

# Report

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Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>6 July 2011</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b>

Subject:	<b>Trading Operations Financial Performance for Period 1 April 2011 to 10 June 2011</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the estimated surplus for each of the Council's Trading Operations
- ◆ provide information on the actual surplus as at 10 June 2011
- ◆ provide an update on the projected results for the financial year 2011/2012.

## 2. Recommendation(s)

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

- (1) that the surplus achieved to 10 June 2011 of £1.732 million, as detailed in Appendix A of the report, be noted.

## 3. Background

- 3.1. During the budget exercise an estimated target for Trading Services' surpluses was set at £9.722 million.
- 3.2. In the period to 10 June 2011, a transfer of budget was made to the Property Services Trading Operation in respect of the Living Wage (£0.113million). In addition, a budget transfer has taken place from the Property Services Trading Operation to Housing and Technical Resources to reflect a saving approved in relation to the 2011/12 budget which was originally earmarked against General Services (£0.041m).
- 3.3. The effect of the above adjustments is to reduce the budgeted Trading surplus, by £0.072 million, resulting in a revised budget of £9.650 million. Details of the financial performance of each of the individual Trading Operations is provided in appendix A to this report.
- 3.4. This budgeted surplus sum will continue to be taken as a minimum target for achievement by the Trading Operations. Effort will be maintained to maximise results during the remainder of this financial year.

## 4. Employee Implications

4.1

## **5. Financial Implications**

- 5.1. As at 10 June 2011, the actual surpluses achieved by the Trading Operations total £1.732 million. The projected surplus to 31 March 2012 is £9.650 million.

## **6. Other Implications**

- 6.1. The main risk associated with the Trading Operations' Budgets is failure to manage the budget resulting in a significant reduction in the surplus achieved. The risk has been assessed as low given the detailed budget management applied across the Trading Operations. 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:-

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**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 10 June 2011**  
**Trading Operations**

	<b>2011/2012 Revenue Budget Surplus</b>	<b>2011/2012 Forecast Revenue Budget Surplus</b>	<b>Surplus / (Deficit) at 10/06/11</b>
<b>Trading Service</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Facilities Management	693	693	148
Fleet	251	251	27
Grounds Maintenance	929	929	221
Roads	1,822	1,822	420
Property Services	<u>5,955</u>	<u>5,955</u>	<u>916</u>
<b>Total</b>	<b><u>9,650</u></b>	<b><u>9,650</u></b>	<b><u>1,732</u></b>