

# Report

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Report to:	<b>Community Services Committee</b>
Date of Meeting:	<b>22 January 2013</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Community Services - Revenue Budget Monitoring 2012/2013</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 to 26 October 2012 for Community Services
- ◆ provide a forecast for the year to 31 March 2013

## 2. Recommendation(s)

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

- (1) that the overspend on the Community Services revenue budget of £0.012m (0.03%), as detailed in Appendices B to F of the report, and the forecast to 31 March 2013 of break even be noted; and
- (2) that the proposed budget virements in respect of Community Services as detailed in Appendices B to F of the report, be approved.

## 3. Background

- 3.1. This is the fourth revenue budget monitoring report presented to the Community Services Committee for the financial year 2012/2013.
- 3.2. The Community and Enterprise Resources budget is managed in totality by the Resource. The individual Community Services reports are included, along with variance explanations, in Appendices B to F. For information, the report details the financial position for Community and Enterprise Resources in Appendix A. As Appendices B to F reflect Community Services only, the total of Appendix A does not balance to the total of these.
- 3.3. Support Services within the Resource provides support for all Services, however, this is monitored through the Community Services Committee.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 26 October 2012, the Community Services variance from phased budget is an overspend of £0.012m (0.03%). The Community Services forecast for the revenue budget to 31 March 2013 is a break even position.

- 5.2. 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. 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 this report.

**Paul Manning**

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

**Colin McDowall**

**Executive Director (Community and Enterprise Resources)**

12 November 2012

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

- ◆ Accountable, Effective and Efficient

## **Previous References**

- ◆ Community Services Committee, 30 October 2012
- Enterprise Services Committee, 30 October 2012

## **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 26 October 2012.

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Lorraine O'Hagan, Accounting and Budgeting Manager

Ext: 4617 (Tel: 01698 454617)

E-mail: [lorraine.o'hagan@southlanarkshire.gov.uk](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	36,945	36,945	0	19,787	19,698	89	under	0.4%	
Property Costs	12,421	12,421	0	8,036	8,110	(74)	over	(0.9%)	
Supplies & Services	4,701	4,701	0	1,854	1,951	(97)	over	(5.2%)	
Transport & Plant	5,709	5,709	0	3,542	3,779	(237)	over	(6.7%)	
Administration Costs	8,915	8,915	0	4,757	4,816	(59)	over	(1.2%)	
Payments to Other Bodies	22,967	22,967	0	12,145	12,214	(69)	over	(0.6%)	
Payments to Contractors	61,408	61,408	0	30,299	29,109	1,190	under	3.9%	
Transfer Payments	533	533	0	400	400	0	-	0.0%	
Financing Charges	769	769	0	513	499	14	under	2.7%	
<b>Total Controllable Exp.</b>	154,368	154,368	0	81,333	80,576	757	under	0.9%	
<b>Total Controllable Inc.</b>	(35,988)	(35,988)	0	(17,096)	(16,349)	(747)	under recovered	(4.4%)	
<b>Net Controllable Exp.</b>	118,380	118,380	0	64,237	64,227	10	under	0.0%	

**Variance Explanations**

Variance explanations are shown in Appendices B to F.

**Budget Virements**

Budget virements are shown in Appendices B to F.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Facilities, Streets and Bereavement

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	11,670	11,670	0	6,248	6,249	(1)	over	0.0%	
Property Costs	11,259	11,259	0	7,416	7,402	14	under	0.2%	a, b, c
Supplies & Services	1,006	1,006	0	511	498	13	under	2.5%	
Transport & Plant	1,578	1,578	0	979	1,051	(72)	over	(7.4%)	1, d
Administration Costs	4,035	4,035	0	2,276	2,272	4	under	0.2%	
Payments to Other Bodies	9	9	0	4	13	(9)	over	(225.0%)	
Payments to Contractors	98	98	0	45	47	(2)	over	(4.4%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	229	229	0	148	163	(15)	over	(10.1%)	
<b>Total Controllable Exp.</b>	<b>29,884</b>	<b>29,884</b>	<b>0</b>	<b>17,627</b>	<b>17,695</b>	<b>(68)</b>	<b>over</b>	<b>(0.4%)</b>	
<b>Total Controllable Inc.</b>	<b>(11,396)</b>	<b>(11,396)</b>	<b>0</b>	<b>(6,645)</b>	<b>(6,714)</b>	<b>69</b>	<b>over recovered</b>	<b>1.0%</b>	<b>2</b>
<b>Net Controllable Exp.</b>	<b>18,488</b>	<b>18,488</b>	<b>0</b>	<b>10,982</b>	<b>10,981</b>	<b>1</b>	<b>under</b>	<b>0.0%</b>	

**Variance Explanations****1. Transport and Plant**

The overspend is mainly due to fuel and hired vehicle charges being greater than anticipated within Streets and Bereavement Services.

**2. Income**

The over recovery is mainly due to demand for street cleansing services.

**Budget Virements**

- Transfer from centrally held funds in respect of rates poundage increase £0.023m: Property Costs £0.023m.
- Transfer from centrally held funds in respect of utilities price increase £0.046m: Property Costs £0.046m.
- Transfer from centrally held funds for charge from Grounds Trading Services in respect of fuel £0.083m: Property Costs £0.083m.
- Transfer from centrally held funds in respect of fuel price increase £0.055m: Transport and Plant £0.055m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Waste and Environmental

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	9,467	9,467	0	5,035	4,974	61	under	1.2%	1, c
Property Costs	118	118	0	95	106	(11)	over	(11.6%)	a
Supplies & Services	599	599	0	205	212	(7)	over	(3.4%)	
Transport & Plant	3,745	3,745	0	2,366	2,460	(94)	over	(4.0%)	2, b
Administration Costs	2,314	2,314	0	1,301	1,293	8	under	0.6%	
Payments to Other Bodies	228	228	0	92	83	9	under	9.8%	
Payments to Contractors	15,179	15,179	0	8,438	8,441	(3)	over	0.0%	c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	318	318	0	239	237	2	under	0.8%	
<b>Total Controllable Exp.</b>	31,968	31,968	0	17,771	17,806	(35)	over	(0.2%)	
<b>Total Controllable Inc.</b>	(1,362)	(1,362)	0	(769)	(634)	(135)	under recovered	(17.6%)	3, c
<b>Net Controllable Exp.</b>	30,606	30,606	0	17,002	17,172	(170)	over	(1.0%)	

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

The underspend is mainly due to vacancies that exist across the Service with the recruitment process underway to fill a number of posts. In addition, overtime costs within Refuse and Disposal Services are less than anticipated.

**2. Transport and Plant**

The overspend is due to greater than anticipated fuel and vehicle maintenance costs within Refuse and Disposal Services.

**3. Income**

The under recovery is due to less than anticipated income from domestic waste bins, disposal vouchers and fixed penalty and contaminated land income.

**Budget Virements**

- Transfer from centrally held funds in respect of rates poundage increase £0.005m: Property Costs £0.005m.
- Transfer from centrally held funds in respect of fuel price increase £0.125m: Transport and Plant £0.125m.
- Realignment of Waste budget to reflect current service delivery: Net Effect £0: Employee Costs (£0.300m), Payments to Contractors (£0.780m), Income £1.080m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Leisure and Culture

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	4	4	0	2	3	(1)	over	(50.0%	
Property Costs	232	232	0	109	109	0	-	0.0%	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,759	1,759	0	998	997	1	under	0.1%	
Payments to Other Bodies	111	111	0	23	21	2	under	8.7%	
Payments to Contractors	21,721	21,721	0	10,684	10,684	0	-	0.0%	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>23,827</b>	<b>23,827</b>	<b>0</b>	<b>11,816</b>	<b>11,814</b>	<b>2</b>	<b>under</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>23,827</b>	<b>23,827</b>	<b>0</b>	<b>11,816</b>	<b>11,814</b>	<b>2</b>	<b>under</b>	<b>0.0%</b>	

**Budget Virements**

a. Transfer from centrally held funds in respect of utilities price increase £0.326m: Payments to Contractors £0.326m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Projects

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	419	419	0	271	287	(16)	over	(5.9%)	1
Property Costs	0	0	0	0	2	(2)	over	n/a	
Supplies & Services	77	77	0	11	27	(16)	over	(145.5%)	2
Transport & Plant	153	153	0	93	93	0	-	0.0%	
Administration Costs	0	0	0	0	0	0	-	n/a	
Payments to Other Bodies	0	0	0	0	7	(7)	over	n/a	
Payments to Contractors	306	306	0	26	1	25	under	96.2%	3
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>	955	955	0	401	417	(16)	over	(4.0%)	
<b>Total Controllable Inc.</b>	(948)	(948)	0	(393)	(409)	16	over recovered	4.1%	4
<b>Net Controllable Exp.</b>	7	7	0	8	8	0	-	0.0%	

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

The overspend is mainly due to greater than anticipated employee costs on Future Jobs Fund projects and is offset by an over recovery in income.

**2. Supplies and Services**

The overspend is due to greater than anticipated expenditure within Greenspace Health projects and is offset by an underspend in Payments to Contractors.

**3. Payments to Contractors**

The underspend is due to less than anticipated work carried out to date within Greenspace Health projects.

**4. Income**

The over recovery is due to additional income received for Future Jobs Fund projects and is offset by additional expenditure on Employee costs.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	4,530	4,530	0	2,409	2,374	35	under	1.5%	1
Property Costs	295	295	0	4	4	0	-	0.0%	
Supplies & Services	187	187	0	81	76	5	under	6.2%	
Transport & Plant	73	73	0	9	10	(1)	over	(11.1%)	
Administration Costs	(1,859)	(1,859)	0	50	50	0	-	0.0%	
Payments to Other Bodies	0	0	0	0	1	(1)	over	n/a	
Payments to Contractors	819	819	0	121	0	121	under	100.0%	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	75	75	0	31	33	(2)	over	(6.5%)	
<b>Total Controllable Exp.</b>	<b>4,120</b>	<b>4,120</b>	<b>0</b>	<b>2,705</b>	<b>2,548</b>	<b>157</b>	<b>under</b>	<b>5.8%</b>	
<b>Total Controllable Inc.</b>	<b>(8,479)</b>	<b>(8,479)</b>	<b>0</b>	<b>(4,405)</b>	<b>(4,403)</b>	<b>(2)</b>	<b>under recovered</b>	<b>0.0%</b>	
<b>Net Controllable Exp.</b>	<b>(4,359)</b>	<b>(4,359)</b>	<b>0</b>	<b>(1,700)</b>	<b>(1,855)</b>	<b>155</b>	<b>under</b>	<b>9.1%</b>	

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

The underspend is mainly due to vacancies that exist across the service.

**2. Payments to Contractors**

The underspend is due to the running costs of new operational buildings being lower than anticipated.