

# Report

Report to: **Executive Committee**  
Date of Meeting: **11 May 2011**  
Report by: **Chief Executive**

Subject: **Revenue Budget Monitoring for Period 1 April 2010 to 18 March 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 2010 to 18 March 2011 and the projection for the year to 31 March 2011.

## 2. Recommendation(s)

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

- (1) that the net underspend of £0.728 million on the General Fund Revenue Account at 18 March 2011, as detailed in Appendix 1 of the report, and the forecast to 31 March 2011 of an underspend of £2.000 million, be noted; and
- (2) that the break even position on the Housing Revenue Account at 18 March 2011, as detailed in Appendix 2 of the report, and the forecast to 31 March 2011 of break even, be noted.

## 3. Background

3.1. General Fund Revenue Account Position

This is an overview report summarising the actual expenditure and income to 18 March 2011 compared with the budget for the same period. This is provided on a Resource basis in Appendix 1 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 18 March 2011.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. General Fund Revenue Account Position

As at 18 March 2011, Appendix 1 of the report details a net underspend of £0.728 million (0.12%) against the phased budget.

- 5.2. 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.
- 5.3. Housing Revenue Account Position  
As at 18 March 2011, Appendix 2 of the report shows a break even position phased budget on the Housing Revenue Account. The forecast to 31 March 2011 on the Housing Revenue Account is a break even position.
- 5.5. During the period of severe weather from 4 December 2010 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 noted above.
- 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 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**

28 March 2011

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

- ◆ *Value:* Accountable, Effective and Efficient

**Previous References**

- ◆ Executive Committee, 23 March 2011

**List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 18 March 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 18 March 2011 (No.13)

<u>Committee</u>	Annual Budget	Forecast for Year	Annual Forecast Variance		Budget Proportion to 18/03/11	Actual to Period 13 18/03/11	Variance to 18/03/11	
	£m	£m	£m		£m	£m	£m	
<b>Service Departments :-</b>								
<b>Community Resources</b>	<b>64.986</b>	<b>64.951</b>	<b>0.035</b>	<b>under</b>	<b>61.854</b>	<b>61.817</b>	<b>0.037</b>	<b>under</b>
Land Services	37.472	37.537	(0.065)	over	35.444	35.485	(0.041)	over
Facilities & Cultural Services	9.791	9.791	0.000		9.302	9.302	0.000	-
Environmental & Strategic Services	5.232	5.232	0.000		4.759	4.758	0.001	under
Support Services	(4.548)	(4.562)	0.014	under	(4.223)	(4.225)	0.002	under
Leisure	16.557	16.553	0.004	under	16.125	16.125	0.000	-
Projects	0.482	0.400	0.082	under	0.447	0.372	0.075	under
<b>Corporate Resources Services</b>	<b>10.950</b>	<b>10.534</b>	<b>0.416</b>	<b>under</b>	<b>9.653</b>	<b>9.125</b>	<b>0.528</b>	<b>under</b>
<b>Education Resources</b>	<b>288.619</b>	<b>288.619</b>	<b>0.000</b>		<b>262.411</b>	<b>262.411</b>	<b>0.000</b>	<b>-</b>
<b>Enterprise Resources</b>	<b>48.148</b>	<b>48.103</b>	<b>0.045</b>	<b>under</b>	<b>39.762</b>	<b>39.770</b>	<b>(0.008)</b>	<b>over</b>
Planning and Building Standards	1.864	1.912	(0.048)	over	0.979	1.127	(0.148)	over
Estates	(1.656)	(1.620)	(0.036)	over	(1.320)	(1.286)	(0.034)	over
Regeneration	4.688	4.609	0.079	under	3.579	3.490	0.089	under
Roads	38.181	38.181	0.000		29.133	29.131	0.002	under
Support Services	0.000	(0.050)	0.050	under	2.821	2.738	0.083	under
Fairer Scotland Fund	5.071	5.071	0.000		4.570	4.570	0.000	-
<b>Finance &amp; IT Resources</b>	<b>0.875</b>	<b>0.875</b>	<b>0.000</b>		<b>0.789</b>	<b>0.770</b>	<b>0.019</b>	<b>under</b>
IT Customer Services	0.875	0.875	0.000		0.789	0.770	0.019	under
<b>Housing &amp; Technical Resources</b>	<b>18.424</b>	<b>18.644</b>	<b>(0.220)</b>	<b>over</b>	<b>20.383</b>	<b>20.471</b>	<b>(0.088)</b>	<b>over</b>
Area Services	6.618	6.290	0.328	under	7.793	7.476	0.317	under
Property	1.017	1.089	(0.072)	over	1.098	1.129	(0.031)	over
Finance & Benefits and Revenue Support	10.789	11.265	(0.476)	over	11.492	11.866	(0.374)	over
<b>Social Work Resources</b>	<b>139.948</b>	<b>139.948</b>	<b>0.000</b>		<b>127.321</b>	<b>127.321</b>	<b>0.000</b>	<b>-</b>
Performance and Support Services	12.808	12.888	(0.080)	over	11.975	12.124	(0.149)	over
Children & Family	24.472	24.664	(0.192)	over	22.834	22.992	(0.158)	over
Adults	37.776	38.309	(0.533)	over	33.404	34.011	(0.607)	over
Older People	63.946	63.199	0.747	under	58.551	57.697	0.854	under
Justice and Substance Misuse	0.946	0.888	0.058	under	0.557	0.497	0.060	under
<b>Joint Boards</b>	<b>38.777</b>	<b>38.827</b>	<b>(0.050)</b>	<b>over</b>	<b>38.777</b>	<b>38.810</b>	<b>(0.033)</b>	<b>over</b>
	<b>610.727</b>	<b>610.501</b>	<b>0.226</b>	<b>under</b>	<b>560.950</b>	<b>560.495</b>	<b>0.455</b>	<b>under</b>
<b>Support Departments :-</b>								
<b>Corporate Resources Support</b>	<b>3.802</b>	<b>4.218</b>	<b>(0.416)</b>	<b>over</b>	<b>3.513</b>	<b>3.511</b>	<b>0.002</b>	<b>under</b>
<b>Finance &amp; IT Resources</b>	<b>13.797</b>	<b>13.797</b>	<b>0.000</b>		<b>12.933</b>	<b>12.772</b>	<b>0.161</b>	<b>under</b>
Finance	4.433	4.433	0.000		4.083	3.986	0.097	under
Information Technology Services	7.677	7.677	0.000		7.298	7.317	(0.019)	over
Procurement	1.687	1.687	0.000		1.552	1.469	0.083	under
<b>Housing and Technical Resources</b>	<b>9.538</b>	<b>9.383</b>	<b>0.155</b>	<b>under</b>	<b>15.944</b>	<b>15.834</b>	<b>0.110</b>	<b>under</b>
Property Services	10.966	10.712	0.254	under	12.663	12.451	0.212	under
Revenues	1.184	1.299	(0.115)	over	1.128	1.266	(0.138)	over
Finance Support	(2.612)	(2.628)	0.016	under	2.153	2.117	0.036	under
	<b>27.137</b>	<b>27.398</b>	<b>(0.261)</b>	<b>over</b>	<b>32.390</b>	<b>32.117</b>	<b>0.273</b>	<b>under</b>
<b>Committee</b>								
	£m	£m	£m			£m	£m	
Service Departments Total	610.727	610.501	0.226	under	560.950	560.495	0.455	under
Support Departments Total	27.137	27.398	(0.261)	over	32.390	32.117	0.273	under
Central Support Allocation to HRA	(3.216)	(3.216)	0.000		0.000	0.000	0.000	-
Trading Accounts Surplus	(8.674)	(8.211)	(0.463)	over	0.000	0.000	0.000	-
CFCR	4.924	4.359	0.565	under	0.000	0.000	0.000	-
Additional CFCR	0.000	0.000	0.000		0.000	0.000	0.000	-
Financing Charges	74.120	63.891	10.229	under	0.000	0.000	0.000	-
Community Charge income	0.000	(0.045)	0.045	under	0.000	0.000	0.000	-
Transfer to Reserves	2.837	12.215	(9.378)	over	0.000	0.000	0.000	-
<b>Total Expenditure</b>	<b>707.855</b>	<b>706.892</b>	<b>0.963</b>	<b>under</b>	<b>593.340</b>	<b>592.612</b>	<b>0.728</b>	<b>under</b>
Revenue Support Grant	454.456	454.456	0.000		0.000	0.000	0.000	-
Non Domestic Rates	124.084	123.809	(0.275)	under rec	0.000	0.000	0.000	-
Council Tax	125.499	126.811	1.312	over rec	0.000	0.000	0.000	-
Transfer from Reserves	3.816	3.816	0.000		0.000	0.000	0.000	-
<b>Total Income</b>	<b>707.855</b>	<b>708.892</b>	<b>1.037</b>	<b>over rec</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-</b>
<b>Net Expenditure</b>	<b>0.000</b>	<b>(2.000)</b>	<b>2.000</b>	<b>under</b>	<b>593.340</b>	<b>592.612</b>	<b>0.728</b>	<b>under</b>

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Period Ended 18 March 2011 (No.13)

<u>Budget Category</u>	<u>Annual Budget</u>	<u>Forecast for Year</u>	<u>Annual Forecast Variance</u>		<u>Budget Proportion to 18/03/11</u>	<u>Actual to Period 13 18/03/11</u>	<u>Variance to 18/03/11</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>		<u>£m</u>	<u>£m</u>	<u>£m</u>	
<b>Service Departments :-</b>								
<b><u>Expenditure</u></b>								
Employee Cost	339.013	339.240	(0.227)	over	309.879	310.096	(0.217)	over
Property Costs	58.035	57.295	0.740	under	53.997	53.833	0.164	under
Supplies and Services	29.070	29.345	(0.275)	over	25.715	25.701	0.014	under
Transport Costs	19.586	19.311	0.275	under	17.991	17.793	0.198	under
Administration Costs	20.372	20.440	(0.068)	over	17.514	17.213	0.301	under
Payments to Other Bodies	102.300	101.290	1.010	under	95.655	94.727	0.928	under
Payments to Contractors	148.501	150.074	(1.573)	over	130.771	132.214	(1.443)	over
Transfer Payments	24.046	24.076	(0.030)	over	23.979	25.759	(1.780)	over
Housing Benefits	82.222	88.806	(6.584)	over	82.222	88.250	(6.028)	over
Financing Charges (controllable)	2.591	2.530	0.061	under	2.521	2.376	0.145	under
<b>Total</b>	<b>825.736</b>	<b>832.407</b>	<b>(6.671)</b>	<b>over</b>	<b>760.244</b>	<b>767.962</b>	<b>(7.718)</b>	<b>over</b>
<b>Support Departments :-</b>								
<b><u>Expenditure</u></b>								
Employee Costs	24.864	24.932	(0.068)	over	22.519	22.693	(0.174)	over
Property Costs	8.853	8.928	(0.075)	over	8.667	8.263	0.404	under
Supplies & Services	2.584	2.656	(0.072)	over	2.496	2.285	0.211	under
Transport Costs	0.032	0.032	0.000		0.032	0.041	(0.009)	over
Administration Costs	3.207	3.102	0.105	under	2.485	2.419	0.066	under
Payments to Other Bodies	1.180	0.971	0.209	under	1.099	1.159	(0.060)	over
Payments to Contractors	0.291	0.407	(0.116)	over	0.267	0.352	(0.085)	over
Transfer Payments	0.000	0.000	0.000		0.000	0.000	0.000	-
Financing Charges (controllable)	1.202	1.169	0.033	under	1.192	1.064	0.128	under
<b>Total</b>	<b>42.213</b>	<b>42.197</b>	<b>0.016</b>	<b>under</b>	<b>38.757</b>	<b>38.276</b>	<b>0.481</b>	<b>under</b>
Service Departments Total	825.736	832.407	(6.671)	over	760.244	767.962	(7.718)	over
Support Departments Total	42.213	42.197	0.016	under	38.757	38.276	0.481	under
Central Support Allocation to HRA	(3.216)	(3.216)	0.000		0.000	0.000	0.000	-
Trading Accounts Surplus	(8.674)	(8.211)	(0.463)	over	0.000	0.000	0.000	-
CFCR	4.924	4.359	0.565	under	0.000	0.000	0.000	-
Additional CFCR	0.000	0.000	0.000		0.000	0.000	0.000	-
Financing Charges	74.120	63.891	10.229	under	0.000	0.000	0.000	-
Community Charge income	0.000	(0.045)	0.045	under	0.000	0.000	0.000	-
Transfer to Reserves	2.837	12.215	(9.378)	over	0.000	0.000	0.000	-
<b>Total Expenditure</b>	<b>937.940</b>	<b>943.597</b>	<b>(5.657)</b>	<b>over</b>	<b>799.001</b>	<b>806.238</b>	<b>(7.237)</b>	<b>over</b>
<b>Income</b>								
Housing Benefit Subsidy	79.494	85.636	6.142	over rec.	79.494	85.281	5.787	over rec
Other Income	150.591	151.069	0.478	over rec.	126.167	128.345	2.178	over rec
General Revenue Grant	454.456	454.456	0.000		0.000	0.000	0.000	-
Non Domestic Rates	124.084	123.809	(0.275)	under rec.	0.000	0.000	0.000	-
Council Tax	125.499	126.811	1.312	over rec.	0.000	0.000	0.000	-
Transfer from Reserves	3.816	3.816	0.000		0.000	0.000	0.000	-
<b>Total Income</b>	<b>937.940</b>	<b>945.597</b>	<b>7.657</b>	<b>over rec.</b>	<b>205.661</b>	<b>213.626</b>	<b>7.965</b>	<b>over rec</b>
<b>Net Expenditure</b>	<b>0.000</b>	<b>(2.000)</b>	<b>2.000</b>	<b>under</b>	<b>593.340</b>	<b>592.612</b>	<b>0.728</b>	<b>under</b>

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 18 March 2011 (No.13)**  
**Housing Revenue Account**

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 18/03/11	Actual to Period 13 18/03/11	Variance to 18/03/11		%	Note
	£m	£m	£m	£m	£m	£m			
<b>Resources :-</b>									
Employee Costs	10.010	9.999	0.011	9.177	9.182	(0.005)	over	(0.1%)	1
Property Costs	36.812	38.081	(1.269)	32.972	32.999	(0.027)	over	(0.1%)	
Supplies & Services	0.961	0.785	0.176	0.890	0.751	0.139	under	15.6%	2
Transport & Plant	0.020	0.055	(0.035)	0.019	0.028	(0.009)	over	(47.4%)	
Administration Costs	0.805	0.760	0.045	0.749	0.756	(0.007)	over	(0.9%)	
Pmts to Other Bodies	9.821	9.187	0.634	0.151	0.152	(0.001)	over	(0.7%)	
Pmts to Contractors	0.000	0.014	(0.014)	0.000	0.008	(0.008)	over	n/a	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	9.965	9.927	0.038	9.965	9.872	0.093	under	0.9%	3
Total Controllable Expenditure	68.394	68.808	(0.414)	53.923	53.748	0.175	under	0.3%	
Total Controllable Income	(83.481)	(85.008)	1.527	(76.077)	(77.200)	1.123	over rec	1.5%	4
Transfer to/(from) Balance Sheet	(0.188)	0.925	(1.113)	0.000	1.298	(1.298)	under rec	n/a	5
Net Controllable Expenditure	(15.275)	(15.275)	0.000	(22.154)	(22.154)	0.000	-	0.0%	
<b>Add:- Non Controllable Budgets</b>									
Central Support	3.216	3.216	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	12.059	12.059	0.000	0.000	0.000	0.000	-	n/a	
<b>Total Budget</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(22.154)</b>	<b>(22.154)</b>	<b>0.000</b>	<b>-</b>	<b>0%</b>	

**Variance Explanations**

**1. Employee Cost**

This underspend is mainly due to vacancies within the rent teams which have transferred to HRA, offset by the cost of early retirements in relation to the Sheltered Wardens Review.

**2. Supplies and Services**

The underspend relates to the purchase of computer equipment and reflects savings made on the implementation of the HRA IT strategy during 2010/11.

**3. Financing Charges**

This relates to IT leasing charges which have been lower than anticipated to date.

**4. Income**

This relates to an over recovery from house rents as a result of council house sales being lower than anticipated.

**5. Transfer to / (from) Balance Sheet**

This reflects the year end transfer to the balance sheet for utilisation in future years.