

Report

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Report to:	Executive Committee
Date of Meeting:	5 October 2011
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 1 April to 2 September 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 2011 to 2 September 2011.

2. Recommendation(s)

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

- (1) that the underspend of £0.322 million on the General Fund Revenue Account at 2 September 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 £0.043 million at 2 September 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 2 September 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 2 September 2011.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund Revenue Account Position

As at 2 September 2011, Appendix 1 of the report details a net underspend of £0.322 million (0.1%) against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2012 is a break even position.

- 5.2. Housing Revenue Account Position
As at 2 September 2011, Appendix 2 of the report shows an underspend of £0.043 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.
- 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)

12 September 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 7 September 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 2 September 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 2 September 2011 (No.6)

<u>Committee</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 02/09/11	Actual To Period 6 02/09/11	Variance to 02/09/11	
	£m	£m	£m	£m	£m	£m	
Service Departments :-							
Community Resources	65.544	65.544	0.000	28.557	28.557	0.000	-
Facilities, Streets & Bereavement Services	20.375	20.375	0.000	8.234	8.207	0.027	under
Waste and Environmental Services	25.980	25.980	0.000	11.290	11.344	(0.054)	over
Leisure Services	22.561	22.561	0.000	11.153	11.153	0.000	-
Support Services	(4.106)	(4.106)	0.000	(2.255)	(2.282)	0.027	under
International Children's Games	0.734	0.734	0.000	0.135	0.135	0.000	-
Corporate Resources Services	11.063	11.063	0.000	4.026	3.874	0.152	under
Education Resources	286.729	286.729	0.000	113.075	113.075	0.000	-
Enterprise Resources	46.142	46.142	0.000	17.167	17.167	0.000	-
Planning and Building Standards	0.947	0.947	0.000	0.195	0.511	(0.316)	over
Estates	(1.681)	(1.681)	0.000	(0.851)	(0.790)	(0.061)	over
Regeneration	4.361	4.361	0.000	1.324	1.296	0.028	under
Roads	37.745	37.745	0.000	14.419	14.084	0.335	under
Support Services	0.000	0.000	0.000	1.147	1.133	0.014	under
Tackling Poverty Programme	4.770	4.770	0.000	0.933	0.933	0.000	-
Finance & IT Resources	0.281	0.281	0.000	0.206	0.205	0.001	under
IT Customer Services	0.281	0.281	0.000	0.206	0.205	0.001	under
Housing & Technical Resources	14.603	14.603	0.000	10.586	10.483	0.103	under
Area Services	6.687	6.687	0.000	3.426	3.227	0.199	under
Property	1.834	1.834	0.000	0.545	0.563	(0.018)	over
Finance & Benefits and Revenue Support	6.082	6.082	0.000	6.615	6.693	(0.078)	over
Social Work Resources	139.972	139.972	0.000	55.078	55.050	0.028	under
Performance and Support Services	12.905	12.905	0.000	5.092	5.177	(0.085)	over
Children & Family	24.254	24.254	0.000	9.995	10.024	(0.029)	over
Adults	38.600	38.600	0.000	15.867	15.854	0.013	under
Older People	63.287	63.287	0.000	24.146	24.035	0.111	under
Justice and Substance Misuse	0.926	0.926	0.000	(0.022)	(0.040)	0.018	under
Joint Boards	39.269	39.269	0.000	19.099	19.099	0.000	-
	603.603	603.603	0.000	247.794	247.510	0.284	under
Support Departments :-							
Corporate Resources Support	3.875	3.875	0.000	1.564	1.567	(0.003)	over
Finance & IT Resources	12.605	12.605	0.000	5.594	5.498	0.096	under
Finance	3.101	3.101	0.000	1.370	1.345	0.025	under
Information Technology Services	6.943	6.943	0.000	3.093	3.111	(0.018)	over
Procurement	1.622	1.622	0.000	0.653	0.603	0.050	under
Audit and Improvement Services	0.939	0.939	0.000	0.478	0.439	0.039	under
Housing and Technical Resources	12.469	12.469	0.000	5.284	5.339	(0.055)	over
Property Services	11.270	11.270	0.000	4.825	4.872	(0.047)	over
Revenues	1.199	1.199	0.000	0.459	0.467	(0.008)	over
	28.949	28.949	0.000	12.442	12.404	0.038	under
Committee							
	£m	£m	£m		£m	£m	
Service Departments Total	603.603	603.603	0.000	247.794	247.510	0.284	under
Support Departments Total	28.949	28.949	0.000	12.442	12.404	0.038	under
Trading Accounts Surplus	(9.649)	(9.649)	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	70.437	70.437	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	696.705	696.705	0.000	260.236	259.914	0.322	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	4.533	4.533	0.000	0.000	0.000	0.000	-
Total Income	696.705	696.705	0.000	0.000	0.000	0.000	-
Net Expenditure	0.000	0.000	0.000	260.236	259.914	0.322	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 2 September 2011 (No.6)

<u>Budget Category</u>	<u>Annual Budget</u>	<u>Forecast for Year</u>	<u>Annual Forecast Variance</u>	<u>Budget Proportion to 02/09/11</u>	<u>Actual to Period 6 02/09/11</u>	<u>Variance to 02/09/11</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	
Service Departments :-							
Expenditure							
Employee Cost	332.087	332.087	0.000	125.670	124.259	1.411	under
Property Costs	56.879	56.879	0.000	23.666	23.187	0.479	under
Supplies and Services	27.206	27.206	0.000	13.713	13.993	(0.280)	over
Transport Costs	18.715	18.715	0.000	7.999	8.216	(0.217)	over
Administration Costs	21.723	21.723	0.000	6.705	6.704	0.001	under
Payments to Other Bodies	99.474	99.474	0.000	42.860	42.791	0.069	under
Payments to Contractors	156.917	156.917	0.000	59.303	59.420	(0.117)	over
Transfer Payments	23.170	23.170	0.000	10.408	10.416	(0.008)	over
Housing Benefits	90.510	90.510	0.000	38.835	38.834	0.001	under
Financing Charges (controllable)	2.574	2.574	0.000	1.450	1.413	0.037	under
Total	829.255	829.255	0.000	330.609	329.233	1.376	under
Support Departments :-							
Expenditure							
Employee Costs	21.079	21.079	0.000	8.166	8.005	0.161	under
Property Costs	10.052	10.052	0.000	3.199	3.271	(0.072)	over
Supplies & Services	2.948	2.948	0.000	1.731	1.760	(0.029)	over
Transport Costs	0.123	0.123	0.000	0.043	0.044	(0.001)	over
Administration Costs	2.214	2.214	0.000	0.766	0.792	(0.026)	over
Payments to Other Bodies	0.923	0.923	0.000	0.361	0.370	(0.009)	over
Payments to Contractors	0.306	0.306	0.000	0.116	0.107	0.009	under
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges (controllable)	1.103	1.103	0.000	0.404	0.393	0.011	under
Total	38.748	38.748	0.000	14.786	14.742	0.044	under
Service Departments Total	829.255	829.255	0.000	330.609	329.233	1.376	under
Support Departments Total	38.748	38.748	0.000	14.786	14.742	0.044	under
Trading Accounts Surplus	(9.649)	(9.649)	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	70.437	70.437	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	932.156	932.156	0.000	345.395	343.975	1.420	under
Income							
Housing Benefit Subsidy	87.782	87.782	0.000	37.100	37.100	0.000	-
Other Income	147.669	147.669	0.000	48.059	46.961	(1.098)	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	4.533	4.533	0.000	0.000	0.000	0.000	-
Total Income	932.156	932.156	0.000	85.159	84.061	(1.098)	under rec.
Net Expenditure	0.000	0.000	0.000	260.236	259.914	0.322	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 2 September 2011 (No.6)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 02/09/11	Actual to Period 6 02/09/11	Variance to 02/09/11		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	9.813	9.813	0.000	3.733	3.561	0.172	under	4.6%	1
Property Costs	37.427	37.427	0.000	12.904	13.562	(0.658)	over	(5.1%)	2
Supplies & Services	0.900	0.900	0.000	0.369	0.340	0.029	under	7.9%	
Transport & Plant	0.082	0.082	0.000	0.036	0.053	(0.017)	over	(47.2%)	
Administration Costs	7.096	7.096	0.000	0.266	0.187	0.079	under	29.7%	3
Pmts to Other Bodies	6.131	6.131	0.000	0.027	0.032	(0.005)	over	(18.5%)	
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	-	0.0%	
Financing Charges	13.394	13.394	0.000	7.080	7.043	0.037	under	0.5%	
Total Controllable Expenditure	74.843	74.843	0.000	24.415	24.780	(0.365)	over	(1.5%)	
Total Controllable Income	(86.599)	(86.599)	0.000	(32.106)	(32.514)	0.408	over recovered	1.3%	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	(7.691)	(7.734)	0.043	under	(0.6%)	
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	(7.691)	(7.734)	0.043	under	(0.6%)	

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.)

3. Administration Costs

This is a result of tight controls being exercised over expenditure in this area.

4. Income

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