

Report

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Report to:	Community Services Committee
Date of Meeting:	21 August 2012
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community and Enterprise Resources - Revenue Budget Monitoring 2012/2013
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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 8 June 2012 for Community and Enterprise Resources
- ◆ provide a forecast for the year to 31 March 2013

2. Recommendation(s)

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

- (1) that the overspend on Community and Enterprise Resources' revenue budget of £0.027m (0.14%), as detailed in Appendix A of the report, and the forecast to 31 March 2013 of break even be noted;
- (2) that the proposed budget virements in respect of Community Services, as detailed in Appendices B to E of the report, be approved; and
- (3) that the proposed budget virements in relation to Support Services, as detailed in Appendix J of the report, be endorsed and referred to the Enterprise Services Committee for approval.

3. Background

- 3.1. This is the second revenue budget monitoring report presented to the Community Services Committee and Enterprise Services Committee for the financial year 2012/2013.
- 3.2. The report details the financial position for Community and Enterprise Resources on Appendix A, and then details the individual services, along with variance explanations, in Appendices B to J.
- 3.3. The Services relating to Community Services are detailed in Appendices B to E of this report, including the details of any proposed virements that require approval.
- 3.4. Support Services as detailed in Appendix J of the report cannot be readily split between Community and Enterprise Services and thus any proposed virements will require to be endorsed by the Community Services Committee and referred to the Enterprise Services Committee for their approval.

4. Employee Implications

- 4.1. None

5. Financial Implications

- 5.1. As at 8 June 2012, the variance from phased budget is an overspend of £0.027m (0.14%). The forecast for the revenue budget to 31 March 2013 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)

20 July 2012

Link(s) to Council Values/Improvement Themes/Objectives

- ♦ Accountable, Effective and Efficient

Previous References

- ♦ Community Services Committee, 19 June 2012
- ♦ Enterprise Services Committee, 19 June 2012

List of Background Papers

- ♦ Financial ledger and budget monitoring results to 8 June 2012.

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 8 June 2012 (No.3)

Community and Enterprise Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	39,340	39,340	0	5,493	5,358	135	under	2.5%	
Property Costs	12,269	12,269	0	1,813	1,807	6	under	0.3%	
Supplies & Services	4,052	4,052	0	276	303	(27)	over	(9.8%)	
Transport & Plant	5,427	5,427	0	1,250	1,312	(62)	over	(5.0%)	
Administration Costs	8,940	8,940	0	1,761	1,770	(9)	over	(0.5%)	
Payments to Other Bodies	19,580	19,580	0	6,396	6,417	(21)	over	(0.3%)	
Payments to Contractors	61,264	61,264	0	8,466	8,370	96	under	1.1%	
Transfer Payments	533	533	0	133	133	0	-	0.0%	
Financing Charges	790	790	0	77	66	11	under	14.3%	
Total Controllable Exp.	152,195	152,195	0	25,665	25,536	129	under	0.5%	
Total Controllable Inc.	(35,872)	(35,872)	0	(5,742)	(5,586)	(156)	under recovered	(2.7%)	
Net Controllable Exp.	116,323	116,323	0	19,923	19,950	(27)	over	(0.1%)	

Variance Explanations

Variance explanations are shown in Appendices B to J.

Budget Virements

Budget virements are shown in Appendices B to J.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Facilities, Streets and Bereavement

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	11,612	11,612	0	1,737	1,732	5	under	0.3%	a
Property Costs	11,140	11,140	0	1,759	1,756	3	under	0.2%	
Supplies & Services	1,006	1,006	0	132	129	3	under	2.3%	
Transport & Plant	1,524	1,524	0	302	310	(8)	over	(2.6%)	
Administration Costs	4,036	4,036	0	846	847	(1)	over	(0.1%)	
Payments to Other Bodies	9	9	0	0	1	(1)	over	n/a	
Payments to Contractors	98	98	0	18	19	(1)	over	(5.6%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	229	229	0	28	25	3	under	10.7%	
Total Controllable Exp.	29,654	29,654	0	4,822	4,819	3	under	0.1%	
Total Controllable Inc.	(11,386)	(11,386)	0	(2,331)	(2,337)	6	over recovered	0.3%	
Net Controllable Exp.	18,268	18,268	0	2,491	2,482	9	under	0.4%	

Budget Virements

- a. Transfer of Living Wage allocation to Education Resources (£0.215m), Housing and Technical Resources (£0.057m), Social Work Resources (£0.019m), Waste and Environmental (£0.004m), Leisure and Culture (£0.007m), Roads (£0.027m), and Trading Operations (£0.002m) – Total (£0.331m): Employee Costs (£0.331m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Waste and Environmental

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	9,793	9,793	0	1,480	1,378	102	under	6.9%	1
Property Costs	114	114	0	3	2	1	under	33.3%	
Supplies & Services	599	599	0	62	59	3	under	4.8%	
Transport & Plant	3,573	3,573	0	868	908	(40)	over	(4.6%)	2
Administration Costs	2,320	2,320	0	484	480	4	under	0.8%	
Payments to Other Bodies	223	223	0	23	23	0	-	0.0%	
Payments to Contractors	15,958	15,958	0	2,810	2,771	39	under	1.4%	3
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	319	319	0	7	6	1	under	14.3%	
Total Controllable Exp.	32,899	32,899	0	5,737	5,627	110	under	1.9%	
Total Controllable Inc.	(2,443)	(2,443)	0	(299)	(158)	(141)	under recovered	(47.2%)	4
Net Controllable Exp.	30,456	30,456	0	5,438	5,469	(31)	over	(0.6%)	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service with the recruitment process underway to fill a number of posts. In addition, overtime costs within Refuse and Disposal Services are less than anticipated.

2. Transport and Plant

The overspend is due to greater than anticipated fuel and vehicle maintenance costs within Refuse and Disposal Services.

3. Payments to Contractors

The underspend is due to less than anticipated waste collection partially offset by greater than anticipated amenity site charges.

4. Income

The under recovery is due to less than anticipated income from special uplifts.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	1	1	0	-	0.0%	
Property Costs	232	232	0	27	23	4	under	14.8%	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,759	1,759	0	374	374	0	-	0.0%	
Payments to Other Bodies	112	112	0	0	0	0	-	n/a	
Payments to Contractors	21,009	21,009	0	5,306	5,306	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.	23,116	23,116	0	5,708	5,704	4	under	0.1%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	23,116	23,116	0	5,708	5,704	4	under	0.1%	

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,044	3,044	0	456	456	0	-	0.0%	
Property Costs	38	38	0	0	0	0	-	n/a	
Supplies & Services	50	50	0	24	26	(2)	over	(8.3%)	
Transport & Plant	0	0	0	0	8	(8)	over	n/a	
Administration Costs	808	808	0	23	23	0	-	0.0%	a
Payments to Other Bodies	125	125	0	7	7	0	-	0.0%	
Payments to Contractors	300	300	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	49	49	0	6	6	0	-	0.0%	
Total Controllable Exp.	4,414	4,414	0	516	526	(10)	over	(1.9%)	
Total Controllable Inc.	(3,727)	(3,727)	0	(633)	(611)	(22)	under recovered	(3.5%)	1
Net Controllable Exp.	687	687	0	(117)	(85)	(32)	over	(27.4%)	

Variance Explanations**1. Income**

The under recovery is due to a reduction in the level and value of planning applications and building standards warrants as a result of the economic downturn.

Budget Virements

- a. Internal Support Reallocation from Support £0.055m: Administration Costs £0.055m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,635	4,635	0	329	326	3	under	0.9%	a,b
Property Costs	0	0	0	0	2	(2)	over	n/a	
Supplies & Services	28	28	0	4	3	1	under	25.0%	
Transport & Plant	0	0	0	0	2	(2)	over	n/a	
Administration Costs	465	465	0	2	2	0	-	0.0%	c
Payments to Other Bodies	4,197	4,197	0	254	254	0	-	0.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	39	39	0	4	3	1	under	25.0%	
Total Controllable Exp.	9,364	9,364	0	593	592	1	under	0.2%	
Total Controllable Inc.	(2,638)	(2,638)	0	(47)	(48)	1	over recovered	2.1%	
Net Controllable Exp.	6,726	6,726	0	546	544	2	under	0.4%	

Budget Virements

- Additional General Revenue Grant received for Routes to Inclusion Projects £1.457m: Employee Costs £1.457m.
- Transfer of funding, carried forward from 2011/12, for the Routes to Inclusion Projects £0.983m: Employee Costs £0.983m.
- Internal Support Reallocation from Support £0.033m: Administration Costs £0.033m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Roads

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,871	4,871	0	731	722	9	under	1.2%	a
Property Costs	449	449	0	23	23	0	-	0.0%	
Supplies & Services	2,109	2,109	0	34	68	(34)	over	(100.0%)	1
Transport & Plant	104	104	0	23	26	(3)	over	(13.0%)	
Administration Costs	1,378	1,378	0	15	28	(13)	over	(86.7%)	b
Payments to Other Bodies	10,828	10,828	0	5,623	5,642	(19)	over	(0.3%)	
Payments to Contractors	22,363	22,363	0	271	213	58	under	21.4%	2
Transfer Payments	533	533	0	133	133	0	-	0.0%	
Financing Charges	80	80	0	20	14	6	under	30.0%	
Total Controllable Exp.	42,715	42,715	0	6,873	6,869	4	under	0.1%	
Total Controllable Inc.	(6,251)	(6,251)	0	(587)	(583)	(4)	under recovered	(0.7%)	
Net Controllable Exp.	36,464	36,464	0	6,286	6,286	0	-	0.0%	

Variance Explanations**1. Supplies and Services**

The overspend is partly due to higher than anticipated IT costs and additional parking permits.

2. Payments to Contractors

The underspend is due to less than anticipated rechargeable and specialist work carried out to date.

Budget Virements

- a. Transfer of Living Wage allocation from Facilities, Streets and Bereavement £0.027m: Employee Costs £0.027m.
- b. Internal Support Reallocation from Support £0.088m: Administration Costs £0.088m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Tackling Poverty Programme

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12	% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000		
<u>Budget Category</u>								
Employee Costs	466	466	0	0	0	0	-	n/a
Property Costs	0	0	0	0	0	0	-	n/a
Supplies & Services	3	3	0	0	0	0	-	n/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	4,086	4,086	0	489	489	0	-	0.0%
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.	4,555	4,555	0	489	489	0	-	0.0%
Total Controllable Inc.	0	0	0	0	0	0	-	n/a
Net Controllable Exp.	4,555	4,555	0	489	489	0	-	0.0%

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 June 2012 (No.3)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/06/12	Actual 08/06/12	Variance 08/06/12		% Variance 08/06/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,496	4,496	0	683	662	21	under	3.1%	1,a,b
Property Costs	296	296	0	1	1	0	-	0.0%	
Supplies & Services	187	187	0	20	18	2	under	0.1%	
Transport & Plant	73	73	0	1	2	(1)	over	(100.0%)	
Administration Costs	(1,826)	(1,826)	0	17	16	1	under	5.9%	c
Payments to Other Bodies	0	0	0	0	1	(1)	over	n/a	
Payments to Contractors	1,230	1,230	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	74	74	0	12	12	0	-	0.0%	
Total Controllable Exp.	4,530	4,530	0	734	712	22	under	3.0%	
Total Controllable Inc.	(8,479)	(8,479)	0	(1,652)	(1,651)	(1)	under recovered	(0.1%)	
Net Controllable Exp.	(3,949)	(3,949)	0	(918)	(939)	21	under	2.3%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service with the recruitment process underway to fill a number of posts.

Budget Virements

- a. Transfer to Housing and Technical Resources in respect of Personnel staff (£0.066m): Employee Costs (£0.066m).
- b. Transfer from Finance and Corporate Resources in respect of Procurement £0.176m: Employee Costs £0.176m.
- c. Enterprise Services Internal Support Reallocation to Planning and Building Standards (£0.055m), Regeneration (£0.033m) and Roads (£0.088m) – Total (£0.176m): Administration Costs (£0.176m).