

# Report

Report to:	<b>Community and Enterprise Resources Committee</b>
Date of Meeting:	<b>7 November 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Community and Enterprise Resources - Revenue Budget Monitoring 2023/2024</b>
----------	---

## 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 8 September 2023 for Community and Enterprise Resources

## 2. Recommendation(s)

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

- (1) that the breakeven position on 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 F be approved.

## 3. Background

3.1. This is the second revenue budget monitoring report presented to the Community and Enterprise Resources Committee for the financial year 2023/2024.

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.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 8 September 2023, there is a reported breakeven position against the phased budget.

5.2. The report details the financial position for Community and Enterprise Resources in Appendix A and variance explanations for each service area are detailed in appendices B to F where appropriate.

The breakeven position reflects underspends within employee costs and these are supporting costs within Roads, Transportation and Fleet services in relation to transport costs and an under recovery in parking income and school meals within Facilities services.

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

## **6. Climate Change, Sustainability and Environmental Implications**

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

## **7 Other Implications**

7.1. The main risk associated with the Council's revenue budget is that there is an overspend. There are inflationary and budget pressures, including utilities, this year which increase the risk of overspend however we have mitigated this going forward by providing additional funds in future years' budget strategy.

7.2. 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)**

**David Booth**

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

3 October 2023

## **Link(s) to Council Values/Priorities/Outcomes**

♦ Accountable, effective, efficient and transparent

## **Previous References**

♦ Community and Enterprise Resources Committee – 29 August 2023

## **List of Background Papers**

♦ Financial ledger and budget monitoring results to 8 September 2023.

## **Contact for Further Information**

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

Louise Harvey, Finance Manager

Ext: 2658 (Tel: 01698 452658)

E-mail: [louise.harvey@southlanarkshire.gov.uk](mailto:louise.harvey@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period 6 Ended 8 September 2023 (No.6)

## Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/09/23	Actual 08/09/23	Variance 08/09/23		% Variance 08/09/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	95,600	95,600	0	38,966	37,747	1,219	under	3.1%	
Property Costs	4,126	4,126	0	961	997	(36)	over	(3.7%)	
Supplies & Services	17,829	17,829	0	6,480	6,578	(98)	over	(1.5%)	
Transport & Plant	22,081	22,081	0	10,456	11,070	(614)	over	(5.9%)	
Administration Costs	793	793	0	180	219	(39)	over	(21.7%)	
Payments to Other Bodies	11,193	11,193	0	3,307	3,308	(1)	over	(0.0%)	
Payments to Contractors	46,487	46,487	0	19,364	19,470	(106)	over	(0.5%)	
Transfer Payments	617	617	0	344	344	0	-	0.0%	
Financing Charges	184	184	0	14	16	(2)	over	(14.3%)	
<b>Total Controllable Exp.</b>	198,910	198,910	0	80,072	79,755	317	under	0.4%	
<b>Total Controllable Inc.</b>	(69,535)	(69,535)	0	(32,402)	(32,079)	(323)	under recovered	(0.1%)	
<b>Net Controllable Exp.</b>	129,375	129,375	0	47,670	47,670	0	-	0.0%	

**Variance Explanations**

Detailed within 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 8 September 2023 (No.6)

## Facilities, Waste and Grounds Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 08/09/23</b>	<b>Actual 08/09/23</b>	<b>Variance 08/09/23</b>		<b>% Variance 08/09/23</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	60,582	60,582	0	24,864	24,420	444	under	1.8%	1,a
Property Costs	1,948	1,948	0	453	475	(22)	over	(4.9%)	2
Supplies & Services	8,804	8,804	0	3,222	3,290	(68)	over	(2.1%)	3,a
Transport & Plant	8,962	8,962	0	4,617	4,625	(8)	over	(0.2%)	a
Administration Costs	176	176	0	47	71	(24)	over	(51.1%)	4
Payments to Other Bodies	55	55	0	35	35	0	-	0.0%	c
Payments to Contractors	17,493	17,493	0	6,519	6,519	0	-	0.0%	a,b,c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	44	44	0	6	7	(1)	over	(16.7%)	
<b>Total Controllable Exp.</b>	<b>98,064</b>	<b>98,064</b>	<b>0</b>	<b>39,763</b>	<b>39,442</b>	<b>321</b>	<b>under</b>	<b>0.8%</b>	
<b>Total Controllable Inc.</b>	<b>(20,495)</b>	<b>(20,495)</b>	<b>0</b>	<b>(10,083)</b>	<b>(9,971)</b>	<b>(112)</b>	<b>under recovered</b>	<b>(1.1%)</b>	<b>5,a</b>
<b>Net Controllable Exp.</b>	<b>77,569</b>	<b>77,569</b>	<b>0</b>	<b>29,680</b>	<b>29,471</b>	<b>209</b>	<b>under</b>	<b>0.7%</b>	

**Variance Explanations**

1. The variance is due to vacancies that are being actively recruited within all services.
2. The variance is mainly due to higher than anticipated costs on cleaning materials within Facilities.
3. This overspend relates to the cost of food for the school meal service.
4. This overspend mainly relates to higher than anticipated costs on medicals and printing and stationery within Facilities.
5. The variance is due to an under recovery in school meals income and a decrease in uptake in the Care of Gardens service within Grounds.

**Budget Virements**

- a. Establish temporary budget in respect of Nature Restoration Fund, Participatory Budget, Ash Die Back, Chewing Gum removal and Headstone Inspection programmes within Grounds. Net effect £0.000m: Employees £0.568m, Supplies and Services £0.183m, Transport £0.306m, Payment to Contractors £0.262m, Income (£1.319m).
- b. Transfer from reserves temporary budget in respect of Environmental Initiative. Net effect £0.064m: Payment to Contractors £0.064m.
- c. Realign budget to reflect service delivery within Streets & Bereavement. Net effect £0.000m: Payment to Other Bodies £0.004m, Payment to Contractors (£0.004m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 September 2023 (No.6)

## Planning and Regulatory Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/09/23	Actual 08/09/23	Variance 08/09/23		% Variance 08/09/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	7,425	7,425	0	3,114	2,912	202	under	6.5%	1,a
Property Costs	41	41	0	3	0	3	under	100.0%	
Supplies & Services	183	183	0	132	148	(16)	over	(12.1%)	2,a
Transport & Plant	126	126	0	37	44	(7)	over	(18.9%)	
Administration Costs	118	118	0	40	44	(4)	over	(10.0%)	a
Payments to Other Bodies	265	265	0	22	23	(1)	over	(4.5%)	
Payments to Contractors	1,169	1,169	0	693	798	(105)	over	(15.2%)	3,a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	46	46	0	2	2	0	-	0.0%	
<b>Total Controllable Exp.</b>	9,373	9,373	0	4,043	3,971	72	under	1.8%	
<b>Total Controllable Inc.</b>	(4,407)	(4,407)	0	(2,016)	(2,109)	93	over recovered	4.6%	4,a
<b>Net Controllable Exp.</b>	4,966	4,966	0	2,027	1,862	165	under	8.1%	

**Variance Explanations**

1. The variance is mainly due to vacant posts within the services which are being recruited.
2. The variance represents greater than budgeted costs on an IT system upgrade within Planning & Building Standards.
3. The variance is mainly due to an increase in demand for clinical waste services, this being partially offset by an over recovery in income.
4. The over recovery relates to income received for clinical waste.

**Budget Virements**

- a. Establish temporary budget for Environmental Projects. Net Effect £0.000m: Employees £0.006m, Supplies and Services £0.029m, Administration £0.007m, Payment to Contractors £0.248m, Income (£0.290m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 September 2023 (No.6)

## South Lanarkshire Leisure and Culture

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/09/23	Actual 08/09/23	Varian ce 08/09/23		% Variance 08/09/23	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	98	98	0	40	45	(5)	over	(12.5%)	
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	23,048	23,048	0	11,173	11,173	0	-	0.0%	
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>	23,238	23,238	0	11,215	11,227	(12)	over	(0.1%)	
<b>Total Controllable Inc.</b>	(11)	(11)	0	(11)	(11)	0	-	n/a	
<b>Net Controllable Exp.</b>	23,227	23,227	0	11,204	11,210	(6)	over	(0.1%)	

**Variance Explanations**

No significant variances to report

**Budget Virements**

No budget Virements within the period.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 September 2023 (No.6)

## Enterprise and Sustainable Development

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/09/23	Actual 08/09/23	Variance 08/09/23		% Variance 08/09/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	5,242	5,242	0	2,199	2,120	79	under	3.6%	1,a,b
Property Costs	522	522	0	138	137	1	under	0.7%	a
Supplies & Services	245	245	0	90	90	0	-	0.0%	
Transport & Plant	47	47	0	2	1	1	under	50.0%	
Administration Costs	93	93	0	5	4	1	under	20.0%	
Payments to Other Bodies	5,418	5,418	0	598	598	0	-	0.0%	a,b,c
Payments to Contractors	9	9	0	9	10	(1)	over	(11.1%)	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	44	44	0	3	3	0	-	0.0%	
<b>Total Controllable Exp.</b>	11,620	11,620	0	3,044	2,963	81	under	2.7%	
<b>Total Controllable Inc.</b>	(6,888)	(6,888)	0	(3,028)	(3,033)	5	over recovered	0.2%	a
<b>Net Controllable Exp.</b>	4,732	4,732	0	16	(70)	86	under	537.5%	

**Variance Explanations**

- The variance is mainly due to staff turnover and vacancies within the service, which are being recruited.

**Budget Virements**

- Establish temporary budgets in respect of Climate Investments, Strathaven Fund, Whitemoss Tennis Courts, Hamilton Towers and UK Shared Prosperity Fund. Net effect £0.000m: Employees £0.075m, Property £0.321m, Payment to Other Bodies £5.361m, Payment to Contractor £0.009m, Income (£5.766m).
- Transfer from reserves temporary budget in respect of Climate Investment and Food Development Officer. Net effect £0.076m: Employees £0.033m, Payment to Other Bodies £0.043m.
- Transfer of budget for capital funded from revenue in respect of Town Centre CCTV. Net Effect (£0.340m): Payment to Other Bodies (£0.340m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 September 2023 (No.6)

## Roads, Transportation and Fleet Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 08/09/23</b>	<b>Actual 08/09/23</b>	<b>Variance 08/09/23</b>		<b>% Variance 08/09/23</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	22,347	22,347	0	8,787	8,292	495	under	5.6%	1
Property Costs	1,517	1,517	0	327	340	(13)	over	(4.0%)	2
Supplies & Services	8,597	8,597	0	3,036	3,050	(14)	over	(0.5%)	
Transport & Plant	12,946	12,946	0	5,800	6,400	(600)	over	(10.3%)	3
Administration Costs	398	398	0	88	100	(12)	over	(13.6%)	
Payments to Other Bodies	5,375	5,375	0	2,652	2,652	0	-	0.0%	
Payments to Contractors	4,768	4,768	0	970	970	0	-	0.0%	a
Transfer Payments	617	617	0	344	344	0	-	0.0%	
Financing Charges	50	50	0	3	4	(1)	over	(33.3%)	
<b>Total Controllable Exp.</b>	56,615	56,615	0	22,007	22,152	(145)	over	(0.7%)	
<b>Total Controllable Inc.</b>	(37,734)	(37,734)	0	(17,264)	(16,955)	(309)	under recovered	(1.8%)	4
<b>Net Controllable Exp.</b>	18,881	18,881	0	4,743	5,197	(454)	over	(9.6%)	

**Variance Explanations**

1. The variance is mainly due to staff turnover and vacancies within Roads and Fleet which are being recruited.
2. The overspend is due to higher than anticipated cost in the upkeep of Roads depots.
3. The overspend is mainly due to the timing of efficiencies and greater than anticipated expenditure within the workshop within Fleet.
4. The under recovery is mainly due to the net effect of a less than anticipated income from maintenance works within Roads and within the Parking account where actual income from parking charges are less than budget.

**Budget Virements**

No budget Virements within the period.