

Three Year Revenue Budget 2006-2009

City of Edinburgh Council

9 February 2006

Purpose of report

- 1 To refer to the Council a report by the Director of Finance on the Three Year Revenue Budget for 2006-2009.

Details

- 2 On 31 January 2006, the Executive considered the attached report by the Director of Finance on a number of issues affecting the Council's Three Year Revenue Budget 2006-2009.
- 3 The implications of the local government finance settlement announced by the Minister for Finance and Public Services on 8 December 2004 and the effect this would have in terms of setting the Council Tax and level of General Fund balances were also reported.
- 4 The Executive agreed:
 - 1) To remit the report by the Director of Finance to the Council on 9 February 2006 for decision on:
 - i) the revenue budget for 2006-2007 and indicative budgets for 2007-2008 and 2008-2009; and
 - ii) the Council Tax level for 2006-2007 and an indicative level for 2007-2008.

Recommendation

- 5 That the Council considers the attached report in deciding upon the Three Year Revenue Budget 2006-2009.

Donald Anderson
Leader

Appendix	Report no E/366/05-06/F by the Director of Finance
Contact/tel	Louise Williamson, Committee Services Tel: 529 4121 Fax: 529 7607 e-mail: louise.p.williamson@edinburgh.gov.uk
Wards affected	City Wide
Background Papers	Minute of the Executive of 31 January 2006

Three Year Revenue Budget 2006-2009

The Executive of the Council

31st January 2006

1 Purpose of Report

- 1.1 The purpose of this report is to update Members on a number of issues that require to be addressed in setting the 2006-2009 revenue budget and to consider the Finance Settlement announced on 23rd November 2005. This report will also consider the impact of the settlement in terms of setting the Council Tax and the level of General Fund balances.

2 Background

- 2.1 Resource allocations for the roll forward of the revenue budget 2006-2009 were issued to departments in September 2005. The resource allocations, which followed the method used in previous years, other than the allocation of growth monies to departments (see 3.19 below), were based on the following provisional planning assumptions:
- (i) Council Tax increase of 4% in 2006-07, as indicated in the Council decision of 10th February 2005. Potential increase of 3% in 2007-08 and 2008-09. There is also an assumed increase in the council tax base of 0.75% per annum;
 - (ii) An assumed increase in Aggregate External Finance (AEF) of 1.25% per annum;
 - (iii) Efficiency savings were set at 2% for all departments;
 - (iv) Pay awards have been set at 3% for the three years, except teachers where settlement has been agreed (subject to RPI remaining below 2.25%) at 2% for 2006-07 and 2.25% for 2007-08. A provision of 3% has been made for teachers for 2008-09;
 - (v) No provision was made in the original resource allocations with respect to costs associated with the introduction of single status or equal pay;
 - (vi) Appropriate indexation provisions have been made for ICT and PPP contracts. The latter provision will be reviewed as part of the overall PPP2 affordability, as agreed at Council on 14th October 2004.

3 Main report

Finance Settlement

- 3.1 The finance settlement for the period 2006-2008 was received from the Scottish Executive on the 23 November. The Scottish Executive's spending plans for 2005-08 showed a trend of local government's share of public expenditure reducing in comparison with health expenditure. This is shown in the following table:

Table 1: Comparison of Sector Shares of Scottish Executive's Spending Plans

Scottish Executive Spending Plans	2005-06	2006-07	2007-08
Scottish Executive % increase	6.4%	6.6%	5.0%
Health and Community Care Portfolio % increase	9.2%	8.3%	7.9%
Core Local Government Funding % increase	3.7%	3.2%	2.3%

- 3.2 Aggregate External Finance (AEF), which represents the actual funding provided to local authorities, as a percentage of Total Estimated Expenditure continues to fall. Therefore the amount and share of expenditure which Councils are expected to fund is increasing.
- 3.3 The settlement highlights the need to ensure income generation is as efficient as possible. The 2005-08 budget included an annual increase of £0.5m from increased Council Tax income, commencing in 2006-07.
- 3.4 A detailed report on the Finance Settlement can be seen elsewhere on the agenda.
- 3.5 In the absence of a financial settlement for 2008-09, it is not proposed to set an indicative Council Tax rise for 2008-09 at the special meeting of Council on 9th February 2005.

Draft Service Plans

- 3.6 Resource allocations were initially issued to departments in September 2005 as part of the development and roll forward of the Service Planning/Three-Year budget process 2006-2009. The draft service plans were required to match the three-year resource totals issued to departments.
- 3.7 Service plans for the three years 2006-2009 have been submitted by each service. These have been reviewed at senior officer level and a process of review is currently ongoing by all political groups. Any alternatives to the specific budget proposals detailed in these draft plans will be submitted to the Council in the form of motions on 9th February 2006.
- 3.8 In addition to preparing three-year service plans, departments were required to prepare a departmental information pack. This pack includes a summary of financial issues, risk/uncertainty, staffing statistics, performance information, service improvement and environmental/influencing factors as these are anticipated to affect service delivery over the forthcoming three-year period.

Expenditure Pressures

- 3.9 Outwith the service plans, some Directors have indicated expenditure pressures that cannot be fully accommodated within the cash limit issued to each service. Members will also wish to consider their own political priorities in reaching final decisions on the budget. In this context, it should be noted that a movement of 1% in the Council Tax is equivalent to approximately £2m.

Building Dilapidations

- 3.10 Expenditure will be required on premises at Wellington Court and York Place, prior to the termination of the leases, arising from the transfer to the new Council headquarters. This is estimated to be £1m.

Single Status / Equal Pay

- 3.11 The initial resources issued to departments were prior to consideration of the funding issues associated with single status and equal pay. In other words the requirement to deliver efficiency savings is simply a function of the ongoing need to contain costs within the resources available to the council year on year to fund normal service delivery. The council, in common with all other Scottish Authorities however presently faces an exceptional problem with regard to the funding of single status and equal pay. The costs arising from equal pay are currently estimated as £33m (including bonus buy-out) to address back-pay issues, with an ongoing liability of £10m per annum to address single status. There is an element of risk attached to these figures. However, there are a number of funding strategies that are being evaluated to address these issues. These include:

- (i) sale of major Council asset(s);
- (ii) use of Council balances - these would require to be reinstated in future years;
- (iii) the requirement for departments to identify further efficiency savings beyond 2%.

A detailed report on strategic options for managing the issues associated with single status, including the funding options associated with the one-off costs of back pay, can be seen elsewhere on the agenda.

Dividend Income

- 3.12 The updated resource allocations provide for dividend income of £4.45m per annum. This comprises the following:

- (i) Lothian Buses - £2m
- (ii) Edinburgh Development and Investment Limited (EDI) - £0.750m
- (iii) New Edinburgh Limited (NEL) - £1.7m

- 3.13 Members will be aware that realisation of dividend income is partly dependent on external circumstances, including the profitability of Council companies, the existing distributable assets within the company balance sheets and the overall state of the financial and property markets.

- 3.14 Council previously approved management of the deferment of £0.9m of dividend income from NEL and £0.568m from Lothian Investment Fund for Enterprise Limited (LIFE) through reserves in 2005-06.

- 3.15 Council also considered my report on the half-year revenue budget monitoring position in November 2005. This report noted that there were concerns over whether the budgeted income of £2m will be received from Lothian Buses. The issue relates to the impact of Financial Reporting Standard 17 (Retirement Benefits) on Lothian Buses' financial position and therefore their ability to make a dividend payment. This will also be a factor in setting the budget for 2006-2009. Discussions are being held with Lothian Buses on this issue and Members will be advised of the outcome prior to the Council meeting on 9th February.

Efficiency Savings

- 3.16 As noted above, a target of 2% efficiency savings was initially set for all services. Departments were asked to provide more information than has been available in the past concerning how they intend meeting their efficiency target and what the impact of these measures will have on service delivery.
- 3.17 The definition of efficiency underpinning the Scottish Executive's efficient government initiative relates to cashable cost reductions which deliver "the same or a better level and quality of service output on a measurable lower level of financial input".
- 3.18 The identification and achievement of efficiency savings of this nature are necessary to minimise the impact on service users and to allow the Council to report to growing pressure for transparency in how efficiency targets are met.

Resource Allocations

- 3.19 The practice in recent budgets has been to set aside funds for key service developments and political priorities as part of the resource allocation process. In a change to the allocation methodology used in previous years, in 2006-2009, "growth" monies which had previously been partially allocated to departments were held back centrally. The intention behind this move was to provide funds that could be targeted at areas of the budget where the Council wished to allocate additional resources. The initial resources allocation to departments enabled £5.114m to be retained centrally to address service developments in 2006-07, with a further £4.811m in 2007-08 and £3.330m in 2008-09.
- 3.20 Since the initial allocation of departmental resource totals, a number of alterations have been necessary to the figures issued. The revised three-year budget position is detailed in Appendix 1. The figures comprise the issued cash resource totals, adjusted for subsequent virements and other known movements, including those arising from the Finance Settlement. These movements in the resources available have emerged since the original resource allocations were issued to departments in September.
- 3.21 As noted above, the resource totals issued to departments were net of 2% efficiency savings. These have been added back to departmental totals, as shown in Appendix 1. Members will require to identify proposed efficiency savings in their budget motions to Council.
- 3.22 The table below summarises the monies now available for funding service developments and other budget pressures.

- 3.23 The monies are shown on an incremental basis, thus, £12.122m is available in 2006-07, with a further £3.331m in 2007-08 and £6.116m in 2008-09, bringing the total available over the three-year period to £21.569m.

	2006-07	2007-08	2008-09
	£000	£000	£000
Service Development Resources – Sept '05	5,114	4,811	3,330
Additional AEF	591	-499	-92
Removal of Increase for NDRI	342	-	-
Decrease in NDR Poundage	297	-	-
Recalculation of Pension Costs (APTC staff)	784	395	454
Concessionary Travel	-230	-	-
Reinstatement of Pennington Monies	-237	-	-
Under-provision for ICT contract	-219	-	-
Teachers Superannuation	-	-200	-450
Cessation of LIFE Dividend Income	0	-500	-
Election Monies not Required	0	-	400
Over-provision for Police Requisition	300	5	1,295
(Under) / Over-provision for Fire Requisition	-81	-4	1,103
Under-provision for Valuation Requisition	-12	-57	-9
Council Tax - Revision of Collection Target	1,773	80	85
NEL Dividend	700	-700	-
Loan Charges	3,000	-	-
Resource for Expenditure Pressures	12,122	3,331	6,116

Quality of Life

- 3.24 Members will recall that the monies available in 2006-07 and 2007-08 for Quality of Life projects were allocated as part of the 2005-2008 budget process. In the absence of a financial settlement for 2008-09, these projects have not been removed from departmental resource totals, however, once the financial settlement is announced, this position will require to be reviewed. Directors are therefore encouraged to consider mainstreaming proposals or exit strategies for these projects, as part of the 2007-2010 revenue budget process.
- 3.25 Members are reminded that an appropriate exit strategy is a requirement of all projects funded via temporary funding streams. This approach was recently commended by the Council's Auditors during the 2004/05 audit as an essential component of the Council's approach to the management of financial risk.
- 3.26 The table below shows the allocation of Quality of Life project funding:

	2006-07	2007-08
	£000	£000
Community Planning with the Police	1,300	1,300
Local Centres of Activity	349	349
Wardens (Housing, Environmental and Culture & Leisure)	600	600
Cleansing Initiatives	300	300
Youth Services Strategy	400	400
Go4It / Open All Hours	130	130
CCTV	300	300

Quality of Life (continued)	2006-07	2007-08
	£000	£000
LDC Grants	100	100
Sport and Health Promotions	20	20
Garden Aid for the Elderly and Disabled	200	200
Assistance to School Leavers with a Learning Disability	200	200
Total Funding	3,899	3,899

Cities Growth Fund

- 3.27 Council has previously reviewed the proposals for spending the funding awarded through the second round of the Cities Growth Fund. The revenue projects which will be funded in 2006-07 and 2007-08 are shown in the table below:

	2006-07	2007-08	Total
	£000	£000	£000
Connected City			
Waverley Redevelopment Project	125	125	250
Tram Public Realm Project	100	100	200
Easter Interceptor Masterplan	78	-	78
Cross Forth Ferry	200	-	200
Structure Plan Transport Modelling	-	200	200
Strategic Support Team (CDA)	225	225	450
Learning and Culture			
Edinburgh's Winter Festivals	35	750	785
Edinburgh Libraries Picture Resources	65	66	131
Events and Festivals	1,000	1,000	2,000
Partnership and Promotion			
Edinburgh / Glasgow Collaboration	150	250	400
Major Projects Teams	424	724	1,148
City Region Branding and Promotion	500	500	1,000
Total	2,902	3,940	6,842

Summary of Financial Position

- 3.28 The financial position to date, prior to consideration of funding single status, can be summarised as follows:

	2006-07	2007-08	2008-09
	£m	£m	£m
Total Gross Expenditure (before Efficiency Targets are met)	862.786	885.060	899.201
2% Efficiency Targets	11.575	12.126	12.761
Total Gross Funding	851.211	872.934	886.440
Indicative Council Tax Increase	4%	3%	3%

- 3.29 Each of the political groups has been provided with a list of the savings proposed by departments to meet the above efficiency targets. Each political group will require to indicate in their budget motion which efficiency savings they are including in their budgets.

- 3.30 The following expenditure pressures require to be addressed as part of the roll forward of the revenue budget to 2006-2009.

	2006-07 £m	2007-08 £m	2008-09 £m
Expenditure Pressures			
Building Dilapidations – one off exp.	1.0	-	-
Single Status (annual liability)	10.0	-	-
Efficiency Savings to be met	11.6	12.1	12.8
Total Expenditure Pressures	22.6	12.1	12.8
Funding			
Service Developments	12.1	3.3	6.1
Re-allocation of Monies used for Building Dilapidations	-	1.0	-
Total Funding	12.1	4.3	6.1
Shortfall in Funding	10.5	7.8	6.7

Reserves

- 3.31 The budget report to the Council will include a statement showing the estimated opening general reserve balances, utilisation of and reinstatement of balances and the closing general reserve balances. Details of the balances can be seen in Appendix 2.
- 3.32 Reserves are held against the risk of unanticipated expenditure arising in any particular year. Members will recall that my report to Council in February 2005 concluded that the projected level of balances at that time was considered adequate. However, the report also noted that there were a number of issues which would impact on the level of reserves, but that no financial provision had been made at that time. This included the costs associated with single status.

Risks

- 3.33 In addition to the expenditure pressures in the table at 3.30 above, there are a number of other known risks inherent in the budget process, which are summarised below. Not all of these can be quantified:
- (i) Pay awards - a 1% change in pay award would equate to an increase of £3m (excluding teachers) or £4.6m including teachers;
 - (ii) PPP/contractual claims - the Council has entered into a number of long-term contracts for delivery of services, including Education PPP and ICT;
 - (iii) Bellwin - the Council is required to meet the first £1m of costs arising from any claim made under the Bellwin scheme;
 - (iv) General Insurance - costs of insurance and levels of excesses are affected by external factors;

- (v) Strategic Work Programme - no resources have been top-sliced for any projects that may be included within a strategic work programme, for example, human resources strategy, neighbourhood management and Council Review/new departments;
- (vi) Energy costs - there have been a number of significant rises in energy costs recently, for which no provision has been made in the resource allocations;
- (vii) Equal Pay/Single Status - risk that the funding strategies to meet anticipated costs will be insufficient or that costs exceed current estimates.


4 Conclusion

- 4.1 At this stage, the three-year revenue budget shows a shortfall of resources of £10.5m / £7.8m / £6.7m in 2006-07 to 2008-09 respectively, mainly as a result of the costs of single status.
- 4.2 The three-year position includes a requirement for £11.575m / £12.126m / £12.761m of efficiency savings in 2006-07 to 2008-09 respectively. Members will require to include recommendations on the proposed savings in their budget motions to Council on 9th February 2006.

5 Recommendations

The Executive is asked to note the contents of this report and remit to Council for decision on 9th February 2006:

- i) the revenue budget for 2006-07 and indicative budgets for 2007-08 and 2008-09;
- ii) Council Tax level for 2006-07 and an indicative level for 2007-08.



**D. McGougan,
Director of Finance.**

26th January 2006

Appendices	2
Contact/Tel:	Alison Henry: 0131-469 3172
Wards affected	All
Background papers	Departmental working papers

THREE YEAR REVENUE BUDGET 2006-2009
AMENDMENTS TO RESOURCE ALLOCATION 2006-07

Appendix 1

	Sept-05 Resource Allocation £000	Add Back Efficiency Targets £000	Virements £000	Sub-Total £000	Finance Settlement Amendment £000	Other Adjs £000	Revised Resource Allocation £000
Children and Families	304,864	5,726	-787	309,803	1,464	-600	310,667
City Development	40,017	1,250	-199	41,068		-26	41,042
Corporate Services	22,551	425	-971	22,005		-53	21,952
Culture and Leisure	31,055	635	-88	31,602		-94	31,508
Environmental Services	37,947	865	274	39,086		179	39,265
Finance (incl Housing Benefits)	27,701	96	1,561	29,358		207	29,565
Health and Social Care	138,292	2,361	-15	140,638		-229	140,409
Housing Non HRA	10,515	217	218	10,950		-71	10,879
Joint Boards							
- Police	53,356			53,356		-300	53,056
- Fire	27,341			27,341		81	27,422
- Valuation	3,670			3,670			3,670
SIPs	776			776			776
Single Status	0			0		10,000	10,000
Building Dilapidations	0			0		1,000	1,000
Voluntary Organisations	200			200			200
Insurance Excesses	562			562		-38	524
General Fund Services	698,847	11,575	-7	710,415	1,464	10,056	721,935
Significant Trading Operations							
<u>City Development</u>							
- Edinburgh Road Services	-287			-287			-287
<u>Corporate Services</u>							
- Direct Cleaning	-220		44	-176			-176
- Fleet Maintenance	-106			-106			-106
- Other Catering	-23			-23			-23
- School and Welfare Catering	-98			-98			-98
<u>Environmental Services</u>							
- Ground Maintenance	-42			-42			-42
- Other Cleaning	-276			-276			-276
- Refuse Collection / Trade Waste	-6			-6			-6
<u>Housing</u>							
- Edinburgh Building Services	-498		110	-388			-388
Total Trading Operations	-1,556	0	154	-1,402	0	0	-1,402
Other Expenditure							
Loan Charges	80,141		-147	79,994		-3,000	76,994
Dividend Income	-3,758			-3,758		-700	-4,458
Service Developments	5,114			5,114	591	-4,583	1,122
Restoration of Balances	514			514			514
Total Other Expenditure	82,011	0	-147	81,864	591	-8,283	74,172
Add Expenditure Funded through Specific Grant							68,081
Total Expenditure	779,302	11,575	0	790,877	2,055	1,773	862,786
AEF (excluding Specific Grant)	-565,397			-565,397	-2,055		-567,452
Council Tax	-213,905			-213,905		-1,773	-215,678
Total Funding	-779,302	0	0	-779,302	-2,055	-1,773	-783,130
Add back Specific Grant							-68,081
Total Gross Funding							-851,211
Net Shortfall / (Surplus)	0	11,575	0	11,575	0	0	11,575

**THREE YEAR REVENUE BUDGET 2006-2009
AMENDMENTS TO RESOURCE ALLOCATION 2007-08**

	Sept-05 Resource Allocation £000	Add Back Efficiency Targets £000	Virements £000	Sub-Total £000	Finance Settlement Amendment £000	Other Adjs £000	Revised Resource Allocation £000
Children and Families	306,756	5,802	-971	311,587	1,464	-514	312,537
City Development	39,522	1,406	-272	40,656		430	41,086
Corporate Services	22,672	465	-976	22,161		-81	22,080
Culture and Leisure	31,154	679	-90	31,743		-121	31,622
Environmental Services	38,518	881	273	39,672		156	39,828
Finance (incl Housing Benefits)	29,308	115	1,587	31,010		183	31,193
Health and Social Care	140,872	2,538	-381	143,029		-320	142,709
Housing Non HRA	10,541	240	218	10,999		-92	10,907
Joint Boards							
- Police	56,102			56,102		-305	55,797
- Fire	28,284			28,284		85	28,369
- Valuation	3,766			3,766		38	3,804
SIPs	776			776			776
Single Status	0			0		10,000	10,000
Building Dilapidations	0			0			0
Voluntary Organisations	400			400			400
Insurance Excesses	562			562		-39	523
General Fund Services	709,233	12,126	-612	720,747	1,464	9,420	731,631
Significant Trading Operations							
<u>City Development</u>							
- Edinburgh Road Services	-283			-283			-283
<u>Corporate Services</u>							
- Direct Cleaning	-218		44	-174			-174
- Fleet Maintenance	-104			-104			-104
- Other Catering	-22			-22			-22
- School and Welfare Catering	-84			-84			-84
<u>Environmental Services</u>							
- Ground Maintenance	-41			-41			-41
- Other Cleaning	-276			-276			-276
- Refuse Collection / Trade Waste	-3			-3			-3
<u>Housing</u>							
- Edinburgh Building Services	-501		110	-391			-391
Total Trading Operations	-1,532	0	154	-1,378	0	0	-1,378
Other Expenditure							
Loan Charges	82,962		458	83,420		-3,000	80,420
Dividend Income	-3,758			-3,758			-3,758
Service Developments	9,928			9,928	92	-4,567	5,453
Restoration of Balances	944			944			944
Total Other Expenditure	90,076	0	458	90,534	92	-7,567	83,059
Add Expenditure Funded through Specific Grant							71,748
Total Expenditure	797,777	12,126	0	809,903	1,556	1,853	885,060
AEF (excluding Specific Grant)	-576,401			-576,401	-1,556		-577,957
Council Tax	-221,376			-221,376		-1,853	-223,229
Total Funding	-797,777	0	0	-797,777	-1,556	-1,853	-801,186
Add back Specific Grant							-71,748
Total Gross Funding							-872,934
Net Shortfall / (Surplus)	0	12,126	0	12,126	0	0	12,126

THREE YEAR REVENUE BUDGET 2006-2009
AMENDMENTS TO RESOURCE ALLOCATION 2008-09

	Sept-05 Resource Allocation £000	Add Back Efficiency Targets £000	Virements £000	Sub-Total £000	Other Adjs £000	Revised Resource Allocation £000
Children and Families	309,909	5,938	-985	314,862	-200	314,662
City Development	39,366	1,454	-614	40,206	388	40,594
Corporate Services	22,879	563	-986	22,456	-507	21,949
Culture and Leisure	31,396	677	-92	31,981	-148	31,833
Environmental Services	38,500	929	273	39,702	134	39,836
Finance (incl Housing Benefits)	30,693	156	1,617	32,466	159	32,625
Health and Social Care	141,712	2,754	-1,100	143,366	-428	142,938
Housing Non HRA	10,535	290	220	11,045	-132	10,913
Joint Boards						
- Police	58,907			58,907	-1,600	57,307
- Fire	29,698			29,698	-1,018	28,680
- Valuation	3,893			3,893	19	3,912
SIPs	776			776		776
Single Status	0			0	10,000	10,000
Building Dilapidations	0			0		0
Voluntary Organisations	600			600		600
Insurance Excesses	562			562	-40	522
General Fund Services	719,426	12,761	-1,667	730,520	6,627	737,147
Significant Trading Operations						
<u>City Development</u>						
- Edinburgh Road Services	-283			-283		-283
<u>Corporate Services</u>						
- Direct Cleaning	-218		44	-174		-174
- Fleet Maintenance	-104			-104		-104
- Other Catering	-22			-22		-22
- School and Welfare Catering	-84			-84		-84
<u>Environmental Services</u>						
- Ground Maintenance	-41			-41		-41
- Other Cleaning	-276			-276		-276
- Refuse Collection / Trade Waste	-3			-3		-3
<u>Housing</u>						
- Edinburgh Building Services	-502		110	-392		-392
Total Trading Operations	-1,533	0	154	-1,379	0	-1,379
Other Expenditure						
Loan Charges	84,417		1,513	85,930	-3,000	82,930
Dividend Income	-3,758			-3,758		-3,758
Service Developments	13,258			13,258	-1,689	11,569
Restoration of Balances	944			944		944
Total Other Expenditure	94,861	0	1,513	96,374	-4,689	91,685
Add Expenditure Funded through Specific Grant						71,748
Total Expenditure	812,754	12,761	0	825,515	1,938	899,201
AEF (excluding Specific Grant)	-583,468			-583,468		-583,468
Council Tax	-229,286			-229,286	-1,938	-231,224
Total Funding	-812,754	0	0	-812,754	-1,938	-814,692
Add back Specific Grant						-71,748
Total Gross Funding						-886,440
Net Shortfall / (Surplus)	0	12,761	0	12,761	0	12,761

Reserves Statement

	Actual Balance 1-Apr-05 £000	Utilisation of Balances 2005-06 £000	Restoration of Balances 2005-06 £000	Projected Balance 31-Mar-06 £000	Utilisation of Balances 2006-07 £000	Restoration of Balances 2006-07 £000	Projected Balance 31-Mar-07 £000	Utilisation of Balances 2007-08 £000	Restoration of Balances 2007-08 £000	Projected Balance 31-Mar-08 £000	Utilisation of Balances 2008-09 £000	Restoration of Balances 2008-09 £000	Projected Balance 31-Mar-09 £000
Unallocated General Fund Reserve	13,481	-5,132	2,555	10,904		514	11,418		944	12,362		944	13,306
Earmarked Balances													
Budget Flexibility (2004-2005)	-1,559	-2,073	1,559	-2,073		2,073	0			0			0
Budget Flexibility Set Aside	237			237			237			237			237
C.C.T.V.	340	-340		0			0			0			0
Cab Licensing	411	-189		222	-222		0			0			0
Change Management	370			370			370			370			370
Craigmillar Regeneration	6,800	-4,100		2,700			2,700			2,700			2,700
Devolved School Management	1,204		164	1,368			1,368			1,368			1,368
Energy Efficiency	777	-300		477	-477		0			0			0
Fire Joint Board	457			457			457			457			457
H.M.O. Licensing	164			164			164			164			164
Insurance Fund	4,487	-950	950	4,487	-950	950	4,487	-950	950	4,487	-950	950	4,487
R.S.G. Grants not utilised	1,882	-636		1,246			1,246			1,246			1,246
Social Work Client Index	954			954			954			954			954
Spend to Save Fund	1,715	-255	25	1,485	-130	25	1,380	-105	125	1,400		125	1,525
Minor Funds													
Major Exhibitions	88	-88		0			0			0			0
Social Inclusion	35			35			35			35			35
Corner Bequest	34			34			34			34			34
Political Conference Fund	10			10			10			10			10
Conference Subvention Fund	4			4			4			4			4
Lord Provost's Portrait Fund	24			24			24			24			24
Other Minor Funds	15			15			15			15			15
Total General Reserve	31,930	-14,063	5,253	23,120	-1,779	3,562	24,903	-1,055	2,019	25,867	-950	2,019	26,936

Movements shown against the unallocated general fund are based on the nine-month monitoring report.

Agenda item:

Report title: Three Year Revenue Budget 2006-2009

In accordance with the Council's Standing Orders, the contents of this report have been noted by the appropriate Executive Member.

Without prejudice to the integrity of the report, and the recommendations contained within it, the Executive Member expresses his/her own views as follows:

Signed: *Maureen M. Chiel* **Date:** *23/1/06*

For information – Standing Order 57(1) states:

“Heads of Department will prepare reports, with professional advice and recommendations, on matters requiring decisions by the Executive:

- a report seeking decisions on matters of corporate strategy, corporate policy and corporate projects will be submitted direct to the Executive
- a report seeking decisions on matters relating to the special responsibilities allocated to an individual member of the Executive will be submitted, in the first instance, to that member. The member will add his or her own recommendation to it before submission to the Executive. Where the Executive member disagrees with the advice and the recommendation of the officers, the Executive member will also state his or her reasons.”