

Report

6

Report to:	Executive Committee
Date of Meeting:	6 July 2011
Report by:	Chief Executive

Subject:	Revenue Budget Monitoring for Period 1 April 2011 to 10 June 2011
----------	--

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 2011 to 10 June 2011.

2. Recommendation(s)

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

- (1) that the underspend of £0.132 million on the General Fund Revenue Account at 10 June 2011, as detailed in Appendix 1 of the report, and the forecast to 31 March 2012 of breakeven, be noted; and
- (2) that the underspend on the Housing Revenue Account of £0.023 million at 10 June 2011, as detailed in Appendix 2 of the report, and the forecast to 31 March 2011 of a break even position, be noted.

3. Background

3.1. General Fund Revenue Account Position

This is an overview report summarising the actual expenditure and income to 10 June 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 10 June 2011.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund Revenue Account Position

As at 10 June 2011, Appendix 1 of the report details a net underspend of £0.132 million (0.11%) against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2012 is a break even position.

- 5.2. **Transfers from Capital to Revenue**
In establishing the new year Capital Programme, recognition has been given to two elements which cannot technically be classified as capital but have historically been monitored within the General Services Capital Programme. In the accompanying Capital paper to this Committee, it is proposed that these amounts be transferred to the General Services Revenue Budget in 2011/12 to allow more appropriate monitoring. The two spend areas are in relation to Strathclyde Police to assist in their Capital Programme (£1.128m – funded by Government Grant) and the budgeted spend on Private Housing Scheme of Assistance (£2.034m – funded from Reserves). These adjustments have been reflected in the Joint Board and Housing and Technical Resources' budgets respectively.
- 5.3. **International Children's Games**
A budget transfer from central funds is proposed in respect of the 2011/12 anticipated net spend on the International Children's Games being co-hosted by the Council. The budget transfer of £0.734m reflects the amount anticipated for 2011/12 and has been added to Community Resources' budget for the year as a separate service area.
- 5.4. **Waste Management**
In the 2011/12 budget setting process, an amount of £1m was set aside within Community Resources' budget to allow for additional expenditure anticipated with the implementation of the Waste Management Project. However, as this money is not required until contract start of 1 April 2012, it is proposed that the money be transferred to the Zero Waste Fund for utilisation in future years. This has been reflected in Appendix 1.
- 5.5. **Central Support Allocation to Housing Revenue Account**
From 2011/12 onwards, it is proposed that the budgeted £3.216m allocation of central support from General Services to the Housing Revenue Account be managed within Housing and Technical Resources. This amendment has been reflected in the budget figures in Appendix 1.
- 5.6. **Living Wage**
On 10 February 2011, the Council's Executive Committee approved the implementation of a Living Wage with an increase of at least £250 for those employees earning less than £21,000.
- 5.7. **Table 1 overleaf shows the impact across Resources with the budget allocations being included in Appendix A attached. This has been funded from Central Funds earmarked during the 2011/12 budget process.**

Table 1	Total Including On- Costs (at 27.7%)	Increment Costs Including On-Costs (2011/12)	Total Allocation to Resources and Trading Services
	£m	£m	£m
Community (including Trading Services)	1.495	0.089	1.584
Corporate	0.051	0.008	0.059
Education	0.351	0.050	0.401
Enterprise (including Trading Service)	0.098	0.010	0.108
Finance and IT	0.033	0.005	0.038
Housing and Technical (including Trading Service)	0.231	0.046	0.277
Social Work	0.672	0.025	0.697
Resource Total	2.931	0.233	3.164
Cultural Trust Employees	0.099	0.022	0.121
Overall Total	3.030	0.255	3.285

5.8. There are two groups of employees who have not yet been converted to a Living Wage: Early Years Workers and Leisure Trust Employees. These will be subject of a future report.

5.9. Housing Revenue Account Position
As at 10 June 2011, Appendix 2 of the report shows an underspend of £0.023 million against phased budget on the Housing Revenue Account.

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 this report.

Archibald Strang
Chief Executive

20 June 2011

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

◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 8 June 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 10 June 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

Period Ended 10 June 2011 (No.3)

<u>Committee</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 10/06/11	Actual To Period 3 10/06/11	Variance to 10/06/11	
	£m	£m	£m	£m	£m	£m	
Service Departments :-							
Community Resources	66.782	66.782	0.000	12.446	12.444	0.002	under
Facilities, Streets & Bereavement Services	21.623	21.623	0.000	3.058	3.028	0.030	under
Waste and Environmental Services	25.959	25.959	0.000	4.866	4.911	(0.045)	over
Leisure Services	22.572	22.572	0.000	5.704	5.705	(0.001)	over
Support Services	(4.106)	(4.106)	0.000	(1.200)	(1.218)	0.018	under
International Children's Games	0.734	0.734	0.000	0.018	0.018	0.000	-
Corporate Resources Services	11.069	11.069	0.000	1.866	1.816	0.050	under
Education Resources	284.536	284.536	0.000	53.102	53.102	0.000	-
Enterprise Resources	43.774	43.774	0.000	5.804	5.848	(0.044)	over
Planning and Building Standards	0.947	0.947	0.000	(0.039)	0.026	(0.065)	over
Estates	(1.690)	(1.690)	0.000	(0.556)	(0.555)	(0.001)	over
Regeneration	4.339	4.339	0.000	0.490	0.475	0.015	under
Roads	35.407	35.407	0.000	5.136	5.136	0.000	-
Support Services	0.000	0.000	0.000	0.456	0.449	0.007	under
Tackling Property Fund	4.771	4.771	0.000	0.317	0.317	0.000	-
Finance & IT Resources	0.281	0.281	0.000	0.190	0.183	0.007	under
IT Customer Services	0.281	0.281	0.000	0.190	0.183	0.007	under
Housing & Technical Resources	14.717	14.717	0.000	5.817	5.685	0.132	under
Area Services	7.018	7.018	0.000	1.106	1.006	0.100	under
Property	1.837	1.837	0.000	0.212	0.212	0.000	-
Finance & Benefits and Revenue Support	5.862	5.862	0.000	4.499	4.467	0.032	under
Social Work Resources	139.926	139.926	0.000	22.987	22.987	0.000	-
Performance and Support Services	12.873	12.873	0.000	2.065	2.084	(0.019)	over
Children & Family	24.249	24.249	0.000	4.438	4.405	0.033	under
Adults	38.255	38.255	0.000	6.900	6.869	0.031	under
Older People	63.610	63.610	0.000	9.536	9.591	(0.055)	over
Justice and Substance Misuse	0.939	0.939	0.000	0.048	0.038	0.010	under
Joint Boards	39.249	39.249	0.000	9.568	9.568	0.000	-
	600.334	600.334	0.000	111.780	111.633	0.147	under
Support Departments :-							
Corporate Resources Support	3.869	3.869	0.000	0.689	0.678	0.011	under
Finance & IT Resources	12.449	12.449	0.000	2.838	2.771	0.067	under
Finance	3.112	3.112	0.000	0.712	0.689	0.023	under
Information Technology Services	6.774	6.774	0.000	1.684	1.684	0.000	-
Procurement	1.625	1.625	0.000	0.228	0.207	0.021	under
Audit and Improvement Services	0.938	0.938	0.000	0.214	0.191	0.023	under
Housing and Technical Resources	12.318	12.318	0.000	2.419	2.512	(0.093)	over
Property Services	11.136	11.136	0.000	2.225	2.297	(0.072)	over
Revenues	1.182	1.182	0.000	0.194	0.215	(0.021)	over
	28.636	28.636	0.000	5.946	5.961	(0.015)	over
Committee							
	£m	£m	£m		£m	£m	
Service Departments Total	600.334	600.334	0.000	111.780	111.633	0.147	under
Support Departments Total	28.636	28.636	0.000	5.946	5.961	(0.015)	over
Trading Accounts Surplus	(9.650)	(9.650)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges	71.667	71.667	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	694.352	694.352	0.000	117.726	117.594	0.132	under
Revenue Support Grant	320.546	320.546	0.000	0.000	0.000	0.000	-
Other Government Grant	1.128	1.128	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	2.200	2.200	0.000	0.000	0.000	0.000	-
Total Income	694.352	694.352	0.000	0.000	0.000	0.000	-
Net Expenditure	0.000	0.000	0.000	117.726	117.594	0.132	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 10 June 2011 (No.3)

<u>Budget Category</u>	<u>Annual Budget</u>	<u>Forecast for Year</u>	<u>Annual Forecast Variance</u>	<u>Budget Proportion to 10/06/11</u>	<u>Actual to Period 3 10/06/11</u>	<u>Variance to 10/06/11</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	
Service Departments :-							
<u>Expenditure</u>							
Employee Cost	332.198	332.198	0.000	49.513	49.107	0.406	under
Property Costs	55.536	55.536	0.000	15.414	15.102	0.312	under
Supplies and Services	26.466	26.466	0.000	8.551	8.598	(0.047)	over
Transport Costs	18.340	18.340	0.000	3.649	3.702	(0.053)	over
Administration Costs	22.233	22.233	0.000	3.074	3.069	0.005	under
Payments to Other Bodies	98.083	98.083	0.000	22.518	22.451	0.067	under
Payments to Contractors	154.322	154.322	0.000	20.094	20.259	(0.165)	over
Transfer Payments	22.906	22.906	0.000	4.226	4.239	(0.013)	over
Housing Benefits	90.510	90.510	0.000	15.296	15.297	(0.001)	over
Financing Charges (controllable)	2.562	2.562	0.000	0.817	0.796	0.021	under
Total	823.156	823.156	0.000	143.152	142.620	0.532	under
Support Departments :-							
<u>Expenditure</u>							
Employee Costs	21.386	21.386	0.000	3.280	3.208	0.072	under
Property Costs	9.506	9.506	0.000	1.469	1.570	(0.101)	over
Supplies & Services	2.124	2.124	0.000	1.070	1.088	(0.018)	over
Transport Costs	0.027	0.027	0.000	0.006	0.009	(0.003)	over
Administration Costs	2.206	2.206	0.000	0.366	0.353	0.013	under
Payments to Other Bodies	0.923	0.923	0.000	0.311	0.313	(0.002)	over
Payments to Contractors	0.290	0.290	0.000	0.004	0.000	0.004	under
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges (controllable)	1.156	1.156	0.000	0.347	0.317	0.030	under
Total	37.618	37.618	0.000	6.853	6.858	(0.005)	over
Service Departments Total	823.156	823.156	0.000	143.152	142.620	0.532	under
Support Departments Total	37.618	37.618	0.000	6.853	6.858	(0.005)	over
Trading Accounts Surplus	(9.650)	(9.650)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges	71.667	71.667	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	926.156	926.156	0.000	150.005	149.478	0.527	under
Income							
Housing Benefit Subsidy	87.782	87.782	0.000	12.562	12.562	0.000	-
Other Income	144.022	144.022	0.000	19.717	19.322	(0.395)	under rec.
General Revenue Grant	321.674	321.674	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	2.200	2.200	0.000	0.000	0.000	0.000	-
Total Income	926.156	926.156	0.000	32.279	31.884	(0.395)	under rec.
Net Expenditure	0.000	0.000	0.000	117.726	117.594	0.132	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 10 June 2011 (No.3)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 10/06/11	Actual to Period 3 10/06/11	Variance to 10/06/11		%	Note
	£m	£m	£m	£m	£m	£m			
Resources :-									
Employee Costs	9.788	9.788	0.000	1.431	1.409	0.022	under	1.5%	
Property Costs	37.171	37.171	0.000	2.830	2.909	(0.079)	over	(2.8%)	
Supplies & Services	0.961	0.961	0.000	0.266	0.246	0.020	under	7.5%	
Transport & Plant	0.021	0.021	0.000	0.004	0.020	(0.016)	over	(400.0%)	
Administration Costs	6.929	6.929	0.000	0.095	0.069	0.026	under	27.4%	
Pmts to Other Bodies	6.152	6.152	0.000	0.004	(0.004)	0.008	under	200.0%	
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	0.094	0.094	0.000	-	n/a	
Total Controllable Expenditure	74.416	74.416	0.000	4.724	4.745	(0.021)	over	(0.4%)	
Total Controllable Income	(86.172)	(86.172)	0.000	(13.841)	(13.885)	0.044	over rec	0.3%	
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	(9.117)	(9.140)	0.023	under	(0.3%)	
Add:- Non Controllable Budgets									
Central Support	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	13.804	13.804	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(9.117)	(9.140)	0.023	under	(0.3%)	