



Glasgow City Council

City Administration Committee

Report by Councillor Allan Gow, City Treasurer

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Item 3

4th April 2019

2019/20 Revenue Estimates

Purpose of Report:

The Budget approved by Council on 21 February 2019 was at a summary (service) level. This report now seeks approval for the allocation of budgets to a detailed (objective) level within services as this will be the basis for the detailed revenue monitoring reports through the year. A bound copy of the Estimates will be issued prior to the meeting.

Recommendations:

The City Administration Committee is asked to:

- approve the adjustments relating to the revenue budget set out in section 2.2 of the report;
- approve the detailed 2019/20 Revenue Estimates report; and
- note that this will be the basis for the detailed service reports to be considered by Finance and Audit Scrutiny Committee.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1. Introduction

1.1 The Council approved the summary of the 2019/20 revenue estimates at the meeting on 21 February 2019. This report provides the detailed allocation of the approved 2019/20 estimates at service level.

2. Approved Estimates

2.1 The detailed 2019/20 revenue estimates report includes some changes to service estimates. A summary of the changes to net expenditure across services is provided below.

	Change in 2019/20 Net Expenditure Estimate £
Net Service Expenditure	£
Chief Executive's Office	-3,824,200
Development and Regeneration Services	1,793,500
Education Services	-1,766,000
Financial Services	9,956,000
Neighbourhoods and Sustainability	30,700
Social Work Services	8,054,000
Related Companies and Joint Boards	68,100
Net Direct Expenditure	14,312,100
Financing Costs	-2,368,100
Allocations	0
Contributions from Trading Operations and Related Companies	0
Contributions to Funds	0
Net Service Expenditure	11,944,000
Changes in Balances	0
Total Net Expenditure	11,944,000
Central Government Grant	11,944,000
Total 2019/20 Revenue Estimates Changes	0

2.2 The changes to the Revenue Estimates are as follows:

- There was a reduction of budget of £3,824,200 within Chief Executive's Office. This reflects virements from the Structural Reform Invest to Improve Fund, £2,000,000 to Social Work Services in respect of pay and pension costs associated with the transfer of Cordia services, £1,793,500 to Development and Regeneration Services reflecting £950,000 in respect of additional staffing for regeneration resource planning, £500,000 in respect of pay and pension costs associated with the transfer of Cordia services and £374,200 in respect of increased non-domestic rates costs.
- There was a reduction of budget of £1,766,000 within Education Services. This reflects a reduction of budget of £3,859,000 in respect of the recent

notification of the deferral of the increase in employers' teachers superannuation rate to 1 September 2019 partially offset by an increase in budget of £1,789,000 to represent the improved pay offer for teachers. Central government grant funding assumptions have been adjusted accordingly. In addition there has been a budget increase of £304,000 to reflect changes included in the latest Finance Circular from the Scottish Government, this reflects allocation of central government grant funding for 1+2 Languages.

- There was an increase of budget of £9,956,000 within Financial Services to reflect changes included in the latest Finance Circular from the Scottish Government. This represents an increase of £9,536,000 to reflect allocation of central government grant funding for Discretionary Housing Payments and an increase of £420,000 to reflect allocation of central government grant funding for Barclay Review implementation costs.
- There was an increase of budget of £8,054,000 within Social Work Services. £3,754,000 reflects changes included in the latest Finance Circular from the Scottish Government and covers allocation of central government grant funding for Free Personal Care for under 65s and the Carers Act extension. The balance of £4,300,000 is in respect of virements for pay and pension costs.
- There was a net increase to gross expenditure and income within Development and Regeneration Services of £3,100,000 in respect of confirmation of grant awards.
- There was a reduction to gross expenditure and income budgets within Social Work Services of £838,200 to reflect reductions in Homelessness as a result of the closure of Clyde Place hostel.
- There have also been changes to gross income and gross expenditure budgets to reflect various service reconfigurations.

2.3 In relation to the Glasgow Integrated Joint Board (IJB) the Council anticipates a total net direct expenditure budget totalling £433,074,600 spanning Social Work Services, Development and Regeneration Services and Neighbourhoods and Sustainability.

3. Policy and Resource Implications

Resource Implications:

Financial:	None – the increase to the net expenditure budget is funded by an increase to central government grant.
Legal:	No legal implications.
Personnel:	No personnel implications.

Procurement:	No procurement implications.
Council Strategic Plan:	The revenue estimates support the Council to deliver its strategic plan commitments.
Equality Impacts:	The revenue estimates support the council to deliver its equality impacts.
Sustainability Impacts:	No impact
Privacy and Data Protection Impacts:	No impact

4. Recommendations

4.1 The City Administration Committee is asked to:

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- approve the detailed 2019/20 Revenue Estimates report; and
- note that this will be the basis for the detailed service reports to be considered by Finance and Audit Scrutiny Committee.