

Report

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Report to:	Executive Committee
Date of Meeting:	7 September 2011
Report by:	Executive Director (Finance and Information Technology Resources)

Subject:	Revenue Budget Monitoring for Period 1 April to 5 August 2011
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April to 5 August 2011.

2. Recommendation(s)

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

- (1) that the underspend of £0.266 million on the General Fund Revenue Account at 5 August 2011, as detailed in Appendix 1 of the report, and the forecast to 31 March 2012 of breakeven, be noted; and
- (2) that the underspend on the Housing Revenue Account of £0.036 million at 5 August 2011, as detailed in Appendix 2 of the report, and the forecast to 31 March 2011 of a break even position, be noted.

3. Background

3.1. General Fund Revenue Account Position

This is an overview report summarising the actual expenditure and income to 5 August 2011 compared with the budget for the same period. This is provided on a Resource basis in Appendix 1 (page 1), and on a subjective basis in Appendix 1 (page 2) to the report.

3.2. Housing Revenue Account Position

Appendix 2 to the report shows the expenditure and income position for the Housing Revenue Account (HRA) to 5 August 2011.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund Revenue Account Position

As at 5 August 2011, Appendix 1 of the report details a net underspend of £0.266 million (0.13%) against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2012 is a break even position.

- 5.2. Education Resources' budget has increased by £0.924m to reflect monies received from the Government in respect of the Protection of Teacher Posts.
- 5.3. At the end of 2010-2011 a sum of £1.985m was allocated to the Repairs and Renewals Fund to be used on road reconstruction to repair damage caused by the severe winter. These works have now commenced and this budget has now been allocated to Enterprise Resources. This is reflected in the budget figure in Appendix 1.
- 5.4. Housing Revenue Account Position
As at 5 August 2011, Appendix 2 of the report shows an underspend of £0.036 million against phased budget on the Housing Revenue Account.

6. Other Implications

- 6.1. The main risk associated with the Council's Revenue Budget is that there is 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 this report.

Archibald Strang
Chief Executive

15 August 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 6 July 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 5 August 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

Period Ended 5 August 2011 (No.5)

<u>Committee</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 05/08/11	Actual To Period 5 05/08/11	Variance to 05/08/11	
	£m	£m	£m	£m	£m	£m	
Service Departments :-							
Community Resources	65.544	65.544	0.000	25.485	25.485	0.000	-
Facilities, Streets & Bereavement Services	20.375	20.375	0.000	6.586	6.560	0.026	under
Waste and Environmental Services	25.980	25.980	0.000	9.691	9.747	(0.056)	over
Leisure Services	22.561	22.561	0.000	11.058	11.062	(0.004)	over
Support Services	(4.106)	(4.106)	0.000	(1.899)	(1.931)	0.032	under
International Children's Games	0.734	0.734	0.000	0.049	0.047	0.002	under
Corporate Resources Services	11.063	11.063	0.000	3.270	3.172	0.098	under
Education Resources	286.736	286.736	0.000	93.077	93.077	0.000	-
Enterprise Resources	45.942	45.942	0.000	13.711	13.709	0.002	under
Planning and Building Standards	0.948	0.948	0.000	0.236	0.425	(0.189)	over
Estates	(1.679)	(1.679)	0.000	(0.685)	(0.615)	(0.070)	over
Regeneration	4.364	4.364	0.000	1.007	0.978	0.029	under
Roads	37.539	37.539	0.000	11.464	11.249	0.215	under
Support Services	0.000	0.000	0.000	0.914	0.897	0.017	under
Tackling Poverty Programme	4.770	4.770	0.000	0.775	0.775	0.000	-
Finance & IT Resources	0.281	0.281	0.000	0.111	0.108	0.003	under
IT Customer Services	0.281	0.281	0.000	0.111	0.108	0.003	under
Housing & Technical Resources	14.625	14.625	0.000	8.645	8.532	0.113	under
Area Services	6.616	6.616	0.000	2.595	2.556	0.039	under
Property	1.834	1.834	0.000	0.441	0.469	(0.028)	over
Finance & Benefits and Revenue Support	6.175	6.175	0.000	5.609	5.507	0.102	under
Social Work Resources	140.040	140.040	0.000	42.088	42.088	0.000	-
Performance and Support Services	12.897	12.897	0.000	4.097	4.170	(0.073)	over
Children & Family	24.385	24.385	0.000	8.475	8.467	0.008	under
Adults	38.668	38.668	0.000	10.872	10.907	(0.035)	over
Older People	63.289	63.289	0.000	18.650	18.567	0.083	under
Justice and Substance Misuse	0.801	0.801	0.000	(0.006)	(0.023)	0.017	under
Joint Boards	39.269	39.269	0.000	15.935	15.935	0.000	-
	603.500	603.500	0.000	202.322	202.106	0.216	under
Support Departments :-							
Corporate Resources Support	3.875	3.875	0.000	1.240	1.229	0.011	under
Finance & IT Resources	12.507	12.507	0.000	4.776	4.682	0.094	under
Finance	3.128	3.128	0.000	1.147	1.130	0.017	under
Information Technology Services	6.816	6.816	0.000	2.754	2.746	0.008	under
Procurement	1.625	1.625	0.000	0.496	0.455	0.041	under
Audit and Improvement Services	0.938	0.938	0.000	0.379	0.351	0.028	under
Housing and Technical Resources	12.447	12.447	0.000	4.229	4.284	(0.055)	over
Property Services	11.270	11.270	0.000	3.879	3.906	(0.027)	over
Revenues	1.177	1.177	0.000	0.350	0.378	(0.028)	over
	28.829	28.829	0.000	10.245	10.195	0.050	under
Committee							
	£m	£m	£m		£m	£m	
Service Departments Total	603.500	603.500	0.000	202.322	202.106	0.216	under
Support Departments Total	28.829	28.829	0.000	10.245	10.195	0.050	under
Trading Accounts Surplus	(9.646)	(9.646)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges	70.657	70.657	0.000	0.000	0.000	0.000	-
Community Charge income	0.000	0.000	0.000	0.000	0.000	0.000	-
Transfer to Reserves	1.000	1.000	0.000	0.000	0.000	0.000	-
Total Expenditure	696.705	696.705	0.000	212.567	212.301	0.266	under
Revenue Support Grant	320.546	320.546	0.000	0.000	0.000	0.000	-
Other Government Grant	1.148	1.148	0.000	0.000	0.000	0.000	-
Non Domestic Rates	243.978	243.978	0.000	0.000	0.000	0.000	-
Council Tax	126.500	126.500	0.000	0.000	0.000	0.000	-
Transfer from Reserves	4.533	4.533	0.000	0.000	0.000	0.000	-
Total Income	696.705	696.705	0.000	0.000	0.000	0.000	-
Net Expenditure	0.000	0.000	0.000	212.567	212.301	0.266	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 5 August 2011 (No.5)

<u>Budget Category</u>	<u>Annual Budget</u>	<u>Forecast for Year</u>	<u>Annual Forecast Variance</u>	<u>Budget Proportion to 05/08/11</u>	<u>Actual to Period 5 05/08/11</u>	<u>Variance to 05/08/11</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	
Service Departments :-							
<u>Expenditure</u>							
Employee Cost	332.299	332.299	0.000	100.682	99.670	1.012	under
Property Costs	57.756	57.756	0.000	20.853	20.487	0.366	under
Supplies and Services	27.265	27.265	0.000	12.360	12.467	(0.107)	over
Transport Costs	18.502	18.502	0.000	5.913	6.094	(0.181)	over
Administration Costs	21.775	21.775	0.000	5.533	5.556	(0.023)	over
Payments to Other Bodies	97.512	97.512	0.000	36.699	36.552	0.147	under
Payments to Contractors	156.328	156.328	0.000	47.221	47.199	0.022	under
Transfer Payments	23.168	23.168	0.000	14.334	14.342	(0.008)	over
Housing Benefits	90.510	90.510	0.000	25.554	25.553	0.001	under
Financing Charges (controllable)	2.544	2.544	0.000	1.376	1.349	0.027	under
Total	827.659	827.659	0.000	270.525	269.269	1.256	under
Support Departments :-							
<u>Expenditure</u>							
Employee Costs	21.333	21.333	0.000	6.611	6.439	0.172	under
Property Costs	10.052	10.052	0.000	2.481	2.542	(0.061)	over
Supplies & Services	2.811	2.811	0.000	1.708	1.736	(0.028)	over
Transport Costs	0.123	0.123	0.000	0.033	0.038	(0.005)	over
Administration Costs	2.213	2.213	0.000	0.659	0.641	0.018	under
Payments to Other Bodies	0.923	0.923	0.000	0.331	0.340	(0.009)	over
Payments to Contractors	0.306	0.306	0.000	0.069	0.061	0.008	under
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges (controllable)	1.122	1.122	0.000	0.391	0.391	0.000	-
Total	38.883	38.883	0.000	12.283	12.188	0.095	under
Service Departments Total	827.659	827.659	0.000	270.525	269.269	1.256	under
Support Departments Total	38.883	38.883	0.000	12.283	12.188	0.095	under
Trading Accounts Surplus	(9.646)	(9.646)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges	70.657	70.657	0.000	0.000	0.000	0.000	-
Community Charge income	0.000	0.000	0.000	0.000	0.000	0.000	-
Transfer to Reserves	1.000	1.000	0.000	0.000	0.000	0.000	-
Total Expenditure	930.918	930.918	0.000	282.808	281.457	1.351	under
Income							
Housing Benefit Subsidy	87.782	87.782	0.000	22.274	22.274	0.000	-
Other Income	146.431	146.431	0.000	47.967	46.882	(1.085)	under rec.
General Revenue Grant	321.694	321.694	0.000	0.000	0.000	0.000	-
Non Domestic Rates	243.978	243.978	0.000	0.000	0.000	0.000	-
Council Tax	126.500	126.500	0.000	0.000	0.000	0.000	-
Transfer from Reserves	4.533	4.533	0.000	0.000	0.000	0.000	-
Total Income	930.918	930.918	0.000	70.241	69.156	(1.085)	under rec.
Net Expenditure	0.000	0.000	0.000	212.567	212.301	0.266	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 5 August 2011 (No.5)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 05/08/11	Actual to Period 5 05/08/11	Variance to 05/08/11		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	9.825	9.825	0.000	2.920	2.821	0.099	under	3.4%	
Property Costs	37.322	37.322	0.000	12.227	12.382	(0.155)	over	(1.3%)	
Supplies & Services	0.900	0.900	0.000	0.356	0.336	0.020	under	5.6%	
Transport & Plant	0.082	0.082	0.000	0.028	0.036	(0.008)	over	(28.6%)	
Administration Costs	7.096	7.096	0.000	0.190	0.161	0.029	under	15.3%	
Pmts to Other Bodies	6.224	6.224	0.000	0.031	0.030	0.001	under	3.2%	
Pmts to Contractors	0.000	0.000	0.000	0.000	0.002	(0.002)	over	n/a	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	13.394	13.394	0.000	5.143	5.106	0.037	under	0.7%	
Total Controllable Expenditure	74.843	74.843	0.000	20.895	20.874	0.021	under	0.1%	
Total Controllable Income	(86.599)	(86.599)	0.000	(31.412)	(31.427)	0.015	over recovered	0.0%	
Transfer to/(from) Balance Sheet	(2.048)	(2.048)	0.000	0.000	0.000	0.000	-	0.0%	
Net Controllable Expenditure	(13.804)	(13.804)	0.000	(10.517)	(10.553)	0.036	under	0.3%	
Add: Non Controllable Budgets									
Central Support	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	13.804	13.804	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(10.517)	(10.553)	0.036	under	0.3%	

Variance Explanations**1. Employee Costs**

The underspend reflects the current level of vacancies within the HRA.

2. Property Costs

The overspend relates to an increased demand for repairs and maintenance, including work which will be offset by income from an insurance claim.