

Item:

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Report to Partnership Meeting of 8 February 2013

FINANCE

REVENUE BUDGET PROPOSAL 2013 - 2014

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 2013/14 will remain at the 2011/12 and 2012/13 level of £522,750. 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 2013/14 proposed as 3%.

Expenditure

4. The commitments on the 2013/14 budget are:

- **Employees** – The salaries, pension contributions and employers national insurance contributions for the Partnership Director, 2 Programme Managers and 2 Office Managers totalling £272,000 are included under running costs of the Partnership. In line with Scottish Local Authorities, allowance has been made for a 1% increase in basic salary costs. After allowing for the increase, there is a reduction of £1,000 on that of the previous year due to the staffing changes occasioned by the retirement of the Partnership Director.
- **Partnership/Consultation Meetings** budget has decreased by £5,000 to £15,000 to reflect more efficient timetabling of meetings.
- **Property Costs** budget has increased by £3,000 to £18,000 to take account of increased rates, insurance and utility charges and is funded by part of the reduction in the partnership/consultation meetings budget.
- **Research and Strategy Development** budget has increased by £3,000 to £309,250 as a result of the reductions in the salaries and partnership/consultation meetings budgets.
- **All other Budget Headings** have been set at 2012/13 levels, and are achievable given the spending patterns currently prevailing for the 2012/13 financial year.

Commitments comprise £722,750

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

Report by: Mike Mitchell
Designation: Partnership Treasurer
Date: 28th January 2013

Annex 1

Budget Heading	Budget 2012/13	Budget 2013/14 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	£97,000	£96,000
Programme Managers	£120,000	£118,000
Office Managers	£56,000	£58,000
Staff Travelling and Subsistence	£25,000	£25,000
Members/Advisors Travel/Subsistence	£10,000	£10,000
Partnership/Consultation Meetings	£20,000	£15,000
Office Costs - Property	£15,000	£18,000
Office Costs - Administration	£20,000	£20,000
	£363,000	£360,000
Programme Costs		
Publicity	£12,500	£12,500
Research and Strategy Development	£306,250	£309,250
	£318,750	£321,750
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