

	<h1>Report</h1>	Agenda Item <h2>3</h2>
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Report to:	Enterprise Resources Committee
Date of Meeting:	20 January 2010
Report by:	Executive Director (Finance and Information Technology Resources) Executive Director (Enterprise Resources)

Subject:	Revenue Budget Monitoring 2009/2010 - Enterprise 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 2009 to 30 October 2009 for Enterprise 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 overspend on Enterprise Resources' revenue budget of £0.116 million (0.47%), as detailed in Appendix A of the report, and the forecast to 31 March 2010 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 2009/2010. 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 30 October 2009, the variance from phased budget to date is an overspend of £0.116 million (0.47%).

- 5.2. Due to the current economic conditions the Planning and Building Standards fee income is currently £0.495 million less than anticipated. This under recovery has been offset by various management actions taken by the Resource which have resulted in savings of £0.333 million being achieved. This has resulted in the net overspend of £0.116 million which has been offset by an increased surplus in the Roads Trading Operation. This offset position is expected to be reflected in the year-end outturn.

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)

Colin McDowall

Executive Director (Enterprise Resources)

10 November 2009

Link(s) to Council Objectives

- ◆ Value: Accountable, Effective and Efficient

Previous References

- ◆ Enterprise Resources Committee, 28 October 2009

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 30 October 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

Enterprise Resources Committee: Period Ended 30 October 2009 (No.8)

Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/10/09	Actual 30/10/09	Variance 30/10/09		% Variance 30/10/09	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	18,161	18,161	0	10,285	10,164	121	under	1.2%	
Property Costs	977	977	0	684	705	(21)	over	(3.1%)	
Supplies & Services	2,333	2,333	0	921	985	(64)	over	(6.9%)	
Transport & Plant	110	110	0	66	57	9	under	13.6%	
Administration Costs	955	955	0	384	406	(22)	over	(5.7%)	
Payments to Other Bodies	20,021	20,021	0	12,137	12,155	(18)	over	(0.1%)	
Payments to Contractors	23,960	23,960	0	9,501	9,124	377	under	4.0%	
Transfer Payments	348	348	0	261	261	0	-	-	
Financing Charges	253	253	0	161	182	(21)	over	(13.0%)	
Total Controllable Exp.	67,118	67,118	0	34,400	34,039	361	under	1.0%	
Total Controllable Inc.	(23,776)	(23,776)	0	(9,670)	(9,193)	(477)	under recovered	(4.9%)	
Net Controllable Exp.	43,342	43,342	0	24,730	24,846	(116)	over	(0.5%)	

Variance Explanations

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 October 2009 (No.8)

Planning and Building Standards

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/10/09	Actual 30/10/09	Variance 30/10/09		% Variance 30/10/09	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,806	3,806	0	2,192	2,131	61	under	2.8%	1
Property Costs	38	38	0	22	37	(15)	over	(68.2%)	
Supplies & Services	85	85	0	71	73	(2)	over	(2.8%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	997	997	0	130	120	10	under	7.7%	
Payments to Other Bodies	140	140	0	73	81	(8)	over	(11.0%)	
Payments to Contractors	300	300	0	164	164	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	50	50	0	43	43	0	-	n/a	
Total Controllable Exp.	5,416	5,416	0	2,695	2,649	46	under	1.7%	
Total Controllable Inc.	(3,663)	(3,663)	0	(2,275)	(1,780)	(495)	under recovered	(21.8%)	2
Net Controllable Exp.	1,753	1,753	0	420	869	(449)	over	(106.9%)	

Variance Explanations**1. Employee Costs**

The underspend relates to vacancies as a result of staff turnover.

2. Income

The under recovery in income is due to a reduction in the number of planning and building warrant applications submitted.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 October 2009 (No.8)

Regeneration

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/10/09	Actual 30/10/09	Variance 30/10/09		% Variance 30/10/09	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	2,416	2,416	0	1,252	1,170	82	under	6.5%	1, a
Property Costs	0	0	0	0	4	(4)	over	n/a	
Supplies & Services	44	44	0	28	26	2	under	7.1%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	511	511	0	33	35	(2)	over	(6.1%)	
Payments to Other Bodies	4,974	4,974	0	1,731	1,681	50	under	2.9%	2
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	28	28	0	17	17	0	-	n/a	
Total Controllable Exp.	7,973	7,973	0	3,061	2,933	128	under	4.2%	
Total Controllable Inc.	(3,287)	(3,287)	0	(505)	(532)	27	over recovered	5.3%	
Net Controllable Exp.	4,686	4,686	0	2,556	2,401	155	under	6.1%	

Variance Explanations**1. Employee Costs**

The underspend relates to vacancies as a result of staff turnover.

2. Payments to Other Bodies

This underspend will be used to offset the reduction in Planning and Building Standards Income.

Budget Virements

a. Transfer from centrally held funds in respect of National Diagnostic release costs £0.302m: Employee Costs £0.302m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 October 2009 (No.8)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/10/09	Actual 30/10/09	Variance 30/10/09		% Variance 30/10/09	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,036	3,036	0	1,768	1,697	71	under	4.0%	1, a
Property Costs	42	42	0	7	3	4	under	57.1%	
Supplies & Services	144	144	0	88	80	8	under	9.1%	a
Transport & Plant	7	7	0	5	5	0	-	n/a	
Administration Costs	(2,480)	(2,480)	0	131	123	8	under	6.1%	
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	67	67	0	28	28	0	-	n/a	
Total Controllable Exp.	816	816	0	2,027	1,936	91	under	4.5%	
Total Controllable Inc.	(816)	(816)	0	(16)	(16)	0	-	n/a	
Net Controllable Exp.	0	0	0	2,011	1,920	91	under	4.5%	

Variance Explanations**1. Employee Costs**

The underspend relates to vacancies as a result of staff turnover.

Budget Virements

- a. Transfer to Corporate Resources for centralised Recruitment Function (£0.016m): Employee Costs (£0.015m), Supplies and Services (£0.001m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 October 2009 (No.8)

Estates

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/10/09	Actual 30/10/09	Variance 30/10/09		% Variance 30/10/09	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	1,403	1,403	0	822	833	(11)	over	(1.3%)	
Property Costs	329	329	0	153	143	10	under	6.5%	
Supplies & Services	31	31	0	17	17	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	324	324	0	9	10	(1)	over	(11.1%)	
Payments to Other Bodies	95	95	0	20	20	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	27	27	0	19	20	(1)	over	(5.3%)	
Total Controllable Exp.	2,209	2,209	0	1,040	1,043	(3)	over	(0.3%)	
Total Controllable Inc.	(2,952)	(2,952)	0	(1,599)	(1,597)	(2)	under recovered	(0.1%)	
Net Controllable Exp.	(743)	(743)	0	(559)	(554)	(5)	over	(0.9%)	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 October 2009 (No.8)

Roads Total

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/10/09	Actual 30/10/09	Variance 30/10/09		% Variance 30/10/09	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,512	5,512	0	3,209	3,291	(82)	over	(2.6%)	1
Property Costs	543	543	0	491	507	(16)	over	(3.3%)	
Supplies & Services	1,870	1,870	0	692	764	(72)	over	(10.4%)	2, a
Transport & Plant	103	103	0	61	52	9	under	14.8%	
Administration Costs	1,528	1,528	0	71	108	(37)	over	(52.1%)	
Payments to Other Bodies	10,081	10,081	0	8,085	8,145	(60)	over	(0.7%)	3
Payments to Contractors	23,660	23,660	0	9,337	8,960	377	under	4.0%	4
Transfer Payments	348	348	0	261	261	0	-	n/a	
Financing Charges	77	77	0	51	71	(20)	over	(39.2%)	
Total Controllable Exp.	43,722	43,722	0	22,258	22,159	99	under	0.4%	
Total Controllable Inc.	(6,076)	(6,076)	0	(1,956)	(1,949)	(7)	under recovered	(0.4%)	
Net Controllable Exp.	37,646	37,646	0	20,302	20,210	92	under	0.5%	

Variance Explanations

- Employee Costs**
This overspend is due to the costs of early retirees and also the recruitment of additional graduates which will be offset by additional income.
- Supplies and Services**
The overspend is due to higher than budgeted hardware, software and licence costs.
- Payments to Other Bodies**
This overspend is due to higher charges for school crossing patrols due to new patrols being added in 2009/10.
- Payments to Contractors**
The underspend is due to less than anticipated recharges from Trading Services as more work has been carried out on the capital programme.

Budget Virements

- Transfer from Reserves (IT Development Fund) for Roads Costing System £0.040m: Supplies and Services £0.040m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 October 2009 (No.8)

Fairer Scotland Fund

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/10/09	Actual 30/10/09	Variance 30/10/09	% Variance 30/10/09	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	1,988	1,988	0	1,042	1,042	0	-	n/a a
Property Costs	25	25	0	11	11	0	-	n/a
Supplies & Services	159	159	0	25	25	0	-	n/a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	75	75	0	10	10	0	-	n/a
Payments to Other Bodies	4,731	4,731	0	2,228	2,228	0	-	n/a 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	4	4	0	3	3	0	-	n/a
Total Controllable Exp.	6,982	6,982	0	3,319	3,319	0	-	n/a
Total Controllable Inc.	(6,982)	(6,982)	0	(3,319)	(3,319)	0	-	n/a b
Net Controllable Exp.	0	0	0	0	0	0	-	n/a

Budget Virements

- a. Realignment of Fairer Scotland Fund Budget to reflect current projects: Employee Costs £0.060m, Payments to Other Bodies (£0.060m).
b. Transfer budget to Capital Projects: Payments to Other Bodies (£0.094m), Income £0.094m.