

Report

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| Report to: | Corporate Resources Committee |
| Date of Meeting: | 10 December 2008 |
| Report by: | Executive Director (Finance and Information Technology Resources) Executive Director (Corporate Resources) |

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| Subject: | Revenue Budget Monitoring 2008/2009 - Corporate Resources |
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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 to 31 October 2008 for Corporate Resources
- ◆ provide a forecast for the year to 31 March 2009

2. Recommendation(s)

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

- (1) that the underspend on Corporate Resources' revenue budget of £0.049million (0.4%), as detailed in Appendix A of the report, and the forecast to 31 March 2009 of break even be noted; and
- (2) that the budget virements between subjective headings be approved.

3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Corporate Resources Committee for the financial year 2008/2009. Further reports will follow throughout the financial year.
- 3.2. The report details the financial position for Corporate Resources on Appendix A, and then details the individual services, along with variance explanations, in Appendices B to C.

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. As at 31 October 2008, the variance from phased budget to date is an underspend of £0.049million (0.4%). The financial forecast to 31 March 2009 is a break even position.
- 5.2. Virements are also proposed to realign budgets across the services. These movements have been detailed in the appendices to this report.

6. Other Implications

6.1. None

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)

Robert McIlwain

Executive Director (Corporate Resources)

10 November 2008

Link(s) to Council Objectives

♦ Value: Accountable, Effective and Efficient

Previous References

♦ Corporate Resources Committee – 1 October 2008

List of Background Papers

♦ Financial ledger and budget monitoring results to 31 October 2008

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

Corporate Resources Committee: Period Ended 31 October 2008 (No.8)

Corporate Resources Summary

| | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 31/10/08 | Actual 31/10/08 | Variance 31/10/08 | | % Variance 31/10/08 | Note |
|--------------------------------|------------------|----------------------|--------------------------------|----------------------------------|--------------------|----------------------|-------------------|---------------------------|------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| <u>Budget Category</u> | | | | | | | | | |
| Employee Costs | 9,484 | 9,484 | 0 | 5,199 | 4,970 | 229 | under | 4.4% | |
| Property Costs | 6,629 | 6,629 | 0 | 4,447 | 4,675 | (228) | over | (5.1%) | |
| Supplies & Services | 1,899 | 1,899 | 0 | 920 | 932 | (12) | over | (1.3%) | |
| Transport & Plant | 420 | 420 | 0 | 177 | 181 | (4) | over | (2.3%) | |
| Administration Costs | 3,486 | 3,486 | 0 | 1,683 | 1,763 | (80) | over | (4.8%) | |
| Payments to Other Bodies | 2,032 | 2,032 | 0 | 1,474 | 1,477 | (3) | over | (0.2%) | |
| Payments to Contractors | 62 | 62 | 0 | 0 | 1 | (1) | over | n/a | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Financing Charges | 633 | 633 | 0 | 333 | 330 | 3 | under | 0.9% | |
| Total Controllable Exp. | 24,645 | 24,645 | 0 | 14,233 | 14,329 | (96) | over | (0.7%) | |
| Total Controllable Inc. | (4,754) | (4,754) | 0 | (2,577) | (2,722) | 145 | over recovered | 5.6% | |
| Net Controllable Exp. | 19,891 | 19,891 | 0 | 11,656 | 11,607 | 49 | under | 0.4% | |

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Corporate Resources Committee: Period Ended 31 October 2008 (No.8)

Corporate Resources Support

| Budget Category | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 31/10/08 | Actual 31/10/08 | Variance 31/10/08 | | % Variance 31/10/08 | Note |
|--------------------------------|----------------------|--------------------------|---------------------------------|-----------------------------------|------------------------|--------------------------|-----------------------|----------------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| Employee Costs | 3,861 | 3,861 | 0 | 2,159 | 2,077 | 82 | under | 3.8% | 1,a,b,c |
| Property Costs | 6,486 | 6,486 | 0 | 4,337 | 4,572 | (235) | over | (5.4%) | 2,d |
| Supplies & Services | 183 | 183 | 0 | 102 | 119 | (17) | over | (16.7%) | a,c |
| Transport & Plant | 149 | 149 | 0 | 149 | 149 | 0 | - | 0.0% | |
| Administration Costs | 676 | 676 | 0 | 399 | 451 | (52) | over | (13.0%) | 3,a |
| Payments to Other Bodies | 283 | 283 | 0 | 178 | 184 | (6) | over | (3.4%) | c |
| Payments to Contractors | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Financing Charges | 550 | 550 | 0 | 280 | 276 | 4 | under | 1.4% | |
| Total Controllable Exp. | 12,188 | 12,188 | 0 | 7,604 | 7,828 | (224) | over | (2.9%) | |
| Total Controllable Inc. | (1,533) | (1,533) | 0 | (814) | (868) | 54 | over recovered | 6.6% | 4,b,c,d |
| Net Controllable Exp. | 10,655 | 10,655 | 0 | 6,790 | 6,960 | (170) | over | (2.5%) | |

Note:- Corporate Resource Support brings together Office Accommodation, Personnel Support and Mainstream Legal

Budget Virements

- Budget realignment in relation to Licensing income: Employee costs £0.040m, Supplies and Services £0.042m and Administration costs of £0.015m. The balance of £0.303m is in Services (Appendix C).
- Budget realignments in relation to the Vocational Development Programme and funded programmes; Employee costs (£0.110m) and Income £0.110m.
- Budget realignment to reflect physiotherapy, European Social Fund and flu injection income: Employee costs £0.060m, Supplies and Services £0.030m, Payments to Other Bodies £0.012m and Income (£0.102m).
- Budget realignment in relation to rental income: Property costs £0.083m and Income (£0.083m).

Variance Explanations**1. Employee Costs**

The underspend relates to vacancies within Legal Services which are in the process of being filled.

2. Property Costs

The overspend is due to Corporate Standards improvements, increased property maintenance costs and increased utilities costs. These will be managed within the overall Resource budget.

3. Administration Costs

The overspend relates mainly to the legal costs of equal pay claims and recruitment costs within Legal services.

4. Income

The over recovery of income relates mainly to staff recharges within Personnel in respect of various projects.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Corporate Resources Committee: Period Ended 31 October 2008 (No.8)

Corporate Resources Services

| | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 31/10/08 | Actual 31/10/08 | Variance 31/10/08 | | % Variance 31/10/08 | Note |
|--------------------------------|------------------|----------------------|--------------------------------|----------------------------------|--------------------|----------------------|-------------------|---------------------------|-----------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| <u>Budget Category</u> | | | | | | | | | |
| Employee Costs | 5,623 | 5,623 | 0 | 3,040 | 2,893 | 147 | under | 4.8% | 1,a |
| Property Costs | 143 | 143 | 0 | 110 | 103 | 7 | under | 6.4% | |
| Supplies & Services | 1,716 | 1,716 | 0 | 818 | 813 | 5 | under | 0.6% | a,b,c |
| Transport & Plant | 271 | 271 | 0 | 28 | 32 | (4) | over | (14.3%) | |
| Administration Costs | 2,810 | 2,810 | 0 | 1,284 | 1,312 | (28) | over | (2.2%) | a,b, d |
| Payments to Other Bodies | 1,749 | 1,749 | 0 | 1,296 | 1,293 | 3 | under | 0.2% | d |
| Payments to Contractors | 62 | 62 | 0 | 0 | 1 | (1) | over | n/a | a,b |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Financing Charges | 83 | 83 | 0 | 53 | 54 | (1) | over | (1.9%) | |
| Total Controllable Exp. | 12,457 | 12,457 | 0 | 6,629 | 6,501 | 128 | under | 1.9% | |
| Total Controllable Inc. | (3,221) | (3,221) | 0 | (1,763) | (1,854) | 91 | over recovered | 5.2% | 2,c |
| Net Controllable Exp. | 9,236 | 9,236 | 0 | 4,866 | 4,647 | 219 | under | 4.5% | |

Note:- Corporate Resource Services brings together Administration, CCPA and District Court Licensing & Registration and Personnel Services.

Budget Virements

- a. Transfer from Reserves for Oracle Self Serve Project £0.271m: Employee costs £0.133m, Supplies and Services £0.045m, Administration Costs £0.033m and Payment to Contractors £0.060m.
- b. Transfer from Reserves for Election funding carried forward from 07/08 - £0.094m: Supplies and Services £0.061m, Administration Costs £0.031m and Payments to Contractors £0.002m.
- c. Budget realignment in relation to Licensing income: Supplies and Services £0.303m and Income £0.400m. The balance £0.097m is in Support (Appendix B).
- d. Budget realignments regarding various grants: Payments to Other Bodies £0.085m and Administration costs (£0.085m).

Variance Explanations**1 Employee Costs**

The underspend relates to vacancies in Administration, CCPA and District Court Licensing and Registration, which are in the process of being filled.

2 Income

The overrecovery of income is mainly within Licensing due to changes in legislation, and also additional income from Registration services.