

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE

19 JUNE 2001

POLICY LED BUDGETING – MONITORING REPORT PERIOD ENDED
31 MARCH 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, to outline the actual spend to 31 March 2001 and indicate the extent of any carry forward to financial year 2001/02.

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 funds will be carried forward into future financial years to meet the outstanding commitments on projects and the carry forward amount will require to be met from General Fund balances.
- c) notes that the next report on the progress of projects submitted to committee will cover the period to 30 September 2001.

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Balanced Scorecard project (£60k) which was approved for funding under Phase 2 Policy Led Budgeting was subsequently withdrawn (report 724/00 refers) and is now being taken forward using in-house resources.

To allow managers of Phase 3 projects sufficient time to commence projects and to provide relevant information on the position of projects, it was previously agreed that these projects would be included for the first time in the monitoring statement for the period ended 31 March 2001. Consequently this report reflects the position of these projects.

3. PROGRESS OF PROJECTS

A review was undertaken for the first two quarters of financial year 2000/01 (report numbers 966/00 and 1270/00 refer), which detailed the actual expenditure for the periods ended 30 June and 30 September 2000 respectively. A subsequent review has now been undertaken for the period ended 31 March 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.

This report relates to the end of financial year 2000/01 and the information provided will be used to reflect the re-phasing of the approved budget. It should be noted that any re-phasing of the budget must be contained within the original budget approved under the initiative and will be reflected in future reports..

A number of projects which were approved for funding under phase 1 of the Policy Led Budgeting initiative have been completed with total expenditure on these projects totalling £184.6k. For the purposes of monitoring these projects no further commentary will be provided. However the expenditure relating to each project will continue to be reported to ensure the overall financial position of Policy Led Budgeting is reported. Appendix 1 attached to this report details actual expenditure for the period for all projects.

Approved funding for the 2000/01 financial year for all projects totals £615.2k with actual expenditure to March 2001 of £421.9 (68.6%). The underspend of £193.3k in financial year 2000/01 may be carried forward into future financial years to meet any outstanding commitments on 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 30 September 2001, in line with the previous decision to report to Committee on a six monthly basis (report 966/00 refers).

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. However 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.

4. FINANCIAL IMPLICATIONS

Phase 1 projects –

The effect of the revised phasing of project expenditure on Phase1 projects (approved in 1998/99) is to increase the year three (2000/01) funding requirement to £406.5k. An actual spend against the revised funding requirement of £313.1k has been incurred in 2000/01 of which £257.1k has been specifically provided for in the revenue budget. This leaves a funding requirement of £56k, after taking account of slippage/overspends, which will require to be funded from General Fund balances in 2000/01. The overall effect of this is financially neutral as the General Fund balances have increased due to previous years underspends on projects.

Phase 2 projects –

Phase 2 projects were expected to incur expenditure of £69.2k during 1999/00. However due to slippage no actual expenditure was incurred on these projects. These unused funds have been rolled forward into the current financial year and the effect of this is to increase the year 2 (2000/01) funding requirement to £128.7k. Actual expenditure for the period totals £65.8k of which £59.5k has been specifically provided for in the guideline expenditure budget. This leaves a funding requirement of £6.3k in 2000/01 which will require to be met from General Fund balances. This can be accommodated within General Fund balances which have increased due to the previous years underspends on projects again 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. Total approved funding on these projects in 2000/01 totalled £80k with actual expenditure of £43k. The underspend of £37k incurred on these projects will be carried forward into future financial years to meet outstanding expenditure on projects.

Summary-

All expenditure relating to Phases 1, 2 and 3 incurred in 2000/01 has been met from either specific revenue budget provision or from increased General Fund balances which have arisen as a result of previous years underspends. The projected spend on Policy Led Budgeting projects in 2001/02 can also be accommodated from specific revenue budget provision or increased General Fund balances arising from Policy Led Budgeting project 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 £421.9k has been incurred on these projects to 31 March 2001, which equates to 68.6% of the revised approved funding all projects for 2000/01. Specific provision of £316.6 was made within the 2000/01 revenue budget. The effect of the slippage leaves a funding requirement of £105.3k which will require to be met from the consummately increased General Fund balances in 2000/01. The remainder of funding approved for projects can be carried forward into future financial years to meet outstanding commitments.

The next Policy Led Budgeting monitoring report will cover the period ended 30 September 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.

Projects	TOTAL PROJECT FUNDING					2000/01				
	Exp'd @ 31/3/00 £000	Funding 2000/01 £000	Funding 2001/02 £000	Funding 2002/03 £000	Total Funding £000	Funding 2000/01 £000	Actual to 31/03/01 £000	% Spend	Projected Outturn £000	Variance £000
Phase 1 - Projects Approved in 1998/99 - Completed Projects										
Valuing Staff - Corporate Communications & Information (exc virement of £1.5k to Single Status)	16.3	2	0	0	18.3	2	0.0	0%	0.0	-2.0
BV Performance Information & MIS / Citizen Customer Perspective in BV & Performance Mgt	81.6	0	0	0	81.6	0	0.0	0%	0.0	0.0
Computer Software & Advisory Service (including virement of £5k)	43.0	2.0	0	0	45.0	2.0	4.2	212%	4.2	2.2
Single Status - Job Evaluation (including virement of £1.5k)	5.5	2	0	0	7.5	2	2.1	103%	2.1	0.1
Food Network (note 1)	0.9	0	0	0	0.9	0	0.0	0%	0.0	0.0
Nature & Extent of Drug & Alcohol Misuses	31.0	0	0	0	31.0	0	0.0	0%	0.0	0.0
Sub-Total (Phase 1 Completed Projects)	178.3	6.0	0	0	184.3	6.0	6.3	105%	6.3	0.3
Phase 1 - Projects Approved in 1998/99 - Ongoing Projects										
BV through Investors in People	38.9	26.0	0	0	64.9	26	21.4	82%	21.4	-4.6
Scotland's Health at Work	6.9	1.1	0	0	8.0	1.1	1.1	98%	1.1	0.0
Progressing the LA21 Process	26.1	33.9	0	0	60.0	33.9	28.7	85%	28.7	-5.2
Access Line (including £38k to fund continuation until March 2000/01)	31.0	64.0	0	0	95.0	64	47.1	74%	47.1	-16.9
Youth Strategy	60.5	39.5	0	0	100.0	39.5	39.5	100%	39.5	0.0
Football Community Development	2.3	6.0	6.0	3.7	18.0	6.0	6.0	100%	6.0	0.0
Angus Ahead	129.8	174.0	122.0	0	425.8	174.0	112.6	65%	112.6	-61.4
Carnoustie Country Marketing	139.0	26.0	0	0	165.0	26.0	21.2	82%	21.2	-4.8
Appointment of Enforcement Officer	26.0	30.0	31.0	0	87.0	30.0	29.3	98%	29.3	-0.7
Sub-Total (Phase 1 Ongoing Projects)	460.5	400.5	159.0	3.7	1023.7	400.5	306.8	76.6%	306.8	-93.7
Phase 2 - Projects Approved in 1999/00										
Waste Reduction through Expansion of Waste Recycling	0.0	68.7	19.0	0	87.7	68.7	38.5	56%	38.5	-30.2
Community Planning	0.0	60.0	0	0	60.0	60.0	27.3	45%	27.3	-32.7
Sub-Total (Phase 2 Projects)	0.0	128.7	19.0	0.0	147.7	128.7	65.8	51.1%	65.8	-62.9
Phase 3 - Projects Approved in 2000/01										
Job Evaluation Implementation	0.0	48.0	58.0	29.0	135.0	48.0	26.2	55%	26.2	-21.8
Citizens Panel	0.0	20.0	5.0	0	25.0	20.0	8.2	41%	8.2	-11.8
Golf Strategy	0.0	12.0	0.0	0.0	12.0	12.0	8.6	72%	8.6	-3.4
Sub - Total (Phase 3 Projects)	0.0	80.0	63.0	29.0	172.0	80.0	43.0	167%	43.0	-37.0
TOTAL	638.8	615.2	241.0	32.7	1527.7	615.2	421.9	68.6%	421.9	-193.3

NOTE 1 - The Food Network project did not go ahead as planned and £5k was vired to the Computer Software and Advisory Service to meet a funding shortfall.

Policy Led Budgeting
Summary of Commentary by Project Managers
for period ended 31 March 2001

Project	Commentary
BV through Investors in People	<p>This initiative is aimed at providing advice and support to departments by a Training Advisor (on a fixed term contract) in order to assist departments in working towards the achievement of Investors in People. The Training Advisor appointed specifically to progress this initiative left in December, however a replacement is currently being recruited.</p> <p>This project was due to cease at the end of financial year 2000/01 but has been granted a continuation and funding has been added to the 2001/02 mainstream budget. The £4.6k underspend in 2000/01 will to be carried forward into 2001/02 to assist with meeting the costs of departments undertaking external assessments in pursuit of IIP status.</p>
Scotland's Health at Work	<p>While work continues on this project relating to the requirement of SHAW the Policy Led Budgeting funds are now spent. This project is now complete for policy led budgeting purposes.</p>
Progressing the LA21 Process	<p>The payment of the seconded officer constitutes the major expenditure for the period. The production and distribution of published materials to raise awareness and understanding of sustainable development and LA 21 process makes up the bulk of the remaining expenditure.</p> <p>This project was due to cease at the end of financial 2000/01 but has been granted an extension and has been added to the mainstream revenue budget in 2001/02. The underspend on policy led budgeting funds in 2000/01 of £5.2k will be carried forward into 2001/02 to meet the outstanding commitments on this project, as these costs cannot be contained within the sum added to the mainstream budget.</p>
ACCESS Line	<p>The ACCESS Line pilot continues to be successful in terms of both customer care and releasing resources for other work in service departments. An ACCESS Line Working Group has been established and the future of the ACCESS Line is currently under review.</p> <p>The project has been granted a continuation of funding and has been added to the 2001/02 mainstream revenue budget.</p>
Youth Strategy	<p>This project is growing in strength as is its participants. The project is now well established and indeed it is developing further in relation to the Young Scot and Duke of Edinburgh expansion within Angus. This project is now complete for policy led budgeting purposes but has been granted a continuation of funding and has been added to the 2001/02 mainstream budget.</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>Over the last 20 months more than 40 primary schools have taken part in football sessions aimed at fun, participation and learning new skills. Six new football centres for 5-12 year olds have opened in Kirriemuir, Brechin, Monifieth, Montrose, Carnoustie and Forfar. These centres offer over 300 youngsters each week the opportunity to play football.</p> <p>A 7 a-side tournament was hosted in Arbroath in February with 11 teams from all 8 Angus Secondary Schools taking part in the event. A football centre for people with disabilities has been operating since May 2000, along with an under 14's Angus Development Centre. A new SFA Youth Development Programme begins in May with a three tier system targeting various groups. Two new girls' football development centres at under 15 and under 12 level operate in Arbroath.</p>

Policy Led Budgeting
Summary of Commentary by Project Managers
for period ended 31 March 2001 cont'd

Football Community Development (cont'd)	SFA coaching courses are on-going and throughout the year 117 coaches have been put through various courses. Also 25 Angus school teachers have taken part in in-service football training.
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>The underspend in 2001/02 of £61.4k has arisen due work being delayed however this will be carried forward into 2001/02 to meet outstanding commitments on the project.</p>
Carnoustie Country Marketing	<p>This project is aimed at marketing Angus through the Open 1999 and beyond. The original promotion/marketing plan to raise the profile for Carnoustie Country has been realised within the PLB.</p> <p>The project has underspent by £4.9k in 2001/02 however there are additional commitments and these funds will be carried forward in 2001/02. These funds will be combined with additional income of £4k which the project has received.</p> <p>The project has been granted a continuation of funding into 2001/02 and has been added to the mainstream revenue budget. In future the project will focus on product development and direct sales related marketing.</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 underspend in 2000/01 will be carried forward into 2001/02 to offset a projected overspend in this year. This will ensure the project remains within the overall funding available.</p>
Waste Reduction through Expansion of Waste Recycling	<p>This project is a pilot which embraces a three pronged approach to recycling <i>Urban Recycling, Rural Recycling and Composting.</i></p> <p>The project has adopted the name Angus Community Recycling Opportunities Partnership (ACROP). A recycling leaflet to promote recycling & provide guidance on the commodities that Angus recycle was produced in January. The church sites in Arbroath were completed and put into operation.</p> <p>In February a survey of licensed premises for a drinks can collection service was undertaken and a pilot collection was undertaken in March. A funded project in recycling was agreed by the Scottish Executive and allocated to ACROP to expand recycling into new product areas. A consultation process with community councils and groups on siting mini recycling facilities was undertaken. Recycling sites at Inverkeilor and Glamis were agreed and site works commenced in March this year.</p>

Policy Led Budgeting
Summary of Commentary by Project Managers
for period ended 31 March 2001 cont'd

<p>Community Planning (incorporating an LA21 aspect)</p>	<p>This project is concerned with progressing Community Planning within Angus. In total the project has underspent by £32.7k in 2000/01.</p> <p>The project incorporated a Local Agenda 21 aspect (£8k). No expenditure has been incurred in 2000/01 on the Local Agenda 21 aspect of this project. The funds have however been earmarked to fund a community based project as outlined in the "Local Agenda 21 Strategy for Angus" consultation document which will commence in 2001/02.</p> <p>The remainder of the underspend £24.7k relates to the Community Planning aspect of the project. Discussions are currently ongoing regarding the future of the Community Planning initiative. The project has been granted a continuation of funding and has been added to the mainstream revenue budget in financial year 2001/02.</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. The Council are committed to implementing the national Job Evaluation scheme for Scottish Councils which will require around 700 jobs in Angus to be evaluated (report 484/00 refers). Expenditure during 2000/01 relates to employee costs and other set-up costs associated with the project.</p> <p>The underspend in 2000/01 of £21.8k has arisen due to slippage on the project. These funds will be carried forward into 2002/03 to meet additional costs which will be now incurred in that year as a result of the slippage.</p>
<p>Angus Citizens' Panel</p>	<p>With the implementation of in-house arrangements for processing data through training services, we have managed to keep expenditure to a minimum in the first year of operation. In this year, we undertook a recruitment exercise, contacting 10,000 citizens across Angus. A selection process based on demographics and pre-determined indicators to ensure a balanced panel of 1,200 people who are representative of the community as a whole was undertaken. Thereafter, an initial survey questionnaire was distributed and we are in the process of communicating the results of that survey and identifying future activity. It is anticipated that discussions with partner agencies will be postponed until the first three surveys have been completed. Other partnership activity has been undertaken on behalf of the economic partnership where people have been invited to participate in focus groups.</p> <p>As the original budget accommodated two surveys in the first year, the underspend in 2000/01 as a result of only carrying out one survey (£11.8k) will be carried forward into 2001/02 in order to reflect the new timing of the surveys. It is anticipated that the eight surveys initially planned to take place over a three year period will now extend into a fourth year, albeit the funding in the final year being provided by Partner Agencies.</p>
<p>Golf Strategy</p>	<p>This project involved commissioning external consultancy work to establish the most appropriate way forward for golf promotion and marketing in Angus following the 1999 Open Championship success. This study is now complete.</p> <p>The underspend of £3.4k in financial year 2000/01 will be carried forward into 2001/02 to meet the cost of marketing work associated with the study.</p>

