

Report

4

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	9 December 2010
Report by:	Chief Executive

Subject:	Revenue Budget Monitoring 2010-11
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update members of the Financial Resources Scrutiny Forum of progress on the Council's revenue budget for the period covering 1 April 2010 to 29 October 2010.

2. Recommendation(s)

2.1. The Financial Resources Scrutiny Forum is asked to approve the following recommendation(s):-

- (1) that the 2010/2011 Financial Position as at period 8 (29 October 2010) for General Services, Housing Revenue Account and Trading Operations is noted (as detailed in Appendix A);
- (2) that the position on the Housing and Technical Resources' Trading Operation, Financial and Operational Performance Review, as at period 8 2010/2011 (29 October 2010) be noted (as detailed in Appendix B).

3. Background

3.1. The Revenue reports attached provide detail on the most recent Executive Committee report dated 1 December 2010. The reports detail the position as at 29 October 2010 for General Services, Housing Revenue Account and the Council's Trading operations. Also, Financial and Operational Performance Review papers have been included for the Building Maintenance Trading Operation as part of the rotating reporting cycle.

3.2. The papers have been split into separate Appendices as shown below:

- Appendix A – 2010/11 Financial Position as at Period 8 (29 October 2010) for General Services, Housing Revenue Account and Trading Operations
- Appendix B – Housing and Technical Resources' Trading Operation – Financial and Operational Performance Review as at period 8 2010/2011 (1 October 2010).

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. The financial position of the General Services Revenue Budget, Housing Revenue Account and the Council's Trading Operations are detailed in Appendices A and B attached.
- 5.2. Appendix A shows a net underspend of £0.389 million against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2011 is a break even position.
- 5.3. The net underspend lies mainly within Corporate Resources and Finance and Information Technology Resources as a result of employee vacancies.
- 5.4. Initial work on the probable outturn within Social Work Resources has identified areas of budget pressure. The impact of these is being quantified by the Resource. It is anticipated that a robust account of the financial position will be available once the probable outturn exercise is complete.
- 5.5. As a result of work to determine the impact of Landfill Tax on the Community Resources Waste Disposal budget, a budget pressure of £0.533m has been identified. This reflects the additional costs of waste disposal being incurred by the Council in 2010/11. Budget has been added to Community Resources' revenue budget and has been funded from the Council's Financing Charges budget line.
- 5.6. As a consequence of the pay award being settled at an increase of 0.65%, there has been an adjustment to Resources' budgets.
- 5.7. Additional monies have been received from the Scottish Government. These relate to Curriculum for Excellence (£0.188m) and Adult Support and Protection (£0.927m) and have been added to Education Resources and Social Work Resources respectively. The budget changes noted in sections 5.5. to 5.7. are reflected in the figures provided in Appendix A to the report.

6. Other Implications

- 6.1. The main risk associated with the Resource'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 Services of the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensured 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 existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

Archibald Strang
Chief Executive

23 November 2010

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Revenue Ledger prints to 29 October 2010

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Paul Manning, Head of Finance

Ext: 4532 (Tel: 01698 454532)

E-mail: paul.manning@southlanarkshire.gov.uk