

ANGUS COUNCIL

ROADS COMMITTEE

22 NOVEMBER 2001

2001/2005 FINANCIAL PLAN AND 2002/03 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 2001/2005 Financial Plan (incorporating the 2002/03 capital budget) for the Roads department. Appended to the report are the departmental Financial Plan submissions for 2001/2005 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 2001/2005 Financial Plan preparation procedures were outlined in report 767/01, approved by the Policy and Resources Committee of 19 June 2001. The 2001/2005 Financial Plan Guidance issued to Chief Officers required departmental submissions to be returned to the Director of Finance by 28 September 2001.

3. FINANCIAL PLAN REVIEW PROCESS

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

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.

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 18 October 2001 to consider the Financial Plan submissions, and the 2002/03 capital budget in particular, in light of estimated capital resources and has made proposals to the Budget Strategy Group regarding departmental programmes for 2002/03.

Budget Strategy Group

The BSG, comprising of key elected members and Chief Officers, will determine the Council's draft financial plan strategy for 2001/2005. A meeting of the BSG scheduled for 7 November 2001 will consider the proposals put forward by the CBSG and thereafter make recommendations to the relevant Budget Review Group meetings.

Budget Review Group

BRG meetings are chaired by the Chief Executive and will take place in early December 2001. Departmental Financial Plan submissions and any proposals made by the CBSG 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 SUBMISSION

Departmental Financial Plan submissions (attached at Appendix A) have been submitted to the Director of Finance in response to target submission levels established by the CBSG. These target submission levels allow departments to concentrate on those projects which have a realistic prospect of being undertaken in the foreseeable future.

Given that the 2001/2005 Financial Plan is still subject to the budget review process, the committee is asked to bear in mind that the expenditure detailed in Appendix A is 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 Executive's Comprehensive Spending Review 2000 established firm capital allocations for financial years 2001/02 to 2003/04, therefore the Council knows with some certainty its Section 94 Consent Allocation for 2002/03. Official confirmation of this is not expected until March 2002 however.

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 and Director of Roads have been consulted in the preparation of this report.

7. CONCLUSION

The 2001/2005 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 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.