

Report

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Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	7 April 2011
Report by:	Archibald Strang, Chief Executive

Subject:	Information Requested from Resources
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ present information received from Resources in response to issues raised at the last meeting of the Forum held on 3 March 2011.

2. Recommendation(s)

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

- (1) that the responses received from Resources be considered.

3. Background

3.1. At the meeting of the Financial Resources Scrutiny Forum held on 3 March 2011, variances across Resources and the explanation for those variances were considered. Information in relation to the issues highlighted was to be provided to this meeting of the Forum

4. Information Requested from Resources

4.1. Community Resources - International Children's Games

4.1.1. In relation to Community Resources, a query was raised with regards to the spend on various lines in respect of the International Children's Games and the fact that there were a number of variances across both expenditure and income in relation to the Games.

4.1.2. Details were requested on the financial and reporting arrangements for the expenditure / income in relation to the Games.

4.2. Corporate Resources - Fees and Charges Departments of the Authority

4.2.1. In relation to Corporate Resources, a query was raised in relation to the under recovery on the budget line Fees and Charges Departments of the Authority. The explanation for the net under recovery is print room recharges to other Resources being lower than anticipated. The under recovery is partially offset by increased income from outsourced print room work.

4.2.2. Clarification was sought as to what outsourced print room work is.

4.3. Education Resources - Other Income

4.3.1. In relation to Education Resources, a query was raised with regards to the budget line Other Income. The explanation for the under recovery is income from Music Tuition and Privilege Transport being lower than anticipated,

4.3.2. A breakdown of the budget line relating to Music Tuition and Privilege transport was requested.

4.4. Social Work Resources - Payment to Contractor

4.4.1. In relation to Social Work Resources, a query was raised with regards to the budget line Payment to Private Contractor within Adult Services. The explanation for the overspend was Social Work Resources assuming responsibility for paying for continuing education for young adults who have now turned 18.

4.4.2. Clarification was sought as to what factors were taken into account in compiling the budget for Payment to Private Contractors within Adult Services.

5. Employee Implications

5.1. None.

6. Financial Implications

6.1. None.

7. Other Implications

7.1. None.

8. Equality Impact Assessment and Consultation Arrangements

8.1. There is no requirement to undertake an equality impact assessment or consultation in respect of the content of this report.

Archibald Strang
Chief Executive

23 March 2011

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

- ◆ Efficient and effective use of resources
- ◆ Accountable, effective and efficient

Previous References

Minutes of 3 March 2011

List of Background Papers

None

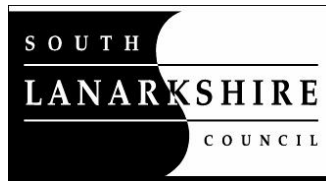
Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Paul Manning, Head of Finance Services

Ext: 4532 (Tel: 01698 454532)

E-mail: paul.manning@southlanarkshire.gov.uk



Community Resources
Executive Director **Norrie Anderson**
Support Services

Memo

To: Paul Manning
Head of Finance Services

Our ref:
Your ref: LO'H Memo 135

cc:

If calling ask for: Alistair McKinnon

Phone: 01698 454700

From: Alistair McKinnon
Head of Support Services
(Community Resources)

Date: 17 March 2011

Subject: Financial Resources Scrutiny Forum Query – International Children's Games

I refer to your memo dated 10 March 2011 requesting details on the accounting and financial reporting arrangements for the expenditure/income in relation to the Games.

The budget for the games has been built up on an area by area basis with the lead officer identifying the relevant costs based on quotations and previous experience. The following summarises the main project headings:

- ◆ Sports Programme
- ◆ Accommodation
- ◆ Transport
- ◆ Catering
- ◆ Marketing and P.R.
- ◆ Ceremonials (opening and closing ceremonies)
- ◆ Management and Administration
- ◆ Clothing and Merchandise
- ◆ Legacy

This exercise formed the basis for calculating the total estimated cost of £1.834 m. With South Lanarkshire Council and North Lanarkshire Councils agreeing that the cost of the games will be allocated on an equal basis, £0.917 m (50%) has been approved as the budget for the Council. To ensure both Councils share the actual costs of the games equally a year end equalisation exercise takes place.

The current variances on expenditure and income reflect the phasing being different from what was originally anticipated. It is expected that the overall cost of the games will come within the approved budget.

Over the coming weeks, the final numbers of participants and the results of procurement processes will be known and this will allow the budget allocations for each area to be reviewed. A final budget will then be allocated to the lead officers and will form the basis for financial monitoring during 2011/12.

In terms of financial reporting, the expenditure and income associated with the games is presented to each meeting of the ICG Committee and is also included in the revenue monitoring reports presented to the Community Resources Committee in line with the timetable set by Finance & IT Resources.

Alistair McKinnon
Head of Support Services

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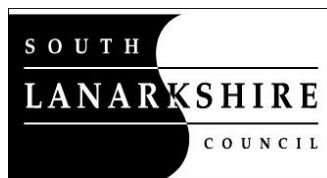
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Corporate Resources
Executive Director **Robert McIlwain**
Support Services

Memo

To:	Paul Manning Head of Finance	Our ref:	RML/FRSF
cc:		Your ref:	LO'H Memo 132
From:	Rosemary Lake Administration Manager	If calling ask for:	Rosemary Lake
		Phone:	01698 454658
		Date:	23 March 2011

Subject: Financial Resources Scrutiny Forum Query – Fees and Charges Departments of the Authority

At the meeting of the Financial Resources Scrutiny Forum held on 3 March 2011, clarification was requested on what constituted “outsourced” Print Room work.

This arose in relation to the budget line Fees and Charges – Departments of the Authority which showed an under recovery of £0.173 million within Services. The narrative explanation for this referred to the net under recovery of income relating to ‘print room recharges to other Resources being lower than anticipated. The under recovery is partially offset by increased income from outsourced print room work.’

In this context, the narrative should more accurately refer to ‘external customers’ as opposed to ‘outsourced’ print room work. The reduction in printing generally across Resources, partly due to internal work which has transferred to South Lanarkshire Leisure and Culture, is offset by the increase in income from South Lanarkshire Leisure and Culture which is classed as an external customer.

Outsourced print work covers jobs which can not be undertaken in-house due to the technical requirements/specifications requested, eg promotional items such as pens; specialised print jobs such as certain folders, ring binders; certain jobs which are larger than A3 paper size; display banners, etc

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Education Resources
Executive Director **Larry Forde**
Finance Services

Memo

To: Paul Manning
Head of Finance Services

cc:

From: Lynn Sherry
Head of Education (Finance)

Our ref:
Your ref: LOH – Memo 133
If calling ask Louise Allison
for:
Phone: 01698 454425
Date: 15 March 2011

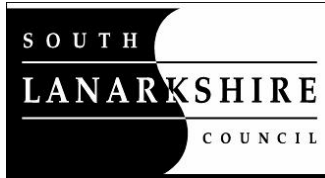
Subject: Financial Resources Budget Scrutiny Query – Other Income

In response to the request from the Chair of the Forum on the above issue raised, the following update is provided.

As part of the 2010/11 efficiency savings exercise; charging was introduced for Privilege Transport and Music Tuition in schools. The level of budget and anticipated income for the 2010/11 is as follows:

	<i>Income Target</i>	<i>Projected Income</i>
	<i>2010/11</i>	<i>2010/11</i>
	£	£
Music Tuition	375,000	120,000
Privilege Transport	60,000	12,000

Education Resources is continuing to actively manage budget pressures and the under recovery within these areas will be supported by areas of under spend elsewhere within the Resource.



Social Work Resources
Executive Director **Harry Stevenson**
Performance and Support Services

Memo

To:	Paul Manning Head of Finance Services	Our ref:	KG/RM
cc:		Your ref:	LO'H Memo 134
From:	Kathleen Gowrie Finance Advisor	If calling ask for:	Kathleen Gowrie
		Phone:	01698 454873
		Date:	18 March 2011

Subject: Finance Resources Scrutiny Forum Query – Payment to Private Contractor

In response to your memo of 10 March 2011 in respect of the above, I have set out below some background information on the budget for young adults who have turned 18 and the factors taken into account each year when compiling the revenue budget.

Background

Prior to their 18th birthday, young adults with a disability who are in long term residential care, usually in an education setting, are either joint funded by Child and Family Services, Social Work Resources and Education Resources. In the majority of cases, the funding is split 50/50 between Education and Child and Family Services. When the young person turns 18, responsibility for paying for their care transfers to Adult Services within Social Work Resources.

Budget Setting

Within Social Work Resources, the element of funding from Child and Family Services transfers internally with the young person to Adult Services. The funding from Education Resources is retained within that Resource and is used to fund the educational aspect of placements of other children coming through the school system and does not transfer to Social Work Resources. The impact of this in the majority of cases is that Adult Services have 50% of the funding previously available to continue to fund the care package.

When the young person turns 18, they remain in their existing placement for a period of time until their care package is re-provisioned from an educational setting to an appropriate adult setting. For the majority of cases, the cost of the re-provisioned care package is often less than the cost of the pre 18 service, but more than the 50% internal transfer from Child and Family Services.

Each year when setting the budget, a projected cost is prepared for each young person who is transitioning from their existing service to Adult Services. The internal budget transfer is used to offset the costs of the required service. The overall Social Work budget is reviewed and budgets are realigned where possible. Any overspends are managed within the overall Social Work budget.

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