

Report

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Report to:	Enterprise Resources Committee
Date of Meeting:	15 February 2012
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Enterprise Resources - Revenue Budget Monitoring 2011/2012
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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 2011 to 22 December 2011 for Enterprise 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 overspend on Enterprise Resources' revenue budget of £0.003 million (0.01%), as detailed in Appendix A of the report, be noted;
- (2) that following the probable outturn exercise, the forecast to 31 March 2012 of an underspend of £0.003 million be noted; and
- (2) that the proposed budget virements be approved.

3. Background

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

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 F.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 22 December 2011, the variance from phased budget to date is an overspend of £0.003 million (0.01%).

5.2. Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2012 is an underspend of £0.003 million.

5.3. Virements are also proposed to realign budgets across the services. These movements are detailed in Appendices B to F of 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 is also no requirement to undertake any consultation in terms of the information contained in the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

Colin McDowall

Executive Director (Community and Enterprise Resources)

13 January 2012

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Enterprise Resources Committee, 23 November 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 22 December 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

Enterprise Resources Committee: Period Ended 22 December 2011 (No.10)

Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	14,997	14,929	68	9,919	9,884	35	under	0.4%	
Property Costs	530	552	(22)	450	484	(34)	over	(7.6%)	
Supplies & Services	2,386	2,781	(395)	1,382	1,593	(211)	over	(15.3%)	
Transport & Plant	146	285	(139)	122	252	(130)	over	(106.6%)	
Administration Costs	666	709	(43)	516	577	(61)	over	(11.8%)	
Payments to Other Bodies	19,137	19,378	(241)	13,438	13,537	(99)	over	(0.7%)	
Payments to Contractors	24,704	24,258	446	15,688	15,253	435	under	2.8%	
Transfer Payments	480	480	0	360	360	0	-	0.0%	
Financing Charges	244	197	47	171	130	41	under	24.0%	
Total Controllable Exp.	63,290	63,569	(279)	42,046	42,070	(24)	over	(0.1%)	
Total Controllable Inc.	(14,706)	(14,988)	282	(7,598)	(7,619)	21	over recovered	0.3%	
Net Controllable Exp.	48,584	48,581	3	34,448	34,451	(3)	over	0.0%	

Variance Explanations

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

Budget Virements

Budget Virements are shown in Appendices B-F as appropriate.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 December 2011 (No.10)

Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Budget Category									
Employee Costs	3,605	3,543	62	2,279	2,228	51	under	2.2%	a
Property Costs	38	36	2	6	6	0	-	0.0%	
Supplies & Services	54	86	(32)	42	64	(22)	over	(52.4%)	
Transport & Plant	0	40	(40)	0	38	(38)	over	n/a	
Administration Costs	854	899	(45)	107	149	(42)	over	(39.3%)	b
Payments to Other Bodies	140	156	(16)	129	140	(11)	over	(8.5%)	
Payments to Contractors	300	300	0	163	163	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	51	51	0	36	36	0	-	0.0%	
Total Controllable Exp.	5,042	5,111	(69)	2,762	2,824	(62)	over	(2.2%)	
Total Controllable Inc.	(3,427)	(2,247)	(1,180)	(2,719)	(1,819)	(900)	under recovered	(33.1%)	1, c
Net Controllable Exp.	1,615	2,864	(1,249)	43	1,005	(962)	over	(2237.2%)	

Variance Explanations**1. Income**

The under recovery of income is due to a significant reduction in the number of building warrant applications and also a reduction in planning applications as a result of the current economic climate.

Budget Virements

- Transfer from centrally held funds for early retirals £0.300m: Employee Costs £0.300m.
- Internal Support Reallocation from Support £0.061m: Administration Costs £0.061m.
- Contribution from centrally held funds for the shortfall in Planning and Building Standards income £0.300m: Income £0.300m.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 December 2011 (No.10)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,660	2,591	69	1,815	1,762	53	under	2.9%	1, a
Property Costs	0	6	(6)	0	3	(3)	over	n/a	
Supplies & Services	31	27	4	20	18	2	under	10.0%	
Transport & Plant	0	8	(8)	0	6	(6)	over	n/a	
Administration Costs	618	607	11	25	17	8	under	32.0%	f
Payments to Other Bodies	5,034	5,150	(116)	2,911	2,932	(21)	over	(0.7%)	b, c, d
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	41	21	20	28	13	15	under	53.6%	
Total Controllable Exp.	8,384	8,410	(26)	4,799	4,751	48	under	1.0%	
Total Controllable Inc.	(4,333)	(4,478)	145	(1,977)	(2,017)	40	over recovered	2.0%	b, c, d, e
Net Controllable Exp.	4,051	3,932	119	2,822	2,734	88	under	3.1%	

Variance Explanations

1. Employee Costs

The underspend is mainly due to vacant posts not being filled.

Budget Virements

- a. Transfer from centrally held funds for early retirees £0.077m: Employee Costs £0.077m.
- b. Community Planning Partnership Realignment: Net Effect 0: Payment to Other Bodies £0.172m, Income (£0.172m).
- c. Business Support Income Realignment: Net Effect 0: Payment to Other Bodies £0.017m, Income (£0.017m).
- d. Future Jobs Fund Realignment: Net Effect 0: Payment to Other Bodies £0.083m, Income (£0.083m).
- e. Realignment of funding for support team staff costs from the Tackling Poverty Programme: Income (£0.210m).
- f. Internal Support Reallocation from Support £0.047m: Administration Costs £0.047m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 December 2011 (No.10)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,787	2,814	(27)	1,789	1,798	(9)	over	(0.5%)	b
Property Costs	41	35	6	35	33	2	under	5.7%	
Supplies & Services	121	132	(11)	61	67	(6)	over	(9.8%)	
Transport & Plant	7	7	0	6	6	0	-	0.0%	
Administration Costs	(2,255)	(2,286)	31	81	61	20	under	24.7%	a, c
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	65	38	27	41	22	19	under	46.3%	
Total Controllable Exp.	766	740	26	2,013	1,987	26	under	1.3%	
Total Controllable Inc.	(766)	(766)	0	0	0	0	-	n/a	a
Net Controllable Exp.	0	(26)	26	2,013	1,987	26	under	1.3%	

Budget Virements

- a. Realignment of Support Budget: Net Effect 0: Administration Costs (£0.050m), Income £0.050m.
b. Transfer from centrally held funds for early retirals £0.201m: Employee Costs £0.201m.
c. Internal Support Reallocation to Planning and Building Standards (£0.061m), Regeneration (£0.047m) and Roads (£0.093m) – Total (0.201m): Administration Costs (£0.201m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 December 2011 (No.10)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,257	5,287	(30)	3,606	3,666	(60)	over	(1.7%)	1, a
Property Costs	449	469	(20)	407	439	(32)	over	(7.9%)	
Supplies & Services	2,112	2,471	(359)	1,208	1,396	(188)	over	(15.6%)	2
Transport & Plant	139	228	(89)	116	200	(84)	over	(72.4%)	3
Administration Costs	1,443	1,483	(40)	301	348	(47)	over	(15.6%)	b
Payments to Other Bodies	9,807	9,905	(98)	8,119	8,186	(67)	over	(0.8%)	4
Payments to Contractors	24,404	23,958	446	15,525	15,090	435	under	2.8%	5, c
Transfer Payments	480	480	0	360	360	0	-	0.0%	
Financing Charges	87	87	0	66	59	7	under	10.6%	
Total Controllable Exp.	44,178	44,368	(190)	29,708	29,744	(36)	over	(0.1%)	
Total Controllable Inc.	(6,180)	(7,477)	1,297	(2,902)	(3,783)	881	over recovered	30.4%	6
Net Controllable Exp.	37,998	36,891	1,107	26,806	25,961	845	under	3.2%	

Variance Explanations**1. Employee Costs**

The overspend is mainly due to additional graduate posts which will be offset by savings as a result of staff retiring later in the year.

2. Supplies and Services

The overspend is due to additional costs for licenses and equipment, charges for the parking income collection system and greater than anticipated costs for electrical power.

3. Transport and Plant

The overspend is mainly due to the costs for pool cars being greater than anticipated at this time.

4. Payments to Other Bodies

The overspend is mainly due to the number of school crossing patrollers being greater than anticipated at this time.

5. Payments to Contractors

The underspend is being used to fund the ongoing under recovery of Planning and Building Standards income (Appendix B).

6. Income

The over recovery is mainly as a result of greater than anticipated rechargeable work carried out to date and also an over recovery of parking income for season tickets. This is being used to fund the ongoing under recovery of Planning and Building Standards income (Appendix B).

Budget Virements

- Transfer from centrally held funds for early retirals £0.032m: Employee Costs £0.032m.
- Internal Support Reallocation from Support £0.093m: Administration Costs £0.093m.
- Transfer to Housing and Technical Resources for Estates (£0.100m): Payments to Contractors (£0.100m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 22 December 2011 (No.10)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	688	694	(6)	430	430	0	-	0.0%	a
Property Costs	2	6	(4)	2	3	(1)	over	(50.0%)	
Supplies & Services	68	65	3	51	48	3	under	5.9%	
Transport & Plant	0	2	(2)	0	2	(2)	over	n/a	
Administration Costs	6	6	0	2	2	0	-	0.0%	
Payments to Other Bodies	4,156	4,167	(11)	2,279	2,279	0	-	0.0%	a
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	4,920	4,940	(20)	2,764	2,764	0	-	0.0%	
Total Controllable Inc.	0	(20)	20	0	0	0	-	n/a	
Net Controllable Exp.	4,920	4,920	0	2,764	2,764	0	-	0.0%	

Budget Virements

a. Realignment of funding from Regeneration for support team costs £0.210m: Employee Costs (£0.047m), Payments to Other Bodies £0.257m.