



Glasgow City Council

City Administration Committee

Report by Councillor Allan Gow, City Treasurer

Contact: Martin Booth Ext: 73837

Item 1

6th February 2020

BUDGET MONITORING 2019-20; PERIOD 10

Purpose of Report:

This report provides a summary of financial performance for the period 1 April 2019 to 20 December 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

PLEASE NOTE THE FOLLOWING:

Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <http://www.ordnancesurvey.co.uk> "

If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale

1. Introduction

1.1 This report provides a summary of financial performance for the period 1 April 2019 to 20 December 2019.

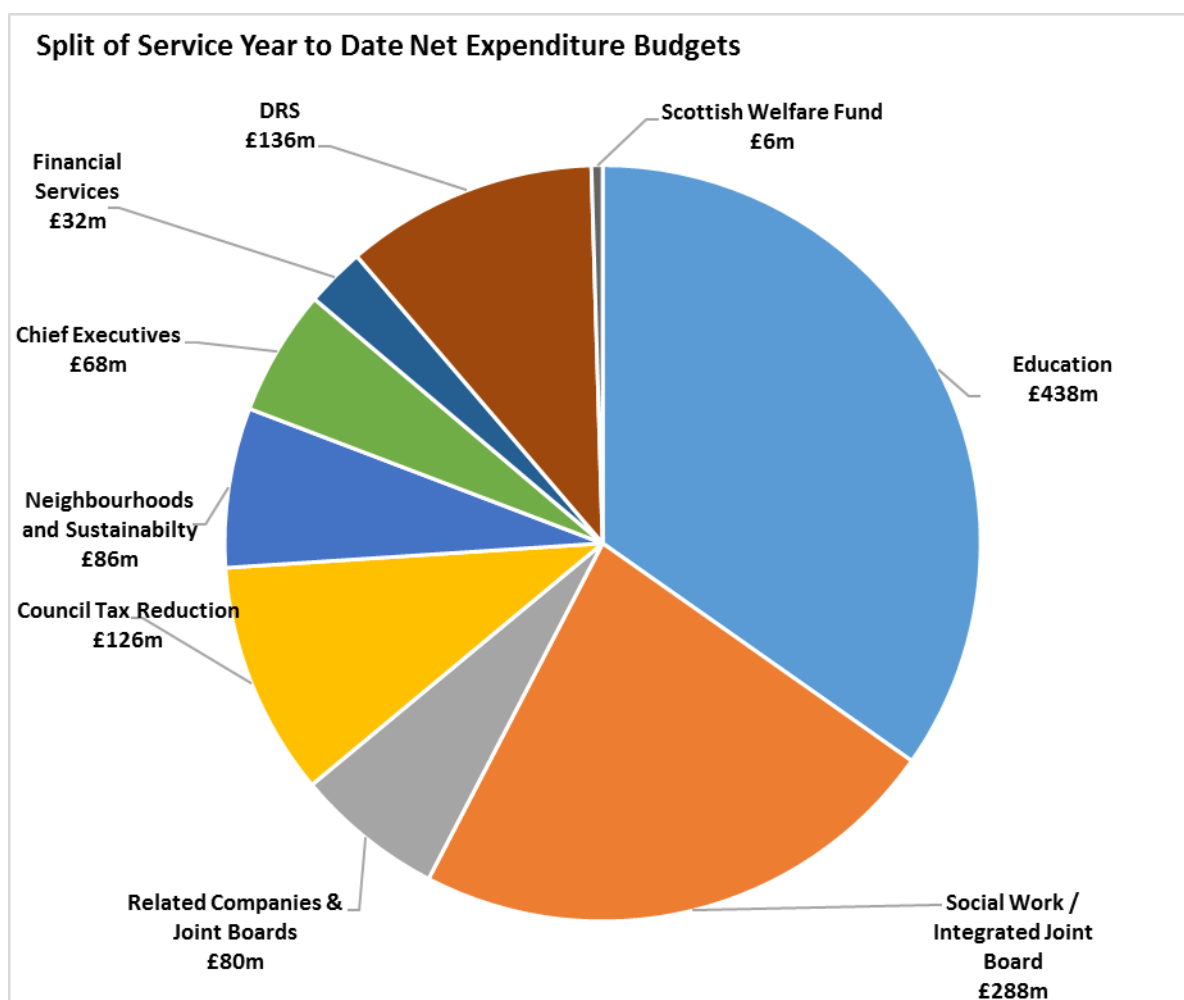
2. Reporting Format

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

3. Approved Budget

3.1 The 2019-20 budget was approved by Council on 21 February 2019 and the detailed service estimates subsequently approved by the City Administration Committee on 4 April 2019. 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 10 are outlined in section 4, below.

4. Revenue Budget

- 4.1 During period 9 and 10 there has been a net budget increase of £4.9m resulting in a cumulative budget increase of £27.5m to date. Service specific budget changes are summarised in the paragraph below.
- 4.2 The significant budget changes since period 8 are as follows:
 - 4.2.1 Income and expenditure budgets within Neighbourhoods and Sustainability have increased by £0.5m in respect of additional funding from the Scottish Cities Alliance.
 - 4.2.2 Income and expenditure budgets within Education have increased by £1.7m due to additional funding from the Scottish Government in respect of care experienced pupils in schools (£1.6m) and additional funding from the British Council in relation to schools projects (£0.1m).
- 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 £295.9m. This is £5.3m more than budget.
- 5.1.2 The council tax collected to 31 December 2019 amounts to £205.5m. This represents 84.35% of the figure to be collected and is 0.24% behind last year's equivalent collection figure. The target rate of collection for Council Tax this year is 95.03%.

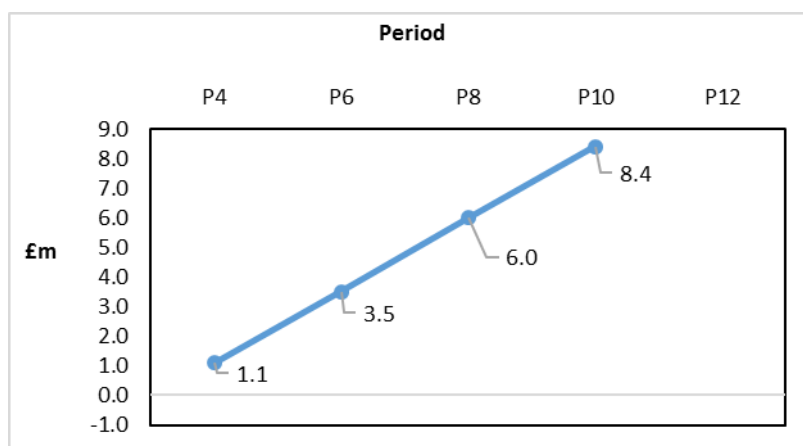
5.2 Non Domestic Rates

- 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 December 2019 amount to £304.6m. This represents 80.89% of the figure to be collected and is 0.21% ahead of last year's equivalent collection figure. The target rate for collection for Non Domestic Rates for this year is 97.7%.

6. General Fund

- 6.1 Net expenditure is running at 100.9% of profile, representing an overspend of £8.4m. This reflects overspends within Education Services, Development and Regeneration Services and Neighbourhoods and Sustainability offset by savings within Financial Services.

6.2 Net Expenditure Position – budget variance:



7. Services

7.1 Education Services £4.8m

7.1.1 This reflects overspends relating to increasing pupil rolls affecting employee costs, property, transport and supplies and services offset by savings in Early Years graduate recruitment.

7.2 Development and Regeneration Services £1.9m

7.2.1 This reflects an overspend in the property and land services division mainly due to overspends on property repairs and utilities. Other areas of the service are showing a net underspend mainly due to Economic Development and Building Control.

7.3 Neighbourhoods and Sustainability £2.2m

7.3.1 This reflects lower commercial refuse income offset by increased income in environmental services due to income from external sources and underspends from vacancy management.

7.4 Financial Services -£0.5m – Council Tax Reduction/Benefits Payments -£1.2m Scottish Welfare Fund +£0.7m

7.4.1 The underspend in Council Tax reduction reflects a lower level of commitment in respect of the Council Tax Reduction Scheme and the overspend in Scottish Welfare Fund is due to an increase in demand for the service.

8. Social Work Services

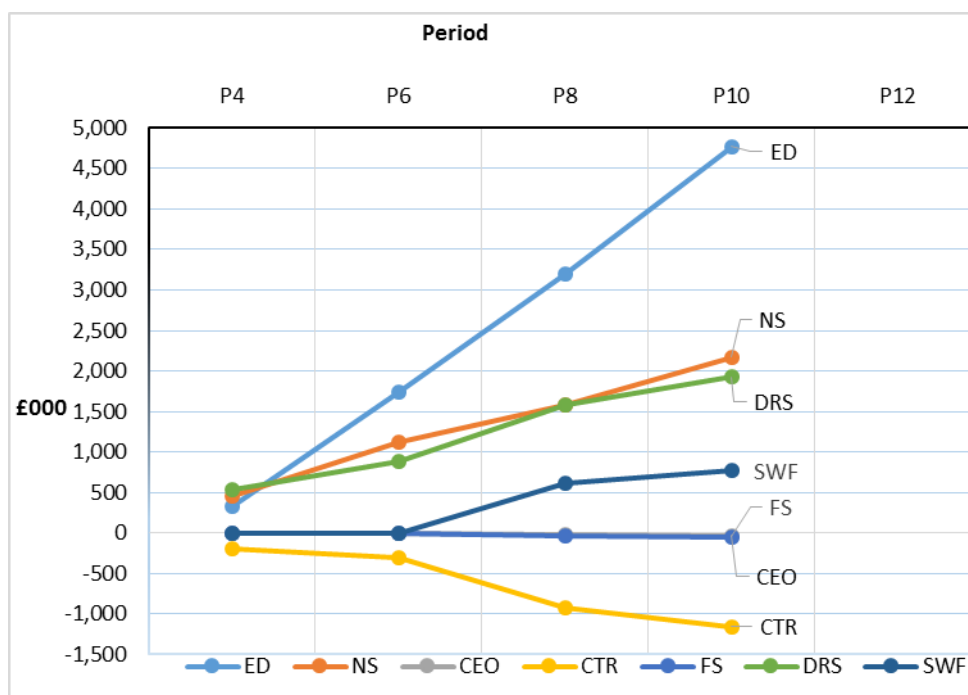
8.1 The Glasgow City Integration Joint board (IJB) is now responsible for the planning and commissioning of health and social care services within the city.

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.

8.3 At period 10 Social Work Services is showing an underspend of £4.5m. This underspend is mainly within Children and Families as a result of staff vacancies within the service and the early delivery of future year savings.

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 2019-20 (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 £2.2m increase in the level of contribution from general fund reserves as detailed in appendix 1.

11.2 This position will continue to be reviewed throughout the remainder of the year and any significant variances reported through the normal monitoring process.

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 10 - 1 April 2019 to 20 December 2019

Measure	Status (Under or Over Budget Profile)	Period 10	Probable
Council Tax Income	Ahead		+£5.3m
Council Tax Collection Rate	Behind	-0.24%	
Non Domestic Rates Collection Rate	Ahead	+0.21%	
General Fund Net Expenditure	Over	+£8.4m	
 <u>Service Departments:</u>			
Chief Executive's Office	On budget		On budget
Development and Regeneration Services	Over	+£1.9m	+£2.3m
Education Services	Over	+£4.8m	+£6.3m
Financial Services	On budget		-£0.1m
Financial Services – Benefit Payments	Under	-£1.2m	-£2.6m
Financial Services – Scottish Welfare Fund	Over	+£0.7m	+£1.0m
Neighbourhoods and Sustainability	Over	+£2.2m	+£2.8m
		+£8.4m	+£9.7m
Financing Costs			-£3.9m
Related Companies and Trading Operations			+£1.7m
Increase in Contribution from General Fund Balances			+£2.2m
Probable Outturn			Nil
Social Work Services		-£4.5m	-£5.3m
 <u>General Fund Balances</u>			
2019-20 Budget Contribution from Balances			£13.0m
Increase in Contribution			£2.2m
Revised 2019-20 Contribution from Balances			£15.2m

Glasgow City Council

Budget Monitoring 2019/20

Revenues - Income Monitoring and Cash Collection

Period to 31st December 2019

Council Tax

Income Monitoring	Estimate 2019/20 £000	Forecast Outturn 2019/20 £000	Variance £000
	290,599	295,859	5,260

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	32,027	32,027	13.20	12.93	0.27
May	21,557	53,584	21.93	21.57	0.36
June	20,473	74,057	29.95	29.90	0.05
July	22,684	96,741	39.16	38.89	0.27
August	21,662	118,403	48.12	47.74	0.38
September	21,588	139,991	56.89	56.51	0.38
October	21,948	161,939	66.00	66.01	-0.01
November	21,323	183,262	75.09	75.10	-0.01
December	20,513	205,491	84.35	84.59	-0.24
January			0.00	91.02	
February			0.00	93.61	
March			0.00	95.03	
Total Cash to be Collected (i.e. net of Council Tax Reduction etc)		243,610			
Target collection in year (95.03%)		231,503			

Glasgow City Council

Budget Monitoring 2019/20

Revenues - Cash Collection

Period to 31st December 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	24,420	24,420	6.40	9.05	-2.65
May	43,917	68,337	17.93	17.65	0.28
June	29,160	97,497	25.49	25.49	0.00
July	28,733	126,230	33.08	33.04	0.04
August	29,847	156,077	40.92	41.15	-0.23
September	53,151	209,228	54.85	54.99	-0.14
October	36,901	246,129	64.83	64.69	0.14
November	29,722	275,851	73.04	72.51	0.53
December	28,772	304,623	80.89	80.68	0.21
January			0.00	88.95	
February			0.00	96.32	
March			0.00	97.98	
Total Cash to be Collected		376,597			
Target collection in year (97.7%)		367,935			

GLASGOW CITY COUNCIL
2019/20 REVENUE BUDGET : MONITORING REPORT
GENERAL FUND SERVICE SUMMARY

PERIOD 10: 1 APRIL 2019 TO 20 DECEMBER 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	
89,524	713	90,237	Chief Executive's Office	75,677	75,707	7,718	7,717	67,959	67,990	-31
61,277	-2,985	58,292	Development & Regeneration Services	253,302	248,564	115,225	112,411	138,077	136,153	1,924 OVER
579,640	24,836	604,476	Education Services	461,622	457,061	19,103	19,313	442,519	437,748	4,771 OVER
38,606	968	39,574	Financial Services	43,170	43,215	10,983	10,983	32,187	32,232	-45
80,905	-188	80,717	Financial Services - Council Tax Reduction Scheme/Benefit Payments	311,857	313,010	186,774	186,774	125,083	126,236	-1,153
6,812	1,000	7,812	Financial Services - Scottish Welfare Fund	6,407	5,638	0	0	6,407	5,638	769 OVER
121,665	3,300	124,965	Neighbourhoods and Sustainability	137,014	135,720	49,112	49,991	87,902	85,729	2,173 OVER
101,457	1,225	102,682	Related Companies and Joint Boards	80,895	80,895	1,174	1,174	79,721	79,721	0
-52,094	-687	-52,781	Specific Grant	0	0	52,781	52,781	-52,781	-52,781	0
1,027,792	28,182	1,055,974	TOTAL	1,369,944	1,359,810	442,870	441,144	927,074	918,666	8,408 OVER

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

	4	6	8	10	12
Percentage	100.3%	100.7%	100.9%	100.9%	

NEIGHBOURHOODS AND SUSTAINABILITY - MANAGED SERVICES SUMMARY

PERIOD 10: 1 APRIL 2019 TO 20 DECEMBER 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	2,252	2,114	2,252	2,114	0	0	0
0	0	0	TOTAL	2,252	2,114	2,252	2,114	0	0	0

Expenditure as a Percentage of Income to Date

	4	6	8	10	12
Percentage	100.0%	100.0%	100.0%	100.0%	

**CITY OF GLASGOW COUNCIL
2019/20 REVENUE BUDGET : MONITORING REPORT
SOCIAL WORK SERVICES SUMMARY**

PERIOD 10: 1 APRIL 2019 TO 20 DECEMBER 2019

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure
				Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	£000
				£000	£000	£000	£000	£000	£000	£000
428,803	-695	428,108	Social Work Services	444,168	447,906	150,766	149,987	293,402	297,919	-4,517
-15,161	0	-15,161	Specific Grant	0	0	10,107	10,107	-10,107	-10,107	0
0	0	0	Transfer to LJB reserves	0	0	-4,517	0	4,517	0	4,517
413,642	-695	412,947	TOTAL	444,168	447,906	156,356	160,094	287,812	287,812	0

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

	4	6	8	10	12
Percentage	100.0%	100.0%	100.0%	100.0%	

GLASGOW CITY COUNCIL
2019/20 REVENUE BUDGET : MONITORING REPORT
TRADING OPERATIONS

Summary Expenditure and Income as at Period 10

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>							
877	Area Operations	57,831	58,368	537	0	537	537	0
677	Transport	20,157	20,628	471	0	471	471	0
1,554	TOTAL	77,988	78,996	1,008	0	1,008	1,008	0