
Report To:	Policy & Resources Committee	Date: 19 November 2013
Report By:	Acting Corporate Director Environment, Regeneration & Resources	Report No: FIN/92/13/JB/LA
Contact Officer:	Jan Buchanan	Contact No: 01475 712223
Subject:	2013/14 General Revenue Budget as at 30th September 2013	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the position of the General Fund Revenue Budget as at 30 September 2013 and to update Committee in respect of the position of the Reserves and Workstream Savings.

2.0 SUMMARY

- 2.1 The Council approved a three year Revenue Budget in February 2013 and within that a 2013/14 Revenue Budget with a budgeted contribution to the General Fund Reserve of £4.677 million.
- 2.2 It can be seen from Appendix 1 that as at the 30th September 2013 the General Fund is projecting a £1.061million underspend which represents 0.54% of the net Revenue Budget. This is an increase in the underspend reported to the last Committee of £1.013 million and is mainly due to:
- One off projected underspend in loans charges of £350,000
 - One off refunds for the Corporate NDR Appeals process £327,000
 - Additional underspends in Service budget of £402,000 mainly due to additional turnover savings, projected over recovery of benefit subsidy income, projected underspend in vehicle fuel partly offset by projected under recovery of planning income.
- 2.3 From Appendix 1 it can be seen that 3 of the 4 Service Committees are currently projecting underspends with a significant reduction in the Education & Communities Committee projected overspend since the last report.
- 2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves from where it can be seen that as at 30th September 2013 expenditure totalled £7.287 million which equates to 27.49% of the projected spend in 2013/14. It can also be seen from appendix 2 that as at the 30th September 2013 actual expenditure is 15.84% behind phased spend.
- 2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at the 31st March 2014 is £4.983 million which is £0.983 million greater than the minimum recommended balance of £4 million and is following the £1.5 million allocation to new projects agreed at the last meeting. It is proposed that any decisions on using further excess reserves are taken at the February budget meeting.
- 2.6 Appendix 4 and Appendix 5 give an update in respect of the Savings Workstreams. From this it can be seen that as at the 30th September 2013 75.8% of the projected savings in 2013/14 have already been delivered once details and amounts are confirmed.

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- 2.7 Scottish Government announced the 2014/15 Local Government settlement on the 11th September 2013. The impact of this has yet to be confirmed in detail and will be subject of a further report to the Policy & Resources Committee and ultimately the full Council prior to the end of February 2014.
- 2.8 Extra funding has been announced for Welfare Reforms and Children & Families and will be reflected in future reports to Committee.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the latest position of the 2013/14 Revenue Budget and General Fund Reserves.
- 3.2 It is recommended that the Committee notes the 2013/16 Workstream Savings position.
- 3.3 It is recommended that Committee approve the virement detailed at appendix 6.

Jan Buchanan
Head of Finance

4.0 BACKGROUND

4.1 The Council confirmed the 2013/16 General Fund Revenue Budget in February 2013. In the process the Council agreed a 2013/14 Revenue Budget on the basis of a contribution to the General Fund Reserve of £4.677 million.

5.0 POSITION AS AT 30th SEPTEMBER 2013

5.1 It can be seen from Appendix 1 that as at the 30th September 2013 the General Fund is projecting an underspend of £1.061million which equates to 0.54% of the net General Revenue Fund Budget. This is an increase in the underspend reported to the last Committee of £1.013 million and is mainly due to:

- One off projected underspend in loans charges of £350,000
- One off refunds for the Corporate NDR Appeals process £327,000
- Additional underspends in Service budget of £402,000 mainly due to additional turnover savings, projected over recovery of benefit subsidy income, projected underspend in vehicle fuel partly offset by projected under recovery of planning income.

5.2 It can also be seen from Appendix 1 that 3 of the 4 Service Committees are currently projecting underspends whilst Education & Communities Committee is projecting a slight overspend of £47,000, a considerable improvement since period 4.

5.3 In summary the main issues relating to the four Service Committees are as follows:-

Policy & Resources Committee – Projected underspend of £249,000 mainly due to employee cost turnover savings and Over-Recovery within Benefit Subsidy income.

Environment & Regeneration – Projected underspend of £37,000 mainly due to excess turnover savings and a projected underspend in vehicle fuel offset by an underrecovery in planning income.

Education & Communities - £47,000 overspend – This is an improvement since last report and mainly due to achieving teachers turnover savings since the new academic year and delay in recruiting posts within the ASN and music services.

Health & Social Care – Underspend £211,000 – Mainly due to excess turnover savings partially offset by increase in client commitment costs.

5.4 Appendix 2 shows the latest position in respect of the Earmarked Reserves and also provides information on performance against phased budget. This includes £1.12 million of newly approved reserves from September Committee the balance of £380,000 being reported through Capital reports. Committee are asked to note that the phasing will not be amended during the year and should provide a useful benchmark for Officers and Members to monitor performance against originally envisaged targets.

5.5 It can be seen that as at 30th September 2013 the Council has spent £7.287million against a phased budget target of £8.659million. This represents a shortfall of 15.84% against target and 27.49% of the projected spend of £26.506million for the year. Performance in respect of Earmarked Reserves is reviewed on a monthly basis by the Corporate Management Team and reported in detail to each Service Committee.

5.6 Appendix 3 shows the projected General Fund Reserves position as at 31st March 2014. The projected balance at this date is shown as £4.983 million which is £0.983 million greater than the minimum reserve balance of £4 million recommended and approved via the reserves strategy. This is after the allocation of £1.5 million for the specific initiatives approved at the September Committee. It is proposed that any decisions on using further excess reserves are taken at the February budget meeting.

6.0 VIREMENT

- 6.1 A report, approved at the Education and Communities Committee on the 5 November reported that, following discussion between Education and Communities Directorate and Environment, Regeneration and Resources Directorate regarding the regeneration elements of services from 7 ½ St John Wood Street is removed from Communities Service to Regeneration and Planning Service. Due to the timing of the Service Committees the revenue reports did not ask for approval for the virements. This Committee is asked to approve this virement to allow Directorate budgets to be aligned.

7.0 WORKSTREAM SAVINGS

- 7.1 Appendix 4 gives an update from the Corporate Management Team on each of the approved Savings Workstreams.
- 7.2 Appendix 5 gives an update in respect of the achievement of Workstream Savings for 2013/14 from which it can be seen that 76% of the target of £430,000 has been achieved to date.

8.0 OTHER FINANCIAL MATTERS

- 8.1 Cabinet Secretary Mr John Swinney presented the 2014/15 Scottish Government Budget on the 11th September 2013. At the same time he announced indicative figures for 2015/16. Whilst the detailed breakdown of the figures have yet to be released the announcement is in line with the assumptions made when setting the 13/16 budget. Once these figures have been broken down into greater detail for individual Councils then a report will be brought back to Members highlighting any issues and providing advice and guidance on any action required.
- 8.2 On the 25th October Cosla confirmed that a 2 year, 1% pay award was being implemented for all employee groups with the exception of teachers with whom negotiations are continuing.
- 8.3 Several new funding awards have been announced by the Government for 2013/15 and confirmation is awaited on some of the detail. These will included in future reports.

9.0 CONSULTATION

- 9.1 This report has been produced in consultation with the Corporate Management Team.

Policy & Resources Committee

Revenue Budget Monitoring Report

Position as at 30th September 2013

Committee	Approved Budget 2013/2014	Revised Budget 2013/2014	Projected Out-turn 2013/2014	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	22,587	21,726	21,477	(249)	(1.15%)
Environment & Regeneration	22,733	20,789	20,752	(37)	(0.18%)
Education & Communities (Note 1)	86,405	80,294	80,341	47	0.06%
Health & Social Care	48,491	48,801	48,590	(211)	(0.43%)
Committee Sub-Total	180,216	171,610	171,160	(450)	(0.26%)
Loan Charges (Including SEMP)	13,160	16,749	16,399	(350)	(2.09%)
Unallocated Savings (Note 2)	(311)	(137)	(79)	58	(42.34%)
Contribution to General Fund Reserve	4,677	4,677	4,677	0	0.00%
One off contribution to Reserves (Note 3)	0	0	(327)	(327)	0.00%
Workstream Savings Slippage (Note 4)	0	(8)	0	8	0.00%
Earmarked Reserves	0	5,301	5,301	0	0.00%
Total Expenditure	197,742	198,192	197,131	(1,061)	(0.54%)
Financed By:					
General Revenue Grant/Non Domestic Rates	(164,728)	(165,178)	(165,178)	0	0.00%
Council Tax	(33,014)	(33,014)	(33,014)	0	0.00%
Net Expenditure	0	0	(1,061)	(1,061)	

Note 1 - Reduction in budget reflects SEMP earmarked reserve allocated to loans charges and earmarked reserve.

Note 2 - Procurement/Utilities Workstream Saving to be allocated plus slippage in roll-reduction saving.

Note 3 - Relates to Corporate NDR appeals process

Note 4 - Relates to slippage of utilities workstream savings offset by an advancement of procurement workstream savings.

Appendix 2

Earmarked Reserves Position Statement

Summary

<u>Committee</u>	<u>Total Funding 2013/14</u>	<u>Phased Budget to 30 Sept 13</u>	<u>Actual Spend To 30 Sept 13</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2013/14</u>	<u>Earmarked 2014/15 & Beyond</u>	<u>2013/14 %age Spend Against Projected</u>	<u>2013/14 %age Spend Against Phased Budget</u>
	£000	£000	£000	£000	£000	£000		
Education & Communities	21,593	5,852	5,295	(557)	16,548	5,045	32.00%	90.48%
Health & Social Care	3,672	1,223	859	(364)	2,160	1,512	39.77%	70.22%
Regeneration & Environment	12,073	1,393	990	(403)	5,291	6,782	18.71%	71.07%
Policy & Resources	6,855	190	143	(47)	2,509	4,346	5.70%	75.18%
	44,193	8,659	7,287	(1,372)	26,508	17,685	27.49%	84.16%

Actual Spend v Phased Budget

(£1,372k) (15.84%)

Appendix 3

GENERAL FUND RESERVE POSITION
Position as at 30/09/13

	<u>£000</u>	<u>£000</u>
Balance 31/03/13		14355
Projected Surplus/(Deficit) 2013/14	1061	
2014/16 Increased DHP allocation - Approved August 2013	(118)	
Contribution to General Fund Reserve 2013/14	4677	
Use of Reserves approved November 2012 (See Undernote)	(3500)	
Use of Reserves approved February 2013 (See Undernote)	(9992)	
Use of Reserves approved September 2013 (See Undernote)	<u>(1500)</u>	(9372)
Projected Unallocated Balance 31/03/14		<u><u>4983</u></u>

Minimum Reserve required is £4million

Use of Reserves approved November 2012

Adoption Earmarked Reserve	(300)	
2013/16 Revenue Contingency	(600)	
Contribution to 2013/16 Capital Programme	(2000)	
Increased costs Inverkip Community Facility	(250)	
Increased Officer Capacity - Corporate Projects	<u>(350)</u>	(3500)

Approved Usage February 2013:

Roads Asset Management Plan (2013/16)	(5900)	
Repopulating/Promoting Inverclyde	(1000)	
Community Facilities - Capital Investment	(750)	
Community Grants	(52)	
Play Areas/MUGA's	(300)	
Blaes Football Park Replacement	(830)	
Employment Support	(330)	
Broomhill Area	(250)	
PG Town Centre	(250)	
Creative Scotland - Match Funding	(250)	
Greenock Town Centre - Extra Police	<u>(80)</u>	(9992)

Approved Usage September 2013:

Joint Equipment Store	(50)	
Support for Young Carers	(65)	
Extend Hillend Respite Provision	(80)	
Employability Initiatives	(150)	
Grnk Municipal Bldgs Tourism Initiative	(150)	
Play Areas	(200)	
Improvement in Parks & cemeteries	(100)	
Shopfront Improvement Grants	(50)	
Aids and Adaptations	(100)	
Contribution to Match Funding for Second I Youth Zone	(75)	
Expansion of Summer Playschemes	(30)	
Regeneration of Clune Park Area	(200)	
Discretionary Housing Payments / Welfare Reform	<u>(250)</u>	(1500)

Workstream Updates as at: 22/10/13

<u>Lead Officer</u>	<u>Workstream Saving</u>	<u>Update</u>	<u>Target (2013/16) £000</u>
A Gerrard	1 Utility Cost Reductions/Energy Management	Energy Group continues to meet monthly to monitor. Various proposals being taken forward to reduce consumption by (1) applied measures such as replacing light fittings with LED equivalents, introducing water saving measures and fitting water meters and (2) education of users to switch off lights and appliances when not needed and to turn heating down rather than opening windows. Approach to applying savings and timescales agreed with Finance. Further detailed CMT report required. Phasing reviewed and £40k slipped to 2014/15. GMB boilers are at end of life and will be replaced by new high efficiency boilers which will save approx £6,000 per annum.	150k To be achieved: 2013/14 60k 2014/15 90k
A Puckrin	2 SEMP Model	SEMP Model has been adjusted to reflect the £190k saving and is showing a net surplus throughout the SEMP timescale.	190k
A Puckrin	3 AMP	SAVING COMPLETE 2013/14 saving to be achieved by taking £1.0million from the accumulated balance. This will be done as part of the 2012/13 year end accounts. £100k 2014/15 saving applied to the revised AMP model in	160k

		<p>the June Finance Strategy Update. Model still in surplus overall. SAVING COMPLETE</p>	
A Puckrin	4. Procurement	<p>£11k saving achieved in disposal of ICT equipment, £138k in respect of waste disposal (further £100k achieved since last period), £7k (over 3 years) in respect of Northgate Maintenance and £19k for mobile phone tariffs. New savings anticipated are; £10k school transport, £16k PPE.</p>	<p>313k To be achieved: 2013/14 19k 2014/15 41k 2015/16 78k</p>
B Moore	5. Homecare	<p>£64k internal staff savings – impact of CM2000 with 5 posts deleted. £36k external from review of cases not achievable based on reviews to date, alternative identified and two posts deleted. £25k external from part year implementation of CM2000 external equivalent (further £75k in 2014/15). Pilot (Evergreen) commenced August 2013, Carewatch scheduled for November and Confident Care January. All providers expected to be live April 2014. New project team established to improve and develop management information, which will also inform re-ablement reporting. Templates designed to capture month on month changes. Work is progressing well with initial data being reviewed and further reporting being finalised. Monthly overview of all Homecare savings will take place and a project plan / timeline for tracking progress has been developed. Work has commenced on developing a framework agreement for providers to start April 2014,</p>	<p>200k To be achieved: 2013/14 25k 2014/15 75k</p>

			associated financial modelling is being developed.	
A Puckrin	6	2015/16 Operational Saving	No action required until 2014/15	750k To be achieved: 2015/16 750k
		<u>Workstreams – Target to be allocated to the following</u>	Target to be split and allocated to savings below will be considered by Committee in February 2014.	800k To be achieved: 2015/16 800k
J Mundell	7	Shared Services	Discussions ongoing with Renfrewshire and East Renfrewshire regarding Roads & ICT opportunities. Chief Executives to progress projects. Additional service areas have been identified for consideration as possibilities for shared provision between the three Councils. Options will be developed in due course.	Provisional Target tbc
A Puckrin	8	Charging	Group finalising initial batch of information looking at increased/new charges, reviewing waiver/relief policies and improving debt collection. Work on going in reviewing processes, benchmarking, identifying new charging opportunities and waiver/reliefs practices. Meetings scheduled with DMT's by the end of November. Next meeting due 13.12.13	Provisional Target tbc
A Puckrin	9	Modernisation	Opportunities to be channelled initially via the Modernisation CIG. CIG approved investment in ATLAS benefits software.	Provisional Target £tbc

			<p>Saving £15k identified from 15/16. Channel Shift group set up to identify opportunities where service could be improved and/or costs saved. Initial prioritised list of opportunities being drawn up. Demonstration from Lagan on potential developments arranged by ICT.</p>	
I Moffat	10	Social Transport	<p>A briefing report was submitted to the CMT on the 26th September providing details and rationale for the proposed savings. Discussions and information gathering are ongoing between E&CS, Education, CHCP and Procurement to identify additional areas of efficiency. Arranging to meet Trade Unions early November.</p>	Provisional Target tbc.
A Moore	11	Terms & Conditions		Provisional Target tbc
A Moore	12	Sessional Budgets	<p>Meeting team within 2-3 weeks to continue. Will work on systems and control benefits for all.</p>	Provisional Target tbc

Savings Workstreams - 22/10/13

Lead Officer	Savings Achieved	Target	2013/14	2014/15	2015/16	Total 2013/16	Over/(Under) Recovery
		£000	£000	£000	£000	£000	£000
A Gerrard	1/ Utility Cost Reductions/Energy Management	150	0	0	0	0	0
A Puckrin	2/ SEMP Model	190	0	190	0	190	0
A Puckrin	3/ AMP	160	60	100	0	160	0
A Puckrin	4/ Procurement	313	166	7	2	175	0
	Disposal of ICT Equipment	0	11	0	0	11	
	Waste Disposal	0	138	0	0	138	
	Northgate Systems	0	2	3	2	7	
	Vodafone	0	15	4	0	19	
B Moore	5/ Homecare	200	100	0	0	100	0
A Puckrin	6/ 2015/16 Operational Savings	750	0	0	0	0	0
	<u>Workstreams - Targets to be allocated</u>	800	0	0	0	0	0
J Mundell	7/ Shared Services	0	0	0	0	0	
A Puckrin	8/ Charging	0	0	0	0	0	
A Puckrin	9/ Modernisation	0	0	0	0	0	
I Moffat	10/ Social Transport	0	0	0	0	0	
A Moore	11/ Terms & Conditions	0	0	0	0	0	
A Moore	12/ Sessional Budgets	0	0	0	0	0	
Sub-Total		2563	326	297	2	625	0

Savings Workstreams - 22/10/13

Lead Officer	Savings Planned	2013/14		2014/15		2015/16		Total 2013/16	
		£000	£000	£000	£000	£000	£000	£000	£000
1/ A Gerrard	Utility Cost Reductions/Energy Management	60	90	0	0	0	150		
2/ A Puckrin	SEMP Model	0	0	0	0	0	0		
3/ A Puckrin	AMP	0	41	0	0	0	0		
4/ A Puckrin	Procurement	19	4	78	0	0	138		
	PPE	12	4	0	0	0	0		
	SPT School Transport	7	3	0	0	0	0		
	Unidentified	0	34	78	0	0	112		
5/ B Moore	Homecare	25	75	0	0	0	100		
6/ A Puckrin	2015/16 Operational Savings	0	0	750	0	0	750		
	<u>Workstreams - Targets to be allocated</u>								
7/ J Mundell	Shared Services	0	0	785	0	0	785		
8/ A Puckrin	Charging	0	0	0	0	0	0		
9/ A Puckrin	Modernisation	0	0	15	0	0	15		
10/ I Moffat	Social Transport	0	0	0	0	0	0		
11/ A Moore	Terms & Conditions	0	0	0	0	0	0		
12/ A Moore	Sessional Budgets	0	0	0	0	0	0		
Sub-Total		104	206	1628	0	0	1938		
Total		430	503	1630	0	0	2563		

POLICY AND RESOURCES COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget	(Decrease) Budget
	£	£
Communities - Regeneration Funded Projects		(120,000)
Regeneration & Planning	120,000	
Total	120,000	(120,000)

Note

Reason for virement: Budget relating to regeneration element of 7 1/2 John Wood Street being transferred from Halls to Economic Development.