

# Report

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| Report to:       | <b>Corporate Resources Committee</b>  |
| Date of Meeting: | <b>28 October 2009</b>  |
| Report by:       | <b>Executive Director (Finance and Information Technology Resources)</b><br><b>Executive Director (Corporate Resources)</b> |

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| Subject: | <b>Revenue Budget Monitoring 2009/2010 - Corporate Resources</b> |
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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 4 September 2009 for Corporate 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 Corporate Resources' revenue budget of £0.079million (0.90%), as detailed in Appendix A of the report, and the forecast to 31 March 2010 of break even be noted; and
- (2) that the budget virement between Services be approved.

## 3. Background

3.1. This is the first revenue budget monitoring report presented to the Corporate Resources Committee for the financial year 2009/2010. Further reports will follow throughout the financial year.

3.2. The report details the financial position for Corporate Resources in 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 4 September 2009, the variance from phased budget to date is an underspend of £0.079million (0.90%).

## 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)**

16 September 2009

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

- ◆ Value: Accountable, Effective and Efficient

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 4 September 2009

### **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 4 September 2009 (No.6)

## Corporate Resources Summary

|                                | Annual<br>Budget | Forecast<br>for Year | Annual<br>Forecast<br>Variance | Budget<br>Proportion<br>04/09/09 | Actual<br>04/09/09 | Variance<br>04/09/09 |                   | %<br>Variance<br>04/09/09 | Note |
|--------------------------------|------------------|----------------------|--------------------------------|----------------------------------|--------------------|----------------------|-------------------|---------------------------|------|
|                                | £000             | £000                 | £000                           | £000                             | £000               | £000                 |                   |                           |      |
| <b><u>Budget Category</u></b>  |                  |                      |                                |                                  |                    |                      |                   |                           |      |
| Employee Costs                 | 10,866           | 10,866               | 0                              | 4,613                            | 4,467              | 146                  | under             | 3.2%                      |      |
| Property Costs                 | 6,941            | 6,941                | 0                              | 2,226                            | 2,311              | (85)                 | over              | (3.8%)                    |      |
| Supplies & Services            | 1,546            | 1,546                | 0                              | 653                              | 713                | (60)                 | over              | (9.2%)                    |      |
| Transport & Plant              | 308              | 308                  | 0                              | 33                               | 45                 | (12)                 | over              | (36.4%)                   |      |
| Administration Costs           | 3,526            | 3,526                | 0                              | 1,242                            | 1,294              | (52)                 | over              | (4.2%)                    |      |
| Payments to Other Bodies       | 1,988            | 1,988                | 0                              | 1,021                            | 1,066              | (45)                 | over              | (4.4%)                    |      |
| Payments to Contractors        | 23               | 23                   | 0                              | 14                               | 16                 | (2)                  | over              | (14.3%)                   |      |
| Transfer Payments              | 0                | 0                    | 0                              | 0                                | 0                  | 0                    | -                 | n/a                       |      |
| Financing Charges              | 640              | 640                  | 0                              | 309                              | 316                | (7)                  | over              | (2.3%)                    |      |
| <b>Total Controllable Exp.</b> | 25,838           | 25,838               | 0                              | 10,111                           | 10,228             | (117)                | over              | (1.2%)                    |      |
| <b>Total Controllable Inc.</b> | (4,329)          | (4,329)              | 0                              | (1,507)                          | (1,703)            | 196                  | over<br>recovered | 13.0%                     |      |
| <b>Net Controllable Exp.</b>   | 21,509           | 21,509               | 0                              | 8,604                            | 8,525              | 79                   | under             | 0.9%                      |      |

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Corporate Resources Committee: Period Ended 4 September 2009 (No.6)

## Corporate Resources Support

| <b>Budget Category</b>         | <b>Annual Budget</b> | <b>Forecast for Year</b> | <b>Annual Forecast Variance</b> | <b>Budget Proportion 04/09/09</b> | <b>Actual 04/09/09</b> | <b>Variance 04/09/09</b> |                       | <b>% Variance 04/09/09</b> | <b>Note</b> |
|--------------------------------|----------------------|--------------------------|---------------------------------|-----------------------------------|------------------------|--------------------------|-----------------------|----------------------------|-------------|
|                                | <b>£000</b>          | <b>£000</b>              | <b>£000</b>                     | <b>£000</b>                       | <b>£000</b>            | <b>£000</b>              |                       |                            |             |
| Employee Costs                 | 4,424                | 4,424                    | 0                               | 1,899                             | 1,831                  | 68                       | under                 | 3.6%                       | 1,a,b,c,e   |
| Property Costs                 | 6,796                | 6,796                    | 0                               | 2,197                             | 2,273                  | (76)                     | over                  | (3.5%)                     | 2           |
| Supplies & Services            | 229                  | 229                      | 0                               | 102                               | 120                    | (18)                     | over                  | (17.6%)                    | a,b,c,d     |
| Transport & Plant              | 27                   | 27                       | 0                               | 7                                 | 7                      | 0                        | -                     | 0.0%                       |             |
| Administration Costs           | 677                  | 677                      | 0                               | 220                               | 256                    | (36)                     | over                  | (16.4%)                    | 3,a,b,c     |
| Payments to Other Bodies       | 265                  | 265                      | 0                               | 114                               | 153                    | (39)                     | over                  | (34.2%)                    | 4           |
| Payments to Contractors        | 0                    | 0                        | 0                               | 0                                 | 0                      | 0                        | -                     | n/a                        |             |
| Transfer Payments              | 0                    | 0                        | 0                               | 0                                 | 0                      | 0                        | -                     | n/a                        |             |
| Financing Charges              | 552                  | 552                      | 0                               | 273                               | 273                    | 0                        | -                     | n/a                        | b,c         |
| <b>Total Controllable Exp.</b> | <b>12,970</b>        | <b>12,970</b>            | <b>0</b>                        | <b>4,812</b>                      | <b>4,913</b>           | <b>(101)</b>             | <b>over</b>           | <b>(2.1%)</b>              |             |
| <b>Total Controllable Inc.</b> | <b>(1,109)</b>       | <b>(1,109)</b>           | <b>0</b>                        | <b>(382)</b>                      | <b>(432)</b>           | <b>50</b>                | <b>over recovered</b> | <b>13.1%</b>               | 5,b,c,d,e   |
| <b>Net Controllable Exp.</b>   | <b>11,861</b>        | <b>11,861</b>            | <b>0</b>                        | <b>4,430</b>                      | <b>4,481</b>           | <b>(51)</b>              | <b>over</b>           | <b>(1.2%)</b>              |             |

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

**Budget Virements**

- Transfer of recruitment staff from Housing and Technical £0.113m: Employee Costs £0.110m, Supplies and Services £0.002m and Administration Costs £0.001m.
- Transfer of Legal staff from Enterprise £0.310m: Employee Costs £0.370m, Supplies and Services £0.007m, Administration Costs £0.016m, Financing Charges £0.002m and Income (£0.085m).
- Transfer of Legal staff from Housing and Technical £0.557m: Employee Costs £0.472m, Supplies and Services £0.009m, Administration Costs £0.097m, Financing Charges £0.004m and Income (£0.025m).
- Establishment of Disclosure Scotland budget: Supplies and Services £0.102m and Income (£0.102m).
- Realignment of Personnel budget for recharges to Clyde Valley Learning and Development: Employee Costs £0.102m and Income (£0.102m).

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

The underspend relates to vacancies within Legal Services.

**2. Property Costs**

The overspend is due mainly to increased rent and service charges for the Brandongate offices. There is also an overspend relating to the costs of voltage optimisers in the main Council offices.

**3. Administration Costs**

The overspend relates to Children's International Games which is partially offset by additional income.

**4. Payments to Other Bodies**

The overspend relates to the increased costs of the improved counselling services within Personnel Support. There is also an overspend in physiotherapy payments which is offset by an over recovery in Income.

**5. Income**

The over recovery relates mainly to physiotherapy recharges in Personnel Support and is offset by an overspend in physiotherapy payments within Payments to Other Bodies.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Corporate Resources Committee: Period Ended 4 September 2009 (No.6)

## Corporate Resources Services

|                                | Annual<br>Budget | Forecast<br>for Year | Annual<br>Forecast<br>Variance | Budget<br>Proportion<br>04/09/09 | Actual<br>04/09/09 | Variance<br>04/09/09 |                   | %<br>Variance<br>04/09/09 | Note    |
|--------------------------------|------------------|----------------------|--------------------------------|----------------------------------|--------------------|----------------------|-------------------|---------------------------|---------|
|                                | £000             | £000                 | £000                           | £000                             | £000               | £000                 |                   |                           |         |
| <b><u>Budget Category</u></b>  |                  |                      |                                |                                  |                    |                      |                   |                           |         |
| Employee Costs                 | 6,442            | 6,442                | 0                              | 2,714                            | 2,636              | 78                   | under             | 2.9%                      | 1,a,b,c |
| Property Costs                 | 145              | 145                  | 0                              | 29                               | 38                 | (9)                  | over              | (31.0%)                   |         |
| Supplies & Services            | 1,317            | 1,317                | 0                              | 551                              | 593                | (42)                 | over              | (7.6%)                    | 2,a,c   |
| Transport & Plant              | 281              | 281                  | 0                              | 26                               | 38                 | (12)                 | over              | (46.2%)                   |         |
| Administration Costs           | 2,849            | 2,849                | 0                              | 1,022                            | 1,038              | (16)                 | over              | (1.6%)                    | a,c     |
| Payments to Other Bodies       | 1,723            | 1,723                | 0                              | 907                              | 913                | (6)                  | over              | (0.7%)                    |         |
| Payments to Contractors        | 23               | 23                   | 0                              | 14                               | 16                 | (2)                  | over              | (14.3%)                   | a       |
| Transfer Payments              | 0                | 0                    | 0                              | 0                                | 0                  | 0                    | -                 | n/a                       |         |
| Financing Charges              | 88               | 88                   | 0                              | 36                               | 43                 | (7)                  | over              | (19.4%)                   |         |
| <b>Total Controllable Exp.</b> | 12,868           | 12,868               | 0                              | 5,299                            | 5,315              | (16)                 | over              | (0.3%)                    |         |
| <b>Total Controllable Inc.</b> | (3,220)          | (3,220)              | 0                              | (1,125)                          | (1,271)            | 146                  | over<br>recovered | 13.0%                     | 3,c     |
| <b>Net Controllable Exp.</b>   | 9,648            | 9,648                | 0                              | 4,174                            | 4,044              | 130                  | under             | 3.1%                      |         |

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

**Budget Virements**

- a Transfer from the IT Development Fund for Oracle Self Serve project £0.263m: Employee Costs £0.174m, Supplies and Services £0.040m, Administration Costs £0.027m and Payments to Contractors £0.022m.
- b Employee Costs £0.205m for the transfer of the Improvement Team from Finance and IT and Enterprise Resources
- c Realignment of Funded Programmes budget: Employee Costs £0.101m, Supplies and Services (£0.005m), Administration Costs £0.003m and Income (£0.099m).

**Variance Explanations**

- Employee Costs**  
The underspend relates to vacancies within District Courts pending the transfer of the Courts to the Scottish Courts Service.
- Supplies and Services**  
The overspend relates mainly to the cost of new computer systems within Administration Services.
- Income**  
The over recovery of income relates to Licensing, Registration and District Court fines. There is also an over recovery of printroom income.