

Report

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Report to:	Community Resources Committee
Date of Meeting:	11 October 2011
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community Resources)

Subject:	Revenue Budget Monitoring 2011/2012 - Community Resources
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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 2 September 2011 for Community 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 breakeven position on Community Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2012 of break even be noted.
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the second revenue budget monitoring report presented to the Community Resources Committee for the financial year 2011/2012.

3.2. The report details the financial position for Community Resources on Appendix A, and then details the individual services, along with variance explanations, in Appendices B to F.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 2 September 2011, there is a breakeven position against the phased budget. The forecast for the revenue budget to 31 March 2012 is a break even position.

5.2. Virements are also proposed to realign budgets across the services and with other Resources. These movements have been detailed in the appendices to this report.

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 was also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

Norrie Anderson

Executive Director (Community Resources)

19 September 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Resources Committee, 12 July 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

Community Resources Committee: Period Ended 2 September 2011 (No.6)

Community Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/09/11	Actual 02/09/11	Variance 02/09/11		% Variance 02/09/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	24,038	24,038	0	9,226	8,750	476	under	5.2%	
Property Costs	11,681	11,681	0	4,957	5,018	(61)	over	(1.2%)	
Supplies & Services	1,817	1,817	0	581	621	(40)	over	(6.9%)	
Transport & Plant	4,786	4,786	0	2,290	2,377	(87)	over	(3.8%)	
Administration Costs	8,534	8,534	0	3,467	3,465	2	under	0.1%	
Payments to Other Bodies	510	510	0	75	90	(15)	over	(20.0%)	
Payments to Contractors	34,864	34,864	0	16,743	16,614	129	under	0.8%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	629	629	0	392	407	(15)	over	(3.8%)	
Total Controllable Exp.	86,859	86,859	0	37,731	37,342	389	under	1.0%	
Total Controllable Inc.	(21,315)	(21,315)	0	(9,174)	(8,785)	(389)	under recovered	(4.2%)	
Net Controllable Exp.	65,544	65,544	0	28,557	28,557	0	-	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to F.

Budget Virements

Budget virements are shown in Appendices B to F

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 2 September 2011 (No.6)

Facilities, Streets and Bereavement

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/09/11	Actual 02/09/11	Variance 02/09/11		% Variance 02/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	11,687	11,687	0	4,495	4,364	131	under	2.9%	1, a, b
Property Costs	11,091	11,091	0	4,850	4,904	(54)	over	(1.1%)	2, b
Supplies & Services	970	970	0	331	353	(22)	over	(6.6%)	b
Transport & Plant	1,045	1,045	0	622	679	(57)	over	(9.2%)	3, b
Administration Costs	3,966	3,966	0	1,678	1,683	(5)	over	(0.3%)	
Payments to Other Bodies	50	50	0	0	9	(9)	over	n/a	
Payments to Contractors	254	254	0	125	38	87	under	69.6%	4
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	266	266	0	144	158	(14)	over	(9.7%)	
			0						
Total Controllable Exp.	29,329	29,329	0	12,245	12,188	57	under	(0.5%)	
Total Controllable Inc.	(8,954)	(8,954)	0	(4,011)	(3,981)	(30)	under recovery	0.7%	5, b
Net Controllable Exp.	20,375	20,375	0	8,234	8,207	27	under	0.3%	

Budget Virements

- a. Transfer of Living Wage budget to Education Resources (£0.822m), Enterprise Resources (£0.178m), Housing and Technical Resources (£0.166m) and Social Work Resources (£0.037m) – Total (£1.203m): Employee Costs (£1.203m)
- b. Internal budget realignment of Living Wage to Waste and Environmental (£0.021m), Leisure Services (£0.022m) and Support (£0.018m) - Total (£0.061m) : Employee Costs (£0.012m), Property Costs £0.163m, Supplies and Services £0.007m, Transport Costs £0.002m and Income (£0.221m)

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Concierge Services, Public Conveniences, Non Statutory Catering, School Crossing Patrol and Operations Management.

2. Property Costs

The overspend is due to greater than anticipated expenditure within Concierge Services for property insurance, cleaning materials and also additional repairs and maintenance for Eddlewood Training Academy.

3. Transport and Plant

The overspend is due to greater than anticipated fuel charges within Street Cleansing and Operation Management.

4. Payment to Contractors

The underspend is due to less than anticipated expenditure within Streets for Suction Sweeper services.

5. Income

The under recovery is due to the demand for bereavement services being less than anticipated.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 2 September 2011 (No.6)

Waste and Environmental

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/09/11	Actual 02/09/11	Variance 02/09/11		% Variance 02/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	9,884	9,884	0	3,811	3,509	302	under	7.9%	1, a
Property Costs	114	114	0	15	12	3	under	20.0%	
Supplies & Services	587	587	0	142	143	(1)	over	(0.7%)	
Transport & Plant	3,650	3,650	0	1,662	1,686	(24)	over	(1.4%)	2, a
Administration Costs	2,804	2,804	0	1,172	1,172	0	-	0.0%	
Payments to Other Bodies	223	223	0	61	60	1	under	1.6%	
Payments to Contractors	13,058	13,058	0	5,998	5,951	47	under	0.8%	3
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	339	339	0	238	240	(2)	over	(0.8%)	
Total Controllable Exp.	30,659	30,659	0	13,099	12,773	326	under	2.5%	
Total Controllable Inc.	(4,679)	(4,679)	0	(1,809)	(1,429)	(380)	under recovered	(21.0%)	4
Net Controllable Exp.	25,980	25,980	0	11,290	11,344	(54)	over	(0.5%)	

Budget Virements

a. Internal budget realignment of Living Wage budget from Facilities, Street and Bereavement £0.021m: Employee Costs £0.019m and Transport £0.002m

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Environmental Services and also less than anticipated expenditure on overtime within Refuse and Disposal Services.

2. Transport and Plant

The overspend is mainly due to greater than anticipated fuel costs within Refuse Services.

3. Payment to Contractors

The underspend is mainly due to less than anticipated expenditure on bulky uplifts, gully waste, glass collection and segregated waste.

4. Income

The under recovery is mainly due to less than anticipated income from special uplifts. In addition, less than anticipated income has been generated from disposal vouchers, trade waste containers and clearance services.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 2 September 2011 (No.6)

Leisure Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/09/11	Actual 02/09/11	Variance 02/09/11		% Variance 02/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	2	2	0	-	0.0%	
Property Costs	103	103	0	42	42	0	-	0.0%	
Supplies & Services	2	2	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,197	1,197	0	513	513	0	-	0.0%	
Payments to Other Bodies	60	60	0	11	11	0	-	0.0%	
Payments to Contractors	21,195	21,195	0	10,585	10,585	0	-	0.0%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	22,561	22,561	0	11,153	11,153	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	22,561	22,561	0	11,153	11,153	0	-	0.0%	

Budget Virements

a. Internal budget realignment of Living wage budget from Facilities, Streets and Bereavement £0.022m: Payment to Contractors £0.022m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 2 September 2011 (No.6)

International Children Games

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/09/11	Actual 02/09/11	Variance 02/09/11		% Variance 02/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	56	56	0	48	52	(4)	over	(8.3%)	
Property Costs	9	9	0	0	6	(6)	over	n/a	
Supplies & Services	182	182	0	89	106	(17)	over	(19.1%)	
Transport & Plant	31	31	0	6	9	(3)	over	(50.0%)	
Administration Costs	253	253	0	84	78	6	under	7.1%	
Payments to Other Bodies	177	177	0	3	5	(2)	over	(66.7%)	
Payments to Contractors	181	181	0	35	40	(5)	over	(14.3%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	889	889	0	265	296	(31)	over	(11.7%)	
Total Controllable Inc.	(155)	(155)	0	(130)	(161)	31	over recovered	23.8%	1
Net Controllable Exp.	734	734	0	135	135	0	-	0.0%	

Variance Explanations

1. Income

The over recovery is due to greater than anticipated income from additional accommodation requests.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 02 September 2011 (No.6)

Support

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/09/11	Actual 02/09/11	Variance 02/09/11		% Variance 02/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,407	2,407	0	870	823	47	under	5.4%	1, a
Property Costs	364	364	0	50	54	(4)	over	(8.0%)	
Supplies & Services	76	76	0	19	19	0	-	0.0%	
Transport & Plant	60	60	0	0	3	(3)	over	n/a	
Administration Costs	314	314	0	20	19	1	under	5.0%	
Payments to Other Bodies	0	0	0	0	5	(5)	over	n/a	
Payments to Contractors	176	176	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	24	24	0	10	9	1	under	10.0%	
Total Controllable Exp.	3,421	3,421	0	969	932	37	under	3.8%	
Total Controllable Inc.	(7,527)	(7,527)	0	(3,224)	(3,214)	(10)	under recovered	(0.3%)	
Net Controllable Exp.	(4,106)	(4,106)	0	(2,255)	(2,282)	27	under	1.2%	

Budget Virements

a. Internal budget realignment of Living Wage budget from Facilities Streets and Bereavement £0.018m: Employee Costs £0.018m

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Management Support and Policy and Strategy.