

Report To: Policy & Resources Committee **Date:** 7 February 2012
Report By: Chief Financial Officer **Report No:** FIN/09/12/AP/CM
Contact Officer: Alan Puckrin **Contact No:** 01475 712223
Subject: General Fund Revenue Budget 2011/12 – 30th November 2011

1.0 PURPOSE

- 1.1 The purpose of the report is to advise Committee of the projected position of the 2011/12 General Fund Revenue Budget as at period 8 (30 November 2011).

2.0 SUMMARY

- 2.1 Appendix 1 shows that as at 30 November 2011 the Council 2011/12 Revenue Budget is projecting a £2.688 million underspend a movement of £0.397 million since the period 6 report. This underspend is due to an increase in projected underspend in Service Committee Budgets. Committee underspends however represent 0.8% of budget.
- 2.2 The one Committee projecting a small overspend is the Regeneration Committee. This is due to the Building Services income shortfall and every effort is being taken to bring the Committee in on budget by 31st March 2012.
- 2.3 Appendix 2 shows the latest summary position in respect of Earmarked Reserves. It can be seen that expenditure to 31st December is 49.2% of the 2011/12 projected spend. The Corporate Management Team have reviewed project phasings which have also been reported to individual Service Committees.
- 2.4 Appendix 3 shows the latest position in respect of the General Fund Reserves and it can be seen that the projected balance as at 31 March 2012 is £6.81 million. This is after the decision to utilise £1.13 million on specific matters which was approved at the September Committee and is £2.61 million more than the minimum level recommended by the Chief Financial Officer. Decisions on the utilisation of any excess Reserves will be taken at the 9th February Special Council Meeting.
- 2.5 The latest update in respect of Workstream Savings is reported elsewhere on the agenda.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Committee note the latest projection for the 2011/12 General Fund Revenue Budget and the information contained in the various Appendices.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council agreed a 2011/13 Revenue Budget on 11 February 2011.
- 4.2 The Policy & Resources Committee previously agreed that any decision regarding the utilisation of any General Fund Reserve over and above the £4.2 million recommended minimum balance should be deferred until after the closure of the year end accounts.
- 4.3 On the 20th September the Committee agree to allocate £1.13 million to specific matters including £1.0 million for Roads/Footway maintenance and £100,000 towards the Tall Ships deficit.

5.0 2011/12 CURRENT POSITION

- 5.1 It can be seen from Appendix 1 that the General Fund is projecting an underspend as at 31 March 2011 of £2.688 million. This is made up of a projected underspend in Loans Charges of £1.15 million due to slippage in the prior years Capital Programme added to improved investment returns. In addition there is a projected underspend of £1.538 million in Service Committees (0.83%) which has been reported in detail to individual Service Committees.
- 5.2 The specific issue which is causing the Regeneration Committee overspend is the loss of BSU income. Every effort is being made to contain this overspend prior to the end of the Financial Year.

6.0 EARMARKED RESERVES

- 6.1 Appendix 2 shows the latest Summary Position in respect of Earmarked Reserves. The detailed position was previously reported to the relevant Service Committee.
- 6.2 Overall it can be seen that expenditure to 31st December 2011 is £8.689 million which represents 49.2% of projected spend in 2011/12.
- 6.3 The relevant Corporate Directors and Lead Officers have reviewed the phasings incorporated within this update.

7.0 GENERAL FUND RESERVES

- 7.1 Appendix 3 shows the latest position in respect of the General Fund Reserve. It can be seen that the latest projected balance as at 31 March 2012 is £6.81 million which is £2.61 million more than the minimum recommended level of General Fund Reserves.
- 7.2 A decision on the utilisation of any excess General Fund Reserve be taken as part of the 2012/13 Budget on 9th February 2012.

8.0 WORKSTREAM SAVINGS

- 8.1 It can be seen from Appendix 1 that the Council is projecting to over recover by £1.004 million against the Workstream target agreed in February 2011.
- 8.2 A detailed update of the Workstreams position is reported elsewhere on the agenda.

9.0 STRATEGIC FINANCE MATTERS

9.1 Each Policy & Resources Committee highlights other issues not included in the projections which may impact on future Revenue Monitoring Reports. Issues to highlight in this report are as follows:

(a) Government Spending Review

The Scottish Government has announced revenue budget figures for Local Government for the years 2012/13 to 2014/15. An update of the medium term Revenue Budget position arising from this announcement is elsewhere on the agenda.

9.2 There are no other matters which Officers are aware of other than those flagged up in the Financial Strategy which are expected to have a material impact on the Council's medium term Finances.

10.0 CONSULTATION

10.1 This report has been approved by the Corporate Management Team.

Policy & Resources Committee**Revenue Budget Monitoring Report****Period 8: 1st April 2011 - 30th November 2011**

Committee	Approved Budget 2011/2012	Revised Budget 2011/2012	Projected Out-turn 2011/2012	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	30,134	29,099	27,906	(1,193)	(4.10%)
Safe, Sustainable Communities	18,116	16,838	16,736	(102)	(0.61%)
Regeneration	14,761	12,287	12,301	14	0.11%
Education & Life Long Learning	78,052	78,264	78,177	(87)	(0.11%)
Health & Social Care	48,522	48,465	48,295	(170)	(0.35%)
Committee Sub-Total	189,585	184,953	183,415	(1,538)	(0.83%)
Loan Charges	15,884	15,884	14,734	(1,150)	(7.24%)
Unallocated Savings (Note 1)	(450)	(5)	(5)	0	0.00%
Contribution to General Fund Reserve	1,466	1,466	1,466	0	0.00%
Contribution from General Fund Reserve	0	(100)	(100)	0	0.00%
Workstream Savings Over Achieved	0	1,004	1,004	0	0.00%
Recharge to Trading Operations	(97)	(97)	(97)	0	0.00%
Earmarked Reserves	0	3,847	3,847	0	0.00%
Total Expenditure	206,388	206,952	204,264	(2,688)	(1.30%)
Financed By:					
Revenue Support Grant/Non Domestic Rates	(173,438)	(174,002)	(174,002)	0	0.00%
Council Tax	(32,950)	(32,950)	(32,950)	0	0.00%
Net Expenditure	0	0	(2,688)	(2,688)	

Note 1 - Relates to Workstream Savings identified but still to be allocated to Service budgets.

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>c/f Funding</u> <u>2010/11</u> <u>£000</u>	<u>New</u> <u>Funding</u> <u>2011/12</u> <u>£000</u>	<u>Total</u> <u>Funding</u> <u>2011/12</u> <u>£000</u>	<u>Actual Spend</u> <u>To 31 Dec 11</u> <u>£000</u>	<u>Projected</u> <u>Spend</u> <u>2011/12</u> <u>£000</u>	<u>Earmarked</u> <u>2012/13 &</u> <u>Beyond</u> <u>£000</u>	<u>2011/12</u> <u>%age</u> <u>Spend</u>
Education & Lifelong Learning	2,022	12,165	14,187	6,330	11,715	2,472	54.03%
Safe Sustainable Communities	4,788	2,690	7,478	386	1,124	6,354	34.34%
Health & Social Care	298	0	298	107	129	169	82.95%
Regeneration	2,727	4,740	7,467	1,582	2,417	5,050	65.45%
Policy & Resources	9,250	471	9,721	284	2,259	7,462	12.55%
	19,085	20,066	39,151	8,689	17,644	21,507	49.24%

APPENDIX 3

GENERAL FUND RESERVE POSITION
Position as at 30/11/2011

	<u>£000</u>	<u>£000</u>
Balance 31/03/11		7169
Projected Surplus/(Deficit) 2011/12	2688	
Contribution to General Fund Reserve 2011/12	1466	
Use of Reserves approved February 2011 (See Undernote)	<u>(4386)</u>	(232)
Workstream Savings Over Recovery		1004
<i><u>Contributions from General Fund Reserves:</u></i>		
Roads & Footways 2011/13 - CFCR		(1000)
Tall Ships Races		(100)
Winter Maintenance - CFCR		(32)
Projected Balance 31/03/12		<u><u>6809</u></u>

Minimum Reserve required is £4.2million

Approved Usage:

Increased Tall Ships Contribution 2011/12	(100)	
Protection of Vulnerable Groups 2013/14	(76)	
Contribution to Capital Programme	(860)	
Regeneration of Port Glasgow Town Centre	(1000)	
Redevelopment of Central Gourock	(300)	
Renewal of Clune Park Area	(500)	
Phase 2 of Flooding Works	(500)	
Additional Funding for Play Areas	(300)	
Additional Funding for Community Facilities	(450)	
Aids and Adaptations 2011/13	<u>(300)</u>	
		<u><u>(4386)</u></u>