

Report

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Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	2 September 2010
Report by:	Executive Director (Finance and Information Technology Resources)

Subject:	Revenue Budget Monitoring 2010-11
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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 2010 to 9 July 2010.

2. Recommendation(s)

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

- (1) that the 2010/2011 Financial Position as at period 4 (9 July 2010) for General Services, Housing Revenue Account and Trading Operations is noted (as detailed in Appendix A);
- (2) that the position on the Housing and Technical Resources' Trading Operations, Financial and Operational Performance Review, as at period 4 2010/2011 (9 July 2010) 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 25 August 2010. The reports detail the position as at 9 July 2010 for General Services, Housing Revenue Account and the Council's Trading operations. Also, Financial and Operational Performance Review papers have been included for the Building Maintenance Trading Operation as part of the rotating reporting cycle.

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

- Appendix A – 2010/11 Financial Position as at Period 4 (9 July 2010) for General Services, Housing Revenue Account and Trading Operations
- Appendix B – Housing and Technical Resources' Trading Operation – Financial and Operational Performance Review as at period 4 2010/2011 (9 July 2010).

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 Operations are detailed in Appendices A and B attached.
- 5.2. Appendix A shows a net underspend of £0.145 million against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2011 is a break even position.
- 5.3. Utilities
- 5.3.1. As a result of the move to the National Category A contract for the provision of Gas and Electricity, substantial price decreases are being achieved in the tariffs for 2010/11. Housing and Technical Resources have prepared a set of projections for 2010/11 which are based on individual properties and their previous year (2009/10) usage levels as held in their database. These have been amended for any known variation anticipated for 2010/11 that is the result of a change experienced in 2009/10, for example, the full year impact of a new build school. It should be noted that any potential changes due in 2010/11 have not been reflected, that is, any new build school which will open during 2010/11 has not been included due to the lack of information available.
- 5.3.2. Comparing the 2009/10 database figures and the 2010/11 projections identified a significant year-on-year reduction in the level of budget required by Resources. The following table shows the impact across Gas and Electricity budget lines:

Resource	Gas Decrease £m	Electricity Decrease £m	Total Decrease £m
Community (including SLL)	0.340	0.217	0.557
Corporate	0.155	0.087	0.242
Education	0.877	0.624	1.501
Enterprise	0.007	0.029	0.036
Finance and IT	-	0.026	0.026
Housing and Technical	0.075	0.068	0.143
Social Work	0.111	0.052	0.163
Total	1.565	1.103	2.668

- 5.3.3. The table shows a combined gas and electricity reduction in Resources' budgets of £2.668m. This reduction in Resources' budgets has been reflected in the figures reported in Appendix 1 and is offset by an increase in the budget for Financing Charges. The Executive Committee was asked to note the transfer of funds as shown.
- 5.4. General Revenue Grant
- 5.4.1. A recent Local Government Finance Settlement provided an update on the 2010/11 expenditure figures. Additional General Revenue Grant was confirmed and totalled a net of £1.607million. This is reflected in the Council's General Revenue Grant line and also across Resources / budget lines and is made up of the following:

- Corporate Resources – reduction of £0.367m to reflect the transfer of the Council's District Court function to the Scottish Courts' Service – this will be managed by Corporate through the triennial license review income for one year only.
- Education Resources – additional £0.050m to reflect the 2010/11 impact of the Extra Teachers who started in 2009/10.
- Capital Finance from Current Revenue (CFCR) – additional £1.907m being a transfer to Revenue Grant (from Capital Grant) to cover the Revenue expenditure (Administration Team and Care and Repair) of Private Sector Housing Grant (PSHG). To ensure consistency of approach to previous years, it is proposed that the total PSHG expenditure continue to be monitored through the Capital Programme and funded in part by this CFCR.
- Joint Boards – A Transfer Payment of £0.017m direct to Strathclyde Fire and Rescue.

5.4.2. The allocations are reflected in the monitoring figures in Appendix 1. The Executive Committee was asked to note the additional allocations of General Revenue Grant.

6. Other Implications

6.1. The main risk associated with the Resource's Revenue Budget is failure to manage the budget resulting in a significant overspend. The risk has been assessed as low given the detailed budget management applied across the Services of the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensured early warning for corrective action to be taken where appropriate.

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 and Information Technology Resources)

12 August 2010

Link(s) to Council Values and Objectives

- ♦ Accountable, Effective and Efficient

Previous References

- ♦ None

List of Background Papers

- ♦ Revenue Ledger prints to 9 July 2010

Contact for Further Information

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

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