

# Report

Report to:	<b>Finance and Information Technology Resources Committee</b>
Date of Meeting:	<b>16 March 2010</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2009/2010 - Finance and Information Technology Resources</b>
----------	---

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2009 to 22 January 2010 for Finance and Information Technology Resources
- ◆ provide a forecast for the year to 31 March 2010.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the underspend on Finance and Information Technology Resources' revenue budget of £0.054 million (0.4%), as detailed in Appendix A of the report, be noted
- (2) that, following the probable outturn exercise, the forecast to 31 March 2010 of break even be noted.

## 3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Finance and Information Technology Resources Committee for the financial year 2009/2010.
- 3.2. The report details the financial position for Finance and Information Technology Resources on Appendix A, along with variance explanations in Appendices B and C.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

- 5.1. As at 22 January 2010, the variance from phased budget to date is an underspend of £0.054 million (0.4%).
- 5.2. Following the probable outturn exercise, the financial forecast to 31 March is a break even position.

## **6. Other Implications**

- 6.1. The main risk associated with the Resource's Revenue Budget is failure to manage the budget resulting in a significant overspend. The risk has been assessed as low, given the detailed budget management applied across the Services of the Resource. The risk of an overspend is managed through 4 weekly Budget Monitoring Meetings at which any overspend on individual subjective lines is analysed with explanations and an alternative funding stream / corrective action proposed. In addition, the probable outturn exercise carried out earlier in the year ensured early warning for corrective action to be taken, where appropriate.

## **7. Equality Impact Assessment and Consultation Arrangements**

- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Linda Hardie**

**Executive Director (Finance and Information Technology Resources)**

2 February 2010

## **Link(s) to Council Values and Objectives**

- ◆ Value: Accountable, Effective and Efficient

## **Previous References**

- ◆ Finance and Information Technology Resources Committee, 19 January 2010.

## **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 22 January 2010

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Lorraine O'Hagan, Accounting and Budgeting Manager

Ext: 4617 (Tel: 01698 454617)

E-mail: [lorraine.o'hagan@southlanarkshire.gov.uk](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 January 2010 (No.11)

## Finance and Information Technology Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	11,951	11,642	309	9,697	9,464	233	under	2.4%	
Property Costs	553	759	(206)	466	595	(129)	over	(27.7%)	
Supplies & Services	2,766	2,816	(50)	2,253	2,351	(98)	over	(4.3%)	
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	1,838	1,845	(7)	1,364	1,386	(22)	over	(1.6%)	
Payments to Other Bodies	790	803	(13)	745	747	(2)	over	(0.3%)	
Payments to Contractors	641	641	0	300	302	(2)	over	(0.7%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	636	698	(62)	475	508	(33)	over	(6.9%)	
<b>Total Controllable Exp.</b>	19,175	19,204	(29)	15,300	15,354	(54)	over	(0.4%)	
<b>Total Controllable Inc.</b>	(3,992)	(4,021)	29	(2,503)	(2,611)	108	over recovered	4.3%	
<b>Net Controllable Exp.</b>	15,183	15,183	0	12,797	12,743	54	under	0.4%	

**Variance Explanations**

Variance explanations are shown in Appendices B and C.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 January 2010 (No.11)

## Finance Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 22/01/10</b>	<b>Actual 22/01/10</b>	<b>Variance 22/01/10</b>	<b>% Variance 22/01/10</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Employee Costs	4,256	4,132	124	3,398	3,307	91	under	2.7% <b>1</b>
Property Costs	11	10	1	9	7	2	under	22.2%
Supplies & Services	119	120	(1)	109	141	(32)	over	(29.4%)
Transport & Plant	0	0	0	0	1	(1)	over	n/a
Administration Costs	205	202	3	126	121	5	under	4.0%
Payments to Other Bodies	611	624	(13)	611	613	(2)	over	(0.3%)
Payments to Contractors	447	447	0	236	234	2	under	0.8%
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	359	407	(48)	357	399	(42)	over	(11.8%) <b>2</b>
<b>Total Controllable Exp.</b>	<b>6,008</b>	<b>5,942</b>	<b>66</b>	<b>4,846</b>	<b>4,823</b>	<b>23</b>	<b>under</b>	<b>0.5%</b>
<b>Total Controllable Inc.</b>	<b>(1,167)</b>	<b>(1,179)</b>	<b>12</b>	<b>(344)</b>	<b>(362)</b>	<b>18</b>	<b>over recovered</b>	<b>5.2%</b>
<b>Net Controllable Exp.</b>	<b>4,841</b>	<b>4,763</b>	<b>78</b>	<b>4,502</b>	<b>4,461</b>	<b>41</b>	<b>under</b>	<b>0.9%</b>

**Variance Explanations****1. Employee Costs**

This underspend has arisen as a result of vacancies across the various sections within Finance Services.

**2. Financing Charges**

This overspend is due to the purchase of servers at the end of the lease term as the assets still have useful life – this will result in no lease payment for 2010/11 saving £0.160m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 January 2010 (No.11)

## Total Information Technology Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	6,836	6,651	185	5,555	5,415	140	under	2.5%	1
Property Costs	542	749	(207)	457	588	(131)	over	(28.7%)	2
Supplies & Services	2,643	2,692	(49)	2,140	2,199	(59)	over	(2.8%)	3,a
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,622	1,632	(10)	1,228	1,250	(22)	over	(1.8%)	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	194	194	0	64	68	(4)	over	(6.3%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	273	287	(14)	114	104	10	under	8.8%	
<b>Total Controllable Exp.</b>	12,110	12,205	(95)	9,558	9,624	(66)	over	(0.7%)	
<b>Total Controllable Inc.</b>	(2,825)	(2,842)	17	(2,159)	(2,249)	90	over recovered	4.2%	4,a
<b>Net Controllable Exp.</b>	9,285	9,363	(78)	7,399	7,375	24	under	0.3%	

**Budget Virements**

a. Realignment of E Messaging budgets to reflect increased security and storage costs; Supplies and Services £0.200m, Income (£0.200m).

**Variance Explanations****1. Employee Costs**

This underspend has arisen as a result of vacancies across the various sections within IT Services.

**2. Property Costs**

This overspend is as a result of increased energy costs at the Caird Centre.

**3. Supplies and Services**

This overspend is the result of the provision of additional E-Messaging services. This is offset by additional income from recharges (see Income below).

**4. Income**

This over recovery is related to additional recharges in respect of E-Messaging offset by additional expenditure (see Supplies and Services above).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 January 2010 (No.11)

## Procurement Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/01/10	Actual 22/01/10	Variance 22/01/10		% Variance 22/01/10	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	859	859	0	744	742	2	under	0.3%	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	4	4	0	4	11	(7)	over	(175.0%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	11	11	0	10	15	(5)	over	(50.0%)	
Payments to Other Bodies	179	179	0	134	134	0	-	0.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	4	4	0	4	5	(1)	over	(25.0%)	
<b>Total Controllable Exp.</b>	1,057	1,057	0	896	907	(11)	over	(1.2%)	
<b>Total Controllable Inc.</b>	0	0	0	0	0	0	-	n/a	
<b>Net Controllable Exp.</b>	1,057	1,057	0	896	907	(11)	over	(1.2%)	