

ANGUS COUNCIL

Social Work Committee - 18 November 1997

Report No 1174/97

1998/99 Revenue Budget

Report By The Director of Finance

ABSTRACT

This report advises the committee of the latest position with regard to the preparation of the departmental 1998/99 revenue budget and associated issues. Appended to the report is a summary of the departmental provisional base budget for 1998/99 as submitted to 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 budget cycle.

2. BACKGROUND

The 1998/99 revenue budget preparation procedures were outlined in report 914/97 and were approved by the Finance and Information Technology Committee of 2 September 1997. That report indicated that departmental base budgets for 1998/99 should be returned to the Director of Finance by 10 October 1997. The report also highlighted that the base budgets submitted would be reviewed as to their accuracy and adequacy by the Budget Co-ordination Group (BCG) chaired by the Chief Executive.

3. DEPARTMENTAL BASE BUDGET SUBMISSION

The base budget for the Social Work department has been submitted to the Director of Finance along with associated information which is used as part of the BCG process.

A departmental summary is attached at Appendix A which shows the 1998/99 base budget as submitted as well as the final budgets for the 1996/97 and 1997/98 financial years for comparison purposes.

Given that the 1998/99 base budget is still subject to the BCG review process the committee are asked to bear in mind that the figures shown in the attached appendix for 1998/99 are very much provisional in nature and may be subject to alteration as the budget process moves forward. Any alterations considered necessary will nonetheless be brought before the committee for consideration.

4. COMMENTARY ON 1998/99 PROVISIONAL BASE BUDGET

The purpose of this report is not to go into detail on the 1998/99 base budget submission at this stage in the budget process - the accuracy and adequacy of the base budget is to be reviewed by the Budget Co-ordination Group (BCG) shortly and the outcome of this review process reported back to the Committee in February 1998. However in view of the increase to net expenditure between 1997/98 and the base budget submitted for 1998/99 it was considered appropriate to provide an explanatory note as set out below.

The 1998/99 revenue budget guidance issued to all Council departments identified what types of expenditure growth would be considered as "allowable" additions to the previous years budget. Items falling out-with the definition of allowable will go forward to the Budget Co-ordination Group for review. The increase in the overall net expenditure of the Social Work department is due in the main to a number of allowable additions including expected additional resources from the Scottish Office for the 6th year of DSS Community Care transfer, staff increments and additional superannuation costs. A small amount, in value terms, of non-allowable additions have also been made to the 1998/99 base budget and these will be reviewed in due course by the BCG.

Again it is emphasised that the Committee are not being asked to endorse this report as the 1998/99 revenue budget for the Social Work department but are being asked only to note the content of the report for its interest presently.

5. GOVERNMENT ANNOUNCEMENTS

Government announcements in relation to Angus Council's 1998/99 grant allocation and capping levels are expected in November / December 1997 and it will be necessary to consider departmental base budget requirements in light of these announcements. It may again be necessary for the Council to undertake a revenue budget savings exercise in order to meet the, as yet unspecified, government spending limits. Further reports on government announcements and any resultant implications for the revenue budgets overseen by this committee will be brought forward as necessary later in the budget process.

6. BUDGET CO-ORDINATION GROUP PROCESS

Report 914/97 outlined the budget co-ordination group process. For ease of reference the relevant section of that report is set out below.

"The provisional base budget submissions will form the basis for preparing a set of summary papers for each department, for review by the Budget Co-ordination Group (BCG) - an officer group chaired by the Chief Executive. BCG meetings are to be held in late November (now to be early December) to review the accuracy and adequacy of the base budgets along with any Service Development and Review of Fees and Charges proposals. Each departmental Chief Officer will be required to put forward, to their respective service committees, their recommendations on proposed amendments to fees and charges for Council services. Following review by the BCG these would be reported to the intended Special Service Committee meetings in February 1998."

Part of the BCG review will be to consider whether departmental base budgets have been prepared in accordance with the revenue budget guidelines issued by the Director of Finance and where this is not the case suitable explanation will be required to justify the course of action taken.

7. CONSULTATION

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

8. CONCLUSION

The 1998/99 revenue budget preparation process is now well underway and all base budgets have been submitted to the Director of Finance in accordance with Financial Regulations. The next key stage in the budget cycle is to hold Budget Co-ordination Group (BCG) meetings with Chief Officers to review the accuracy and adequacy of base budgets and thereafter to report back to relevant service committees any adjustments to the base budgets thought necessary by the BCG.

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.

IL
10 November 1997

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ANGUS COUNCIL

REVENUE BUDGET 1998/99

SOCIAL WORK DEPARTMENT - DEPARTMENTAL SUMMARY

	<u>Final</u> <u>Budget</u> <u>1996/97</u> <u>£'000</u>	<u>Final</u> <u>Budget</u> <u>1997/98</u> <u>£'000</u>	<u>Provisional</u> <u>Base</u> <u>Budget</u> <u>1998/99 *</u> <u>£'000</u>
<u>Expenditure</u>			
Staff Costs	13,590	14,197	14,635
Property Costs	527	648	658
Supplies & Services	926	1,003	1,014
Transport Costs	728	704	722
Third Party Payments	6,238	7,235	7,785
Transfer Payments			
Total Expenditure	<u>22,009</u>	<u>23,787</u>	<u>24,814</u>
<u>Income</u>			
Specific Government Grants	377	372	372
Recharge Income (Internal)	927	934	934
Fees, Charges etc.	1,446	1,874	1,874
Other Income	189	34	34
Total Income	<u>2,939</u>	<u>3,214</u>	<u>3,214</u>
NET EXPENDITURE	<u>19,070</u>	<u>20,573</u>	<u>21,600</u>

* base budget as submitted to the Director of Finance (per RB1)

All 1998/99 base budgets have still to go through the BCG review process