

BUDGET 2008/2009

EXPLANATORY

NOTES

(INCLUDING REFERENCE TO
FINANCIAL REGULATIONS AND
CONTRACT STANDING ORDERS)

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EXPLANATORY NOTES

The budget is presented in accordance with the Portfolio structure adopted for the Cabinet of the Council.

Within each Portfolio the budgets are shown by statements of service.

These statements of service have been structured around the Best Value Accounting Code of Practice (BVACOP).

The main items included in each standard (subjective) heading within the revenue cost plan section of the statements of services are as follows: -

Employees

Salaries, wages, national insurance and superannuation for all employees whether permanent or temporary
Members' Allowances

Premises Related Expenses

Repairs and maintenance of buildings, fixed plant and grounds
Rents, Rates, and Water services
Energy costs
Cleaning and Domestic Supplies
Apportionment of expenses of operational buildings

Transport Related Expenses

Vehicle repairs maintenance and running costs
Contract Hire
Public transport and car allowances
Recharges under the Council's Vehicle provision and maintenance contract

Supplies and Services

Equipment (including computer purchases), furniture and materials
Protective clothing, uniforms and laundry
Printing, stationary, and general office expenses
Communication (radio's/telephones)
Expenses (including subsistence and conferences)
Grants and subscriptions
Contributions to provisions (bad debts etc)

Agency and Contracted Services

Payments to third parties for local authority services provided by external providers (residential/home care, grounds maintenance, waste disposal etc)

Transfer Payments

Payments for which no goods or services are received directly in return by the local authority. (Concessionary Bus Fare scheme etc)

Generally future years savings have been included under this heading for purposes of transparency.

Support Costs

- Central support costs (variable) relates to the reallocation of staff and associated costs for the following Services of the Council – Financial / Information Technology / Legal / Personnel / Debtors / Document Management / Postal and Courier Service / Typing Service. The amount being recharged is in accordance with a Service Level Agreement between the two units and is unlikely to be a predetermined amount for the year.
- Intra departmental support covers apportionment's of the management and administration costs of the service unit (s), which are responsible for the particular statement of service.
- Support Costs Other, relates to costs, which support the provision of services, and is provided by units not within either of the previous two categories.

Depreciation and Impairment

Depreciation - this represents the cost of using assets. Arrived at by dividing the value of the asset in the balance sheet over the number of years it is considered viable.

RCCO & Repayments to capital reserves

Service specific direct revenue financing of capital expenditure (formerly known as "Revenue Contributions to Capital Outlay)

Repayments for purchases from the Capital Replacement Reserve (CRR)

Capital Financing Costs

Corporate costs associated with funding expenditure relating to capital items. This includes contributions from revenue to fund capital expenditure, interest payments associated with debt outstanding and the setting aside of monies to repay the principal sums outstanding

Government Grants

Specific and special government grants

Other grants, reimbursements and contributions

Income received from other bodies to finance joint functions, projects, or undertakings.

Customer and Client Receipts

Sales of products, materials, data, technology or surplus commodities.
Fees and Charges for services, use of facilities, admissions, lettings.
Rents - land and property based charges, wayleaves etc

Interest

Amounts received as returns from investment activity

Recharges to other revenue heads

The value of costs recharged to internal users.

Below the line – Allocable Costs

- Central support costs (fixed) relates to the reallocation of staff and associated costs for the following Services of the Council – Financial / Information Technology / Legal / Personnel / Debtors / Document Management / Postal and Courier Service / Typing Service. The amount being recharged is fixed based on a Corporate Service Level Agreement between the unit and the Council, although the allocation to individual Service Units may vary from year to year.
- The introduction of the Best Value Accounting Code of Practice brought with it new requirements that all central overheads should be apportioned to services to reflect the “true” cost, except a limited few exceptions that are unapportionable (Corporate and Democratic Core costs). This list includes items such as Members allowances, Civic Ceremonials, Cabinet and Council meetings, External Audit & Inspections, Chief Executive and monitoring officers costs when acting in this capacity etc.

FINANCIAL REGULATIONS

Financial Regulations and Contract Standing Orders provide the framework for managing the authority's financial affairs. They apply to every member and officer of the authority and anyone acting on its behalf.

To conduct its business efficiently, a local authority needs to ensure that it has sound financial management policies in place and they are strictly adhered to.

Financial Regulations and Contract Standing Orders have not been reproduced as part of this budget book. However members and officers are reminded that they can be found by the following procedure; -

- Open Loop3.
- Select "How the Council works" from the Organisation section in the left hand menu.
- Choose the "Constitution – Council Rules and Procedures" option.
- You will be presented with information about the constitution broken down into its elements (A) to (Z4).
- Select (Y) Financial Regulations or
- Select Standing Orders relating to Contracts and Tenders

Alternatively they can be found on the "boroughofpoole.com" by; -

- Choosing the "Community – Council Info." option from the initial screen
- Selecting "Constitution" from the how the Council works option available
- You will be presented with information about the constitution broken down into its elements (A) to (Z4).
- Select (Y) Financial Regulations or
- Select Standing Orders relating to Contracts and Tenders

Should you have any questions the following staff are available to help

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