

Report

Report to:	Community Resources Committee
Date of Meeting:	12 July 2011
Report by:	Chief Executive and Executive Director (Community Resources)

Subject:	Community Resources - Revenue Budget Monitoring 2011/2012
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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 2011 to 10 June 2011 for Community Resources
- ◆ provide a forecast for the year to 31 March 2012.

2. Recommendation(s)

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

- (1) that the underspend on Community Resources' revenue budget of £0.002 million (0.0%), as detailed in Appendix A of the report, and the forecast to 31 March 2012 of a break even position be noted.
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the first revenue budget monitoring report presented to the Community Resources Committee for the financial year 2011/2012.

3.2. The report details the financial position for Community Resources on Appendix A, and then details the individual services, along with variance explanations, in Appendices A to F.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 10 June 2011, the variance from phased budget is an underspend of £0.002m (0.0%). The forecast for the revenue budget to 31 March 2012 is a break even position.

5.2. International Children's Games

A budget transfer from central funds has been approved by the Executive Committee (6 July 2011) in respect of the 2011/12 anticipated net spend on the International Children's Games being co-hosted by the Council.

The budget transfer of £0.734m reflects the amount anticipated for 2011/12 and has been added to Community Resources' budget for the year as a separate Service area (Appendix E).

5.3. Waste Management

In the 2011/12 budget setting process, an amount of £1m was set aside within Community Resources' budget to allow for additional expenditure anticipated with the implementation of the Waste Management Project. However, as this money is not required until the contract start on 1 April 2012, the Executive Committee approved that this money be transferred to the Zero Waste Fund for utilisation in future years. This has been reflected in Appendix C.

5.4. Living Wage

On 10 February 2011, the Council's Executive Committee approved the implementation of a Living Wage with an increase of at least £250 for those employees earning less than £21,000. A budget allocation has been made to Community Resources and has been shown across all Services in the accompanying Appendices. This has been funded from Central Funds earmarked during the 2011/12 budget process. It should be noted that the allocation for Community Resources' three Trading Services has been added to Community Resources' annual budget. However, in period 4 of the financial year, these monies will be re-allocated across the Trading Services' client Resources to reflect the recharges anticipated.

5.5. Other virements are also proposed to realign budgets across the Services and with other Resources. These movements have been detailed in the appendices to this report.

6. Other Implications

6.1. The main risk associated with the Council's Revenue Budget is that there is a significant overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures 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 was also no requirement to undertake any consultation in terms of the information contained in this report.

Archibald Strang
Chief Executive

Norrie Anderson
Executive Director (Community Resources)

20 June 2011

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 10 June 2011.

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 10 June 2011 (No.3)

Community Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	25,230	25,230	0	3,660	3,499	161	under	4.4%	
Property Costs	11,518	11,518	0	1,799	1,804	(5)	over	(0.3%)	
Supplies & Services	1,823	1,823	0	190	206	(16)	over	(8.4%)	
Transport & Plant	4,693	4,693	0	888	928	(40)	over	(4.5%)	
Administration Costs	8,499	8,499	0	1,698	1,697	1	under	0.1%	
Payments to Other Bodies	442	442	0	10	12	(2)	over	(20.0%)	
Payments to Contractors	34,886	34,886	0	8,288	8,237	51	under	0.6%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	629	629	0	78	77	1	under	1.3%	
			0						
Total Controllable Exp.	87,720	87,720	0	16,611	16,460	151	under	0.9%	
			0						
Total Controllable Inc.	(20,938)	(20,938)	0	(4,165)	(4,016)	(149)	under recovered	(3.6%)	
			0						
Net Controllable Exp.	66,782	66,782	0	12,446	12,444	2	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to F.

Budget Virements

Budget virements are shown in Appendices B to F

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 10 June 2011 (No.3)

Facilities, Streets and Bereavement

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	12,897	12,897	0	1,800	1,729	71	under	3.9%	1, a, b, c
Property Costs	10,928	10,928	0	1,749	1,751	(2)	over	(0.2%)	
Supplies & Services	961	961	0	151	169	(18)	over	(11.9%)	
Transport & Plant	1,002	1,002	0	223	242	(19)	over	(8.5%)	
Administration Costs	3,966	3,966	0	834	834	0	-	0.0%	b
Payments to Other Bodies	81	81	0	0	2	(2)	over	n/a	
Payments to Contractors	254	254	0	31	15	16	under	51.6%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	266	266	0	65	65	0	-	0.0%	b
			0						
Total Controllable Exp.	30,355	30,355	0	4,853	4,807	46	under	0.9%	
Total Controllable Inc.	(8,732)	(8,732)	0	(1,795)	(1,779)	(16)	under recovered	(0.9%)	a
Net Controllable Exp.	21,623	21,623	0	3,058	3,028	30	under	1.0%	

Budget Virements

- a. Budget realigned to reflect revised service provision Net Effect 0: Employee Costs (£0.215m) and Income £0.215m
- b. Transfer of Operation Support Service to Housing & Technical Resources (£0.291m) : Employee Costs (£0.284m), Administration Costs (£0.001m) and Financing Costs (£0.006m)
- c. Transfer from centrally held funds in respect of Living Wage £1.503m: Employee Costs £1.503m

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Concierge Services, Public Conveniences, Non Statutory Catering and Operations Management.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 10 June 2011 (No.3)

Waste and Environmental

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	9,911	9,911	0	1,505	1,434	71	under	4.7%	1, a
Property Costs	114	114	0	8	9	(1)	over	(12.5%)	b
Supplies & Services	587	587	0	26	24	2	under	7.7%	
Transport & Plant	3,601	3,601	0	664	684	(20)	over	(3.0%)	2
Administration Costs	2,805	2,805	0	592	591	1	under	0.2%	
Payments to Other Bodies	223	223	0	10	10	0	-	0.0%	
Payments to Contractors	13,058	13,058	0	2,820	2,785	35	under	1.2%	3, c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	339	339	0	8	8	0	-	0.0%	
Total Controllable Exp.	30,638	30,638	0	5,633	5,545	88	under	1.6%	
Total Controllable Inc.	(4,679)	(4,679)	0	(767)	(634)	(133)	under recovered	(17.3%)	4
Net Controllable Exp.	25,959	25,959	0	4,866	4,911	(45)	over	(0.9%)	

Budget Virements

- a. Transfer from centrally held funds in respect of Living Wage £0.073m : Employee Costs £0.073m
b. Transfer of Consumer and Trading Standards to Support Services due to a change in location (£0.109m): Property Costs (£0.109m)
c. Transfer of Waste funding to reserves (£1m): Payment to Contractors (£1m)

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Environmental Services and also less than anticipated expenditure on overtime and car park permits.

2. Transport and Plant

The overspend is mainly due to greater than anticipated fuel costs.

3. Payment to Contractors

The underspend is mainly due to less than anticipated expenditure on recycling and glass collection services and bulky uplifts.

4. Income

The under recovery is mainly due to less than anticipated income from special uplifts. In addition, less than anticipated income has been generated from disposal vouchers, trade waste containers, refuse disposal and clearance services.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 10 June 2011 (No.3)

Leisure Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	1	1	0	-	0.0%	
Property Costs	103	103	0	17	17	0	-	0.0%	
Supplies & Services	2	2	0	0	0	0	-	0.0%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,198	1,198	0	256	257	(1)	over	(0.4%)	
Payments to Other Bodies	60	60	0	0	0	0	-	0.0%	
Payments to Contractors	21,205	21,205	0	5,430	5,430	0	-	0.0%	a, b, c, d
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	22,572	22,572	0	5,704	5,705	(1)	over	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	22,572	22,572	0	5,704	5,705	(1)	over	0.0%	

Budget Virements

- Transfer from reserves for library book stock £0.150m: Payment to contractors £0.150m.
- Transfer from centrally held funds for Active Schools £0.018m: Payment to Contractors £0.018m.
- Transfer of Revenue Consequences of Capital budget from Support Services £0.171m: Payment to Contractors £0.171m
- Transfer from centrally held funds in respect of Living Wage £0.121m: Payment to Contractors £0.121m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 10 June 2011 (No.3)

International Children Games

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11	% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	11	11	0	3	3	0	-	0.0% a
Property Costs	9	9	0	0	0	0	-	0.0% a
Supplies & Services	197	197	0	1	1	0	-	0.0% a
Transport & Plant	30	30	0	1	1	0	-	0.0% a
Administration Costs	216	216	0	6	6	0	-	0.0% a
Payments to Other Bodies	78	78	0	0	0	0	-	0.0% a
Payments to Contractors	193	193	0	7	7	0	-	0.0% a
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
			0					
Total Controllable Exp.	734	734	0	18	18	0	-	0.0%
Total Controllable Inc.	0	0	0	0	0	0	-	n/a
Net Controllable Exp.	734	734	0	18	18	0	-	0.0%

Budget Virements

- a. Transfer from centrally held funds for International Children's Games £0.734m: Employee Costs £0.011m, Property Costs £0.009m, Supplies & Services £0.196m, Transport £0.030m, Administration Costs £0.217m, Payment to Other Bodies £0.078m and Payment to Contractors £0.193m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 10 June 2011 (No.3)

Support

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 10/06/11 £000	Actual 10/06/11 £000	Variance 10/06/11 £000		% Variance 10/06/11	Note
Employee Costs	2,407	2,407	0	351	332	19	under	5.4%	1, a
Property Costs	364	364	0	25	27	(2)	over	(8.0%)	b
Supplies & Services	76	76	0	12	12	0	-	0.0%	
Transport & Plant	60	60	0	0	1	(1)	over	n/a	
Administration Costs	314	314	0	10	9	1	under	10.0%	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	176	176	0	0	0	0	-	n/a	c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	24	24	0	5	4	1	under	20.0%	
Total Controllable Exp.	3,421	3,421	0	403	385	18	under	4.5%	
Total Controllable Inc.	(7,527)	(7,527)	0	(1,603)	(1,603)	0	-	0.0%	
Net Controllable Exp.	(4,106)	(4,106)	0	(1,200)	(1,218)	18	under	1.5%	

Budget Virements

- a. Transfer from centrally held funds in respect of Living Wage £0.008m: Employee Costs £0.008m
a. Transfer of Consumer and Trading Standards from Facilities, Streets and Bereavement due to relocation £0.109m: Property Costs £0.109m.
b. Transfer of Revenue Consequences of Capital budget to Leisure Services (£0.171m): Payment to Contractors (£0.171m)

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Policy and Strategy.