

ANGUS COUNCIL

ANGUS COUNCIL – 11 DECEMBER 2014

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

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 Council:-

- i) Approve the reinvestment /100% carry forward proposals as detailed in **Appendix A** of this report;
- ii) Note that further reinvestment/100% carry forward proposals are currently under review for possible submission to the next Policy & Resources Committee in February.

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 Using the September 2014 ledger position as a base, a detailed assessment of the projected year end position has been made and under and overspends have been categorised into those which are one off or are ongoing in nature. An assessment of the level of confidence in the projections has also been made.
- 3.3 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 have been looked corporately rather than at individual Directorate level.
- 3.4 The proposals have been reviewed by the Council Management Team and those that are recommended for approval are attached in **Appendix A** to this report. The service proposals

recommended for approval will impact on 2014/15 & 2015/16 and if approved will involve a combination of in year virements and 100% carry forwards to 2015/16.

- 3.5 Some of the proposals submitted for consideration by Directorates require additional information and, if recommended for approval, will be submitted to the Policy & Resources Committee on 3 February 2015.
- 3.6 Members are referred to Report 493/14 to Policy & Resources on the 2 December which outlines the latest projections of expenditure and income against the budget for 2014/15. A total underspend of £3.611 million is projected, of this, £0.430 million has been approved for further investment in street lighting upgrades and £0.544 million has been ring fenced for Transforming Angus, leaving a balance of £2.637 million. The proposals for reinvestment/carry forward recommended for approval in this report can be contained within this projected underspend. Depending on the outcome of the work to review those proposals which require further information (as outlined in paragraph 3.5 above) it may be necessary to review the final combined list of 100% carry forwards into 2015/16 that can be afforded and which reflect the highest priorities for the Council. That full assessment will be captured in the further report to Policy & Resources Committee in February 2015.

4. FINANCIAL IMPLICATIONS

- 4.1 Report 493/14 identifies a total projected underspend of £3.611 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 and £0.544 million is ring fenced for Transforming Angus, committee report 83/14 refers, leaving a balance of £2.637 million. This report proposes utilising £1.653 million of the projected underspend of £2.637 million, £0.219 million of virements for reinvestment in the current financial year and £1.434 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 £0.984 million.
- 4.2 Further 100% carry forward proposals will be brought to the Policy & Resources Committee on the 3 February 2015.
- 4.3 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.
- 4.4 All spend proposals will be reviewed as part of the final accounts process and any further exceptional requests will be brought back to members for consideration at that time.

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 Recommend for Approval