

Report

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Report to:	Enterprise Resources Committee
Date of Meeting:	14 September 2011
Report by:	Chief Executive Executive Director (Enterprise Resources)

Subject:	Enterprise Resources - Revenue Budget Monitoring 2011/12
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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 5 August 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 underspend on Enterprise Resources' revenue budget of £0.002 million (0.02%), 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 first revenue budget monitoring report presented to the Enterprise Resources Committee for the financial year 2011/2012. Further reports will follow throughout the financial year.

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 G.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 5 August 2011, the variance from phased budget to date is an underspend of £0.002 million (0.02%). 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. These movements are detailed in Appendices B to G of this report.

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 the report.

Archibald Strang
Chief Executive

Colin McDowall
Executive Director (Enterprise Resources)

15 August 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

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

Enterprise Resources Committee: Period Ended 5 August 2011 (No.5)

Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	15,568	15,568	0	4,857	4,855	2	under	0.0%	
Property Costs	815	815	0	131	128	3	under	2.3%	
Supplies & Services	2,434	2,434	0	501	592	(91)	over	(18.2%)	
Transport & Plant	110	110	0	43	76	(33)	over	(76.7%)	
Administration Costs	741	741	0	128	138	(10)	over	(7.8%)	
Payments to Other Bodies	16,733	16,733	0	8,126	8,191	(65)	over	(0.8%)	
Payments to Contractors	24,428	24,428	0	4,442	4,194	248	under	5.6%	
Transfer Payments	480	480	0	240	240	0	-	0.0%	
Financing Charges	258	258	0	113	105	8	under	7.1%	
Total Controllable Exp.	61,567	61,567	0	18,581	18,519	62	under	0.3%	
Total Controllable Inc.	(15,625)	(15,625)	0	(4,870)	(4,810)	(60)	under recovered	(1.2%)	
Net Controllable Exp.	45,942	45,942	0	13,711	13,709	2	under	0.0%	

Variance Explanations

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

Budget Virements

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 5 August 2011 (No.5)

Planning and Building Standards

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,305	3,305	0	1,013	996	17	under	1.7%	
Property Costs	38	38	0	1	1	0	-	0.0%	
Supplies & Services	53	53	0	24	26	(2)	over	(8.3%)	
Transport & Plant	0	0	0	0	12	(12)	over	n/a	
Administration Costs	788	788	0	44	44	0	-	0.0%	
Payments to Other Bodies	140	140	0	77	77	0	-	0.0%	
Payments to Contractors	300	300	0	193	193	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	51	51	0	30	30	0	-	0.0%	
Total Controllable Exp.	4,675	4,675	0	1,382	1,379	3	under	0.2%	
Total Controllable Inc.	(3,727)	(3,727)	0	(1,146)	(954)	(192)	under recovered	(16.8%)	1
Net Controllable Exp.	948	948	0	236	425	(189)	over	(80.1%)	

Variance Explanations**1. Income**

The under recovery is due to a reduction in the number of planning and building warrant applications as a result of the current economic climate. Building warrant applications are significantly reduced compared with the same period last year.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 5 August 2011 (No.5)

Regeneration

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,674	2,674	0	921	915	6	under	0.7%	a, b, c, d, e, f
Property Costs	63	63	0	0	0	0	-	n/a	
Supplies & Services	40	40	0	13	12	1	under	7.7%	
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	448	448	0	11	11	0	-	0.0%	
Payments to Other Bodies	2,734	2,734	0	1,186	1,186	0	-	0.0%	a, f
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	42	42	0	13	11	2	under	15.4%	
Total Controllable Exp.	6,001	6,001	0	2,144	2,136	8	under	0.4%	
Total Controllable Inc.	(1,637)	(1,637)	0	(1,137)	(1,158)	21	over recovered	1.8%	1, a, d, e, f
Net Controllable Exp.	4,364	4,364	0	1,007	978	29	under	2.9%	

Variance Explanations

1. Income

The over recovery is mainly the result of salary costs recovered for staff seconded to the Clyde Gateway Urban Regeneration Company.

Budget Virements

- a. Future Jobs Fund Realignment: Net Effect 0: Employee Costs £0.082m, Payment to Other Bodies £0.835m, Income (£0.917m).
- b. Transfer of Tourism budget to Estates (£0.032m): Employee Costs (£0.032m).
- c. Transfer from Tackling Poverty Programme for project realignments £0.390m: Employee Costs £0.390m.
- d. Budget Realignment for service re-structure: Net Effect 0: Employee Costs £0.269m, Income (£0.269m).
- e. Transfer from centrally held funds for Living Wage £0.023m: Employee Costs £0.038m, Income (£0.015m).
- f. Activity Agreement Pilot Budget Realignments: Net Effect £0: Employee Costs £0.105m, Payment to Other Bodies £0.113m, Income (£0.218m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 5 August 2011 (No.5)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,608	2,608	0	814	814	0	-	0.0%	
Property Costs	41	41	0	4	4	0	-	0.0%	
Supplies & Services	129	129	0	42	39	3	under	7.1%	
Transport & Plant	7	7	0	5	5	0	-	0.0%	
Administration Costs	(2,034)	(2,034)	0	31	20	11	under	35.5%	
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	65	0	25	15	10	under	40.0%	
Total Controllable Exp.	816	816	0	921	897	24	under	2.6%	
Total Controllable Inc.	(816)	(816)	0	(7)	0	(7)	under recovered	(100.0%)	
Net Controllable Exp.	0	0	0	914	897	17	under	1.9%	

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 5 August 2011(No.5)

Estates

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,020	1,020	0	314	281	33	under	10.5%	1, a
Property Costs	236	236	0	82	82	0	-	0.0%	
Supplies & Services	22	22	0	11	11	0	-	0.0%	
Transport & Plant	0	0	0	0	2	(2)	over	n/a	
Administration Costs	202	202	0	2	2	0	-	0.0%	
Payments to Other Bodies	93	93	0	93	94	(1)	over	(1.1%)	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	13	13	0	6	6	0	-	0.0%	
Total Controllable Exp.	1,586	1,586	0	508	478	30	under	5.9%	
Total Controllable Inc.	(3,265)	(3,265)	0	(1,193)	(1,093)	(100)	under recovered	(8.4%)	2, b
Net Controllable Exp.	(1,679)	(1,679)	0	(685)	(615)	(70)	over	(10.2%)	

Variance Explanations

1. Employee Costs

This underspend is due to vacancies.

2. Income

This under recovery relates to a reduction in rental income for head lease properties as a result of increased rent charges and also reduced occupancy levels due to the economic downturn.

Budget Virements

- a. Transfer from Regeneration for Tourism £0.032m: Employee Costs £0.032m.
b. Transfer from Community Resources for Living Wage £0.012m: Income £0.012m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 5 August 2011 (No.5)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,226	5,226	0	1,615	1,669	(54)	over	(3.3%)	1, a
Property Costs	435	435	0	44	41	3	under	6.8%	c
Supplies & Services	2,122	2,122	0	408	501	(93)	over	(22.8%)	2
Transport & Plant	103	103	0	38	56	(18)	over	(47.4%)	c
Administration Costs	1,331	1,331	0	37	58	(21)	over	(56.8%)	
Payments to Other Bodies	9,807	9,807	0	6,181	6,245	(64)	over	(1.0%)	3, c
Payments to Contractors	24,128	24,128	0	4,249	4,001	248	under	5.8%	4 a, b, c
Transfer Payments	480	480	0	240	240	0	-	0.0%	
Financing Charges	87	87	0	39	43	(4)	over	(10.3%)	
Total Controllable Exp.	43,719	43,719	0	12,851	12,854	(3)	over	0.0%	
Total Controllable Inc.	(6,180)	(6,180)	0	(1,387)	(1,605)	218	over recovered	15.7%	5
Net Controllable Exp.	37,539	37,539	0	11,464	11,249	215	under	1.9%	

Variance Explanations**1. Employee Costs**

The overspend is mainly due to additional graduate posts being funded 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 and also charges for the parking income collection system.

3. Payments to Other Bodies

The overspend is mainly due to the anticipated reduction in school crossing patrollers being less than anticipated at this time.

4. Payments to Contractors

The underspend is being used to fund the ongoing under recovery of Planning & Building Standards income as noted at Appendix B.

5. 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.

Budget Virements

a. Transfer from centrally held funds for Living Wage £0.078m: Employee Costs £0.007m, Payment to Contractors £0.071m.

b. Transfer from Reserves for Road Maintenance £1.985m: Payment to Contractors £1.985m.

c. Transfer from Community Resources for Living Wage £0.148m: Property Costs £0.001m, Transport and Plant £0.001m, Payment to Other Bodies £0.134m, Payment to Contractors £0.012m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 5 August 2011 (No.5)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	735	735	0	180	180	0	-	0.0%	b
Property Costs	2	2	0	0	0	0	-	n/a	b
Supplies & Services	68	68	0	3	3	0	-	0.0%	b
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	6	6	0	3	3	0	-	0.0%	b
Payments to Other Bodies	3,959	3,959	0	589	589	0	-	0.0%	a, b
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.	4,770	4,770	0	775	775	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	4,770	4,770	0	775	775	0	-	0.0%	

Budget Virements

- a. Transfer to Regeneration for project realignments (£0.390m): Payment to Other Bodies (£0.390m).
b. Budget Realignment to reflect current projects: Net Effect £0: Employee Costs £0.735m, Property Costs £0.002m, Supplies and Services £0.067m, Administration Costs £0.007m, Payment to Other Bodies (£0.811m).