

CLACKMANNANSHIRE COUNCIL

Report to: Scrutiny Committee

Date: 21st January 2010

Subject: General Fund Revenue Budget Monitoring 2009/10

Report By: Finance Manager

1.0 PURPOSE

- 1.1. This paper details the latest General Fund revenue spend for the current financial year 2009/10 based on actual spend to date and detailed discussions with Service Managers on likely forecasts for the year.
- 1.2. The report attachment highlights the revised estimate for each service area including the use of earmarked reserves brought forward from 2008/09, and records the probable variances from these budgets as a result of the current assessment of projected outturn spend.

2.0 RECOMMENDATIONS

- 2.1. The Committee is asked to note the current financial forecast position.

3.0 CONSIDERATIONS

- 3.1. The attached summary of expenditure indicates that the Council spend for the year will amount to £115.535m, which is £393k more than the revised estimate for the year, and represents an overspend of 0.3% on spending plans. Additional general revenue grant of £215k together with further Council Tax income of £94k reduces the overspend to only £84k, and results in the Council achieving a predicted surplus in the year of £106k.
- 3.2. Net cost of direct service spend is recording an overspend of £119k. With the directorates of Chief Executive, Corporate Development, and Development & Environmental continuing to predict outturns within budget, the overspend remains to be accounted for within Services to People which records a variance of £563k. This is broken down over the service areas as follows:

- Residential Placements £616k
- Education & Community Services £247k

- Social Services £259k
- General Fund Housing (£559k)

3.3. Residential Placements

The anticipated overspend is associated with children being educated by other councils, education being provided at specialist schools or those who are being accommodated in Secure Units. This area was overspent by £1.030m last financial year. The budget this year was increased by £466k. With two more children being placed in residential care in October, the current forecast expenditure this year will be £51k greater than last year in respect of residential placements. The Service is making positive plans to move some of these young people out of these placements, where appropriate. The Director of Services to People is also considering options to more ably manage the budget.

3.4. Education and Community Services

The main area of overspend relates to non-domestic rates valuations received in respect of our three new secondary schools. This has resulted in the spend on rates being £280k in excess of budget allowance. Whilst these valuations are now the subject of appeals to the Assessor, it is prudent to assume for budget forecasting that these may not be successful.

3.5. Social Services

The Social Services overspend is attributed to external foster care costs which exceed budget provision by £290k. The Service is actively developing in-house provision of foster care. The Service has recently appointed a social worker to recruit and train our own foster carers. There are 4 or 5 potential carers currently going through this training who should be ready to accept placements by start of the new financial year. With the cost of external foster care around four times more expensive than our own carers, the saving per child transferred from external to internal care would be £30k.

3.6. General Revenue Grant

In December the Scottish Government issued a revised circular which consolidated known redeterminations of general revenue funding for 2009/10. As a result, the Councils funding from this source is £215k greater than previously anticipated.

3.7. Unearmarked Reserves

The Council's unearmarked reserves at the start of the year stood at £1.002m. The current years budget includes a contribution of £1m to balances. The present forecast net projected outturn within General Revenue Budgets would result in the Council unearmarked reserve standing at £2.108m by the year-

end. This would bring the Council closer to the minimum level recommended in the approved Finance strategy.

4.0 SUSTAINABILITY IMPLICATIONS

4.1. Not applicable to monitoring reports

5.0 RESOURCE IMPLICATIONS

5.1. Financial Details: The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate

5.2. Staffing: There are no direct implications to staffing arising from this report .

6.0 EXEMPT REPORTS

Is this report exempt? **Yes** (please detail the reasons for exemption below) **No** ☒

7.0 DECLARATIONS

7.1. The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities 2008-2011

The area has a positive image and attracts people and businesses	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input checked="" type="checkbox"/>
Our communities are safer	<input checked="" type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input checked="" type="checkbox"/>
Health is improving and health inequalities are reducing	<input checked="" type="checkbox"/>
The environment is protected and enhanced for all	<input checked="" type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

(2) Council Policies (Please detail)

8.0 EQUALITIES IMPACT

8.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? **YES** ☐ **NO** ☒
Required ☐ **Not Required** ☐

9.0 LEGALITY

- 9.1 In adopting the recommendations contained in this report, the Council is acting within its legal powers. YES ☒ NO ☐

10.0 APPENDENICES

The following appendix is attached to this report:

Appendix 1: General Fund 2009/10 - summary and service breakdown of expenditure.

11.0 BACKGROUND PAPERS

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

YES ☒ (Please list the documents below) NO

- 1 Council's Revenue budget 2009/10 to 2011/12 (Report to the Special Council on 10th March 2009).

Author(s)

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Martin Dunsmore	Accounting & Budgeting Manager	01259 452041

Approved By

NAME	DESIGNATION	SIGNATURE
Susan Mackay	Finance Manager	(Signed: S MacKay)
Angela Leitch	Chief Executive	(Signed: A Leitch)

General Fund 2009/10 - Summary

Appendix 1

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000
SERVICE					
Chief Executive Service	2,986	2,008	1,842	2,878	(108)
Corporate Development Services	6,485	4,463	4,252	6,300	(185)
	9,471	6,471	6,094	9,178	(293)
Less: Allocated to non-General Fund Services	(1,413)			(1,369)	44
	8,058	6,471	6,094	7,809	(249)
Services to People (Special Education & Childcare)	3,257	1,913	2,538	3,873	616
Education and Community Services	47,677	31,597	31,049	47,924	247
Social Services	21,199	13,819	14,103	21,458	259
General Fund Housing	4,150	2,999	1,749	3,591	(559)
Development and Environmental Services	12,412	7,424	7,601	12,207	(205)
Single Status	800	0	0	800	0
Miscellaneous Services	16	11	19	26	10
Service Expenditure	97,569	64,234	63,153	97,688	119
Add Requisitions from Joint Boards					
Central Scotland Police	4,380	2,920	2,920	4,380	0
Central Scotland Fire	3,204	2,136	2,136	3,204	0
Central Scotland Valuation	419	279	279	419	0
	105,572	69,569	68,488	105,691	119
Add/(Deduct)					
Interest on Revenue Balances	(260)	0	0	(119)	141
Contribution from Trading operations	(250)	0	0	(220)	30
Loan Charges	8,001	0	0	8,104	103
Contribution to Bad Debt Provision	100	0	0	100	0
Contribution to Balances	1,000	0	0	1,000	0
Sum raised for Secondary Schools PPP	420	0	0	420	0
Replacement of Schools Fund financing of PPP	559	0	0	559	0
	115,142	69,569	68,488	115,535	393
SOURCES OF FUNDING					
General Revenue Funding	93,338	54,503	54,503	93,553	215
Council Tax	21,353	13,353	11,727	21,447	94
Earmarked reserve 08/09 (Devolved Mgt Reserve)	487	487	487	487	0
Earmarked reserve 08/09 (Zero Waste Fund)	154	154	154	154	0
	115,332	68,497	66,871	115,641	309
Projected (Surplus) / Shortfall	(190)	1,072	1,617	(106)	84

CEO Services

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000
<u>Service Divisions</u>					
Chief Executive	260	155	149	238	(22)
Strategic Policy	1,187	786	707	1,132	(55)
Admin and Legal	1,539	1067	986	1,508	(31)
NET Expenditure	2,986	2,008	1,842	2,878	(108)

Corporate Development Services

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000
<u>Service Divisions</u>					
Finance	1,944	1,240	1,250	1,900	(44)
Council Off	566	441	409	616	50
Human Re	787	553	522	763	(24)
Corporate	118	81	43	44	(74)
BIT's	3,070	2,148	2,028	2,977	(93)
NET Expe	6,485	4,463	4,252	6,300	(185)

Variance predicted July £000	Variance predicted May £000	Variance reported October £000
17	(22)	(2)
74	76	60
(62)	(70)	(47)
(55)	(8)	(78)
(73)	(54)	(77)
(99)	(78)	(144)

Special Education & Childcare

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000
<u>Service Divisions</u>					
Special Education & Childcare	2,665	1,630	2,261	3,290	625
Support Services & Management	45	31	31	44	(1)
Changing Childrens Services	547	252	246	539	(8)
NET Expenditure	3,257	1,913	2,538	3,873	616

Education and Community Services

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000
<u>Service Divisions</u>					
Service Management	1,401	1,018	1,019	1,386	(15)
Pre Fives	4,402	2,792	2,554	4,302	(100)
Primary Education	16,583	11,524	10,990	16,095	(488)
Secondary Education	17,499	10,347	10,649	18,135	636
Special Education	3,750	2,560	2,398	3,746	(4)
Psychological Services	356	275	231	323	(33)
School Crossing Patrols	101	70	62	89	(12)
Adult & Continuing Education	785	576	540	769	(16)
Community Services	522	362	383	529	7
Leisure Services Management	176	131	147	198	22
Sport & Leisure	1,015	1,074	1,253	1,212	197
Cultural, Heritage & The Arts	253	210	191	265	12
Library Services	674	495	464	666	(8)
Other Leisure Services	158	162	168	207	49
Entertainments	2	1	0	2	0
NET Expenditure	47,677	31,597	31,049	47,924	247

Social Services

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000
<u>Service Divisions</u>					
Operational Support	1,112	669	718	1,087	(25)
Child Care	5,038	3,361	3,705	5,486	448
Criminal Justice Service	0	79	104	(3)	(3)
Adult Care	15,049	9,710	9,576	14,888	(161)
NET Expenditure	21,199	13,819	14,103	21,458	259

General Fund Housing

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000
<u>Service Divisions</u>					
Strategic Housing Costs	769	534	504	736	(33)
Supporting People	1,893	1262	1,053	1,930	37
Local Housing Strategy	5	3	0	0	(5)
Homeless & Specialised Accommodation	137	184	(379)	(208)	(345)
Homeless Strategy	572	383	191	497	(75)
PSHG	0	(47)	(423)	0	0
Housing Loans	(1)	-1	(1)	0	1
Housing Benefits	309	409	585	180	(129)
Welfare Services	466	272	219	456	(10)
Housing Grants	0	0	0	0	0
NET Expenditure	4,150	2,999	1,749	3,591	(559)

Development and Environmental Services

	Revised Estimate 2009/10 £000	Budget to 30/11/2009 £000	Actual to 30/11/2009 £000	Projected Outturn 2009/10 £000	Variance from Estimate £000	Variance reported October £000
Service Divisions						
Management Unit	(57)	(461)	(567)	(198)	(141)	(111)
Out of Hours	(34)	(20)	(14)	(31)	3	(2)
Facilities Management	272	144	196	365	93	71
Asset Management	(71)	8	524	(41)	30	(2)
Environmental Health	773	521	528	740	(33)	(39)
Trading Standards	166	106	106	167	1	0
Fleet Services	(34)	148	23	(61)	(27)	(20)
Catering Services	(29)	17	(53)	(71)	(42)	(27)
Cleaning Services	(29)	6	33	(4)	25	20
Waste Management	3,944	2,303	2,197	3,708	(236)	(139)
Roads and Transportation	3,347	2,079	2,034	3,328	(19)	1
Land Services and Burial Grounds	2,428	1,705	1,583	2,420	(8)	(28)
Public Conveniences	240	117	116	233	(7)	(4)
Security	(8)	(4)	(1)	(3)	5	6
Planning and Building Standards	240	172	241	335	95	169
Development Planning and Sustainability	1,140	498	515	1,164	24	51
Economic Services	124	85	140	156	32	32
NET Expenditure	12,412	7,424	7,601	12,207	(205)	(22)