

# Report

Report to:	<b>Finance and Corporate Resources Committee</b>
Date of Meeting:	<b>17 March 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2020/2021 - Finance and Corporate 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 2020 to 29 January 2021 for Finance and Corporate Resources
- ◆ provide a forecast for the year to 31 March 2021

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

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

- (1) that the forecast to 31 March 2021 of an overspend of £6.336 million, before approved transfers to reserves, as detailed in Appendix A of the report, be noted;
- (2) that the forecast to 31 March 2021 of an overspend of £6.439 million, after approved transfers to reserves, as detailed in Appendix A of the report, be noted;
- (3) that an overspend of £4.640 million as at 29 January 2021, after approved transfers to reserves, as detailed in Appendix A of the report, be noted; and
- (4) that the proposed budget virements be approved.

## **3. Background**

- 3.1. This is the fourth revenue budget monitoring report presented to the Finance and Corporate Resources Committee for the financial year 2020/2021.
- 3.2. The report details the financial position for Finance and Corporate Resources on Appendix A, along with variance explanations in Appendices B-I.
- 3.3. The Resource has incurred expenditure in relation to COVID-19, and in order to separate these costs from the Resource's normal activities, a COVID-19 Service has been included at Appendix I.

## **4. Employee Implications**

4.1. None.

## **5. Financial Implications**

- 5.1. **Probable Outturn:** Following the Council's formal Probable Outturn exercise, the Resource is forecasting an overspend of £6.336 million position, before transfers to reserves. After the approved transfers to reserves of £0.103 million, the position is an overspend of £6.439 million. The transfers to reserves were approved by the Executive Committee on 10 February 2021. The Resource position is outlined in Appendix A.
- 5.2. The forecast cost of COVID-19 is £6.409 million. This is the net effect of expenditure of £5.559 million as outlined in Appendix I, a loss of income totalling £0.517 million within Finance - Transactions, Administration, Legal and Licensing and Communications and Strategy (being £0.010 million, £0.452 million and £0.055 million, respectively), savings that have not been achieved totalling £0.354 million and finally unspent budget of £0.021 million which will contribute towards the costs.
- 5.3. **Position as at 29 January 2021:** As at 29 January 2021, the Resource position is an overspend of £4.640 million after approved transfers to reserves.
- 5.4. This includes the net costs of COVID-19 totalling £4.610 million.
- 5.5. The budget included in Appendix I for COVID-19 relates to Scottish Government funding in relation to COVID-19 Business Support Grants.
- 5.6. Virements are proposed to realign budgets. These movements are detailed in the appendices to this report, as appropriate.

## **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 the report.

**Paul Manning**

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

10 February 2021

**Link(s) to Council Values/Ambitions/Objectives**

- ◆ Value: Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Finance and Corporate Resources Committee – 20 January 2021

**List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 29 January 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

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Finance and Corporate Resources Summary

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTERS Transfers</b>	<b>Budget Proportion 29/01/21</b>	<b>Actual BEFORE Transfers 29/01/21</b>	<b>Variance 29/01/21</b>		<b>% Variance 29/01/21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Employee Costs	33,932	35,037	(1,105)	(1,105)	27,508	28,418	(910)	over	(3.3%)
Property Costs	4,096	4,207	(111)	(183)	1,780	1,875	(95)	over	(5.3%)
Supplies & Services	6,949	10,568	(3,619)	(3,619)	6,384	8,586	(2,202)	over	(34.5%)
Transport & Plant	104	47	57	32	80	51	29	under	36.3%
Administration Costs	8,475	7,628	847	847	6,430	5,766	664	under	10.3%
Payments to Other Bodies	52,561	52,256	305	299	46,406	46,166	240	under	0.5%
Payments to Contractors	265	278	(13)	(13)	217	218	(1)	over	(0.5%)
Transfer Payments	70,687	69,754	933	933	54,714	53,734	980	under	1.8%
Financing Charges	1,040	1,164	(124)	(124)	926	1,114	(188)	over	(20.3%)
<b>Total Controllable Exp.</b>	178,109	180,939	(2,830)	(2,933)	144,445	145,928	(1,483)	over	(1.0%)
<b>Total Controllable Inc.</b>	(142,353)	(138,847)	(3,506)	(3,506)	(109,045)	(105,977)	(3,068)	under recovered	(2.8%)
<b>Net Controllable Exp.</b>	35,756	42,092	(6,336)	(6,439)	35,400	39,951	(4,551)	over	(12.9%)
<b>Transfer to Reserves (as at 29/01/21)</b>	0	0	0	0	0	89	(89)	over	n/a
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	35,758	42,092	(6,336)	(6,439)	35,400	40,040	(4,640)	over	(13.1%)

**Variance Explanations**

Variance explanations are shown in Appendices B to I as appropriate.

**Budget Virements**

Budget virements are shown in Appendices B to I as appropriate.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Finance - Strategy Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTERS Transfers	Budget Proportion	Actual BEFORE Transfers	Variance		% Variance	Note
					29/01/21	29/01/21	29/01/21		29/01/21	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	2,978	2,985	(7)	(7)	2,432	2,438	(6)	over	(0.2%)	a
Property Costs	0	0	0	0	0	0	0	-	n/a	
Supplies & Services	19	25	(6)	(6)	17	22	(5)	over	(29.4%)	
Transport & Plant	0	0	0	0	0	1	(1)	over	n/a	
Administration Costs	112	122	(10)	(10)	108	106	2	under	1.9%	
Payments to Other Bodies	495	504	(9)	(9)	344	343	1	under	0.3%	
Payments to Contractors	22	19	3	3	17	12	5	under	29.4%	
Transfer Payments	0	0	0	0	0	0	0	-	n/a	
Financing Charges	16	15	1	1	13	11	2	under	15.4%	
Total Controllable Exp.	3,642	3,670	(28)	(28)	2,931	2,933	(2)	over	(0.1%)	
Total Controllable Inc.	(1,677)	(1,704)	27	27	(25)	(31)	6	over recovered	24.0%	a
Net Controllable Exp.	1,965	1,966	(1)	(1)	2,906	2,902	4	under	0.1%	
Transfer to Reserves (as at 29/01/21)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (as at 29/01/21)	1,965	1,966	(1)	(1)	2,906	2,902	4	under		

**Budget Virements**

a. Budget realignment to reflect staff recharges. Net Effect £0.000m: Employee Costs £0.130m, and Income (£0.130m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Finance - Transactions Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTER Transfers</b>	<b>Budget Proportion</b>	<b>Actual BEFORE Transfers</b>	<b>Variance</b>	<b>% Variance</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	
					<b>£000</b>	<b>£000</b>	<b>£000</b>		
Employee Costs	11,299	11,317	(18)	(18)	9,198	9,175	23	under	0.3%
Property Costs	3,240	3,218	22	22	1,115	1,066	49	under	4.4% <b>1</b>
Supplies & Services	812	782	30	30	677	643	34	under	5.0%
Transport & Plant	7	1	6	6	5	2	3	under	60.0%
Administration Costs	1,478	1,340	138	138	1,246	1,173	73	under	5.9% <b>2, a</b>
Payments to Other Bodies	0	0	0	0	0	0	0	-	n/a
Payments to Contractors	243	256	(13)	(13)	200	206	(8)	over	(3.0%)
Transfer Payments	70,687	69,574	1,113	1,113	54,714	53,647	1,067	under	2.0% <b>3</b>
Financing Charges	104	98	6	6	78	77	1	under	1.3%
<b>Total Controllable Exp.</b>	<b>87,870</b>	<b>86,586</b>	<b>1,284</b>	<b>1,284</b>	<b>67,233</b>	<b>65,989</b>	<b>1,244</b>	<b>under</b>	<b>1.9%</b>
<b>Total Controllable Inc.</b>	<b>(74,184)</b>	<b>(72,902)</b>	<b>(1,282)</b>	<b>(1,282)</b>	<b>(54,225)</b>	<b>(52,957)</b>	<b>(1,268)</b>	<b>under recovered</b>	<b>(2.3%) 4, a</b>
<b>Net Controllable Exp.</b>	<b>13,686</b>	<b>13,684</b>	<b>2</b>	<b>2</b>	<b>13,008</b>	<b>13,032</b>	<b>(24)</b>	<b>over</b>	<b>(0.2%)</b>
<b>Transfer to Reserves (as at 29/01/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	<b>13,686</b>	<b>13,684</b>	<b>2</b>	<b>2</b>	<b>13,008</b>	<b>13,032</b>	<b>(24)</b>	<b>over</b>	

**Variance Explanations****1. Property Costs**

The underspend relates to the profile of Scottish Welfare Fund payments made to date, offset by increased Administration Costs (see 2 below).

**2. Administration Costs**

The underspend is due to lower than anticipated legal fees to date, partially offset by increased Scottish Welfare Fund payments (see 1 above).

**3. Transfer Payments**

The underspend is due to the current profile of Housing Benefit payments and is offset in part by an under recovery of income (see 4 below).

**4. Income**

The under recovery relates to the under recovery of Housing Benefit Subsidy income, offset by reduced expenditure (see 3 above). In addition, there is an under recovery of income from Housing Benefit Overpayments and Statutory Additions.

**Budget Virements**

a. Scottish Welfare Fund additional funding Net Effect £0.000m: Administration Costs £0.237m, and Income (£0.237m)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Audit Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion	Actual BEFORE Transfers	Variance		% Variance	Note
					29/01/21	29/01/21	29/01/21		29/01/21	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	625	640	(15)	(15)	507	521	(14)	over	(2.8%)	a
Property Costs	0	0	0	0	0	0	0	-	n/a	
Supplies & Services	7	7	0	0	7	4	3	under	42.9%	
Transport & Plant	0	0	0	0	0	0	0	-	n/a	
Administration Costs	7	4	3	3	4	3	1	under	25.0%	
Payments to Other Bodies	0	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	0	-	n/a	
Financing Charges	4	4	0	0	4	3	1	under	25.0%	
<b>Total Controllable Exp.</b>	643	655	(12)	(12)	522	531	(9)	over	(1.7%)	
<b>Total Controllable Inc.</b>	(313)	(325)	12	12	(38)	(47)	9	over recovered	23.7%	a
<b>Net Controllable Exp.</b>	330	330	0	0	484	484	0	-	0.0%	
<b>Transfer to Reserves (as at 29/01/21)</b>	0	0	0	0	0	0	0	-		
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	330	330	0	0	484	484	0	-		

## Budget Virements

a. Realignment of budget for European Social Fund Income. Net Effect £0.000m: Employee Costs £0.090m and Income (£0.090m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Information Technology Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion	Actual BEFORE Transfers	Variance		% Variance	Note
	£000	£000	£000	£000	29/01/21	29/01/21	29/01/21		29/01/21	
Employee Costs	5,393	5,676	(283)	(283)	4,384	4,634	(250)	over	(5.7%)	1, a
Property Costs	586	468	118	118	458	370	88	under	19.2%	2, b
Supplies & Services	5,075	4,818	257	257	4,824	4,604	220	under	4.6%	3, c, d, e
Transport & Plant	4	0	4	4	4	2	2	under	50.0%	
Administration Costs	2,059	2,023	36	36	1,547	1,440	107	under	6.9%	4
Payments to Other Bodies	0	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	0	-	n/a	
Financing Charges	499	572	(73)	(73)	501	584	(83)	over	(16.6%)	5
<b>Total Controllable Exp.</b>	13,616	13,557	59	59	11,718	11,634	84	under	0.7%	
<b>Total Controllable Inc.</b>	(8,424)	(8,052)	(372)	(372)	(5,645)	(5,280)	(365)	under recovered	(6.5%)	6, d, e
<b>Net Controllable Exp.</b>	5,192	5,505	(313)	(313)	6,073	6,354	(281)	over	(4.6%)	
<b>Transfer to Reserves (as at 29/01/21)</b>	0	0	0	0	0	0	0	-		
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	5,192	5,505	(313)	(313)	6,073	6,354	(281)	over		

Variance Explanations

- Employee Costs**  
The overspend is mainly due to lower than anticipated staff turnover across the Service to date.
- Property Costs**  
The underspend is due to the level of utilities expenditure at the Caird Centre.
- Supplies and Services**  
The underspend reflects the timing of spend for IT systems to date and the timing of the Caird Centre replacement programme.
- Administration Costs**  
The underspend is due to lower than anticipated telephone charges to date. This is offset by an under recovery in Income (see 6 below).
- Financing Charges**  
The overspend is due to the level of new IT Equipment leases.
- Income**  
The income under recovery relates to external income for services provided at Caird, and lower than anticipated recharges for telephone costs which are offset by an underspend within Administration Costs (see 4 above).

Budget Virements

- Transfer from Reserves to reflect current service delivery. Net Effect £0.285m: Employee Costs £0.285m.
- Transfer from centrally held budgets for Utilities. Net Effect £0.082m: Property Costs £0.082m.
- Transfer from Reserves for IT licences. Net Effect £0.305m: Supplies and Services Costs £0.305m.
- Budget Realignment for IT Licences. Net Effect £0.000m: Supplies and Services £0.237m and income (£0.237m).
- External Income Realignment for Microsoft Licences. Net Effect £0.000m: Supplies and Services £0.157m, and Income (£0.157m)



## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Personnel Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion	Actual BEFORE Transfers	Variance	% Variance	Note
	£000	£000	£000	£000	29/01/21	29/01/21	29/01/21	29/01/21	
	£000	£000	£000	£000	£000	£000	£000		
Employee Costs	7,763	7,659	104	104	6,269	6,121	148	under	2.4% 1,a,b
Property Costs	252	159	93	21	191	108	83	under	43.5% 2
Supplies & Services	298	235	63	63	242	186	6	under	23.1% 3
Transport & Plant	51	8	43	18	33	8	25	under	75.8%
Administration Costs	1,393	1,305	88	88	888	845	43	under	4.8% 4,a,c
Payments to Other Bodies	3,662	3,419	243	237	1,214	1,026	188	under	15.5% 5,c,d,e
Payments to Contractors	0	0	0	0	0	0	0	-	n/a
Transfer Payments	0	0	0	0	0	0	0	-	n/a
Financing Charges	39	69	(30)	(30)	39	41	(2)	over	(5.1%)
<b>Total Controllable Exp.</b>	13,458	12,854	604	501	8,876	8,335	541	under	6.1%
<b>Total Controllable Inc.</b>	(4,119)	(3,616)	(503)	(503)	(1,246)	(796)	(450)	under recovered	(36.1%) 6,a,e
<b>Net Controllable Exp.</b>	9,339	9,238	101	(2)	7,630	7,539	91	under	1.2%
<b>Transfer to Reserves (as at 29/01/21)</b>	0	0	0	0	0	89	(89)	over	
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	9,339	9,238	101	(2)	7,630	7,628	2	under	

## Variance Explanations

## 1. Employee Costs

The net underspend is due to a reduced requirement within Employee Costs for Modern Apprentices this year. This is partially offset by an overspend reflecting lower than anticipated turnover.

## 2. Property Costs

The underspend reflects reduced spend on health and hygiene materials within the Free Sanitary Products programme, due to public buildings being closed as a result of COVID-19.

## 3. Supplies and Services

The underspend reflects lower expenditure within the Cafes, which are closed due to COVID, offset by an under recovery of income (see 6 below).

## 4. Administration Costs

The underspend reflects reduced training expenditure as a result of COVID-19..

## 5. Payments to Other Bodies

The underspend reflects lower than anticipated expenditure within the Employability Programme due to the timing of commencement of projects as a result of COVID-19.

## 6. Income

The under recovery reflects lower than anticipated income from the Cafes, which are currently closed due to COVID-19, offset by a reduction in expenditure (see 3 above).

## Budget Virements

- Additional funding for Banks Renewables Connect 2 Programme. Net Effect £0.000m: Employee Costs £0.050m, Administration Costs £0.105m, Income (£0.155m).
- Transfer of Modern Apprenticeship Employability funding from Social Work Resources. Net Effect £0.119m: Employee Costs £0.119m.
- Reversal of previous transfers to reserves for the Leadership Programme, British Sign Language and Free Sanitary Provision following completion of Probable Outturn exercise. Net Effect (£0.104m): Administration Costs (£0.015m), Payments to Other Bodies (£0.089m).
- Transfer from Reserves for Connect 2 Programme. Net Effect £0.037m: Payments to Other Bodies £0.037m.
- Additional funding from Scottish Government Youth Guarantee Fund. Net Effect £0.000m: Payments to Other Bodies £0.441m, Income (£0.441m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Administration, Legal and Licensing Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTER Transfers</b>	<b>Budget Proportion</b>	<b>Actual BEFORE Transfers</b>	<b>Variance</b>	<b>% Variance</b>	<b>Note</b>
	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Employee Costs	4,107	4,271	(164)	(164)	3,276	3,417	(141)	over	(4.3%) 1
Property Costs	18	5	13	13	16	3	13	under	81.3%
Supplies & Services	125	149	(24)	(24)	103	122	(19)	over	(18.4%)
Transport & Plant	14	12	2	2	11	11	0	-	0.0%
Administration Costs	2,157	2,057	100	100	1,668	1,609	59	under	3.5% 2
Payments to Other Bodies	679	514	165	165	643	495	148	under	23.0% 3
Payments to Contractors	0	0	0	0	0	0	0	-	n/a
Transfer Payments	0	0	0	0	0	0	0	-	n/a
Financing Charges	32	59	(27)	(27)	29	44	(15)	over	(51.7%)
<b>Total Controllable Exp.</b>	<b>7,132</b>	<b>7,067</b>	<b>65</b>	<b>65</b>	<b>5,746</b>	<b>5,701</b>	<b>45</b>	<b>under</b>	<b>0.8%</b>
<b>Total Controllable Inc.</b>	<b>(2,910)</b>	<b>(2,294)</b>	<b>(616)</b>	<b>(616)</b>	<b>(1,644)</b>	<b>(1,143)</b>	<b>(501)</b>	<b>under recovered</b>	<b>(30.5%) 4</b>
<b>Net Controllable Exp.</b>	<b>4,222</b>	<b>4,773</b>	<b>(551)</b>	<b>(551)</b>	<b>4,102</b>	<b>4,558</b>	<b>(456)</b>	<b>over</b>	<b>(11.1%)</b>
<b>Transfer to Reserves (as at 29/01/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	<b>4,222</b>	<b>4,773</b>	<b>(551)</b>	<b>(551)</b>	<b>4,102</b>	<b>4,558</b>	<b>(456)</b>	<b>over</b>	

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

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

**2. Administration Costs**

The underspend is mainly due to lower than anticipated expenditure on printing and stationery, and also a reduction in expenditure on civic events which have not taken place due to COVID, offset by an under recovery of income (see 4 below).

**3. Payments to Other Bodies**

The underspend reflects a reduction in uptake levels this financial year of grants to voluntary organisations.

**4. Income**

The under recovery of income relates to income from civic events which have not taken place due to COVID, offset by a reduction in expenditure (see 2 above). In addition, income from licensing and registration has been lower than anticipated due to COVID.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## Communications and Strategy Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion	Actual BEFORE Transfers	Variance		% Variance	Note
	£000	£000	£000	£000	29/01/21	29/01/21	29/01/21		29/01/21	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	1,767	1,713	54	54	1,442	1,400	42	under	2.9%	1
Property Costs	0	0	0	0	0	0	0	-	n/a	
Supplies & Services	613	423	190	190	514	409	105	under	20.4%	2
Transport & Plant	28	26	2	2	27	27	0	-	0.0%	
Administration Costs	1,269	760	509	509	969	557	412	under	42.5%	3,a
Payments to Other Bodies	6	0	6	6	4	1	3	under	75.0%	
Payments to Contractors	0	3	(3)	(3)	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	0	-	n/a	
Financing Charges	346	347	(1)	(1)	262	263	(1)	over	(0.4%)	a
<b>Total Controllable Exp.</b>	<b>4,029</b>	<b>3,272</b>	<b>757</b>	<b>757</b>	<b>3,218</b>	<b>2,657</b>	<b>561</b>	<b>under</b>	<b>17.4%</b>	
<b>Total Controllable Inc.</b>	<b>(3,007)</b>	<b>(2,235)</b>	<b>(772)</b>	<b>(772)</b>	<b>(2,021)</b>	<b>(1,465)</b>	<b>(556)</b>	<b>under recovered</b>	<b>(27.5%)</b>	<b>4,a</b>
<b>Net Controllable Exp.</b>	<b>1,022</b>	<b>1,037</b>	<b>(15)</b>	<b>(15)</b>	<b>1,197</b>	<b>1,192</b>	<b>5</b>	<b>under</b>	<b>0.4%</b>	
<b>Transfer to Reserves (as at 29/01/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>		
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	<b>1,022</b>	<b>1,037</b>	<b>(15)</b>	<b>(15)</b>	<b>1,197</b>	<b>1,192</b>	<b>5</b>	<b>under</b>		

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

The underspend is due to vacant posts within the Service.

**2. Supplies and Services**

The underspend reflects lower than anticipated computer maintenance costs and a reduction in expenditure in relation to external mail.

**3. Administration Costs**

The underspend relates to a reduction in advertising costs, and the cost of printing from multi-functional devices a result of COVID, offset by an under recovery of income from recharges (see 4 below).

**4. Income**

The net under recovery of income reflects the impact of COVID-19 on the work of the service, including recharges for advertising and multi-functional devices (see 3 above).

**Budget Virements**

- a. Realignment of budget for postages and multi-functional devices. Net Effect £0.000m. Administration Costs £0.380m, Financing Charges £0.020m and Income (£0.400m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 29 January 2021 (No.11)

## COVID - 19

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTER Transfers</b>	<b>Budget Proportion</b>	<b>Actual BEFORE Transfers</b>	<b>Variance</b>	<b>% Variance</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	<b>29/01/21</b>	
Employee Costs	0	776	(776)	(776)	0	712	(712)	over	1
Property Costs	0	357	(357)	(357)	0	328	(328)	over	2
Supplies & Services	0	4,129	(4,129)	(4,129)	0	2,596	(2,596)	over	3
Transport & Plant	0	0	0	0	0	0	0	-	
Administration Costs	0	17	(17)	(17)	0	33	(33)	over	4
Payments to Other Bodies	47,719	47,819	(100)	(100)	44,201	44,301	(100)	over	5
Payments to Contractors	0	0	0	0	0	0	0	-	
Transfer Payments	0	180	(180)	(180)	0	87	(87)	over	6
Financing Charges	0	0	0	0	0	91	(91)	over	7
<b>Total Controllable Exp.</b>	47,719	53,278	(5,559)	(5,559)	44,201	48,148	(3,947)	over	
<b>Total Controllable Inc.</b>	(47,719)	(47,719)	0	0	(44,201)	(44,258)	57	over recovered	8
<b>Net Controllable Exp.</b>	0	5,559	(5,559)	(5,559)	0	3,890	(3,890)	over	
<b>Transfer to Reserves (as at 29/01/21)</b>	0	0	0	0	0	0	0	-	
<b>Position After Transfers to Reserves (as at 29/01/21)</b>	0	5,559	(5,559)	(5,559)	0	3,890	(3,890)	over	

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

The overspend relates to overtime and includes the cost of the wellbeing helpline and also additional time required to process the Business Support Grants, and other benefits including Social Welfare Payments and Council Tax Reduction Scheme applications in relation to COVID-19.

**2. Property Costs**

This overspend relates to fuel payments made to individuals.

**3. Supplies and Services**

The overspend relates mainly to Free School Meals and Winter Payments. The overspend also includes IT expenditure including licences and devices to support staff working from home.

**4. Administration Costs**

The overspend relates to printing and postage costs in relation to COVID-19.

**5. Payments to Other Bodies**

The overspend relates to expenditure on Tenancy Assistance and is offset by Scottish Government COVID grant funding.

**6. Transfer Payments**

This overspend relates to Discretionary Housing Payments, offset in part by benefit subsidy income (see 8 below).

**7. Financing Charges**

This overspend relates to IT leasing costs associated with homeworking.

**8. Income**

The over recovery relates to benefit subsidy income (see 6 above).