

Report

4

Report to:	Executive Committee
Date of Meeting:	14 December 2011
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 1 April to 28 October 2011
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April to 28 October 2011

2. Recommendation(s)

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

- (1) that the underspend of £0.536 million on the General Fund Revenue Account at 28 October 2011, as detailed in Appendix 1 of the report, and the forecast to 31 March 2012 of breakeven, be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 28 October 2011, as detailed in Appendix 2 of the report, and the forecast to 31 March 2012 of breakeven, be noted.

3. Background

3.1. General Fund Revenue Account Position

This is an overview report summarising the actual expenditure and income to 28 October 2011 compared with the budget for the same period. This is provided on a Resource basis in Appendix 1 (page 1), and on a subjective basis in Appendix 1 (page 2) to the report.

3.2. Housing Revenue Account Position

Appendix 2 to the report shows the expenditure and income position for the Housing Revenue Account (HRA) to 28 October 2011.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund Revenue Account Position

As at 28 October 2011, Appendix 1 of the report details a net underspend of £0.536 million (0.15%) against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2012 is a breakeven position.

5.2. Housing Revenue Account Position

As at 28 October 2011, Appendix 2 of the report shows a breakeven position against phased budget on the Housing Revenue Account. The forecast to 31 March 2012 on the Housing Revenue Account is a break even position.

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.

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 this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

7 November 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 16 November 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:-

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 28 October 2011 (No.8)

<u>Committee</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 28/10/11	Actual To Period 8 28/10/11	Variance to 28/10/11	
	£m	£m	£m	£m	£m	£m	
Service Departments :-							
Community Resources	65.870	65.870	0.000	42.017	42.003	0.014	under
Facilities, Streets & Bereavement Services	20.408	20.408	0.000	11.991	11.972	0.019	under
Waste and Environmental Services	25.975	25.975	0.000	15.405	15.616	(0.211)	over
Leisure Services	23.032	23.032	0.000	16.823	16.820	0.003	under
Support Services	(4.279)	(4.279)	0.000	(2.934)	(2.977)	0.043	under
Projects (Inc.Int. Children's Games)	0.734	0.734	0.000	0.732	0.572	0.160	under
Corporate Resources Services	11.172	11.172	0.000	5.861	5.702	0.159	under
Education Resources	287.085	287.085	0.000	160.420	160.420	0.000	-
Enterprise Resources	47.774	47.774	0.000	27.329	27.337	(0.008)	over
Planning and Building Standards	0.954	0.954	0.000	0.239	0.809	(0.570)	over
Regeneration	3.927	3.927	0.000	1.928	1.857	0.071	under
Roads	37.973	37.973	0.000	21.271	20.801	0.470	under
Support Services	0.000	0.000	0.000	1.546	1.525	0.021	under
Tackling Poverty Programme	4.920	4.920	0.000	2.345	2.345	0.000	-
Finance & IT Resources	0.270	0.270	0.000	0.403	0.401	0.002	under
IT Customer Services	0.270	0.270	0.000	0.403	0.401	0.002	under
Housing & Technical Resources	12.739	12.739	0.000	10.052	10.148	(0.096)	over
Area Services	6.821	6.821	0.000	3.665	3.187	0.478	under
Property	0.164	0.164	0.000	(0.658)	(0.435)	(0.223)	over
Finance & Benefits and Revenue Support	5.754	5.754	0.000	7.045	7.396	(0.351)	over
Social Work Resources	139.871	139.871	0.000	74.049	73.773	0.276	under
Performance and Support Services	12.694	12.694	0.000	7.035	7.252	(0.217)	over
Children & Family	24.281	24.281	0.000	13.984	14.226	(0.242)	over
Adults	38.708	38.708	0.000	20.273	20.076	0.197	under
Older People	63.262	63.262	0.000	32.651	32.155	0.496	under
Justice and Substance Misuse	0.926	0.926	0.000	0.106	0.064	0.042	under
Joint Boards	39.269	39.269	0.000	22.615	22.615	0.000	-
	604.050	604.050	0.000	342.746	342.399	0.347	under
Support Departments :-							
Corporate Resources Support	3.851	3.851	0.000	2.121	2.140	(0.019)	over
Finance & IT Resources	12.631	12.631	0.000	7.610	7.494	0.116	under
Finance	3.181	3.181	0.000	2.028	1.951	0.077	under
Information Technology Services	6.883	6.883	0.000	4.051	4.128	(0.077)	over
Procurement	1.622	1.622	0.000	0.876	0.797	0.079	under
Audit and Improvement Services	0.945	0.945	0.000	0.655	0.618	0.037	under
Housing and Technical Resources	12.771	12.771	0.000	9.269	9.177	0.092	under
Property Services	11.420	11.420	0.000	8.549	8.550	(0.001)	over
Revenues	1.351	1.351	0.000	0.720	0.627	0.093	under
	29.253	29.253	0.000	19.000	18.811	0.189	under
Committee							
	£m	£m	£m		£m	£m	
Service Departments Total	604.050	604.050	0.000	342.746	342.399	0.347	under
Support Departments Total	29.253	29.253	0.000	19.000	18.811	0.189	under
Trading Accounts Surplus	(9.548)	(9.548)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.247	0.247	0.000	0.000	0.000	0.000	-
Financing Charges	69.412	69.412	0.000	0.000	0.000	0.000	-
Community Charge income	0.000	0.000	0.000	0.000	0.000	0.000	-
Transfer to Reserves	1.000	1.000	0.000	0.000	0.000	0.000	-
Total Expenditure	696.779	696.779	0.000	361.746	361.210	0.536	under
Revenue Support Grant	320.546	320.546	0.000	0.000	0.000	0.000	-
Other Government Grant	1.148	1.148	0.000	0.000	0.000	0.000	-
Non Domestic Rates	243.978	243.978	0.000	0.000	0.000	0.000	-
Council Tax	126.500	126.500	0.000	0.000	0.000	0.000	-
Transfer from Reserves	4.607	4.607	0.000	0.000	0.000	0.000	-
Total Income	696.779	696.779	0.000	0.000	0.000	0.000	-
Net Expenditure	0.000	0.000	0.000	361.746	361.210	0.536	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 28 October 2011 (No.8)

<u>Budget Category</u>	<u>Annual Budget</u>	<u>Forecast for Year</u>	<u>Annual Forecast Variance</u>	<u>Budget Proportion to 28/10/11</u>	<u>Actual to Period 8 28/10/11</u>	<u>Variance to 28/10/11</u>	
	£m	£m	£m	£m	£m	£m	
Service Departments :-							
Expenditure							
Employee Cost	331.372	331.372	0.000	176.201	174.449	1.752	under
Property Costs	60.065	60.065	0.000	40.138	39.007	1.131	under
Supplies and Services	27.333	27.333	0.000	17.212	17.554	(0.342)	over
Transport Costs	19.033	19.033	0.000	9.820	10.156	(0.336)	over
Administration Costs	21.984	21.984	0.000	9.448	9.245	0.203	under
Payments to Other Bodies	99.664	99.664	0.000	56.096	55.610	0.486	under
Payments to Contractors	157.300	157.300	0.000	85.731	86.410	(0.679)	over
Transfer Payments	23.277	23.277	0.000	14.453	14.464	(0.011)	over
Housing Benefits	90.510	90.510	0.000	51.483	53.354	(1.871)	over
Financing Charges (controllable)	2.825	2.825	0.000	1.810	1.731	0.079	under
Total	833.363	833.363	0.000	462.392	461.980	0.412	under
Support Departments :-							
Expenditure							
Employee Costs	21.475	21.475	0.000	11.515	11.053	0.462	under
Property Costs	10.143	10.143	0.000	6.488	6.550	(0.062)	over
Supplies & Services	2.870	2.870	0.000	2.461	2.482	(0.021)	over
Transport Costs	0.123	0.123	0.000	0.059	0.055	0.004	under
Administration Costs	2.193	2.193	0.000	1.045	1.095	(0.050)	over
Payments to Other Bodies	0.923	0.923	0.000	0.581	0.590	(0.009)	over
Payments to Contractors	0.306	0.306	0.000	0.124	0.109	0.015	under
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges (controllable)	1.091	1.091	0.000	0.727	0.722	0.005	under
Total	39.124	39.124	0.000	23.000	22.656	0.344	under
Service Departments Total	833.363	833.363	0.000	462.392	461.980	0.412	under
Support Departments Total	39.124	39.124	0.000	23.000	22.656	0.344	under
Trading Accounts Surplus	(9.548)	(9.548)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.247	0.247	0.000	0.000	0.000	0.000	-
Financing Charges	69.412	69.412	0.000	0.000	0.000	0.000	-
Community Charge income	0.000	0.000	0.000	0.000	0.000	0.000	-
Transfer to Reserves	1.000	1.000	0.000	0.000	0.000	0.000	-
Total Expenditure	935.963	935.963	0.000	485.392	484.636	0.756	under
Income							
Housing Benefit Subsidy	87.782	87.782	0.000	51.139	52.896	1.757	over rec.
Other Income	151.402	151.402	0.000	72.507	70.530	(1.977)	under rec.
General Revenue Grant	321.694	321.694	0.000	0.000	0.000	0.000	-
Non Domestic Rates	243.978	243.978	0.000	0.000	0.000	0.000	-
Council Tax	126.500	126.500	0.000	0.000	0.000	0.000	-
Transfer from Reserves	4.607	4.607	0.000	0.000	0.000	0.000	-
Total Income	935.963	935.963	0.000	123.646	123.426	(0.220)	under rec.
Net Expenditure	0.000	0.000	0.000	361.746	361.210	0.536	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 28 October 2011 (No.8)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 28/10/11	Actual to Period 8 28/10/11	Variance to 28/10/11		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	9.625	9.625	0.000	5.132	4.878	0.254	under	4.9%	1
Property Costs	37.427	37.427	0.000	15.455	16.921	(1.466)	over	(9.5%)	2
Supplies & Services	0.900	0.900	0.000	0.467	0.437	0.030	under	6.4%	
Transport & Plant	0.179	0.179	0.000	0.104	0.091	0.013	under	12.5%	
Administration Costs	7.096	7.096	0.000	0.353	0.273	0.080	under	22.7%	3
Pmts to Other Bodies	6.119	6.119	0.000	0.011	0.035	(0.024)	over	(218.2%)	
Pmts to Contractors	0.000	0.000	0.000	0.000	0.002	(0.002)	over	n/a	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	13.394	13.394	0.000	11.527	11.497	0.030	under	0.3%	
Total Controllable Expenditure	74.740	74.740	0.000	33.049	34.134	(1.085)	over	(3.3%)	
Total Controllable Income	(86.496)	(86.496)	0.000	(48.849)	(49.934)	1.085	over recovered	2.2%	4
Transfer to/(from) Balance Sheet	(2.048)	(2.048)	0.000	0.000	0.000	0.000	-	0.0%	
Net Controllable Expenditure	(13.804)	(13.804)	0.000	(15.800)	(15.800)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	13.804	13.804	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(15.800)	(15.800)	0.000	-	0.0%	

Variance Explanations**1. Employee Costs**

The underspend reflects the current level of vacancies within the Service.

2. Property Costs

The overspend is mainly due to insulation works and is offset by additional grant from the Scottish Government (see 4 below). The remainder relates to repairs carried forward from last financial year and also additional planned maintenance work being undertaken this year.

3. Administration Costs

This underspend is the result of management action to reduce expenditure in this budget area.

4. Income

This over recovery of income relates to grant funding received from the Scottish Government for insulation works and is offset by additional property costs (see 2 above).