

Report

3

Report to:	Community Services Committee
Date of Meeting:	17 February 2015
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community Services - Revenue Budget Monitoring 2014/2015
----------	---

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 12 December 2014 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 £0.618million (1.2%), as detailed in Appendices B to F of the report, be noted;
- (2) that the forecast to 31 March 2015 of break even position, be noted; and
- (3) that the proposed budget virements, as detailed in Appendices B, C and D of the report, be approved.

3. Background

- 3.1. This is the fourth 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 12 December 2014, the Community Services' variance from phased budget is an underspend of £0.618million (1.2%). The Community Services' forecast for the revenue budget to 31 March 2015 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)

Colin McDowall

Executive Director (Community and Enterprise Resources)

7 January 2015

Link(s) to Council Values/Objectives

◆ Accountable, Effective and Efficient

Previous References

◆ Community Services Committee, 25 November 2014

List of Background Papers

◆ Financial ledger and budget monitoring results to 12 December 2014

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 12 December 2014 (No.10)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/12/14	Actual 12/12/14	Variance 12/12/14		% Variance 12/12/14	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,871	37,871	0	25,619	25,191	428	under	1.7%	
Property Costs	12,835	12,835	0	10,154	10,406	(252)	over	(2.5%)	
Supplies & Services	4,759	4,759	0	2,173	2,509	(336)	over	(15.5%)	
Transport & Plant	6,273	6,273	0	3,808	4,097	(289)	over	(7.6%)	
Administration Costs	1,189	1,189	0	970	1,391	(421)	over	(43.4%)	
Payments to Other Bodies	19,992	19,992	0	13,746	13,319	427	under	3.1%	
Payments to Contractors	56,713	56,713	0	38,508	37,661	847	under	2.2%	
Transfer Payments	586	586	0	439	439	0	-	0.0%	
Financing Charges	657	657	0	575	546	29	under	5.0%	
Total Controllable Exp.	140,875	140,875	0	95,992	95,559	433	under	0.5%	
Total Controllable Inc.	(26,207)	(26,207)	0	(13,797)	(13,340)	(457)	under recovered	(3.3%)	
Net Controllable Exp.	114,668	114,668	0	82,195	82,219	(24)	over	0.0%	

Variance Explanations

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

Budget Virements

Budget virements are shown in Appendices B, C and D.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 December 2014 (No.10)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/12/14	Actual 12/12/14	Variance 12/12/14		% Variance 12/12/14	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	18,261	18,261	0	12,337	12,163	174	under	1.4%	1,b,c
Property Costs	11,670	11,670	0	9,163	9,182	(19)	over	(0.2%)	
Supplies & Services	1,204	1,204	0	775	1,003	(228)	over	(29.4%)	2
Transport & Plant	5,617	5,617	0	3,305	3,582	(277)	over	(8.4%)	3,a
Administration Costs	143	143	0	97	133	(36)	over	(37.1%)	
Payments to Other Bodies	67	67	0	47	50	(3)	over	(6.4%)	
Payments to Contractors	15,354	15,354	0	10,632	9,928	704	under	6.6%	4,a,b,c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	520	520	0	481	464	17	under	3.5%	
Total Controllable Exp.	52,836	52,836	0	36,837	36,505	332	under	0.9%	
Total Controllable Inc.	(10,784)	(10,784)	0	(6,134)	(6,208)	74	over recovered	1.2%	5
Net Controllable Exp.	42,052	42,052	0	30,703	30,297	406	under	1.3%	

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. Supplies and Services

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

3. Transport & Plant

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

4. Payments to Contractors

The underspend is mainly due to a reduction in the level of refuse disposal costs, partially offset by an overspend in costs incurred for Civic Amenity sites.

5. Income

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

Budget Virements

- a. Realignment to reflect current service delivery: Net Effect £0: Transport and Plant £0.200m, Payments to Contractors (£0.200m)
- b. Transfer from centrally held funds for 2014/15 Holiday Pay: £0.086m: Employee Costs £0.019m, Payments to Contractors £0.067m
- c. Transfer from centrally held funds for 2014/15 Living Wage: £0.094m: Employee Costs £0.029m, Payments to Contractors £0.065m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 December 2014 (No.10)

Environmental

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/12/14	Actual 12/12/14	Variance 12/12/14		% Variance 12/12/14	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,883	3,883	0	2,604	2,581	23	under	0.9%	1,a
Property Costs	12	12	0	9	12	(3)	over	(33.3%)	
Supplies & Services	147	147	0	65	42	23	under	35.4%	2
Transport & Plant	130	130	0	96	100	(4)	over	(4.2%)	
Administration Costs	73	73	0	50	44	6	under	12.0%	
Payments to Other Bodies	173	173	0	125	96	29	under	23.2%	
Payments to Contractors	234	234	0	156	265	(109)	over	(69.9%)	3
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	19	13	6	under	31.6%	
Total Controllable Exp.	4,677	4,677	0	3,124	3,153	(29)	over	(0.9%)	
Total Controllable Inc.	(1,008)	(1,008)	0	(331)	(458)	127	over recovered	38.4%	4
Net Controllable Exp.	3,669	3,669	0	2,793	2,695	98	under	3.5%	

Variance Explanations**1. Employee Costs**

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

2. Supplies and Services

The underspend reflects expenditure for new equipment being less than anticipated.

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 4 above).

Budget Virements

- a. Transfer from centrally held funds for 2014/15 Holiday Pay: £0.002m: Employee Costs £0.002m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 December 2014 (No.10)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/12/14	Actual 12/12/14	Variance 12/12/14		% Variance 12/12/14	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	3	3	0	-	0.0%	
Property Costs	235	235	0	167	167	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	11	11	0	11	11	0	-	0.0%	
Payments to Other Bodies	102	102	0	18	18	0	-	0.0%	
Payments to Contractors	20,663	20,663	0	15,380	15,380	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.	21,015	21,015	0	15,579	15,579	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	21,015	21,015	0	15,579	15,579	0	-	0.0%	

Budget Virements.

a. Transfer from centrally held funds for 2014/15 Holiday Pay : £0.070m: Payments to Contractors £0.070m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 December 2014 (No.10)

Projects

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/12/14	Actual 12/12/14	Variance 12/12/14		% Variance 12/12/14	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	0	0	0	0	0	0	-	n/a	
Property Costs	1	1	0	1	1	0	-	0.0%	
Supplies & Services	61	61	0	47	52	(5)	over	(10.6%)	
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	13	(13)	over	n/a	
Payments to Contractors	612	612	0	364	296	68	under	18.7%	1
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	827	827	0	565	515	50	under	8.8%	
Total Controllable Inc.	(595)	(595)	0	(515)	(515)	0	-	0.0%	
Net Controllable Exp.	232	232	0	50	0	50	under	100.0%	

Variance Explanations**1. Payments to Contractors**

The underspend reflects lower than anticipated expenditure for the Air Quality project.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 December 2014 (No.10)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/12/14	Actual 12/12/14	Variance 12/12/14		% Variance 12/12/14	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,408	4,408	0	2,994	2,933	61	under	2.0%	1
Property Costs	295	295	0	291	289	2	under	0.7%	
Supplies & Services	183	183	0	42	47	(5)	over	(11.9%)	
Transport & Plant	73	73	0	64	64	0	-	0.0%	
Administration Costs	241	241	0	186	192	(6)	over	(3.2%)	
Payments to Other Bodies	0	0	0	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	32	0	19	20	(1)	over	(5.3%)	
Total Controllable Exp.	5,232	5,232	0	3,596	3,546	50	under	1.4%	
Total Controllable Inc.	(1,832)	(1,832)	0	(6)	(20)	14	over recovered	233.3%	
Net Controllable Exp.	3,400	3,400	0	3,590	3,526	64	under	1.8%	

Variance Explanations**1. Employee Costs**

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