
Report To:	Policy & Resources Committee	Date:	17 September 2024
Report By:	Chief Financial Officer and Corporate Director Education, Communities & Organisational Development and Chief Executive	Report No:	FIN/52/24/AP/AB
Contact Officer:	Alan Puckrin	Contact No:	01475 712090
Subject:	2024/25 Policy & Resources Revenue Budget, 2023/24 Out-turn and General Fund Revenue Budget Update		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to advise the Committee of the Policy & Resources Revenue Budget outturn for 2023/24 and the 2024/25 projected position. The report also highlights a projected overspend in the overall General Fund Revenue Budget and the impact this will have on the General Fund Reserve.

1.3 In 2023/24, excluding the carry forward of Earmarked Reserves, there was an underspend of £714,000 within the Policy and Resources Committee. This was a decrease in expenditure of £144,000 from the projected outturn reported to Committee in June 2024. This was largely due to a decrease in the anticipated draw on the Non Pay Inflation Contingency. More details are provided within section 3.

1.4 The revised 2024/25 Revenue Budget for the Policy and Resources Committee is £24,069,000, which excludes Earmarked Reserves. The latest projection is an overspend of £400,000 (1.66%), mainly due to unachieved turnover targets to date and a £250,000 shortfall within the Pay Inflation Contingency. More details are provided in section 3.6 and the appendices.

1.5 The latest projection for the General Fund Budget is an overspend of £1,192,000. Based on these figures the Council's unallocated Reserves are currently projected to be £0.778million less than the minimum recommended level of £4.0million. The August meeting of the Committee considered a report highlighting actions being progressed by the CMT to estimate the emerging recurring pressures and an update on progress appears later in this meeting's agenda.

1.6 This report also includes updates in respect of earmarked reserves spend and the Councils Common Good Revenue budget.

2.0 RECOMMENDATIONS

It is recommended that the Committee:

2.1 Note the final outturn for the 2023/24 Policy and Resources Budget and note the current projected overspend for 2024/25 of £400,000.

- 2.2 Note the projected overspend of £1,192,000 for the General Fund and the projected reserve balance of £3.222 million.
- 2.3 Note that there is an update later in the agenda on progress in addressing the emerging budget pressures.
- 2.4 Approve the virement outlined in Section 3.10/ Appendix 5 and approves the use of the Capacity earmarked reserve to fund external assistance with the appointment of a new Chief Financial Officer.
- 2.5 Note the projected 2024/25 surplus of £4,300 for the Common Good Budget set out in Appendix 6.
- 2.6 Note the 2024/25 Workstream Savings achieved to date and updates from lead officers.

Alan Puckrin
Chief Financial Officer

Ruth Binks
Corporate Director
Education, Communities & ODHR

Louise Long
Chief Executive

3.0 BACKGROUND AND CONTEXT

- 3.1 The purpose of this report is to advise Committee of the current position of the 2024/25 Revenue Budget as well as the 2023/24 final outturn and to highlight the main variances contributing to the £714,000 underspend for 2023/24 and the projected overspend of £1,920,000 for 2024/25.
- 3.2 The revised 2024/25 Revenue Budget for the Policy & Resources Committee is £24,069,000 excluding Earmarked Reserves. This is a decrease of £1,129,000 from the approved budget largely due to allocations from the pay inflation contingency. Appendix 1 gives more details of this budget movement.
- 3.3 2023/24 Outturn (£714,000 Underspend)

The final outturn for the Policy & Resources 2023/24 Revenue Budget, excluding Earmarked Reserves was an underspend of £714,000. This is a decrease in spend of £144,000 from the position reported to Committee in May 2024. The main reasons for the movement was a further underspend within the Non- Pay Inflation Contingency.

The outturn in specific service areas was as follows:

Service	Revised Budget 2023/24 £000	Outturn 2023/24 £000	Variance to Budget £000	P11 Projected Variance £000	Movement Since P11 £000
Finance	5,840	5,841	1	3	(2)
Legal	5,700	5,565	(135)	(119)	(16)
Organisational Development, Policy & Communications	2,378	2,430	52	34	18
Chief Executive	371	380	9	12	(3)
Miscellaneous	1,835	1,194	(641)	(500)	(141)
TOTAL NET EXPENDITURE	16,124	15,410	(714)	(570)	(144)

- 3.4 The main variances contributing to the net underspend were as follows -

- a. Non Pay Inflation Contingency underspend £620,000 - Within 2023/24 there was an underspend of £620,000 due to lower than anticipated calls on the contingency. This represents a decrease in anticipated costs of £132,000 since the previous 2023/24 report to Committee. As part of the 2024/25 budget process the Non Pay Inflationary budget was reduced by £500,000 to take into account the forecast reduction in inflation in the medium term.
- b. Computer Software/Hardware Maintenance underspend £70,000 - combined one-off underspend within ICT computer hardware and software budgets due to the timing of new corporate contracts. No change since reported at 2023/24 Committee.

- 3.5 2024/25 Projected Outturn - £400,000 overspend 1.66 %

The main projected variances contributing to the net overspend are listed below (within appendix 3) –

- (a) Overall committee Employee Costs are projected to overspend by £47,000 due to an under achievement of turnover savings to date.
- (b) The Revenues & Benefits section are reporting a £21,000 overspend within postages, this is due to a £12,000 one-off charge for re-billing of the 2024/25 Council Tax notices and additional postages charges relating to an increase in the volume of reminder notices. The total one-off charge for the re-billing of the 2024/25 Council Tax notices was £17,000 (£12,000 postages and £5,000 printing).

- (c) £22,000 underspend within legal expenses for the Revenues & Benefits section, based on historic budget.
- (d) Statutory Additions Income is projected to be £42,000 under-recovered in line with last year.
- (e) Projected over-recovery of £35,000 within Income for ICT service recharges for internal maintenance recharges for computer equipment purchased outside of the refresh programme.
- (f) External Licences are currently projecting at an under recovery of £53,000 for liquor and taxi operators. These projections are in line with previous outturns.
- (g) £250,000 overspend within the pay inflation contingency based on the latest offer to SJC employees for the 2024/25 pay award. This is outwith an additional £77 million funding from the Scottish Government.
- (h) Non-pay inflation is projected to be on budget in 2024/25 and officers will continue to review assumptions/projections in detail and an update Committee as appropriate.

3.6 General Fund Budget & Reserves Position

Appendix 7 shows that the General Fund is projecting a £1,192,000 overspend (excluding Health & Social Care) which represents 0.47% of the net Revenue Budget. All committees are reporting an overspend; Policy & Resources Committee £400,000, Environment & Regeneration of £268,000 and the Education & Communities £524,000.

The August meeting of the Committee considered a report highlighting actions being progressed by the CMT to estimate the emerging recurring pressures and an update on progress appears later in this meeting's agenda

Appendix 9 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March, 2025 is £3.222 million which is £0.778 million below the minimum recommended balance of £4.0 million. A review of reserves prior to December was agreed as part of the June Finance Strategy update. This review will seek to address the projected shortfall in minimum reserves.

3.7 Earmarked Reserves

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 31 July 2024 on these operational Earmarked Reserves is £96,000 (1.16% of projected spend), the majority of the earmarked reserve budgets within the Policy & Resources reserves occur at the end of the year. Appendix 8 gives the overall earmarked reserve position which shows £590,000 (57.28%) slippage against phased budget largely within the HSCP.

3.8 Common Good Fund

The Common Good Budget is projecting a surplus of £4,300 in 2024/25 as shown in Appendix 6 which results in projected surplus fund balance at 31 March 2025 of £122,337.

3.9 Workstream Savings

As part of the 2024/26 Budget process, the Council approved workstream savings of £2.880 million over the 2 year budget. The Corporate Management Team increased the target by a further £0.055 million resulting in a final workstream target of £2.935 million, of which £1.320 million is due to be achieved in 2024/25.

It can be seen from appendix 10, £1.206 million has been achieved against a target of £1.32 million for 2024/25. A lead officer update has been included in the appendix. If all current workstream targets are achieved there will be a £300,000 over recovery in 2025/26.

3.10 Virements

Committee are asked to approve the virement of £7,100 from Revenue & Benefits Other Expenditure to employee costs to allow two recent regradings to be funded.

4.0 PROPOSALS

- 4.1 The Committee is asked to note that officers are currently reviewing the inflation projections and will provide an update to the next meeting of the Committee.
- 4.2 The Chief Financial Officer recently handed in notice of his intention to retire at the end of the current financial year. This post encompasses the role as the Council's Section 95 Officer and there is a need to conclude the recruitment prior to the end of 2024. It is understood that there are currently challenges in recruiting to senior specialist local authority posts such as this and therefore in line with recent Chief Officer appointments it is proposed to engage SOLACE to assist in the recruitment.
- 4.3 The cost of this is expected to be less than £10,000 and Committee approval is sought to fund this from the Capacity earmarked reserve.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Earmarked Reserves	Capacity Reserve	2024/25	Up to £10k		Support for the recruitment of a new Chief Financial Officer

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
-------------	----------------	------------------	-------------------	-------------------------------	----------------

Finance	Employee Costs	01/04/24	£7k	Other Expenditure	Virement for approved revaluated posts
---------	----------------	----------	-----	-------------------	--

5.3 Legal/Risk

The Financial Regulations state the responsibility for ensuring Revenue Budgets are not exceeded lies with the Committee and budget holding Chief Officers. Updates on actions are being progressed to bring the Committee back within budget are reported elsewhere in the agenda.

5.4 Human Resources

There are no specific human resources implications arising from this report.

5.5 Strategic

There are no specific strategic implications arising from this report.

6.0 CONSULTATION

6.1 The paper has been jointly prepared by the Chief Financial Officer and the Corporate Director Education, Communities, and Organisational Development and the Chief Executive.

7.0 BACKGROUND PAPERS

7.1 There are no background papers for this report.

Policy & Resources Budget Movement - 2024/25

Service	Approved Budget 2024/25 £000	Inflation £000	Movements			Revised Budget 2024/25 £000
			Virement £000	Supplementary Budgets £000	Transferred to EMR £000	
Finance	5,634	14				5,648
Legal, Democratic Digital & Customer Services	5,279		114			5,393
Organisational Development, Policy & Communications	2,301		(47)			2,254
Chief Exec	336					336
Miscellaneous	11,648	(1,314)	104			10,438
Totals	25,198	(1,300)	171	0	0	24,069

Supplementary Budget Detail

	£000
<u>Inflation</u>	
Miscellaneous - Pay Inflation	(1,180)
Miscellaneous - Non Pay Inflation	(134)
Accountancy - Comp Soft Maint (CIVICA PAY)	6
R&B - Postages (Critiqom)	8
	<u>(1,300)</u>
<u>Virements</u>	
Legal - Information Governance Monies from Social Work	131
Legal - Members Superann reduction returned to Contingency Fund	(57)
ICT - NWOW Monies from Property Services	40
HR - Employee budget reduction from budget upload error returned to Contingency Fund	(47)
Miscellaneous - HR employee budget returned to Contingency Fund	47
Miscellaneous - Election Superann returned to Contingency Fund	57
	<u>171</u>
Total Inflation & Virements	<u>(1,129)</u>

REVENUE BUDGET MONITORING REPORTSUBJECTIVE ANALYSIS

2023/24 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
10,153	Employee Costs	8,639	8,720	8,768	48	0.6%
739	Property Costs	744	744	744	0	-
895	Supplies & Services	915	923	948	25	2.7%
2	Transport & Plant	5	5	5	0	-
1,279	Administration Costs	1,331	1,339	1,244	(95)	(7.1%)
28,636	Payments to Other Bodies	38,954	37,728	37,991	263	0.7%
(28,404)	Income	(25,390)	(25,390)	(25,231)	159	(0.6%)
13,300	TOTAL NET EXPENDITURE	25,198	24,069	24,469	400	1.7%
	Earmarked reserves			0	0	
13,300	Total Net Expenditure excluding Earmarked Reserves	25,198	24,069	24,469	400	

POLICY & RESOURCES COMMITTEEREVENUE BUDGET MONITORING REPORTOBJECTIVE ANALYSIS

2023/24 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
5,793	Finance	5,634	5,648	5,753	105	1.9%
5,571	Legal, Democratic Digital & Customer Services	5,279	5,393	5,363	(30)	(0.6%)
2,431	Organisational Development, Policy & Communications	2,301	2,254	2,313	59	2.6%
2,431	Total Net Expenditure Education, Communities & Organisational Development	13,214	13,295	13,429	134	1.0%
380	Chief Executive	336	336	352	16	4.8%
(875)	Miscellaneous	11,648	10,438	10,688	250	2.4%
1,936	TOTAL NET EXPENDITURE	25,198	24,069	24,469	400	0
	Earmarked reserves		0	0		
1,936	Total Net Expenditure excluding Earmarked Reserves	25,198	24,069	24,469	400	

POLICY RESOURCES

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)

Appendix 3

POLICY & RESOURCES COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

Outturn 2023/24 £000	Budget Heading	Budget 2024/25 £000	Proportion of Budget £000	Actual to 2024/25 £000	Projection 2024/25 £000	Over/(Under) Budget £000	Percentage Variance %
	<u>Finance Services</u>						
1,630	Accountancy - Employee Cost	1,462	465	440	1,503	41	2.8%
1,406	R&B - Employee Cost	1,225	390	390	1,242	17	1.4%
61	R&B - Postages	56	17	22	77	21	37.5%
4	R&B - Legal Expenses	26	9	1	4	(22)	(84.6%)
234	R&B - Legal Expenses SO (offset with Recoveries)	270	90	60	240	(30)	(11.1%)
(240)	R&B - Legal Recoveries (offset with Legal Expenses SO)	(268)	90	60	(238)	30	(11.2%)
(239)	R&B - Statutory Additions	(294)	(88)	(74)	(252)	42	(14.3%)
	<u>Organisational Development, Policy & Communications</u>						
2,023	ODHR - Employee Costs	1,886	559	544	1,916	30	1.6%
	<u>Legal, Democratic Digital & Customer Services</u>						
4739	Employee Costs	3,845	1,137	1,111	3,789	(56)	(1.5%)
(299)	ICT - Admin Costs - Telephone Recharges - offset in Income	333	111	125	301	(32)	(9.6%)
(60)	ICT - Income Costs - Telephone Recharges - offset in Admin	(333)	(111)	(123)	(301)	32	(9.6%)
(49)	ICT - Income - Recharges (5 Year Computer Refresh)	(26)	(9)	(159)	(61)	(35)	134.6%
(165)	Legal - Income Licenses - Stat Charges - Liquor	(122)	(41)	(10)	(92)	30	(24.6%)
(36)	Legal - Income - Licenses Taxi/Operator	(188)	(63)	(55)	(165)	23	(12.2%)
	<u>Miscellaneous Services</u>						
	Pay Inflation Contingency	8,038	0	0	8,288	250	3.1%
9,009	TOTAL MATERIAL VARIANCES	15,910	2,557	2,332	16,251	341	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget 2024/25	2024/25 Spend	Projected Spend	Amount to be Earmarked for 2025/26 & Beyond	Lead Officer Update
			2024/25	2024/25	2024/25	2024/25		
			£000	£000	£000	£000		
B	Early Retiral/Voluntary Severance Reserve	Alan Puckrin	3,127	0	0	750	2,377	Projection for 24/25 is an intial estimate and linked to workstream savings and need for savings to offset emerging pressures
C	Equal Pay	Morna Rae	100	0	0	0	100	Balance for equal pay legal fees which is under review on an annual basis
C	Digital Strategy	Louise Long	1,149	53	49	349	800	2024/25 Committed project costs to date; purchases of Schools Cashless Catering System replacement 34K and CRM Replacement systems indicative timeline 16K, Revenue and Benefits Victoria Forms system (est cost 37K), Project Officer Post £52k (29/05/24 for 2 years), ICHRIS upgrade with temp Service Improvement Lead from 01/07/24, CLD Digital Outcome Solution £19k & Civica Pay Upgrade £66k.
C	Welfare Reform - Operational	Alan Puckrin	52	0	0	10	42	Employee Costs £10k in 24/25, £42k carried forward to future years.
C	Anti-Poverty Fund	Ruth Binks	2,248	18	18	624	1,624	Proposals to utilise £480k of the unallocated balance of £774k, appear elsewhere on the agenda. The phased budget, projected spend and future years projection assumes these recommendations will be agreed.
B	Loan Charge Funding Model	Alan Puckrin	3,821	0	0	687	3,134	Based on June Finance Strategy including a further £3.0million over 2024/27 to the EMR to deliver a recurring saving from 2025/26.
B	2023/26 Budget Funding Reserve	Alan Puckrin	9,000	0	0	2,628	6,372	Per approved 2024/26 Budget
C	ICT Technicians To Support Digital School Inclusion/Covid Recovery	Lynsey Brown	14	9	9	14	0	Ongoing Monthly Employee Costs. 1 x Service Desk Operator (until 01/09/24).
C	New Ways of Working	Stuart Jamieson	258	0	0	158	100	Work on-going on James Watt building for transfer of HSCP staff from Hector McNeil House.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total	Phased Budget	2024/25	Projected	Amount to be	Lead Officer Update
			Funding	2024/25	Spend	Spend	Earmarked for	
			2024/25	2024/25	2024/25	2024/25	2025/26	
			£000	£000	£000	£000	& Beyond	
C	Project Resource	Louise Long	83	0	0	83	0	Budget set aside to aide the process of difficult to fill posts and certain council memberships/reviews. Projects approved todate; Co-operative Councils membership £5k. Unallocated balance as at P3 of £78k.
C	Covid Recovery - Marketing Post & Support for Discover Inverclyde	Morna Rae	44	8	8	44	0	Further development of the 'discover Inverclyde' website and social media as the single trusted source of events and activity for residents and visitors to Inverclyde, local marketing campaigns to support priorities above and local partners and venues, develop trusted and timely marketing data. £8k funds spent in 24/25 for associated prints. Development of facilities and resources to share Inverclyde's Historic Links to Slavery through the Watt Institute.
C	Scottish Welfare Fund	Alan Puckrin	129	0	0	0	129	Smoothing Reserve for Scottih Welfare Fund Grants. Expected to be carried forward to 25/26 based on current projections
C	Smoothing Reserve (Service Consession)	Alan Puckrin	490	0	0	201	289	Phasing over 2023/28, per Feb 2023 report.
B	Budget Delivery Reserve	Alan Puckrin	2,671	12	12	1,679	992	Allocated budgets to be vired to services: ASN transport (£800k), HR Review (£120k), 2024/25 Utility Costs (£1,000k), IL Smoothing Reserve (£200k), Winter Gritting (£150k), Finance Officer (£90k) & Workstream delivery costs (£660k).
C	Student Training Fees	Morna Rae	80	0	0	28	52	The funding is to support professional qualifications and the consequent retention and development of employees. Spend for 24/25 includes £12k for Finance, £2k Building Standards and £14k to be approved at CMT. Remainder £52k uncommitted.
C	IRI Smoothing Reserve	Alan Puckrin	646	0	0	356	290	Linked to June Finance Strategy. £7m contribution to reserves approved over 2023/27.
C	Empty Property Relief	Alan Puckrin	174	0	0	100	75	£94k for E&R Business Support, £5.5k cost EPR software for upcoming EPR changes. Remainder £75k balance to be carried forward to cover any retrospective applications for Empty Property Relief.
C	Elections 2024/27	Lynsey Brown	300	0	0	100	200	Budget approved at 2024/25 budget process for local election costs and funding shortfalls in national elections .
C	Allocation to sinking fund related for Asset Review	Alan Puckrin	3,750	0	0	0	3,750	Awaiting completion of Asset Plans and detail of Asset Workstream
C	Allocation towards Historic Child Abuse settlements	Alan Puckrin	500	0	0	500	0	Add to the Insurance Fund during 24/25. HSCP contribution of £500k due 2025/26.
Total Category B			18,619	12	12	5,744	12,875	
Total Category C to E			10,017	88	84	2,567	7,450	

POLICY AND RESOURCES COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
Budget transfer to Accountancy & Exchequer Employee Cost		4,900	
Budget transfer to Revenue & Benefits Employee Cost		2,200	
Budget transfer from Revenue & Benefits Other Expenditure to finance employee costs			(7,100)
Total		7,100	(7,100)

Note**Reason for virement:**

Budget Transfer from R&B Other Expenditure to R&B Employee Cost and Accountancy
Employee Cost for grade increase for 2 posts.

£7,100

COMMON GOOD FUND**REVENUE BUDGET MONITORING REPORT 2024/25****PERIOD 4 : 1st April 2024 to 31st July 2024**

	Final Outturn 2023/24	Approved Budget 2024/25	Budget to Date 2024/25	Actual to Date 2024/25	Projected Outturn 2024/25
	£	£	£	£	£
PROPERTY COSTS	47,219	65,200	23,000	9,130	65,200
Repairs & Maintenance	19,144	17,500	5,800	5,100	17,500
Rates 1	23,171	23,200	7,700	0	23,200
Property Insurance	4,034	8,000	4,000	4,030	8,000
Property Costs	870	16,500	5,500	0	16,500
ADMINISTRATION COSTS	6,200	7,700	500	0	7,700
Sundries	0	1,500	500	0	1,500
Commercial Rent Management Recharge	2,200	2,200	0	0	2,200
Recharge for Accountancy	4,000	4,000	0	0	4,000
OTHER EXPENDITURE	114,192	109,500	1,300	260	109,500
Christmas Lights Switch On	10,500	10,500	0	0	10,500
Christmas Decorations	38,885	44,000	0	0	44,000
Gourock Highland Games	29,400	29,400	0	0	29,400
Armistice Service	9,527	8,300	0	0	8,300
Comet Festival	13,300	13,300	0	0	13,300
Events	4,000	4,000	1,300	260	4,000
Bad Debt Provision	8,580	0	0	0	0
INCOME	(202,080)	(183,700)	(60,100)	(60,610)	(186,700)
Property Rental	(228,200)	(234,200)	(78,100)	(78,100)	(234,200)
Void Rents 2	33,164	54,000	18,000	17,490	54,000
Internal Resources Interest	(7,044)	(3,500)	0	0	(6,500)
NET ANNUAL EXPENDITURE	(34,469)	(1,300)	(35,300)	(51,220)	(4,300)
EARMARKED FUNDS	0	0	0	0	0
TOTAL NET EXPENDITURE	(34,469)	(1,300)	(35,300)	(51,220)	(4,300)

Fund Balance as at 31st March 2024	£ 158,037
Projected Outturn 2024/25	4,300
Expenditure on Port Glasgow Burgh 250th Anniversary approved by Policy and Resources Committee on 13th August 2024	(40,000)
Projected Fund Balance as at 31st March 2025	122,337

Notes:**1 Rates (Empty Properties)**

Rates are currently being paid on empty properties, projection reflects current Rates levels however all historic Rates costs are being examined to ensure all appropriate empty property relief has been obtained. Any subsequent credit will be included in future report:

2 Current Empty Properties are:

	<u>Vacant since:</u>
12 Bay St	April 2015, currently being marketed
10 John Wood Street	August 2018
17 John Wood Street	June 2023

Policy & Resources CommitteeRevenue Budget Monitoring Report 2024/25

Committee	Approved Budget 2024/2025	Revised Budget 2024/2025	Projected Out-turn 2024/2025	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	25,198	24,156	24,556	400	1.66%
Environment & Regeneration	21,394	21,409	21,677	268	1.25%
Education & Communities	116,384	118,293	118,817	524	0.44%
Health & Social Care	73,714	73,896	74,112	216	0.29%
Committee Sub-Total	236,690	237,754	239,162	1,408	0.59%
Loan Charges	16,590	16,590	16,590	0	0.00%
Saving Approved yet to be Allocated (Note 1)	(100)	(100)	(100)	0	0.00%
Workstream Savings Approved (Note 2)	(364)	(419)	(419)	0	0.00%
Service Concession Flexibility	(1,650)	(1,650)	(1,650)	0	0.00%
Contribution from Other Funds (Note 3)	0	(87)	(87)	0	0.00%
Earmarked Reserves	0	0	0	0	0.00%
Total Expenditure	251,166	252,088	253,496	1,408	0.56%
Financed By:					
General Revenue Grant/Non Domestic Rates	(208,102)	(209,024)	(209,024)	0	0.00%
General Revenue Grant - Teachers Hold Back (Note 4)	(2,119)	(2,119)	(2,119)	0	0.00%
Contribution from General Reserves	(2,628)	(2,628)	(2,628)	0	100.00%
Council Tax	(38,317)	(38,317)	(38,317)	0	0.00%
Integration Joint Board - Contribution to Reserves	0	0	(216)	(216)	100.00%
Net Expenditure	0	0	1,192	1,192	

Note 1 - Approved savings yet to be allocated

Note 2 - Workstream Savings Approved yet to be vired

Note 3 - Contribution from Insurance Fund for redress scheme

Note 4 - General Revenue Grant - Teachers Hold Back funding to be received after criteria met

Earmarked Reserves Position Statement

Appendix 8

Summary

<u>Committee</u>	<u>Total Funding 2024/25</u>	<u>Phased Budget</u>	<u>Spend 2024/25</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2024/25</u>	<u>Earmarked 2025/26 & Beyond</u>	<u>2024/25 %age Spend Against Projected</u>	<u>2024/25 %age Over/(Under) Spend Against Phased Budget</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		
Education & Communities	310	49	49	0	175	135	28.00%	0.00%
Health & Social Care	6,025	659	56	(603)	1,628	4,397	3.44%	(91.50%)
Regeneration & Environment	6,733	222	239	17	3,590	3,143	6.66%	7.66%
Policy & Resources	28,636	100	96	(4)	8,311	20,325	1.16%	(4.00%)
	41,704	1,030	440	(590)	13,704	28,000	3.21%	(57.28%)

Actual Spend v Phased Budget Behind Phasing = (£590k) (57.28%)

GENERAL FUND RESERVE POSITION
2024/25

	<u>£000</u>	<u>£000</u>
Projected Usable Balance 31/3/24		4414
<u>Available Funding:</u>		
Actuarial Pension Review (2024/26)	9000	
Additional IRI 2023/27	3500	
Reduced Use of Reserves Budget 2024/26	384	
IRI shortfall 2023/26 (£3.5m less £3.144m Actual 2023/24)	356	
Earmarked Reserve required for 2024/25	160	
	13400	13400
Projected Surplus/(Deficit) 2024/25	(1192)	(1192)
<u>Use of Balances Approved February 2024:</u>		
Additional IRI to Loans Charges	(3000)	
Increased support to the Revenue Budget over 2024/28	(6000)	
Increased support to the 2024/28 Capital Programme	(4400)	
	(13400)	(13400)
Projected Reserve Balance		3222

Minimum Reserve recommended is £4 million

Workstreams Saving Monitoring at 14 August 2024

Saving Title	CMT Lead Officer	Chief Officer Update	Approved Saving 2024/25 £000's	Achieved to Date 2024/25 £000's	Projected Saving 2024/25 £000's	Over achievement/ (Shortfall) 2024/25 £000's	Approved Saving 2025/26 £000's	Achieved to Date 2025/26 £000's	Projected Saving 2025/26 £000's	Total Projected Saving 2024/26 £000's	Over achievement/ (Shortfall) 2024/26 £000's	Est FTE Impact
Income Generation Original Target £700k	A Puckrin	5% increases in fees/charges for both 2024/25 and 2025/26 agreed as part of the 2024/26 Budget. Balance anticipated to come from Inchgreen JV no later than 2025/26	250	245	245	(5)	450	256	455	700	0	0.0
Procurement Original target £600k, now £805k Note 3	S Jamieson	£671k achieved in 2024/25 from the new Residual Waste contract with £80k achieved from the new SWAN contract. This has been phased 50% 24/25 and 50% 25/26 and requires £350k investment from the Budget Delivery emr. CMT have increased the target by £55k in order to help increase capacity within the Procurement Team. Proposal to increase target further developed as part of August 2024 savings exercise	710	711	711	1	95	40	94	805	0	(2.0)
Energy Original Target £500k , now £850k	A Puckrin	£800k reduction in gas/electricity budgets over 2023/26 approved as part of the 2024/26 Budgets. The 2025/26 position will continue to be monitored given the global issues that could impact. A £50k reduction in fuel costs was applied from 2024/25 based on 2023/24 out-turn. Latest projections for 2025/26 confirm target is achievable	250	250	250	0	600	600	600	850	0	0.0
Asset Management Original Target £400k Note 1	S Jamieson	The focus of officers has been on creating accommodation for the HSCP within the Municipal Buildings complex. The demolition of Hector McNeil house and accommodation within the GMB will result in a £100,000 saving. Proposals for consolidation of the wider estate will be presented to Members in October.	50	0	50	0	350	0	350	400	0	tbc
Management Restructure Ph3 Original Target £200k	L Long	Development of proposals to commence early autumn. Incorporated within August 2024 £1.0million savings target	0	0	0	0	200	0	200	200	0	3.0
Digital & Customer Services Original Target £100k	L Long	A number of projects delivering service improvements progressing . Updated via regular reports to Policy & Resources Committee. Incorporated within August 2024 £1.0 million savings target.	20	0	20	0	80	0	80	100	0	3.0
Community Learning & Development- Delivering Differently Review Original Target £180k	R Binks	Working Group set up now CLD inspection is concluded. Report due late 2024. Initial £40k anticipated to be delivered this year through vacancy management. Trawl being undertaken to inform redesign.	40	0	40	0	140	0	140	180	0	tbc
Over achievement Contingecy Currently £300k	A Puckrin	This reflects the fact that targets exceed the overall allowance in the 2024/26 Budget. Any use of this will need approval by the Policy & Resources Committee.	0	0	0	0	(300)	0	(300)	(300)	0	0.0
Totals			1,320	1,206	1,316	(4)	1,615	896	1619	2935	0	4.0

Notes

- 1 - Asset Management Target is net of any reinvestment in either capital or recurring spend in remaining buildings.
- 2- CMT recommend the inclusion of a teachers workstream if reductions are permitted by the Scottish Government. The target would be based on a 29FTE reduction (3.8%) which would save approximately £1.80 million
- 3 - Procurement target increased by £55k as approved by CMT. New target of £805k consists of £670k for residual waste contract, £80k Swan and £55k Procurement.