

**ANGUS COUNCIL**

**ROADS COMMITTEE – 28 NOVEMBER 2002**

**2002/2006 FINANCIAL PLAN AND 2003/04 CAPITAL BUDGET**

**REPORT BY THE DIRECTOR OF FINANCE**

**ABSTRACT**

This report advises the Committee of the latest position with regard to the preparation of the 2002/2006 Financial Plan (incorporating the 2003/04 capital budget) for the Roads department. Appended to the report are the departmental Financial Plan submissions for 2002/2006 as returned to the Director of Finance and subsequently reviewed by the Capital Budget Sub Group.

**1. RECOMMENDATIONS**

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

**2. BACKGROUND**

The 2002/2006 Financial Plan preparation procedures were outlined in report 782/02, approved by the Finance & Information Technology Committee of 18 June 2002. The 2002/2006 Financial Plan Guidance issued to Chief Officers required departmental submissions to be returned to the Director of Finance by 2 October 2002.

**3. FINANCIAL PLAN REVIEW PROCESS**

The review process for each departmental Financial Plan submission is separated into four distinct stages – a review and validation process, the Capital Budget Sub Group (CBSG), the Budget Strategy Group (BSG) and a Budget Review Group (BRG). This allows the technical and strategic issues arising during the budget process to be focused on independently in more suitable forums.

Review and Validation Process

Departmental Financial Plan submissions are reviewed and validated by the Director of Finance in conjunction with departments. This is done on an informal basis, to ensure the accuracy and adequacy of Financial Plan submissions in relation to the guidance issued by the Director of Finance.

Capital Budget Sub Group

The CBSG, an officer group chaired by the Chief Executive, concentrates on strategic issues relating to the Financial Plan process. The CBSG met on 24 October 2002 to consider Financial Plan submissions, and the 2003/04 capital budget in particular, in light of estimated capital resources and has made proposals to the Budget Strategy Group regarding departmental programmes for 2003/04.

Budget Strategy Group

The BSG, comprising of key elected members and Chief Officers will determine the Council's draft financial plan strategy for 2002/2006. A meeting of the BSG scheduled for 12 November 2002 will consider the proposals put forward by the CBSG 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 December 2002. Departmental Financial Plan submissions and any proposals made by the CBSG will be considered at the respective BRG meeting. The BRG will also act as a forum for departmental Chief Officers to highlight any particular capital budget difficulties which they face so that such problems can be taken into account when considering the overall capital budget position of the Council.

### **4. DEPARTMENTAL FINANCIAL PLAN SUBMISSION**

Departmental Financial Plan submissions (attached at Appendix A) have been submitted to the Director of Finance in response to target submission levels established by the CBSG. These target submission levels allow departments to concentrate on those projects which have a realistic prospect of being undertaken in the foreseeable future.

Given that the 2002/2006 Financial Plan is still subject to the budget review process, the committee is asked to bear in mind that the expenditure detailed in Appendix A is 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 Comprehensive Spending Review 2000 established firm capital allocations for financial years 2001/02 to 2003/04, therefore the Council knows with some certainty its Section 94 Consent Allocation for 2003/04. The detail of the Spending Review 2002 has still to emerge but will involve the 2003/04 allocations as well as establishing allocations for 2004/05 and 2005/06. The detailed outcome of the Spending Review is not expected to be announced until December 2002, at the earliest. A report in respect of this will be submitted to Committee at the appropriate time detailing the impact on Angus Council and any action which may be necessary.

### **6. HUMAN RIGHTS IMPLICATIONS**

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

### **7. CONSULTATION**

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

### **8. CONCLUSION**

The 2002/2006 Financial Plan preparation process is now well underway and all Financial Plan submissions have been returned to the Director of Finance. The next key stage in the process will be the Budget Review Group meetings with Chief Officers to consider the Financial Plan submissions and proposals put forward by the CBSG and thereafter report back to the relevant service committees any adjustments deemed necessary.

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 the above Report.