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**Budget update**

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**1. SUMMARY**

The January Management Committee considered the budget for the community planning partnership (CPP). The ability of some partners to continue to fund the CPP had changed and ongoing core costs indicated a deficit in future years. Cllr Dick Walsh agreed to write to John Swinney to raise concerns about the ability of partners to fund core CPP costs. A response has been received from John Swinney and this report recommends a way forward.

**2. RECOMMENDATION**

That the Management Committee:

- note the budget position and responses to the action agreed at the January Management Committee meeting
- agree to use Fairer Scotland Funding to complement contributions from partners to ensure that future core costs of the CPP are met (estimated £26,000 in 2010/11 and £31,000 in subsequent years)

**3. BACKGROUND**

The budget for core costs of the CPP has been managed over recent years to reduce a surplus built up during the early years of the partnership. Changed relationships with some partners, mergers and changes affecting the ability of partners to fund CPP core costs have come together to place the CPP in a position where it faces a deficit in future years.

The January Management Committee meeting considered the financial position of the CPP and options for future funding to fill the projected deficit. The options considered were:

- for existing contributors to increase their annual contribution
- to invite other active partners who do not contribute to join those that do
- to use other funding allocated to the CPP, e.g. the Fairer Scotland Fund, to pick up some of the core costs

The decision taken at that meeting was for:

- *Dick Walsh agreed to write out to all partners requesting they review their commitment to the core costs of the CPP.*

- *Dick also agreed to discuss this matter with cabinet ministers.*
- *Eileen Wilson will contact the Community Planning Network to find out if there are any other funding opportunities for staffing/core costs.*

Partners have responded to the request from Cllr Walsh, confirming the situation as outlined at the January meeting. SNH and Strathclyde Fire and Rescue were able to make additional contributions in 2008/9 that have helped the financial position going into 2009/10.

John Swinney's response is detailed at Appendix 1. The Cabinet Secretary's view is clearly that the decision on how to fill the projected budget gap is one to be taken locally.

#### **4. FUTURE FUNDING**

The options outlined in January have been exhausted, and the Fairer Scotland Fund (FSF) is the only remaining option to fund future core costs. The FSF has five "principles for investment" specified by the Government, including "promotion of partnership working". Support for the core costs of the CPP would fit with this principal.

Appendix 2 details the core costs for 2009/10 and 2010/11 and the expected demand from Fairer Scotland Fund to ensure that all core costs are met. For 2009/10 core costs are covered by agreed partners' contributions and the 2008/9 surplus. For 2010/11 the CPP will need to draw on £26,000 from the Fairer Scotland Fund and in subsequent years the contribution to core costs will be £31,000.

The Fairer Scotland Fund will cease to exist from April 2011 as the funding will form part of the mainstream settlement for the Council after that date (ring fencing of the Fund ends from April 2010).

#### **BRIAN BARKER**

##### **Policy and Strategy Manager, Argyll and Bute Council**

13 May 2009

##### **For Further Information Contact:**

Brian Barker, Policy and Strategy Manager, 01546 604436, [brian.barker@argyll-bute.gov.uk](mailto:brian.barker@argyll-bute.gov.uk)

Appendix 1 – response to Cllr Dick Walsh from Cabinet Secretary John Swinney

Appendix 2 – budget update and projection for 2010/11

Cabinet Secretary for Finance and Sustainable Growth  
John Swinney MSP

T: 0845 774 1741  
E: scottish.ministers@scotland.gsi.gov.uk



Councillor Dick Walsh  
Argyll & Bute Council  
Kilmory  
Lochgilphead  
Argyll  
PA31 8RT



Your ref: DW/WB 1478 JS  
Our ref: 2009/0006939  
April 2009

*I did,*

Thank you for your letter of 24 February, the additional information sent on 12 March and for drawing the issues around partner contributions to the CPP core administrative budget to my attention. Please accept my apologies for the delay in replying.

As you know, we are working with public bodies to develop the outcomes based approach and achieve better integration across sectors, particularly through the Single Outcome Agreements with CPPs.

Historically, funding of CPP running costs has varied across the country, with some Partnerships being funded by several partners and others solely by the Council. Some partners, such as HIE, have contributed to some, but not all, of the Partnerships within their area. In relation to your concern about possible mixed messages, going forward, it is important for public bodies, and especially the statutory partners, to contribute effectively to Partnerships through genuine collaborative working as well as contributions in cash or kind.

HIE has confirmed its commitment to continue support to Argyll and Bute CPP on a transitional basis over 2009/10. I know that it remains committed to playing its full part in the Argyll and Bute CPP, and to contributing actively to agreed SOA outputs.

Although some funds previously granted by SNH to local authorities are being transferred to the core local authority settlement from 2009/10, it is still able to enter into funding relationships with CPPs. I understand that SNH is continuing to engage with Argyll and Bute Council and the CPP on the Single Outcome Agreement and, in that context, it may be worth exploring with officials whether there is any scope for funding within their revised criteria.

You referred to Fairer Scotland Fund in your letter. In line with our new relationship with local government under the Concordat we have reduced bureaucracy and therefore prescription on the use of resources such as the Fairer Scotland Fund. In the case of FSF we have indicated that it may be invested to assist the achievement of the key outcomes agreed by the Partnership, the bulk of which we would expect to be directed at front line delivery of services. However, local authorities act as the Grantee or Accountable Body for the use of FSF and as such it is their decision whether the use of FSF complies with the terms and conditions of grant.

Y-09,  
JS

JOHN SWINNEY

## Appendix 2 – budget update and projection for 2010/11 Community Planning Budget - Draft

	2008/9	2009/10	2010/11 <sup>1</sup>
	actual	projected budget	projected budget
<b>INCOME</b>			
<b>CPP budget surplus/deficit from previous year</b>	20,724	18,615	4,669
<b>Core Funding Contributions</b>			
HIE	14,132	14,132	0
NHS Highland	12,560	12,560	12,560
SNH	5003	0	0
Strathclyde Police	3,278	3,278	3,278
Strathclyde Fire and Rescue	3,371	3,371	3,371
Argyll and Bute Council	23,000	28,000	28,000
Additional funding from SNH	4,497		
Additional funding from Strathclyde Fire and rescue	1,000		
Additional funding from Strathclyde Police		1,000	
Fairer Scotland Fund			25,952 <sup>2</sup>
<b>Total Income</b>	87,565	80,956	77,830
<b>EXPENDITURE</b>			
<b>Direct/Indirect Employment Costs</b>			
Staff Costs (Includes Admin, NI/Pension, Car allowance/Travel & Subsistence)	46,427	50,807	52,350
Conference Fees	3,441	4,200	4,200
	744	1,300	1,300
<b>General Costs</b>			
Furniture	80	500	500
Photo-copying, Printing and Stationery	810	500	500
Postage	0	250	250
Telephone	601	1,030	1,030
Computer Software	408	260	260
Computer Hardware	501	1,030	1,030
IT Consumables	0	310	310
Publicity and Design Work	0	500	500
Meeting Expenses	2,233	3,100	3,100
Hire of Facilities	140	500	500
Third Party Travel and Subsistence	0	500	500
<b>Consultants</b>			
Hexagon (for Citizens Panel)	13,565	11,500	11,500
<b>Total Expenditure</b>	68,950	76,287	77,830
<b>Surplus/deficit</b>	18,615	4,669	0

<sup>1</sup> Assumes partner contributions match the figures in italics. These are carried forward from 2009/10 with no allowance for inflation.

<sup>2</sup> Fairer Scotland Fund contribution required to balance CPP core budget