

Report

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Report to:	Executive Committee
Date of Meeting:	14 December 2011
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Trading Services Financial Performance for Period 1 April to 28 October 2011
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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 28 October 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 28 October 2011 of £5.147 million, as detailed in Appendix A of the report, be noted.

3. Background

- 3.1. During the budget exercise an estimated target for Trading Operations' surpluses was set at £9.722 million. In the accounting period to 30 September 2011, this estimated target was revised to £9.649 million.
- 3.2. The release costs in respect of the National Diagnostic Management Savings are being centrally funded. In the period to 28 October 2011 a transfer of budget to the Property Services Trading Operation took place of £0.184m to fund these release costs. In addition, a transfer of (£0.083m) from the Property Services Trading Operation took place, to reflect their contribution to the central fund.
- 3.3. The effect of these adjustments is to decrease the Trading budgeted surplus, resulting in a revised budget of £9.548 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. None

5. Financial Implications

- 5.1. As at 28 October 2011, the actual surpluses achieved by the Trading Operations total £5.147 million.

6. Other Implications

- 6.1. The main risk associated with the Trading Operations' Budgets is a that the Trading Services do not produce the budgeted level of surplus for the year. 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.
- 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)

7 November 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 16 November 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 28 October 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
Period Ended 28 October 2011
Trading Operations

	2011/2012 Revenue Budget Surplus	2011/2012 Forecast Revenue Budget Surplus	Surplus / (Deficit) at 28/10/11
Trading Service	£m	£m	£m
Facilities Management	693	693	397
Fleet	251	251	152
Grounds Maintenance	929	929	572
Roads	1,823	1,823	1,124
Property Services	<u>5,852</u>	<u>5,852</u>	<u>2,902</u>
Total	<u>9,548</u>	<u>9,548</u>	<u>5,147</u>