

Report

Report to:	Community and Enterprise Services Committee
Date of Meeting:	3 October 2017
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community and Enterprise Resources - Revenue Budget Monitoring 2017/2018
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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 18 August 2017 for Community and Enterprise Resources
- ♦ provide a forecast for the year to 31 March 2018.

2. Recommendation(s)

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

- (1) that the breakeven position on the Community and Enterprise Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2018 of a breakeven position, be noted; and
- (2) that the proposed budget virements 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 2017/2018.

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 explanations.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 18 August 2017, there is a breakeven position against the phased budget. The forecast for the revenue budget to 31 March 2018 is a breakeven position.

5.2. 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. 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)

Michael McGlynn

Executive Director (Community and Enterprise Resources)

05 September 2017

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 18 August 2017.

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 August 2017 (No.6)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/08/17	Actual 18/08/17	Variance 18/08/17		% Variance 18/08/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	63,070	63,070	0	22,937	22,940	(3)	over	0.0%	
Property Costs	3,333	3,333	0	375	378	(3)	over	(0.8%)	
Supplies & Services	8,129	8,129	0	2,159	2,214	(55)	over	(2.5%)	
Transport & Plant	7,792	7,792	0	2,962	2,981	(19)	over	(0.6%)	
Administration Costs	733	733	0	197	309	(112)	over	(56.9%)	
Payments to Other Bodies	10,214	10,214	0	3,880	3,888	(8)	over	(0.2%)	
Payments to Contractors	54,075	54,075	0	19,746	19,506	240	under	1.2%	
Transfer Payments	586	586	0	293	287	6	under	2.0%	
Financing Charges	175	175	0	38	38	0	-	0.0%	
Total Controllable Exp.	148,107	148,107	0	52,587	52,541	46	under	0.1%	
Total Controllable Inc.	(50,859)	(50,859)	0	(14,751)	(14,705)	(46)	under recovered	(0.3%)	
Net Controllable Exp.	97,248	97,248	0	37,836	37,836	0	over	(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 18 August 2017 (No.6)

Facilities, Streets and Waste (including Support)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/08/17	Actual 18/08/17	Variance 18/08/17		% Variance 18/08/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	48,283	48,283	0	17,617	17,614	3	under	0.0%	c,d,g,h
Property Costs	2,456	2,456	0	313	316	(3)	over	(1.0%)	c
Supplies & Services	6,383	6,383	0	1,780	1,829	(49)	over	(2.8%)	1,d,e,f,g,h
Transport & Plant	7,342	7,342	0	2,839	2,848	(9)	over	(0.3%)	a,f
Administration Costs	313	313	0	95	95	0	-	0.0%	b
Payments to Other Bodies	19	19	0	13	29	(16)	over	(123.1%)	2
Payments to Contractors	14,776	14,776	0	6,191	6,119	72	under	1.2%	3,d,e,f
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	80	80	0	15	15	0	-	0.0%	
Total Controllable Exp.	79,652	79,652	0	28,863	28,865	(2)	over	0.0%	
Total Controllable Inc.	(40,748)	(40,748)	0	(11,771)	(11,815)	44	over recovered	0.4%	1,b,c,d,g,h
Net Controllable Exp.	38,904	38,904	0	17,092	17,050	42	under	0.2%	

Variance Explanations

1. The variance in Supplies & Services is mainly due to the purchase of play equipment which is fully offset by an over recovery of income.
2. The variance is mainly due to payments made to SEPA in respect of former landfill sites.
3. The variance is due to a lower level of tonnage disposed of within organic waste, bulky uplift and contaminated co-mingled waste. This is partially offset by refuse disposal, recycle tonnage and recycle contaminated tonnage being greater.

Budget Virements

- a. Reallocation of 2017/18 Fleet Saving from Fleet Trading, Net effect (£0.023m): Transport (£0.023m)
- b. Removal of Internal Management Support and Central Support allocation, Net Effect £1.286m: Administration (£3.004m), Income £4.290m
- c. Transfer of Grounds Maintenance budgets, Net Effect £1.702m: Employees £0.012m, Property Costs (£10.058m), Income £11.748m
- d. Realignment of budget to reflect current service delivery (Bereavement Services), Net Effect £0.000m: Employee Costs £0.026m, Supplies and Services £0.074m, Payment to Contractor £0.064m, Income (£0.164m)
- e. Transfer from Reserves the Zero Waste Fund and for funding for the Cashless System, Net Effect £1.610m: Supplies and Services £0.056m, Payment to Contractors £1.554m
- f. Realignment of budget to reflect current service delivery (Grounds), Net Effect £0.000m: Supplies and Services £0.282m, Transport (£0.324m), Payment to Contractors £0.042m
- g. Establish a permanent budget for Nursery School Meals, Net Effect £0.000m: Employees £0.198m, Supplies and Services £0.103m, Income (£0.301m)
- h. Realignment of budget to reflect current service delivery (Catering), Net Effect £0.000m: Employees (£0.009m), Supplies and Services (£0.058m), Income £0.067m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 August 2017 (No.6)

Environmental (Incl Projects)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/08/17	Actual 18/08/17	Variance 18/08/17		% Variance 18/08/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,000	4,000	0	1,422	1,337	85	under	6.0%	1,a
Property Costs	12	12	0	1	1	0	-	0.0%	
Supplies & Services	130	130	0	22	28	(6)	over	(27.3%)	a
Transport & Plant	146	146	0	55	54	1	under	1.8%	a
Administration Costs	34	34	0	15	127	(112)	over	(746.7%)	2,a
Payments to Other Bodies	177	177	0	86	88	(2)	over	(2.3%)	a,b
Payments to Contractors	833	833	0	221	231	(10)	over	(4.5%)	a,c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	5	5	0	-	0.0%	
Total Controllable Exp.	5,357	5,357	0	1,827	1,871	(44)	over	(2.4%)	
Total Controllable Inc.	(973)	(973)	0	(289)	(291)	2	over recovered	0.7%	a,c,d
Net Controllable Exp.	4,384	4,384	0	1,538	1,580	(42)	over	(2.7%)	

Variance Explanations

1. The variance is mainly due to vacancies within Environmental Services.
2. The variance is due to legal costs.

Budget Virements

- a. Establish a temporary budget for Air Quality Projects and Electric Cars Net Effect £0.000m: Employees £0.009m, Supplies and Services £0.038m, Transport and Plant £0.039m, Administration £0.003m, Payment to Other Bodies £0.005m, Payment to Contractors £0.151m, Income (£0.245m)
- b. Transfer from Reserves, provision for the James Hamilton Heritage Park, Net Effect £0.041m: Payment to Other Bodies £0.041m
- c. Establish a temporary budget for Housing Notices and Clinical Waste Removal to reflect current demand Net Effect £0.000m: Payment to Contractors £0.375m, Income (£0.375m)
- d. Removal of Internal Management Support and Central Support Allocation, Net Effect £0.599m: Income £0.599m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 August 2017 (No.6)

Leisure and Culture

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/08/17	Actual 18/08/17	Variance 18/08/17		% Variance 18/08/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4	4	0	2	2	0	-	0.0%	
Property Costs	238	238	0	12	12	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	8	8	0	0	0	0	-	n/a	
Payments to Other Bodies	71	71	0	0	0	0	-	n/a	
Payments to Contractors	18,348	18,348	0	9,174	9,174	0	-	0.0%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	18,669	18,669	0	9,188	9,188	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	18,669	18,669	0	9,188	9,188	0	-	0.0%	

Variance Explanations

No variances to report.

Budget Virements

a. Transfer Employees (Libraries) to Education, Net Effect (£0.014m): Payment to Contractors (£0.014m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 August 2017 (No.6)

Planning and Economic Development

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/08/17	Actual 18/08/17	Variance 18/08/17		% Variance 18/08/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,175	5,175	0	1,848	1,936	(88)	over	(4.8%)	1,a
Property Costs	26	26	0	2	2	0	-	0.0%	b
Supplies & Services	55	55	0	8	8	0	-	0.0%	
Transport & Plant	29	29	0	11	22	(11)	over	(100.0%)	2
Administration Costs	80	80	0	33	33	0	-	0.0%	
Payments to Other Bodies	3,427	3,427	0	1,059	1,059	0	-	0.0%	c,d
Payments to Contractors	302	302	0	97	97	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	33	33	0	6	6	0	-	0.0%	
Total Controllable Exp.	9,127	9,127	0	3,064	3,163	(99)	over	(3.2%)	
Total Controllable Inc.	(4,618)	(4,618)	0	(1,550)	(1,473)	(77)	under recovered	(5.0%)	3,a,c
Net Controllable Exp.	4,509	4,509	0	1,514	1,690	(176)	over	(11.6%)	

Variance Explanations

1. The overspend relates to current establishment of staffing.
2. The overspend is due to the cost of staff transport for business purposes.
3. The under recovery is due to less than anticipated Planning and Building Warrant Applications.

Budget Virements

- a. Establish budget for the recovery of SLC secondments to NHS, LEADER & Supplier Development Programme, Net effect £0.000m: Employee Costs £0.321m and Income (£0.321m).
- b. Transfer of Grounds Maintenance Budgets, Net effect (£0.009m): Property Costs (£0.009m).
- c. Establish budget for Business Gateway and ERDF income for Business Support Grants. Net Effect £0.000m: Payments to Other Bodies £0.110m and Income (£0.110m).
- d. Transfer of Employability Up-skilling budget to Finance & Corporate Resources (£0.212m): Payments to Other Bodies (£0.212m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 August 2017 (No.6)

Roads Total

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/08/17	Actual 18/08/17	Variance 18/08/17		% Variance 18/08/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,608	5,608	0	2,048	2,051	(3)	over	(0.1%)	a
Property Costs	601	601	0	47	47	0	-	0.0%	b
Supplies & Services	1,561	1,561	0	349	349	0	-	0.0%	
Transport & Plant	275	275	0	57	57	0	-	0.0%	
Administration Costs	298	298	0	54	54	0	-	0.0%	
Payments to Other Bodies	6,520	6,520	0	2,722	2,712	10	under	0.4%	
Payments to Contractors	19,816	19,816	0	4,063	3,885	178	under	4.4%	1,b
Transfer Payments	586	586	0	293	287	6	under	2.0%	
Financing Charges	37	37	0	12	12	0	-	0.0%	
Total Controllable Exp.	35,302	35,302	0	9,645	9,454	191	under	2.0%	
Total Controllable Inc.	(4,520)	(4,520)	0	(1,141)	(1,126)	(15)	under recovered	(1.3%)	2,a
Net Controllable Exp.	30,782	30,782	0	8,504	8,328	176	under	2.1%	

Variance Explanations

1. The underspend is mainly due to continued savings resulting from the Street Lighting Improvement Programme.
2. The under recovery is due to reduced income from car parks.

Budget Virements

- a. Establish budget for City Deal staffing, Net effect £0.000m: Employee Costs £0.206m and Income (£0.206m).
- b. Transfer of Grounds Maintenance budgets, Net effect (£0.629m): Property Costs (£0.620m) and Payments to Contractors (£0.009m).