

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 3 FEBRUARY 2015

REVENUE MONITORING PROJECTED OUTTURN 2014/15 – PROPOSALS FOR REINVESTMENT/100% CARRY FORWARD OF PROJECTED UNDERSPEND – TRANCHE 2

REPORT BY IAN LORIMER, HEAD OF CORPORATE IMPROVEMENT AND FINANCE

ABSTRACT

This report appraises members of the projected outturn position for the current financial year and seeks approval for utilising some of the underspend on service proposals on priority areas across the Council.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:-

- i) Approve the reinvestment /100% carry forward proposals as detailed in **Appendix A** of this report.

2. ALIGNMENT TO ANGUS COMMUNITY PLAN / SINGLE OUTCOME AGREEMENT

2.1 This report contributes as a whole to the local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016. Individual reinvestment/100% carry forward proposals will contribute to specific local outcomes and priorities.

3. BACKGROUND

3.1 The Council's revenue budget monitoring currently suggests a significant net underspend compared to budget will arise by the end of the 2014/15 financial year. In the absence of decisions to do otherwise such an underspend if achieved would simply increase the Council's uncommitted reserves at the year end. Following discussion at the September meeting of the Council Management Team when the August 2014 revenue budget monitoring was reviewed, it was agreed that there was an opportunity to utilise some of the projected underspend for reinvestment in the Council's priorities and to support work which will lead to savings in future years. This is a proactive approach to budget management and has been looked at on a one Council basis.

3.2 Each Directorate was invited to make proposals for utilisation of the projected underspend either in the current year (reinvestment) or for 2015/16 (100% carry forward). Taking a one Council outlook to this Directorates were not restricted to making proposals which could be met only from within their own projected underspend, i.e. proposals were looked at corporately rather than at individual Directorate level.

4. PROPOSALS

4.1 Members are referred to report 504/14 to the Council meeting in December which set out an initial set of recommendations for re-use of part of the 2014.15 projected underspend. Through Report 504/14 a total of £1.653 million was approved, £0.219 million for reinvesting in the current financial year and £1.434 million to be carried forward on a 100% basis into 2015/16.

4.2 Some of the proposals originally submitted for consideration by the Directorates were identified as requiring additional information and so did not form part of Report 504/14. Officers have now reviewed the additional information provided and those that are

recommended for approval total are attached in Appendix A to this report. The service proposals total £0.989 million and if approved will impact on 2014/15 & 2015/16 and will involve a combination of in year virements and 100% carry forwards to 2015/16.

- 4.3 Members are also referred to Report 45/15 to this committee which outlines the latest projections of expenditure and income against the revenue budget for 2014/15.

5. FINANCIAL IMPLICATIONS

- 5.1 Report 45/15 identifies a total projected underspend of £4.661 million for 2014/15 on General Fund Services. Of this total £0.430 million has been approved for street lighting upgrades, committee report 434/14 refers; £0.533 million is ring fenced for Transforming Angus, committee report 83/14 refers; and £1.653 million has been approved for re-investment and 100% carry forwards, report 504/14 refers, leaving a balance of £2.045 million.
- 5.2 This report proposes utilising a further £0.989 million of the projected remaining underspend £0.056 million for reinvestment in the current financial year and £0.933 million to be carried forward on a 100% basis in to 2015/16 which, if approved, would result in an uncommitted projected underspend for 2014/15 of £1.056 million.
- 5.3 In total this report if approved plus the earlier reports identified in the paragraph above would result in £3.605 million of the projected 2014/15 underspend being reallocated/re-used for other projects. It should be noted that some of the projected underspend will be eligible for 50% carryforward under the carry forward scheme. The 50% carryforward amount will depend on the financial position at the year end and based on current projections this is estimated at £0.288 million. This would leave an uncommitted underspend for 2014/15 of £0.768 million.
- 5.4 The position as outlined in this report is based on projections of the actual position at the end of the financial year and may therefore be subject to some variation. For the avoidance of doubt carry forward requests recommended for approval in this report will only be actioned if the actual underspend is in line or is no worse than the current projections.
- 5.5 All reinvestment/carryforward proposals will be reviewed as part of the final accounts process and any adjustments to approved carry forwards or further exceptional requests will be brought back to members for approval in the 2014/15 Financial Outturn report to Angus Council in June.

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

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List of Appendices:

Appendix A – Service Proposals Recommended for Approval