

# Report

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Report to:	<b>Finance and Information Technology Resources Committee</b>
Date of Meeting:	<b>1 February 2011</b>
Report by:	<b>Chief Executive</b>

Subject:	<b>Revenue Budget Monitoring 2010/2011 - Finance and Information Technology Resources</b>
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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 2010 to 23 December 2010 for Finance and Information Technology Resources
- ◆ provide a forecast for the year to 31 March 2011

## 2. Recommendation(s)

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

- (1) that the underspend on Finance and Information Technology Resources' revenue budget of £0.174 million (1.6%), as detailed in Appendix A of the report, be noted; and
- (2) that following the probable outturn exercise the forecast to 31 March 2011 of break even be noted.

## 3. Background

3.1. This is the third revenue budget monitoring report presented to the Finance and Information Technology Resources Committee for the financial year 2010/2011.

3.2. The report details the financial position for Finance and Information Technology Resources on Appendix A, along with variance explanations in Appendices B and D and budget virements in Appendices B, C and D.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 23 December 2010, the variance from phased budget to date is an underspend of £0.174 million (1.6%).

5.2. Following the probable outturn exercise, the financial forecast to 31 March 2011 is a break even position.

## **6. Other Implications**

- 6.1. The main risk associated with the Council's Revenue Budget is failure to manage the budget resulting in a significant overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through 4 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 the report.

**Archibald Strang**  
**Chief Executive**

11 January 2011

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

- ◆ Value: Accountable, Effective and Efficient

### **Previous References**

- ◆ Finance and IT Resources Committee 9 November 2010

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 23 December 2010

### **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**

**Finance and Information Technology Resources Committee: Period Ended 23 December 2010 (No.10)**

**Finance and Information Technology Resources Summary**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/10</b>	<b>Actual 23/12/10</b>	<b>Variance 23/12/10</b>		<b>% Variance 23/12/10</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	12,412	12,372	40	8,882	8,684	198	under	2.2%	
Property Costs	480	434	46	380	381	(1)	over	(0.3%)	
Supplies & Services	2,680	2,729	(49)	1,497	1,526	(29)	over	(1.9%)	
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	1,948	1,938	10	1,106	1,052	54	under	4.9%	
Payments to Other Bodies	820	835	(15)	570	585	(15)	over	(2.6%)	
Payments to Contractors	291	323	(32)	138	167	(29)	over	(21.0%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	729	729	0	349	373	(24)	over	(6.9%)	
<b>Total Controllable Exp.</b>	<b>19,360</b>	<b>19,360</b>	<b>0</b>	<b>12,922</b>	<b>12,769</b>	<b>153</b>	<b>under</b>	<b>1.2%</b>	
<b>Total Controllable Inc.</b>	<b>(4,688)</b>	<b>(4,688)</b>	<b>0</b>	<b>(2,353)</b>	<b>(2,374)</b>	<b>21</b>	<b>over recovered</b>	<b>0.9%</b>	
<b>Net Controllable Exp.</b>	<b>14,672</b>	<b>14,672</b>	<b>0</b>	<b>10,569</b>	<b>10,395</b>	<b>174</b>	<b>under</b>	<b>1.6%</b>	

**Variance Explanations**

Variance explanations are shown in Appendices B and D.

**Budget Virements**

Budget virements are shown in Appendices B to D.

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**

**Finance and Information Technology Resources Committee: Period Ended 23 December 2010 (No.10)**

**Finance Services**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/10</b>	<b>Actual 23/12/10</b>	<b>Variance 23/12/10</b>		<b>% Variance 23/12/10</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	4,140	4,114	26	3,021	2,901	120	under	4.0%	1,a
Property Costs	0	1	(1)	0	1	(1)	over	n/a	
Supplies & Services	111	156	(45)	84	115	(31)	over	(36.9%)	2
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	161	141	20	111	82	29	under	26.1%	
Payments to Other Bodies	635	635	0	431	431	0	-	0.0%	
Payments to Contractors	201	201	0	69	69	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	363	363	0	280	321	(41)	over	(14.6%)	3
<b>Total Controllable Exp.</b>	<b>5,611</b>	<b>5,611</b>	<b>0</b>	<b>3,996</b>	<b>3,921</b>	<b>75</b>	<b>under</b>	<b>1.9%</b>	
<b>Total Controllable Inc.</b>	<b>(1,178)</b>	<b>(1,178)</b>	<b>0</b>	<b>(370)</b>	<b>(378)</b>	<b>8</b>	<b>over recovery</b>	<b>(2.2%)</b>	
<b>Net Controllable Exp.</b>	<b>4,433</b>	<b>4,433</b>	<b>0</b>	<b>3,626</b>	<b>3,543</b>	<b>83</b>	<b>under</b>	<b>2.3%</b>	

**Budget Virement**

- a. Transfer of excess pay award budget to the centre (£0.024m): Employee Costs (£0.024m).

**Variance Explanations**

**1. Employee Costs**

This underspend has arisen as a result of vacancies across the various sections within Finance Services.

**2. Supplies and Services**

The overspend relates to the refresh of computer equipment, and also installation costs in respect of staff moves.

**3. Financing Charges**

This overspend relates to increased financing charges for IT equipment as a consequence of the refresh of computer equipment and also staff moves.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 23 December 2010 (No.10)

## Total Information Technology Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/10</b>	<b>Actual 23/12/10</b>	<b>Variance 23/12/10</b>		<b>% Variance 23/12/10</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	6,848	6,848	0	4,819	4,820	(1)	over	0.0%	a,b
Property Costs	480	433	47	380	380	0	-	0.0%	
Supplies & Services	2,557	2,557	0	1,408	1,402	6	under	0.4%	a
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,725	1,725	0	946	934	12	under	1.3%	a
Payments to Other Bodies	0	15	(15)	0	15	(15)	over	n/a	
Payments to Contractors	90	122	(32)	69	98	(29)	over	(42.0%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	355	355	0	60	46	14	under	23.3%	
<b>Total Controllable Exp.</b>	<b>12,055</b>	<b>12,055</b>	<b>0</b>	<b>7,682</b>	<b>7,695</b>	<b>(13)</b>	<b>over</b>	<b>(0.2%)</b>	
<b>Total Controllable Inc.</b>	<b>(3,503)</b>	<b>(3,503)</b>	<b>0</b>	<b>(1,983)</b>	<b>(1,996)</b>	<b>13</b>	<b>over recovered</b>	<b>0.7%</b>	
<b>Net Controllable Exp.</b>	<b>8,552</b>	<b>8,552</b>	<b>0</b>	<b>5,699</b>	<b>5,699</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Budget Virement**

- a. Transfer from the IT Development Fund to meet the costs of the National Infrastructure Project (£0.594m): Employee Costs £0.200m, Supplies and Services £0.666m, Administration Costs £0.223m, and Income £0.495m.
- b. Transfer of excess pay award budget to the Centre: Employee Costs (£0.054m).

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**

**Finance and Information Technology Resources Committee: Period Ended 23 December 2010 (No.10)**

**Procurement Services**

<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/10</b>	<b>Actual 23/12/10</b>	<b>Variance 23/12/10</b>		<b>% Variance 23/12/10</b>	<b>Note</b>	
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>				
<b><u>Budget Category</u></b>									
Employee Costs	1,424	1,410	14	1,042	963	79	under	7.6%	1,a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	12	16	(4)	5	9	(4)	over	(80.0%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	62	72	(10)	49	36	13	under	26.5%	
Payments to Other Bodies	185	185	0	139	139	0	-	0.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	11	11	0	9	6	3	under	33.3%	
<b>Total Controllable Exp.</b>	<b>1,694</b>	<b>1,694</b>	<b>0</b>	<b>1,244</b>	<b>1,153</b>	<b>91</b>	<b>under</b>	<b>7.3%</b>	
<b>Total Controllable Inc.</b>	<b>(7)</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Net Controllable Exp.</b>	<b>1,687</b>	<b>1,687</b>	<b>0</b>	<b>1,244</b>	<b>1,153</b>	<b>91</b>	<b>under</b>	<b>7.3%</b>	

**Budget Virement**

- a. Transfer of excess pay award budget to the centre (£0.011m); Employee Costs (£ 0.011m).

**Variance Explanations**

**1. Employee Costs**

This underspend has arisen as a result of vacancies across the various sections within Procurement Services.