

Report

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Report to:	Executive Committee
Date of Meeting:	16 November 2011
Report by:	Executive Director (Corporate and Finance Resources)

Subject:	Revenue Budget Monitoring for Period 1 April to 30 September 2011
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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 to 30 September 2011.

2. Recommendation(s)

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

- (1) that the underspend of £0.277 million on the General Fund Revenue Account at 30 September 2011, as detailed in Appendix 1 of the report, and the forecast to 31 March 2012 of a breakeven position, be noted;
- (2) that the allocation in respect of the Leisure and Culture Trust Living Wage be noted;
- (3) that the allocation in respect of Rates be noted; and
- (4) that the breakeven position on the Housing Revenue Account at 30 September 2011, as detailed in Appendix 2 of the report, and the forecast to 31 March 2011 of a breakeven position, be noted.

3. Background

3.1. General Fund Revenue Account Position

This is an overview report summarising the actual expenditure and income to 30 September 2011 compared with the budget for the same period. This is provided on a Resource basis in Appendix 1 (page 1), and on a subjective basis in Appendix 1 (page 2) 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 30 September 2011.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund Revenue Account Position

As at 30 September 2011, Appendix 1 of the report details a net underspend of £0.277 million (0.09%) against the phased budget. The forecast for the General Fund Revenue Account to 31 March 2012 is a breakeven position.

- 5.2. **Transfer of Estates Function**
As agreed at the Executive Committee on 6 July 2011, the Estates function transferred from Enterprise Resources to Housing and Technical Resources. The net transfer of £1.890m has been reflected in the figures in Appendix 1.
- 5.3. **Flood Prevention**
As part of the Government Grant allocation for 2011/12, an amount of £0.156 million was included for Flood Prevention. This has been reflected within Enterprise Resources annual budget figure in Appendix 1.
- 5.4. **Living Wage**
Previous reports have been considered by officers detailing the allocations across Resources in respect of the Living Wage. The exercise in respect of Leisure Trust employees is ongoing. Progress has been made in some areas and an amount of £0.190 million has been allocated in respect of this. This budget allocation has been included in Appendix 1. Work is still outstanding in relation to job evaluation for a further group of staff and also regarding staff on a fixed spinal grade.
- 5.5. **Rates**
As part of the Local Government Settlement for 2011/12, the rate poundage was increased. The overall impact has been quantified with the main impact felt in Education (£0.376 million) and Housing and Technical Resources (£0.090million). Budget has been allocated from the centrally held rates funding to alleviate this pressure and has been reflected in the budget in Appendix 1.
- 5.6. **Housing Revenue Account Position**
As at 30 September 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.
- 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 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)

10 October 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 5 October 2011

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 30 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

Period Ended 30 September 2011 (No.7)

<u>Committee</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 30/09/11	Actual To Period 7 30/09/11	Variance to 30/09/11	
	£m	£m	£m	£m	£m	£m	
Service Departments :-							
Community Resources	65.870	65.870	0.000	32.992	32.992	0.000	-
Facilities, Streets & Bereavement Services	20.408	20.408	0.000	10.112	10.085	0.027	under
Waste and Environmental Services	25.975	25.975	0.000	13.892	13.966	(0.074)	over
Leisure Services	23.032	23.032	0.000	11.278	11.274	0.004	under
Support Services	(4.279)	(4.279)	0.000	(2.591)	(2.634)	0.043	under
International Children's Games	0.734	0.734	0.000	0.301	0.301	0.000	-
Corporate Resources Services	11.181	11.181	0.000	4.793	4.638	0.155	under
Education Resources	287.105	287.105	0.000	140.594	140.594	0.000	-
Enterprise Resources	47.760	47.760	0.000	21.476	21.475	0.001	under
Planning and Building Standards	0.954	0.954	0.000	0.217	0.637	(0.420)	over
Regeneration	4.137	4.137	0.000	1.565	1.495	0.070	under
Roads	37.959	37.959	0.000	16.826	16.491	0.335	under
Support Services	0.000	0.000	0.000	1.326	1.310	0.016	under
Tackling Poverty Programme	4.710	4.710	0.000	1.542	1.542	0.000	-
Finance & IT Resources	0.281	0.281	0.000	0.255	0.253	0.002	under
IT Customer Services	0.281	0.281	0.000	0.255	0.253	0.002	under
Housing & Technical Resources	12.909	12.909	0.000	9.921	9.912	0.009	under
Area Services	6.687	6.687	0.000	3.324	2.814	0.510	under
Property	0.161	0.161	0.000	(0.608)	(0.332)	(0.276)	over
Finance & Benefits and Revenue Support	6.061	6.061	0.000	7.205	7.430	(0.225)	over
Social Work Resources	139.871	139.871	0.000	62.482	62.432	0.050	under
Performance and Support Services	12.824	12.824	0.000	6.126	6.261	(0.135)	over
Children & Family	24.254	24.254	0.000	12.030	12.158	(0.128)	over
Adults	38.664	38.664	0.000	16.282	16.216	0.066	under
Older People	63.203	63.203	0.000	27.947	27.728	0.219	under
Justice and Substance Misuse	0.926	0.926	0.000	0.097	0.069	0.028	under
Joint Boards	39.269	39.269	0.000	22.263	22.263	0.000	-
	604.246	604.246	0.000	294.776	294.559	0.217	under
Support Departments :-							
Corporate Resources Support	3.858	3.858	0.000	1.801	1.796	0.005	under
Finance & IT Resources	12.584	12.584	0.000	6.584	6.520	0.064	under
Finance	3.161	3.161	0.000	1.756	1.723	0.033	under
Information Technology Services	6.856	6.856	0.000	3.505	3.584	(0.079)	over
Procurement	1.622	1.622	0.000	0.765	0.698	0.067	under
Audit and Improvement Services	0.945	0.945	0.000	0.558	0.515	0.043	under
Housing and Technical Resources	12.541	12.541	0.000	7.875	7.884	(0.009)	over
Property Services	11.360	11.360	0.000	7.347	7.356	(0.009)	over
Revenues	1.181	1.181	0.000	0.528	0.528	0.000	-
	28.983	28.983	0.000	16.260	16.200	0.060	under
Committee							
	£m	£m	£m		£m	£m	
Service Departments Total	604.246	604.246	0.000	294.776	294.559	0.217	under
Support Departments Total	28.983	28.983	0.000	16.260	16.200	0.060	under
Trading Accounts Surplus	(9.649)	(9.649)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.247	0.247	0.000	0.000	0.000	0.000	-
Financing Charges	69.587	69.587	0.000	0.000	0.000	0.000	-
Community Charge income	0.000	0.000	0.000	0.000	0.000	0.000	-
Transfer to Reserves	1.000	1.000	0.000	0.000	0.000	0.000	-
Total Expenditure	696.779	696.779	0.000	311.036	310.759	0.277	under
Revenue Support Grant	320.546	320.546	0.000	0.000	0.000	0.000	-
Other Government Grant	1.148	1.148	0.000	0.000	0.000	0.000	-
Non Domestic Rates	243.978	243.978	0.000	0.000	0.000	0.000	-
Council Tax	126.500	126.500	0.000	0.000	0.000	0.000	-
Transfer from Reserves	4.607	4.607	0.000	0.000	0.000	0.000	-
Total Income	696.779	696.779	0.000	0.000	0.000	0.000	-
Net Expenditure	0.000	0.000	0.000	311.036	310.759	0.277	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 30 September 2011 (No.7)

<u>Budget Category</u>	<u>Annual Budget</u>	<u>Forecast for Year</u>	<u>Annual Forecast Variance</u>	<u>Budget Proportion to 30/09/11</u>	<u>Actual to Period 7 30/09/11</u>	<u>Variance to 30/09/11</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	
Service Departments :-							
<u>Expenditure</u>							
Employee Cost	331.835	331.835	0.000	150.889	149.233	1.656	under
Property Costs	59.946	59.946	0.000	37.269	36.394	0.875	under
Supplies and Services	27.305	27.305	0.000	15.133	15.403	(0.270)	over
Transport Costs	18.933	18.933	0.000	8.907	9.089	(0.182)	over
Administration Costs	22.113	22.113	0.000	8.117	8.058	0.059	under
Payments to Other Bodies	99.388	99.388	0.000	50.149	49.851	0.298	under
Payments to Contractors	157.223	157.223	0.000	69.529	69.810	(0.281)	over
Transfer Payments	23.189	23.189	0.000	12.394	12.412	(0.018)	over
Housing Benefits	90.510	90.510	0.000	44.465	46.099	(1.634)	over
Financing Charges (controllable)	2.572	2.572	0.000	1.570	1.484	0.086	under
Total	833.014	833.014	0.000	398.422	397.833	0.589	under
Support Departments :-							
<u>Expenditure</u>							
Employee Costs	21.078	21.078	0.000	9.800	9.562	0.238	under
Property Costs	10.142	10.142	0.000	5.694	5.796	(0.102)	over
Supplies & Services	2.975	2.975	0.000	1.936	1.985	(0.049)	over
Transport Costs	0.123	0.123	0.000	0.050	0.051	(0.001)	over
Administration Costs	2.193	2.193	0.000	0.864	0.889	(0.025)	over
Payments to Other Bodies	0.923	0.923	0.000	0.563	0.572	(0.009)	over
Payments to Contractors	0.306	0.306	0.000	0.118	0.127	(0.009)	over
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-
Financing Charges (controllable)	1.114	1.114	0.000	0.415	0.394	0.021	under
Total	38.854	38.854	0.000	19.440	19.376	0.064	under
Service Departments Total	833.014	833.014	0.000	398.422	397.833	0.589	under
Support Departments Total	38.854	38.854	0.000	19.440	19.376	0.064	under
Trading Accounts Surplus	(9.649)	(9.649)	0.000	0.000	0.000	0.000	-
CFCR	2.365	2.365	0.000	0.000	0.000	0.000	-
Additional CFCR	0.247	0.247	0.000	0.000	0.000	0.000	-
Financing Charges	69.587	69.587	0.000	0.000	0.000	0.000	-
Community Charge income	0.000	0.000	0.000	0.000	0.000	0.000	-
Transfer to Reserves	1.000	1.000	0.000	0.000	0.000	0.000	-
Total Expenditure	935.418	935.418	0.000	417.862	417.209	0.653	under
Income							
Housing Benefit Subsidy	87.782	87.782	0.000	42.973	44.513	1.540	over rec.
Other Income	150.857	150.857	0.000	63.853	61.937	(1.916)	under rec.
General Revenue Grant	321.694	321.694	0.000	0.000	0.000	0.000	-
Non Domestic Rates	243.978	243.978	0.000	0.000	0.000	0.000	-
Council Tax	126.500	126.500	0.000	0.000	0.000	0.000	-
Transfer from Reserves	4.607	4.607	0.000	0.000	0.000	0.000	-
Total Income	935.418	935.418	0.000	106.826	106.450	(0.376)	under rec.
Net Expenditure	0.000	0.000	0.000	311.036	310.759	0.277	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 30 September 2011 (No.7)

Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 30/09/11	Actual to Period 7 30/09/11	Variance to 30/09/11		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	9.625	9.625	0.000	4.394	4.190	0.204	under	4.6%	1
Property Costs	37.427	37.427	0.000	13.221	14.561	(1.340)	over	(10.1%)	2
Supplies & Services	0.900	0.900	0.000	0.390	0.367	0.023	under	5.9%	
Transport & Plant	0.179	0.179	0.000	0.090	0.070	0.020	under	22.2%	
Administration Costs	7.096	7.096	0.000	0.333	0.225	0.108	under	32.4%	3
Pmts to Other Bodies	6.119	6.119	0.000	0.009	0.036	(0.027)	over	(300.0%)	
Pmts to Contractors	0.000	0.000	0.000	0.000	0.002	(0.002)	over	n/a	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	13.394	13.394	0.000	9.597	9.566	0.031	under	0.3%	
Total Controllable Expenditure	74.740	74.740	0.000	28.034	29.017	(0.983)	over	(3.5%)	
Total Controllable Income	(86.496)	(86.496)	0.000	(41.665)	(42.648)	0.983	over recovered	2.4%	4
Transfer to/(from) Balance Sheet	(2.048)	(2.048)	0.000	0.000	0.000	0.000	-	0.0%	
Net Controllable Expenditure	(13.804)	(13.804)	0.000	(13.631)	(13.631)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Central Support	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	13.804	13.804	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(13.631)	(13.631)	0.000	-	0.0%	

Variance Explanations

1. Employee Costs

The underspend reflects the current level of vacancies within the Service.

2. Property Costs

The overspend is mainly due to insulation works and is offset by additional grant from the Scottish Government (see 4 below.) The remainder relates to repairs as a result of work carried forward from last financial year and also additional planned maintenance work being undertaken this year.

3. Administration Costs

This is a result of tight controls being exercised over expenditure in this area.

4. Income

This over recovery of income relates to grant funding received from the Scottish Government for insulation works and is offset by additional property costs (see 2 above).