
Report To:	Policy & Resources Committee	Date:	19th June 2012
Report By:	Chief Financial Officer	Report No:	FIN/37/12/AP/CM
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	2012/13 General Fund Revenue Budget		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise Committee of the initial position of the General Fund Revenue budget and to update Committee in respect of Earmarked Reserves and Workstream savings.

2.0 SUMMARY

- 2.1 The Council confirmed the 2012/13 Revenue budget in February 2012. This budget incorporated a recurring contribution to the General Fund Reserve of £4.053 million and a one off contribution to reserves of £500,000.
- 2.2 Following the recent management restructure the Finance Service have recast the 2012/13 budget to reflect the recently approved Committee structure. It should be noted that budgets may move slightly once the detail of Committee remits is fully clarified.
- 2.3 Given that this is the initial position of the 2012/13 Revenue Budget Appendix 1 shows no reported over or underspend.
- 2.4 Appendix 2 shows the initial position in respect of the 2012/13 Earmarked Reserves. From this it can be seen that as at the 30th April 2012 3% of the projected 2012/13 expenditure of £25.2 million had been incurred. Updates in respect of specific projects will be reported to relevant Committee from next cycle.
- 2.5 Appendix 3 confirms the position in respect of the General Fund Reserves. It should be noted that the 2011/12 accounts are not fully closed and therefore a final Revenue position for 2011/12 is not yet available. However the reported position assumes that the Council will achieve the projected Free Reserves balance of £4.2 million by the 31st March 2013. In the event that projections during the year indicate that this figure will not be achieved then proposals will be developed as part of the budget process to ensure that the General Fund Free Reserve is brought up to the minimum recommend level during 2013/14.
- 2.6 Appendix 4 & 5 gives an update in respect of the Workstreams approved in February 2010. It can be seen that 84% of the Workstream savings for 2012/13 have already been achieved.
- 2.7 Committee is asked to noted that work will begin over the summer in creating the framework for the 2013/15 Revenue budget and a more detailed report will be brought back to the next meeting of the Policy and Resources Committee.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the initial position of the 2012/13 General Fund Revenue budget and General Fund Reserve.
- 3.2 It is recommended that the Committee note the latest position in respect of the Saving Workstreams.
- 3.3 It is recommended that Committee note that a paper will be presented to the next meeting of the Policy and Resources Committee on the Budget Strategy 2013/15.

Alan Puckrin
Chief Financial Officer

Policy & Resources CommitteeRevenue Budget Monitoring ReportPosition as at 1st April 2012

Committee	Approved Budget 2012/2013	Revised Budget 2012/2013	Projected Out-turn 2012/2013	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	29,312	29,312	29,312	0	0.00%
Environment & Regeneration	23,587	23,587	23,587	0	0.00%
Education & Communities	86,138	86,138	86,138	0	0.00%
Health & Social Care	48,230	48,230	48,230	0	0.00%
Committee Sub-Total	187,267	187,267	187,267	0	0.00%
Loan Charges	14,534	14,534	14,534	0	0.00%
Unallocated Savings (Note 1)	(157)	(157)	(157)	0	0.00%
Contribution to General Fund Reserve	4,053	4,053	4,053	0	0.00%
Contribution to Reserves from Loan Charges	500	500	500	0	0.00%
Recharge to Trading Operations	(97)	(97)	(97)	0	0.00%
Total Expenditure	206,100	206,100	206,100	0	0.00%
Financed By:					
Revenue Support Grant/Non Domestic Rates	(173,078)	(173,078)	(173,078)	0	0.00%
Council Tax	(33,022)	(33,022)	(33,022)	0	0.00%
Net Expenditure	0	0	0	0	

Note 1 - Relates to Procurement/Utilities Workstream Saving

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>c/f Funding</u> <u>2011/12</u> <u>£000</u>	<u>New</u> <u>Funding</u> <u>2012/13</u> <u>£000</u>	<u>Total</u> <u>Funding</u> <u>2012/13</u> <u>£000</u>	<u>Actual Spend</u> <u>To 30 Apr 12</u> <u>£000</u>	<u>Projected</u> <u>Spend</u> <u>2012/13</u> <u>£000</u>	<u>Earmarked</u> <u>2013/14 &</u> <u>Beyond</u> <u>£000</u>	<u>2012/13</u> <u>%age</u> <u>Spend</u>
Education & Communities	4,894	15,003	19,897	751	14,210	5,687	5.29%
Health & Social Care	1,877	300	2,177	1	1,568	609	0.06%
Environment & Regeneration	6,166	4,632	10,798	18	7,337	3,461	0.25%
Policy & Resources	7,011	111	7,122	1	2,112	5,010	0.05%
	19,948	20,046	39,994	771	25,227	14,767	3.06%

APPENDIX 3

GENERAL FUND RESERVE POSITION
Position as at 01/04/2012

	<u>£000</u>	<u>£000</u>
Projected Balance 31/03/12		8892
Projected Surplus/(Deficit) 2012/13	0	
Contribution to General Fund Reserve 2012/13	4053	
One off saving in loans charges - 2012/13	500	
Write back of landfill penalty tax reserve	3200	
Use of Reserves approved February 2012 (See Undernote)	<u>(12450)</u>	(4697)

Projected Balance 31/03/13	<u><u>4195</u></u>
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Minimum Reserve required is £4.2million

Approved Usage:

Youth Employment Support	(1050)	
Business Support Initiative	(600)	
Local Environment Improvement Fund	(200)	
Greenock Town Centre	(250)	
Greenock Town Centre Parking Strategy	(300)	
Port Glasgow Town Centre Refresh to Town Hall	(250)	
Birkmyre Park, Port Glasgow	(200)	
Play Area Programme/Upgrade of Battery Park Skate Park	(300)	
Inverkip Community Facility	(300)	
Complete Funding Package for Watt Complex Refurbishment	(1000)	
Investment Fund for Council Owned Bowling Clubs	(200)	
Whinhill Golf Club	(200)	
General Support for 2012/15 Capital Programme	(3000)	
Additional Flooding Works Investment 2012/14	(1000)	
Additional Roads/Footways & Street Lighting Investment 2012/14	<u>(3600)</u>	
		<u><u>(12450)</u></u>

Workstream Updates as at: **24/05/12**

Lead Officer: **John Mundell**

<u>Workstream Saving</u>	<u>Update</u>	<u>Target</u> (2012/16) £000
1a/ b Senior Management Restructure	Proposals approved (April 2012) and in the process of being implemented. Target exceeded in 2012/13 and significantly so by 2015/16.	160k Over achieved by £414k To be achieved: 12/13 £81k 13/14 £82k 15/16 £303k
1c Review Committees	Proposals submitted to Council April 2012 and approved 17 th May 2012.	30k To be achieved: 12/13 £20k 13/14 £10k
9c Policy Areas	Rephrasing of Council contribution to Riverside Inverclyde resulted in a £300k recurring saving from 2013/14 whilst maintaining overall £24 million contribution.	300k

Workstream Updates as at: **24/05/12**

Lead Officer: **Aubrey Fawcett**

<u>Workstream Saving</u>		<u>Update</u>	<u>Target</u> <u>(2012/16)</u> <u>£000</u>
3a	FM/Cleaning Savings	<p>Proposals implemented include:-</p> <ul style="list-style-type: none"> Review of 'periodic cleans' in education properties currently undertaken outwith term time. Proposals agreed by CMT and SLF. Now proceeding on a voluntary basis. This has resulted in a saving to date of £9,000. This will increase as posts become vacant and are changed to the reduced number of weeks. Estimated further saving by 2013/14 £5,000 Sick Cover reduced. Review 'cleaning and training' days' requirement in Catering section. Savings to date of £1,000. Estimated future saving by 2013/14 £1,000. Review staffing in pre 5 establishments and reduction of posts from 52 week to term time where appropriate. Saving to date £9,500. Estimated future savings by 2013/14 £5,000 Savings have been identified from catering anticipated following school rationalisation. Allocation between Workstream Savings and SEMP savings agreed with Chief Financial Officer. Saving allocated to Workstream is £10,000. Further £36,000 Janitorial savings achieved in 2011/12 and will be scored against 2012/13 savings target. 	<p>160k</p> <p>To be achieved: 12/13 £5k 13/14 £50k</p>
3b	Utility Cost Reduction	Proposals agreed by CMT in November 2011 and now being progressed	200k

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		by Head of Property Assets and Facilities Management. Proposals for savings include	<ul style="list-style-type: none">• Reduction in water rates where surface water does not drain to SW sewers (£25,000)• Rationalising supply to Greenock Municipal buildings and fitting Water meter (£25,000)• Water efficiency measures and changing user behaviour (£10,000)• Introduction of energy efficient lighting (£15,000)• ICT power reduction initiatives (£7,000)• User education to improve energy use awareness (£40,000)• Replacing remaining oil fired systems (£20,000)• Replacing older gas fired systems with modern plant (£25,000)• Improved insulation following major refurbishments (£20,000) Programme to improve draughtproofing and insulation (20,000)	To be achieved: 12/13 £13k 13/14 £100k 14/15 £50k
6a	Commissioning		Commissioning Working Group has identified £100k saving in Supported Living tender from 2012/13 plus £250k reduction in Regeneration Fund from 2012/13 (funded by Earmarked Reserve for one year). £203k 2013/14 to be identified.	600k To be achieved: 13/14 £203k
7c	Local Environmental Teams		Savings to be achieved by a significant reduction in management overtime following revisions to shift patterns and work practices service wide. New working practises now implemented. The service has reviewed their skip vehicle operations and has identified operational savings, mainly not replacing a driver saving £24,260 per annum gross. This leaves a £16k for the service to deliver in the financial year 13/14. Details of how this saving will be made will be presented in	100k To be achieved: 13/14 £16k

	September 2012 with an implementation date of 1 st April 2013.	
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Workstream Updates as at: 24/05/12

Lead Officer: Alan Puckrin

<u>Workstream Saving</u>		<u>Update</u>	<u>Target (2012/16)</u> £000
2a	Operating Model	<p>Finance and Human Resources savings totalling an extra £217k were approved at November P&R Committee and have resulted in an increase in the 2011/14 target to £467k.</p> <p>2012/13 Saving target of £99k all achieved except £11k relating to the CSC. Proposals in this regard to be developed.</p> <p>Proposals arising from the Civica Report are to be developed over 2012 and form part of the 2013/15 budget proposals.</p>	<p>278k</p> <p>To be achieved: 12/13 £11k 13/14 £179k</p>
3c	SEMP Funding	Target revised December 2011. 2012/13 saving applied to SEMP Loan Charges.	100k
4a	Procurement	<p>Savings continue to be identified and applied.</p> <p>Target for Procurement was increased by £300k to £1.0million in July 2011 and agreed to increase this by a further £400k over the period 2012/14 linked to increased resources for the section.</p> <p>Scrap metal tender saving of the order of £60k/annum whilst further savings of £37k/annum in relation to School Transport achieved.</p>	<p>672k</p> <p>To be achieved: 12/13 £80k 13/14 £170k</p>

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8b	Inflation Allowance (Non-Pay)	Target increased by £450k in December 2011 taking into account latest information. All bar 2013/14 target now applied to budgets.	1100k To be achieved: 13/14 £500k
9c	Top Slice/1% Efficiency	Proposals approved at P&R Committee on 24 th May which will lead to savings of £0.95 million by 2012/13. £50k mileage/travel saving applied from April 2012 supported by HR Guidance note.	561k To be achieved: 13/14 £250k
9f	Other Savings/Adjustments	Ad-hoc savings will be identified during 2012/13 and applied to 2013/15 budget process.	700k To be achieved: 13/14 £119k

Workstream Updates as at: 24/05/12

Lead Officer: Alasdair Moore

<u>Workstream Saving</u>		<u>Update</u>	<u>Target (2012/16)</u> <u>£000</u>
5a	37 hr Working Week Impact.	<p>The savings target of £900k has been over achieved by £33k. Employee offers for reduced hours issued and all returns completed. Report submitted to the CMT advising of current position and phasing of savings over the 2 financial years. Budgets reduced from April 2012.</p> <p>Exercise now complete.</p>	<p>900k</p> <p>Over achieved by £33k.</p>

Workstream Updates as at: 24/05/12

Lead Officer: Brian Moore

<u>Workstream Saving</u>		<u>Update</u>	<u>Target (2012/16)</u> <u>£000</u>
7a	Home Care	<p>Steering group for the review established anticipating that workgroup can align with the proposed fuller Home Care review. It will be important that the full extent of savings take account of the redesign opportunities which might arise.</p> <p>External review team for Homecare have been clearly briefed that the saving associated here is over and above any other saving secured.</p> <p>Contract awarded for the electronic management system. The Homecare Steering Group reported progress to CMT on 9 February 2012 with confirmed savings proposal for the next 3 financial years. The workstream savings target will be achieved and subject to continued monitoring, the target may be reviewed in future. The balance of internal/external provision will also be monitored on a regular basis.</p> <p>Visit to Edinburgh Council has provided opportunities for information sharing including SWIFT financial developments.</p>	<p>250k</p> <p>To be achieved: 12/13 £150k 13/14 £100k</p>

Workstream Updates as at: **24/05/12**

Lead Officer: **Albert Henderson**

<u>Workstream Saving</u>		<u>Update</u>	<u>Target</u> <u>(2012/16)</u> <u>£000</u>
9e	Roll Reduction 2011/14	Due to commence August 2012.	427k To be achieved: 12/13 £132k 13/14 £200k

Workstream Targets - Outstanding Targets

<u>Area</u>		2012/13 £000	Achieved to 31/5/12 2012/13 £000
1/	Senior Management Restructure	160	108
2/	Review of Committees	20	0
3/	Operating Model	99	88
4/	FM - Cleaning/Janitors	108	103
5/	Utilities	50	37
6/	Procurement	349	267
7/	37 Hour Working Week	862	862
8/	Commissioning	357	357
9/	Home Care Service Review	150	0
10/	Local Environmental Teams	79	79
11/	Top Slice/Efficiencies	311	311
12/	Roll Reduction	132	0
13/	Other Savings	219	219
		2,896	2,431