

Report

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Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	14 July 2011
Report by:	Chief Executive

Subject:	Revenue Budget Monitoring 2011-12
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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 2011 to 10 June 2011.

2. Recommendation(s)

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

- (1) that the 2011/2012 Financial Position as at period 3 (10 June 2011) for General Services, Housing Revenue Account and Trading Operations is noted (as detailed in Appendix A);
- (2) that the position on the Community Resources' Trading Operations, Financial and Operational Performance Review, as at period 3 2011/2012 (10 June 2011) 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 6 July 2011. The reports detail the position as at 10 June 2011 for General Services, Housing Revenue Account and the Council's Trading operations. Also, Financial and Operational Performance Review papers have been included for the Fleet and Facilities Management Trading Operations as part of the rotating reporting cycle.

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

- Appendix A – 2011/12 Financial Position as at Period 3 (10 June 2011) for General Services, Housing Revenue Account and Trading Operations
- Appendix B – Community Resources' Trading Operations – Financial and Operational Performance Review as at period 3 2011/2012 (10 June 2011).

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 £0.132 million against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2012 is a break even position.
- 5.3. **Transfers from Capital to Revenue**
In establishing the new year Capital Programme, recognition has been given to two elements which cannot technically be classified as capital but have historically been monitored within the General Services Capital Programme. In the accompanying Capital paper to this Committee, it is proposed that these amounts be transferred to the General Services Revenue Budget in 2011/12 to allow more appropriate monitoring. The two spend areas are in relation to Strathclyde Police to assist in their Capital Programme (£1.128m – funded by Government Grant) and the budgeted spend on Private Housing Scheme of Assistance (£2.034m – funded from Reserves). These adjustments have been reflected in the Joint Board and Housing and Technical Resources' budgets respectively.
- 5.4. **International Children's Games**
A budget transfer from central funds is proposed in respect of the 2011/12 anticipated net spend on the International Children's Games being co-hosted by the Council. The budget transfer of £0.734m reflects the amount anticipated for 2011/12 and has been added to Community Resources' budget for the year as a separate service area.
- 5.5. **Waste Management**
In the 2011/12 budget setting process, an amount of £1m was set aside within Community Resources' budget to allow for additional expenditure anticipated with the implementation of the Waste Management Project. However, as this money is not required until contract start of 1 April 2012, it is proposed that the money be transferred to the Zero Waste Fund for utilisation in future years. This has been reflected in Appendix 1.
- 5.6. **Central Support Allocation to Housing Revenue Account**
From 2011/12 onwards, it is proposed that the budgeted £3.216m allocation of central support from General Services to the Housing Revenue Account be managed within Housing and Technical Resources. This amendment has been reflected in the budget figures in Appendix 1.
- 5.7. **Living Wage**
On 10 February 2011, the Council's Executive Committee approved the implementation of a Living Wage with an increase of at least £250 for those employees earning less than £21,000.
- 5.7.1 Table 1 overleaf shows the impact across Resources with the budget allocations being included in Appendix A attached. This has been funded from Central Funds earmarked during the 2011/12 budget process.

Table 1	Total Including On- Costs (at 27.7%)	Increment Costs Including On-Costs (2011/12)	Total Allocation to Resources and Trading Services
	£m	£m	£m
Community (including Trading Services)	1.495	0.089	1.584
Corporate	0.051	0.008	0.059
Education	0.351	0.050	0.401
Enterprise (including Trading Service)	0.098	0.010	0.108
Finance and IT	0.033	0.005	0.038
Housing and Technical (including Trading Service)	0.231	0.046	0.277
Social Work	0.672	0.025	0.697
Resource Total	2.931	0.233	3.164
Cultural Trust Employees	0.099	0.022	0.121
Overall Total	3.030	0.255	3.285

5.7.2 There are two groups of employees who have not yet been converted to a Living Wage: Early Years Workers and Leisure Trust Employees. These will be subject of a future report.

5.8. Housing Revenue Account Position
As at 10 June 2011, Appendix 2 of the report shows an underspend of £0.023 million against phased budget on the Housing Revenue Account.

6. Other Implications

6.1. The main risk associated with the Council's Revenue Budget is that there is a significant overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures 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.

Archibald Strang
Chief Executive

30 June 2011

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ *Value:* Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Revenue Ledger prints to 10 June 2011

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

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