

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 19 NOVEMBER 2009

2010/11 REVENUE BUDGET

REPORT BY THE DIRECTOR OF CORPORATE SERVICES

**ABSTRACT**

This report advises the Committee of the latest position with regard to the preparation of the general fund elements of the Neighbourhood Services department 2010/11 revenue budget and associated issues. Appended to the report are summaries of the departmental provisional base budgets for 2010/11 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 2010/11 revenue budget preparation procedures were outlined in report 485/09, approved by the Corporate Services Committee of 11 June 2009. The report indicated that departmental base budgets for 2010/11 (at September 2009 price base) would require to be returned to the Head of Finance by late September/early October 2009. The date for returns was subsequently established as 25 September 2009 in the guidance issued to Chief Officers.

This report deals with the General Fund elements of the Neighbourhood Services department 2010/11 revenue budget only. The Housing Revenue Account budget is being progressed separately as part of the 2010/11 rent setting process.

**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 2010/11, whilst also taking account of longer term budget considerations. A meeting of the PBSG took place on 5 June, and a further meeting was held on 9 November 2009 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 7 & 9 December 2009. 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 summaries are attached at [Appendices A](#) and [B](#). The summaries show the 2010/11 base budget as submitted to, and subsequently reviewed by, the Head of Finance. The final budgets for the 2008/09 and 2009/10 financial years are also shown for comparison purposes.

Given that the 2010/11 budget is still subject to the budget review process, the committee are asked to bear in mind that the figures shown in Appendices A and B for 2010/11 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 Scottish Government's Spending Review 2007 provided firm base grant totals for the financial years 2008/09 to 2010/11. However, it was apparent following the 2009 Budget announcement that the 2010/11 grant figures would be subject to downward review as a result of the impact of the prevailing economic circumstances on public finances. The Council's revenue budget projections contained in the Medium Term Financial Strategy 2010/11 – 2013/14 (Report No. 510/09 refers) therefore assumed that the Council's grant for 2010/11 would be as previously announced less the Council's estimated share of the increase in the level of national efficiency savings, estimated at that time to be circa £500 million across the public sector in Scotland.

The Scottish Government's updated Finance Settlement announcement on 17 September 2009 provided all-Scotland budget information for 2010/11 but did not provide individual grant allocations for local authorities. The announcement confirmed that local government's share of the actual £521 million level of increased efficiency savings would be £174 million in 2010/11, of which £131 million would be through reduced revenue grant and £43 million through reduced capital grant. The Scottish Government also confirmed its desire to deliver a Council Tax freeze in 2010/11.

Angus Council's estimated share of the £174 million is broadly in line with the cut in revenue grant support assumed in the pessimistic scenario in the budget projections, albeit it has now been spread over both revenue and capital expenditure. It is considered that the latest announcement allows the ongoing budget preparation processes to continue without adjustment, at present, to the guidance previously issued by the Head of Finance. The actual grant position for Angus Council will not be known until the Government provide the confirmed and updated financial settlement for financial year 2010/11 which is anticipated in November 2009. Confirmation of the financial settlement will be reported to Committee in due course.

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. HUMAN RIGHTS IMPLICATIONS**

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

## **8. 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.

## **9. SINGLE OUTCOME AGREEMENT**

This report contributes to the following local outcome(s) contained within the Single Outcome Agreement for Angus:-

- Resources are used effectively.

## **10. CONSULTATION**

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

## **11. CONCLUSION**

The presentation of provisional budget figures to the various Committees is part of the process of formulating the 2010/11 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.