

Report to Partnership Meeting – 6th February 2008

FINANCE

REVENUE BUDGET 2009 - 2010

- 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

- 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%

- The Scottish Government will continue to provide support funding towards the Partnership's Revenue costs in 2009/10 to a total value of £615,000, which is the same level of funding as 2008/09. As Scottish Government grant has not increased, the proposal is not to increase Constituent Authorities contributions. This will allow the Partnership to achieve the Government's annual efficiency target of 2%.
- Scottish Government** – In addition to matching the Council contributions and providing funding to support research, operational support and strategy development the Government will continue to provide £36,000 towards the travel plan project for one further year.

Expenditure

- The commitments on the 2009/10 budget are:
 - Employees** – The salaries, pension contributions and employers national insurance contributions for the Partnership Director, 2 Programme Managers and 2 Office Managers totalling £263,500 are included under running costs of the Partnership. This is an increase of £13,500 on the 2008/09 budget reflecting increased contributions to meet the employers pension contributions, estimated salary settlements, and increases in the Employers National Insurance contributions for all employees.

- **Property and Administration Costs** budgets have been reduced to fund the increase for salary and associated oncosts. The budgets have been reviewed taking account of the 2008/09 current spending patterns.
- **Research and Strategy Development** budget has been reinstated to the original 2008/09 position of £354,000, before funding the 2007/08 overspend.
- **The Travel Plan Project** will continue for a further year at £36,000.
- **All other Budget Headings** have been set at 2008/09 levels, and are achievable given the spending patterns currently prevailing for the 2008/09 financial year.

Commitments comprise £851,000

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

Author
Designation
Background Papers

Mike Mitchell
Partnership Treasurer / Finance Manager
Annex 1 – Detailed Budget Proposal

Annex 1

Budget Heading	Budget 2008/09	Budget 2009/10 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
Scot Exec - Core	£200,000	£200,000
Scot Exec – Travel Plans	£107,000	£36,000
Scot Exec – Non-core	£415,000	£415,000
Total Income	£922,000	£851,000
Running Costs		
Director	£89,400	£94,000
Programme Managers	£111,100	£117,500
Office Managers	£49,500	£52,000
Staff Travelling and Subsistence	£25,000	£25,000
Members/Advisors Travel/Subsistence	£10,000	£10,000
Partnership/Consultation Meetings	£25,000	£25,000
Office Costs - Property	£50,000	£45,000
Office Costs - Administration	£30,000	£26,500
	£390,000	£395,000
Programme Costs		
Publicity	£25,000	£25,000
Travel Plan Work	£107,000	£36,000
Research and Strategy Development	£336,445	£354,000
2007/08 Deficit	£17,555	£0
	£486,000	£415,000
Finance/HR/Legal/Admin		
CnEs	£10,500	£8,000
Highland	£25,000	£22,500
External Audit	£10,500	£10,500
	£46,000	£41,000
Total Costs	£922,000	£851,000