

REVENUE BUDGET MONITORING – FOR THE YEAR 2011-12  
CORPORATE OVERVIEW

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## 1. INTRODUCTION

- 1.1 This report summarises the revenue budget position of the Council as at the end of the financial year 2011-12. The main points for attention are identified below. The overall financial statement for the Council is attached as Appendix 1.

## 2. RECOMMENDATION

- 2.1 Members to note the revenue budget monitoring position, as at the end of the financial year 2011-12.

## 3. DETAIL

### **Final Outturn Variance (Un-audited)**

- 3.1 The performance against budget shows departmental controllable expenditure being £1.620m (0.77%) below budget. There are also savings in loan charges of £1.156m and an increase in council tax income of £0.692m. In addition other expenditure which includes departmental non-controllable expenditure and severance costs is overspent by £0.400m. All of these factors have resulted in a net underspend against budget of £3.068m (1.1%). More details on individual departmental outturns are given in Appendix 2.
- 3.2 The Council agreed to make allowance as part of the 2011-12 budget for costs associated with the redundancy and retirement costs for employees leaving as part of the service reviews and budget savings. The 3 year programme of service reviews has now been completed in terms of the detailed savings plans being agreed and as such all of the severance costs in relation to service reviews have been accounted for within 2011-12 or previous years. There are only two specific exceptions relating to two employee groups where sufficient information was not available to make provision during 2011-12 for the likely costs. An amount of £0.423m has been earmarked within the General Fund Balance to fund these costs during 2012-13, this amount is based on the current best estimate of the likely cost and is likely to change as and when the outstanding issues are resolved. The total amount earmarked from reserves during 2011-12 to balance the budget and fund the one-off severance costs was £5.870m.

3.3 A summary of the final outturn position is in the table below:

<b>Final Outturn Variance (Un-audited)</b>			
<b>2011-12</b>			
<b>Department</b>	<b>Actuals</b>	<b>Budget</b>	<b>Variance</b>
		<b>Adjusted for Earmarking</b>	<b>(Overspend) Underspend</b>
		<b>£</b>	<b>£</b>
Chief Executive's Unit	6,022,907	6,133,883	110,976
Community Services	131,475,803	133,542,639	2,066,836
Customer Services	32,939,794	33,020,984	81,190
Development and Infrastructure Services	33,056,677	32,417,626	(639,051)
<b>Total Dept Controllable Expenditure</b>	<b>203,495,181</b>	<b>205,115,132</b>	<b>1,619,951</b>
Loans Charges	29,600,672	30,756,927	1,156,255
Severance and Unfunded Pension Costs	6,612,080	6,165,156	(446,924)
Other (inc Dept non-controllable costs)	20,413,587	20,459,995	46,408
<b>Total Expenditure</b>	<b>260,121,520</b>	<b>262,497,210</b>	<b>2,375,690</b>
Total Funding	270,932,789	270,240,514	692,275
<b>Underspend</b>			<b>3,067,965</b>

3.4 The overall performance against budget is an underspend of £3.068m.

**Bruce West**  
**Head of Strategic Finance**  
**20 June 2012**

## ARGYLL AND BUTE COUNCIL - SUMMARY OF ACTUAL AND BUDGET COMPARISON 2011-2012

Department	Actual 2011-12 £	Budget 2011-12 £	Adjustment for Funds Earmarked in General Fund Reserve										Adjusted Budget 2011- 12 £	"Real Variance" (Over)/unde rspend £	
			Income from council tax homes £	Unspent Grant monies carried forward to 2012-13 £	Third Party Contribution s carried forward to 2012-13 £	CHORD £	Existing Legal Commitment s £	DMR School Carry Forwards £	Previous Council/Exec utive Decision £						
<b>Expenditure</b>															
Chief Executive's Unit	6,022,907	6,331,011													
Community Services	131,475,803	137,633,876	263,496	7,409											
Customer Services	32,939,794	33,568,984	15,000	26,000											
Development and Infrastructure Services	33,056,677	32,854,669													
<b>Total Departmental Expenditure</b>	<b>203,495,181</b>	<b>210,388,540</b>	<b>0</b>	<b>278,496</b>	<b>33,409</b>	<b>84,300</b>	<b>84,300</b>	<b>72,743</b>	<b>1,221,071</b>	<b>3,583,389</b>	<b>205,115,132</b>	<b>1,619,951</b>			
Severance and Unfunded Pension Costs	6,612,080	6,588,393													
Loans Charges	29,600,672	30,756,927													
Other	20,413,587	20,689,995													
<b>Total Expenditure</b>	<b>260,121,520</b>	<b>268,423,855</b>	<b>0</b>	<b>278,496</b>	<b>33,409</b>	<b>84,300</b>	<b>84,300</b>	<b>72,743</b>	<b>1,221,071</b>	<b>4,236,626</b>	<b>262,497,210</b>	<b>2,375,690</b>			
<b>Funding</b>															
AEF	213,400,720	213,399,242													
Council Tax & NDR Income	47,307,456	44,800,000	1,816,659												
Budgeted/withdrawn from Earmarked Reserves	4,354,613	4,354,613													
Budgeted from reserves to balance budget and fund severance	5,870,000	5,870,000													
<b>Total Funding</b>	<b>270,932,789</b>	<b>268,423,855</b>	<b>1,816,659</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>270,240,514</b>	<b>692,275</b>			
<b>Under/(Overspend)</b>	<b>10,811,269</b>	<b>0</b>	<b>1,816,659</b>	<b>278,496</b>	<b>33,409</b>	<b>84,300</b>	<b>84,300</b>	<b>72,743</b>	<b>1,221,071</b>	<b>4,236,626</b>	<b>7,743,304</b>	<b>3,067,965</b>			



REVENUE BUDGET MONITORING 2011-12 - DEPARTMENTAL OUTTURN SUMMARIES

APPENDIX 2

Department	Service	Adjustment for Funds Earmarked in General Fund Balance										Explanation			
		Actuals 2011-12	Budget 2011-12	Unspent Grant Monies carried forward to 2012-13	Third Party Contributions carried forward to 2012-13	CHORD	Existing Legal Commitments	DMR School Carry Forwards	Previous Council/Executive Decision	Adjusted Budget	(Over)/Underspend		Variance %age		
Chief Executive's Unit	Chief Executive	205,696	208,444									208,444	2,749	1.32%	Outwith Reporting Criteria
Chief Executive's Unit	Head of Improvement & Strategic HR	3,714,784	4,056,305		7,409						189,719	3,859,177	144,393	3.74%	There were year-end underspends in Training in both the Corporate budget and the Social Work training budgets totalling. In addition there were underspends across the Process for Change budgets, the full balance from reserves was drawn down in 2011-12 as provision for the ongoing costs have been included in the revenue budget from 2012-13 onwards.
Chief Executive's Unit	Head of Strategic Finance	2,102,428	2,066,262									2,066,262	(36,166)	-1.75%	Outwith Reporting Criteria
<b>Chief Executive's Unit Total</b>		<b>6,022,907</b>	<b>6,331,011</b>	<b>0</b>	<b>7,409</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>189,719</b>	<b>6,133,883</b>	<b>110,976</b>		

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Department	Service	Actuals 2011-12	Budget 2011-12	Unspent Grant Monies carried forward to 2012-13	Third Party Contributions carried forward to 2012-13	CHORD	Existing Legal Commitments	DMR School Carry Forwards	Previous Council/Executive Decision	Adjusted Budget	(Over)/Underspend	Variance %age	Explanation
Community Services	Executive Director of Community Services	612,413	1,397,260						750,000	647,260	34,846	5.38%	Variance relates to balance of excess vacancy savings achieved across the department.
Community Services	Head of Adult Care	40,317,830	42,065,016	35,000					431,070	41,598,946	1,281,116	3.08%	The main contributing factors to the underspend are learning disability and mental health supported living, residential care for elderly and learning disability, sheltered housing, warden, uncommitted learning disability budget that had been identified during service review and the a number of smaller variances.
Community Services	Head of Children and Families	15,072,178	15,881,585	510	26,000				30,000	15,825,075	752,897	4.76%	The main contributing factors are underspends in residential placements and respite along with a year 1 over-achievement of service review savings in the children's units. These are offset by overspends in the school hostels and in the area children and families teams.
Community Services	Head of Community and Culture	10,651,438	10,889,323	59,039					80,000	10,750,284	98,846	0.92%	The main contributing factors are an underspend in homelessness temporary accommodation and housing support which is offset by overspends in adult community learning and leisure services.
Community Services	Head of Education	64,821,943	67,400,693	168,947				1,221,071	1,289,600	64,721,075	(100,868)	-0.16%	A range of variations from budgets including over and underspends which net off to a variance which represents a small proportion of total budget.
<b>Community Services Total</b>		<b>131,475,803</b>	<b>137,633,876</b>	<b>263,496</b>	<b>26,000</b>	<b>0</b>	<b>0</b>	<b>1,221,071</b>	<b>2,580,670</b>	<b>133,542,639</b>	<b>2,066,837</b>		

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Customer Services	Executive Director of Customer Services	14,210,442	14,244,678						513,000	14,244,678	34,236	0.24%	Outwith Reporting Criteria
Customer Services	Head of Facility Services	10,495,803	10,601,249							10,088,249	(407,554)	-4.04%	This is mainly due to funding asbestos management arrangements, higher inflation than budgeted on transport contracts and delays in agreeing the sourcing strategy for contract renewals with a resultant revised savings estimate to move benefits realisation to 2012-13 onwards and delays in agreeing transport initiatives for 2011-12 thus requiring a lead in to the withdrawal of services. These are partially offset by a reduction in drivers and escorts for Pupil Transport as a result of service review, Pool Cars, Cleaning and Catering.
Customer Services	Head of Governance & Law	1,471,196	1,649,982	5,000					20,000	1,624,982	153,786	9.46%	Mainly due to Licensing and delays in filling posts for maternity leave and absence cover. These savings are partly offset by expenditure in advance of the Local Government Elections.
Customer Services	Head of Support & Customer Services	6,762,354	7,073,076	10,000						7,063,076	300,722	4.26%	Underspend relates to savings achieved in advance of the service review in areas such as Housing Benefits, Housing Benefit Admin, Commissioning, Procurement and Council Tax.
<b>Customer Services Total</b>		<b>32,939,794</b>	<b>33,568,984</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>533,000</b>	<b>33,020,984</b>	<b>81,190</b>		

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Development & Infrastructure Services	Executive Director of Development & Infrastructure Services	1,713,232	2,029,761							2,029,761	316,529	15.59%	Underspend is due to additional vacancy savings.
Development & Infrastructure Services	Head of Planning & Regulatory Services	3,224,636	3,165,204							3,165,204	-59,432	-1.88%	Outwith Reporting Criteria
Development & Infrastructure Services	Head of Economic Development	3,208,091	3,790,606			84,300	72,743		150,000	3,483,563	275,472	7.91%	The underspend is due to increased income at Port Askaig.
Development & Infrastructure Services	Head of Roads and Amenity Services	24,910,718	23,869,098						130,000	23,739,098	(1,171,620)	-4.94%	The overspend is due to a combination of winter maintenance and storm damage and the transfer of costs from capital to revenue in respect of deferred projects.
<b>Development &amp; Infrastructure Services Total</b>		<b>33,056,677</b>	<b>32,854,669</b>	<b>0</b>	<b>0</b>	<b>84,300</b>	<b>72,743</b>	<b>0</b>	<b>280,000</b>	<b>32,417,626</b>	<b>(639,051)</b>		
<b>Grand Total</b>		<b>203,495,181</b>	<b>210,388,541</b>	<b>278,496</b>	<b>33,409</b>	<b>84,300</b>	<b>72,743</b>	<b>1,221,071</b>	<b>3,583,389</b>	<b>205,115,133</b>	<b>1,619,951</b>		