
Report To:	Policy & Resources Committee	Date:	26 May 2009
Report By:	Chief Financial Officer	Report No:	FIN/33/09/AP/SC
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	General Fund Revenue Budget 2009/10 – Position as at 1 April 2009		

1.0 PURPOSE

- 1.1 The purpose of the report is to advise Committee of the initial position of the 2009/10 General Fund Revenue Budget, and to provide an update in the position in respect of the General Fund Reserves and designated earmarked reserves.

2.0 SUMMARY

- 2.1 Appendix 1 shows the initial position of the 2009/10 Revenue Budget which at this early stage of the year is projected to outturn on budget after a contribution of £847,000 to the General Fund Reserve.
- 2.2 Appendix 2 gives the initial position in respect of earmarked reserves carried forward from 2008/9, plus any new earmarked reserves approved as part of the 2009/11 budget process. The number of new earmarked reserves has yet to be finalised, and further reserves identified will be included in the next report to Committee.
- 2.3 Appendix 3 shows the projected position of the General Fund Reserve as at 31 March 2009. Until the accounts have been closed and audited the final position as at 31 March 2009 will not be known. However, at this point in time, the projected level of useable reserves is very much in line with that reported to Members as part of the 2009/11 budget process.
- 2.4 The Committee is asked to consider a proposal recommended by the CMT in respect of certain types of virement requests from Committees being remitted to Policy & Resources Committee for final approval.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the current position of the 2009/10 General Fund Revenue Budget.
- 3.2 It is recommended that the Committee note the position in respect of the General Fund Reserve and the associated earmarked reserves.
- 3.3 It is recommended that the Committee approve the proposal that any virement requests tabled at Committee be remitted to Policy & Resources Committee for final approval prior to them being actioned.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Committee agreed the 2009/11 Revenue Budget on 12 February 2009. This was the first two year budget agreed by the Council and included an estimated allowance for the Public Sector Efficiency Saving announced by the Chancellor in November 2008.

5.0 2009/10 CURRENT POSITION

5.1 Appendix 1 shows the initial position of the 2009/10 General Fund Budget. Committee will note that the gross expenditure budget is approximately £200.8 million, and given that this is the initial report, there is no projected under or over spend.

5.2 Committee should also note that 2009/10 budget assumes an £847,000 contribution to General Fund Reserves during 2009/10.

6.0 EARMARKED RESERVES

6.1 It can be seen from Appendix 2 that the estimated Earmarked Reserve carried forward to 2009/10 are £19.9 million. This is after the addition of ten new earmarked Reserves agreed as part of the 2009/11 budget process. Assessment of other possible earmarked Reserves is ongoing as part of the year end accounts and a final position will be reported to the September Policy & Resources Committee.

6.2 The position of all earmarked Reserves is reviewed by relevant Lead Officers and the CMT on a monthly basis, and projections reflect their latest input.

7.0 GENERAL FUND RESERVES

7.1 Appendix 3 shows the current projected position in respect of the General Fund Reserve. The useable balance is projected to be £4.07 million which is in line with the figures previously reported to Members as part of the 2009/11 Budget process.

7.2 It should be noted that the final position of the General Fund Reserve as at 31 March 2009 will not be known until the accounts closure and audit process is completed in September 2009.

8.0 OTHER ISSUES

8.1 The Committee has previously been advised of the significant funding gaps which will face the Council over the coming years and as such, it is appropriate that the Policy & Resources Committee in its role in managing the Council's overall Budget ensures that Committee expenditure is all spent in line with Council key priorities.

8.2 In view of this, the CMT have considered a report from the Chief Financial Officer and agreed that any expenditure requests tabled by Members at Committees should be remitted to the Policy & Resources Committee for final approval before commitments are entered into. This extra step in the approval process should avoid the situation where a Committee may have a one-off underspend which is then proposed to be spent in a manner which both Members and the CMT have had not had adequate time to consider.

8.3 It is proposed that such an approach be taken with immediate effect.

9.0 FINANCIAL STRATEGY

- 9.1 Each Policy & Resources Committee highlights other issues not included in projections which may impact on future revenue monitoring reports. Issues to highlight in this report are as follows:

Future Government Settlements - The recent budget announcement has made it apparent that future settlements from 2011/12 onwards for Local Government and the public sector in general are going to be extremely tight. More detail in this regard is included in the financial strategy document which is being considered in June. It is important that Members are made aware, as early as possible, of the significant cost reductions which the Council will have to achieve in order to set balanced budgets over the next number of years.

Efficiency Target - The Chancellor's budget statement also gave a high level indication of how the £5 billion pre-budget report efficiency target for the public sector will be applied. It will be a number of weeks before there is detail as to how this will impact on Scotland and thereafter Local Government in Scotland. Members are reminded that the Council's 2010/11 Revenue Budget made a provision of £1.155 million in this regard.

Future Operating Model – The Policy & Resources Committee considered a report in respect of the first stages of the Future Operating Model. It is clear that the Future Operating Model will have an impact on the strategic finances of the Council in coming years and an undertaking has been given for a detailed Financial Model to be prepared and presented to the Policy & Resources Committee in November 2009.

10.0 IMPLICATIONS

- 10.1 There are no implications of a Legal, HR or an Equalities nature over and above those highlighted in the report.

11.0 CONSULTATION

- 11.1 This report has been produced in consultation with the CMT, who have endorsed its contents.

Policy & Resources Committee**Revenue Budget Monitoring Report****Position as at 1st April 2009**

Committee	Approved Budget 2009/2010	Revised Budget 2009/2010	Projected Out-turn 2009/2010	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	30,279	30,279	30,279	0	0.00%
Safe, Sustainable Communities	18,229	18,229	18,229	0	0.00%
Regeneration & Resources	10,255	10,255	10,255	0	0.00%
Education & Life Long Learning	76,170	76,170	76,170	0	0.00%
Health & Social Care	51,212	51,212	51,212	0	0.00%
Committee Sub-Total	186,145	186,145	186,145	0	0.00%
Loan Charges	14,680	14,680	14,680	0	0.00%
Revenue Support Grant	(134,349)	(134,349)	(134,349)	0	0.00%
Allocation to Non General Fund Budgets	(278)	(278)	(278)	0	0.00%
Council Tax	(32,900)	(32,900)	(32,900)	0	0.00%
Community Charge	(20)	(20)	(20)	0	0.00%
Non Domestic Rates	(34,125)	(34,125)	(34,125)	0	0.00%
Contribution to General Fund Reserve	847	847	847	0	0.00%
Net Expenditure	0	0	0	0	

Earmarked Reserve Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>c/f Funding 2008/09</u> <u>£000</u>	<u>New Funding 2009/10</u> <u>£000</u>	<u>Total Funding 2009/10</u> <u>£000</u>	<u>Actual Spend To 1-Apr-09</u> <u>£000</u>	<u>Projected Spend 2009/10</u> <u>£000</u>	<u>Earmarked 2010/11 & Beyond</u> <u>£000</u>	<u>2008/09</u> <u>%age Spend</u>
Education & Lifelong Learning	1,786	3,618	5,404	0	3,847	1,557	0.00%
Safe Sustainable Communities	2,083	391	2,474	0	2,086	388	0.00%
Health & Social Care	578	0	578	0	578	0	0.00%
Regeneration	2,728	2,633	5,361	0	4,597	764	0.00%
Policy & Resources	1,637	4,476	6,113	0	3,363	2,750	0.00%
	8,812	11,118	19,930	0	14,471	5,459	0.00%

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u> £000	<u>New Funding 2009/10</u> £000	<u>Total Funding 2009/10</u> £000	<u>Actual To Period 01 2009/10</u> £000	<u>Projected Spend 2009/10</u> £000	<u>Amount to be Earmarked for 2010/11 & Beyond</u> £000
School Estate M P	Tom Reid	1,786	3,618	5,404	0	3,847	1,557
Total		1,786	3,618	5,404	0	3,847	1,557

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>C/f Funding 2008/09</u> £000	<u>New Funding 2009/10</u> £000	<u>Total Funding 2009/10</u> £000	<u>Actual To Period 01 2009/10</u> £000	<u>Projected Spend 2009/10</u> £000	<u>Amount to be Earmarked for 2010/11 & Beyond</u> £000
Community Investment Fund	Neil Graham	266		266	0	266	0
Maintenance of Trunk Road Network	Alan Barnes	59		59	0	59	0
HRA Balance	Neil Graham	488		488	0	100	388
National Accommodation Strategy for Sex Offenders	Fraser Williamson	33		33	0	33	0
Private Sector Housing Grant	Fraser Williamson	610	51	661	0	661	0
Early Action Fund	Fraser Williamson	41		41	0	41	0
Antisocial Behaviour Funding	John Arthur	30		30	0	30	0
Food Waste Trial	Alan Barnes	119		119	0	119	0
Support for Owners	Fraser Williamson	437		437	0	437	0
Play Areas	Neil Graham	0	250	250	0	250	0
Implementation of Green Charter	Neil Graham	0	50	50	0	50	0
Traffic & Taxi Studies	Neil Graham	0	40	40	0	40	0
Total		2,083	391	2,474	0	2,086	388

EARMARKED RESERVES POSITION STATEMENT

Appendix 2 (3)

COMMITTEE: Health and Social Care

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u> £000	<u>New Funding 2009/10</u> £000	<u>Total Funding 2009/10</u> £000	<u>Actual To Period 01 2009/10</u> £000	<u>Projected Spend 2009/10</u> £000	<u>Amount to be Earmarked for 2010/11 & Beyond</u> £000
Telecare Grant	Gillian McCready	107		107	0	107	0
Demonstrators Grant	Gillian McCready	113		113	0	113	0
Homelessness Task Force Grant	Jim Anderson	257		257	0	257	0
Financial Inclusion	Anne Feeney	101		101	0	101	0
Total		578	0	578	0	578	0

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Regeneration

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u> £000	<u>New Funding 2009/10</u> £000	<u>Total Funding 2009/10</u> £000	<u>Actual To Period 01 2009/10</u> £000	<u>Projected Spend 2009/10</u> £000	<u>Amount to be Earmarked for 2010/11 & Beyond</u> £000
Riverside Inverclyde	Stuart Jamieson	851	1,513	2,364	0	2,364	0
Modern Apprenticeship	Stuart Jamieson	50	100	150	0	150	0
Tall Ships	Aubrey Fawcett	70		70	0	70	0
FSF	Stuart Jamieson	1,263		1,263	0	1,263	0
Greenock Cut	Joe Lynch	314		314	0	50	264
Revenue expenditure transferred from Capital	Joe Lynch	180		180	0	180	0
Arts Guild - Further Funding	Aubrey Fawcett	0	500	500	0	0	500
Area Renewal Fund	Aubrey Fawcett	0	500	500	0	500	0
Hunter Place Toilet - Refurbishment	Joe Lynch	0	20	20	0	20	0
Total		2,728	2,633	5,361	0	4,597	764

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u>	<u>New Funding 2009/10</u>	<u>Total Funding 2009/10</u>	<u>Actual To Period 01 2009/10</u>	<u>Projected Spend 2009/10</u>	<u>Amount to be Earmarked for 2010/11 & Beyond</u>
		£000	£000	£000	£000	£000	£000
Early Retirement/Voluntary Severance Reserve	Alan Puckrin	729	1,000	1,729	0	729	1,000
Single Status	Alan Puckrin	82		82	0	82	0
Single Status Appeals Back Pay	Alan Puckrin	0	500	500	0	500	0
MGF	Gordon McLoughlin	514		514	0	514	0
Modernisation & Efficiency Fund	Gordon McLoughlin	202		202	0	202	0
Birkmyre Pavilion	Aubrey Fawcett	35		35	0	35	0
RVJB Capital Contribution	Alan Puckrin	30	26	56	0	56	0
Workforce Development Fund	Alasdair Moore	45		45	0	45	0
Short Term Cash Flow - Economic Downturn	Alan Puckrin	0	1,500	1,500	0	500	1,000
Future Operating Model Delivery	Paul Wallace	0	1,000	1,000	0	500	500
One off Costs, Savings Implementation	Alan Puckrin	0	150	150	0	150	0
Allowance for Elections May 2012	Elaine Paterson	0	300	300	0	50	250
Total		1,637	4,476	6,113	0	3,363	2,750

APPENDIX 3

GENERAL FUND RESERVE POSITION
Position as at 01/04/2009

	<u>£000</u>	<u>£000</u>
Projected Balance 31/03/09		9006
Add write back of earmarked reserves	27	
Projected Surplus/(Deficit) 2009/10	0	
Contribution to General Fund Reserve 2009/10	847	
Use of Reserves approved February 2009	<u>(5810)</u>	(4936)
Projected Balance 31/03/10		<u><u>4070</u></u>