

ANGUS COUNCIL**POLICY AND RESOURCES COMMITTEE**

4 DECEMBER 2001

**POLICY LED BUDGETING – MONITORING REPORT PERIOD ENDED
30 SEPTEMBER 2001****REPORT BY THE DIRECTOR OF FINANCE****ABSTRACT**

The purpose of this report is to apprise members of the progress of the projects approved under the policy led budgeting initiative and to outline the actual spend to 30 September 2001.

1. RECOMMENDATIONS

It is recommended that the Committee

- a) notes the contents of this report and the increased level of General Fund balances due to project underspends which have been carried forward from 2000/01.
- b) notes that a number of projects approved under the Policy Led Budgeting initiative were added to the 2001/02 mainstream revenue budget as part of the budget process.
- c) notes that an underspend is projected in financial year 2001/02 and that these funds may be carried forward into future financial years to meet the outstanding commitments on projects, such carry forward sums being met from General Fund balances.
- d) notes that the next report submitted to committee on the progress of projects will cover the period to 31 March 2002.

2. INTRODUCTION

In order that a policy led approach to budgeting could be implemented, the Council agreed to set aside part of the General Fund balances to fund a number of initiatives. The majority of the approved Policy Led Budgeting projects span more than one financial year and so have an impact into future financial years, as any unused funds are carried forward into the next financial year to meet any outstanding commitments on projects.

Policy Led Budgeting commenced in financial year 1998/99 (**Phase 1**) when 15 projects received approval for funding under this initiative (reports 1121/98 and 128/99 refer). Two further phases of Policy Led Budgeting projects have subsequently been approved in 1999/00 (**Phase 2**) and 2000/01 (**Phase 3**) (reports 1097/99 and 727/00 refer).

The Balanced Scorecard project (£60k) which was approved for funding under Phase 2 Policy Led Budgeting was subsequently withdrawn (report 724/00 refers) and is now being taken forward using in-house resources.

It should be noted that no further funds were set aside as part of the 2001/02 budget exercise to allow any further Policy Led Budgeting projects to be commenced. A number of projects approved under this initiative have now been completed and following the success of a number of the projects funded through the initiative, departments sought to continue these projects. As part of the 2001/02 budget process it was agreed that these projects would be

granted a continuation of funding and they were added to the mainstream revenue budget. Those projects added to the mainstream revenue budget are no longer considered to be Policy Led Budgeting initiatives and are now being monitored as part of the regular revenue monitoring process. Consequently this report only reflects the position of those Policy Led Budgeting projects which are ongoing.

3. PROGRESS OF PROJECTS

A review was undertaken which detailed the actual expenditure for the period ended 31 March 2001 (report 765/01 refers). A review has now been undertaken for the six month period ended 30 September 2001 and this report details the updated position for all ongoing projects approved under the Policy Led Budgeting initiative.

In addition to obtaining quantitative financial information it was considered important to obtain information on the progress of each project. In order to facilitate this each project manager was asked to provide a brief commentary on the progress of each project.

Approved funding for the 2001/02 financial year for all ongoing projects totals £351.5k with actual expenditure to September 2001 of £90.2k (26%). The projected outturn for the full year is £191k, a projected underspend of circa £160k. It should be noted that any underspend which may occur on these projects may be carried forward into financial year 2002/03 to meet any outstanding commitments on projects. Conversely any overspend on individual projects must be contained within the relevant departmental budget as no additional funds are available under this initiative. Appendix 1 attached to this report details actual expenditure for the period for all ongoing projects.

In general all ongoing projects are progressing well with staff appointed or secondments arranged where appropriate and work underway. A summary of the commentaries relating to the ongoing projects is provided at Appendix 2.

The financial position of projects approved under this initiative will continue to be monitored as part of the regular revenue monitoring reports. The next monitoring report specifically relating to the progress of projects approved under Policy Led Budgeting reported to Committee will cover the period ended 31 March 2002, in line with the previous decision to report to Committee on a six monthly basis (report 966/00 refers).

4. FINANCIAL IMPLICATIONS

Phase 1 projects –

The effect of the revised phasing of project expenditure on Phase 1 projects which are ongoing (approved in 1998/99) is to increase the year four (2001/02) funding still available to £224.1k of which £129k has been specifically provided for in the revenue budget. Actual spend for the period ended 30 September 2001 totals £50.5k. The full year projected outturn for these projects is £104k leaving an underspend of circa £120k compared with the approved funding. This underspend may be carried forward into future financial years to meet outstanding commitments on these projects.

Phase 2 projects –

Actual expenditure on Phase 2 projects which are ongoing in financial year 2001/02 totals £11.5k. The projected outturn on this project is £20.5k of which £19k has been specifically provided for in the revenue budget leaving a funding requirement of £1.5k in 2001/02 which will require to be met from General Fund balances provided no further slippage or underspend occurs. This can be accommodated within General Fund balances which have increased due to the previous years underspends on projects resulting in a financially neutral position.

Phase 3 projects-

Funding was set aside within General Fund balances as part of the 2000/01 budget process to meet expenditure on projects approved under Phase 3 of the Policy Led Budgeting initiative. As a result of underspends in 2000/01 funds have been carried forward into future financial years to meet outstanding expenditure on projects. The effect of the revised phasing of approved funding is to increase the 2001/02 funding still available to £78.2k of which £63k has been specifically provided for in the 2001/02 mainstream revenue budget. Actual expenditure to date on these projects totals £28.2k (50%). The full year projected outturn on these projects is £66.4k leaving a funding requirement of £3.4k which will require to be met from General Fund balances in 2001/02, provided no further slippage or underspends are incurred.

Summary-

Actual expenditure for the six month period ended 30 September 2001 on all ongoing projects under Phases 1, 2 and 3 totals £90.2k. The full year projected outturn on all ongoing projects is £191k which is a projected underspend of circa £160k compared with the revised phasing of approved funding of £351.5k. This projected expenditure can be met from either specific revenue budget provision in 2001/02 or from increased General Fund balances which have arisen as a result of previous years underspends.

5. HUMAN RIGHTS IMPLICATIONS

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

6. CONSULTATION

The Chief Executive and the Director of Law & Administration have been consulted in the preparation of this report. In addition, consultation has taken place with the designated individual project managers.

7. CONCLUSION

Expenditure totalling £90.2k has been incurred on these projects to 30 September 2001, which equates to 26% of the revised approved funding all ongoing projects for 2001/02. The revised phasing of approved funding indicates a funding requirement of £351.5k in the current year. However the projected outturn for all ongoing projects is circa £191k. The effect of the slippage leaves a projected underspend of circa £160k which may be carried forward into future financial years to meet outstanding commitments.

The next Policy Led Budgeting monitoring report will cover the period ended 31 March 2001.

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.

Policy Led Budgeting Monitoring Report for the period ended 30 September 2001

Projects	TOTAL PROJECT FUNDING			
	Exp'd @ 31/3/01 £000	Funding 2001/02 £000	Funding 2002/03 £000	Total Funding £000
16.3	2	0	18.3	
8.3	6.0	3.7	18.0	
242.4	183.4	0	425.8	
55.3	32.7	0	88.0	
322.3	224.1	3.7	550.1	
38.5	49.2	0	87.7	
38.5	49.2	0.0	87.7	
26.2	58.0	50.8	135.0	
8.2	16.8	0	25.0	
8.6	3.4	0.0	12.0	
43.0	78.2	50.8	172.0	
403.8	351.5	54.5	809.8	

Funding 2001/02 £000	Actual @ 30/9/01 £000	2001/02		Projected Outturn £000	Variance £000
		Spend £000	% Spend		
2	0	0%		4.0	2.0
6.0	5.5	91%		6.0	0.0
183.4	29.5	16%		60.0	-123.4
32.7	15.5	47%		34.0	1.3
224.1	50.5	23%		104.0	-120.1
49.2	11.5	23%		20.5	-28.7
49.2	11.5	23%		20.5	-28.7
58.0	27.8	48%		58.0	0.0
16.8	0.4	2%		5.0	-11.8
3.4	0	0%		3.4	0.0
78.2	28.2	36%		66.4	-11.8
351.5	90.2	26%		190.9	-160.6

Phase 1 - Projects Approved in 1998/99 - Ongoing ProjectsValuing Staff - Corporate Communications & Information
(exc virement of £1.5k to Single Status)

Football Community Development

Angus Ahead

Appointment of Enforcement Officer

Sub-Total (Phase 1 Ongoing Projects)**Phase 2 - Projects Approved in 1999/00**

Waste Reduction through Expansion of Waste Recycling

Sub-Total (Phase 2 Projects)**Phase 3 - Projects Approved in 2000/01**

Job Evaluation Implementation

Citizens Panel

Golf Strategy

Sub - Total (Phase 3 Projects)**TOTAL ON-GOING PROJECTS**

Policy Led Budgeting
Summary of Commentary by Project Managers
for period ended 30 September 2001

Project	Commentary
Valuing Staff	<p>The balance of the funding on this project is to be utilised to part fund an Employee Attitude Survey. An Employee Attitude Survey Questionnaire has been agreed by the Chief Officers' Management Team and is currently the subject of consultation with Trade Unions. It is anticipated that the survey will be undertaken in January/February 2002.</p> <p>The PLB funds of £2k will be insufficient to fully fund the costs associated with the survey which is presently estimated at £4k. Consequently an overspend of £2k is projected.</p>
Football Community Development	<p>This project which is being undertaken in partnership with the Scottish Football Association is designed to promote and develop football in the Angus area. The Development Officer has continued to work towards creating a programme that involves increasing participation in three main areas, Primary Age, Secondary Age and Coach Education.</p> <p>This project is being part-funded by the senior football clubs in Angus, the SFA and from other Angus Council departments. The expenditure reflected in the report represents the proportion of the expenditure which is being funded through the Policy Led Budgeting initiative only.</p>
Angus Ahead	<p>Angus Ahead is a long term generic marketing campaign aimed at building a sense of community within Angus, and promoting Angus externally.</p> <p>It was agreed that a loan of £20k to cover certain items of expenditure in relation to the Big Picture which was being undertaken by the Peter Pan Gateway Trust would be underwritten by the Council. Expenditure of £18.7k was incurred and the loan was repaid to the bank by the Council. Since sponsorship has not yet been achieved this sum is still outstanding. A decision will have to be taken on whether the money is written off or recovered from the signatory trustees.</p> <p>Expenditure in the current year has been lower than anticipated due to salary costs not being paid following the resignation of the Marketing Officer in February 2001.</p>
Appointment of Enforcement Officer	<p>This project is designed to ensure that persons carrying out certain activities in the public domain have the necessary license and that the license conditions are being adhered to.</p> <p>Expenditure to date relates to the salary cost of the Enforcement Officer and the individual providing the part-time clerical support. The final outturn for this project in 2001/02 is £34k bringing the final cost of the project in at £1.3k over budget.</p>
Waste Reduction through Expansion of Waste Recycling	<p>This project is a pilot which embraces a three pronged approach to recycling; Urban Recycling, Rural Recycling and Composting. The project has adopted the name Angus Community Recycling Opportunities Partnership (ACROP).</p> <p>In April the pilot drinks can collection from pubs was extended with 48 pubs taking part. A mini recycling centre was established at the new Tesco in Forfar. The scheme also took delivery of a can baler which was funded by a Scottish Executive grant. In May all rural community groups were contacted regarding establishing mini recycling points, however difficulties are being experienced in establishing sites. The can collection was also extended to all Angus Burghs.</p>

Policy Led Budgeting
Summary of Commentary by Project Managers
for period ended 30 September 2001 cont'd

<p>Waste Reduction through Expansion of Waste Recycling (cont'd)</p>	<p>In July the new Inverkeilor mini recycling point became operational and a policy to expand home composting was established. A paper shredder funded by the Scottish Executive was delivered. A new mini recycling point became operational in Glamis in August and agreement was reached for a site in Letham.</p> <p>September saw a new mini recycling centre become operational at Coronation Avenue, Montrose and site works started in Letham and Monikie. A quality paper recycling scheme was introduced at Bruce House, Arbroath. Half yearly recycling of cans was up 205% on the previous year and plastics were up 200%.</p>
<p>Job Evaluation Implementation</p>	<p>The funding allocated to this project was to meet the cost of additional staff to carry out the work required and related administration, etc. costs associated with implementation of the Scottish Council Job Evaluation Scheme.</p> <p>The project is currently at the benchmark job stage and it is hoped this stage will be completed by the end of the year. Once this is done a new pay and grading structure will be developed for the council following which the Job Evaluation Scheme will be applied to all other jobs. It is anticipated that the project may not be completed until the end of 2002/03 hence the agreement to carry forward underspent monies from 2000/01 to 2002/03 to meet outstanding commitments on this project.</p>
<p>Angus Citizens' Panel</p>	<p>Due to the need to maintain support for the initiative extreme care was taken to ensure that all those involved were comfortable with the way in which the Citizens' Panel was being used. Consequently we have spent more time than originally anticipated in drafting surveys and publishing results. With regard to the second survey, drafted during the summer months and currently being completed by panel members, a more systematic approach was taken and it is anticipated that the situation will improve as confidence in the Panel grows.</p> <p>As noted in previous reports discussions with partner agencies have been postponed until the first three surveys have been completed. The spend during the six month period relates to printing of the report distributed to both panel members and relevant individuals within the Council.</p>
<p>Golf Strategy</p>	<p>The final report from MW Associates entitled "Stay & Play in Angus / Carnoustie Country" was completed in December 2000 and a small supplementary report on partnership / strategy issues was completed by February 2001. The remaining funds will be used in conjunction with the Links Management Committee at Carnoustie for strategy development of the Carnoustie Golf product.</p>