ABSTRACT
This report advises the Committee of the latest position with regard to the preparation of the Social Work & Health department 2009/10 revenue budget and associated issues. Appended to the report is a summary of the departmental provisional base budget for 2009/10 as submitted to, and subsequently reviewed by, the Head 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 2009/10 revenue budget preparation procedures were outlined in report 616/08, approved by the Corporate Services Committee of 12 June 2008. The report indicated that departmental base budgets for 2009/10 (at September 2008 price base) would require to be returned to the Head of Finance by late September/early October 2008. The date for returns was subsequently established as 26 September 2008 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 strategic and technical issues arising during the budget process to be focused on independently in appropriately tailored forums.

Policy & Budget Strategy Group (PBSG)
The PBSG, chaired by the Leader of the Council, and comprising other key elected members and Chief Officers, will determine the Council’s draft revenue budget strategy for 2009/10, whilst also taking account of longer term budget considerations. A meeting of the PBSG took place on 27 August, and a further meeting was held on 12 November 2008 to consider provisional departmental budget submissions and thereafter make recommendations to the relevant Budget Review Group meetings.

Review & Validation Process
Provisional revenue base budget returns are reviewed and validated by the Head of Finance in conjunction with departments to confirm that the budgets submitted have been prepared in accordance with the guidance issued by the Head of Finance, and to identify any potentially major budget issues arising.
Budget Review Group (BRG)

BRG meetings are chaired by the Chief Executive and are scheduled to take place on 8 & 11 December 2008. 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 Policy & 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. The BRG is also required to consider departmental Service Planning intentions in conjunction with the budgets to ensure there is consistency between them.

4. DEPARTMENTAL BASE BUDGET SUBMISSION

The base budget summary is attached at Appendix A. The summary shows the 2009/10 base budget as submitted to, and subsequently reviewed by, the Head of Finance. The final budgets for the 2007/08 and 2008/09 financial years are also shown for comparison purposes.

Members are asked to note that funding allocated to departments in 2008/09 in respect of formerly ring-fenced grants, including Quality of Life, (Appendix 2 to report 161/08 refers) has been removed from 2009/10 Provisional Base Budget Submissions. This is pending the outcome of an exercise that is currently ongoing to review the distribution and ongoing requirement of these formally ring-fenced grants to inform the preparation of the 2009/10 revenue budget.

Funding totalling £8.653 million, after adjusting for a budget virement between Social Work & Health and Education, has therefore been removed from the 2009/10 Social Work & Health Base Budget. This reduction is separately identified on the base budget summary attached at Appendix A for the purposes of transparency.

Given that the 2009/10 budget is still subject to the budget review process, the committee are asked to bear in mind that the figures shown in Appendix A for 2009/10 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 Government’s Spending Review 2007 established base grant allocations for financial years 2008/09 to 2010/11. The Council is therefore in possession of the base information regarding government grant funding for 2009/10 and this has been utilised to inform current budget projection exercises.

The Government will however provide a confirmed and updated financial settlement for financial year 2009/10 in December 2008, which will take into account any new Scottish Government policy initiatives which impact on the Spending Review 2007 announcements. This may involve the revision of the Council’s previously announced grant total for 2009/10. Any such change will necessitate a review to determine the impact onto the 2009/10 revenue budget and beyond.

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. **FINANCIAL IMPLICATIONS**

There are no financial implications arising directly as a result of the recommendations contained in this report.

7. **CONSULTATION**

The Chief Executive, Head of Finance, Head of Law & Administration and Director of Social Work & Health have been consulted in the preparation of this report.

8. **HUMAN RIGHTS IMPLICATIONS**

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

9. **EQUALITIES IMPLICATIONS**

The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

10. **CONCLUSION**

The presentation of provisional budget figures to the various Committees is part of the process of formulating the 2009/10 budget. The next key stage in the cycle is the meeting of the BRG in December to consider departmental budget submissions in more detail.

**COLIN MCMAHON**
Director of Corporate Services

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.