

# Report

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Report to:	<b>Enterprise Resources Committee</b>
Date of Meeting:	<b>23 November 2011</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Enterprise Resources)</b>

Subject:	<b>Enterprise Resources - Revenue Budget Monitoring 2011/2012</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 2011 to 30 September 2011 for Enterprise 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 underspend on Enterprise Resources' revenue budget of £0.001 million (0.01%), as detailed in Appendix A to the report, and the forecast to 31 March 2012 of a breakeven position be noted.
- (2) that the proposed budget virements be approved.

## 3. Background

- 3.1. This is the second revenue budget monitoring report presented to the Enterprise Resources Committee for the financial year 2011/2012. Further reports will follow throughout the financial year.
- 3.2. The report details the financial position for Enterprise Resources in Appendix A, and then details the individual Services, along with variance explanations, in Appendices B to F.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 30 September 2011, the variance from phased budget to date is an underspend of £0.001 million (0.01%). The forecast for the revenue budget 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 this report.

5.3. Virements are also proposed to realign budgets across the Services. These movements are detailed in Appendices B to F of this report.

## 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 the report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

**Colin McDowall**

**Executive Director (Enterprise Resources)**

13 October 2011

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

◆ Accountable, Effective and Efficient

### **Previous References**

◆ Enterprise Resources Committee, 14 September 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

Enterprise Resources Committee: Period Ended 30 September 2011 (No.7)

## Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/09/11	Actual 30/09/11	Variance 30/09/11		% Variance 30/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	14,434	14,434	0	6,662	6,648	14	under	0.2%	
Property Costs	516	516	0	364	383	(19)	over	(5.2%)	
Supplies & Services	2,386	2,386	0	1,011	1,107	(96)	over	(9.5%)	
Transport & Plant	146	146	0	96	155	(59)	over	(61.5%)	
Administration Costs	716	716	0	199	223	(24)	over	(12.1%)	
Payments to Other Bodies	18,608	18,608	0	9,597	9,691	(94)	over	(1.0%)	
Payments to Contractors	24,804	24,804	0	8,561	8,262	299	under	3.5%	
Transfer Payments	480	480	0	240	240	0	-	0.0%	
Financing Charges	244	244	0	126	94	32	under	25.4%	
<b>Total Controllable Exp.</b>	<b>62,334</b>	<b>62,334</b>	<b>0</b>	<b>26,856</b>	<b>26,803</b>	<b>53</b>	<b>under</b>	<b>0.2%</b>	
<b>Total Controllable Inc.</b>	<b>(14,574)</b>	<b>(14,574)</b>	<b>0</b>	<b>(5,380)</b>	<b>(5,328)</b>	<b>(52)</b>	<b>under recovered</b>	<b>(1.0%)</b>	
<b>Net Controllable Exp.</b>	<b>47,760</b>	<b>47,760</b>	<b>0</b>	<b>21,476</b>	<b>21,475</b>	<b>1</b>	<b>under</b>	<b>0.0%</b>	

**Variance Explanations**

Variance explanations are shown in Appendices B-F as appropriate.

**Budget Virements**

Budget Virements are shown in Appendices B-F as appropriate.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 September 2011 (No.7)

## Planning and Building Standards

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 30/09/11</b>	<b>Actual 30/09/11</b>	<b>Variance 30/09/11</b>		<b>% Variance 30/09/11</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	3,305	3,305	0	1,518	1,489	29	under	1.9%	
Property Costs	38	38	0	1	1	0	-	0.0%	
Supplies & Services	54	54	0	39	41	(2)	over	(5.1%)	
Transport & Plant	0	0	0	0	19	(19)	over	n/a	
Administration Costs	793	793	0	75	89	(14)	over	(18.7%)	a
Payments to Other Bodies	140	140	0	82	88	(6)	over	(7.3%)	
Payments to Contractors	300	300	0	163	163	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	51	51	0	28	28	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>4,681</b>	<b>4,681</b>	<b>0</b>	<b>1,906</b>	<b>1,918</b>	<b>(12)</b>	<b>over</b>	<b>(0.6%)</b>	
<b>Total Controllable Inc.</b>	<b>(3,727)</b>	<b>(3,727)</b>	<b>0</b>	<b>(1,689)</b>	<b>(1,281)</b>	<b>(408)</b>	<b>under recovered</b>	<b>(24.2%)</b>	<b>1</b>
<b>Net Controllable Exp.</b>	<b>954</b>	<b>954</b>	<b>0</b>	<b>217</b>	<b>637</b>	<b>(420)</b>	<b>over</b>	<b>(193.5%)</b>	

**Variance Explanations****1. Income**

The under recovery is due to a reduction in the number of planning and building warrant applications as a result of the current economic climate. Building warrant applications are significantly reduced compared with the same period last year.

**Budget Virements**

- a. Internal Support Reallocation as a result of Estates transfer to Housing and Technical Resources £0.014m: Administration Costs £0.014m.

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

**Enterprise Resources Committee: Period Ended 30 September 2011 (No.7)**

**Regeneration**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 30/09/11</b>	<b>Actual 30/09/11</b>	<b>Variance 30/09/11</b>		<b>% Variance 30/09/11</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	2,582	2,582	0	1,260	1,224	36	under	2.9%	1, a, d
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	31	31	0	15	12	3	under	20.0%	
Transport & Plant	0	0	0	0	3	(3)	over	n/a	
Administration Costs	572	572	0	18	13	5	under	27.8%	e
Payments to Other Bodies	4,762	4,762	0	1,843	1,843	0	-	0.0%	a, b, c, d
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	41	41	0	21	9	12	under	57.1%	d
<b>Total Controllable Exp.</b>	<b>7,988</b>	<b>7,988</b>	<b>0</b>	<b>3,157</b>	<b>3,104</b>	<b>53</b>	<b>under</b>	<b>1.7%</b>	
<b>Total Controllable Inc.</b>	<b>(3,851)</b>	<b>(3,851)</b>	<b>0</b>	<b>(1,592)</b>	<b>(1,609)</b>	<b>17</b>	<b>over recovered</b>	<b>1.1%</b>	<b>a, b, d</b>
<b>Net Controllable Exp.</b>	<b>4,137</b>	<b>4,137</b>	<b>0</b>	<b>1,565</b>	<b>1,495</b>	<b>70</b>	<b>under</b>	<b>4.5%</b>	

**Variance Explanations**

**1. Employee Costs**

The underspend is mainly due to vacant posts not being filled.

**Budget Virements**

- a. Future Jobs Fund Realignment: Net Effect 0: Employee Costs £0.025m, Payment to Other Bodies £0.218m, Income (£0.243m).
- b. Tackling Poverty Programme Realignment to reflect additional funding: Net Effect 0: Payment to Other Bodies £1.977m, Income (£1.977m).
- c. Transfer budget to Capital Projects to reflect Capital Financed by Current Revenue (CFCR) (£0.187m): Payment to Other Bodies (£0.187m).
- d. Transfer to Housing and Technical Resources in relation to Estates Service (£0.194m): Employee Costs (£0.136m), Property Costs (£0.063m), Supplies and Services (£0.007m), Administration Costs (£0.013m), Payments to Other Bodies (£0.010m), Financing Charges (£0.001m), Income £0.036m.
- e. Internal Support Reallocation as a result of Estates transfer to Housing and Technical Resources £0.142m: Administration Costs £0.142m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 September 2011 (No.7)

## Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/09/11	Actual 30/09/11	Variance 30/09/11		% Variance 30/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,586	2,586	0	1,208	1,208	0	-	0.0%	a
Property Costs	41	41	0	4	2	2	under	50.0%	
Supplies & Services	121	121	0	48	46	2	under	4.2%	a
Transport & Plant	7	7	0	6	5	1	under	16.7%	
Administration Costs	(2,004)	(2,004)	0	49	34	15	under	30.6%	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	65	65	0	32	15	17	under	53.1%	
<b>Total Controllable Exp.</b>	<b>816</b>	<b>816</b>	<b>0</b>	<b>1,347</b>	<b>1,310</b>	<b>37</b>	<b>under</b>	<b>2.7%</b>	
<b>Total Controllable Inc.</b>	<b>(816)</b>	<b>(816)</b>	<b>0</b>	<b>(21)</b>	<b>0</b>	<b>(21)</b>	<b>under recovered</b>	<b>(100.0%)</b>	
<b>Net Controllable Exp.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,326</b>	<b>1,310</b>	<b>16</b>	<b>under</b>	<b>1.2%</b>	

**Budget Virements**

a. Transfer to Housing and Technical Resources in relation to Estates Service (£0.023m): Employee Costs (£0.022m), Supplies and Services (£0.001m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 September 2011 (No.7)

## Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/09/11	Actual 30/09/11	Variance 30/09/11		% Variance 30/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,226	5,226	0	2,415	2,466	(51)	over	(2.1%)	1
Property Costs	435	435	0	357	378	(21)	over	(5.9%)	
Supplies & Services	2,112	2,112	0	886	985	(99)	over	(11.2%)	2
Transport & Plant	139	139	0	90	128	(38)	over	(42.2%)	
Administration Costs	1,349	1,349	0	56	86	(30)	over	(53.6%)	a
Payments to Other Bodies	9,807	9,807	0	6,417	6,505	(88)	over	(1.4%)	3
Payments to Contractors	24,504	24,504	0	8,398	8,099	299	under	3.6%	4, b, c
Transfer Payments	480	480	0	240	240	0	-	0.0%	
Financing Charges	87	87	0	45	42	3	under	6.7%	
<b>Total Controllable Exp.</b>	<b>44,139</b>	<b>44,139</b>	<b>0</b>	<b>18,904</b>	<b>18,929</b>	<b>(25)</b>	<b>over</b>	<b>(0.1%)</b>	
<b>Total Controllable Inc.</b>	<b>(6,180)</b>	<b>(6,180)</b>	<b>0</b>	<b>(2,078)</b>	<b>(2,438)</b>	<b>360</b>	<b>over recovered</b>	<b>17.3%</b>	<b>5</b>
<b>Net Controllable Exp.</b>	<b>37,959</b>	<b>37,959</b>	<b>0</b>	<b>16,826</b>	<b>16,491</b>	<b>335</b>	<b>under</b>	<b>2.0%</b>	

**Variance Explanations****1. Employee Costs**

The overspend is mainly due to additional graduate posts which will be offset by savings as a result of staff retiring later in the year.

**2. Supplies and Services**

The overspend is due to additional costs for licenses and equipment and also charges for the parking income collection system.

**3. Payments to Other Bodies**

The overspend is mainly due to the number of school crossing patrollers being greater than anticipated at this time.

**4. Payments to Contractors**

The underspend reflects the current levels of work being carried out and is being used to fund the ongoing under recovery of Planning and Building Standards income as noted at Appendix B.

**5. Income**

The over recovery is mainly as a result of greater than anticipated rechargeable work carried out to date and also an over recovery of parking income for season tickets.

**Budget Virements**

- Internal Support Reallocation as a result of Estates transfer to Housing and Technical Resources £0.032m: Administration Costs £0.032m.
- Additional Government Revenue Grant for Flood Risk Management £0.156m: Payment to Contractors £0.156m.
- Transfer from centrally held budget for Disabled Parking £0.220m: Payment to Contractors £0.220m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Enterprise Resources Committee: Period Ended 30 September 2011 (No.7)

## Tackling Poverty Programme

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 30/09/11	Actual 30/09/11	Variance 30/09/11		% Variance 30/09/11	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	735	735	0	261	261	0	-	0.0%	
Property Costs	2	2	0	2	2	0	-	0.0%	
Supplies & Services	68	68	0	23	23	0	-	0.0%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	6	6	0	1	1	0	-	0.0%	
Payments to Other Bodies	3,899	3,899	0	1,255	1,255	0	-	0.0%	a
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
<b>Total Controllable Exp.</b>	<b>4,710</b>	<b>4,710</b>	<b>0</b>	<b>1,542</b>	<b>1,542</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
<b>Total Controllable Inc.</b>	<b>0</b>	<b>0</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>4,710</b>	<b>4,710</b>	<b>0</b>	<b>1,542</b>	<b>1,542</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Budget Virements**

a. Transfer budget to Capital Projects to reflect Capital Financed by Current Revenue (CFCR) (£0.060m): Payment to Other Bodies (£0.060m).