

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	3 September 2013
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community and Enterprise Resources)

Subject:	Enterprise Services - Revenue Budget Monitoring 2013/2014
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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 28 June 2013 for Enterprise Services
- ◆ provide a forecast for the year to 31 March 2014.

2. Recommendation(s)

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

- (1) that the overspend on the Enterprise Services' revenue budget of £0.010million (0.09%), as detailed in Appendices B to E of the report, and the forecast to 31 March 2014 of break even be noted.
- (2) that the proposed budget virements in respect of the Enterprise Services as detailed in Appendices B to E of the report, be approved.

3. Background

- 3.1. This is the first revenue budget monitoring report presented to the Enterprise Services Committee for the financial year 2013/2014.
- 3.2. The Community and Enterprise Resources' budget is managed in totality by the Resource. The individual Enterprise Services reports are included, along with variance explanations, in Appendices B to E. For information, the report details the financial position for Community and Enterprise Resources in Appendix A. As Appendices B to E reflect Enterprise 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 28 June 2013, the Enterprise Services' variance from phased budget is an overspend of £0.010million (0.09%). The Enterprise Services' forecast for the revenue budget to 31 March 2014 is a break even position.

- 5.2. Virements are also proposed to realign budgets across the services and with other Resources. 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)

10 July 2013

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 28 June 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 28 June 2013 (No.4)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/06/13	Actual 28/06/13	Variance 28/06/13		% Variance 28/06/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,525	37,525	0	8,388	8,324	64	under	0.8%	
Property Costs	12,533	12,533	0	2,977	2,976	1	under	0.0%	
Supplies & Services	4,686	4,686	0	425	429	(4)	over	(0.9%)	
Transport & Plant	5,821	5,821	0	1,774	1,759	15	under	0.8%	
Administration Costs	937	937	0	127	136	(9)	over	(7.1%)	
Payments to Other Bodies	18,968	18,968	0	6,764	6,786	(22)	over	(0.3%)	
Payments to Contractors	58,786	58,786	0	11,947	11,908	39	under	0.3%	
Transfer Payments	586	586	0	146	147	(1)	over	(0.7%)	
Financing Charges	658	658	0	65	69	(4)	over	(6.2%)	
Total Controllable Exp.	140,500	140,500	0	32,613	32,534	79	under	0.2%	
Total Controllable Inc.	(26,691)	(26,691)	0	(4,246)	(4,176)	(70)	under recovered	(1.6%)	
Net Controllable Exp.	113,809	113,809	0	28,367	28,358	9	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to E.

Budget Virements

Budget virements are shown in Appendices B to E.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 28 June 2013 (No.4)

Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/06/13	Actual 28/06/13	Variance 28/06/13		% Variance 28/06/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,073	3,073	0	706	720	(14)	over	(2.0%)	1
Property Costs	41	41	0	3	2	1	under	33.3%	
Supplies & Services	49	49	0	23	23	0	-	0.0%	
Transport & Plant	24	24	0	6	9	(3)	over	(50.0%)	
Administration Costs	124	124	0	28	30	(2)	over	(7.1%)	
Payments to Other Bodies	125	125	0	29	29	0	-	0.0%	
Payments to Contractors	300	300	0	97	97	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	22	22	0	6	6	0	-	0.0%	
Total Controllable Exp.	3,758	3,758	0	898	916	(18)	over	(2.0%)	
Total Controllable Inc.	(3,727)	(3,727)	0	(923)	(923)	0	-	0.0%	
Net Controllable Exp.	31	31	0	(25)	(7)	(18)	over	(72.0%)	

Variance Explanations**1. Employee Costs**

The overspend reflects the current staffing establishment within the service. These costs will be managed overall within the Resource.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 28 June 2013 (No.4)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/06/13	Actual 28/06/13	Variance 28/06/13		% Variance 28/06/13	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,268	2,268	0	503	480	23	under	4.6%	1, a, c
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	19	19	0	5	6	(1)	over	(20.0%)	
Transport & Plant	8	8	0	2	2	0	-	0.0%	a
Administration Costs	48	48	0	5	5	0	-	0.0%	
Payments to Other Bodies	3,549	3,549	0	312	312	0	-	0.0%	a, b
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	12	12	0	3	3	0	-	0.0%	
Total Controllable Exp.	5,904	5,904	0	830	808	22	under	2.7%	
Total Controllable Inc.	(2,131)	(2,131)	0	(58)	(44)	(14)	under recovered	(24.1%)	2, a, b
Net Controllable Exp.	3,773	3,773	0	772	764	8	under	1.0%	

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within Property Development, including the effect of staff secondments. Vacancies are being considered in line with service requirements.

2. Income

The under recovery is due to less than anticipated income received from recharges for staff secondments which is offset by an underspend in employee costs.

Budget Virements

- Budget realignment to reflect additional funding for Opportunities for All, Priority 5 and 16 Plus projects: Net Effect £0: Employee Costs £0.251m, Transport and Plant £0.002m, Payments to Other Bodies £0.736m, Income (£0.989m).
- Budget realignment to reflect current Tackling Poverty Programme funding for Priority 5 projects: Net Effect £0: Payments to Other Bodies £0.941m, Income (£0.941m).
- Transfer from Tackling Poverty Programme in respect of Support Team salary costs £0.440m: Employee Costs £0.440m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 28 June 2013 (No.4)

Roads

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/06/13	Actual 28/06/13	Variance 28/06/13		% Variance 28/06/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,070	5,070	0	1,156	1,155	1	under	0.1%	a
Property Costs	478	478	0	74	82	(8)	over	(10.8%)	a, b
Supplies & Services	2,987	2,987	0	67	76	(9)	over	(13.4%)	a
Transport & Plant	249	249	0	48	40	8	under	16.7%	
Administration Costs	309	309	0	28	37	(9)	over	(32.1%)	
Payments to Other Bodies	10,932	10,932	0	5,761	5,769	(8)	over	(0.1%)	a, b
Payments to Contractors	21,282	21,282	0	2,632	2,604	28	under	1.1%	1, a, b
Transfer Payments	586	586	0	146	147	(1)	over	(0.7%)	
Financing Charges	44	44	0	11	13	(2)	over	(18.2%)	
Total Controllable Exp.	41,937	41,937	0	9,923	9,923	0	-	0.0%	
Total Controllable Inc.	(6,323)	(6,323)	0	(641)	(641)	0	-	0.0%	a
Net Controllable Exp.	35,614	35,614	0	9,282	9,282	0	-	0.0%	

Variance Explanations**1. Payments to Contractors**

The underspend reflects the level of works carried out to date.

Budget Virements

- Realignment of Roads budget to reflect current service delivery: Net Effect £0: Employee Costs £0.161m, Property Costs (£0.090m), Supplies and Services £0.090m, Payments to Other Bodies £0.065m, Payments to Contractors (£0.176m), Income (£0.050m).
- Reallocation of budget to reflect current service delivery from Community Services £0.026m: Property Costs £0.001m, Payments to Other Bodies £0.024m, Payments to Contractors £0.001m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 28 June 2013 (No.4)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/06/13	Actual 28/06/13	Variance 28/06/13	% Variance 28/06/13	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	465	465	0	0	0	0	-	n/a a
Property Costs	0	0	0	0	0	0	-	n/a
Supplies & Services	3	3	0	0	0	0	-	n/a a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	0	0	0	0	0	0	-	n/a
Payments to Other Bodies	4,072	4,072	0	621	621	0	-	0.0% a, b
Payments to Contractors	0	0	0	0	0	0	-	n/a
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
Total Controllable Exp.	4,540	4,540	0	621	621	0	-	0.0%
Total Controllable Inc.	0	0	0	0	0	0	-	n/a
Net Controllable Exp.	4,540	4,540	0	621	621	0	-	0.0%

Budget Virements

- a. Realignment of Tackling Poverty Programme budget to reflect current service delivery: Net Effect £0: Employee Costs £0.465m, Supplies and Services £0.003m, Payments to Other Bodies (£0.468m).
- b. Transfer to Regeneration in respect of Support Team salary costs (£0.440m): Payments to Other Bodies (£0.440m).