

2002/03 Revenue Budget

Report No 1424/01

Report by the Director of Finance

ABSTRACT

This report advises the Committee of the latest position with regard to the preparation of the Chief Executive and Law & Administration departments' 2002/03 revenue budgets and associated issues. Appended to the report is a summary of the departmental provisional base budget for 2002/03 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 2002/03 revenue budget preparation procedures were outlined in report 766/01, approved by the Finance and Information Technology Committee of 19 June 2001. The report indicated that departmental base budgets for 2002/03 (at September 2001 price base) would require to be returned to the Director of Finance by late September/early October 2001. The date for returns was subsequently established as 28 September 2001 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. This is done on an informal basis, to confirm that the budgets submitted have 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 arising.

Budget Strategy Group

The BSG, comprising of key elected members and Chief Officers, will determine the Council's draft revenue budget strategy for 2002/03 and 2003/04. A meeting of the BSG scheduled for 7 November 2001 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 2001. 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 summaries attached at Appendices A & B for Chief Executives and Law & Administration respectively have been submitted to the Director of Finance along with associated information which is used as part of the budget review process. The summary shows the 2002/03 base budget as submitted to, and subsequently reviewed by, the Director of Finance. The final budgets for the 2000/01 and 2001/02 financial years are also shown for comparison purposes.

Given that the 2002/03 budget is still subject to the budget review process, the committee are asked to bear in mind that the figures shown in Appendices A & B for 2002/03 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 Comprehensive Spending Review 2000 established overall government grant allocations for financial years 2001/02 to 2003/04, therefore the Council knows with some certainty its position in terms of government grant funding for 2002/03. There may however be some changes to these allocations to provide for specific government initiatives, but any such changes are likely to be only at the margins.

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 and Director of Law & Administration 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 2002/03 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 the November meeting of the BSG which will determine the Council's draft budget strategy for the next 2 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.

REVENUE BUDGET 2002/03

DEPARTMENT: CHIEF EXECUTIVE (incl. Members' Services)
SUMMARY

	<u>Final</u> <u>Budget</u> <u>2000/01</u> <u>£'000</u>	<u>Final</u> <u>Budget</u> <u>2001/02 *</u> <u>£'000</u>	<u>Provisional</u> <u>Base</u> <u>Budget</u> <u>** 2002/03</u> <u>£'000</u>
<u>Expenditure</u>			
Employee Costs	1,081	1,114	1,124
Property Costs	6	2	2
Supplies & Services	136	113	122
Transport Costs	81	77	75
Third Party Payments	48	45	45
Transfer Payments	0	0	0
Total Expenditure	1,352	1,351	1,368
<u>Income</u>			
Specific Government Grants	49	0	0
Recharge Income (Internal)	0	0	0
Fees, Charges etc.	0	0	0
Other Income	0	0	0
Total Income	49	0	0
NET EXPENDITURE	1,303	1,351	1,368

* It should be noted that the 2001/02 final budget excludes £36k carried forward from 2000/01 under virement flexibility between financial years

** Base budget as submitted to the Director of Finance

All 2002/03 base budgets have still to go through the BRG review process

REVENUE BUDGET 2002/03

APPENDIX B

DEPARTMENT: LAW & ADMINISTRATION SUMMARY

	<u>Final</u> <u>Budget</u> <u>2000/01</u> <u>£'000</u>	<u>Final</u> <u>Budget</u> <u>2001/02 *</u> <u>£'000</u>	<u>Provisional</u> <u>Base</u> <u>Budget</u> <u>** 2002/03</u> <u>£'000</u>
<u>Expenditure</u>			
Employee Costs	1,581	1,633	1,699
Property Costs	726	800	826
Supplies & Services	594	523	550
Transport Costs	22	21	21
Third Party Payments	37	21	23
Transfer Payments	0	0	0
Total Expenditure	<u>2,960</u>	<u>2,998</u>	<u>3,119</u>
<u>Income</u>			
Specific Government Grants	0	0	0
Recharge Income (Internal)	397	410	412
Fees, Charges etc.	190	173	162
Other Income	56	43	43
Total Income	<u>643</u>	<u>626</u>	<u>617</u>
NET EXPENDITURE	<u>2,317</u>	<u>2,372</u>	<u>2,502</u>

NOTE:

2000/01 Budget includes Children's Panel (£38k) which was transferred to Miscellaneous Services budget from 2001/02 onwards. 2002/03 includes new budget head for Central Telephone Unit including funds (£65k) that were previously shown in Miscellaneous Services budget under ACCESSLine.

* It should be noted that the 2001/02 final budget excludes £24k carried forward from 2000/01 under virement flexibility between financial years

** Base budget as submitted to the Director of Finance

All 2002/03 base budgets have still to go through the BRG review process