

ANGUS COUNCIL

Personnel & Property Services Committee - 28 November 2000

2001/02 Revenue Budget

Report No 1214/00

Report by the Director of Finance

ABSTRACT

This report advises the Committee of the latest position with regard to the preparation of the Personnel (including Training Services) and Property Services (including Local Offices) departmental 2001/02 revenue budget and associated issues. Appended to the report is a summary of the departmental provisional base budget for 2001/02 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 revenue budget cycle.

2. BACKGROUND

The 2001/02 revenue budget preparation procedures were outlined in report 683/00, approved by the Finance and Information Technology Committee of 13 June 2000. The report indicated that departmental base budgets for 2001/02 (at October 2000 price base) would require to be returned to the Director of Finance by early October 2000. The date for returns was subsequently established as 11 October 2000 in the guidance issued to Chief Officers.

3. BUDGET REVIEW PROCESS

The revenue budget review process for each department is separated into two distinct stages - a Technical Validation Group (TVG) and a Budget Review Group (BRG), thereby allowing the technical and strategic issues arising during the budget process to be focused on independently in more suitable forums.

Technical Validation Group

TVG meetings are chaired by the Finance department's Head of Financial Services and take place in late October / early November. The TVG is tasked with confirming that the budget considered at the subsequent BRG 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 are chaired by the Chief Executive and will take place on 6 and 7 December 2000. The BRG consider strategic issues relating to departmental revenue budgets and other issues such as government grant allocations and spending controls, possible budget savings options, Three Year Budgeting issues and Policy-led Budgeting.

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 summaries attached at Appendix A and B for Personnel (including Training Services) and Property Services (including Local Offices) respectively have been submitted to the Director of Finance along with associated information which is used as part of the budget review process. The summaries show the 2001/02 base budget as submitted to the Director of Finance, and subsequently reviewed by the TVG, as well as the final budgets for the 1999/00 and 2000/01 financial years for comparison purposes.

Members may recall Report 136/00 to the Finance & IT Committee of 1st February 2000 which set out proposals for virement flexibility between financial years 1999/00 and 2000/01. This virement flexibility permits General Fund departments to carry forward 50% of any underspend in 1999/00 to the 2000/01 financial year. Sums of £31k for the Personnel department (£20k of which relates to Training Services) and £22k for Property Services have been carried forward under this arrangement. However, to enable like for like comparison, these amounts have been excluded from the 2000/01 budgets shown in Appendices A and B.

Given that the 2001/02 budget is still subject to the budget review process, the committee are asked to bear in mind that the figures shown in the Appendices for 2001/02 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

Government announcements in relation to Angus Council's actual 2001/02 grant allocation level are expected in December 2000 and it will be necessary to consider departmental base budget requirements in light of these announcements. It may 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, Director of Personnel and Director of Property Services have been consulted in the preparation of this report.

7. CONCLUSION

The 2001/02 revenue budget preparation process is now well underway and all base budgets have been submitted to the Director of Finance in accordance with the Financial Regulations. The next key stage in the 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 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.

SJM/DJL
20/11/2000
Base Budget Info - proforma

REVENUE BUDGET 2001/02

DEPARTMENT: PERSONNEL (INCLUDING TRAINING SERVICES)
SUMMARY

	<u>Final</u> <u>Budget</u> <u>1999/00</u> <u>£'000</u>	<u>Final</u> <u>Budget</u> <u>2000/01</u> * <u>£'000</u>	<u>Provisional</u> <u>Base</u> <u>Budget</u> <u>** 2001/02</u> <u>£'000</u>
<u>Expenditure</u>			
Employee Costs	1,255	1,185	1,238
Property Costs	53	63	54
Supplies & Services	94	154	163
Transport Costs	93	96	91
Third Party Payments	88	69	75
Transfer Payments	0	0	0
Total Expenditure	<u>1,583</u>	<u>1,567</u>	<u>1,621</u>
<u>Income</u>			
Specific Government Grants	0	0	0
Recharge Income (Internal)	8	8	8
Fees, Charges etc.	0	0	0
Other Income	510	522	542
Total Income	<u>518</u>	<u>530</u>	<u>550</u>
NET EXPENDITURE	<u>1,065</u>	<u>1,037</u>	<u>1,071</u>

* It should be noted that the 2000/01 final budget excludes £31k carried forward from 1999/00 under virement flexibility between financial years (of which £20k relates to Training Services)

** Base budget as submitted to the Director of Finance

All 2001/02 base budgets have still to go through the BRG review process

REVENUE BUDGET 2001/02

DEPARTMENT: PROPERTY SERVICES (INCLUDING LOCAL OFFICES)
SUMMARY

	<u>Final</u> <u>Budget</u> <u>1999/00</u> <u>£'000</u>	<u>Final</u> <u>Budget</u> <u>2000/01</u> * <u>£'000</u>	<u>Provisional</u> <u>Base</u> <u>Budget</u> <u>** 2001/02</u> <u>£'000</u>
<u>Expenditure</u>			
Employee Costs	2,251	2,242	2,292
Property Costs	165	243	212
Supplies & Services	179	177	179
Transport Costs	98	98	92
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Total Expenditure	<u>2,693</u>	<u>2,760</u>	<u>2,775</u>
<u>Income</u>			
Specific Government Grants	0	0	0
Recharge Income (Internal)	16	16	16
Fees, Charges etc.	1,255	1,221	1,221
Other Income	8	9	9
Total Income	<u>1,279</u>	<u>1,246</u>	<u>1,246</u>
NET EXPENDITURE	<u>1,414</u>	<u>1,514</u>	<u>1,529</u>

* It should be noted that the 2000/01 final budget excludes £22k carried forward from 1999/00 under virement flexibility between financial years

** Base budget as submitted to the Director of Finance

All 2001/02 base budgets have still to go through the BRG review process