

22. DRAFT 2011/12 GENERAL FUND REVENUE BUDGET OUTTURN

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Estates providing the draft final outturn for the 2011/12 General fund Revenue Budget.

The report recommended that the Council Executive:-

- Note the budget outturn for 2011/12 and general fund balance as at 31 March 2012, including the earmarked balances;
- Approve the allocation of £500,000 from the resulting uncommitted general fund balance to meet the anticipated cost of changes to Council Tax Benefit Subsidy that would be introduced in April 2013; and
- Approve the submission of the council's 2012/13 Efficiency Statement to COSLA.

The report set out a summary of the overall financial performance of the General Fund Revenue Budget for 2012/13 and provided information on how the outturn position had been arrived at.

The Head of Finance advised that the overall service underspend was £9.152 million which compared to the underspend of £7.921 million reported to the Council Executive at month 9 which was earmarked in full for time limited investment and to cover the increase in care home fees. Of this sum £103,000 was spent in 2011/12 and the remaining £7.818 million would be carried forward.

After taking account of all earmarked balances, the additional uncommitted underspend for the year was £789,000. This had been achieved mainly through a favourable variance in winter maintenance with the relatively mild weather during the winter and early spring resulting in an additional under spend of £650,000 for the year. The report went on to provide details of the underspend within each service area. Further details were also provided on Non Service Expenditure, Funding in 2011/12, Overall 2011/12 Outturn Position and General Fund Reserves.

The report advised that the UK Government's Welfare Reform Act 2012 abolished Council Tax benefit from April 2013 and a new localised scheme of support, currently being developed by the Scottish Government in consultation with local authorities would be introduced.

As part of the new arrangements resulting from the Act there would be a reduction of 10% in funding equivalent to £40 million at a Scottish level. The Scottish Government and COSLA had pledged to meet this shortfall in 2013/14 with the aim to ensure that no households currently in receipt of Council Tax Benefit would lose out in the first year. To this end £23 million would be provided by the Scottish Government and COSLA agreed the remaining £17 million would be met by local authorities and that West Lothian's share would be estimated at £500,000.

The Head of Finance also advised that Scottish Local Authorities were required to provide an annual statement to COSLA each year providing details on budget efficiencies achieved. For 2011/12 the Scottish Government issued guidance which simplified the level of detail required, whilst also stressing the importance of maintaining outputs and outcomes when budget resources were constrained.

The report advised that the Efficiency Statement only considered the element of budget reductions that related to efficiencies. In 2011/12 the council's budget efficiencies totalled £15.222 million.

Motion

Council Executive agrees to approve the recommendations in the report and further agrees to:

- A. Approve the allocation of £55,000 from the resulting uncommitted general fund balance as at 31 March 2012 to meet the anticipated cost of an additional brown bin uplift during 2012.
- B. Approve the allocation of £76,124 from the resulting uncommitted general fund balance as at 31 March 2012 to provide an immediate 10% increase in the 2012/13 Voluntary Organisations Budget Report agreed by Council Executive on 13 December 2011.
- C. Approve the allocation of £157,876 from the resulting uncommitted general fund balance as at 31 March 2012 to extend existing wage subsidy schemes to West Lothian Voluntary Organisations as an additional measure to tackle youth unemployment.

Council Executive instructs the Head of Finance and Estates to take account of points A and B when preparing future financial plans.

- Moved by Councillor John McGinty and seconded by Councillor Jim Dixon.

Amendment

Council re-asserts that the greatest challenge facing public services in this difficult financial climate is to effectively combat the negative outcomes for individuals and communities arising from deep-rooted inequalities and accepts that the most effective response to this challenge is to prioritise preventative actions and early interventions to most effectively tackle the root causes of inequality and negative outcomes and so deliver equality, fairness and social outcomes.

Council Executive notes that thanks to the pro-active and prudent management of Council finances by the previous SNP led Administration that a further £789,000 is now available from the 2011/12 Revenue Budget.

Council reasserts that improving the employability prospects for West Lothian young people remains a key priority and welcomes the current

council commitment to employability initiatives totalling £4.453 million.

Council therefore agrees to;

1. Accept recommendations 1 – 3 as detailed in the committee report.
 2. Allocate the remaining uncommitted sum of £289,000 to deliver an additional 48 places within the council's Steps N2 Work programme over the 12/13 – 13/14 period.
- Moved by Councillor Peter Johnston and seconded by Councillor Greg McCarra.

Decision

Following a vote the motion was successful by 9 votes to 2 and it was agreed accordingly