



Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	25 February 2010
Report by:	Executive Director (Finance & Information Technology Resources)

Subject:	Revenue Budget Monitoring 2009-10
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update members of the Financial Resources Scrutiny Forum of progress on the Council's revenue budget for the period covering 1 April 2009 to 23 December 2009.

2. Recommendation(s)

2.1. The Financial Resources Scrutiny Forum is asked to approve the following recommendation(s):-

- (1) that the 2009/10 Financial Position as at period 10 (23 December 2009) for General Services, Housing Revenue Account and Trading Services is noted (as detailed in Appendix A);
- (2) that following the probable outturn exercise, that the forecast to 31 March 2010 of breakeven, be noted; and
- (3) that the position on the Enterprise Resources Trading Service, Financial and Operational Performance Review, as at period 10 (23 December 2009) be noted (as detailed in Appendix B).

3. Background

3.1. The Revenue reports attached provide detail on the most recent Executive Committee report dated 10 February 2010. The reports detail the position as at 23 December 2009 for General Services, Housing Revenue Account and the Council's Trading Services. Also, Financial and Operational Performance Review papers have been included for the Roads Trading Operation as part of the rotating reporting cycle.

3.2. The papers have been split into separate Appendices as shown below:

- Appendix A – 2009/10 Financial Position as at Period 10 (23 December 2009) for General Services, Housing Revenue Account and Trading Services
- Appendix B – Enterprise Resources' Trading Service – Financial and Operational Performance Review as at period 10 (23 December 2009).

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. The financial position of the General Services Revenue Budget, Housing Revenue Account and the Council's Trading Services are detailed in Appendices A and B attached.
- 5.2. Appendix A shows a net underspend of £0.009 million against the phased budget. The net position is mainly the result of an overspend in Enterprise Resources mainly due to the loss of planning and building standards income, offset in part by underspends in Corporate Resources and Finance and IT Resources, as a result of vacancies and additional income.
- 5.3. In December 2009, the Local Government Finance Settlement (FC14/2009) provided an update on the 2009/10 expenditure figures. Additional Revenue Grant was confirmed and totalled £0.466 million.

The additional General Revenue Grant has been reflected in the annual budget and outturn position as shown in Appendix 1.

- 5.4. Following the probable outturn exercise, the financial forecast for year ended 31 March 2010, has been confirmed. Taking account of all known commitments, the figures at Appendix 1 show a break even position on the current year budget.
 - 5.4.1. Within the position shown in Appendix 1, there is an overspend against Enterprise Resources which is offset by an increased surplus from the Roads Trading Service. In addition, there is an underspend against Housing and Technical Resources which is offset by a reduced surplus from the Building and Maintenance Trading Service.
 - 5.4.2. The breakeven position shown against Education Resources is after the transfer of budget from Financing Charges to fund the Secondary Schools Modernisation Works Compensation Event (£1.578m), as approved by the Executive Committee on 8 July 2009. The Education budget also reflects a transfer from Financing Charges in respect of Utilities (£1m) to cover the predicted overspend in 2009-10, for which approval is being sought from the Executive Committee. Budgetary provision for the increase in fuel costs was included in the preparation of the 2009/10 budget.
 - 5.4.3. In addition, there is an underspend within Financing Charges of £4.159 million. This is mainly due to headroom within loan charges due to slippage in the current year and the refund of VAT from Customs and Excise. This line also contains estimates of the commitments in relation to the early release costs in respect of the National Diagnostics Management exercise.
 - 5.4.4. Within Council Tax, there is an over recovery against the Council Tax budget of £0.909 million, including ring fenced monies for Council Tax Second Homes which is available for use on Affordable Social Housing. The expenditure for this is incurred by Housing and Technical Resources.
 - 5.4.5. Offsetting these underspends and over recoveries is a proposed contribution to Reserves of £4.506 million to meet commitments in future years. The amounts allocated to specific Reserves are detailed below:-

Insurance Fund	£2.500 million
Winter Maintenance Fund	£1.600 million
Zero Waste Fund	<u>£0.406 million</u>
Total	<u>£4.506 million</u>

The contribution to the Insurance Fund is in part response to the recent actuarial review carried out on the Council's Insurance Fund which indicated a potential shortfall on the Fund. The contribution to the Winter Maintenance Fund is to counter the effect of the costs of the recent adverse weather conditions on the Council's budgets. The Zero Waste Fund relates to additional Government Grant received from the Scottish Government which will be used to fund the costs of meeting the 2013 waste targets.

6. Other Implications

6.1. None

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

Linda Hardie

Executive Director (Finance & Information Technology Resources)

1 February 2010

Link(s) to Council Values and Objectives

Value:

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Revenue Ledger prints to 23 December 2009

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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