

Report

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Report to:	Community Services Committee
Date of Meeting:	19 March 2013
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community and Enterprise Resources)

Subject:	Community Services - Revenue Budget Monitoring 2012/2013
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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 2012 to 18 January 2013 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 underspend on the Community Services revenue budget of £0.038m (0.07%), as detailed in Appendices B to F of the report, and the forecast to 31 March 2013 of an underspend of £0.057m 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 fifth 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 18 January 2013 the Community Services variance from phased budget is an underspend of £0.038m (0.07%).

- 5.2. Following the probable exercise, the Community Services forecast for the revenue budget to 31 March 2013 is an underspend of £0.057m. Budget in relation to payments to SLLC have been included within the outturn. This will allow a payment to be made to facilitate the implementation of the 2013/2014 savings. Committee should note that this payment will be made through a variation to the Service Fee. The overall position is after a contribution to the Zero Waste Fund of £1.940m.
- 5.3. Virements are also proposed to realign budgets across the services and with other Resources including a virement of £0.200m from the Community and Enterprise Client to the Grounds Trading Operation to reflect current service delivery. 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)

29 January 2013

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Services Committee, 22 January 2013
- Enterprise Services Committee, 22 January 2013

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 18 January 2013.

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 Ended 18 January 2013 (No.11)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,196	37,065	131	28,457	28,267	190	under	0.7%	
Property Costs	12,531	12,598	(67)	10,780	10,778	2	under	0.0%	
Supplies & Services	4,945	5,055	(110)	2,931	2,989	(58)	over	(2.0%)	
Transport & Plant	5,881	6,055	(174)	4,940	5,105	(165)	over	(3.3%)	
Administration Costs	9,053	8,939	114	7,057	7,035	22	under	0.3%	
Payments to Other Bodies	23,276	23,494	(218)	18,287	18,371	(84)	over	(0.5%)	
Payments to Contractors	59,672	59,609	63	46,012	45,825	187	under	0.4%	
Transfer Payments	533	533	0	533	533	0	-	0.0%	
Financing Charges	602	572	30	545	543	2	under	0.4%	
Total Controllable Exp.	153,689	153,920	(231)	119,542	119,446	96	under	0.1%	
Total Controllable Inc.	(35,099)	(35,381)	282	(23,574)	(23,510)	(64)	under recovered	(0.3%)	
Net Controllable Exp.	118,590	118,539	51	95,968	95,936	32	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 18 January 2013 (No.11)

Facilities, Streets and Bereavement

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	11,706	11,721	(15)	8,961	8,935	26	under	0.3%	a
Property Costs	11,290	11,326	(36)	9,643	9,613	30	under	0.3%	b
Supplies & Services	1,007	1,091	(84)	638	685	(47)	over	(7.4%)	1, b
Transport & Plant	1,628	1,670	(42)	1,362	1,427	(65)	over	(4.8%)	2, c
Administration Costs	4,035	3,997	38	3,137	3,136	1	under	0.0%	
Payments to Other Bodies	9	26	(17)	8	21	(13)	over	(162.5%)	
Payments to Contractors	98	91	7	62	64	(2)	over	(3.2%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	175	178	(3)	156	168	(12)	over	(7.7%)	d
Total Controllable Exp.	29,948	30,100	(152)	23,967	24,049	(82)	over	(0.3%)	
Total Controllable Inc.	(11,426)	(11,574)	148	(9,267)	(9,344)	77	over recovered	0.8%	3, e
Net Controllable Exp.	18,522	18,526	(4)	14,700	14,705	(5)	over	0.0%	

Variance Explanations**1. Supplies and Services**

The overspend is mainly due to the high level of materials required for street cleansing services. This is offset by an over recovery of income.

2. Transport and Plant

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

3. Income

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

Budget Virements

- Transfer from centrally held funds in respect of Living Wage £0.036m: Employee Costs £0.036m.
- Transfer of Living Wage allocation from Trading Operations £0.012m: Property Costs £0.011m, Supplies and Services £0.001m.
- Internal Budget Virement from Support to reflect current service delivery £0.050m: Transport and Plant £0.050m
- Capital Financed by Current Revenue (CFCR) transfer in respect of modular buildings at Forrest Street (£0.054m): Financing Charges (£0.054m).
- Transfer of Living Wage budget to Roads (£0.025m), Housing and Technical Resources (£0.004m) and Social Work Resources (£0.001m) – Total (£0.030m): Income (£0.030m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 January 2013 (No.11)

Waste and Environmental

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	9,471	9,353	118	7,171	7,080	91	under	1.3%	1, a
Property Costs	119	144	(25)	96	115	(19)	over	(19.8%)	
Supplies & Services	537	512	25	421	398	23	under	5.5%	
Transport & Plant	3,724	3,855	(131)	3,103	3,213	(110)	over	(3.5%)	2
Administration Costs	2,314	2,295	19	1,790	1,778	12	under	0.7%	
Payments to Other Bodies	228	204	24	136	109	27	under	19.9%	
Payments to Contractors	15,179	15,230	(51)	10,842	10,863	(21)	over	(0.2%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	257	244	13	249	245	4	under	1.6%	b
Total Controllable Exp.	31,829	31,837	(8)	23,808	23,801	7	under	0.0%	
Total Controllable Inc.	(1,300)	(1,173)	(127)	(1,050)	(931)	(119)	under recovered	(11.3%)	3
Net Controllable Exp.	30,529	30,664	(135)	22,758	22,870	(112)	over	(0.5%)	

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, fixed penalty and remediation of contaminated land.

Budget Virements

- Transfer from centrally held funds in respect of Living Wage £0.004m: Employee Costs £0.004m.
- Capital Financed by Current Revenue (CFCR) transfer in respect of modular buildings at Forrest Street (£0.061m): Financing Charges (£0.061m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 January 2013 (No.11)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	5	(1)	3	4	(1)	over	(33.3%)	
Property Costs	232	230	2	204	203	1	under	0.5%	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,759	1,758	1	1,385	1,383	2	under	0.1%	
Payments to Other Bodies	111	109	2	43	42	1	under	2.3%	
Payments to Contractors	22,220	22,225	(5)	21,720	21,720	0	-	0.0%	a, 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.	24,326	24,327	(1)	23,355	23,352	3	under	0.0%	
Total Controllable Inc.	0	(1)	1	0	(1)	1	over recovered	n/a	
Net Controllable Exp.	24,326	24,326	0	23,355	23,351	4	under	0.0%	

Budget Virements

- Transfer of Living Wage allocation from Trading Operations £0.004m: Payments to Contractors £0.004m.
- Transfer from centrally held funds in respect of severance costs £0.375m: Payments to Contractors £0.375m (see para. 5.2.).
- Internal Budget Virement from Support to reflect current service delivery £0.120m: Payments to Contractors £0.120m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 January 2013 (No.11)

Projects

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	419	504	(85)	350	418	(68)	over	(19.4%)	1
Property Costs	0	2	(2)	0	2	(2)	over	n/a	
Supplies & Services	77	87	(10)	16	24	(8)	over	(50.0%)	
Transport & Plant	153	153	0	153	153	0	-	0.0%	
Administration Costs	0	0	0	0	0	0	-	n/a	
Payments to Other Bodies	0	7	(7)	0	7	(7)	over	n/a	
Payments to Contractors	306	287	19	47	26	21	under	44.7%	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	955	1,040	(85)	566	630	(64)	over	(11.3%)	
Total Controllable Inc.	(948)	(1,033)	85	(559)	(623)	64	over recovered	11.4%	3
Net Controllable Exp.	7	7	0	7	7	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. Payments to Contractors

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

3. 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 18 January 2013 (No.11)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,627	4,540	87	3,488	3,371	117	under	3.4%	1, a
Property Costs	295	295	0	293	291	2	under	0.7%	
Supplies & Services	187	177	10	103	108	(5)	over	(4.9%)	
Transport & Plant	73	75	(2)	72	72	0	-	0.0%	
Administration Costs	(1,859)	(1,926)	67	225	209	16	under	7.1%	
Payments to Other Bodies	0	1	(1)	0	2	(2)	over	n/a	
Payments to Contractors	162	150	12	0	0	0	-	n/a	b, c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	75	54	21	52	44	8	under	15.4%	
Total Controllable Exp.	3,560	3,366	194	4,233	4,097	136	under	3.2%	
Total Controllable Inc.	(8,479)	(8,481)	2	(6,061)	(6,076)	15	over recovered	0.2%	
Net Controllable Exp.	(4,919)	(5,115)	196	(1,828)	(1,979)	151	under	8.3%	

Variance Explanations**1. Employee Costs**

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

Budget Virements

- a. Transfer from centrally held funds in respect of severance costs £0.097m: Employee Costs £0.097m.
- b. Internal Budget Virement to Facilities, Streets and Bereavement (£0.050m), Leisure (£0.120m), Planning and Building Standards (£0.200m) and Regeneration (£0.087m) to reflect current service delivery – Total (£0.457m): Payments to Contractors (£0.457m).
- c. Transfer to Grounds Trading Operations (per 5.3. in Report) (£0.200m): Payments to Contractors (£0.200m).