

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	29 June 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community and Enterprise Resources - Revenue Budget Monitoring 2021/2022
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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 21 May 2021 for Community and Enterprise Resources

2. Recommendation(s)

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

- (1) that an overspend of £0.613m as at 21 May 2021 on the Community and Enterprise Resources' revenue budget, as detailed in Appendix A of the report, be noted; and
- (2) that the proposed budget virements, as detailed in appendices B to G, be approved.

3. Background

3.1. This is the first revenue budget monitoring report presented to the Community and Enterprise Resources Committee for the financial year 2021/2022.

3.2. The report details the financial position for Community and Enterprise Resources in Appendix A and the individual services' reports in appendices B to F, including variance explanation and outlines the specific costs incurred in relation to the Resources' COVID-19 response in Appendix G

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 21 May 2021, there is a reported overspend of £0.613m against the phased budget.

5.2. The current cost of COVID-19 for the Resource is an overspend of £0.587m.

This reflects expenditure of £0.230m relating to increased staff costs in support of the COVID-19 response; costs resulting from increased domestic waste tonnage; additional transport costs and the costs of PPE and enhanced cleaning regimes. In

addition, £0.363m represents loss of income from parking charges, private care of gardens and school meals, with a minor budget underspend on corporate catering of £0.006m offsetting these costs. This position does not reflect any impact for south Lanarkshire Leisure and Culture (SLLC) as at 21 May 2021.

5.3. The core budget for the Resources has a minor overspend position at 21 May 2021 and variance explanations for each service area are detailed in appendices B to G where appropriate.

5.4. Virements are proposed to realign budgets across budget categories and with other Resources. These movements are detailed in appendices B to G of this report.

6. Climate Change, Sustainability and Environmental Implications

6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

7. Other Implications

7.1. 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.

8. Equality Impact Assessment and Consultation Arrangements

8.1. 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.

8.2. 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)

Michael McGlynn

Executive Director (Community and Enterprise Resources)

1 June 2021

Link(s) to Council Values/Ambitions/Objectives

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ None

List of Background Papers

♦ Financial ledger and budget monitoring results to 21 May 2021.

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 and Enterprise Resources: Period 2 Ended 21 May 2021 (No.2)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	85,062	85,062	0	10,130	10,068	62	under	0.6%	
Property Costs	3,510	3,510	0	177	204	(27)	over	(15.3%)	
Supplies & Services	15,400	15,400	0	1,554	1,558	(4)	over	(0.3%)	
Transport & Plant	20,154	20,154	0	2,759	2,905	(146)	over	(5.3%)	
Administration Costs	804	804	0	48	51	(3)	over	(6.3%)	
Payments to Other Bodies	27,660	27,660	0	13,188	13,188	0	-	0.0%	
Payments to Contractors	38,883	38,883	0	6,642	6,738	(96)	over	(1.4%)	
Transfer Payments	604	604	0	151	151	0	-	0.0%	
Financing Charges	184	184	0	1	1	0	-	0.0%	
Total Controllable Exp.	192,261	192,261	0	34,650	34,684	(214)	over	(0.6%)	
Total Controllable Inc.	(77,057)	(77,057)	0	(22,968)	(22,569)	(399)	under recovered	(1.7%)	
Net Controllable Exp.	115,204	115,204	0	11,682	12,295	(613)	over	(5.2%)	

Variance Explanations

Detailed within appendices B to G.

Budget Virements

Budget virements are shown in appendices B to G.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 21 May 2021 (No.2)

Facilities, Streets, Waste and Grounds (including Support)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	54,174	54,174	0	6,371	6,292	79	under	1.2%	1,a
Property Costs	1,785	1,785	0	131	139	(8)	over	(6.1%)	2,a
Supplies & Services	6,981	6,981	0	959	949	10	under	1.0%	a
Transport & Plant	7,479	7,479	0	1,224	1,224	0	-	0.0%	
Administration Costs	296	296	0	25	26	(1)	over	(4.0%)	a
Payments to Other Bodies	2,041	2,041	0	2	2	0	-	0.0%	
Payments to Contractors	14,292	14,292	0	1,004	1,004	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	77	77	0	0	0	0	-	n/a	
Total Controllable Exp.	88,125	88,125	0	9,716	9,636	80	under	0.8%	
Total Controllable Inc.	(18,764)	(18,784)	0	(3,808)	(3,609)	(199)	under recovered	5.2%	3,a,b
Net Controllable Exp.	69,341	69,341	0	5,908	6,027	(119)	over	(2.0%)	

Variance Explanations

1. The under spend in employee costs is due to vacancies within School Crossing Patrollers, Catering and Cleaning services and within Business Support which are being recruited.
2. The variance relates to the upgrading of the CCTV system at the Castlehill Transfer station.
3. The under recovery of income is due to less cash received from school meals and the demand for private care of garden services being less as result of the COVID-19 pandemic.

Budget Virements

- a. Realign budget to reflect service delivery within Facilities. Net effect £0.025m: Employees (£0.365m), Property (£0.412m), Supplies and Services (£0.059m), Administration (£0.005m) Income £0.866m.
- b. Transfer of budget for RPI for Facilities to SLLC. Net effect (£0.013m): Income (£0.013m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 21 May 2021 (No.2)

Fleet and Environmental Services (Incl Projects)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	9,018	9,018	0	1,214	1,175	39	under	3.2%	1
Property Costs	179	179	0	11	11	0	-	0.0%	
Supplies & Services	267	267	0	46	46	0	-	0.0%	
Transport & Plant	8,344	8,344	0	1,043	1,175	(132)	over	(12.7%)	2
Administration Costs	31	31	0	8	9	(1)	over	(12.5%)	
Payments to Other Bodies	123	123	0	2	2	0	-	0.0%	
Payments to Contractors	237	237	0	38	37	1	under	2.6%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	24	24	0	0	0	0	-	n/a	
Total Controllable Exp.	18,223	18,223	0	2,362	2,455	(93)	over	(3.9%)	
Total Controllable Inc.	(18,034)	(18,034)	0	(1,441)	(1,422)	(19)	under recovered	(1.3%)	3
Net Controllable Exp.	189	189	0	921	1,033	(112)	over	(12.2%)	

Variance Explanations

1. The variance is mainly due to vacant posts within the services which are being recruited.
2. The overspend mainly relates to the timing in the achievement of efficiencies.
3. The under recovery relates to less income from taxi inspections through Fleet Services as a result of the COVID-19 pandemic.

Budget Virements

No budget virements to report.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 21 May 2021 (No.2)

South Lanarkshire Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/06/20	Actual 19/06/20	Variance 19/06/20	% Variance 19/06/20	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	4	4	0	1	1	0	-	0.0%
Property Costs	182	182	0	12	12	0	-	0.0% a
Supplies & Services	0	0	0	0	0	0	-	n/a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	8	8	0	0	0	0	-	n/a
Payments to Other Bodies	80	80	0	0	0	0	-	n/a
Payments to Contractors	19,280	19,280	0	4,816	4,816	0	-	0.0% b, c
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
Total Controllable Exp.	19,554	19,554	0	4,829	4,829	0	-	0.0%
Total Controllable Inc.	0	0	0	0	0	0	-	n/a
Net Controllable Exp.	19,554	19,554	0	4,829	4,829	0	-	0.0%

Variance Explanations

No variances to report.

Budget Virements

- Realign budget to reflect service delivery. Net effect (£0.025m): Property Costs (£0.025m)
- Transfer of budget for RPI for Facilities to SLLC. Net effect £0.013m: Payment to Contractors £0.013m
- Transfer of funding from Finance & Corporate to SLLC for utilities. Net effect £0.107m: Payment to Contractors £0.107m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 21 May 2021 (No.2)

Planning and Economic Development

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,944	4,944	0	584	577	7	under	1.2%	a, b
Property Costs	607	607	0	0	0	0	-	0.0%	b
Supplies & Services	99	99	0	6	6	0	-	0.0%	
Transport & Plant	33	33	0	0	0	0	-	0.0%	
Administration Costs	64	64	0	6	6	0	-	0.0%	
Payments to Other Bodies	20,148	20,148	0	11,873	11,873	0	-	0.0%	b
Payments to Contractors	302	302	0	0	0	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	34	34	0	0	0	0	-	0.0%	
Total Controllable Exp.	26,231	26,321	0	12,469	12,462	7	under	0.1%	
Total Controllable Inc.	(20,361)	(20,361)	0	(16,302)	(16,302)	(7)	under recovered	(0.0%)	a,b
Net Controllable Exp.	5,870	5,870	0	(3,833)	(3,833)	0	-	0.0%	

Variance Explanations

No major variances to report.

Budget Virements

- Realignment of budget to reflect service delivery within Planning and Economic Development and LEADER project. Net Effect £0.000m: Employee Costs (£0.079m), Income £0.079m.
- Establish budget for Business Loans Scotland Funding, City Deal, Clyde Mission Fund Cycle Park Shawfield Regeneration Route, Clyde Mission Fund Cycle Park, Covid-19 Strategic Framework Business Fund Restart and Transitional payments, Clyde Gateway and Hamilton Towers Expenditure and Income. Net effect £0.819m: Employees £0.308m, Property £0.581m, Payments to Other Bodies £16.644m, Income (£16.714m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 21 May 2021 (No.2)

Roads Total (Inc Roads Constructing Services)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	15,922	15,922	0	1,960	1,935	25	under	1.3%	1
Property Costs	757	757	0	23	26	(3)	over	(13.0%)	
Supplies & Services	8,053	8,053	0	543	543	0	-	0.0%	
Transport & Plant	4,298	4,298	0	492	492	0	-	0.0%	
Administration Costs	405	405	0	9	9	0	-	0.0%	
Payments to Other Bodies	5,268	5,268	0	1,311	1,311	0	-	0.0%	b, c
Payments to Contractors	4,772	4,772	0	784	784	0	-	0.0%	a, b,d
Transfer Payments	604	604	0	151	151	0	-	0.0%	c
Financing Charges	49	49	0	1	1	0	-	0.0%	
Total Controllable Exp.	40,128	40,128	0	5,274	5,252	22	under	0.4%	
Total Controllable Inc.	(19,878)	(19,878)	0	(1,417)	(1,243)	(174)	under recovered	(12.3%)	2,d
Net Controllable Exp.	20,250	20,250	0	3,857	4,009	(152)	over	(3.9%)	

Variance Explanations

1. The variance is mainly due to staff turnover.
2. The under recovery is mainly due to reduced fee income for parking.

Budget Virements

- a. Transfer of budget for capital funded from revenue. Net effect (£1.531m): Payment to Contractor (£1.531m)
- b. Realignment of budget to reflect service provision. Net effect £0.000m: Payment to Other Bodies (£0.030m) Payment to Contractors £0.030m
- c. Establish temporary budget to reflect payments to SPT 21/22. Net effect £0.084m: Payment to Other Bodies £0.074m, Transfer Payments £0.010m
- d. Budget realignment to reflect revenue works completed by the Construction Unit for Roads General Services as a result of the change to trading services. Net effect £0.000m: Payment to Contractor (£11.651m), Income £11.651m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 21 May 2021 (No.2)

COVID-19

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/06/20	Actual 19/06/20	Variance 19/06/20		% Variance 19/06/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	0	0	0	0	88	(88)	over	n/a	1
Property Costs	0	0	0	0	16	(16)	over	n/a	2
Supplies & Services	0	0	0	0	14	(14)	over	n/a	3
Transport & Plant	0	0	0	0	14	(14)	over	n/a	4
Administration Costs	0	0	0	0	1	(1)	over	n/a	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	97	(97)	over	n/a	5
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	0	0	0	0	230	(230)	over	n/a	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	0	0	0	0	230	(230)	over	n/a	

Variance Explanations

1. The variance is directly related to employee costs associated with the Resources' response to the pandemic.
2. The variance relates to additional cleaning costs and materials as a result of enhanced cleaning regimes.
3. The variance relates to additional costs for equipment, PPE and health and hygiene.
4. The variance relates to fuel and vehicles costs directly related to the COVID-19 pandemic.
5. The variance relates mainly to additional costs in relation to domestic waste tonnage as a result of the pandemic.