

Report

3

Report to:	Community Resources Committee
Date of Meeting:	17 January 2012
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community Resources)

Subject:	Community Resources - Revenue Budget Monitoring 2011/2012
----------	--

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 28 October 2011 for Community Resources
- ◆ provide a forecast for the year to 31 March 2012

2. Recommendation(s)

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

- (1) that the underspend on Community Resources' revenue budget of £0.014 million (0.0%), as detailed in Appendix A of the report, and the forecast to 31 March 2012 of break even be noted.
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the third revenue budget monitoring report presented to the Community Resources Committee for the financial year 2011/2012.

3.2. The report details the financial position for Community Resources on 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 28 October 2011, the variance from phased budget is an underspend of £0.014m (0.0%). The forecast for the revenue budget to 31 March 2012 is a break even position.

5.2. Virements are also proposed to realign budgets across the services and with other Resources. These movements have been detailed in the appendices to this report.

6. Other Implications

- 6.1. The main risk associated with the Council's Revenue Budget is that there is an 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.
- 6.2 There are no implications for sustainability in terms of the information contained in this report.

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 was also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

Norrie Anderson

Executive Director (Community Resources)

9 November 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Resources Committee 11 October 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 28 October 2011.

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

Community Resources Committee: Period Ended 28 October 2011 (No.8)

Community Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/10/11	Actual 28/10/11	Variance 28/10/11		% Variance 28/10/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	24,111	24,111	0	12,915	12,185	730	under	5.7%	
Property Costs	11,678	11,678	0	7,484	7,527	(43)	over	(0.6%)	
Supplies & Services	1,895	1,895	0	817	870	(53)	over	(6.5%)	
Transport & Plant	4,916	4,916	0	2,978	3,103	(125)	over	(4.2%)	
Administration Costs	8,531	8,531	0	4,762	4,661	101	under	2.1%	
Payments to Other Bodies	351	351	0	361	328	33	under	9.1%	
Payments to Contractors	35,072	35,072	0	24,611	24,536	75	under	0.3%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	631	631	0	517	530	(13)	over	(2.5%)	
			0						
Total Controllable Exp.	87,185	87,185	0	54,445	53,740	705	under	1.3%	
Total Controllable Inc.	(21,315)	(21,315)	0	(12,428)	(11,737)	(691)	under recovered	(5.6%)	
Net Controllable Exp.	65,870	65,870	0	42,017	42,003	14	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to F.

Budget Virements

Budget virements are shown in Appendices B to F

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 28 October 2011 (No.8)

Facilities, Streets and Bereavement

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/10/11	Actual 28/10/11	Variance 28/10/11		% Variance 28/10/11	Note
	£000	£000	£000	£000	£000	£000			
Budget Category									
Employee Costs	11,779	11,779	0	6,326	6,084	242	under	3.8%	1, a
Property Costs	11,091	11,091	0	7,254	7,292	(38)	over	(0.5%)	2
Supplies & Services	973	973	0	472	507	(35)	over	(7.4%)	a
Transport & Plant	1,161	1,161	0	831	845	(14)	over	(1.7%)	a
Administration Costs	3,966	3,966	0	2,236	2,261	(25)	over	(1.1%)	
Payments to Other Bodies	50	50	0	4	14	(10)	over	(250.0%)	
Payments to Contractors	74	74	0	44	53	(9)	over	(20.5%)	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	268	268	0	198	211	(13)	over	(6.6%)	
			0						
Total Controllable Exp.	29,362	29,362	0	17,365	17,267	98	under	0.6%	
Total Controllable Inc.	(8,954)	(8,954)	0	(5,374)	(5,295)	(79)	under recovered	(1.5%)	3
Net Controllable Exp.	20,408	20,408	0	11,991	11,972	19	under	0.2%	

Budget Virements

- a. Internal budget realignment of Suction Sweeping Service Net £0.000m: Employee Costs £0.075m, Supplies & Services £0.010m, Transport and Plant £0.095m and Payment to Contractors (£0.200m)

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies across the services.

2. Property Costs

The overspend is due to greater than anticipated expenditure on cleaning materials and also additional repairs and maintenance for Eddlewood Training Academy.

3. Income

The under recovery is due to the demand for Bereavement and Concierge services being less than anticipated.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 28 October 2011 (No.8)

Waste and Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/10/11	Actual 28/10/11	Variance 28/10/11		% Variance 28/10/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	9,868	9,868	0	5,319	4,883	436	under	8.2%	1
Property Costs	114	114	0	102	106	(4)	over	(3.9%)	
Supplies & Services	583	583	0	216	223	(7)	over	(3.2%)	
Transport & Plant	3,665	3,665	0	2,117	2,144	(27)	over	(1.3%)	
Administration Costs	2,804	2,804	0	1,558	1,556	2	under	0.1%	
Payments to Other Bodies	223	223	0	160	160	0	-	0.0%	
Payments to Contractors	13,058	13,058	0	8,237	8,182	55	under	0.7%	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	339	339	0	304	306	(2)	over	(0.7%)	
			0						
Total Controllable Exp.	30,654	30,654	0	18,013	17,560	453	under	2.5%	
Total Controllable Inc.	(4,679)	(4,679)	0	(2,608)	(1,944)	(664)	under recovered	(25.5%)	3
Net Controllable Exp.	25,975	25,975	0	15,405	15,616	(211)	over	(1.4%)	

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Refuse and Disposal and Environmental Services. In addition, there is also less than anticipated expenditure on overtime within Refuse and Disposal Services.

2. Payment to Contractors

The underspend is mainly due to less than anticipated expenditure on special waste, bulky uplifts, gully waste, glass collection and segregated waste.

3. Income

The under recovery is mainly due to less than anticipated income from special uplifts. In addition, there is also less than anticipated income generated from fixed penalties, disposal vouchers, trade waste containers, refuse disposal and clearance services.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 28 October 2011 (No.8)

Leisure Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/10/11	Actual 28/10/11	Variance 28/10/11		% Variance 28/10/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	2	3	(1)	over	(50.0%)	
Property Costs	103	103	0	55	51	4	under	7.3%	
Supplies & Services	2	2	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,197	1,197	0	684	684	0	-	0.0%	
Payments to Other Bodies	60	60	0	20	20	0	-	0.0%	
Payments to Contractors	21,666	21,666	0	16,062	16,062	0	-	0.0%	a, b, c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
			0						
Total Controllable Exp.	23,032	23,032	0	16,823	16,820	3	under	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	23,032	23,032	0	16,823	16,820	3	under	0.0%	

Budget Virements

- a. Transfer from Support Services for Revenue Consequences of Capital £0.171m: Payment to Contractors £0.171m
- b. Transfer from Finance & IT Resources £0.059m, Housing and Technical Resources £0.017m and Corporate Resources £0.039m in respect of the realignment of Support Charges. Total £0.115m : Payment to Contractor £0.115m
- c. Transfer from centrally held funds in respect of Living Wage £0.190m: Payment to Contractor £0.190m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 28 October 2011 (No.8)

Projects (Including International Children Games)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/10/11	Actual 28/10/11	Variance 28/10/11		% Variance 28/10/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	53	53	0	52	58	(6)	over	(11.5%)	
Property Costs	6	6	0	6	7	(1)	over	(16.7%)	
Supplies & Services	264	264	0	105	115	(10)	over	(9.5%)	
Transport & Plant	30	30	0	30	111	(81)	over	(270.0%)	1
Administration Costs	250	250	0	249	125	124	under	49.8%	2
Payments to Other Bodies	18	18	0	177	133	44	under	24.9%	3
Payments to Contractors	268	268	0	268	239	29	under	10.8%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	889	889	0	887	788	99	under	11.2%	
Total Controllable Inc.	(155)	(155)	0	(155)	(216)	61	over recovered	39.4%	4
Net Controllable Exp.	734	734	0	732	572	160	under	21.9%	

Variance Explanations**1. Transport and Plant**

The overspend is due costs associated with the contract for electric vehicles within the Low Carbon Vehicle initiative. The expenditure is offset by an over recovery of income (see 4 below).

2. Administration Costs

The underspend is due to less than anticipated expenditure on the International Children's Games.

3. Payment to Other bodies

The underspend is due to the less than anticipated expenditure on the International Children's Games.

4. Income

The over recovery is due to greater than anticipated income received from the Scottish Government for electric vehicles, this is offset by the over expenditure within Transport and Plant (see 1 above).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 28 October 2011 (No.8)

Support

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/10/11	Actual 28/10/11	Variance 28/10/11		% Variance 28/10/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,407	2,407	0	1,216	1,157	59	under	4.9%	1
Property Costs	364	364	0	67	71	(4)	over	(6.0%)	
Supplies & Services	73	73	0	24	25	(1)	over	(4.2%)	
Transport & Plant	60	60	0	0	3	(3)	over	n/a	
Administration Costs	314	314	0	35	35	0	-	0.0%	
Payments to Other Bodies	0	0	0	0	1	(1)	over	n/a	
Payments to Contractors	6	6	0	0	0	0	-	n/a	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	24	24	0	15	13	2	under	13.3%	
Total Controllable Exp.	3,248	3,248	0	1,357	1,305	52	under	3.8%	
Total Controllable Inc.	(7,527)	(7,527)	0	(4,291)	(4,282)	(9)	under recovered	(0.2%)	
Net Controllable Exp.	(4,279)	(4,279)	0	(2,934)	(2,977)	43	under	1.5%	

Budget Virements

a. Transfer to Leisure Services for Revenue Consequences of Capital (£0.171m): Payment to Contractors (£0.171m)

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Management Support and Policy and Strategy.