

1999/00 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 Roads Departmental 1999/00 revenue budget and associated issues. Appended to the report is a summary of the departmental provisional base budget for 1999/00 as submitted to the Director of Finance and subsequently reviewed by the Technical Validation Group.

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 1999/00 revenue budget preparation procedures were outlined in report 923/98 and were approved by the Finance and Information Technology Committee of 1 September 1998. That report indicated that departmental base budgets for 1999/00 should be returned to the Director of Finance by 9 October 1998.

3. BUDGET REVIEW PROCESS

Report 923/98 outlined the Budget Co-ordination Group (BCG) process and noted that "options for streamlining the existing BCG process, allowing the BCG to concentrate on the more fundamental issues affecting the 1999/00 budget, are currently under consideration."

This review has been completed and has resulted in the BCG process for each department being separated into two distinct stages - a Technical Validation Group (TVG) and a Budget Review Group (BRG). This has been undertaken in order to separate the technical and strategic issues arising during the budget process, allowing these to be focused on independently in more suitable forums.

Technical Validation Group

TVG meetings will be chaired by the Head of Financial Services and will take place in early November. The TVGs will be tasked with confirming that the budget going forward to subsequent BRGs has been prepared in accordance with the guidance issued by the Director of Finance, to highlight any deviation from that guidance and identify any potentially major budget issues raised.

Budget Review Group

BRG meetings will be chaired by the Chief Executive and take place in early December. The BRGs will consider strategic issues relating to departmental revenue budgets and other issues such as Grant Aided Expenditure, Best Value, Three Year Budgeting and Policy-led Budgeting.

4. DEPARTMENTAL BASE BUDGET SUBMISSION

The base budget for the Roads department has been submitted to the Director of Finance along with associated information which is used as part of the Budget Review Process.

A departmental summary is attached at Appendix A which shows the 1999/00 base budget as submitted to the Director of Finance, and subsequently reviewed by the TVG, as well as the final budgets for the 1997/98 and 1998/99 financial years for comparison purposes.

Given that the 1999/00 base budget is still subject to the Budget Review Process the committee are asked to bear in mind that the figures shown in the attached appendix for 1999/00 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.

5. GOVERNMENT ANNOUNCEMENTS

The findings of the government's Comprehensive Spending Review provided details of national GSE, GAE and AEF levels for 1999/00 and the following two financial years. These figures indicated that additional funding would be provided for four key service areas - Education, Social Work, Police and Fire. This may result in an increase in funding in real terms over these four service areas in the order of 3% (an element of which will be hypothecated and require to be spent on defined service initiatives), while other services may incur an overall funding reduction in the order of 1% in real terms.

Government announcements in relation to the new system of "expenditure guidelines" and Angus Council's actual 1999/00 grant allocation level are expected in November / December 1998 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. CONSULTATION

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

7. CONCLUSION

The 1999/00 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 Review Group (BRG) meetings with Chief Officers to review the adequacy of base budgets and thereafter to report back to relevant service committees any adjustments to the base budgets thought necessary by the BRG.

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.

ANGUS COUNCIL BUDGET REVIEW PROCESS

REVENUE BUDGET 1999/00

DEPARTMENT/SECTION :

ROADS

| | <u>Final</u> <u>Budget</u> <u>1997/98</u> <u>£'000</u> | <u>Final</u> <u>Budget</u> <u>1998/99</u> <u>£'000</u> | <u>Base</u> <u>Budget</u> <u>1999/00</u> <u>£'000</u> |
|--|---|---|--|
| <u>Summary of Net Expenditure</u> | | | |
| Trunk Roads | 0 | 0 | 0 |
| <u>Public Roads</u> | | | |
| Structural/Cyclic Maintenance | 2,920 | 2,476 | 2,495 |
| Statutory Duties | 302 | 330 | 339 |
| Lighting Maintenance | 956 | 982 | 988 |
| Winter Maintenance | 1,123 | 1,399 | 1,402 |
| Traffic | 178 | 188 | 191 |
| Arbroath Harbour | 47 | 49 | 50 |
| Rechargeable Works | 0 | 0 | 0 |
| Car Parking | (9) | (9) | (9) |
| Coastal Protection | 80 | 84 | 84 |
| Flood Prevention | 15 | 15 | 15 |
| Departmental Administration | 17 | 0 | 0 |
| Total Net Expenditure | <u><u>5,629</u></u> | <u><u>5,514</u></u> | <u><u>5,555</u></u> |

