

Report

4

Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	14 February 2012
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2011/2012 - 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 2011 to 22 December 2011 for Finance and Information Technology 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 Finance and Information Technology Resources' revenue budget of £0.010 million (0.1%), as detailed in Appendix A of the report, be noted;
- (2) that following the probable outturn exercise, the forecast to 31 March 2012 of an underspend of £0.024 million be noted; and
- (3) that the proposed budget movements be approved.

3. Background

3.1. This is the third revenue budget monitoring report presented to the Finance and Information Technology Resources Committee for the financial year 2011/2012.

3.2. The report details the financial position for Finance and Information Technology Resources on Appendix A, along with variance explanations and details of budget virements in Appendices B-E.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 22 December 2011, the variance from the phased budget to date is an underspend of £0.010 million (0.1%).

5.2. Following the probable outturn exercise, the financial forecast to 31 March 2012 is an underspend of £0.024 million.

6. Other Implications

- 6.1. The main risk associated with the Council's Revenue Budget is that there is an 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 the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

9 January 2012

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

- ◆ Value: Accountable, Effective and Efficient

Previous References

- ◆ Finance and IT Resources Committee, 22 November 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 22 December 2011

Contact for Further Information

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

Lorraine O'Hagan, Accounting and Budgeting Manager

Ext: 4617 (Tel: 01698 454617)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 December 2011 (No.10)

Finance and Information Technology Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	12,155	12,306	(151)	8,152	8,206	(54)	over	(0.7%)	
Property Costs	480	464	16	344	322	22	under	6.4%	
Supplies & Services	3,456	3,641	(185)	3,336	3,522	(186)	over	(5.6%)	
Transport & Plant	22	6	16	17	4	13	under	76.5%	
Administration Costs	2,052	2,292	(240)	1,201	1,334	(133)	over	(11.1%)	
Payments to Other Bodies	607	616	(9)	414	423	(9)	over	(2.2%)	
Payments to Contractors	306	217	89	236	157	79	under	33.5%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	495	252	243	359	207	152	under	42.3%	
Total Controllable Exp.	19,573	19,794	(221)	14,059	14,175	(116)	over	(0.8%)	
Total Controllable Inc.	(6,195)	(6,440)	245	(4,687)	(4,813)	126	over recovered	2.7%	
Net Controllable Exp.	13,378	13,354	24	9,372	9,362	10	under	0.1%	

Variance Explanations

Variance explanations are shown in Appendices B-E.

Budget Virements

Budget Virements are shown in Appendices B-C.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 December 2011 (No.10)

Finance Services

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,200	3,297	(97)	1,967	1,947	20	under	1.0%	1, a, b
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	54	57	(3)	41	55	(14)	over	(34.1%)	
Transport & Plant	0	1	(1)	0	1	(1)	over	n/a	
Administration Costs	108	91	17	85	73	12	under	14.1%	
Payments to Other Bodies	607	608	(1)	414	415	(1)	over	(0.2%)	
Payments to Contractors	27	30	(3)	25	22	3	under	12.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	331	190	141	233	154	79	under	33.9%	2
Total Controllable Exp.	4,327	4,274	53	2,765	2,667	98	under	3.5%	
Total Controllable Inc.	(765)	(694)	(71)	(300)	(221)	(79)	under recovered	(26.3%)	3
Net Controllable Exp.	3,562	3,580	(18)	2,465	2,446	19	under	0.8%	

Variance Explanations

1. Employee Costs

This underspend relates to vacancies across the Service.

2. Finance Charges

This underspend relates to leasing charges which are no longer being incurred.

3. Income

This under recovery relates to less than anticipated income received to date.

Budget Virements

- a. Transfer of an Accounts Payables post from Education Resources £0.020m: Employee Costs £0.020m.
b. Transfer from centrally held funds for early retirals £0.375m: Employee Costs £0.375m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 December 2011 (No.10)

Total Information Technology Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	6,328	6,487	(159)	4,370	4,465	(95)	over	(2.2%)	1, a
Property Costs	480	464	16	344	322	22	under	6.4%	
Supplies & Services	3,364	3,545	(181)	3,265	3,439	(174)	over	(5.3%)	2, a, b
Transport & Plant	22	5	17	17	3	14	under	82.4%	
Administration Costs	1,873	2,123	(250)	1,077	1,227	(150)	over	(13.9%)	3
Payments to Other Bodies	0	1	(1)	0	1	(1)	over	n/a	
Payments to Contractors	90	0	90	69	0	69	under	100.0%	4
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	139	42	97	107	36	71	under	66.4%	5, a
Total Controllable Exp.	12,296	12,667	(371)	9,249	9,493	(244)	over	(2.6%)	
Total Controllable Inc.	(5,044)	(5,373)	329	(4,286)	(4,509)	223	over recovered	5.2%	6, a
Net Controllable Exp.	7,252	7,294	(42)	4,963	4,984	(21)	over	(0.4%)	

Variance Explanations**1. Employee Costs**

This overspend relates to the cost of early retirements across the Service.

2. Supplies and Services

This overspend relates to additional purchase and maintenance costs of computer equipment which is offset by an over recovery of income.

3. Administration Costs

This overspend is as a result of charges for telephones being greater than anticipated. This is offset by an over recovery of income.

4. Payment to Contractors

This underspend relates to expenditure which is now being charged through Supplies and Services. A budget virement will be processed to align this budget.

5. Finance Charges

The underspend relates to the cost of IT Equipment Leasing which is now charged to Supplies and Services as part of the new support contract. A budget virement will be processed to align this budget.

6. Income

This over recovery relates to additional requests for service for computer equipment purchase/maintenance (Supplies and Services) and telephones (Administration Costs) and offsets additional expenditure (see 2 and 3 above).

Budget Virements

- Net Training income budget transferred to Corporate Resources £0.102m: Employee Costs (£0.047m); Income £0.149m.
- Realignment of budget to reflect the new contract: Supplies and Services £0.194m; Financing Costs (£0.194m).

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 December 2011 (No.10)

Procurement Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,379	1,207	172	953	844	109	under	11.4%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	9	8	1	7	6	1	under	14.3%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	44	43	1	23	22	1	under	4.3%	
Payments to Other Bodies	0	7	(7)	0	7	(7)	over	n/a	
Payments to Contractors	185	179	6	139	134	5	under	3.6%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	12	10	2	9	9	0	-	0.0%	
Total Controllable Exp.	1,629	1,454	175	1,131	1,022	109	under	9.6%	
Total Controllable Inc.	(6)	(7)	1	0	0	0	-	n/a	
Net Controllable Exp.	1,623	1,447	176	1,131	1,022	109	under	9.6%	

Variance Explanations

1. Employee Costs

This underspend relates to vacancies across the Service.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 22 December 2011 (No.10)

Audit and Improvement Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,248	1,315	(67)	862	950	(88)	over	(10.2%)	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	29	31	(2)	23	22	1	under	4.3%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	27	35	(8)	16	12	4	under	25.0%	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	4	8	(4)	3	1	2	under	66.7%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	13	10	3	10	8	2	under	20.0%	
Total Controllable Exp.	1,321	1,399	(78)	914	993	(79)	over	(8.6%)	
Total Controllable Inc.	(380)	(366)	(14)	(101)	(83)	(18)	under recovered	(17.8%)	
Net Controllable Exp.	941	1033	(92)	813	910	(97)	over	(11.9%)	

Variance Explanations**1. Employee Costs**

This overspend is offset by underspends elsewhere across the Services.