

# Report

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Report to:	<b>Community Resources Committee</b>
Date of Meeting:	<b>3 February 2009</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources) Executive Director (Community Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2008/2009 - Community Resources</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 2008 to 23 December 2008 for Community Resources
- ◆ provide a forecast for the year to 31 March 2009.

## **2. Recommendation(s)**

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

- (1) that the overspend on Community Resources' revenue budget of £0.123 million (0.3%), as detailed in Appendix A of the report, be noted
- (2) that following the probable outturn exercise, the forecast to 31 March 2009 of an overspend of £0.132 million which will be offset by an anticipated increased surplus from the Community Resources' Trading Operations, 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 Community Resources Committee for the financial year 2008/2009. Further reports will follow throughout the financial year.
- 3.2. The report details the financial position for Community Resources in Appendix A, and then details the individual services, along with variance explanations, in Appendices B to G.

## **4. Employee Implications**

4.1. None

## **5. Financial Implications**

5.1. As at 23 December 2008, the variance from phased budget to date is an overspend of £0.123 million (0.3%).

- 5.2. Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2009 is an overspend of £0.132 million. This will be offset by an anticipated increased surplus from the Community Resources' Trading Operations.
- 5.3. Virements are also proposed to realign budgets across the services and with other Resources. These movements have been detailed in the appendices to this report.

## **6. Other Implications**

- 6.1. None

## **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 was also no requirement to undertake any consultation in terms of the information contained in this report.

**Linda Hardie**

**Executive Director (Finance and Information Technology Resources)**

**Norrie Anderson**

**Executive Director (Community Resources)**

9 January 2009

## **Link(s) to Council Values and Objectives**

- ◆ Value: Accountable, Effective and Efficient

## **Previous References**

- ◆ Community Resources Committee, 11 November 2008

## **List of Background Papers**

- ◆ Financial Ledger and budget monitoring results to 23 December 2008

## **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

Community Resources Committee: Period Ended 23 December 2008 (No.10)

## Community Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/08	Actual 23/12/08	Variance 23/12/08		% Variance 23/12/08	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	30,164	29,969	195	22,371	22,371	0	-	0.0%	
Property Costs	15,174	15,384	(210)	11,489	11,531	(42)	over	(0.4%)	
Supplies & Services	2,557	2,653	(96)	1,807	1,923	(116)	over	(6.4%)	
Transport & Plant	4,802	5,140	(338)	3,567	3,881	(314)	over	(8.8%)	
Administration Costs	8,676	8,783	(107)	6,393	6,453	(60)	over	(0.9%)	
Payments to Other Bodies	943	916	27	581	564	17	under	2.9%	
Payments to Contractors	20,820	20,556	264	16,182	15,924	258	under	1.6%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	583	590	(7)	471	476	(5)	over	(1.1%)	
<b>Total Controllable Exp.</b>	83,719	83,991	(272)	62,861	63,123	(262)	over	(0.4%)	
<b>Total Controllable Inc.</b>	(23,318)	(23,458)	140	(17,553)	(17,692)	139	over recovered	0.8%	
<b>Net Controllable Exp.</b>	60,401	60,533	(132)	45,308	45,431	(123)	over	(0.3%)	

**Variance Explanations**

Variance explanations are shown in Appendices B-G.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 23 December 2008 (No.10)

## Environmental and Strategic Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/08</b>	<b>Actual 23/12/08</b>	<b>Variance 23/12/08</b>		<b>% Variance 23/12/08</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	4,221	4,297	(76)	3,120	3,161	(41)	over	(1.3%)	<b>1 a, b</b>
Property Costs	151	182	(31)	126	154	(28)	over	(22.2%)	<b>2</b>
Supplies & Services	202	238	(36)	112	127	(15)	over	(13.4%)	
Transport & Plant	24	27	(3)	20	23	(3)	over	(15.0%)	
Administration Costs	1,161	1,198	(37)	833	855	(22)	over	(2.6%)	<b>a</b>
Payments to Other Bodies	334	300	34	182	162	20	under	11.0%	<b>a</b>
Payments to Contractors	189	173	16	132	146	(14)	over	(10.6%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	44	48	(4)	37	40	(3)	over	(8.1%)	
<b>Total Controllable Exp.</b>	<b>6,326</b>	<b>6,463</b>	<b>(137)</b>	<b>4,562</b>	<b>4,668</b>	<b>(106)</b>	<b>over</b>	<b>(2.3%)</b>	
<b>Total Controllable Inc.</b>	<b>(512)</b>	<b>(626)</b>	<b>114</b>	<b>(300)</b>	<b>(389)</b>	<b>89</b>	<b>over recovered</b>	<b>29.7%</b>	<b>3, a</b>
<b>Net Controllable Exp.</b>	<b>5,814</b>	<b>5,837</b>	<b>(23)</b>	<b>4,262</b>	<b>4,279</b>	<b>(17)</b>	<b>over</b>	<b>(0.4%)</b>	

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

The overspend is mainly due to backdated payments in respect of car allowances.

**2. Property Costs**

The overspend is mainly due to charges being higher than anticipated for the new storage unit at Whistleberry Avenue and Closed Circuit Television.

**3. Income**

The over recovery relates to income from Food Safety, Environmental Protection, Consumer, Trading Standards and Home Safety.

**Budget Virements**

- Transfer of Community Safety to Housing and Technical Resources (£507k): Employee Costs (£70k), Administration Costs (£1k), Payments to Other Bodies (£496k) and Income £60k.
- Additional 0.5% 2008/09 Pay Award £20k: Employee Costs £20k.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 23 December 2008 (No.10)

## Facilities and Cultural Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/08</b>	<b>Actual 23/12/08</b>	<b>Variance 23/12/08</b>		<b>% Variance 23/12/08</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	11,806	11,812	(6)	8.750	8,819	(69)	over	(0.8%)	1 a
Property Costs	4,379	4,589	(210)	2,852	2,887	(35)	over	(1.2%)	2
Supplies & Services	1,794	1,830	(36)	1,295	1,378	(83)	over	(6.4%)	3
Transport & Plant	134	127	7	95	99	(4)	over	(4.2%)	
Administration Costs	4,503	4,536	(33)	3,388	3,407	(19)	over	(0.6%)	
Payments to Other Bodies	513	502	11	334	328	6	under	1.8%	
Payments to Contractors	1	13	(12)	1	23	(22)	over	-2200.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	237	255	(18)	167	180	(13)	over	(7.8%)	
<b>Total Controllable Exp.</b>	<b>23,367</b>	<b>23,664</b>	<b>(297)</b>	<b>16,882</b>	<b>17,121</b>	<b>(239)</b>	<b>over</b>	<b>(1.4%)</b>	
<b>Total Controllable Inc.</b>	<b>(10,273)</b>	<b>(10,572)</b>	<b>299</b>	<b>(7,601)</b>	<b>(7,850)</b>	<b>249</b>	<b>over recovered</b>	<b>3.3%</b>	<b>4</b>
<b>Net Controllable Exp.</b>	<b>13,094</b>	<b>13,092</b>	<b>2</b>	<b>9,281</b>	<b>9,271</b>	<b>10</b>	<b>under</b>	<b>0.1%</b>	

**Variance Explanations**

- Employee Costs**  
This relates mainly to overspends within Rutherglen Town Hall and also overtime within Halls, Countryside and Heritage Services.
- Property Costs**  
The overspend relates to repairs and maintenance within Halls.
- Supplies and Service**  
The overspend is mainly due to food costs within Commercial Catering, Countryside and Heritage Services and East Kilbride Arts Centre, partially offset by an over recovery of income. In addition, within Halls and Operations Management there are overspends due to greater than anticipated expenditure on computer equipment, IT maintenance and office furniture.
- Income**  
This is mainly due to additional income in relation to food and hospitality, Commercial Catering and insurance works. There is also greater than anticipated income in relation to Council Officers for additional service provisions.

**Budget Virements**

- Additional 0.5% 2008/09 Pay Award £55k: Employee Costs £55k

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 23 December 2008 (No.10)

## Land Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/08</b>	<b>Actual 23/12/08</b>	<b>Variance 23/12/08</b>		<b>% Variance 23/12/08</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	11,062	10,880	182	8,211	8,200	11	under	0.1%	<b>a</b>
Property Costs	10,303	10,271	32	8,173	8,153	20	under	0.2%	
Supplies & Services	446	488	(42)	349	374	(25)	over	(7.2%)	<b>1</b>
Transport & Plant	4,499	4,832	(333)	3,342	3,631	(289)	over	(8.6%)	<b>2</b>
Administration Costs	2,575	2,560	15	1,965	1,970	(5)	over	(0.3%)	
Payments to Other Bodies	11	14	(3)	9	13	(4)	over	(44.4%)	
Payments to Contractors	10,140	9,965	175	8,369	8,051	318	under	3.8%	<b>3</b>
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	262	251	11	243	231	12	under	4.9%	
<b>Total Controllable Exp.</b>	<b>39,298</b>	<b>39,261</b>	<b>37</b>	<b>30,661</b>	<b>30,623</b>	<b>38</b>	<b>under</b>	<b>0.1%</b>	
<b>Total Controllable Inc.</b>	<b>(4,868)</b>	<b>(4,761)</b>	<b>(107)</b>	<b>(3,686)</b>	<b>(3,564)</b>	<b>(122)</b>	<b>under recovered</b>	<b>(3.3%)</b>	<b>4</b>
<b>Net Controllable Exp.</b>	<b>34,430</b>	<b>34,500</b>	<b>(70)</b>	<b>26,975</b>	<b>27,059</b>	<b>(84)</b>	<b>over</b>	<b>(0.3%)</b>	

**Variance Explanations**

- Supplies and Services**  
This overspend is mainly due greater than anticipated costs for sacks within Refuse Services.
- Transport and Plant**  
The overspend is due to greater than anticipated hired vehicles, fuel costs and external repairs and maintenance.
- Payment to Contractors**  
The under spend is mainly attributable to a reduction in green waste, bulky uplifts and residual waste.
- Income**  
The under recovery is due to the demand for Bereavement Services and Refuse Services being less than anticipated.

**Budget Virements**

- Additional 0.5% 2008/09 Pay Award £53k: Employee Costs £53k.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 23 December 2008 (No.10)

## Leisure

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 23/12/08</b>	<b>Actual 23/12/08</b>	<b>Variance 23/12/08</b>		<b>% Variance 23/12/08</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	4	4	0	3	3	0	-	0.0%	
Property Costs	69	66	3	69	66	3	under	4.3%	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	16	16	0	9	15	(6)	over	(66.7%)	
Administration Costs	0	2	(2)	0	1	(1)	over	n/a	
Payments to Other Bodies	60	68	(8)	50	52	(2)	over	(4.0%)	
Payments to Contractors	10,350	10,315	35	7,653	7,646	7	under	0.1%	a, b, c,
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>10,499</b>	<b>10,471</b>	<b>28</b>	<b>7,784</b>	<b>7,783</b>	<b>1</b>	<b>under</b>	<b>0.0%</b>	
<b>Total Controllable Inc.</b>	<b>(525)</b>	<b>(525)</b>	<b>0</b>	<b>(525)</b>	<b>(525)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
<b>Net Controllable Exp.</b>	<b>9,974</b>	<b>9,946</b>	<b>28</b>	<b>7,259</b>	<b>7,258</b>	<b>1</b>	<b>under</b>	<b>0.0%</b>	

Budget Virements

- Revenue Contribution to Capital for Coalburn Leisure Centre (£78k): Payment to Contractors (£78k).
- Budget transfer from Loan Charges for Active Schools £25k: Payment to Contractors £25k.
- Additional 0.5% 2008/09 South Lanarkshire Leisure Pay Award £30k: Payment to Contractors £30k.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 23 December 2008 (No.10)

## Projects

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/08	Actual 23/12/08	Variance 23/12/08		% Variance 23/12/08	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	731	689	42	540	498	42	under	7.8%	1, a
Property Costs	17	21	(4)	14	15	(1)	over	(7.1%)	
Supplies & Services	36	18	18	17	7	10	under	58.8%	
Transport & Plant	69	78	(9)	41	53	(12)	over	(29.3%)	
Administration Costs	9	10	(1)	1	2	(1)	over	(100.0%)	
Payments to Other Bodies	19	26	(7)	5	5	0	-	0.0%	
Payments to Contractors	140	90	50	27	58	(31)	over	(114.8%)	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	1	2	(1)	1	1	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>1,022</b>	<b>934</b>	<b>88</b>	<b>646</b>	<b>639</b>	<b>7</b>	<b>under</b>	<b>1.1%</b>	
<b>Total Controllable Inc.</b>	<b>(495)</b>	<b>(338)</b>	<b>(157)</b>	<b>(327)</b>	<b>(261)</b>	<b>(66)</b>	<b>under recovered</b>	<b>(20.2%)</b>	<b>3</b>
<b>Net Controllable Exp.</b>	<b>527</b>	<b>596</b>	<b>(69)</b>	<b>319</b>	<b>378</b>	<b>(59)</b>	<b>over</b>	<b>(18.5%)</b>	

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

The underspend is due to less than anticipated numbers being employed to date, offset by an under recovery of grant income.

**2. Payment to Contractors**

This overspend is due to the repayment of European Task Force /Social Inclusion Partnership funding to the Scottish Government.

**3. Income**

The grant income reflects expenditure incurred. The under recovery reflects the underspend in employee costs.

**Budget Virements**

- a. Additional 0.5% 2008/09 Pay Award £4k: Employee Costs £4k.



## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community Resources Committee: Period Ended 23 December 2008 (No.10)

## Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/08	Actual 23/12/08	Variance 23/12/08		% Variance 23/12/08	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,340	2,287	53	1,747	1,690	57	under	3.3%	1, a
Property Costs	255	255	0	255	256	(1)	over	(0.4%)	
Supplies & Services	79	79	0	34	37	(3)	over	(8.8%)	
Transport & Plant	60	60	0	60	60	0	-	0.0%	
Administration Costs	428	477	(49)	206	218	(12)	over	(5.8%)	
Payments to Other Bodies	6	6	0	1	4	(3)	over	(300.0%)	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	39	34	5	23	24	(1)	over	(4.3%)	
<b>Total Controllable Exp.</b>	3,207	3,198	9	2,326	2,289	37	under	1.6%	
<b>Total Controllable Inc.</b>	(6,645)	(6,636)	(9)	(5,114)	(5,103)	(11)	under recovered	(0.2%)	
<b>Net Controllable Exp.</b>	(3,438)	(3,438)	0	(2,788)	(2,814)	26	under	0.9%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies across Support Services.

Budget Virements

- a. Additional 0.5% 2008/09 Pay Award £10k: Employee Costs £10k.