

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE	Subject: REVENUE BUDGET PROCESS 2002/2003
From: DIRECTOR OF FINANCE	
Date: 20 August, 2001	Ref: JV/YY

1. Introduction

- 1.1 The purpose of this report is to inform Committee of the procedures for determining the Council's revenue budget for 2002/2003.

2. Background

- 2.1 The Financial Plan sets out the resources which are available to the Council over the period 2001/2002 to 2003/2004 and is the subject of a separate report to this Committee. The plan will be the foundation on which to develop integrated three year service and financial planning to enable the Council to deliver its priorities as set out in the Corporate Plan.
- 2.2. Arrangements for the three year service plans will be reported to Policy & Resources Committee.
- 2.3. This report sets out the arrangements for preparing the annual budget which, as well as assisting in service planning will also be the means of ensuring effective financial control of resources for the year ahead.

3. Budget Process 2002/2003

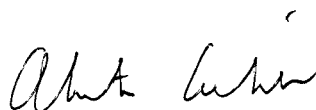
- 3.1 As a result of the development of integrated 3 year Financial and Service Plans, the process of determining year on year revenue budgets is much more streamlined.
- 3.2 Announcements on future years' pay awards combined with three year figures for hypothecated and centrally directed resources such as McCrone, the Royal Commission on Long Term Care, the Excellence Fund, Childrens Services and Drug Rehabilitation and Youth Crime, has meant that the major areas of council expenditure is now known in advance, leaving only adjustments to be made to reflect certain elements of inflation, changes to client groups, tax increases and other ad hoc cost pressures.

- 3.3 These will be dealt with through the CSP process which departments have now been asked to confirm following earlier submissions as part of three year budget exercise. It has been emphasised that any adjustments to CSPs from those previously submitted should be contained within overall departmental planning totals otherwise this will restrict the scope for growth in service budgets.
- 3.4 Efficiency savings have been requested in line with the approach taken in 2001/2. This will provide an opportunity to consider options for funding additional growth.
- 3.5. Charges at the discretion of Council will be increased in line with cost pressures faced by the Council.
- 3.6. Comprehensive consultation was undertaken in setting of the 2001/2 budget and this process will be continued for the 2002/3 budget.
- 3.7. The following timetable has been set to enable the budget process for the incoming year to be taken forward.

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| • Detailed departmental budgets and planning totals issued to departments | - End of July |
| • CSP returns | - End of August |
| • Identification of efficiency savings to Chief Executive | - End of August |
| • Departmental Revenue Estimates and Service Plans to be submitted to service committees | - December 2001/
January 2002
committee cycle |
| • Council to determine overall spending plans and confirm level of Council Tax | - 14 February 2002 |

4. **Recommendation**

- 4.1. The Committee is requested to note the report and the procedures that have been established for determining the revenue budget for 2002/2003.



Director of Finance