
Report To:	Policy & Resources Committee	Date: 21 May 2013
Report By:	Chief Financial Officer	Report No: FIN/40/13/AP/LA
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2012/13 General Fund Revenue Budget as at 28 February 2013	

1.0 PURPOSE

- 1.1 The purpose of the report is to advise the Committee of the position of the General Fund Revenue budget as at 28 February 2013 and to update Committee in respect of the position of the Reserves and Workstream Savings.

2.0 SUMMARY

- 2.1 The Council confirmed the 2012/13 Revenue Budget in February 2012. The budget incorporated a recurring contribution to the General Fund of £4.053 million and a one off contribution to reserves of £500,000 from Loans Charges.
- 2.2 It can be seen from appendix 1 that as at 28 February 2013 the General Fund is projecting a £2.787 million underspend which equates to approximately 1.3% of the net Revenue Budget. This is an increase in underspend of £0.23 million since the last report.
- 2.3 All 4 Service Committees are projecting an underspend. In addition there is a projected underspend in Loans Charges of £500,000 and unallocated General Revenue Grant of £259,000 as previously reported.
- 2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves from where it can be seen that as at 31 March 2013 expenditure including estimated accruals represents 98.5% of the 2012/13 projected spend.
- 2.5 Appendix 3 shows the latest position of the General Fund Reserves and shows that the projected balance as at 31 March 2013 is £6.972 million. The main reason for the increase in previously reported reserves is the confirmation that the Council will receive £621,000 from the disaggregation of Strathclyde Police reserves. Confirmation of the Strathclyde Fire & Rescue reserves is awaited. Decisions to utilise the reserves in excess of the minimum recommended level of £4 million were taken as part of the 2013/16 Revenue Budget in February 2013. It was agreed that decisions on the utilisation of any further surplus reserves will be taken once the 2012/13 Audit is completed.
- 2.6 Appendix 4 and Appendix 5 gives an update in respect of the Savings Workstreams. The Workstream Programme has been recast with a new Workstream Programme covering the period 2013/16 created.
- 2.7 At its meeting on 14 February 2013 the Council approved a 3 year Revenue & Capital Budget covering the period 2013/16. A report is elsewhere on the agenda giving an update in respect of the 2013/14 Budget.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the latest position in respect of the 2012/13 Revenue Budget and the General Fund Reserve.
- 3.2 It is recommended that the Committee note that the 2013/16 Workstream Savings position.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Council confirmed the 2012/13 General Fund Revenue Budget in February 2012. In the process it was agreed a contribution to Reserves of £4.053 million in addition to a one off contribution to Reserves of £500,000 arising from Loans Charges.

5.0 POSITION AS AT 28 FEBRUARY 2013

5.1 It can be seen from Appendix 1 that as at 28 February 2013 there is a projected underspend of £2.787 million (1.3%). This is an increase in underspend of £0.23 million since the last report.

5.2 It can also be seen from Appendix 1 that all 4 Service Committees have projected an underspend in addition to a continuing projected underspend in Loans Charges and an increase in Government Grant.

5.3 Appendix 2 shows the latest position in respect of the Earmarked Reserves which are reported in detail to the relevant Service Committees. From this it can be seen that actual expenditure plus known year end accruals is 98.5% of projected spend.

5.4 Appendix 3 shows the Projected Reserves Position as at 31 March 2013. The projected balance is now £6.972 million including £621,000 from the Strathclyde Police disaggregated reserves.

5.5 Decisions in respect of the use of the Free Reserves were taken as part of the 2013/16 Revenue Budget with a further report due for Members to consider post the audit of the 2012/13 accounts.

6.0 WORKSTREAM SAVINGS

6.1 Appendix 4 gives an update from the Corporate Management Team of each of the Saving Workstreams approved as part of the 2013/16 Workstream Programme.

6.2 Appendix 5 shows an update in respect of the achievement of Workstream Savings for 2013/14.

7.0 OTHER FINANCIAL MATTERS

7.1 On 14 February 2013 the Council approved a 3 year Capital & Revenue Budget covering the period 2013/16. The first report on the 2013/14 Revenue Budget and the Corporate Management Team are progressing the savings which require to be achieved in 2013/14.

7.2 There remain a number of matters which require to be fully clarified in respect of the 2013/14 budget including pay awards whilst the largest area of uncertainty relates to the financial impacts of Welfare Reform. These matters will be monitored and reported back to Committee once they are clarified.

8.0 CONSULTATION

8.1 This report has been considered and endorsed by the Corporate Management Team.

Policy & Resources Committee**Revenue Budget Monitoring Report****Period 11: 1st April 2012 - 28th February 2013**

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	29,486	29,396	28,109	(1,287)	(4.38%)
Environment & Regeneration	23,587	19,189	18,920	(269)	(1.40%)
Education & Communities	85,964	80,846	80,595	(251)	(0.31%)
Health & Social Care	48,230	47,961	47,740	(221)	(0.46%)
Committee Sub-Total	187,267	177,392	175,364	(2,028)	(1.14%)
Loan Charges (Including SEMP)	14,534	17,120	16,620	(500)	(2.92%)
Unallocated Savings (Note 1)	(157)	(13)	(13)	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%
Workstream Savings Over Achieved	0	70	70	0	0.00%
Recharge to Trading Operations	(97)	0	0	0	0.00%
Earmarked Reserves	0	7,559	7,559	0	0.00%
Total Expenditure	206,100	206,681	204,153	(2,528)	(1.22%)
Financed By:					
General Revenue Grant/Non Domestic Rates	(173,078)	(173,659)	(173,918)	(259)	0.15%
Council Tax	(33,022)	(33,022)	(33,022)	0	0.00%
Net Expenditure	0	0	(2,787)	(2,787)	

Note 1 - Relates to Procurement/Utilities Workstream Saving

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>c/f Funding 2011/12 £000</u>	<u>New Funding 2012/13 £000</u>	<u>Total Funding 2012/13 £000</u>	<u>Actual Spend To 31 Mar 13 £000</u>	<u>Projected Spend 2012/13 £000</u>	<u>Earmarked 2013/14 & Beyond £000</u>	<u>Confirmed Accruals</u>	<u>2012/13 %age Spend</u>
Education & Communities	5,005	14,813	19,818	10,329	13,662	6,156	3,324	99.93%
Health & Social Care	2,013	1,874	3,887	1,931	2,002	1,885	0	96.43%
Regeneration & Environment	6,450	6,566	13,016	3,926	6,112	6,904	1,957	96.25%
Policy & Resources	7,234	235	7,469	387	1,895	5,574	1,458	97.36%
	20,702	23,488	44,190	16,573	23,671	20,519	6,739	98.48%

APPENDIX 3

GENERAL FUND RESERVE POSITION
Position as at 28/02/2013

	<u>£000</u>	<u>£000</u>
Balance 31/03/12		10821
Projected Surplus/(Deficit) 2012/13	2787	
Contribution to General Fund Reserve 2012/13	4053	
One off saving in loans charges - 2012/13	500	
Write back of landfill penalty tax reserve	4127	
Use of Reserves approved February 2012 (See Undernote)	<u>(12450)</u>	(983)
Workstream Savings Over Recovery		70
Recovery of Charging Order		73
Backdated Living Wage to 13/11/12		(130)
Strathclyde Police Authority Reserves Distribution		621
<u>Use of Reserves approved November 2012</u>		
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)
Projected Unallocated Balance 31/03/13		<u><u>6972</u></u>

Minimum Reserve required is £4million

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: **18/04/13**

<u>Lead Officer</u>	<u>Workstream Saving</u>		<u>Update</u>	<u>Target (2013/16)</u> <u>£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. Budgets will be adjusted to implement the savings.	150k To be achieved: 2013/14 100k 2014/15 50k
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. SAVING COMPLETE	190k
A Fawcett	3	AMP	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 will be applied to the revised AMP model and will be reflected in the June Finance Strategy Update. Model still in surplus overall. SAVING COMPLETE	160k

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A Puckrin	4	Procurement	£11k saving achieved in disposal of ICT equipment and £38k in respect of waste disposal. Other opportunities are being sought in conjunction with Services.	313k To be achieved: 2013/14 104k 2014/15 80k 2015/16 80k
B Moore	5	Homecare	£64k internal staff savings – impact of CM2000 with 5 posts identified for deletion. £36k external from review of cases £25k external from part year implementation of CM2000 external equivalent (further £75k in 2014/15). New project team established to improve and develop management information, which will also inform re-ablement reporting. ADSW event being held in May to look nationally at Homecare hourly rates.	200k To be achieved: 2013/14 125k 2014/15 75k
A Puckrin	6	2015/16 Operational Saving	No action required until 2014/15	750k To be achieved: 2015/16 750k
J Mundell	7	Shared Services	Discussions ongoing with Renfrewshire and East Renfrewshire regarding Roads & ICT opportunities. Report due to go to leaders 02/05/13.	800k To be achieved: 2015/16 800k (Target to be

				split and allocated to savings below by Sept 2013).
A Puckrin	8	Charging	Group composition to be finalised. CFO e mailed suggestions for members to CMT.	See 7 above
A Puckrin	9	Modernisation	Opportunities to be channelled initially via the Modernisation CIG. CIG approved investment in ATLAS benefits software. Saving £15k identified from 14/15.	See 7 above
I Moffat	10	Social Transport	Officers attended Clyde Valley "Social Transport" Group on 25 th February. This was the first meeting of the group in 2 years. Update of meeting reported in March 2013 minutes. Lorna Coote (Education) and Jeanette Hawthorn (CHCP) nominated for the group. Initial meeting held between E&CS and Finance on 19/03/13. Further meeting to be arranged to establish baseline budgets for overall spend on 'Social Transport' prior to first meeting of review group. Meeting arranged for the 14/05/13 between E&CS and Greater Glasgow and Clyde Health Board to discuss the possibility of possible areas of interface with the ambulance service.	See 7 above

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A Moore	11	Terms & Conditions	Met with the trade unions, presentation made to the CMT on strategic way forward, report presented to the CMT on 18/04/13. Options to be put to SLF.	See 7 above
A Moore	12	Sessional Budgets	First meeting completed, arranged for second meeting in May 2013.	See 7 above

Workstream Targets - Outstanding Targets

<u>Area</u>	<u>2013/14 Targets £000</u>	<u>Achieved to 18/04/13 £000</u>
1/ Utility Cost Reductions/Energy Management	100	0
2/ AMP	60	60
3/ Procurement	153	49
4/ Homecare	125	0
	<u>438</u>	<u>109</u>