in respect of the Housing Revenue Account, there is a statutory requirement to use a significant proportion of capital receipts to repay existing/outstanding capital debt. In recent years this has resulted in a reduction in the capital debt outstanding on the Housing Revenue Account.

Capital expenditure which is financed from current revenue impacts directly on the revenue account. This increases total net expenditure in a particular year and does not increase overall indebtedness.

The council has several sources of borrowing to fund capital expenditure, the most significant of which is the Public Works Loan Board, a Government sponsored body set up with the primary purpose of lending to UK local authorities.

Capital Debt being carried by the Authority amounted to some £137.600m at 31 March 2004, with £96.773m attributable to the General Fund, £23.373m to the Housing Revenue Account and £17.454m to external bodies. This debt was financed from external and internal sources.

Euro

There was no significant expenditure in the year in preparing for the possible introduction of the Euro. However, it is worth noting that the financial package the council uses is fully Euro compatible.

Acknowledgement

The production of the annual accounts is very much a team effort and the support of colleagues is gratefully acknowledged. The achievement of producing the accounts before the 30 June deadline has only been possible with hard work from all staff involved.

David S Sawers
director of finance

Accounting Policies STATEMENT 1

PRINCIPLES ADOPTED IN COMPILING ACCOUNTS

General	<p>The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom - A Statement of Recommended Practice (SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LA(S)AAC).</p> <p>The accounts are intended to present fairly the financial position of the council and have been prepared in accordance with the basic accounting concepts of relevance, reliability, comparability, understandability, materiality, accruals, going concern and primacy of legislative requirements.</p>
Capital Transactions	<p>Capital transactions have been recorded on an accruals basis and relate to increases in the value of assets which will yield benefits to the authority for periods of more than one year.</p> <p>General Fund services are charged for the use of assets no matter how financed and this charge includes a provision for depreciation where appropriate and a notional interest charge. In respect of the notional interest charge for current value assets the specified rate of 3.5% has been used. For historic value assets the specified rate was 4.625%. The amount of capital expenditure financed from revenue has been charged to the Appropriation Account as has the provision for the repayment of debt to the extent that this is not covered by depreciation. Interest has been charged to the Asset Management Revenue Account, which has also been credited with the charges for use of assets.</p> <p>Capital accounting arrangements have been applied to the Common Good Account with notional interest Charges (calculated using the same mentioned rates for General Fund Services) and provision for depreciation being applied to assets where appropriate. This has been offset through the Common Good AMRA and Appropriation Accounts as necessary.</p> <p>In the case of the Housing Revenue Account the principal, interest and expense elements of debt charges have been charged direct to the Housing Revenue Account as has the amount of capital expenditure financed from Capital Financed from Revenue.</p> <p>Deferred charges which are deemed not to represent a continuing direct benefit to the authority are written off in the year they are incurred. Premiums paid through debt rescheduling are shown as deferred charges and are charged to revenue over the period of the replacement loans.</p>
Depreciation	<p>Provision has been made for depreciation on buildings, infrastructure assets, vehicles and equipment.</p> <p>Depreciation is not charged in the year of acquisition but thereafter the straight line method of depreciation is applied where appropriate.</p>
Leasing	<p>Estimates of the undischarged leasing obligations on operating and finance leases are recorded in notes to the Consolidated Revenue Account and Consolidated Balance Sheet.</p>
Revenue Transactions	<p>Provision has been made on an actual or estimated basis for all debtors and creditors as at 31 March 2004.</p>
Bad and Doubtful Debts	<p>Amounts owed to the council have been reviewed and provision has been made for possible bad or doubtful debts.</p>
Fixed Assets - Common Good	<p>Heritable property has been recorded at the values supplied by Lickley Proctor, Chartered Surveyors at 31 March 2003 with the exception of feu duties which have been valued in terms of Section 5(4) of the Land Tenure Reform (Scotland) Act 1974.</p>

Fixed Assets - Other Services	<p>Operational land and buildings (excluding council houses) are revalued on the basis of a five-year rolling programme. Lickley Proctor, Chartered Surveyors have been engaged for this purpose. The first five year programme period commenced on 1 April, 1999 and was largely completed on 31 March 2004.</p> <p>Infrastructure, community assets and equipment assets are carried at depreciated historic cost where this can be determined.</p> <p>Council houses have been valued by Lickley Proctor by reference to benchmark valuations. Due account has been taken of Right-to-Buy discount available to tenants.</p> <p>Non-operational assets were revalued at open market value at 31 March 2003.</p>
Investments	All investments have been recorded in the accounts at market value.
Stocks and Stores	Stocks and stores held by the council are recorded at the lower of cost and net realisable value.
Reserves	Details of reserve funds and accounts are shown in the notes to the Consolidated Balance Sheet and at statement 8. The two capital reserves arising from the system of capital accounting are the Fixed Asset Restatement Reserve and the Capital Financing Reserve. The former of these represents the balance of surpluses and deficits arising from the revaluation of assets, and the latter relates to amounts set aside from revenue and capital receipts applied to finance capital expenditure together with amounts repaid to the Loans Fund. An additional reserve has been introduced into the accounts relating to pensions under the requirements of FRS17.
Renewal and Repairs fund	Renewal and repairs expenditure has been charged to the service account to which it relates and has been financed by a contribution from the Renewal and Repairs Fund.
Redemption of Debt	Angus Council has adopted a policy of making provision for redemption of debt on the basis of the annuity method of debt repayment by reference to the appropriate repayment period.
Loans Fund Interest	Interest has been calculated and allocated to the Revenue Account in accordance with the Local Authority (Scotland) Accounts Advisory Committee Guidance Note No 2.
Pension Costs	The requirements of FRS17 have been met. Thus, the costs of services delivered by the council have been stated with the inclusion of actuarially assessed current service pension costs, rather than actual contributions made to the Pensions Fund as previously. Relevant other adjustments have been made within the Consolidated Revenue Account and the Housing Revenue Account that ensure the impact of FRS17 is neutral in council tax and housing rent terms. Furthermore, FRS17 results in the creation of a Pension Liability and a Pension Reserve. The remarks under Accounting Principles within the Director's Report should be referred to.
Government Grants	Grants and subsidies have been credited to the appropriate revenue and capital accounts and accruals have been made for balances known to be receivable for the period to 31 March 2004.
Allocation of Central Support costs	Central support costs are fully allocated. The allocation to the capital account has been done on the basis of actual time spent by relevant staff on the various capital projects. Allocations to revenue accounts have been done on the basis of staff time allocations as returned by the various departments. The overheads of administrative buildings have been allocated on the basis of floor area occupied.
Covenant Scheme	The scheme enables the council to spread the cost of providing assets over a period of years. Annual covenant repayments are made to the financial institutions concerned and are charged against the capital programme in the year in which they are made.
Comparative Figures	Figures for 2002/03 are shown as appropriate for the purpose of comparison. These have changed from previously published figures to take into account the requirements of FRS17 (pension costs), to allow for proper comparison with 2003/04 figures.

Consolidated Revenue Account STATEMENT 2

Purpose This statement sets out the details of the costs of the functions for which the council is responsible. It also shows how the net cost has been financed from general government grants and from local taxpayers. It thus demonstrates the effectiveness of the council tax and rent fixing exercises which were undertaken prior to the commencement of the financial year. The statement does not include the charitable funds and common good: these are shown in statements 12 and 13.

Consolidated Revenue Account For Year Ended 31 March 2004

Expenditure	2003/04 - Actual			2003/04	2002/03	2003/04
	Gross Expend. £'000	Income £'000	Net Expend. £'000	Budget Net Exp. £'000	Actual Net Exp. £'000	Net Cost per head of Pop'n. £
Education	89,323	6,693	82,630	83,042	77,152	762
Social Work	57,058	17,397	39,661	39,926	36,229	366
Roads & Transport Services	18,064	4,596	13,468	13,400	13,538	124
Cultural & Related Services	16,612	4,834	11,778	11,909	10,910	109
Environmental Services	13,273	3,644	9,629	9,700	9,177	89
Planning & Development Services	5,186	2,289	2,897	3,102	4,494	27
Miscellaneous Services	3,082	585	2,497	3,511	1,978	23
Central Services	4,778	2,652	2,126	2,252	1,485	20
Corporate & Democratic Core	3,531	0	3,531	3,710	3,261	33
Housing Services	38,105	35,803	2,302	3,120	(904)	21
Joint Boards	13,645	0	13,645	13,682	12,658	126
Training Services	898	652	246	303	235	2
Non Distributed Costs	245	2	243	229	(25)	2
NET COST OF SERVICES	263,800	79,147	184,653	187,886	170,188	1,704
Surplus from Trading Operations		Note 8	(891)	(709)	(464)	(8)
Asset Management Revenue Account		Note 7	(8,084)	(6841)	(4,382)	(75)
Pensions Interest Cost & Expected Return on Pensions Assets			1,911	1,911	(1,793)	18
NET OPERATING EXPENDITURE			177,589	182,247	163,549	1,639
Transfer to HRA balances			1,763	162	(547)	16
Appropriation Account		Note 9	(8,999)	(9,210)	(7,888)	(83)
Add Contributions to/(from):-						
- Renewal and Repairs Fund			(2,743)	(2,763)	468	(25)
- Capital Fund			5,870	5,870	1,181	54
- Insurance Fund			103	103	0	1
- Pensions Reserve			(592)	(592)	3,601	(5)
AMOUNT TO BE MET FROM GOVERNMENT GRANT AND LOCAL TAXPAYERS			172,991	175,817	160,364	1,597

Income	RSG	99,246	99,246	89,492	916
	National non-domestic rate pool	38,614	38,613	36,676	356
	Council tax	36,795	36,608	34,440	339
<hr/>					
	AMOUNT RECEIVED FROM GOVERNMENT GRANT AND LOCAL TAXPAYERS	174,655	174,467	160,608	1,611
<hr/>					
(Surplus) /Deficit	(SURPLUS)/DEFICIT FOR YEAR	(1,664)	1,350	(244)	(14)
	DEVOLVED SCHOOL MANAGEMENT EXPENDITURE & HYPOTHECATED EDUCATION GRANTS	(99)	0	256	(1)
		(1,763)	1,350	12	(15)
<hr/>					
	BALANCE AT START OF YEAR	(8,324)	(8,164)	(8,176)	(77)
	Note 13				
<hr/>					
	BALANCE AT END OF YEAR	(10,087)	(6,814)	(8,164)	(92)

Notes

1. Lease Commitments

Operating lease agreements:-

Various non-cancellable operating lease agreements are in operation. The lease rentals paid to lessors on operating leases throughout the year amounted to £0.508m. The outstanding undischarged commitments still payable under these operating leases are £3.114m, represented by vehicle operating lease commitments of £0.593m and other operating lease commitments of £2.520m. £0.137m of this is subject to future Retail Price Index movements.

Finance lease assets:-

The capital element of lease rentals paid to lessors under Finance Lease Arrangements throughout the year amounted to £0.029m.

2. Publicity Expenditure

Section 5(1) of the Local Government Act 1986 requires certain expenditure on publicity to be separately accounted for. Publicity expenditure was incurred as follows:-

	£'000
Staff recruitment	520
Marketing	272
General advertising	123
	<hr/>
	915

3. Pensions (Non-Teachers)

The majority of non-teaching staff participate in the Local Government Pension Scheme (Scotland). This is administered by Dundee City Council and is a defined benefit scheme related to pay and service. It is a multi-employer scheme where individual employer's shares of assets and liabilities can be identified on a consistent and reasonable basis.

In 2003/04 the council paid employer contributions totalling £7,438,534.57 representing 15.4% of employees' pensionable pay.

The employer's contribution rate is determined by the fund's actuary based on triennial actuarial valuations. The last valuation was undertaken at 31 March 2002 with consequent changes to the employer's contribution rate from 1 April 2003.

Consolidated Revenue Account STATEMENT 2 continued

Notes (continued) The following disclosure is made as at 31 March 2004 in terms of FRS17.

	2004	2003		
Financial Assumptions at 31 March	%	%		
Price increases	2.9	2.5		
Salary increases	4.4	4.0		
Pension increases	2.9	2.5		
Rate used to discount scheme liabilities	6.5	6.1		
Revenue Costs for Year to 31 March 2004				
	2003/04		2002/03	
	£,000	% of	£,000	% of
Amount charged to Operating Profit -		Payroll		Payroll
Service cost	6,608	13.3	5,392	13.3
Past service costs	235	0.5		
Curtailment and settlements	38	0.1		
Total operating charge	6,881	13.9	5,392	13.3
Amount credited to other finance income -				
Expected return on corporate assets	10,746	21.6	12,967	31.5
Interest on pension scheme liabilities	(12,657)	(25.5)	(11,174)	(27.2)
Net return on Assets	(1,911)	(3.9)	1,793	4.3
Net Revenue Account Cost	8,792	17.8	3,599	9.0

4. Pensions (Teachers) In respect of the Scottish Teachers' Superannuation Scheme (STSS) administered by the Scottish Public Pensions Agency, the employer's rate of contribution was 7.4% until 1 October 2003 when it increased to 12.5%. The amount paid over in respect of employer's contributions was £3,644,632.

The scheme operates on a notionally funded basis and has no 'real' pension fund capable of investment.

The scheme is a multi-employer defined benefit scheme in which the assets and liabilities underlying the scheme are not identifiable at individual employer level on a consistent and reasonable basis.

5. Unfunded Discretionary Benefits The council may award discretionary pension benefits. Under the Accounting Code of Practice, such benefits are awarded under a single employer defined benefit scheme and the council is responsible for all pension payments relating to added years' benefits which it has awarded.

In 2003/04, for non-teaching staff, the council paid £513,531 representing 1.1% of pensionable pay. This sum related in the main to awards made in previous financial years. Three awards were made in 2003/04 amounting to £ 32,093.

For teaching staff, the council paid £231,287 in respect of added years' benefits representing 0.5% of pensionable pay. This sum related to awards made in previous financial years.

6. 2003/04 Budget The 2003/04 net budget figures shown in the above statement will differ from the published budget to reflect capital charges calculated under capital accounting arrangements; expenditure in respect of which a contribution was made from the Renewal and Repairs Fund; and variations arising from the application of FRS17.

7. Asset Management Revenue Account Under the capital accounting arrangements an Asset Management Revenue Account is maintained. This account is credited with finance charges based on the value attributed to assets. It is then charged with depreciation and also with an allocation of debt interest from the Loans Pool. The main purpose of AMRA is to ensure capital charges do not impact on council tax levels.

Notes

The credit balance on the Account at 31 March 2004 was £8,084k.

	2003/04		2002/03
	£'000	£'000	£'000
The transactions within the account are:-			
Capital Charges - General Fund		(28,202)	(22,029)
Less:-			
Depreciation	14,058		13,175
Interest etc	6,745		5,297
Deferred government grant release	(685)	20,118	(825)
		<u>(8,084)</u>	<u>(4,382)</u>

8. Surplus from Trading Operations

The amount shown of £891k is the council's share of the surplus generated by Tayside Contracts (£291k) together with the surplus arising from the council's trading accounts (£600k).

9. Appropriation Account

	2003/04		2002/03
	£'000	£'000	£'000
The transactions making up the balance on the Appropriation Account are:-			
Capital financed from current revenue		6,711	5,853
Debt repayment	4,245		3,113
less capital fund contribution	<u>0</u>	4,245	<u>(510)</u>
less -			
Depreciation charge	(14,058)		(13,175)
Deferred government grant release	685		825
Deferred charges written off	(1,361)		(1,629)
Capital expenditure not enhancing asset values written off	<u>(5,221)</u>	<u>(19,955)</u>	<u>(2,365)</u>
		<u>(8,999)</u>	<u>(7,888)</u>

10. Local Authorities (Goods and Services) Act 1970

Councils must keep separate account of agreements entered into under this legislation. Expenditure incurred during 2003/04 totalled £1.455m whilst income received amounted to £1.377m. The bulk of the transactions related to agency work on trunk roads for the Scottish Executive.

11. Members' Allowances and Officers' Emoluments

The totals of members' allowances paid in the year was £431,643.
The number of employees whose remuneration was £40,000 or more in bands of £10,000 were:

Remuneration Band	2003/04	2002/03
	Number of Employees	Number of Employees
£40,000 - £49,999	15	14
£50,000 - £59,999	15	17
£60,000 - £69,999	10	7
£70,000 - £79,999	6	3
£80,000 - £89,999	0	0
£90,000 - £99,999	1	1

Consolidated Revenue Account STATEMENT 2 continued

Notes (continued)

12. Balance at start of Year The balance brought forward for 2003/04 and 2002/03 of £8.324m and £8.176m respectively have been adjusted by the Prior Year Adjustments as shown below:-

	£'000
Adjustment to Tayside Contracts surpluses etc. for previous years	(9)
Property related creditor adjustments for prior years	(151)
Other	0
	<u>(160)</u>

13. Related Parties

	Expenditure £'000	Income £'000
During the year, transactions with related parties arose as follows:-		
Central Government - RSG		99,246
Central Government - Net contribution from NNDR Pool		38,614
Central Government - Housing & Council Tax Benefit Grant		36,795
Central Government - other grants		13,610
Central Government - teachers' pension scheme	3,645	
Scottish Enterprise Tayside - grants		422
Police Board - requisition and associated interest	8,682	
Fire Board - requisition	4,249	
Joint Valuation Board - requisition	839	
Tayside Contracts - share of surplus and associated interest		291
Tayside Contracts - contract etc payments	15,643	
Dundee City Council Pension Fund	7,439	
Dundee City Council - re DERL		250
Angus Community Care Charitable Trust		
contribution due to trust	163	
amounts due to trust re rental income	129	
amounts due from trust re reimbursement of expenses		38
Angus Environmental Trust -		
Landfill Tax Credit	58	
Various minor contracts		40
Resource Transfer		2,683

It should be noted that Angus Community Care Charitable Trust and Angus Environmental Trust are associated companies within the meaning of the Accounting Code of Practice. However, neither are judged to be of sufficient magnitude as to warrant incorporating the council's share into Group Accounts. Additionally the council has a 100% shareholding in a company called Angus Digital Media Centre Limited. This company is limited by guarantee with charitable status and was established for the purposes of providing a community resource offering facilities, training and project support in digital production/media to individuals and community, arts and education, start-up companies and other SMEs. This company is similarly not judged to be of sufficient magnitude to warrant incorporating the council's share into Group Accounts.

14. Audit Fee The estimated audit fee for completing the 2003/04 audit is £222k. However, it is the accounting policy of the council to only bring instalments paid to account as a reflection of work actually done. Thus the charge in the accounts for the audit fee of £264k relates to the 2002/03 and 2003/04 audits.

15. Best Value Accounting Code of Practice (BVACOP) Miscellaneous Services and Training Services are not BVACOP headings but have been included separately, mainly due to the specific nature of the services not falling readily into any of the BVACOP headings.

Housing Revenue Account STATEMENT 3

Purpose This statement indicates how much the council spent in fulfilling its statutory requirements to provide, improve and manage housing to suit housing needs.

	2003/04 Actual £'000	2003/04 Budget £'000	Actual 2002/03 £'000	2003/04 Cost per House £
Expenditure				
Repairs and maintenance	4,858	4,553	6,595	540
Supervision and management	4,269	4,753	4,889	475
Capital financing charges	6,241	7,327	5,857	694
Bad debts	225	40	221	25
Void rents	394	490	364	44
Supporting people protected payments	429	429	0	48
Pensions interest lost and expected return on pension assets	115	115	(106)	13
Pensions reserve	(38)	(38)	206	(4)
TOTAL EXPENDITURE	16,493	17,669	18,026	1,835
Income				
Rent paid by tenants	8,279	8,518	8,673	921
Rent rebates	8,190	8,180	7,699	911
GROSS RENT INCOME FROM DWELLINGS	16,469	16,698	16,372	1,832
Non dwelling rents	351	375	321	39
Interest on revenue balances	183	167	150	20
Other income	1,189	575	590	132
Housing support grant	64	16	46	7
TOTAL INCOME	18,256	17,831	17,479	2,030
(Surplus) /Deficit				
(SURPLUS)/DEFICIT FOR YEAR	(1,763)	(162)	547	(196)
BALANCE AT START OF YEAR	(338)	(338)	(885)	(38)
BALANCE AT END OF YEAR	(2,101)	(500)	(338)	(234)

Notes

1. Gross Rent Income This is the total rent income for the year. Average annual rents charged were £35.72 per week.

2. Housing Stock The council was responsible for managing an average of 8,994 houses during the year. The stock relating to the Housing Revenue Account was as follows:-

	2003/04	2002/03
Cottage type	41%	41%
flats/maisonettes	59%	59%
Stock changes can be summarised as follows:-		
Stock at 1 April	9,043	9,505
Add - New build	0	0
Conversions	0	2
Stock repurchased	0	0
Less - Right-to-buy sales	212	279
Disposal - private sector	0	0
Conversions	17	5
Demolitions	67	180
Stock at 31 March	8,747	9,043

3. Rent Arrears Average rent arrears per house at 31 March 2004 were £62.08. Rent arrears at 31 March 2004 were 3.33% of gross rent income. The comparable figures at 31 March 2003 were £56.77 and 3.14% respectively.

Arrears at 31 March 2004 were £542,977 compared to £513,413 at 31 March 2003.

4. Rent Rebates At any given time there are approximately 4,448 tenants in receipt of housing benefit which is equivalent to 50.8% of the total number of council tenants. The comparable figures for 2002/2003 were 4,330 and 47.9% respectively.

Trading Accounts STATEMENT 4

Purpose In terms of the Local Government in Scotland Act 2003 the council has identified various activities that should be operated as Trading Accounts. This statement shows the financial performance of these activities.

Trading Accounts Activities

		Ground Operations 2003/04 £'000	Sports Services 2003/04 £'000	Waste and Cleaning Operations 2003/04 £'000	Print Unit 2003/04 £'000	Total 2003/04 £'000
Expenditure	Total expenditure	3,162	3,447	6,192	470	13,271
Turnover	Total turnover	3,395	3,645	6,361	470	13,871
(Surplus)/Deficit		(233)	(198)	(169)	0	(600)

Notes

1. General The council determined under former Compulsory Competitive Tendering arrangements to compete with external contractors in order to achieve and maintain a high level of service in a competitive environment. With the introduction of trading accounts the council is confirming that policy objective.

2. Description of Activities

Ground Operations:

The council has extensive grounds to maintain. These include parks, gardens, playing fields, burial grounds and various open spaces. The bulk of the work is subject to an ongoing contract won originally under competition as required by the former Compulsory Competitive Tendering legislation. These operations were carried out by Contract Services - a separate department of the council.

Sports Services:

Various sports and leisure centres, caravan sites and swimming pools are run by the council. Most of these are subject to an ongoing contract won competitively under the Compulsory Competitive Tendering legislation. Responsibility for the day to day running of these various facilities fell to Contract Services.

Waste & Cleaning Operations:

Activities include domestic & commercial refuse collection, waste disposal including recycling, street cleansing, vehicle workshop and building cleaning. Apart from commercial waste collection ongoing contracts won competitively under Compulsory Competitive Tendering govern service delivery.

Print Unit:

Management responsibility for the Print Unit falls to the director of Law & Administration. The unit provides design and printing services to all council departments and also to organisations outwith the council as capacity allows. Charges for work done by the unit are commercially competitive and are set not only to cover costs but also to provide for future investment.

3. Turnover The source of total turnover of £13.8m was £2.5m from external sources outwith the council and £11.3m received internally from other Angus Council departments.

4. Prescribed Financial Objective The requirement for Trading Accounts is that they should at least break even over a rolling three year period. The financial objective was met for all activities in 2003/04.

5. Immediate Future Prospects Apart from the Print Unit and Commercial Waste (included in Waste & Cleaning Operations), the above activities were managed by Contract Services department. This department was subsumed into Leisure Services and Environmental Services departments as from 1 April 2004.

The council is committed to Best Value and the financial discipline of at least break-even for Trading Accounts. Indeed the council's budget over the years has required the activities of the former Contract Services department to produce surpluses as determined when the council agreed its annual budgets.

With the transfer of responsibility as indicated above, the council has instigated in-depth reviews (to be undertaken in 2004/05) of the management and trading arrangements for all activities shown above apart from the Print Unit. With various external contracts secured for the best part of the next two years, and with no indication of any fall-off in use of leisure facilities by customers, the risk of Trading Accounts not meeting the break-even requirement is low. However monitoring arrangements should identify problem areas early so that corrective action can be taken.

Council Tax Income Account STATEMENT 5

	2003/04 £'000	2002/03 £'000
Gross Charge	42,744	39,856
Deduct - Exemptions	(1,135)	(1,109)
Disabled relief	(37)	(32)
Discounts	(4,234)	(3,930)
NET COUNCIL TAX	37,338	34,785
Adjustments		
Rebates	(4,723)	(4,207)
less: government grants	4,512	4,006
MOD properties	(110)	(105)
Contribution received	60	63
Provision for bad debts	(745)	(788)
Loss on benefits to be transferred to Miscellaneous Services	211	201
NET CURRENT YEAR COUNCIL TAX INCOME	36,543	33,955
PRIOR YEARS' COUNCIL TAX		
Adjustments to charges	(178)	(157)
Adjustments to provision for bad debts	384	501
COMMUNITY CHARGE		
Adjustments to provision for bad debts	46	141
TOTAL INCOME TO CONSOLIDATED REVENUE ACCOUNT	36,795	34,440

Notes

1. Council Tax Income

The 2003/04 financial year is the eleventh year of operation of the council tax which replaced the community charge. The council tax charge is based on the value of a domestic property together with a personal element which takes into account the number and circumstances of the occupants of the property.

Each property is placed in one of eight valuation bands (A-H) in accordance with their value as at 1 April, 1991. The council tax charge levied for each property is calculated in proportion to the council tax charge for a Band D property by applying fractions. A discount of 25% on the council tax charge is made where there are fewer than two residents of a property. Discounts of 50% are made for unoccupied property. Persons who are in detention, students, mentally handicapped, etc are disregarded for council tax purposes. Reductions in council tax payable are also available for people with disabilities.

The range of values and the fractions used in calculating the council tax payable for each valuation band are set out on the following page.

Council Tax Income Account STATEMENT 5 continued

Notes (continued)

Valuation Band	Property Valuation Range	Fraction of Band D
A	£0 - £27,000	6/9
B	£27,001 - £35,000	7/9
C	£35,001 - £45,000	8/9
D	£45,001 - £58,000	9/9
E	£58,001 - £80,000	11/9
F	£80,001 - £106,000	13/9
G	£106,001 - £212,000	15/9
H	Over £212,000	18/9

2. Calculation of the Council Tax Charge Base 2003/04

	Valuation Band								TOTAL
	A	B	C	D	E	F	G	H	
Total number of properties	15,554	12,247	6,487	7,307	6,095	2,051	1,014	146	50,901
Less exemptions/ Deductions	791	362	195	133	100	25	13	20	1,639
Less adjustment for single discounts	2,271	1,058	502	413	252	59	28	3	4,586
Less adjustment for double discounts	463	178	132	80	45	27	15	14	954
Effective number of properties	12,029	10,649	5,659	6,682	5,698	1,941	959	110	43,727
Band D equivalent Factor (Ratio)	(6/9)	(7/9)	(8/9)	(9/9)	(11/9)	(13/9)	(15/9)	(18/9)	
Band D equivalent Number of Properties	8,019	8,283	5,030	6,682	6,964	2,804	1,598	220	39,600
Less Provision for Non-Collection 2%									792
COUNCIL TAX BASE 2003/04 (equivalent to a Council Tax of £933)									38,808

The product of the council tax base and the equivalent council tax charge give a budget for current year council tax income of £36.208m. Inclusion of £400k budget provision for income from prior years' charges, results in a total budget for council tax income of £36.608m as shown in the Consolidated Revenue Account.

3. Council Tax Properties and Council Tax Charges

	Effective Number of Properties	Total Council Tax Charge £
A	12,029	622.00
B	10,649	725.67
C	5,659	829.33
D	6,682	933.00
E	5,698	1,140.33
F	1,941	1,347.67
G	959	1,555.00
H	110	1,866.00
	<u>43,727</u>	

Non - Domestic Rate Income Account STATEMENT 6

	2003/04 £'000	2002/03 £'000
Gross Charge	24,793	28,811
Deduct - Reliefs and other deductions	(2,273)	(4,231)
Interest on overpaid rates	(68)	(1)
Provision for bad debts	(61)	(141)
CONTRIBUTION TO NATIONAL NON-DOMESTIC RATES POOL (NNDRP)	22,391	24,438
Net contribution from NNDRP (See Note 3)	16,222	12,238
TOTAL NON-DOMESTIC RATE INCOME FROM NNDRP	38,613	36,676
Adjustments for years prior to introduction of NNDR	1	0
NON-DOMESTIC RATE INCOME TO CONSOLIDATED REVENUE ACCOUNT	38,614	36,676

Notes

1. Non-Domestic Rate Income/ Contribution from Non-Domestic Rate Pool

As from 1993/94 all non-domestic rate income collected by local authorities (from non-domestic ratepayers) is paid into a national pool and redistributed to levying authorities (unitary and island councils). The non-domestic rate income is redistributed from the national pool in proportion to the resident population of each local authority concerned and therefore bears no direct relationship to the amount collected by those authorities.

The 2003/04 rate poundage set nationally, was 47.8p for properties with a rateable value of less than £25,000 and 48.4p for those with a rateable value of more than £25,000.

2. Rateable Subjects and Values (1 April 2003)

Non-domestic rateable subjects	2003/04	2002/03
Commercial	3,522	3,542
Industrial	140	138
Public utilities	6	6
Miscellaneous	1,149	1,123
	4,817	4,809

Non-domestic rateable values	2003/04 £'000	2002/03 £'000
Commercial	27,842	28,445
Industrial	9,935	10,013
Public utilities	7,036	7,077
Miscellaneous	18,575	18,417
	63,388	63,952

3. National Non-Domestic Rate Pool (NNDRP)

	2003/04 £'000	2002/03 £'000
Contribution from NNDRP	38,613	36,676
Less contribution to NNDRP	(22,391)	(24,438)
NET CONTRIBUTION FROM NNDRP	16,222	12,238

4. Appeals

The gross charge and relief and other deductions figures for 2003/04 show material variances from 2002/03. This is generally due to settlement of various appeals.

Consolidated Balance Sheet STATEMENT 7

Purpose The Consolidated Balance Sheet summarises the financial position of the council at 31 March 2004 providing a snapshot of the assets and liabilities on that date. The statement is prepared on a basis which excludes internal adjustments

	Note Ref	2003/04 £'000	2002/03 £'000
Fixed Assets etc			
Gross capital assets	1	461,914	405,574
less depreciation	2	(29,553)	(19,972)
Written down capital assets		432,361	385,602
Leased assets	10	468	497
TOTAL FIXED ASSETS		432,829	386,099
Deferred Charges			
Deferred charges	6	3,386	3,640
TOTAL DEFERRED CHARGES		3,386	3,640
Long Term Investments			
Investments	11	10	10
TOTAL LONG TERM INVESTMENTS		10	10
Long Term Debtors			
Debtors	12	18,152	16,193
TOTAL LONG TERM DEBTORS		18,152	16,193
Long Term Liability			
Pension/liability		(35,387)	(55,540)
TOTAL LONG TERM LIABILITY		(35,387)	(55,540)
WORKING CAPITAL			
Current Assets			
Stocks		399	468
Debtors	12	26,624	19,949
less Provision for bad debts		(4,682)	(5,295)
Investments	13	8,943	9,000
Cash Imprests		37	36
TOTAL CURRENT ASSETS		31,321	24,158
less Current Liabilities			
Temporary and other loans due within one year		1,838	1,686
Revenue advances from other accounts	15	3,511	3,328
Creditors and accruals	16	27,130	24,777
Bank overdraft	14	6,265	3,094
TOTAL CURRENT LIABILITIES		38,744	32,885
TOTAL WORKING CAPITAL		(7,423)	(8,727)
Long and Medium Term Loans			
PWLB	17	96,369	103,940
Mortgages	17	12,000	0
Covenant scheme - deferred liability	17	166	1,650
Finance lease liability	10	437	468
TOTAL LONG/MEDIUM TERM LOANS		108,972	106,058
Government Grants Deferred			
Government grants deferred		(13,373)	(11,607)
TOTAL GOVERNMENT GRANTS DEFERRED		(13,373)	(11,607)
TOTAL NET ASSETS		289,222	224,010
Reserves			
Fixed asset restatement reserve		239,605	198,135
Capital financing reserve		60,014	63,576
Pension reserve		(35,387)	(55,540)
Usable reserves	19	24,990	17,839
TOTAL RESERVES ETC		289,222	224,010

David S Sawers
director of finance
22 June 2004

Consolidated Balance Sheet STATEMENT 7 continued

Notes

1. Movement of Fixed Assets in 2003/04

	Operational Assets				Non-Operational Assets		Total £'000
	Council Dwellings £'000	Land & Buildings £'000	Infra-structure £'000	Community Assets £'000	Vehicles, Plant, etc £'000	Land & Buildings £'000	
Gross book value at 1 April 2003	149,054	190,953	40,258	2,421	11,757	11,131	405,574
Revaluations and restatements	37,541	4,464	0	0	67	210	42,282
Expenditure	7,048	2,765	7,780	0	1,390	364	19,347
Disposals	(3,627)	(422)	0	0	(1,164)	(76)	(5,289)
Gross Book Value at 31 March 2004	190,016	197,760	48,038	2,421	12,050	11,629	461,914
Depreciation at 1 April 2003	0	842	12,243	55	6,823	9	19,972
Revaluation and restatements	0	(2)	0	0	0	2	0
Depreciation charge for the year	2,504	7,931	2,299	32	1,291	1	14,058
Depreciation on assets revalued/sold	(2,504)	(918)	0	0	(1,052)	(3)	(4,477)
Depreciation at 31 March 2004	0	7,853	14,542	87	7,062	9	29,553
Net book value at 31 March 2004	190,016	189,907	33,496	2,334	4,988	11,620	432,361

2. Depreciation Provision has been made for depreciation on buildings, infrastructure, vehicles and equipment. The straight line method of depreciation has been applied over the asset's outstanding useful life. Outstanding useful life has been assumed as follows:

Council Dwellings	- 50 years.
Buildings	- each property has been individually assessed to derive outstanding useful life, up to a maximum of 50 years.
Infrastructure	- the majority of infrastructure assets are depreciated over 20 years.
Vehicles	- varies between 4 and 10 years according to the class of vehicle.
Equipment	- 5 years.

3. Assets Employed

The net book value of assets employed as at 31 March 2004 can be broken down as follows:

	£,000
Assets employed by the General Fund	241,071
Assets employed by the Housing Revenue Account	190,751
Assets employed by the Trading Services	539
TOTAL ASSETS EMPLOYED	432,361

4. Changes in Asset Values

During the year the gross book value of council dwellings increased by £40.96m, the gross book value of other operational assets rose by £14.88m and the gross book value of non-operational assets rose by £0.50m. All asset valuations have been adjusted to reflect these changes. These increases are largely due to the revaluation programme.

5. Capital Expenditure

Expenditure in the year on fixed assets (Note 1)	£,000
Capital expenditure shown in statement 10	19,347
(Acquisition or creation of fixed assets)	26,010
Variance	(6,663)
Represented by:	£,000
- Housing advances	(82)
- Expenditure which has not enhanced assets	(6,581)
Total	(6,663)

6. Deferred Charges

The deferred charge of £3,386m as at 31 March 2004 relates to a premium paid in connection with debt rescheduling. Other deferred charges incurred in the year (mainly in respect of improvement grants and development costs for the A92 PFI scheme) were written off in the year as it is not considered that they represent any continuing benefit to the council.

7. Valuation Details

<u>Category</u>	<u>Date of Valuation</u>	<u>Basis of Valuation</u>	<u>Valuer</u>
Council dwellings	31/03/2004	Depreciated replacement cost) Lickley Proctor,) chartered surveyors.) senior partner) (FRICS qualified)
Operational land & property	Year five of a five-year rolling valuation programme	Open market value or depreciated replacement cost) Lickley Proctor,) chartered surveyors.) senior partner) (FRICS qualified)
Non operational land & property	31/03/04	Open market value) Lickley Proctor,) chartered surveyors.) senior partner) (FRICS qualified)
Community assets	1999/00	Historic cost where available	N/A
Infrastructure	1999/00	Historic cost where available	N/A
Equipment		Historic cost where available	N/A
Vehicles & plant	31/03/04	Depreciated replacement cost	Vehicle hire centre manager

8. Fixed Assets Include:-

	31/03/04	31/03/03
Council dwellings	8,747	9,043
Council offices	31	31
Nursery schools	1	1
Primary schools	61	61
Secondary schools	8	8
Sports centres & swimming pools	10	10
Residential homes & care centres	19	19
Community centres	5	5
Halls	7	7
Libraries	5	5
Museums	6	6
Cemeteries	73	73
Public conveniences	37	37

9. PFI

Infrastructure assets include assets recognised under the PFI arrangement. The gross book value of these assets is £1.509m, with accumulated depreciation of £0.307m giving a net book value of £1.202m.

10. Finance Leases

There are two non-cancellable finance leases relating to industrial properties. The gross amount of these leases is £0.923m with related depreciation thereon of £0.455m, leaving a net liability of £0.468m. £0.031m of this is due within one year with the remaining £0.437m due after one year.

11. Long Term Investments

Long term investments have been made in:

	2003/04 £'000	2002/03 £'000
Government securities	10	10
	10	10

Consolidated Balance Sheet STATEMENT 7 continued

Notes

12. Debtors	Amounts falling due after 1 year	2003/04	2002/03
		£'000	£'000
	Housing advances	866	885
	External bodies (debt)	16,469	14,641
	Tay Road Bridge	776	616
	Other	41	51
		18,152	16,193
	Amounts falling due within 1 year		
	Customs and excise	2,881	2,490
	External bodies (loan charges)	941	776
	Council tax etc	7,849	8,406
	Housing rents	411	426
	Interest debtors	11	27
	Other miscellaneous debtors and accruals	14,531	7,824
		26,624	19,949
	Less bad debt provision	(4,682)	(5,295)
		21,964	14,654
13. Investments	Short term investments of £8.943m arise as a result of the timing of expenditure and associated income and the movements in fund and revenue balances. The council adopts a prudent, yet pro-active, approach to its treasury management operations which are governed by the Chartered Institute of Public Finance and Accountancy Treasury Management in the Public Services Code of Practice 2001.		
14. Bank Overdraft	The council's cleared in hand balance as at 31 March 2004 was £22k. The difference between this figure and that shown as the overdraft figure in the balance sheet is because of cheques which had been drawn but not paid as at 31 March 2004		
15. Revenue Advances from Other Funds	The sums borrowed from other accounts were made up of:	2003/04	2002/03
		£,000	£'000
	Common Good	2,689	2,517
	Charities	822	811
	PLEASE REFER TO STATEMENTS 12 AND 13	3,511	3,328
16. Creditors		2003/04	2002/03
		£'000	£'000
	Interest creditors	948	955
	Payroll related creditors (NI, PAYE, Pension)	4,595	4,032
	Other creditors and accruals	21,587	19,790
		27,130	24,777

17. Long Term Borrowing	Source of loan	Indicative Int. Rate %	Maturity Profile - Years				Total £'000
			1 to 2 £'000	2 to 5 £'000	5 to 10 £'000	>10 £'000	
	Public Works Loan Board	4.25 - 15.00	0	0	3,865	92,504	96,369
	Money market (mortgages)	3.35 - 4.75	0	0	0	12,000	12,000
	Covenant scheme		83	83	0	0	166
			83	83	3,865	104,504	108,535
	Category of loan						
	Public sector mortgages						96,369
	Covenant scheme						166
	Money market mortgages						12,000
							108,535

18. Insurance Fund The Insurance fund covers the main classes of insurance; property, public liability, employer's liability and motor. Funds are earmarked for insurance purposes and are not available for general council use.

19. Summary Statement of Reserves	Balance at 31/3/04 £'000	Balance at 31/3/03 £'000
Usable Reserves etc		
Capital Fund	9,579	3,510
Renewal and repair funds	2,346	4,893
General Fund revenue balance	10,087	8,164
Housing Revenue Account balance	2,101	338
Car Parking Reserve	100	284
Insurance Fund	451	340
Arbroath Harbour Reserve	116	108
Other	210	202
	24,990	17,839

The General Fund revenue balance includes £954k, (£855k in 2002/03) in respect of devolved school management reserve funds and hypothecated education grants which are earmarked for that purpose and are not available for general council use.

Included in the reserves figure is £64k related to various minor trusts for which the council is sole trustee. The purposes of these trust funds are related to various council services. The funds are mostly invested internally and there are no significant liabilities arising.

20. Related Parties Note 13 to the Consolidated Revenue Account refers to relevant related parties. Amounts at the end of the financial year, either due to or by the council, were all in accordance with normal business and there were no material issues as to the question of the amounts being properly due.

21. Pension Reserve etc The following disclosure is made at 31 March 2004 in terms of FRS17:-

Asset Value of the Whole Pension Fund and Expected Returns

	2003/04			2002/03		
	Long Term Return % p.a.	Fund Value at 31/3/2004 £,000	Expected Return p.a. £,000	Long Term Return	Fund Value at 31/03/2003 £'000	Expected Return p.a. £'000
Equities	7.7	658,618	50,700	8.0	490,900	39,270
Bonds	5.1	171,680	8,750	4.8	141,300	6,780
Property	6.5	82,030	5,330	6.0	70,600	4,240
Cash	4.0	24,197	970	4.0	26,500	1,060
Total		936,525	65,750		729,300	51,350

Consolidated Balance Sheet STATEMENT 7 continued

Net Pension Asset (Liability) Attributable to Angus Council	31/3/2004	31/03/2003	Movement
	£,000	£,000	£,000
Estimated assets	186,679	151,380	35,299
Present value of scheme liabilities	(211,939)	(198,090)	(13,849)
Present value of unfunded liabilities	(10,127)	(8,830)	(1,297)
Total value of liabilities	(222,066)	(206,920)	(15,146)
Net pension asset/(liability)	(35,387)	(55,540)	20,153
Analysis of Council's Share of Recognised Gains and Losses on the Fund	2003/04		2002/03
	£,000		£,000
Actual return less expected return on pension scheme assets	22,048		(43,748)
Experience gains and losses arising on scheme liabilities	(1,303)		(10,398)
Changes in financial assumption underlying the present value of scheme liabilities	0		(285)
Actuarial gain/(loss) in pension plan	20,745		(54,431)
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0		0
Actuarial gain/(loss)	20,745		(54,431)
Movement in Surplus/Deficit During the Year	£,000		£,000
Surplus/(deficit) at beginning of year	(55,540)		(3,873)
Current service cost	(6,608)		(5,392)
Employer contributions	8,200		6,363
Past service costs	(235)		0
Impact of settlements and curtailments	(38)		0
Net return on assets	(1,911)		1,793
Actuarial gains/(losses)	20,745		(54,431)
Surplus/(deficit) at end of year	(35,387)		(55,540)
History of Experience Gains and Losses			
Difference between the expected and actual return on assets	22,048		(43,748)
Value of assets	186,679		151,380
Percentage of assets	11.8%		(28.9%)
Experience gains/(losses) on liabilities	(1,303)		(10,390)
Present value of liabilities	222,067		198,090
Percentage of the present value of liabilities	(0.6%)		(5.2%)
Actuarial gains/(losses)	20,745		(54,431)
Present value of liabilities	222,067		198,090
Percentage of the present value of liabilities	9.3%		(27.5%)

Local government legislation provides that local authorities have an obligation to meet the expenditure of Joint Boards of which they are constituent members. As a consequence Angus Council has additional liabilities from the pension deficits of Tayside Fire Joint Board, Tayside Police Joint Board, Tayside Valuation Joint Board and Tayside Contracts. Further information regarding these deficits can be found in the annual report and accounts of the relevant bodies.

Total Movements in Reserves STATEMENT 8

CAPITAL RESERVES	Fixed Asset Reserve £'000	Capital Financing Reserve £'000	Capital Fund £'000	Usable Capital Receipts £'000	Total £'000
Balance at 1 April 2003	(198,135)	(63,576)	(3,510)	0	(265,221)
Prior year adjustments	0	0	0	0	0
Net (surplus)/deficit for year	0	3,562	(6,069)	0	(2,507)
Other adjustments	(4,494)	0	0	0	(4,494)
Unrealised (gains)/losses re valuation of fixed assets	(42,265)	0	0	0	(42,265)
Effect of Disposals of Fixed Assets					
Cost or value of assets disposed of	5,289	0	0	0	5,289
Proceeds of disposals (net)	0	0	0	4,679	4,679
Net (surplus)/deficit	5,289	0	0	(4,679)	610
Other capital receipts	0	0	0	0	0
Financing of fixed assets	0	0	0	1,806	1,806
Applied to repay debt	0	0	0	2,873	2,873
Balance at 31 March 2004	(239,605)	(60,014)	(9,579)	0	(309,198)

REVENUE RESERVES	General Fund									Total £'000
	General Fund £'000	Car Parking Reserve £'000	Arbroath Harbour Contingency £'000	Housing Revenue Account £'000	Specific Reserves £'000	Renewal & Repairs Fund £'000	Insurance Fund £'000	Pension Reserve £'000	Total £'000	
Balance at 1 April 2003	(8,164)	(284)	(108)	(338)	(202)	(4,893)	(340)	55,540	(41,211)	
Prior year adjustments	(160)	0	0	0	0	0	0	0	(160)	
Net (surplus)/deficit for year	(1,664)	184	(8)	(1,763)	(8)	(2,547)	(111)	(20,153)	(20,976)	
Other adjustments:- DSM - expenditure	(99)	0	0	0	0	0	0	0	(99)	
Balance at 31 March 2004	(10,087)	(100)	(116)	(2,101)	(210)	(2,346)	(451)	35,387	(19,976)	

Notes 1. The Net Surplus shown under Pension Reserve is detailed under note 21 of statement 7 - the Consolidated Balance Sheet.

Notes

1. Reconciliation of Surpluses on General Fund and Housing Revenue Account with Revenue Activities	2003/04 Total £'000	2002/03 Total £'000
Activities Sub-total	£'000	
Surplus/(Deficit) for year per accounts -		
General Fund	1,763	(12)
Housing Revenue Account	<u>1,763</u>	<u>(547)</u>
Adjust Surplus for Items Accounted for Elsewhere in Cash Flow Statement:-		
Loans pool principal and interest repayments	15,282	10,073
Interest Received	(333)	(714)
Capital Financed From Current Revenue (CFCR)	<u>2,277</u>	<u>5,897</u>
Adjust Surplus for Internal Items:-		
Contribution to renewal and repair/capital funds	8,316	6,238
Use of renewal & repair fund/capital funds	(5,129)	(4,889)
Transactions on other funds & reserves	<u>(590)</u>	<u>192</u>
Sub-total	23,349	16,238
Adjust for Movements in Working Capital:-		
Decrease/(Increase) in stocks	69	(100)
Increase/(Decrease) in creditors	2,353	1,542
Increase/(Decrease) in provisions	(613)	(202)
Increase in long term debtors	(1,959)	(2,008)
Decrease in other debtors	<u>(6,675)</u>	<u>1,597</u>
Increase in long term investment	0	0
Revenue activities sub-total per statement	16,524	17,067
2. Reconciliation to Net Debt	2003/04 Movement £'000	2002/03 Movement £'000
(Increase)/decrease in cash in the period	6,949	(545)
Decrease/(increase) in debt and lease financing	(1,855)	38
Decrease/(Increase) in liquid resources	57	1,776
Movement in net debt in period	5,151	1,269
Net debt at 1 April 2003	106,456	105,187
Net debt at 31 March 2004	111,607	106,456

Cash Flow STATEMENT 9 continued

Notes (continued)

Analysis of Net Debt	Balance at 31/3/03 £'000	Cashflow £'000	Balance at 31/3/04 £'000
Cash in hand	(36)	(1)	(37)
Overdrafts	3,094	3,171	6,265
		<u>3,170</u>	
Debt due within 1 year	5,014	12,502	17,516
Debt due after 1 year	105,590	(9,221)	96,369
Finance leases	468	(31)	437
		<u>3,250</u>	
Current asset investments	(9,000)	57	(8,943)
Total	105,130	6,477	111,607

3. Reconciliation of Relevant Movements within the Financing and Management of Liquid Resources	Balance At 31/3/03 £'000	Balance At 31/3/04 £'000	2003/04 Movement £'000	2002/03 Movement £'000
Management of Liquid Resources				
Short term investments	9,000	8,943	57	1,776
Management of Financing				
Temporary loans	1,249	0	1,249	(1,686)
Revenue advances from Common Good, Trust Funds & Tourist Board	3,328	3,511	(183)	(62)
PWLB loans	103,940	96,369	7,571	1,000
PWLB premium account movement (cash)	3,530	3,386	144	0
Covenant loan	2,087	2,004	83	873
Other loans	1,250	0	1,250	0
LOBO loans	0	12,000	(12,000)	0
Lease liability	468	437	31	(87)
	<u>115,852</u>	<u>117,707</u>	<u>(1,855)</u>	<u>38</u>
Net financing - per cash flow statement			(1,855)	38

4. Liquid Resources

The short term deposits referred to in the statement arise as a result of the timing of expenditure and associated income and the movements in funds and revenue balances. Amounts invested at 31 March 2004 were repayable within four months of the end of the financial year.

5. Analysis of Government Grants

	2003/04 £'000	2002/03 £'000
Revenue Support Grant	99,246	89,522
DSS grants for council tax/housing benefit	19,912	18,870
Other government grants	10,666	8,255
Total government grants per cash flow statement	129,824	116,647

Capital Expenditure STATEMENT 10

Purpose This statement indicates the expenditure during the year on the acquisition, creation or enhancement of capital assets as well as expenditure on improvement grants and loans to private parties. Capital expenditure is not directly charged against the revenue account in the year in which it is incurred but is normally charged over the number of years in which benefit will accrue to the council.

Capital Expenditure on Services	2003/04	2003/04	2002/03	O/S Debt at
	Actual	Budget	Actual	31/3/04
	£'000	£'000	£'000	£'000
Education	3,347	3,329	2,340	29,878
Social Work	311	213	214	5,145
Roads	8,827	9,075	3,276	29,587
Cultural Services	2	13	13	82
Environmental and Consumer Protection	1,326	923	1,142	5,151
Planning and Transport	1,128	1,891	670	4,936
Economic Development	619	1,882	1,636	4,418
Recreation Services	716	799	474	1,942
Contract Services	115	60	298	323
Central Support/Other Services	1,940	1,103	526	7,265
Other Housing	0	0	0	5
Housing:-				
Housing Revenue Account	7,047	7,780	6,413	23,373
Improvement Grants	550	540	511	7,212
Advances:-				
Council House Purchase	22	22	28	390
Private House Purchase	60	60	0	63
Housing Associations	0	0	0	376
	26,010	27,690	17,541	120,146
Expenditure Analysed	2003/04		2002/03	
	Actual		Actual	
	£'000		£'000	
ACQUISITION OR CREATION OF FIXED ASSETS:-				
Site and building acquisition	0		167	
Works and site servicing	20,318		13,006	
Professional fees	2,901		1,738	
Vehicles and plant	1,222		824	
Miscellaneous	135		149	
	24,576		15,884	
DEFERRED CHARGE:-				
Forfar/Carnoustie Schools Project	227		0	
Capital Grants	18		0	
Montrose Bridge	58		240	
A92 Dundee - Arbroath proposed dual carriageway	448		796	
Improvement Grants	550		511	
Arbroath Sculpture Project	4		0	
Financial Assistance to Business	21		31	
Contribution towards Redeveloping the Retreat	10		0	
Tayside Valuation Joint Board	16		4	
Village Halls Support Initiative	0		47	
LONG TERM DEBTORS:-				
Advances	82		28	
Total	26,010		17,541	

Capital Expenditure STATEMENT 10 continued

Financed by	2003/04 Actual £'000	2003/04 Budget £'000	2002/03 Actual £'000
Sale of assets	1,806	1,809	1,609
Grants	3,209	4,530	1,190
Other income	0	0	308
Contribution from revenue	6,711	7,209	5,853
Advances from Loans Fund	14,284	14,142	8,581
	26,010	27,690	17,541

Notes

1. Acquisition, Creation and Enhancement of Assets and Deferred Charges - Major Works

These include:-

General Fund

	2003/04 Actual £'000
Forfar/Carnoustie Schools Project	227
School buildings improvement	661
Information technology within schools	642
Edzell Primary School	486
Inverkeilor Primary School	538
Cortachy Primary School	346
Educational improvements	209
Upgrade of heating system/	
Upgrade to meet registration standards at Lilybank	149
Montrose Bridge	334
A92 - Dundee - Arbroath proposed dualling	1,329
New access to Arbroath Harbour from A92	147
Arbroath Harbour	533
Bridge assessments/repairs/strengthening	502
Carriageway reconstruction	2,744
Footway reconstruction	786
Lighting upgrades	1,018
Traffic calming/road safety/	
traffic signals/pedestrian facilities	335
Lochhead landfill site - Restenneth extension	415
Monifieth Seafront	512
Waste Strategy	176
Plant/vehicles/equipment	283
Public transport	397
Cycling, walking and safer streets	173
East Cairngorms access	174
Forties Industrial Estate extension	239
Provision of services to employment land	128
Restoration at Mid Links, Montrose	383
Crombie and Monikie reservoirs maintenance	275
Ground maintenance machinery	123
Information technology - various projects	418
Facilities for the disabled	270
Montrose Town Hall	291
First floor extension to Ravenswood	195
Upgrade of the Reid Hall, Forfar	419
Coast protection and flood prevention	1,227
Housing improvement and repair grants	550

17,634

Notes (continued)

Housing Revenue Account

Modernisation -	
McLellan Court, Friockheim	170
Park Terrace, Kirriemuir	126
54-68 Southesk Street, Montrose	128
Heating installation/replacement -	
Arbroath / Carnoustie	1,009
Brechin / Montrose	493
Forfar / Kirriemuir	430
Kitchen replacement -	
Various - Arbroath	556
Various - Brechin	388
Various - Carnoustie	214
Various - Forfar	595
Various - Kirriemuir	233
Various - Landward	365
Energy saving -	
Hillhead Terrace, Kirriemuir	146
	<hr/>
	4,853

2. Vehicle Hire Centre

All vehicles are leased or purchased centrally through the Vehicle Hire Centre which is administered by the director of Environmental and Consumer Protection. Vehicles are then hired to the appropriate Service department. The Vehicle Hire Centre is not responsible for vehicles required by Tayside Contracts.

3. 2003/04 Budget

The 2003/04 budget, shown in the table above is the original budget for the year. It should be noted, however, that the original budget is revised at set times throughout the year with revisions reported to committee in the context of periodic capital reports and statements.

4. Outstanding Debt

The outstanding debt shown in the table above will not agree with the external debt as shown in the Consolidated Balance Sheet due to part of the outstanding debt being financed by internal resources and also due to the external debt financing long term debtors not included above.

5. Covenant Scheme

The scheme enabled the council to incur expenditure on capital projects with Annual Covenant Repayments made over a period of years to the Financial Institutions concerned. The Annual Covenant Repayments are not reflected in Capital Expenditure Statements as the project expenditure to which they relate was reflected in Capital Expenditure Statements appropriate to periods when the expenditure was incurred.

6. Commitments at 31 March, 2004

Significant commitments which existed at 31 March 2004 were:-

General Fund -	£'000
Edzell Primary School	688
Montrose Academy Playing fields	411
Angus marketing portal	198
Provision of service to Orcharbank, Forfar	2,261
Restoration at Mid Links, Montrose	1,285
Cycling, walking and safer streets	364
Arbroath Harbour	1,159
East Cairngorm access	994
Arbroath Town Heritage Initiative	1,444
Rural Initiative - Monifieth to Carnoustie Cycleway	252
Public Transport Fund - Angus Rail Interchange	1,707
Montrose Bridge	7,871
Coastal protection at Carnoustie	208
A92 - Arbroath proposed dualling	2,807
	<hr/>
	21,649

Capital Expenditure STATEMENT 10 continued

Housing Revenue Account -	
Modernisations -	
Priory Crescent/Bruce Road, Arbroath	790
Newington Gardens, Brechin	300
Southesk Street, Montrose	460
Heating Installation/Replacement -	
Arbroath/Carnoustie	1,410
Brechin/Montrose	1,291
Forfar/Kirriemuir	1,184
Resurfacing footpaths	201
Housing Office - Orchardbank, Forfar	1,000
	6,636

7. Comparison of Capital Payments (ie Capital Expenditure on a Cash Basis with the Limits Imposed by the Scottish Ministers)

Capital expenditure requires the consent of the Scottish Ministers and is subject to cash limits under Section 94 of the Local Government (Scotland) Act, 1973.

The cash limit for composite capital programme services is generally a global sum covering all the services included therein with the council having the discretion to allocate sums to each service. Certain services such as the Housing Revenue Account, social inclusion etc are given specific cash limits and these cannot be allocated against any other service.

The cash equivalent of the figures detailed on an accrual basis within the above statement are as follows:-

	2003/04 Actual £'000	2002/03 Actual £'000
Capital payments on services		
Composite capital programme	19,487	11,348
Housing Revenue Account	6,400	6,152
	25,887	17,500
Represented by		
Capital receipts - current year	2,053	2,815
Capital receipts - brought forward	1,555	1,393
Capital financed from current revenue	6,133	5,498
Section 94 capital consent	15,447	9,349
Section 94 capital consent anticipation	699	0
	25,887	19,055
Excess funding provision	0	1,555
Represented by		
Capital receipts - carry forward	0	1,555

Loans Fund Revenue Account STATEMENT 11

Purpose This statement shows revenue transactions of the Loans Fund. The Loans Fund provides a central pool of finance for all council expenditure. All external loans, borrowed to finance capital spending, are paid into the fund. Interest due on these borrowings and debt management expenses are charged to the account and recovered annually from the service revenue accounts based on their outstanding loan debts.

	2003/04 £'000	2002/03 £'000
Expenditure		
Interest Paid on Loans:-		
Public Works Loan Board	6,167	6,455
Public Works Loan Board redemptions	399	254
Other mortgages and bonds	188	290
Internal loans	199	453
Other loans	33	2
Interest paid on revenue balances	950	947
Expenses of borrowing	108	115
TOTAL EXPENDITURE	8,044	8,516
Income		
Interest received	323	694
Interest charged to borrowing accounts	7,613	7,707
Expenses recovered from borrowing accounts	108	115
TOTAL INCOME	8,044	8,516

Notes

- 1. Loans Fund Interest** The average rate of interest charged on borrowing from the Loans Fund was 5.84% in 2003/04. The 2002/03 rate was 6.08%.
- 2. Debt Management Expenses** The equivalent rate for debt management expenses was 0.083%. The 2002/03 rate was 0.091%.
- 3. Debt per Head of Population** The amount of debt outstanding at 31 March 2004 was £137.600m or £1,269.37 per head of population. The figures at 31 March 2003. were £113.2m or £1,043.89 respectively.

Charitable Trusts STATEMENT 12

Purpose The council acts as sole Trustee for 174 charitable trusts and endowments. The figures below summarise the aggregate income and expenditure for the year as well as providing a snapshot picture of the assets and liabilities at 31 March 2004

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2004

		2003/04 £'000	2002/03 £'000
Expenditure	Beneficiaries	58	88
	Administration	24	20
	TOTAL EXPENDITURE	82	108
Income	Rents, Feu duties, dividends and interest	46	44
	Loans Fund interest	42	50
	TOTAL INCOME	88	94
(Surplus)/Deficit	(SURPLUS)/DEFICIT	(6)	14
BALANCE SHEET AS AT 31 MARCH 2004			
		2003/04 £'000	2002/03 £'000
Assets and Investments	A. Fixed Assets		
	Heritable property	2	2
	TOTAL FIXED ASSETS	2	2
	B. Long Term Investments		
	Investments	825	781
	TOTAL LONG TERM INVESTMENTS	825	781
	C. Current Assets		
	Debtors	13	13
	Short term investments	1	3
	Revenue advances to Loans Fund	822	811
TOTAL CURRENT ASSETS	836	827	
D. Current Liabilities			
Creditors and accruals	2	2	
TOTAL CURRENT LIABILITIES	2	2	
E. Working Capital (C-D)		834	825
TOTAL NET ASSETS (A+B+E)		1,661	1,608
F. Reserves			
Revenue Account	440	434	
Capital Account	1,221	1,174	
TOTAL RESERVES		1,661	1,608

Note	Principal Trust Funds	Balance at 31/3/04 Capital £'000	Balance at 31/3/04 Revenue £'000
	Inchcape Fund	20	3
	Ex Provost Mitchell's Bequest	73	21
	Mrs CR Graham's Bequest	12	8
	Strang's Mortification	843	59
	Charitable Trusts	12	1
	Charles F Nicoll Bequest	16	19
	Helen Nicoll Bequest	8	13
	Miss Agnes Lowson Trust	51	13
	Poor lands	13	20
	Vert McLean Endowment Fund	15	15
	Ancient Hospital	13	2
	William Jack Trust	16	4
	James Wyllie Bounty Fund	10	0
	Trust for Gilding Dome	0	58

Capital Reserves

The movement in the charitable trusts capital reserve is summarised below:-

	Balance at 1/4/03 £'000	Income £'000	Expend. £'000	Balance at 31/3/04 £'000
Movement during year	1,174	48	1	1,221

Common Good STATEMENT 13

Purpose The council administers the Common Good Account for five towns within the district. The figures below summarise the aggregate Income and Expenditure for the year as well as providing a snapshot picture of the assets and liabilities at 31 March 2004

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2004

		Actual 2003/04 £'000	Budget 2003/04 £'000	Actual 2002/03 £'000
Expenditure	Property costs	30	23	39
	Supplies and services	21	3	106
	Third party payments	4	12	22
	Central Support Services Charges	50	25	31
	Projects	110	35	60
	Capital charges	361	361	261
	Adjustments AMRA and appropriation accounts	(361)	(361)	(261)
	TOTAL EXPENDITURE	215	98	258
Income	Fees, charges etc	222	192	170
	Interest on loans	151	145	124
	Other income	14	0	1
TOTAL INCOME	387	337	295	
(Surplus)/Deficit	NET (SURPLUS)/DEFICIT	(172)	(239)	(37)

BALANCE SHEET AS AT 31 MARCH 2004

		2003/04 £'000	2002/03 £'000
Assets and Investments	A. Fixed Assets		
	Heritable property (less depreciation), other assets	2,908	2,727
	Total fixed assets	2,908	2,727
	B. Current Assets		
	Revenue advances to Loans Fund	2,689	2,517
	Total current assets	2,689	2,517
	C. Current Liabilities		
	Creditors and accruals	0	0
	Total current liabilities	0	0
	D. Working Capital (B-C)	2,689	2,517
Total net assets (A+D)	5,597	5,244	
E. Reserves			
Revenue Account	2,083	1,911	
Capital Account	1,974	1,974	
Revaluation Reserve	1,540	1,359	
TOTAL RESERVES	5,597	5,244	

Notes The movement in the individual common good reserve funds are summarised below.

Common Good Reserve Funds

1. Revenue Account

	Balance at 1/4/03 £'000	Income £'000	Expend. £'000	Balance at 31/3/04 £'000
Arbroath	665	118	61	722
Brechin	437	99	60	476
Forfar	673	85	65	693
Kirriemuir	7	0	0	7
Montrose	129	85	29	185
TOTAL	1,911	387	215	2,083

2. Surplus Assets

Arbroath	720	0	0	720
Brechin	317	0	0	317
Forfar	400	0	0	400
Kirriemuir	0	0	0	0
Montrose	537	0	0	537
TOTAL	1,974	0	0	1,974

Statement on the System of Internal Financial Control STATEMENT 14

- 1 This statement is given in respect of the 2003/04 statement of accounts for Angus Council and acknowledges responsibility for ensuring that an effective system of internal financial control is maintained and operated within the council.
- 2 The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.
- 3 The system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the council. In particular, the system includes:
 - financial regulations and codes of financial practice
 - comprehensive budgeting systems
 - regular reviews of periodic and annual financial reports which indicate financial performance against the forecast
 - setting targets to measure financial and other performance
 - the preparation of regular financial reports which indicate actual expenditure against the forecasts
 - clearly defined capital expenditure guidelines
 - as appropriate, formal project management disciplines
- 4 The council operates an internal audit service which is situated in the Finance department. Excepting reporting requirements, the service operates broadly in accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Internal Audit in Local Government in the United Kingdom (2003). The service undertakes an annual programme of work approved by the Audit sub-committee based on a formal risk assessment process which is updated on an ongoing basis to reflect evolving risks and changes within the council.
- 5 In relation to reporting arrangements, the council's chief internal auditor:
 - reports on a line management basis to the head of corporate finance who, in turn, reports to the director of finance; the director of finance is a member of the corporate management team
 - has open access to members, the chief executive and the director of finance
 - reports in her own name and retains final edit rights over all audit reports
 - provides an annual internal financial control assurance statement
- 6 My review of the effectiveness of the system of internal financial control is informed by:
 - the work of managers within the council
 - assurance statements received from departmental directors
 - the work of internal audit as described above
 - the external auditors in their annual audit letter and other reports

And, from the above, I am satisfied that the council has in place a sound system of internal financial controls with no material weaknesses identified. I am also satisfied that mechanisms are in place which would identify and address, any material areas of weakness on a timeous basis.

David S Sawers
director of finance
22 June 2004

The Council's Responsibilities STATEMENT 15

THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The council is required:-

- 1 To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority that officer is the director of finance.
- 2 To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Director of Finance's Responsibilities

The director of finance is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LA(S)AAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice'), is required to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2004

In preparing the statements of accounts, the director of finance has:-

- 1 selected suitable accounting policies and then applied them consistently
- 2 made adjustments and estimates that were reasonable and prudent
- 3 complied with the Code of Practice

The director of finance has also:-

- 1 kept proper accounting records which were up to date
- 2 taken reasonable steps for the prevention and detection of fraud and other irregularities.

The statement of accounts presents fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2004.

David S Sawers
director of finance
22 June 2004

Independent Auditor's Report

To the members of Angus Council and the Accounts Commission for Scotland

I certify that I have audited the financial statements on pages 4 to 35 under the Local Government (Scotland) Act 1973. The financial statements have been prepared in accordance with the accounting policies set out on pages 4 to 5.

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and the Code of Audit Practice approved by the Accounts Commission and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by Audit Scotland, dated July 2001.

Respective responsibilities of the Director of Finance and Auditors

As described on page 37 the Director of Finance of the council is responsible for the preparation of the financial statements in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, a Statement of Recommended Practice ('the SORP'). My responsibilities, as independent auditor, are established by statute and the Code of Audit Practice approved by the Accounts Commission, and guided by the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements present fairly the financial position of the council at 31 March 2004 and its income and expenditure for the year. I also report if, in my opinion, the council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the Statement on the System of Internal Financial Control on page 36 complies with the requirements of the SORP. I report if, in my opinion, the statement does not comply with the requirements or if it is misleading or inconsistent with other information I am aware of from my audit. I am not required to consider whether the statement covers all risks and controls, or form an opinion on the effectiveness of the Council's corporate governance procedures or risk and control procedures.

I read the other information published with the financial statements and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

I conducted my audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and the Code of Audit Practice, which requires compliance with relevant United Kingdom Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director of Finance in the preparation of the financial statements and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements present fairly the financial position of the council as at 31 March 2004 and its income and expenditure for the year then ended.

Failure to comply with statutory requirement

It has not been necessary to qualify my opinion in respect of the following matter.

Supporting people grant of £5.633m has been used by the council in 2003/04 to fund expenditure on housing support services, both directly and by making payments to other providers. Housing support services as defined in the Regulation of Care (Scotland) Act 2001 require to be registered with the Care Commission. An Order made under that Act required applications to register to be made before 1 October 2003.

However, due to the fact that multiple and complex services were being provided, it took some time for the Care Commission and individual providers to agree on the number of applications required and no valid applications were made before 1 October 2003. As a result, expenditure funded by supporting people grant since 1 October 2003 in respect of services that required to be registered is not in compliance with the statutory requirement. The council estimates that the sum involved for the period from 1 October 2003 to 31 March 2004 is in the region of £3.753m.

2 September 2004
Peter Tait
chief auditor
Audit Scotland
Osborne House, 1/5 Osborne Terrace
Edinburgh EH12 5HG

Annual Report & Accounts Questionnaire

detach here

Let us know what you think

Your views are important to Angus Council and we would be grateful if you could take a few minutes to fill in and return this questionnaire. The questionnaire folds up into a pre-paid envelope, so there is no need for a stamp. Alternatively, you could complete the questionnaire on-line by visiting www.angus.gov.uk/annualreports.

please ✓ as appropriate

How easy were the following sections of the Annual Report & Accounts to read?

	Very easy	Easy	Neither easy nor difficult	Difficult	Very difficult
Introductory Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How interesting did you find the following sections of the Annual Report & Accounts?

	Very interesting	Interesting	Neither interesting nor uninteresting	Uninteresting	Very uninteresting
Introductory Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you feel the Annual Report & Accounts could be improved, can you tell us in what way?

Thank you for taking the time to complete this questionnaire

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**Chief Executive
Angus Council
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DD8 1ZR**

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