

ANGUS COUNCIL

Roads Committee - 28 November 2002

2003/04 Revenue Budget

Report No. 1404/02

Report by the Director of Finance

ABSTRACT

This report advises the Committee of the latest position with regard to the preparation of the Roads department 2003/04 revenue budget and associated issues. [Appended to the report is a summary of the departmental provisional base budget for 2003/04](#) as submitted to, and subsequently reviewed by, the Director of Finance.

1. RECOMMENDATION

The Committee is asked only to note the contents of this report for its interest at this stage in the budget process. More detailed reports with specific recommendations will be brought forward later in the revenue budget cycle.

2. BACKGROUND

The 2003/04 revenue budget preparation procedures were outlined in report 781/02, approved by the Finance and Information Technology Committee of 18 June 2002. The report indicated that departmental base budgets for 2003/04 (at September 2002 price base) would require to be returned to the Director of Finance by late September/early October 2002. The date for returns was subsequently established as 9th October 2002 in the guidance issued to Chief Officers.

3. BUDGET REVIEW PROCESS

The revenue budget review process for each department is separated into a number of distinct stages allowing the technical and strategic issues arising during the budget process to be focused on independently in more suitable forums.

Review & Validation Process

Provisional revenue base budget returns are reviewed and validated by the Director of Finance in conjunction with departments to confirm that the budgets submitted have been prepared in accordance with the guidance issued by the Director of Finance, and to identify any potential major budget issues arising.

Budget Strategy Group

The BSG, comprising of key elected members and Chief Officers, will determine the Council's draft revenue budget strategy for 2003/04 to 2005/06. A meeting of the BSG scheduled for 12 November 2002 will consider provisional departmental budget submissions and thereafter make recommendations to the relevant Budget Review Group meetings.

Budget Review Group

BRG meetings are chaired by the Chief Executive and will take place in early December 2002. The BRG consider departmental revenue budget submissions (as amended following the review and validation process), as well as more strategic issues relating to departmental revenue budgets. The BRG will also act as a forum for the discussion of the key budget strategy decisions taken by the Budget Strategy Group.

The BRG meetings also provide a forum for departmental Chief Officers to highlight any particular budgetary difficulties which they face so that such problems can be taken into account when considering the overall corporate budget position of the Council.

4. DEPARTMENTAL BASE BUDGET SUBMISSION

The base budget summary is attached at Appendix A. The summary shows the 2003/04 base budget as submitted to, and subsequently reviewed by, the Director of Finance. The final budgets for the 2001/02 and 2002/03 financial years are also shown for comparison purposes.

Given that the 2003/04 budget is still subject to the budget review process, the committee are asked to bear in mind that the figures shown in Appendix A for 2003/04 are very much provisional in nature and may be subject to alteration as the budget process progresses. Any alterations considered necessary will nonetheless be brought before the committee for consideration.

5. GOVERNMENT ANNOUNCEMENTS

The results of the Scottish Executive's Spending Review 2000 established grant allocations for financial years 2001/02 to 2003/04. The Council is therefore in possession of the base information regarding government grant funding for 2003/04 and this has been utilised to inform previous budget projection exercises. Subsequent to the Spending Review 2000, the Scottish Executive introduced a number of new policy initiatives which have uplifted the Council's grant allocation. The Executive claim to be providing full funding for these initiatives, based on their own estimated of the costs to be incurred nationally. However, these national cost estimates may, in some cases, fall short of the costs actually incurred at a local level, leaving Councils to meet the additional costs burden, e.g. McCrone, free personal care for the elderly. A watching brief is being maintained over these initiatives so that any budget issues are addressed timeously.

The Scottish Executive has been undertaking the 2002 Spending Review over recent months, which will provide a revised government grant figure for 2003/04 and initial sums for 2004/05 and 2005/06. It is anticipated, however, that any uplift for 2003/04 will be for the implementation of new Scottish Executive initiatives, leaving Councils with little or no discretion over additional funds. No detailed information on the 2002 Spending Review is available at present, but announcements in this regard are expected from the Scottish Executive in the coming months, culminating in the announcement of grant sums at a local level in December 2002. **It should be noted that the attached base budget summary therefore excludes the impact of any new monies made available through the Spending Review 2002.**

Further reports on any significant government announcements and the resultant implications for the revenue budgets overseen by this Committee will be brought forward as necessary later in the budget process.

6. CONSULTATION

The Chief Executive, Director of Law & Administration and Director of Roads have been consulted in the preparation of this report.

7. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications as a result of this report.

8. CONCLUSION

The presentation of provisional budget figures to the various Committees is part of the process of formulating the 2003/04 budget. The next key stage in the cycle is the November meeting of the BSG which will determine the Council's draft budget strategy for the next 3 years.

DAVID S SAWERS
Director of Finance

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 this report.