

Item:

4



Report to Partnership Meeting of 3 February 2012

FINANCE

REVENUE BUDGET PROPOSAL 2012 - 2013

1. Annex 1 shows the budget that is being recommended for approval for the next financial year covering the Partnership's running costs and research and strategy development programme costs, and the income from Partner Councils and the Scottish Government to cover these costs.

Income

2. **Councils** – The funding formula for Council contributions was agreed by the Partnership in July 2006. This is based 50% on voting weight and 50% on population share. The percentage share of income to be contributed by each Council is:

Council	Voting Share	Population share	Total
Argyll and Bute	6.25%	8.1%	14.35%
CnES	6.25%	3.2%	9.45%
Highland	18.75%	25.65%	44.4%
Moray	12.5%	10.7%	23.2%
Orkney	6.25%	2.35%	8.6%
	50%	50%	100%

3. The Scottish Government has at officer level indicated that the RTP budget line in their proposed Scottish Budget for 2012/13 will remain at the 2011/12 level of £522,750. Board Members will recall the 2011/12 budget was reduced by 15%. As Scottish Government core grant (£200,000) has remained the same, the proposal is not to increase Constituent Authorities contributions. This will allow the Partnership to continue to achieve the Government's annual efficiency target, for 2012/13 proposed as 3%.

Expenditure

4. The commitments on the 2011/12 budget are:

- **Employees** – The salaries, pension contributions and employers national insurance contributions for the Partnership Director, 2 Programme Managers and 2 Office Managers totalling £273,000 are included under running costs of the Partnership. This is a reduction of £7,500 on that of the previous year due to the pay freeze imposed for 2012/13, and is comparable to the 2011/12 estimated outturn position. £2,500 has been built in to the budget to allow the Partnership to meet increases in the Employers National Insurance contributions for all employees.
- **Research and Strategy Development** budget has increased by £7,500 to £306,250 as a result of the reduction in the salaries budget.
- **All other Budget Headings** have been set at 2011/12 levels, and are achievable given the spending patterns currently prevailing for the 2011/12 financial year.

Commitments comprise £722,750

5. Board Members are asked to note the above information as well as the following Annex.

Report by:	Mike Mitchell
Designation:	Partnership Treasurer
Date:	25th January 2012

Annex 1

Budget Heading	Budget 2011/12	Budget 2012/13 Recommendation
Income		
Argyll and Bute	£28,700	£28,700
CnES	£18,900	£18,900
Highland	£88,800	£88,800
Moray	£46,400	£46,400
Orkney	£17,200	£17,200
Scottish Government - Core	£200,000	£200,000
Scottish Government – Non-core	£322,750	£322,750
Total Income	£722,750	£722,750
Running Costs		
Director	£100,000	£97,000
Programme Managers	£124,000	£120,000
Office Managers	£56,500	£56,000
Staff Travelling and Subsistence	£25,000	£25,000
Members/Advisors Travel/Subsistence	£10,000	£10,000
Partnership/Consultation Meetings	£20,000	£20,000
Office Costs - Property	£15,000	£15,000
Office Costs - Administration	£20,000	£20,000
	£370,500	£363,000
Programme Costs		
Publicity	£12,500	£12,500
Research and Strategy Development	£298,750	£306,250
	£311,250	£318,750
Finance/HR/Legal/Admin		
CnEs	£8,000	£8,000
Highland	£22,500	£22,500
External Audit	£10,500	£10,500
	£41,000	£41,000
Total Costs	£722,750	£722,750