

Report

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Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	9 November 2010
Report by:	Chief Executive

Subject:	Revenue Budget Monitoring 2010/2011 - Finance and Information Technology 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 2010 to 1 October 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 £0.138 million (1.9%), as detailed in Appendix A of the report, be noted; and
- (2) that the forecast to 31 March 2011 of break even be noted.

3. Background

- 3.1. This is the second 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 in Appendix A, along with variance explanations in Appendices B, C and D.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 1 October 2010, the variance from phased budget to date is an underspend of £0.138 million (1.9%). The financial forecast to 31 March 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

12 October 2010

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

- ◆ Value: Accountable, Effective and Efficient

Previous References

- ◆ Finance and IT Resources Committee 31 August 2010

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 1 October 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 1 October 2010 (No.7)

Finance and Information Technology Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 1/10/10	Actual 1/10/10	Variance 1/10/10		% Variance 1/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	12,331	12,331	0	6,104	5,916	188	under	3.1%	
Property Costs	481	481	0	196	199	(3)	over	(1.5%)	
Supplies & Services	2,022	2,022	0	1,207	1,251	(44)	over	(3.6%)	
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	1,729	1,729	0	635	632	3	under	0.5%	
Payments to Other Bodies	820	820	0	524	539	(15)	over	(2.9%)	
Payments to Contractors	317	317	0	56	53	3	under	5.4%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	728	728	0	127	117	10	under	7.9%	
Total Controllable Exp.	18,428	18,428	0	8,849	8,708	141	under	1.6%	
Total Controllable Inc.	(4,193)	(4,193)	0	(1,621)	(1,618)	(3)	under recovered	(0.2%)	
Net Controllable Exp.	14,235	14,235	0	7,228	7,090	138	under	1.9%	

Variance Explanations

Variance explanations are shown in Appendices B, C, D.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 1 October 2010 (No.7)

Finance Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 1/10/10	Actual 1/10/10	Variance 1/10/10		% Variance 1/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,177	4,177	0	2,094	1,985	109	under	5.2%	1
Property Costs	0	0	0	0	1	(1)	over	n/a	
Supplies & Services	112	112	0	60	92	(32)	over	(53.3%)	2
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	171	171	0	55	51	4	under	7.3%	
Payments to Other Bodies	635	635	0	431	431	0	-	0.0%	
Payments to Contractors	227	227	0	27	23	4	under	14.8%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	363	363	0	79	79	0	-	0.0%	
Total Controllable Exp.	5,685	5,685	0	2,746	2,663	83	under	3.0%	
Total Controllable Inc.	(1,178)	(1,178)	0	(234)	(234)	0	-	0.0%	
Net Controllable Exp.	4,507	4,507	0	2,512	2,429	83	under	3.3%	

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 costs of licences for software platforms in relation to the Financial Management System (FMS) and Human Resources Management System (HRMS). It not expected that this budget will overspend by the end of the financial year.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 1 October 2010 (No.7)

Total Information Technology Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 1/10/10	Actual 1/10/10	Variance 1/10/10		% Variance 1/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	6,712	6,712	0	3,307	3,277	30	under	0.9%	1
Property Costs	481	481	0	196	198	(2)	over	(1.0%)	
Supplies & Services	1,899	1,899	0	1,141	1,153	(12)	over	(1.1%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,496	1,496	0	562	564	(2)	over	(0.4%)	
Payments to Other Bodies	0	0	0	0	15	(15)	over	n/a	
Payments to Contractors	90	90	0	29	30	(1)	over	(3.4%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	354	354	0	42	34	8	under	19.0%	
Total Controllable Exp.	11,032	11,032	0	5,277	5,271	6	under	0.1%	
Total Controllable Inc.	(3,008)	(3,008)	0	(1,387)	(1,384)	(3)	under recovered	(0.2%)	
Net Controllable Exp.	8,024	8,024	0	3,890	3,887	3	under	0.1%	

Variance Explanations**1. Employee Costs**

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Information Technology Resources Committee: Period Ended 1 October 2010 (No.7)

Procurement Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 1/10/10	Actual 1/10/10	Variance 1/10/10		% Variance 1/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,442	1,442	0	703	654	49	under	7.0%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	11	11	0	6	6	0	-	0.0%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	62	62	0	18	17	1	under	5.6%	
Payments to Other Bodies	185	185	0	93	93	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	6	4	2	under	33.3%	
Total Controllable Exp.	1,711	1,711	0	826	774	52	under	6.3%	
Total Controllable Inc.	(7)	(7)	0	0	0	0	-	n/a	
Net Controllable Exp.	1,704	1,704	0	826	774	52	under	6.3%	

Variance Explanations**1. Employee Costs**

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