

Report

4

Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	29 March 2011
Report by:	Chief Executive

Subject:	Revenue Budget Monitoring 2010/2011 - Finance and Information Technology Resources
----------	---

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 2010 to 18 February 2011 for Finance and Information Technology Resources
- ◆ provide a forecast for the year to 31 March 2011.

2. Recommendation(s)

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

- (1) that the underspend on Finance and Information Technology Resources' revenue budget of £0.135 million (1.0%), as detailed in Appendix A of the report, be noted; and
- (2) that, following the probable outturn exercise, the forecast to 31 March 2011 of break even be noted.

3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Finance and Information Technology Resources Committee for the financial year 2010/2011.

3.2. The report details the financial position for Finance and Information Technology Resources on Appendix A, along with variance explanations in Appendices B to D.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 18 February 2011, the variance from phased budget to date is an underspend of £0.135 million (1.0%).

5.2. Following the probable outturn exercise, the financial forecast to 31 March 2011 is a break even position.

6. Other Implications

6.1. The main risk associated with the Council'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 Resources.

The risk is managed through 4 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 the report.

Archibald Strang
Chief Executive

2 March 2011

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

- ◆ Value: Accountable, Effective and Efficient

Previous References

- ◆ Finance and IT Resources Committee, 1 February 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 18 February 2011

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 18 February 2011 (No.12)

Finance and Information Technology Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	12,412	12,372	40	10,569	10,449	120	under	1.1%	
Property Costs	481	435	46	363	356	7	under	1.9%	
Supplies & Services	2,680	2,729	(49)	2,328	2,345	(17)	over	(0.7%)	
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	1,947	1,937	10	1,631	1,629	2	under	0.1%	
Payments to Other Bodies	820	835	(15)	820	825	(5)	over	(0.6%)	
Payments to Contractors	291	323	(32)	139	120	19	under	13.7%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	729	729	0	549	575	(26)	over	(4.7%)	
Total Controllable Exp.	19,360	19,360	0	16,399	16,300	99	under	0.6%	
Total Controllable Inc.	(4,688)	(4,688)	0	(3,292)	(3,328)	36	over recovered	1.1%	
Net Controllable Exp.	14,672	14,672	0	13,107	12,972	135	under	1.0%	

Variance Explanations

Variance explanations are shown in Appendices B and D.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 18 February 2011 (No.12)

Finance Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,140	4,114	26	3,508	3,432	76	under	2.2%	1
Property Costs	0	1	(1)	0	1	(1)	over	n/a	
Supplies & Services	111	156	(45)	102	137	(35)	over	(34.3%)	2
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	161	141	20	148	118	30	under	20.3%	3
Payments to Other Bodies	635	635	0	635	625	10	under	1.6%	
Payments to Contractors	201	201	0	116	109	7	under	6.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	363	363	0	311	358	(47)	over	(15.1%)	4
Total Controllable Exp.	5,611	5,611	0	4,820	4,781	39	under	0.8%	
Total Controllable Inc.	(1,178)	(1,178)	0	(364)	(400)	36	over recovered	9.9%	
Net Controllable Exp.	4,433	4,433	0	4,456	4,381	75	under	1.7%	

Variance Explanations

1. Employee Costs

This underspend has arisen as a result of vacancies across Finance Services

2. Supplies and Services

The overspend relates to the refresh of computer equipment and installation costs in respect of staff moves.

3. Administration Costs

This underspend is due to less than anticipated expenditure on training.

4. Financing Charges

This overspend relates to increased financing charges for IT equipment as a consequence of the refresh of computer equipment. It also reflects the costs of staff moves.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 18 February 2011 (No.12)

Total Information Technology Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	6,848	6,848	0	5,865	5,855	10	under	0.2%	
Property Costs	481	434	47	363	355	8	under	2.2%	
Supplies & Services	2,557	2,557	0	2,215	2,196	19	under	0.9%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,724	1,724	0	1,445	1,477	(32)	over	(2.2%)	1
Payments to Other Bodies	0	15	(15)	0	15	(15)	over	n/a	
Payments to Contractors	90	122	(32)	23	11	12	under	52.2%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	355	355	0	228	205	23	under	10.1%	
Total Controllable Exp.	12,055	12,055	0	10,139	10,114	25	under	0.2%	
Total Controllable Inc.	(3,503)	(3,503)	0	(2,928)	(2,928)	0	-	0.0%	
Net Controllable Exp.	8,552	8,552	0	7,211	7,186	25	under	0.3%	

Variance Explanations**1. Administration Costs**

This overspend relates to additional printing costs.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 18 February 2011 (No.12)

Procurement Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/02/11	Actual 18/02/11	Variance 18/02/11		% Variance 18/02/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,424	1,410	14	1,196	1,162	34	under	2.8%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	12	16	(4)	11	12	(1)	over	(9.1%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	62	72	(10)	38	34	4	under	10.5%	
Payments to Other Bodies	185	185	0	185	185	0	-	0.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	11	11	0	10	12	(2)	over	(20.0%)	
Total Controllable Exp.	1,694	1,694	0	1,440	1,405	35	under	2.4%	
Total Controllable Inc.	(7)	(7)	0	0	0	0	-	n/a	
Net Controllable Exp.	1,687	1,687	0	1,440	1,405	35	under	2.4%	

Variance Explanations

1. Employee Costs

This underspend has arisen as a result of vacancies across the various sections within Procurement Services.