

# Report

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Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>11 May 2011</b>
Report by:	<b>Chief Executive</b>

Subject:	<b>Trading Services Financial Performance for Period 1 April 2010 to 18 March 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 Services
- ◆ provide information on the actual surplus as at 18 March 2011
- ◆ provide an update on the projected results for the financial year 2010/2011

## 2. Recommendation(s)

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

- (1) that the surplus achieved to 18 March 2011 of £7.610 million, as detailed in Appendix A of the report, be noted; and
- (2) that following the probable outturn exercise, the revised forecast surplus to 31 March 2011 of £8.211 million, be noted

## 3. Background

3.1. During the budget exercise an estimated target for Trading Operations' surpluses was set at £8.184 million. This was revised to £8.676m in the report to the Executive Committee dated 26 January 2011 to reflect previously agreed adjustments.

3.2. In the period to 18 March 2011, budget transfers in relation to legislative compliance from the Roads and Building Maintenance Trading Operations occurred, resulting in a decrease in the trading surplus of £0.002 million

Details of the financial performance of each of the individual Trading Operations is provided in Appendix A to this report.

3.3. The probable outturn exercise is now complete and the adjustments in 3.2 above result in a revised forecast outturn of a surplus of £8.211 million. This will 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 18 March 2011, the actual surpluses achieved by the Trading Services total £7.610 million.
- 5.2. Following the probable outturn exercise, the forecast budgeted surpluses for the year ended 31 March 2011 has been revised to £8.211 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**

28 March 2011

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

- ◆ Accountable, Effective and Efficient

### **Previous References**

- ◆ Executive Committee, 23 March 2011

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 18 March 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 18 March 2011**  
**Trading Operations**

	<b>2010/2011 Revenue Budget Surplus</b>	<b>2010/2011 Forecast Revenue Budget Surplus</b>	<b>Surplus / (Deficit) at 18/03/11</b>
<b>Trading Service</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Facilities Management	693	695	652
Fleet	252	252	240
Grounds Maintenance	889	889	839
Roads	1,643	1,698	1,898
Building Maintenance	<u>5,197</u>	<u>4,677</u>	<u>3,981</u>
<b>Total</b>	<b><u>8,674</u></b>	<b><u>8,211</u></b>	<b><u>7,610</u></b>