

Report

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Report to:	Community Services Committee
Date of Meeting:	11 October 2016
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community Services - Revenue Budget Monitoring 2016/2017
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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 19 August 2016 for Community Services
- ◆ provide a forecast for the year to 31 March 2017

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 £0.075 million (0.3%), as detailed in Appendices B to F of the report, and the forecast to 31 March 2017 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 Services Committee for the financial year 2016/2017.
- 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 19 August 2016, the Community Services' variance from phased budget is an underspend of £0.075 million (0.3%). The Community Services' forecast for the revenue budget to 31 March 2017 is a break even position.

- 5.2. Virements are proposed to realign budgets. These movements are detailed in the attached 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)

Michael McGlynn

Executive Director (Community and Enterprise Resources)

5 September 2016

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Services Committee – 12 July 2016

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 19 August 2016.

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16		% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,757	37,757	0	13,744	13,666	78	under	0.6%	
Property Costs	13,631	13,631	0	5,528	5,524	4	under	0.1%	
Supplies & Services	4,141	4,141	0	1,227	1,224	3	under	0.2%	
Transport & Plant	6,008	6,008	0	2,145	2,148	(3)	over	(0.1%)	
Administration Costs	1,082	1,082	0	238	256	(18)	over	(7.6%)	
Payments to Other Bodies	11,543	11,543	0	5,625	5,643	(18)	over	(0.3%)	
Payments to Contractors	53,312	53,312	0	15,538	15,500	38	under	0.2%	
Transfer Payments	586	586	0	293	293	0	-	0.0%	
Financing Charges	186	186	0	76	77	(1)	over	(1.3%)	
Total Controllable Exp.	128,246	128,246	0	44,414	44,331	83	under	0.2%	
Total Controllable Inc.	(24,737)	(24,737)	0	(7,766)	(7,686)	(80)	under recovered	(1.0%)	
Net Controllable Exp.	103,509	103,509	0	36,648	36,645	3	under	0.0%	

Variance Explanations

Detailed within Appendices B and 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 19 August 2016 (No.6)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16	% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	18,854	18,854	0	6,865	6,880	(15)	over	(0.2%) a,b,d,f
Property Costs	11,864	11,864	0	5,166	5,163	3	under	0.1% d,f
Supplies & Services	1,728	1,728	0	845	829	16	under	1.9% b,d
Transport & Plant	5,491	5,491	0	1,965	1,963	2	under	0.1% b,d,e
Administration Costs	319	319	0	56	63	(7)	over	(12.5%) b
Payments to Other Bodies	31	31	0	15	32	(17)	over	(113.3%)
Payments to Contractors	13,441	13,441	0	5,805	5,767	38	under	0.7% 1,b,c,d
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	62	62	0	26	26	0	-	0.0% d
Total Controllable Exp.	51,790	51,790	0	20,743	20,723	20	under	0.1%
Total Controllable Inc.	(10,940)	(10,940)	0	(3,682)	(3,662)	(20)	under recovered	(0.5%) 2,b,d,f
Net Controllable Exp.	40,850	40,850	0	17,061	17,061	0	-	0.0%

Variance Explanations**1. Payment to Contractors**

The net under spend is mainly within Waste Disposal, where domestic disposal and green waste and gully waste is less than anticipated, partially offset by food and garden disposal costs,

2. Income

The under recovery of income is due to lower than anticipated income within Conference and Banqueting.

Budget Virements

- 2016/17 Living Wage allocation £0.061m : Employee Costs £0.061m
- Realignment of Strategic Waste budget. Net effect £0.000m : Employee Costs £0.476m, Supplies and Services (£0.020m), Transport and Plant £0.294m, Administration Costs (£0.070m), Payment to Contractors (£0.666m), and Income (£0.014m)
- Transfer from Reserves for Strategic Waste Fund £0.707m : Payment to Contractors £0.707m
- Realignment of budget to reflect current service delivery. Net effect £0.000m : Employee Costs £0.036m, Property Costs £0.011m, Supplies and Services £0.062m, Transport and Plant £0.148m, Payment to Contractors £0.108m, Financing Charges (£0.002m), and Income (£0.363m)
- Reallocation of 2016/17 Fleet Saving from Leisure £0.024m, Education Resources £0.019m, Finance and Corporate Resources £0.002m, Housing and Technical Resources (£0.010m), Social Work Resources (£0.113m), Property Services Trading Operation (£0.230m), Grounds Trading Operation (£0.114m), Roads Trading Operation (£0.237m), Fleet Trading Operation (£0.006m), Facilities Trading Operation (£0.011m) – Total£0.766m:Transport and Plant £0.766m
- Reallocation of Living Wage and National Insurance allocations from Facilities, Fleet and Grounds Trading Operations £0.094m : Employee Costs £0.002m, Property Costs £0.138m, Income (£0.046m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16		% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,916	3,916	0	1,426	1,426	0	-	0.0%	
Property Costs	12	12	0	1	0	1	under	100.0%	
Supplies & Services	94	94	0	29	33	(4)	over	(13.8%)	
Transport & Plant	106	106	0	33	32	1	under	3.0%	
Administration Costs	37	37	0	19	20	(1)	over	(5.3%)	
Payments to Other Bodies	131	131	0	51	51	0	-	0.0%	
Payments to Contractors	422	422	0	193	193	0	-	0.0%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	9	9	0	-	0.0%	
Total Controllable Exp.	4,743	4,743	0	1,761	1,764	(3)	over	(0.2%)	
Total Controllable Inc.	(1,144)	(1,144)	0	(246)	(250)	4	over recovered	1.6%	a
Net Controllable Exp.	3,599	3,599	0	1,515	1,514	1	under	0.1%	

Budget Virements

- a. Realignment of Clinical Waste budget to reflect current service delivery. Net effect £0.000m : Payment to Contractor £0.184m and Income (£0.184m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16	% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	4	4	0	2	2	0	-	0.0%
Property Costs	240	240	0	74	74	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	10	10	0	0	0	0	-	n/a
Payments to Other Bodies	71	71	0	0	0	0	-	n/a
Payments to Contractors	18,388	18,388	0	4,599	4,599	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.	18,713	18,713	0	4,675	4,675	0	-	0.0%
Total Controllable Inc.	0	0	0	0	0	0	-	n/a
Net Controllable Exp.	18,713	18,713	0	4,675	4,675	0	-	0.0%

Budget Virements

a. 2016/17 Living Wage allocation £0.049m : Payment to Contractors £0.049m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Projects

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16	% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	9	9	0	4	4	0	-	0.0% a
Property Costs	0	0	0	0	0	0	-	n/a
Supplies & Services	56	56	0	7	7	0	-	0.0% b,c
Transport & Plant	39	39	0	39	39	0	-	0.0% a
Administration Costs	3	3	0	0	0	0	-	n/a a
Payments to Other Bodies	5	5	0	0	0	0	-	n/a c
Payments to Contractors	217	217	0	4	4	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.	329	329	0	54	54	0	-	0.0%
Total Controllable Inc.	(247)	(247)	0	(54)	(54)	0	-	0.0% a,b,c
Net Controllable Exp.	82	82	0	0	0	0	-	n/a

Budget Virements

- Establish budget for funding from Scottish Government in respect of Vehicle Emission Testing and Low Carbon Vehicles. Net Effect £0.000m: Employee Costs £0.009m, Transport and Plant £0.039m, Administration Costs £0.003m, Payment to Contractors £0.007m and Income (£0.058m).
- Establish budget for funding from Scottish Government in respect of Air Quality. Net Effect £0.000m: Supplies and Services £0.036m, Payment to Contractors £0.014m, Income (£0.050m)
- Establish budget for funding from Scottish Government in respect of Action Planning. Net effect £0.000m: Supplies and Services £0.019m, Payment to Other Bodies £0.005m, Payment to Contractors £0.115m and Income (£0.139m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16		% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,561	3,561	0	1,299	1,217	82	under	6.3%	1,a
Property Costs	248	248	0	2	2	0	-	0.0%	
Supplies & Services	174	174	0	26	31	(5)	over	(19.2%)	
Transport & Plant	61	61	0	2	1	1	under	50.0%	
Administration Costs	213	213	0	38	42	(4)	over	(10.5%)	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	29	29	0	11	11	0	-	0.0%	
Total Controllable Exp.	4,286	4,286	0	1,378	1,304	74	under	5.4%	
Total Controllable Inc.	(1,833)	(1,833)	0	(6)	(6)	0	-	0.0%	
Net Controllable Exp.	2,453	2,453	0	1,372	1,298	74	under	5.4%	

Variance Explanations**1. Employee Costs**

The underspend relates to vacancies which are being considered in line with service requirements.

Budget Virements

- a. Budget transfer to Finance and Corporate Resources for 2016/17 Restructure of Finance Services saving (£0.178m) : Employee Costs (£0.178m)