

Report

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Report to:	Corporate Resources Committee
Date of Meeting:	15 February 2012
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2011/2012 - Corporate Resources
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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 2011 to 22 December 2011 for Corporate Resources
- ◆ provide a forecast for the year to 31 March 2012

2. Recommendation(s)

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

- (1) that the break-even position on Corporate Resources' revenue budget, as detailed in Appendix A of the report, be noted;
- (2) that following the probable outturn exercise, the forecast to 31 March 2012 of an £0.021m overspend, be noted; and
- (3) that the proposed budget virements be approved.

3. Background

3.1. This is the third revenue budget monitoring report presented to the Corporate Resources Committee for the financial year 2011/2012.

3.2. The report details the financial position for Corporate Resources in Appendix A, and then details the individual Services, along with variance explanations, in Appendices B to C.

4. Employee Implications

4.1. None.

5. Financial Implications

5.1. As at 22 December 2011, there is a breakeven position against the phased budget.

5.2. Following the probable outturn exercise the financial forecast to 31 March 2012 is an overspend of £0.021m.

5.3. Budget virements are also proposed to realign budgets across the Services. These movements have been detailed in the appendices to this report.

6. Other Implications

6.1. The main risk associated with the Council's Revenue Budget is that there is an 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 the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

11 January 2012

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

◆ Value: Accountable, Effective and Efficient

Previous References

◆ Corporate Resources Committee, 23 November 2011

List of Background Papers

◆ Financial ledger and budget monitoring results to 22 December 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

Corporate Resources Committee: Period Ended 22 December 2011 (No.10)

Corporate Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	11,942	12,148	(206)	8,220	8,364	(144)	over	(1.8%)	
Property Costs	144	147	(3)	86	92	(6)	over	(7.0%)	
Supplies & Services	1,424	1,625	(201)	1,018	1,161	(143)	over	(14.0%)	
Transport & Plant	369	320	49	171	135	36	under	21.1%	
Administration Costs	4,134	4,103	31	2,793	2,759	34	under	1.2%	
Payments to Other Bodies	1,722	1,669	53	1,513	1,451	62	under	4.1%	
Payments to Contractors	0	0	0	0	1	(1)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	107	134	(27)	80	98	(18)	over	(22.5%)	
Total Controllable Exp.	19,842	20,146	(304)	13,881	14,061	180	under	(1.3%)	
Total Controllable Inc.	(4,443)	(4,726)	283	(2,879)	(3,059)	180	over recovered	6.3%	
Net Controllable Exp.	15,399	15,420	(21)	11,002	11,002	0	-	0.0%	

Budget Virements

Budget virements are shown in Appendices B and C.

Variance Explanations

Variance explanations are shown in Appendices B and C.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Corporate Resources Committee: Period Ended 22 December 2011 (No.10)

Corporate Resources Support

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,020	4,320	(300)	2,782	2,940	(158)	over	(5.7%)	1,a
Property Costs	2	2	0	1	0	1	under	100.0%	
Supplies & Services	190	154	36	146	100	46	under	31.5%	2
Transport & Plant	27	34	(7)	21	28	(7)	over	(33.3%)	
Administration Costs	239	393	(154)	143	268	(125)	over	(87.4%)	3,a
Payments to Other Bodies	235	266	(31)	195	200	(5)	over	(2.6%)	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	39	47	(8)	29	30	(1)	over	(3.4%)	a
Total Controllable Exp.	4,752	5,216	(464)	3,317	3,566	(249)	over	(7.5%)	
Total Controllable Inc.	(761)	(745)	(16)	(534)	(542)	8	over recovered	1.5%	
Net Controllable Exp.	3,991	4,471	(480)	2,783	3,024	(241)	over	(8.7%)	

Note:- Corporate Resources Support brings together Personnel Support and Mainstream Legal

Budget Virements/Transfers

- a Transfer of Health and Safety budget from Community Resources £0.140m : Employee Costs £0.137m, Administration Costs £0.001m and Financing Charges £0.002m.

Variance Explanations**1. Employee Costs**

This overspend relates to the cost of early retirements across the Services.

2. Supplies and Services

This underspend relates to reduced Disclosure Scotland costs which are offset by an under recovery of income from recharges.

3. Administration Costs.

The overspend relates mainly to legal costs within Personnel Support.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Corporate Resources Committee: Period Ended 22 December 2011 (No.10)

Corporate Resources Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 22/12/11	Actual 22/12/11	Variance 22/12/11		% Variance 22/12/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	7,922	7,828	94	5,438	5,424	14	under	0.3%	a,b
Property Costs	142	145	(3)	85	92	(7)	over	(8.2%)	
Supplies & Services	1,234	1,471	(237)	872	1,061	(189)	over	(21.7%)	1,a
Transport & Plant	342	286	56	150	107	43	under	28.7%	2
Administration Costs	3,895	3,710	185	2,650	2,491	159	under	6.0%	3,b,c
Payments to Other Bodies	1,487	1,403	84	1,318	1,251	67	under	5.1%	4
Payments to Contractors	0	0	0	0	1	(1)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	68	87	(19)	51	68	(17)	over	(33.3%)	a,b
Total Controllable Exp.	15,090	14,930	160	10,564	10,495	69	under	0.7%	
Total Controllable Inc.	(3,682)	(3,981)	299	(2,345)	(2,517)	172	over recovered	7.3%	5
Net Controllable Exp.	11,408	10,949	459	8,219	7,978	241	under	2.9%	

Note:- Corporate Resources Service brings together Administration, Corporate Communications and Public Affairs, Licensing and Registration and Personnel Services

Budget Virements/Transfers

- a Transfer of Training budget from Social Work Resources £0.155m: Employee Costs £0.153m, Supplies and Services £0.001m and Financing Charges £0.001m.
- b Transfer of Training budget from Community Resources £0.138m: Employee Costs £0.076m, Administration Costs £0.060m and Financing Charges £0.002m.
- c Transfer of Training budget to Finance and IT Resources (£0.102m): Administration Costs (£0.102m)

Variance Explanations

1. Supplies and Services

This overspend relates mainly to printing including outsourced work and also the centralised purchasing of paper. This is offset by additional income from recharges (see 5 below).

2. Transport and Plant

This underspend is a result of management action to reduce expenditure in this area.

3. Administration Costs

This underspend relates to reduced printing, advertising and conference costs across the Services.

4. Payments to Other Bodies

This underspend reflects a reduced uptake of grants within Administration Services.

5. Income

This over recovery relates mainly to Licensing and Registration Income. In addition, there is a net over recovery relating to paper recharges and outsourced work offset by an under recovery in internal printing income. This net over recovery offsets additional expenditure (see 1 above).