

Report

3

Report to:	Enterprise Resources Committee
Date of Meeting:	10 November 2010
Report by:	Chief Executive and Executive Director (Enterprise Resources)

Subject:	Enterprise Resources - Revenue Budget Monitoring 2010/2011
----------	---

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 1 October 2010 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 £0.037 million (0.18%), as detailed in Appendix A of the report, and the forecast to 31 March 2011 of break even be noted.
- (2) that the proposed budget virements be approved.

3. Background

- 3.1. This is the second revenue budget monitoring report presented to the Enterprise Resources Committee for the financial year 2010/2011. Further reports will follow throughout the financial year.
- 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 1 October 2010, the variance from phased budget to date is an underspend of £0.037 million (0.18%). The forecast for the revenue budget to 31 March 2011 is a break even position.
- 5.2. 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.

Archibald Strang
Chief Executive

Colin McDowall
Executive Director (Enterprise Resources)

12 October 2010

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Enterprise Resources Committee, 1 September 2010

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 1 October 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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 1 October 2010 (No.7)

Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	17,799	17,799	0	9,250	9,265	(15)	over	(0.2%)	
Property Costs	828	828	0	498	473	25	under	5.0%	
Supplies & Services	2,520	2,520	0	1,105	1,249	(144)	over	(13.0%)	
Transport & Plant	140	140	0	67	58	9	under	13.4%	
Administration Costs	907	907	0	258	287	(29)	over	(11.2%)	
Payments to Other Bodies	21,816	21,816	0	11,305	11,390	(85)	over	(0.8%)	
Payments to Contractors	23,035	23,035	0	6,432	6,616	(184)	over	(2.9%)	
Transfer Payments	348	348	0	174	174	0	-	0.0%	
Financing Charges	261	261	0	121	123	(2)	over	(1.7%)	
Total Controllable Exp.	67,654	67,654	0	29,210	29,635	(425)	over	(1.5%)	
Total Controllable Inc.	(19,246)	(19,246)	0	(8,363)	(8,825)	462	over recovered	5.5%	
Net Controllable Exp.	48,408	48,408	0	20,847	20,810	37	under	0.2%	

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 1 October 2010 (No.7)

Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,709	3,709	0	1,835	1,825	10	under	0.5%	1
Property Costs	38	38	0	6	6	0	-	0.0%	
Supplies & Services	56	56	0	35	48	(13)	over	(37.1%)	2
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	954	954	0	72	69	3	under	4.2%	
Payments to Other Bodies	140	140	0	86	89	(3)	over	(3.5%)	
Payments to Contractors	300	300	0	98	98	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	51	51	0	31	31	0	-	0.0%	
Total Controllable Exp.	5,248	5,248	0	2,163	2,167	(4)	over	(0.2%)	
Total Controllable Inc.	(3,262)	(3,262)	0	(1,942)	(1,947)	5	over recovered	0.3%	
Net Controllable Exp.	1,986	1,986	0	221	220	1	under	0.5%	

Variance Explanations**1. Employee Costs**

The underspend is due to the non-filling of vacant posts and is partially offset by an overspend on pension costs.

2. Supplies & Services

The overspend is partly due to additional costs in relation to the implementation of the Electronic Data & Record Management System (EDRMS).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 1 October 2010 (No.7)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,301	3,301	0	1,915	1,916	(1)	over	(0.1%)	a, b
Property Costs	62	62	0	6	6	0	-	0.0%	
Supplies & Services	106	106	0	58	56	2	under	3.4%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	599	599	0	64	63	1	under	1.6%	a
Payments to Other Bodies	6,478	6,478	0	2,203	2,203	0	-	0.0%	a, b
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	42	42	0	14	13	1	under	7.1%	
Total Controllable Exp.	10,588	10,588	0	4,260	4,257	3	under	0.1%	
Total Controllable Inc.	(5,828)	(5,828)	0	(2,981)	(2,988)	7	over recovered	0.2%	a, b
Net Controllable Exp.	4,760	4,760	0	1,279	1,269	10	under	0.8%	

Budget Virements

- a. Future Jobs Fund Realignment: Net Effect 0: Employee Costs £0.417m, Administration £0.001m, Payment to Other Bodies £0.816m, Income (£1.234m).
- b. Establish budget for additional funding for Community Planning Partnerships from European Regional Development Fund (ERDF) and European Social Fund (ESF): Net Effect 0: Employee Costs £0.064m, Payment to Other Bodies £2.782m, Income (£2.846m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 1 October 2010 (No.7)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,914	2,914	0	1,445	1,400	45	under	3.1%	1
Property Costs	39	39	0	0	0	0	-	n/a	
Supplies & Services	136	136	0	60	62	(2)	over	(3.3%)	
Transport & Plant	7	7	0	5	5	0	-	0.0%	
Administration Costs	(2,346)	(2,346)	0	47	46	1	under	2.1%	
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	66	66	0	22	22	0	-	0.0%	
Total Controllable Exp.	816	816	0	1,579	1,535	44	under	2.8%	
Total Controllable Inc.	(816)	(816)	0	(10)	0	(10)	under recovered	(100.0%)	
Net Controllable Exp.	0	0	0	1,569	1,535	34	under	2.2%	

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.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 1 October 2010 (No.7)

Estates

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	902	902	0	451	459	(8)	over	(1.8%)	
Property Costs	245	245	0	120	120	0	-	0.0%	
Supplies & Services	23	23	0	12	15	(3)	over	(25.0%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	204	204	0	5	4	1	under	20.0%	
Payments to Other Bodies	95	95	0	94	94	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	13	13	0	8	11	(3)	over	(37.5%)	
Total Controllable Exp.	1,482	1,482	0	690	703	(13)	over	(1.9%)	
Total Controllable Inc.	(3,104)	(3,104)	0	(1,327)	(1,330)	3	over recovered	0.2%	
Net Controllable Exp.	(1,622)	(1,622)	0	(637)	(627)	(10)	over	(1.6%)	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 1 October 2010 (No.7)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,593	5,593	0	2,790	2,853	(63)	over	(2.3%)	1, a
Property Costs	432	432	0	356	330	26	under	7.3%	
Supplies & Services	2,126	2,126	0	906	1,037	(131)	over	(14.5%)	2
Transport & Plant	106	106	0	55	45	10	under	18.2%	a
Administration Costs	1,477	1,477	0	56	92	(36)	over	(64.3%)	3
Payments to Other Bodies	11,610	11,610	0	8,158	8,236	(78)	over	(1.0%)	4
Payments to Contractors	22,735	22,735	0	6,334	6,518	(184)	over	(2.9%)	5, a
Transfer Payments	348	348	0	174	174	0	-	0.0%	
Financing Charges	87	87	0	45	44	1	under	2.2%	
Total Controllable Exp.	44,514	44,514	0	18,874	19,329	(455)	over	(2.4%)	
Total Controllable Inc.	(6,236)	(6,236)	0	(2,103)	(2,560)	457	over recovered	1.7%	6
Net Controllable Exp.	38,278	38,278	0	16,771	16,769	2	under	0.0%	

Variance Explanations**1. Employee Costs**

This overspend is due to higher than anticipated employee costs incurred to date. As we move towards the end of the year, this will be offset by underspends on posts which have now become vacant.

2. Supplies and Services

This overspend is due to rechargeable expenditure on signs and is offset by additional income.

3. Administration Costs

The overspend relates mainly to increased phone and advertising costs (Traffic Regulation Orders) and unbudgeted subscription costs for technical updates.

4. Payments to Other Bodies

This overspend is due to higher than anticipated charges for school crossing patrollers.

5. 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)

6. Income

This over recovery is due to income from Scottish Coal in respect of additional road maintenance work required from a mineral extraction agreement and also increased rechargeable works carried to date. This offsets additional expenditure. (See 5. above)

Budget Virements

- a. Transfer from centrally held funds for Disabled Persons' Parking Places (Scotland) Bill Legislation costs £0.220m: Employee Costs £0.012m, Transport £0.003m, Payment to Contractors £0.205m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 1 October 2010 (No.7)

Fairer Scotland Fund

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/10/10	Actual 01/10/10	Variance 01/10/10		% Variance 01/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,380	1,380	0	814	812	2	under	0.2%	
Property Costs	12	12	0	10	11	(1)	over	(10.0%)	
Supplies & Services	73	73	0	34	31	3	under	8.8%	
Transport & Plant	27	27	0	7	7	0	-	0.0%	
Administration Costs	19	19	0	14	13	1	under	7.1%	
Payments to Other Bodies	3,493	3,493	0	764	768	(4)	over	(0.5%)	
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	1	2	(1)	over	(100.0%)	
Total Controllable Exp.	5,006	5,006	0	1,644	1,644	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	5,006	5,006	0	1,644	1,644	0	-	0.0%	