

Report

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Report to:	Enterprise Resources Committee
Date of Meeting:	30 March 2011
Report by:	Chief Executive Executive Director (Enterprise Resources)

Subject:	Enterprise Resources - Revenue Budget Monitoring 2010/2011
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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 2010 to 18 February 2011 for Enterprise Resources
- ◆ provide a forecast for the year to 31 March 2011.

2. Recommendation(s)

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

- (1) that the underspend on Enterprise Resources' revenue budget of £0.010 million (0.0%), as detailed in Appendix A of the report, be noted;
- (2) that following the probable outturn exercise, the forecast to 31 March 2011 of £0.045 million underspend be noted;
- (3) that the updated position on the Winter Maintenance spend be noted; and
- (4) that the proposed budget Virements be approved.

3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Enterprise Resources Committee for the financial year 2010/2011.

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

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 18 February 2011, the variance from phased budget to date is an underspend of £0.010 million (0.0%).

5.2. Following the probable outturn exercise, the financial forecast to 31 March 2011 is an underspend of £0.045 million.

5.3. As at 3 February 2011, there is an updated position on the Winter Maintenance spend. The current forecast for Winter Maintenance expenditure is £6.5 million. This level of expenditure does exceed the 2010/11 budget however, a funding package is in place to cover the majority of the expenditure. Any balance required will be met from the planned contribution of £2m to the Winter Maintenance Fund, reported to the Executive Committee on 26 January 2011. The final outturn position for the year will be reported when it becomes available.

5.4. Virements are also proposed to realign budgets across the services. These movements are detailed in Appendices B to G of this report.

6. Other Implications

6.1. The main risk associated with the Council'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 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 is also no requirement to undertake any consultation in terms of the information contained in the report.

Archie Strang
Chief Executive

Colin McDowall
Executive Director (Enterprise Resources)

2 March 2011

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

♦ Accountable, Effective and Efficient

Previous References

♦ Enterprise Resources Committee, 2 February 2011

List of Background Papers

♦ Financial ledger and budget monitoring results to 18 February 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

Enterprise Resources Committee: Period Ended 18 February 2011 (No.12)

Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	17,655	17,703	(48)	15,071	15,020	51	under	0.3%	
Property Costs	825	839	(14)	753	757	(4)	over	(0.5%)	
Supplies & Services	2,538	2,848	(310)	2,006	2,319	(313)	over	(15.6%)	
Transport & Plant	140	157	(17)	117	136	(19)	over	(16.2%)	
Administration Costs	788	841	(53)	624	695	(71)	over	(11.4%)	
Payments to Other Bodies	23,568	23,655	(87)	20,576	20,711	(135)	over	(0.7%)	
Payments to Contractors	23,658	25,041	(1,383)	13,063	13,458	(395)	over	(3.0%)	
Transfer Payments	348	348	0	348	348	0	-	0.0%	
Financing Charges	260	239	21	239	201	38	under	15.9%	
Total Controllable Exp.	69,780	71,671	(1,891)	52,797	53,645	(848)	over	(1.6%)	
Total Controllable Inc.	(21,807)	(23,743)	1,936	(15,296)	(16,154)	858	over recovered	5.6%	
Net Controllable Exp.	47,973	47,928	45	37,501	37,491	10	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B-G as appropriate.

Budget Virements

Budget Virements are shown in Appendices B-G as appropriate.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 18 February 2011 (No.12)

Planning and Building Standards

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,676	3,638	38	3,095	3,052	43	under	1.4%	1
Property Costs	38	35	3	32	29	3	under	9.4%	
Supplies & Services	56	98	(42)	54	102	(48)	over	(88.9%)	2
Transport & Plant	0	12	(12)	0	8	(8)	over	n/a	
Administration Costs	865	899	(34)	96	130	(34)	over	(35.4%)	3
Payments to Other Bodies	140	140	0	140	153	(13)	over	(9.3%)	
Payments to Contractors	300	300	0	221	221	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	51	52	(1)	49	46	3	under	6.1%	
Total Controllable Exp.	5,126	5,174	(48)	3,687	3,741	(54)	over	(1.5%)	
Total Controllable Inc.	(3,262)	(3,262)	0	(2,873)	(2,848)	(25)	under recovered	(0.9%)	4
Net Controllable Exp.	1,864	1,912	(48)	814	893	(79)	over	(9.7%)	

Variance Explanations**1. Employee Costs**

This underspend is due to the non-filling of vacant posts and is partially offset by expenditure on pension costs.

2. Supplies & Services

This overspend is mainly due to additional costs in relation to the implementation of the Electronic Data and Record Management System (EDRMS).

3. Administration Costs

This overspend is partly due to new regulations in relation to the advertising of planning/building standards applications which is offset by additional income.

4. Income

This under recovery relates to less than anticipated income for property inquiries partially offset by an increase in applications due to the new Building Standard regulations implemented since 1 October 2010.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 18 February 2011 (No.12)

Regeneration

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,417	3,399	18	2,962	2,915	47	under	1.6%	1, a
Property Costs	61	79	(18)	16	26	(10)	over	(62.5%)	
Supplies & Services	126	120	6	115	110	5	under	4.3%	
Transport & Plant	0	5	(5)	0	1	(1)	over	n/a	
Administration Costs	545	544	1	103	105	(2)	over	(1.9%)	
Payments to Other Bodies	8,167	8,123	44	6,110	6,109	1	under	0.0%	a
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	42	29	13	31	17	14	under	45.2%	
Total Controllable Exp.	12,358	12,299	59	9,337	9,283	54	under	0.6%	
Total Controllable Inc.	(7,670)	(7,690)	20	(6,365)	(6,386)	21	over recovered	0.3%	a
Net Controllable Exp.	4,688	4,609	79	2,972	2,897	75	under	2.5%	

Variance Explanations**1. Employee Costs**

This underspend is due to the non-filling of vacant posts and is partially offset by expenditure on pension costs.

Budget Virements

a. Future Jobs Fund Realignment: Net Effect 0: Employee Costs £0.037m, Payment to Other Bodies £0.740m, Income (£0.777m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 18 February 2011 (No.11)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,747	2,686	61	2,304	2,245	59	under	2.6%	1, a
Property Costs	38	35	3	38	35	3	under	7.9%	
Supplies & Services	135	149	(14)	114	126	(12)	over	(10.5%)	
Transport & Plant	7	7	0	7	7	0	-	0.0%	
Administration Costs	(2,176)	(2,196)	20	76	57	19	under	25.0%	2
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	65	35	30	61	38	23	under	37.7%	
Total Controllable Exp.	816	716	100	2,600	2,508	92	under	3.5%	
Total Controllable Inc.	(816)	(766)	(50)	(45)	0	(45)	under recovered	(100.0%)	3
Net Controllable Exp.	0	(50)	50	2,555	2,508	47	under	1.8%	

Variance Explanations**1. Employee Costs**

This underspend relates to vacancies as a result of staff turnover. All vacancies are under review and are only being filled where there is an identified business need.

2. Administration Costs

This underspend is due to a reduction in training costs for the Roads Graduate Programme.

3. Income

This under recovery is due to the recovery of Support staff salaries from Planning and Building Standards and Roads being lower than anticipated.

Budget Virements

- a. Transfer from centrally held funds in respect of National Diagnostic exercise (£0.005m): Employee Costs (£0.005m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 18 February 2011 (No.12)

Estates

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	889	903	(14)	755	772	(17)	over	(2.3%)	
Property Costs	245	245	0	245	245	0	-	0.0%	
Supplies & Services	23	33	(10)	22	31	(9)	over	(40.9%)	
Transport & Plant	0	0	0	0	0	0	-	0.0%	
Administration Costs	183	183	0	9	9	0	-	0.0%	
Payments to Other Bodies	95	94	1	95	94	1	under	1.1%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	13	19	(6)	13	15	(2)	over	(15.4%)	
Total Controllable Exp.	1,448	1,477	(29)	1,139	1,166	(27)	over	(2.4%)	
Total Controllable Inc.	(3,104)	(3,097)	(7)	(2,073)	(2,065)	(8)	under recovered	(0.4%)	
Net Controllable Exp.	(1,656)	(1,620)	(36)	(934)	(899)	(35)	over	(3.7%)	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 18 February 2011 (No.12)

Roads

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,547	5,627	(80)	4,742	4,766	(24)	over	(0.5%)	1
Property Costs	431	431	0	410	409	1	under	0.2%	
Supplies & Services	2,125	2,375	(250)	1,633	1,882	(249)	over	(15.2%)	2
Transport & Plant	106	106	0	97	107	(10)	over	(10.3%)	
Administration Costs	1,352	1,392	(40)	321	375	(54)	over	(16.8%)	3
Payments to Other Bodies	11,599	11,731	(132)	11,501	11,625	(124)	over	(1.1%)	4
Payments to Contractors	23,358	24,741	(1,383)	12,842	13,237	(395)	over	(3.1%)	5
Transfer Payments	348	348	0	348	348	0	-	0.0%	
Financing Charges	87	102	(15)	83	82	1	under	1.2%	
Total Controllable Exp.	44,953	46,853	(1,900)	31,977	32,831	(854)	over	(2.7%)	
Total Controllable Inc.	(6,947)	(8,847)	1,900	(3,932)	(4,788)	856	over recovered	21.8%	6
Net Controllable Exp.	38,006	38,006	0	28,045	28,043	2	under	0.0%	

Variance Explanations

- Employee Costs**
Overspend is mainly due to higher than anticipated pension costs (£36k) and travel and subsistence costs (£36k) offset by an underspend in basic, superannuation and national insurance costs as a result of vacant posts that have arisen during the year.
- Supplies and Services**
This overspend is due to rechargeable expenditure on signs and is offset by additional income. Also, the costs in relation to Parking and the Electronic Data and Record Management System (EDRMS) have been higher than anticipated.
- Administration Costs**
This overspend relates mainly to increased phone and advertising costs (Traffic Regulation Orders) and greater than budgeted subscription costs for technical updates.
- Payments to Other Bodies**
This overspend is due to higher than anticipated charges for school crossing patrollers.
- Payments to Contractors**
This overspend is due to increased rechargeable work carried out by private contractors and is offset by additional income. (See 6. below)
- Income**
This over recovery is mainly due to increased rechargeable work carried out to date and income from Scottish Coal in respect of additional road maintenance work required from a mineral extraction agreement. This is offset by additional expenditure. (See 5. above)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 18 February 2011 (No.12)

Fairer Scotland Fund

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	1,379	1,450	(71)	1,213	1,270	(57)	over	(4.7%)	1
Property Costs	12	14	(2)	12	13	(1)	over	(8.3%)	
Supplies & Services	73	73	0	68	68	0	-	0.0%	
Transport & Plant	27	27	0	13	13	0	-	0.0%	
Administration Costs	19	19	0	19	19	0	-	0.0%	
Payments to Other Bodies	3,567	3,567	0	2,730	2,730	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	2	2	0	2	3	(1)	over	(50.0%)	
Total Controllable Exp.	5,079	5,152	(73)	4,057	4,116	(59)	over	(1.5%)	
Total Controllable Inc.	(8)	(81)	73	(8)	(67)	59	over recovered	737.5%	2
Net Controllable Exp.	5,071	5,071	0	4,049	4,049	0	-	0.0%	

Variance Explanations**1. Employee Costs**

This is due to higher than anticipated costs within the Fairer Scotland Fund support team, which is offset by additional income (See 2. below).

2. Income

This over recovery offsets additional expenditure on Employee Costs (See 1. above).