
Report To:	Policy & Resources Committee	Date:	13 November 2012
Report By:	Chief Executive, Corporate Director Environment, Regeneration & Resources, Corporate Director Education Communities & Organisational Development and Chief Financial Officer	Report No:	FIN/95/12/AE/AP
Contact Officer:	Angela Edmiston	Contact No:	01475 712143
Subject:	Policy & Resources Committee 2012/13 Revenue Budget – Period 6 to 30 September 2012		

1.0 PURPOSE

- 1.1 To advise Committee of the 2012/13 projected out-turn for the Policy & Resources Committee as at Period 6 (30 September 2012).

2.0 SUMMARY

- 2.1 The total revised Committee budget for 2012/13 is £29,408,000. This excludes Earmarked Reserves of £7,287,000
- 2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £758,000.
- 2.3 The main reasons for this underspend are a £450,000 projected underspend within Inflation and General Contingency based on commitments to date, a £100,000 projected increase within Internal Resource Interest in line with the 2011/12 out-turn, and a £128,000 projected Employee Cost underspend within Finance due to early achievement of previously approved savings.
- 2.4 One off expenditure is required to 4 John Wood Street to carry out asbestos remedial work. As this work exceeds the available budget within the Common Good, Committee approval is sought.

3.0 RECOMMENDATIONS

- 3.1 The Committee is asked to note the projected underspend of £758,000 for the Policy & Resources Committee as at Period 6 (30 September 2012).
- 3.2 The Committee is asked to approve virement as detailed in Appendix 4.
- 3.3 The Committee is asked to approve the remedial works of £10,300 to 4 John Wood Street to be funded from the Common Good Fund.

John Mundell
Chief Executive

Albert Henderson
Corporate Director
Education, Communities &
Organisational Development

Alan Puckrin
Chief Financial Officer

Aubrey Fawcett
Corporate Director
Environment, Regeneration &
Resources

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2012/13 budget and to highlight the main issues contributing to the projected underspend of £758,000.

5.0 2012/13 CURRENT POSITION

- 5.1 The current projection is an underspend of £758,000. Subsequent paragraphs provide more detail of the main variances.
- 5.2 The following material variances relate to the Environment, Regeneration & Resources Directorate:

Finance - £145,000 Underspend

Employee Costs: There is a projected underspend within employee costs of £128,000 due to early achievement of previously approved savings and turnover. This is an increase in underspend of £18,000 since last reported to Committee.

Administration Costs: Projecting an overspend of £75,000 within administration costs mainly due to an increase in spend within Sheriff Officer Legal Expenses; this has been off-set by a projected over recovery in income due to increased Legal expenses recoveries. There has been a minor decrease in projected spend of £1,000 since last reported to Committee.

Payments to Other Bodies: A projected overspend of £12,000 mainly due to a projected overspend within NDR Discretionary Relief. Projected spend has reduced by £1,000 since last reported to Committee in period 4.

Other Expenditure: A projected overspend of £41,000 which is an increase of £30,000 since the report to the last Committee, this is mainly due to:

£11,000 within Sheriff Officer Commission which was reported to Committee in period 4.

£30,000 for bad debt provision. This is in line with the amount of benefits being recovered and is more than offset by an increase in the value of Debtors accounts invoiced.

Income: An over-recovery of £145,000, an increase in recovery of £97,000 since last reported to Committee is projected, mainly due to:

£88k over-recovery in Sheriff Officer Legal Fee Recoveries off-set by an increase in Administration costs as above. There has been no change since period 4 Committee.

£100,000 under-recovery within Council Tax income for previous years due to size of the net debt in 2007/08 Council Tax. This is an increase in under-recovery of £50,000 since last reported to Committee.

£80,000 over-recovery within Benefit Subsidy based on the mid year return produced in August 2012.

£70,000 projected over-recovery on Benefit Overpayment Recoveries, which is due to the number of debts being raised and is related to the increase in the Bad Debt Provision.

Legal & Democratic Service – £55,000 Underspend

Employee Costs: There is a projected underspend of £50,000 within employee costs due to additional turnover savings. This is an increase in savings of £15,000 since last reported to Committee

- 5.3 The following material variance relate to the Education, Communities & Organisational

Organisational Development, HR & Communications - £19,000 underspend

Employee Costs: Projecting an underspend of £19,000, an increase in underspend of £5,000 since last reported to Committee resulting from additional turnover savings.

- 5.4 The following material variance relate to the Miscellaneous and Joint Boards:

Miscellaneous & Joint Boards – £550,000 Underspend

Other Expenditure: A review of the Inflationary and General Contingency budget pressures has resulted in an underspend of £450,000 which is an increase in underspend of £150,000 since last reported to Committee.

Capital & Loan Charges: Due to improved cashflow management, it is anticipated that there will be a £100,000 increase in Internal Resources Interest received in line with 2011/12. This was reported to the last Committee.

6.0 VIREMENT

- 6.1 Committee is asked to approve virement as detailed in Appendix 4. Where appropriate, the virement is reflected throughout the report. This virement is requested to transfer £48,240 of Bus Shelter maintenance budget from Joint Boards to Roads within Environmental and Commercial Services.

7.0 EARMARKED RESERVES

- 7.1 Appendix 2 gives a detailed breakdown of the current earmarked reserves position. Total funding is £7,287,000 of which £2,037,000 is projected to be spent in 2012/13 and the remaining balance of £5,250,000 to be carried forward to 2013/14 and beyond. It can be seen that expenditure of £170,000 represents 8.3% of the annual projected spend, however a further £759,000 has been legally committed in respect of early release costs thus increasing the overall percentage spend at 30 September to 45.6%.

8.0 FINANCIAL IMPLICATIONS

- 8.1 The current projected outturn per service:

Service	Approved Budget 2012/13 £000	Revised Budget 2012/13 £000	Projected Out-turn 2012/13 £000	Projected Over/(Under) Spend £000
Finance	3,619	3,606	3,461	(145)
ICT	2,174	2,174	2,178	4
Legal & Democratic Services	1,747	1,756	1,701	(55)
Total Net Expenditure Environment, Regeneration & Resources	7,540	7,536	7,340	(196)
Organisational Development, Human Resources & Communications	1,987	1,998	1,979	(19)
Corporate Policy	174	174	178	4
Total Net Expenditure Education, Communities & Organisational Development	2,161	2,172	2,157	(15)
Chief Executive	353	360	363	3
Joint Boards	16,022	15,974	15,974	0
Miscellaneous	3,410	3,366	2,816	(550)
Total Net Expenditure	29,486	29,408	28,650	(758)

9.0 COMMON GOOD FUND

- 9.1 Appendix 3 shows the position of the Common Good Fund as at 30 September 2012, and as at the 31 March 2013 the projected available fund balance is £161,270.

The reduction in available balance from previously reported relates to the inclusion of a one off cost of £10,300 to carry out asbestos related remedial work at the vacant shop at 4 John Wood Street. This requires Committee approval before it can proceed.

- 9.2 Additionally it should be noted that the cost of the Armistice Pay Services has increased by £3500, this is due to the need for Temporary TRO for Gourock and Port Glasgow. This cost will be funded from the events contingency.

10.0 EQUALITIES

- 10.1 There are no equality issues arising from this report.

11.0 REPOPULATION IMPLICATIONS

- 11.1 There are no repopulation implication issues arising from this report.

11.0 CONSULTATIONS

- 11.1 The Corporate Director Environment, Regeneration & Resources, Corporate Director Education, Communities & Organisational Development and the Chief Financial Officer have been consulted in the preparation of this report.

POLICY & RESOURCESREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)PERIOD 6: 1st April 2012- 30th September 2012

Outturn 2011/12 £000	Budget Heading	Budget 2012/13 £000	Proportion of Budget £000	Actual to 31/09/12 £000	Projection 2012/2013 £000	Over/(Under) Budget £000
	<u>Finance</u>					
4,136	Employee Costs	4,165	2,043	1,985	4,037	(128)
186	Admin - Legal Expenses (Sheriff Officer)	167	84	115	250	83
88	PTOB - Discretionary Relief	80	40	0	95	15
140	Other Expenditure - HB Bad Debt Provision	40	20	70	70	30
(269)	Income - Recoveries	(100)	(50)	(170)	(170)	(70)
(35,969)	Income - Benefit Subsidy	(34,320)	(17,160)	(18,055)	(34,400)	(80)
(180)	Income - Legal Fees Recoveries	(153)	(77)	(114)	(241)	(88)
(117)	Income - Council Tax Previous Years	(100)	(50)	0	0	100
	<u>Organisational Development, HR & Communications</u>					
1,810	Employee Costs	1,673	820	803	1,654	(19)
	<u>Miscellaneous & Joint Boards</u>					
743	Inflation Contingency	564	282	84	214	(350)
204	General Contingency	420	210	(6)	320	(100)
(391)	Internal Resource Interest	(238)	(79)	0	(338)	(100)
	<u>Legal & Democratic Services</u>					
1,277	Employee Costs	1,343	659	627	1,293	(50)
-28,342	TOTAL MATERIAL VARIANCES	(26,459)	(13,258)	(14,661)	(27,216)	(757)

APPENDIX 2

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

Project	Lead Officer/ Responsible Manager	c/f Funding 2011/12 £000	New Funding 2012/13 £000	Total Funding 2012/13 £000	Actual To Period 6 2012/13 £000	Projected Spend 2012/13 £000	Amount to be Earmarked for 2013/14 & Beyond £000	Lead Officer Update
Early Retirement/Voluntary Severance Reserve	Alan Puckrin	5,668	0	5,668	0	1,500	4,168	Teachers refresh programme and budget implementation on going. Commitments to date of £759k.
Modernisation Fund	Alan Puckrin	501	0	501	3	100	401	Various modernisation projects including the Mobile Working Pilot (£9k for Educational Psychologists). Proposals on utilisation to be developed during 2012/13.
Procurement Development Fund	Alan Puckrin	168	9	177	21	43	134	To be spent on Procurement Development. Temporary Project Officer (£43k) now appointed.
RVJB Capital Contribution	Alan Puckrin	44	0	44	0	28	16	Projected spend for 2012/13 based on Renfrewshire Valuation Joint Board Capital programme for 2012/13. Balance of £16k to be written back to General Fund.
Workforce Development Fund	Alasdair Moore	51	0	51	0	35	16	Projected expenditure of £22k on Management Courses, £3k for training on the National Portal, £2k on Performance Appraisal Booklets. Also £8k for the Finance Development Capacity Plan is expected to be spent in Dec 12 / Jan 13. In 2013/14, £4k is projected to be spent on Management Courses and £12k on Finance Development Capacity Plan.
Equal Pay	Alasdair Moore	29	0	29	21	29	0	One off sum held to fund additional resources for Equal Pay.
Customer Service Centre Uniforms	Alan Puckrin	12	0	12	10	12	0	Will be spent in full on new uniforms for the Customer Service Centre.
Allowance for Elections	Elaine Paterson	116	0	116	98	116	0	Majority of expenditure will be incurred in 2012/13. Any unspent balance to be written back to General Reserves.
Revenue Expenditure Transferred from Capital	Alan Puckrin	61	0	61	0	40	21	Sum set aside and utilised as part of the accounts closure process.

Project	Lead Officer/ Responsible Manager	cif Funding 2011/12 £000	New Funding 2012/13 £000	Total Funding 2012/13 £000	Actual To Period 6 2012/13 £000	Projected Spend 2012/13 £000	Amount to be Earmarked for 2013/14 & Beyond £000	Lead Officer Update
DWP Grant	Alan Puckrin	60	102	162	17	45	117	Additional funding received from the DWP funding Senior Benefit Assessor, Appeals Officer and Computer Software upgrades.
Implementation of Saving Workstreams	Alan Puckrin	79	0	79	0	40	39	Potential contribution to Shared Support Service development - subject to Committee approval.
Protection of Vulnerable Groups	Alasdair Moore	226	0	226	0	34	192	Sum set aside to transfer existing employees onto new Protection of Vulnerable Groups (PVG) Scheme. Expenditure will be phased over 3 years, commencing end of October 2012. An 18.5hr Grade C Admin post starting approx beginning of November to be funded from this budget.
Feasibility Study	John Mundell	11	0	11	0	2	9	To fund Hydro Electric Project Feasibility Study which began in 2010/11. Costs relate to Market Engagement exercise & OJEU tender and necessary land studies.
Microsoft Licensing	Robert Stoakes	150	0	150	0	13	137	To fund 3 year contract for Microsoft Licenses. Reserve will be phased over 3 years, effective June 2012.
Total		7,176	111	7,287	170	2,037	5,250	

COMMON GOOD FUND

APPENDIX 3

REVENUE BUDGET MONITORING REPORT 2012/13

PERIOD 6 : 1st April 2012 to 30th September 2012

	Final Outturn 2011/12	Approved Budget 2012/13	Budget to Date 2012/13	Actual to Date 2012/13	Projected Outturn 2012/13
PROPERTY COSTS	13,290	3,000	1,500	8,510	14,200
Repairs & Maintenance	6,340	2,000	1,000	70	13,200
Rates 1	6,740			8,440	0
Property Insurance	210	1,000	500	0	1,000
ADMINISTRATION COSTS	8,560	8,500	200	1,220	9,700
Sundries	360	300	200	1,220	1,500
Commercial Rent Management Recharge	2,200	2,200	0		2,200
Recharge for Accountancy	6,000	6,000	0		6,000
OTHER EXPENDITURE	129,350	149,500	47,300	44,810	148,070
Christmas Lights Switch On	10,200	10,500	0		10,500
Christmas Dinners/Parcels	17,580	18,000	0	(1,430)	16,570
Christmas Decorations	34,400	36,300	0		36,300
Gourock Highland Games	28,700	29,400	29,400	29,400	29,400
Armistice Service	3,810	6,300	0	1,290	9,790
Comet Festival	13,000	13,300	13,300	13,300	13,300
Fireworks	12,070	12,600	0		12,600
Contingency for future Community Events	0	17,000	0		12,760
Society of the Innocents Rent Rebate	2,250	3,100	1,600	2,250	3,850
Diamond Jubilee Celebrations		3,000	3,000		3,000
Bad Debt Provision	7,340	0	0		0
INCOME	(162,860)	(161,000)	(78,700)	(135,900)	(213,250)
Property Rental	(161,130)	(193,200)	(96,600)	(70,860)	(193,200)
Void Rents 2		35,700	17,900		48,450
Internal Resources Interest	(1,730)	(3,500)	0	(40)	(3,500)
Lease Premium				(65,000)	(65,000)
NET ANNUAL EXPENDITURE	(11,660)	0	(29,700)	(81,360)	(41,280)
EARMARKED FUNDS	163,830	100,570	0	0	100,570
Replacement of SV Comet	1,830	100,570			100,570
Contribution to 2011 Tall Ships Event	162,000	0	0	0	0
TOTAL NET EXPENDITURE	152,170	100,570	(29,700)	(81,360)	59,290

Fund Balance as at 31st March 2012

220,560

Projected Fund Balance as at 31st March 2013

161,270

Notes:

1 Rates (Empty Properties)

Rates are currently being paid on empty properties, the Assessor has been contacted with a view to obtaining empty Property relief on these properties, it is hoped that 100% relief will be obtained but this is yet to be confirmed and there may be some cost to the Common Good.

2. Current Empty Properties are:

Vacant since:

4 John Wood Street
10 John Wood Street

May 2010 - Remedial Works Scheduled
November 2009

REVENUE BUDGET MONITORING REPORT**VIREMENT REQUEST****Period 6: 1st April 2012 - 30th September 2012**

Budget Heading		Increase Budget £	(Decrease) Budget £
Joint Boards - Bus Shelter Maintenance	1		(48,240)
Roads - Bus Shelter Maintenance	1	48,240	
Total		48,240	(48,240)

1) Transfer of budget from Joint Boards to Roads to correctly reflect Service responsibility.