

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	6 March 2024
Report by:	Head of Finance (Strategy)

Subject:	Revenue Budget Monitoring 2023/2024 – Finance and Corporate Resources
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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 2023 to 28 December 2023 for Finance and Corporate Resources

2. Recommendation(s)

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

- (1) that the overspend of £0.179 million on the Finance and Corporate Resources' revenue budget to date, as detailed in Appendix A of the report, be noted;
- (2) that the forecast overspend of £0.216 million to 31 March 2024, also detailed in Appendix A of the report, be noted; and
- (3) that the proposed budget virements be approved.

3. Background

3.1. The report details the financial position for Finance and Corporate Resources on Appendix A, along with variance explanations in Appendices B-H as appropriate.

4. Employee Implications

4.1. None.

5. Financial Implications

5.1. **Probable Outturn:** Following the Council's formal Probable Outturn exercise, the Resource is forecasting an overspend of £0.216 million. The Resource has no proposed transfers to reserves at this point. This will be confirmed at the year-end.

5.2. **Financial Position as at 28 December 2023:** As at 28 December 2023, the Resource is showing an overspend of £0.179 million, as detailed in Appendix A.

5.3. Virements are proposed to realign budgets. This has been detailed in Appendices B to H.

6. Climate Change, Sustainability and Environmental Implications

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

7. Other Implications

- 7.1. 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.

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 the report.

Jackie Taylor
Head of Finance (Strategy)

15 January 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Finance and Corporate Resources Committee, 6 December 2023

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 28 December 2023.

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

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Finance and Corporate Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	39,567	38,262	1,305	28,767	27,726	1,041	under	3.6%	
Property Costs	4,256	4,470	(214)	2,982	3,128	(146)	over	(4.9%)	
Supplies & Services	7,359	7,685	(326)	6,306	6,565	(259)	over	(4.1%)	
Transport & Plant	69	68	1	40	46	(6)	over	(15.0%)	
Administration Costs	7,862	8,284	(422)	5,547	5,878	(331)	over	(6.0%)	
Payments to Other Bodies	5,935	6,713	(778)	4,397	5,098	(701)	over	(15.9%)	
Payments to Contractors	284	305	(21)	281	292	(11)	over	(3.9%)	
Transfer Payments	65,650	62,923	2,727	47,105	45,158	1,947	under	4.1%	
Financing Charges	1,216	1,293	(77)	363	382	(19)	over	(5.2%)	
Total Controllable Exp.	132,198	130,003	2,195	95,788	94,273	1,515	under	1.6%	
Total Controllable Inc.	(88,094)	(85,683)	(2,411)	(54,592)	(52,898)	(1,694)	under recovered	3.1%	
Net Controllable Exp.	44,104	44,320	(216)	41,196	41,375	(179)	over	(0.4%)	

Variance Explanations

Variance explanations are shown in Appendices B to H as appropriate.

Budget Virements

Virements are noted in Appendices B to H.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Finance – Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,226	3,076	150	2,345	2,203	142	under	6.1%	1,a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	20	18	2	4	5	(1)	over	(25.0%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	109	117	(8)	96	104	(8)	over	(8.3%)	
Payments to Other Bodies	516	607	(91)	256	326	(70)	over	(27.3%)	2
Payments to Contractors	22	26	(4)	22	25	(3)	over	(13.6%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	16	22	(6)	3	3	0	-	0.0%	
Total Controllable Exp.	3,909	3,866	43	2,726	2,666	60	under	2.2%	
Total Controllable Inc.	(1,603)	(1,594)	(9)	(56)	(47)	(9)	under recovered	16.1%	
Net Controllable Exp.	2,306	2,272	34	2,670	2,619	51	under	1.9%	

Variance Explanations**1. Employee Costs**

The underspend reflects the turnover of staff to date, with any vacant posts being considered in line with service requirements.

2. Payments to Other Bodies

The overspend reflects the uplift in external audit fees.

Budget Virements

- a. Local Government 2023/2024 Pay Award: Net Effect £0.191m: Employee Costs £0.191m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Finance – Transactions Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	13,663	13,367	296	9,968	9,742	226	under	2.3%	1,a
Property Costs	4,177	4,374	(197)	2,939	3,079	(140)	over	(4.8%)	2,b
Supplies & Services	845	944	(99)	570	626	(56)	over	(9.8%)	
Transport & Plant	5	3	2	0	0	0	-	n/a	
Administration Costs	1,671	1,781	(110)	1,270	1,346	(76)	over	(6.0%)	3
Payments to Other Bodies	1,615	1,639	(24)	1,267	1,293	(26)	over	(2.1%)	
Payments to Contractors	237	253	(16)	234	241	(7)	over	(3.0%)	
Transfer Payments	65,650	62,923	2,727	47,105	45,158	1,947	under	4.1%	4
Financing Charges	142	170	(28)	0	11	(11)	over	n/a	
Total Controllable Exp.	88,005	85,454	2,551	63,353	61,496	1,857	under	2.9%	
Total Controllable Inc.	(68,555)	(65,823)	(2,732)	(48,273)	(46,331)	(1,942)	under recovered	4.0%	4
Net Controllable Exp.	19,450	19,631	(181)	15,080	15,165	(85)	over	(0.6%)	

Variance Explanations**1. Employee Costs**

The underspend is due to vacant posts within the Service which are being recruited in line with Service requirements.

2. Property Costs

The overspend reflects greater than budgeted spend on Non-Domestic Rates Empty Property Relief.

3. Administration Costs

The overspend reflects additional postage costs required for service delivery; and Graduate training costs which are offset by Employee Cost underspends.

4. Transfer Payments / Income

The underspend in Transfer Payments reflects the demand-led spend on Rent Allowance and Rent Rebates, and is offset by an under-recovery of Income.

Budget Virements

- a. Local Government 2023/2024 Pay Award: Net Effect £0.783m: Employee Costs £0.783m.
- b. Scottish Welfare Fund £0.145m: Net Effect £0.145m: Property Costs £0.145m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Audit Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	665	682	(17)	487	507	(20)	over	(4.1%)	1,a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	7	7	0	0	1	(1)	over	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	6	6	0	4	4	0	-	0.0%	
Payments to Other Bodies	1	0	1	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	4	4	0	0	0	0	-	n/a	
Total Controllable Exp.	683	699	(16)	491	512	(21)	over	(4.3%)	
Total Controllable Inc.	(272)	(282)	10	(45)	(45)	0	-	0.0%	
Net Controllable Exp.	411	417	(6)	446	467	(21)	over	(4.7%)	

Variance Explanations**1. Employee Costs**

The overspend reflects a lower than anticipated turnover achieved to date.

Budget Virements

- a. Local Government 2023/2024 Pay Award: Net Effect £0.038m: Employee Costs £0.038m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Information Technology Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,533	5,497	36	3,723	3,721	2	under	0.1%	a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	5,518	5,685	(167)	5,162	5,329	(167)	over	(3.2%)	1
Transport & Plant	4	4	0	0	0	0	-	n/a	
Administration Costs	1,604	1,603	1	972	974	(2)	over	(0.2%)	
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	631	634	(3)	108	108	0	-	0.0%	
Total Controllable Exp.	13,290	13,423	(133)	9,965	10,132	(167)	over	(1.7%)	
Total Controllable Inc.	(7,748)	(7,881)	133	(1,575)	(1,677)	102	over recovered	(6.5%)	1
Net Controllable Exp.	5,542	5,542	0	8,390	8,455	(65)	over	(0.8%)	

Variance Explanations**1. Supplies & Services / Income**

The overspend reflects the increased costs of IT services, which is offset by an over-recovery of income via recharge to Resources.

Budget Virements

- a. Local Government 2023/2024 Pay Award: Net Effect £0.316m: Employee Costs £0.316.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Personnel Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	9,874	8,991	883	7,472	6,707	765	under	10.2%	1,a,c
Property Costs	62	92	(30)	34	45	(11)	over	(32.4%)	
Supplies & Services	197	197	0	70	76	(6)	over	(8.6%)	
Transport & Plant	14	9	5	2	2	0	-	(0.0%)	
Administration Costs	999	1,251	(252)	866	1,099	(233)	over	(26.9%)	2,c
Payments to Other Bodies	2,305	3,009	(704)	1,599	2,211	(612)	over	(38.3%)	3,b,c,d
Payments to Contractors	25	26	(1)	25	26	(1)	over	(4.0%)	c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	40	44	(4)	3	3	0	-	0.0%	
Total Controllable Exp.	13,516	13,619	(103)	10,071	10,169	(98)	over	(1.0%)	
Total Controllable Inc.	(4,597)	(4,857)	260	(1,767)	(1,932)	165	over recovered	(9.3%)	2,c,d
Net Controllable Exp.	8,919	8,762	157	8,304	8,237	67	under	0.8%	

Variance Explanations**1. Employee Costs**

The underspend reflects savings made in advance, and the level of turnover within the Service to date, with recruitment being considered in line with Service requirements.

2. Administration Costs / Income

The overspend in Administration Costs reflects the level of recruitment costs and medical expenses incurred to date, which is offset by an over-recovery of income via recharges to Resources.

3. Payments to Other Bodies

The overspend relates to spend on Employability projects. This overspend is being managed within the overall Service position and is not recurring beyond 2023/2024.

Budget Virements

- a. Local Government 2023/2024 Pay Award: Net Effect £0.473m: Employee Costs £0.473m.
- b. Employment Recruitment Incentives funded from Reserves: Net Effect £0.139m: Payments to Other Bodies £0.139m.
- c. No-One Left Behind Grant Claim (Q2&3): Net Effect £0.000m: Employee Costs £0.561m, Payments to Other Bodies £1.175m, Payments to Contractors £0.025m, Income (£1.761m).
- d. Shared Prosperity Funding/Expenditure: Net Effect £0.000m: Payments to Other Bodies £0.535m, Income (£0.535m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Administration, Legal and Licensing Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,987	4,100	(113)	2,897	3,026	(129)	over	(4.5%)	1,a
Property Costs	17	4	13	9	4	5	under	55.6%	
Supplies & Services	119	176	(57)	39	60	(21)	over	(53.8%)	
Transport & Plant	14	15	(1)	10	13	(3)	over	(30.0%)	
Administration Costs	2,331	2,387	(56)	1,688	1,699	(11)	over	(0.7%)	
Payments to Other Bodies	678	576	102	577	524	53	under	9.2%	2
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	32	67	(35)	0	8	(8)	over	n/a	
Total Controllable Exp.	7,178	7,325	(147)	5,220	5,334	(114)	over	(2.2%)	
Total Controllable Inc.	(2,668)	(2,595)	(73)	(1,342)	(1,330)	(12)	under recovered	0.9%	
Net Controllable Exp.	4,510	4,730	(220)	3,878	4,004	(126)	over	(3.2%)	

Variance Explanations

- Employee Costs**
The overspend reflects a lower than anticipated turnover achieved to date.
- Payments to Other Bodies**
The underspend relates to less than budgeted spend on Admin Grants.

Budget Virements

- Local Government 2023/2024 Pay Award: Net Effect £0.230m: Employee Costs £0.230m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 28 December 2023 (No.10)

Communications and Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	2,619	2,549	70	1,875	1,820	55	under	2.9%	1,a,b
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	653	658	(5)	461	468	(7)	over	(1.5%)	
Transport & Plant	32	37	(5)	28	31	(3)	over	(10.7%)	
Administration Costs	1,142	1,139	3	651	652	(1)	over	(0.2%)	
Payments to Other Bodies	820	882	(62)	698	744	(46)	over	(6.6%)	2
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	351	352	(1)	249	249	0	-	0.0%	
Total Controllable Exp.	5,617	5,617	0	3,962	3,964	(2)	over	(0.1%)	
Total Controllable Inc.	(2,651)	(2,651)	0	(1,534)	(1,536)	2	over recovered	(0.1%)	
Net Controllable Exp.	2,966	2,966	0	2,428	2,428	0	-	0.0%	

Variance Explanations**1. Employee Costs**

The underspend reflects the level of turnover within the Service to date, with recruitment being considered in line with Service requirements.

2. Payments to Other Bodies

The overspend relates to annual Community Planning Partnership and Citizens Advice Bureau contributions.

Budget Virements

- a. Local Government 2023/2024 Pay Award: Net Effect £0.155m: Employee Costs £0.155m.