

Report

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Report to:	Community Services Committee
Date of Meeting:	5 May 2015
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community Services - Revenue Budget Monitoring 2014/2015
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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 2014 to 6 March 2015 for Community Services
- ◆ provide a forecast for the year to 31 March 2015.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendations:-

- (1) that the underspend on the Community Services' revenue budget of £0.867m (1.3%), as detailed in Appendices B to F of the report, be noted; and
- (2) that, following the probable exercise, the forecast to 31 March 2015 of an underspend of £0.912m, be noted.

3. Background

- 3.1. This is the fifth revenue budget monitoring report presented to the Community Services Committee for the financial year 2014/2015.
- 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 where necessary, 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 6 March 2015, the Community Services' variance from phased budget is an underspend of £0.867m (1.3%).
- 5.2. Following the probable exercise, the Community Services' forecast for the revenue

budget to 31 March 2015 is an underspend of £0.912m. Taking the Enterprise Services' forecast of an overspend of £0.980m and the Trading Services forecast of an over recovery of surplus of £0.068m, the Community and Enterprise Resources' forecast for the revenue budget to 31 March 2015 is a breakeven position.

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)

1 April 2015

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Services Committee – 17 February 2015

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 6 March 2015

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-Lorraine O'Hagan, Accounting and Budgeting Manager

Ext: 4617 (Tel: 01698 454617)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 6 March 2015 (No.13)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/03/15	Actual 06/03/15	Variance 06/03/15		% Variance 06/03/15	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,873	37,275	598	34,448	33,674	774	under	2.2%	
Property Costs	12,875	13,347	(472)	12,071	12,388	(317)	over	(2.6%)	
Supplies & Services	4,759	5,299	(540)	3,610	4,154	(544)	over	(15.1%)	
Transport & Plant	6,273	6,721	(448)	5,521	5,892	(371)	over	(6.7%)	
Administration Costs	1,189	1,649	(460)	1,120	1,637	(517)	over	(46.2%)	
Payments to Other Bodies	19,993	19,468	525	17,974	17,550	424	under	2.4%	
Payments to Contractors	56,585	55,303	1,282	49,282	48,304	978	under	2.0%	
Transfer Payments	586	586	0	586	586	0	-	0.0%	
Financing Charges	657	616	41	629	599	30	under	4.8%	
Total Controllable Exp.	140,790	140,264	526	125,241	124,784	457	under	0.4%	
Total Controllable Inc.	(26,214)	(25,620)	(594)	(18,499)	(17,976)	(523)	under recovered	(2.8%)	
Net Controllable Exp.	114,576	114,644	(68)	106,742	106,808	(66)	over	(0.1%)	

Variance Explanations

Variance explanations are shown in Appendices B, C, E and F.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 6 March 2015 (No.13)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/03/15	Actual 06/03/15	Variance 06/03/15		% Variance 06/03/15	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	18,262	18,003	259	16,646	16,298	348	under	2.1%	1
Property Costs	11,710	11,779	(69)	10,966	11,017	(51)	over	(0.5%)	2
Supplies & Services	1,204	1,603	(399)	1,031	1,419	(388)	over	(37.6%)	3
Transport & Plant	5,617	6,070	(453)	4,887	5,253	(366)	over	(7.5%)	4
Administration Costs	143	216	(73)	142	240	(98)	over	(69.0%)	5
Payments to Other Bodies	67	71	(4)	60	62	(2)	over	(3.3%)	
Payments to Contractors	15,222	14,289	933	12,899	12,226	673	under	5.2%	6
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	520	501	19	498	488	10	under	2.0%	
Total Controllable Exp.	52,745	52,532	213	47,129	47,003	126	under	0.3%	
Total Controllable Inc.	(10,791)	(11,013)	222	(7,954)	(8,205)	251	over recovered	3.2%	7
Net Controllable Exp.	41,954	41,519	435	39,175	38,798	377	under	1.0%	

Variance Explanations**1. Employee Costs**

The underspend is within Refuse and Disposal Services and Streets and Bereavement Services, and is mainly due to vacancies which are being considered in line with Service requirements.

2. Property Costs

The overspend is due to additional repair works required at Castlehill Civic Amenity site.

3. Supplies and Services

The overspend is due to the purchase of additional recycling bins and refuse sacks.

4. Transport & Plant

The overspend is mainly due to an increase in the price of vehicles and in the number of vehicles required to meet service demand. This is partially offset by the replacement of casual hire contracts with lease hires.

5. Administration Costs

The overspend is due to costs associated with the procurement of the residual waste contract.

6. Payments to Contractors

The underspend is mainly due to a reduction in the level of refuse disposal costs and the profile of expenditure on the long term waste contract. This is partially offset by an overspend in costs incurred for Civic Amenity sites.

7. Income

The over recovery is due to greater demand for street cleaning services and the cleaning of void properties. This is partially offset by lower than anticipated income generated within Conference and Banqueting and from Public Conveniences.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 6 March 2015 (No.13)

Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/03/15	Actual 06/03/15	Variance 06/03/15		% Variance 06/03/15	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,883	3,850	33	3,540	3,490	50	under	1.4%	1
Property Costs	12	15	(3)	11	15	(4)	over	(36.4%)	
Supplies & Services	147	118	29	105	93	12	under	11.4%	
Transport & Plant	130	130	0	124	126	(2)	over	(1.6%)	
Administration Costs	73	56	17	69	57	12	under	17.4%	
Payments to Other Bodies	173	126	47	164	127	37	under	22.6%	2
Payments to Contractors	234	358	(124)	206	317	(111)	over	(53.9%)	3
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	17	8	25	17	8	under	32.0%	
Total Controllable Exp.	4,677	4,670	7	4,244	4,242	2	under	0.0%	
Total Controllable Inc.	(1,008)	(1,154)	146	(394)	(542)	148	over recovered	37.6%	4
Net Controllable Exp.	3,669	3,516	153	3,850	3,700	150	under	3.9%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies which are being considered in line with Service requirements.

2. Payments to Other Bodies

The underspend is due to lower than anticipated costs for scientific services.

3. Payments to Contractors

The overspend reflects an increase in the level of requests for pest control services, and is offset by an over recovery in income.

4. Income

The over recovery of income is due to an increase in the level of requests for pest control services, which offsets the overspend within Payments to Contractors (see 3 above).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 6 March 2015 (No.13)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/03/15	Actual 06/03/15	Variance 06/03/15	% Variance 06/03/15	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	4	5	(1)	4	4	0	-	0.0%
Property Costs	235	240	(5)	215	202	13	under	6.0%
Supplies & Services	0	0	0	0	0	0	-	n/a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	11	11	0	11	11	0	-	0.0%
Payments to Other Bodies	102	109	(7)	18	18	0	-	0.0%
Payments to Contractors	20,663	20,663	0	20,663	20,663	0	-	0.0%
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
Total Controllable Exp.	21,015	21,028	(13)	20,911	20,898	13	under	0.1%
Total Controllable Inc.	0	0	0	0	0	0	-	n/a
Net Controllable Exp.	21,015	21,028	(13)	20,911	20,898	13	under	0.1%

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 6 March 2015 (No.13)

Projects

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/03/15	Actual 06/03/15	Variance 06/03/15		% Variance 06/03/15	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	0	0	0	0	0	0	-	n/a	
Property Costs	1	1	0	1	1	0	-	0.0%	
Supplies & Services	61	69	(8)	61	96	(35)	over	(57.4%)	1
Transport & Plant	153	153	0	153	153	0	-	0.0%	
Administration Costs	0	0	0	0	0	0	-	n/a	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	612	407	205	498	313	185	under	37.1%	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	827	630	197	713	563	150	under	21.0%	
Total Controllable Inc.	(595)	(630)	35	(563)	(563)	0	-	0.0%	
Net Controllable Exp.	232	0	232	150	0	150	under	100.0%	

Variance Explanations**1. Supplies and Services**

The overspend is due to higher equipment costs within the Air Quality Project. This is offset by an underspend within Payments to Contractors, as noted at 2 below.

2. Payments to Contractors

The underspend reflects lower than anticipated expenditure for the Air Quality project, offsetting the additional expenditure at 1 above.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 6 March 2015 (No.13)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/03/15	Actual 06/03/15	Variance 06/03/15		% Variance 06/03/15	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,408	4,328	80	4,023	3,894	129	under	3.2%	1
Property Costs	295	290	5	293	291	2	under	0.7%	
Supplies & Services	183	179	4	64	60	4	under	6.3%	
Transport & Plant	73	69	4	72	68	4	under	5.6%	
Administration Costs	241	239	2	221	200	21	under	9.5%	
Payments to Other Bodies	0	2	(2)	0	1	(1)	over	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	32	29	3	28	27	1	under	3.6%	
Total Controllable Exp.	5,232	5,136	96	4,701	4,541	160	under	3.4%	
Total Controllable Inc.	(1,832)	(1,841)	9	(8)	(25)	17	over recovered	212.5%	
Net Controllable Exp.	3,400	3,295	105	4,693	4,516	177	under	3.8%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies which are being considered in line with Service requirements.