



Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	7 April 2011
Report by:	Archibald Strang, Chief Executive

Subject:	Revenue Budget Monitoring 2010-11
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update members of the Financial Resources Scrutiny Forum of progress on the Council's revenue budget for the period covering 1 April 2010 to 18 February 2011.

2. Recommendation(s)

2.1. The Financial Resources Scrutiny Forum is asked to approve the following recommendation(s):-

- (1) that the 2010/2011 Financial Position as at period 12 (18 February 2011) for General Services, Housing Revenue Account and Trading Operations is noted (as detailed in Appendix A), and the forecast to 31 March 2011 of an underspend of £2.000 million be noted;
- (2) that the additional General Revenue Grant from the Scottish Government of £2.469m be noted; and
- (3) that the position on the Housing and Technical Resources' Trading Operation, Financial and Operational Performance Review, as at period 12 2010/2011 (18 February 2011) be noted (as detailed in Appendix B).

3. Background

3.1. The Revenue reports attached provide detail on the most recent Executive Committee report dated 23 March 2011. The reports detail the position as at 18 February 2011 for General Services, Housing Revenue Account and the Council's Trading Operations. Also, Financial and Operational Performance Review papers have been included for the Building Maintenance Trading Operation as part of the rotating reporting cycle.

3.2. The papers have been split into separate Appendices as shown below:

- Appendix A – 2010/11 Financial Position as at Period 12 (18 February 2011) for General Services, Housing Revenue Account and Trading Operations
- Appendix B – Housing and Technical Resources' Trading Operation – Financial and Operational Performance Review as at period 12 2010/2011 (18 February 2011).

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. The financial position of the General Services Revenue Budget, Housing Revenue Account and the Council's Trading Operations are detailed in Appendices A and B attached.
- 5.2. Appendix A shows a net underspend of £0.614 million (0.11%) against the phased budget.
- 5.3. In February 2011, the Local Government Finance (Scotland) Order 2011 (FC2/2011) provided an update on the 2010/11 expenditure figures. Additional General Revenue Grant was confirmed totalling £2.469 million in relation to the Teachers Induction Scheme.

The additional General Revenue Grant has been reflected in the annual budget and outturn position as shown in Appendix A.

- 5.4. Following the probable outturn exercise, the financial forecast for year ended 31 March 2011, has been confirmed. Taking account of all known commitments, the figures at Appendix 1 show an underspend of £2.000 million on the current year budget.
- 5.5. As at 3 February 2011, there is an updated position on the Winter Maintenance spend. The current forecast for Winter Maintenance expenditure is £6.5 million. This level of expenditure does exceed the 2010/11 budget, however, a funding package is in place to cover the majority of the expenditure. Any balance required will be met from the planned contribution of £2m to the Winter Maintenance Fund, reported to the Executive Committee on 26 January 2011. The final outturn position for the year will be reported when it becomes available.
- 5.6. During the recent period of severe weather from 4 December onwards, significantly higher demands than normal were placed on the Housing Repairs Service. These service demands have required the Resource to re-prioritise their repairs workload since the start of December. It is anticipated that the expenditure on Housing Repairs will not be achieved with a resultant underspend of approximately £1.35m forecast. This underspend will be required to fund the completion of the outstanding jobs in the new financial year and will be added to the HRA surplus at the end of the current financial year. This is reflected in the break-even position anticipated at the year end.

6. Other Implications

- 6.1. The main risk associated with the Resource'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 Services of the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensured 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 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.

Archibald Strang
Chief Executive

23 March 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Revenue Ledger prints to 18 February 2011

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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