

ANGUS COUNCIL
ENVIRONMENTAL & LEISURE SERVICES COMMITTEE
27 NOVEMBER 2003
2003/2007 FINANCIAL PLAN AND 2004/05 CAPITAL BUDGET
REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report advises the Committee of the latest position with regard to the preparation of the 2003/2007 Financial Plan (incorporating the 2004/05 capital budget) for the [Leisure Services](#), [Environmental & Consumer Protection](#) and [Contract Services](#) departments. Appended to the report are the departmental Financial Plan submissions for 2003/2007 as returned to the Director of Finance and subsequently reviewed by the Capital Budget Sub Group.

1. RECOMMENDATIONS

The Committee is asked only to note the contents of this report for its interest at this stage in the Financial Plan process. More detailed reports with specific recommendations will be brought forward later in the Financial Plan cycle.

2. BACKGROUND

The 2003/2007 Financial Plan preparation procedures were outlined in report 727/03, approved by the Resources and Central Services Committee of 19th June 2003. This report also brought to the Committee's attention the potential impact of the Prudential Code which will replace Section 94 Borrowing Consents from 2004/05.

The 2003/2007 Financial Plan Guidance which was issued to chief officers in August, required departmental submissions to be returned to the Director of Finance by the 26th September 2003.

3. FINANCIAL PLAN REVIEW PROCESS

The review process for each departmental Financial Plan submission is separated into four distinct stages – the Capital Budget Sub Group (CBSG), the Budget Strategy Group (BSG), a review and validation process and a Budget Review Group (BRG). This allows the strategic and technical issues arising during the budget process to be focused on independently in more suitable forums.

Capital Budget Sub Group

The CBSG, an officer group chaired by the Chief Executive, concentrates on strategic issues relating to the Financial Plan process. The CBSG met on the 29th October 2003 to consider Financial Plan submissions, and the 2004/05 capital budget in particular, in light of the estimated affordability and capital resources position and has made proposals to the Budget Strategy Group regarding departmental capital programmes.

Budget Strategy Group

The BSG, comprising key elected members and chief officers will determine the Council's draft financial plan strategy for 2003/2007. A meeting of the BSG scheduled for the 10th November 2003 will consider the proposals put forward by the CBSG and thereafter make recommendations to the Budget Review Group meetings.

Review and Validation Process

Departmental Financial Plan submissions are reviewed and validated by the Director of Finance in conjunction with departments. This is done on an informal basis, to ensure the accuracy and adequacy of Financial Plan submissions in relation to the guidance issued by the Director of Finance.

Budget Review Group

BRG meetings are chaired by the Chief Executive and will take place on the 10th and 17th December 2003. Departmental Financial Plan submissions and any proposals made by the CBSG and / or the BSG will be considered at the respective BRG meeting. The BRG will also act as a forum for departmental chief officers to highlight any particular capital budget difficulties which they face so that such problems can be taken into account when considering the overall capital budget position of the Council.

4. DEPARTMENTAL FINANCIAL PLAN SUBMISSIONS

Departmental Financial Plan submissions (attached at Appendices A, B & C) have been submitted to the Director of Finance in response to target submission levels detailed in the Financial Plan Guidance. With regard to the requirements of the Prudential Code, the implications of these submissions are currently being assessed by Finance officers to establish the capital financing costs which would be generated from such levels of capital expenditure and further reports in this regard will be submitted to appropriate committees in due course. Members are also reminded that the 2004/05 and beyond capital plan spends will need to be progressed against the background of the implementation of the Prudential Code with effect from 1 April 2004.

Given that the 2003/2007 Financial Plan is still subject to the budget review process, the Committee is asked to bear in mind that the expenditure detailed in Appendices A, B and C is very much provisional in nature and may be subject to alteration as the budget process progresses.

5. HUMAN RIGHTS IMPLICATIONS

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

6. CONSULTATION

The Chief Executive, Director of Law & Administration, Director of Leisure Services, Director of Environmental & Consumer Protection and Contract Services Manager have been consulted in the preparation of this report.

7. CONCLUSION

The 2003/2007 Financial Plan preparation process is now well underway and all Financial Plan submissions have been returned to the Director of Finance. The next key stage in the process will be the Budget Review Group meetings with chief officers to consider the Financial Plan submissions and proposals put forward by the CBSG and / or the BSG and thereafter report back to the relevant service committees any adjustments deemed necessary.

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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 the above Report.