



Glasgow City Council

City Administration Committee

Report by Councillor Allan Gow, City Treasurer

Contact: Martin Booth Ext: 73837

Item 1

4th April 2019

BUDGET MONITORING 2018-19; PERIOD 12

Purpose of Report:

This report provides a summary of financial performance for the period 1 April 2018 to 15 February 2019.

Recommendations:

The City Administration Committee is asked to:

- i. approve the adjustments relating to the revenue budget at section 4
- ii. note that this report and all detailed service reports will be considered by the Finance and Audit Scrutiny Committee

Ward No(s):

Citywide:

Local member(s) advised: Yes No

consulted: Yes No

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1. Introduction

1.1 This report provides a summary of financial performance for the period 1 April 2018 to 15 February 2019.

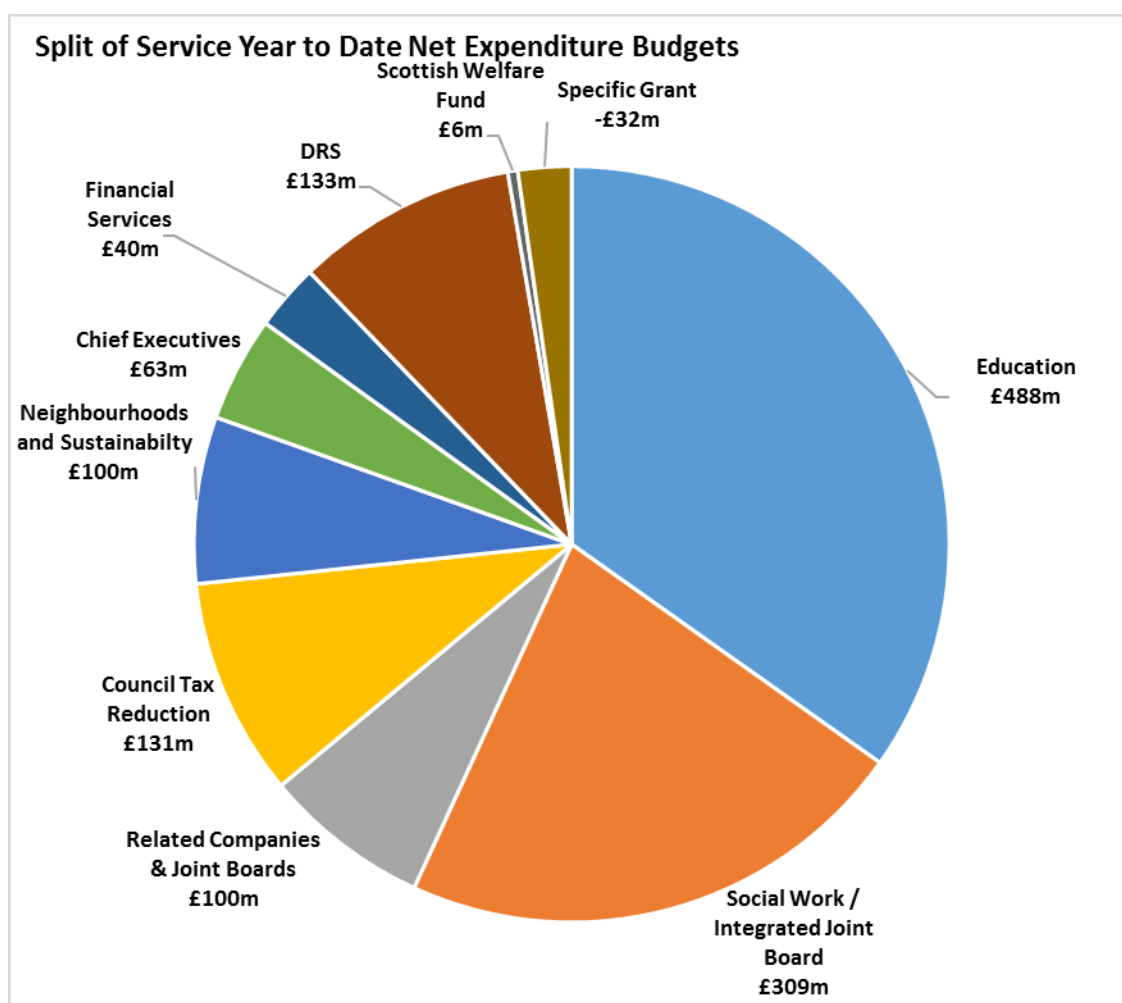
2. Reporting Format

2.1 This report provides a summary of the Council's financial position.

3. Approved Budget

3.1 The 2018-19 budget was approved by Council on 22 February 2018 and the detailed service estimates subsequently approved by the City Administration Committee on 19 April 2018. These budgets are shown as "Original Annual Budget", in the attached monitoring statements. In order to monitor financial performance accurately, budgets will be updated each period to reflect new monies, operational changes and any additional approvals.

3.2



3.3 The key changes to the original budget made up to period 12 are outlined in section 4, below.

4. Revenue Budget

- 4.1 During period 11 and 12 there has been a net budget increase of £0.1m resulting in a cumulative budget increase of £19.6m to date. Service specific budget changes are summarised in the paragraph below.
- 4.2 The significant budget changes since period 10 are as follows:
 - 4.2.1 Income budgets within Neighbourhoods and Sustainability have decreased by £0.025m in respect of Scottish Government funding for free child burials.
 - 4.2.2 There has been virement of £1.0m from Chief Executives to Social Work Services in respect of the Early Intervention and Resilience programme.
 - 4.2.3 Income and expenditure budgets within Education Services have increased by £1.0m to reflect additional Scottish Government funding for the West Partnership Regional Improvement Collaborative (£0.8m) and additional funding in respect of various small grants (£0.2m).
 - 4.2.4 Income and expenditure budgets within Development and Regeneration Services have increased by £0.1m to reflect additional grant funding for the Scottish Energy Efficiency Programme (SEEP).
- 4.3 There have also been adjustments to income and expenditure budgets in line with the Executive Director of Finance's delegated powers and budget realignments between and within various service departments to reflect the transfer of responsibilities and service reconfigurations.

5. Summary Position

Revenues

5.1 Council Tax

- 5.1.1 A probable outturn exercise has now been completed and is projecting that the actual income expected to be collected from council tax is £280.3m. This is £3.5m more than budget.
- 5.1.2 The council tax collected to 31 January 2019 amounts to £211.5m. This represents 91.02% of the figure to be collected and is 0.21% ahead of last year's equivalent collection figure. The target rate of collection for Council Tax this year is 95.0%.

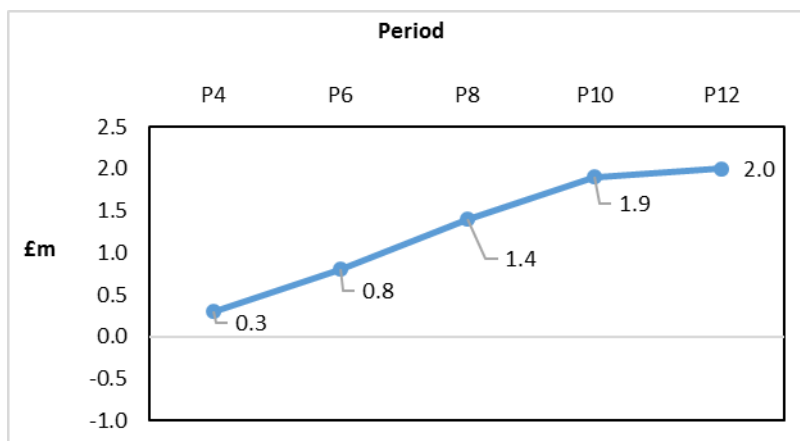
5.2 Non Domestic Rates

- 5.2.1 Non Domestic Rates income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue grant to ensure no overall change in the total revenue support provided by the Scottish Government.
- 5.2.2 The Non Domestic Rates collected to 31 January 2019 amount to £332.7m. This represents 88.95% of the figure to be collected and is 1.57% ahead of last year's equivalent collection figure. The target rate for collection for Non Domestic Rates for this year is 97.63%.

6. General Fund

6.1 Net expenditure is running at 100.2% of profile, representing an overspend of £2.0m. This reflects overspends within Development and Regeneration Services, Neighbourhoods and Sustainability and Education Services offset by savings within Financial Services.

6.2 Net Expenditure Position – budget variance:



7. Services

7.1 Development and Regeneration Services £1.4m

7.1.1 This reflects an overspend in the property and land services division due to non achievement of savings together with overspends against repairs and utilities and an overspend in the building standards division due to additional costs incurred for emergency repairs on dangerous buildings. These are partly offset by increased income from planning fees and building warrants and by an underspend in relation to the Glasgow Guarantee scheme.

7.2 Neighbourhoods and Sustainability £0.5m

7.2.1 This reflects lower commercial refuse income and lower parking income offset by increased income in parks and open spaces due to events and underspends from vacancy management.

7.3 Education Services £0.3m

7.3.1 This reflects overspends in employee costs and transport offset by savings in Additional Support for Learning external placements.

7.4 Financial Services – Council Tax Reduction / Benefits Payments -£0.2m

7.4.1 This reflects a lower level of commitment in respect of the Council Tax Reduction scheme.

8. Social Work Services

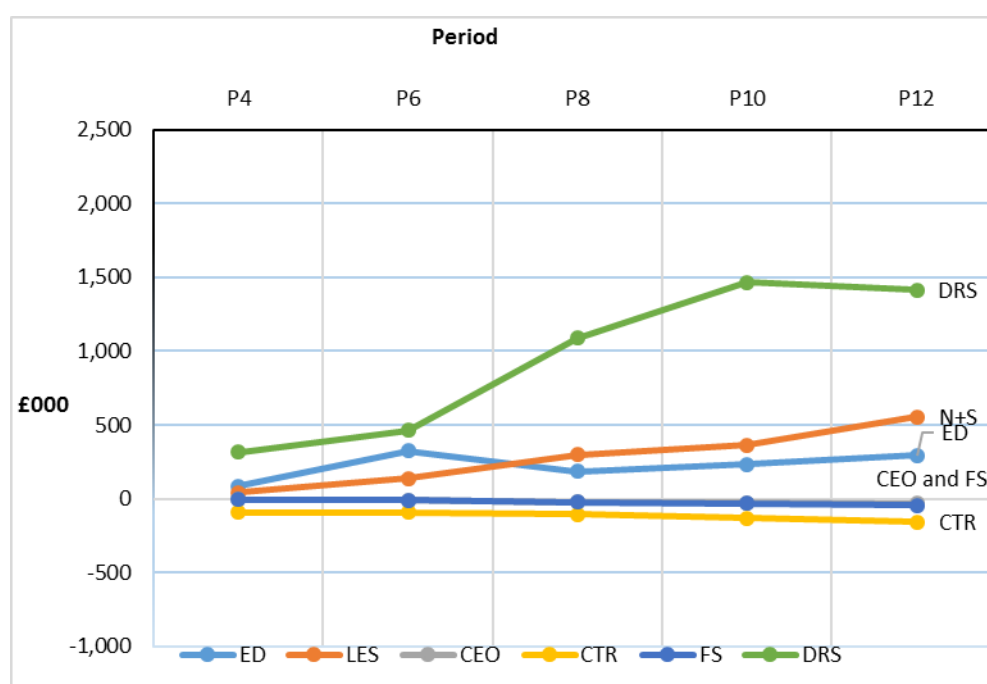
8.1 The Glasgow City Integration Joint board (IJB) is now responsible for the planning and commissioning of health and social care services within the city.

8.2 While the financial position of Social Work Services continues to be monitored through the Council's existing reporting structures the overall financial position is now the responsibility of the IJB and is therefore reported separately from the General Fund. The Reserves policy of the IJB has resulted in the transfer of previous year underspends to IJB reserves to mitigate any ongoing or future budget pressures. The IJB uncommitted reserve balance is currently £7.4m.

8.3 At period 12 Social Work Services is showing an overspend of £1.8m. This overspend is mainly within Homecare Services, within Older People, and is reflective of costs of services which have transferred from Cordia. There are also overspends within Older Peoples Services and Adult Services for care packages and care home places, which is offset by an underspend in Children and Families as a result of early delivery of transformation savings. This overspend will be met from IJB reserves and has no net impact on the Council's overall financial position.

9 Service Variance Comparison

9.1 Service financial performance across the year to date is illustrated below:



10. Trading Operations

10.1 Both Trading Operations are currently generating a surplus in line with budget.

10.2 It is expected that both trading operations will achieve a break-even position in 2018-19 (excluding IAS 19 employee benefits costs, which are not included in Trading Operations' charge-out rates).

11. Forecast

11.1 As previously reported the probable outturn is forecasting a £0.5m reduction in the level of contribution from general fund reserves as detailed in appendix 1.

11.2 This position will continue to be reviewed with the final position reported as part of the outturn for 2018/19.

12. Recommendations

12.1 The City Administration Committee is asked to:

- (I) approve the adjustments relating to the revenue budget at section 4
- (II) note that this report and all detailed service department reports will be considered by the Finance and Audit Scrutiny Committee.

LIST of Attachments:

- Key Figures
- Council Tax Income
- Non Domestic Rates Income
- General Fund Summary
- Social Work Services Summary
- Trading Operations

APPENDIX 1

**GLASGOW CITY COUNCIL
BUDGET MONITORING**

KEY FIGURES

PERIOD 12 - 1 April 2018 to 15 February 2019

Measure	Status (Under or Over Budget Profile)	Period 12	Probable
Council Tax Income	Ahead		+£3.5m
Council Tax Collection Rate	Ahead	+0.21%	
Non Domestic Rates Collection Rate	Ahead	+1.57%	
General Fund Net Expenditure	Over	+£2.2m	
<u>Service Departments:</u>			
Chief Executive's Office	On budget		On budget
Development and Regeneration Services	Over	+£1.4m	+£1.6m
Education Services	Over	+£0.3m	+£0.3m
Financial Services	On budget		-£0.1m
Financial Services – Benefit Payments	Under	-£0.2m	On budget
Financial Services – Scottish Welfare Fund	On budget		On budget
Neighbourhoods and Sustainability	Over	+£0.5m	+£0.4m
		+£2.0m	+£2.2m
Financing Costs			-£3.0m
Related Companies and Trading Operations			+£3.8m
Reduction in Contribution from General Fund Balances			+£0.5m
Probable Outturn			Nil
Social Work Services		+£1.8m	+£4.3m
<u>General Fund Balances</u>			
2018-19 Budget Contribution from Balances			£3.8m
Reduction in Contribution			£0.5m
Revised 2018-19 Contribution from Balances			£3.3m

Glasgow City Council

Budget Monitoring 2018/19

Revenues - Income Monitoring and Cash Collection

Period to 31 January 2019

Council Tax

Income Monitoring	Estimate 2018/19 £000	Forecast Outturn 2018/19 £000	Variance £000
	276,799	280,299	3,500

Cash Collection

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	30,120	30,120	12.93	12.48	0.45
May	20,337	50,457	21.57	21.18	0.39
June	20,480	70,937	29.90	29.84	0.06
July	21,058	91,995	38.89	38.43	0.46
August	20,416	112,411	47.74	47.21	0.53
September	20,495	132,906	56.51	56.01	0.50
October	21,595	154,501	66.01	65.56	0.45
November	20,567	175,068	75.10	74.66	0.44
December	21,922	196,990	84.59	84.53	0.06
January	14,534	211,524	91.02	90.81	0.21
February			0.00	93.33	
March			0.00	94.98	

**Total Cash to be Collected
(i.e. net of Council Tax Reduction etc)** **232,401**

Target collection in year (95%) **220,781**

Glasgow City Council

Budget Monitoring 2018/19

Revenues - Cash Collection

Period to 31 January 2019

Non Domestic Rates

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	34,992	34,992	9.05	7.43	1.62
May	33,032	68,024	17.65	17.15	0.50
June	29,639	97,663	25.49	24.17	1.32
July	27,899	125,562	33.04	31.76	1.28
August	30,394	155,956	41.15	40.01	1.14
September	52,049	208,005	54.99	47.42	7.57
October	35,609	243,614	64.69	62.95	1.74
November	28,903	272,517	72.51	71.95	0.56
December	30,512	303,029	80.68	80.09	0.59
January	29,715	332,744	88.95	87.38	1.57
February			0.00	95.44	
March			0.00	97.62	
Total Cash to be Collected		374,071			
Target collection in year (97.63%)		365,206			

GLASGOW CITY COUNCIL
2018/19 REVENUE BUDGET : MONITORING REPORT
GENERAL FUND SERVICE SUMMARY

PERIOD 12: 1 APRIL 2018 TO 15 FEBRUARY 2019

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000
				Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	
				£000	£000	£000	£000	£000	£000	
92,014	-2,045	89,969	Chief Executive's Office	77,092	77,123	14,138	14,137	62,954	62,986	-32
34,922	-148	34,774	Development & Regeneration Services	257,768	254,258	123,704	121,607	134,064	132,651	1,413 OVER
528,777	15,779	544,556	Education Services	513,486	513,802	24,890	25,498	488,596	488,304	292 OVER
36,244	2,211	38,455	Financial Services	52,183	52,229	12,576	12,576	39,607	39,653	-46
78,470	0	78,470	Financial Services - Council Tax Reduction Scheme/Benefit Payments	377,601	377,757	246,978	246,978	130,623	130,779	-156
6,812	0	6,812	Financial Services - Scottish Welfare Fund	5,978	5,978	0	0	5,978	5,978	0
110,644	3,401	114,045	Neighbourhoods and Sustainability	148,197	148,126	47,150	47,634	101,047	100,492	555 OVER
107,562	-80	107,482	Related Companies and Joint Boards	100,898	100,898	1,272	1,272	99,626	99,626	0
-28,896	-3,562	-32,458	Specific Grant	0	0	32,458	32,458	-32,458	-32,458	0
966,549	15,556	982,105	TOTAL	1,533,203	1,530,171	503,166	502,160	1,030,037	1,028,011	2,026 OVER

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	1 & 2	3	4	5	6	7	8	9	10	11	12
Percentage	-	100.2%	100.2%	100.2%	100.2%	-	100.2%	-	100.2%	-	100.2%

NEIGHBOURHOODS AND SUSTAINABILITY - MANAGED SERVICES SUMMARY

PERIOD 12: 1 APRIL 2018 TO 15 FEBRUARY 2019

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Committee/Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure
				Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	
				£000	£000	£000	£000	£000	£000	
0	0	0	<u>Neighbourhoods and Sustainability</u> Public Analyst	2,432	2,200	2,432	2,200	0	0	0
0	0	0	TOTAL	2,432	2,200	2,432	2,200	0	0	0

Expenditure as a Percentage of Income to Date

	1 & 2	3	4	5	6	7	8	9	10	11	12
Percentage	-	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	-	100.0%

**CITY OF GLASGOW COUNCIL
2018/19 REVENUE BUDGET : MONITORING REPORT
SOCIAL WORK SERVICES SUMMARY**

PERIOD 12: 1 APRIL 2018 TO 15 FEBRUARY 2019

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000
				Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	
				£000	£000	£000	£000	£000	£000	
405,132	4,007	409,139	Social Work Services	500,800	497,196	178,923	177,144	321,877	320,052	1,825 OVER
-13,691	0	-13,691	Specific Grant	0	0	10,917	10,917	-10,917	-10,917	0
0	0	0	Draw from IJB reserves	0	0	1,825	0	-1,825	0	-1,825
391,441	4,007	395,448	TOTAL	500,800	497,196	191,665	188,061	309,135	309,135	0

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	1 & 2	3	4	5	6	7	8	9	10	11	12
Percentage	-	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	-	100.0%

GLASGOW CITY COUNCIL
2018/19 REVENUE BUDGET : MONITORING REPORT
TRADING OPERATIONS

Summary Expenditure and Income as at Period 12

Revised Annual Net Surplus	TRADING OPERATION	Expenditure	Income	Gross Surplus	Appropriations	Net Surplus	Budgeted Net Surplus	Variance Over/(-)Under
£000		£000	£000	£000	£000	£000	£000	£000
	<u>NEIGHBOURHOODS AND SUSTAINABILITY</u>							
696	Transport	24,263	24,865	602	0	602	591	11
907	Area Operations	70,233	70,923	690	0	690	689	1
1,603	TOTAL	94,496	95,788	1,292	0	1,292	1,280	12