

## **REVENUE BUDGET 2007/08**

### **FOREWORD BY CHIEF FINANCIAL OFFICER**

The Moray Council approved its Financial Plan for 2007 - 2010 on 8 February 2007. The detail of the General Services Revenue Budget for 2007/08 forms the content of this booklet.

The Council follows a three year planning cycle for revenue expenditure. This is underpinned by a three year settlement of funding from the Scottish Executive. The Spending Review by the Scottish Executive was postponed until autumn 2007, and consequently the level of funding for 2008/09 onwards is unknown at present.

The Council raises funds by levying Council Tax and charging for services received. It also receives grants for specific purposes and general government grant support. Almost 80% of the Council's revenue budget (net of charges levied for services) is funded by general grant support from the Scottish Executive.

Overall, the Council's net revenue budget for General Services in 2007/08 is £169 million, of which £109 million is budgeted for staffing costs and £56 million to other bodies – Joint Boards, Not-for-Profit organisations, the private sector – delivering services on the Council's behalf under a variety of formal arrangements.

The detailed budget pages set out how departments currently plan to implement Scottish Executive and Council policies and deliver services to the public. Service Committees have the authority to vary levels of expenditure, providing Council priorities and statutory duties continue to be met and the overall expenditure is contained within the departmental budgets set out in page 7. Similarly, Directors can authorise reallocation of budget within service activities under the scheme of budget delegation.

As part of the Financial planning process, each department has agreed Efficiency savings, including an allocation of savings from central initiatives such as vacancy management and procurement. Efficiency savings represent testing targets for departments and are the subject of regular reports to Committees.

The Council faces strong financial challenges. Amongst the key pressure areas are: funding for flood alleviation and other capital projects; care services for an increasingly elderly population; maintenance of the Council's roads and buildings; improvements to the school estate, and waste management.

***Mark Palmer***

***Chief Financial Officer***

## SUMMARY OF CHARGES

<b>2006/07</b> <b>£</b>	<b>BAND</b>	<b>2007/08</b> <b>£</b>
730.67	A	756.67
852.44	B	882.78
974.22	C	1,008.89
<b>1,096.00</b>	<b>D</b>	<b>1,135.00</b>
1,339.56	E	1,387.22
1,583.11	F	1,639.44
1,826.67	G	1,891.67
2,192.00	H	2,270.00

## 1. ESTIMATED FUND BALANCES AT 31 MARCH 2007

	<b>£'000</b>
<u>Opening Balances</u>	
General Fund (see Notes 1 and 2 below)	10,824
<u>2006/07 Estimated Expenditure</u>	
Net Expenditure by Service Departments	164,104
<u>2006/07 Estimated Income</u>	
Revenue Support Grant and Non Domestic Rate Income	126,648
Interest on Capital Fund	450
Council Taxes	34,622
Estimated Balance at 31 March 2007	<u><u>8,440</u></u>

## 2. CALCULATION OF COUNCIL TAX

	<b>£'000</b>
<u>Estimated Expenditure</u>	
Net Expenditure by Service Departments	168,747
<u>Estimated Income</u>	
Revenue Support Grant and Non Domestic Rate Income	132,315
Estimated Interest on Capital Fund	300
	<u>132,615</u>
Amount to be raised from Council Tax	36,132
Number of Band D equivalent Council Tax Payers	31,526
Band D Council Tax	<u><u>£1,135.00</u></u>

### Note 1

The General Fund Balance of £10,824,000 excludes the total Devolved School Management Balances brought forward of £802,000.

### Note 2

£1,463,000 has been allocated by the Council for expenditure on Leisure and Healthy Living Centres and Council Accommodation.

This sum is included in the General Fund Balance.

## 2007/08 Revenue Budget

	<b>Budget 2006/07 £000s</b>	<b>Budget 2007/08 £000s</b>
Educational Services	79,112	79,747
Social Work	36,105	36,957
General Services Housing	1,769	1,824
Environmental Services - Development	4,661	2,782
Environmental Services - Direct Services	20,079	20,355
Policy & Resources	18,144	18,230
Unallocated Provision for Contingencies	79	4,674
Savings to be allocated		(343)
AMRA	4,261	4,521
<b>TOTAL</b>	<u><u>164,210</u></u>	<u><u>168,747</u></u>
Central Support Services (included in the above totals)	<u><u>8,860</u></u>	<u><u>7,852</u></u>
Funded by:		
Scottish Executive Grant	126,721	132,315
Interest on Capital Fund	450	300
Use of Reserves	2,675	0
Council Tax	34,364	36,132
	<u><u>164,210</u></u>	<u><u>168,747</u></u>

# 2007/08 Revenue Budget

## Loan Charges

	<i><b>Budget</b></i> <i><b>2006/07</b></i>	<i><b>Budget</b></i> <i><b>2007/08</b></i>
Educational Services	3,053,288	3,148,356
Community Services	1,666,133	1,718,010
Environmental Services - Direct Services	4,796,702	4,946,053
Environmental Services - Development Services	1,415,940	1,460,027
Policy & Resources - Other Services	541,619	558,483
Central Support Services	184,754	190,507
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	11,658,435	12,021,435

## **LOAN CHARGES**

Loan charges must be calculated before setting Council Tax, to cover the cost of borrowing to fund capital expenditure.

These are not incorporated in departmental budgets, as Local Authorities are required to allocate Depreciation on Fixed Assets to departments in departmental budgets and the Annual Accounts. These accounting entries replace loan charges at departmental level.

# 2007/2008 Revenue Budget

<i>General Fund</i>		<i>Revised Budget 2006/2007</i>	<i>Budget 2007/2008</i>
<b>A</b>	<b>Employee Costs</b>		
03	Promoted Teachers	14,443,033	14,536,266
04	Unpromoted Senior Teachers	0	0
05	Unpromoted Other Teachers	20,418,535	19,442,781
06	Supply Teachers	1,049,341	870,388
07	Community Education Workers	849,350	0
08	Special Educ Needs Auxiliaries	1,804,612	2,046,285
10	Chief Officers	1,173,573	1,194,080
15	APTC	31,924,248	38,011,202
30	Manual Workers	11,724,423	10,434,545
35	Electricians	0	396
40	B & CE	826,554	837,420
45	Craftsmen	270,659	281,987
50	Eng Craftsmen	270,205	276,963
70	Pension contributions	11,855,247	12,783,843
75	National Insurance	6,432,139	6,451,419
80	Allowances	4,438,223	2,817,860
85	Other Employee Costs	823,311	873,311
86	Vacancy Management Target	-1,188,384	-1,422,413
	<i>Total</i>	107,115,068	109,436,334
<b>C</b>	<b>Property Costs</b>		
05	Rents and Rates	3,320,564	3,352,227
06	Shared Buildings	898,584	789,209
20	Repairs & Maintenance	8,290,449	7,504,882
23	Maintenance of Grounds	2,620,485	2,511,149
25	Energy Costs	2,249,194	2,252,002
30	Fixtures & Fittings	6,541	6,441
32	Community Alarm	77,500	77,500
35	Other Property Costs	458,095	457,465
38	Building Cleaning	2,040,382	2,098,106
	<i>Total</i>	19,961,795	19,048,981
<b>D</b>	<b>Supplies and Services</b>		
05	Equipment & Furniture	2,607,268	1,894,938
06	Refuse Collection	44,784	44,784
07	Print Room Materials	74,500	74,500
08	Materials	2,380,405	2,412,612
09	Software licences, maintenance	445,852	410,078
10	Text & Library Books	257,514	229,306
15	Catering	1,378,711	1,179,782
20	Clothing & Uniforms	91,828	87,750
25	Other Supplies and Services	9,086,611	8,927,774
40	Procurement Efficiency Savings	-272,600	-71,600
	<i>Total</i>	16,094,873	15,189,924

# 2007/2008 Revenue Budget

<i>General Fund</i>		<i>Revised Budget 2006/2007</i>	<i>Budget 2007/2008</i>
<b>E</b>	<b>Transport &amp; Plant Costs</b>		
05	Vehicle Running Costs	2,814,205	2,778,252
10	Staff Transport Costs	2,236,533	1,441,149
15	Other Transport & Plant	5,878,364	5,856,777
	<i>Total</i>	10,929,102	10,076,179
<b>F</b>	<b>Administrative Costs</b>		
05	Printing & Stationery	588,817	287,903
10	Telephones	633,766	606,233
15	Advertising	622,032	580,532
16	Staff Advertising	125,847	250
20	Postages	294,585	299,297
25	Subsistence	69,586	69,781
30	Training	897,987	658,789
31	Exam Fees	377,297	377,297
33	Curriculum & Staff Development	645,225	259,853
35	Conference Expenses	153,770	119,919
36	Costs of Other Meetings	2,861	1,861
40	Insurances	610,799	615,779
45	Members Allowances & Expenses	405,012	605,012
49	Agency Staff Costs	183,287	197,295
50	Apportioned Costs	6,615,125	6,356,260
55	Other Admin Costs	5,059,262	4,429,821
60	Per Capita	2,494,312	862,226
	<i>Total</i>	19,779,569	16,328,108
<b>G</b>	<b>Pymnts-Agencies &amp; Other Bodies</b>		
05	Other Committees of the Authty	1,194,033	1,194,033
10	Other Public Sector Orgs	561,903	287,742
15	Joint Committees	19,904,980	21,335,424
20	Government Departments	36,000	36,000
25	Universities	60,000	20,000
30	Voluntary Organisations	16,348,173	15,883,399
31	Payment to Other Organisations	5,180,607	4,164,389
35	Private Contractors	11,998,334	11,995,491
40	Private Individuals	983,052	939,612
55	Childrens Panel	3,000	3,000
60	Public Analyst	139,660	121,660
	<i>Total</i>	56,409,742	55,980,750
<b>J</b>	<b>Transfer Payments</b>		
05	School Children & Students	66,000	66,000
10	Social Work Clients	1,377,225	1,281,851
12	Housing Improvement Grants	1,264,558	1,248,558
15	Housing/Council Tax Benefits	14,595,019	14,595,019
30	Other Payments	0	0
	<i>Total</i>	17,302,802	17,191,428

# 2007/2008 Revenue Budget

<i>General Fund</i>		<i>Revised Budget 2006/2007</i>	<i>Budget 2007/2008</i>
<b>K</b>	<b>Financing Costs</b>		
05	Debt Charges	12,249,435	12,596,542
20	CFCR	1,117,670	1,027,670
35	Depreciation	700,957	702,982
40	Capital Charge	102,107	0
	<i>Total</i>	14,170,169	14,327,194
<b>L</b>	<b>Income</b>		
05	Government Grants	-32,070,339	-25,345,979
06	Housing Benefit Subsidy	-10,459,744	-10,459,744
10	Other Grants & Reimbursements	-4,806,953	-4,631,080
16	Standard Housing Rents	-11,576	-11,576
18	Other rental income	-1,199,259	-1,193,209
19	Income from other authorities	-18,000	-18,000
20	Customer & Client Receipts	-13,291,954	-13,923,493
22	External CSS Recharge	-133,715	-133,715
40	Alloc to Corporate Services	-73,816	-73,816
41	Recharges to Other Heads	-26,806,564	-28,289,891
42	Service Departments Recharge	-8,138,007	-7,882,385
44	Print Room Income	-588,550	-583,762
45	Alloc to Finance & IT	2,000	2,000
50	Alloc to Community Services	-69,736	204,121
51	Tr of Supporting People Grant	0	0
70	Alloc to DLO/DSOs	-3,901	0
	<i>Total</i>	-97,670,114	-92,340,529
<b>M</b>	<b>Control</b>		
05	Control	-335,811	4,329,974
	<i>Total</i>	-335,811	4,329,974
<b>N</b>	<b>FRS 17 Adjustments</b>		
05	FRS 17 Adjustments	80,000	30,000
	<i>Total</i>	80,000	30,000
<b>O</b>	<b>Interest &amp; Investment Income</b>		
05	Dr Interest on Revenue Balance	12,000	12,000
06	Cr Interest on Revenue Balance	-956,015	-956,015
08	Loans Interest/Principal	-29,500	-24,500
	<i>Total</i>	-973,515	-968,515
<b>P</b>	<b>Capital</b>		
70	Other Receipts	0	0
	<i>Total</i>	0	0
<b>Q</b>	<b>Clear Profit and Loss</b>		
05	Clear Departments/Services	117,174	117,174
10	Cost Centre 0015	-162,980,853	-168,747,000
	<i>Total</i>	-162,863,679	-168,629,826
		0	0