

# Report

Report to:	<b>Community and Enterprise Resources Committee</b>
Date of Meeting:	<b>30 October 2018</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Community and Enterprise Resources - Revenue Budget Monitoring 2018/2019</b>
----------	---

## 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 17 August 2018 for Community and Enterprise Resources
- ♦ provide a forecast for the year to 31 March 2019

## 2. Recommendation(s)

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

- (1) that the breakeven position on the Community and Enterprise Resources' revenue budget, as detailed in Appendix A of the report and the forecast to 31 March 2019 of a breakeven position, be noted; and
- (2) that the proposed budget virements be approved.

## 3. Background

3.1. This is the second revenue budget monitoring report presented to the Community and Enterprise Resources Committee for the financial year 2018/2019.

3.2. The report details the financial position for Community and Enterprise Resources in Appendix A and the individual services' reports in appendices B to F, including variance explanation.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 17 August 2018, there is a breakeven position against the phased budget. The forecast for the revenue budget to 31 March 2019 is a breakeven position.

5.2. Virements are proposed to realign budgets across budget categories and with other Resources. These movements are detailed in the appendices B to F of 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)**

**Michael McGlynn**

**Executive Director (Community and Enterprise Resources)**

26 September 2018

### **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, Effective, Efficient and Transparent

### **Previous References**

- ◆ Community and Enterprise Resources Committee – 21 August 2018

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 17 August 2018.

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Louise Harvey, Finance Manager

Ext: 2658 (Tel: 01698 452658)

E-mail: [louise.harvey@southlanarkshire.gov.uk](mailto:louise.harvey@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period 6 Ended 17 August 2018 (No.6)

## Community and Enterprise Resources Summary

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	65,091	65,091	0	22,856	22,670	186	under	0.8%	
Property Costs	3,354	3,354	0	760	760	0	-	0.0%	
Supplies & Services	8,306	8,306	0	2,451	2,427	24	under	1.0%	
Transport & Plant	7,489	7,489	0	2,523	2,570	(47)	over	(1.9%)	
Administration Costs	688	688	0	199	217	(18)	over	(9.0%)	
Payments to Other Bodies	7,138	7,138	0	3,355	3,353	2	under	0.1%	
Payments to Contractors	52,113	52,113	0	21,844	21,845	(1)	over	0.0%	
Transfer Payments	563	563	0	281	281	0	-	0.0%	
Financing Charges	180	180	0	7	8	(1)	over	(14.3%)	
<b>Total Controllable Exp.</b>	144,922	144,922	0	54,276	54,131	145	under	0.3%	
<b>Total Controllable Inc.</b>	(29,939)	(29,939)	0	(16,210)	(16,065)	(145)	under recovered	(0.9%)	
<b>Net Controllable Exp.</b>	114,983	114,983	0	38,066	38,066	0	-	0.0%	

**Variance Explanations**

Detailed within Appendices B to F.

**Budget Virements**

Budget virements are shown in Appendices B to F.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 17 August 2018 (No.6)

## Facilities, Streets and Waste (including Support)

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	51,151	51,151	0	17,943	17,861	82	under	0.5%	1,a,b
Property Costs	2,427	2,427	0	536	534	2	under	0.4%	
Supplies & Services	6,513	6,513	0	2,039	2,001	38	under	1.9%	2,a,b
Transport & Plant	7,052	7,053	0	2,405	2,457	(52)	over	(2.2%)	3
Administration Costs	266	266	0	101	108	(7)	over	(6.9%)	a
Payments to Other Bodies	30	30	0	24	22	2	under	8.3%	
Payments to Contractors	13,532	13,532	0	6,170	6,170	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	83	83	0	4	5	(1)	over	(25.0%)	a
<b>Total Controllable Exp.</b>	<b>81,054</b>	<b>81,054</b>	<b>0</b>	<b>29,222</b>	<b>29,158</b>	<b>64</b>	<b>under</b>	<b>0.2%</b>	
<b>Total Controllable Inc.</b>	<b>(18,171)</b>	<b>(18,171)</b>	<b>0</b>	<b>(10,133)</b>	<b>(10,039)</b>	<b>(94)</b>	<b>under recovered</b>	<b>(0.9%)</b>	<b>4,a,b</b>
<b>Net Controllable Exp.</b>	<b>62,883</b>	<b>62,883</b>	<b>0</b>	<b>19,089</b>	<b>19,119</b>	<b>(30)</b>	<b>over</b>	<b>(0.2%)</b>	

**Variance Explanations**

1. The variance is mainly due to vacancies within the service due to turnover and timing of recruitment, partially offset by overtime costs.
2. The favourable variance is due to lower than anticipated food cost within Facilities Management (Catering). The under spend is partially offset by an under recovery of income.
3. The over spend reflects the timing of the reduction in the number of operational vehicles required.
4. The under recovery of income relates to lower than budgeted cash income from school meals.

**Budget Virements**

- a. Transfer of budget to Support from Fleet and Environmental in respect of the Business Support review. Net effect: £0.224m: Employees £0.502m, Supplies & Services (£0.019m), Admin (£0.012m), Financing £0.002m, Income (£0.249m).
- b. Reallocation of budget within Facilities for nursery meals. Net effect: £0.000m: Employees (£0.186m), Supplies & Services £0.121m, Income £0.065m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 17 August 2018 (No.6)

## Environmental (Incl Projects)

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	3,728	3,728	0	1,273	1,237	36	under	2.8%	<b>1,a</b>
Property Costs	12	12	0	2	1	1	under	50.0%	
Supplies & Services	183	183	0	116	117	(1)	over	(0.9%)	<b>a,c</b>
Transport & Plant	132	132	0	64	61	3	under	4.7%	<b>b</b>
Administration Costs	69	69	0	23	30	(7)	over	(30.4%)	<b>a</b>
Payments to Other Bodies	133	133	0	35	35	0	-	0.0%	
Payments to Contractors	868	868	0	267	268	(1)	over	(0.4%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	24	24	0	0	0	0	-	n/a	<b>a</b>
<b>Total Controllable Exp.</b>	<b>5,149</b>	<b>5,149</b>	<b>0</b>	<b>1,780</b>	<b>1,749</b>	<b>31</b>	<b>under</b>	<b>1.7%</b>	
<b>Total Controllable Inc.</b>	<b>(1,186)</b>	<b>(1,186)</b>	<b>0</b>	<b>(492)</b>	<b>(491)</b>	<b>(1)</b>	<b>Under recovered</b>	<b>(0.2%)</b>	<b>b,c</b>
<b>Net Controllable Exp.</b>	<b>3,963</b>	<b>3,963</b>	<b>0</b>	<b>1,288</b>	<b>1,258</b>	<b>30</b>	<b>under</b>	<b>2.3%</b>	

**Variance Explanations**

1. The variance is mainly due to vacancies within the service and timing of recruitment.

**Budget Virements**

- a. Transfer of budget to Facilities, Streets and Waste in respect of the Business Support review. Net effect: (£0.220m): Employees (£0.215m), Supplies & Services (£0.002m), Admin (£0.001m), Financing (£0.002m).
- b. Establish a temporary budget in respect of external income for Electric Cars. Net effect: £0.000m: Transport & Plant £0.033m, Income (£0.033m).
- c. Establish a temporary budget to reflect current service delivery in respect of Housing notices. Net effect: £0.000m: Supplies & Services £0.017m, Income (£0.017m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 17 August 2018 (No.6)

## Leisure and Culture

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>	<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Employee Costs	4	4	0	2	2	0	-	0.0%
Property Costs	238	238	0	133	133	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	8	8	0	0	0	0	-	n/a
Payments to Other Bodies	80	80	0	0	0	0	-	n/a
Payments to Contractors	18,575	18,575	0	8,869	8,869	0	-	0.0%
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
<b>Total Controllable Exp.</b>	<b>18,905</b>	<b>18,905</b>	<b>0</b>	<b>9,004</b>	<b>9,004</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>
<b>Total Controllable Inc.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>
<b>Net Controllable Exp.</b>	<b>18,905</b>	<b>18,905</b>	<b>0</b>	<b>9,004</b>	<b>9,004</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>

**Variance Explanations**

No variances to report.

**Budget Virements**

No virements to report.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 17 August 2018 (No.6)

## Planning and Economic Development

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 17/08/18	Actual 17/08/18	Variance 17/08/18		% Variance 17/08/18	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	4,306	4,306	0	1,669	1,678	(9)	over	(0.5%)	a
Property Costs	26	26	0	3	3	0	-	0.0%	
Supplies & Services	56	56	0	44	54	(10)	over	(22.7%)	1
Transport & Plant	29	29	0	10	11	(1)	over	(10.0%)	
Administration Costs	66	66	0	34	34	0	-	0.0%	
Payments to Other Bodies	1,537	1,537	0	628	628	0	-	0.0%	b,c
Payments to Contractors	3,290	3,290	0	3,085	3,085	0	-	0.0%	d
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	33	33	0	0	0	0	-	n/a	
<b>Total Controllable Exp.</b>	9,343	9,343	0	5,473	5,493	(20)	over	(0.4%)	
<b>Total Controllable Inc.</b>	(6,423)	(6,423)	0	(4,443)	(4,463)	20	over recovered	0.5%	2,b,c ,d
<b>Net Controllable Exp.</b>	2,920	2,920	0	1,030	1,030	0	-	0.0%	

Variance Explanations

1. Overspend due to IT costs incurred for licenses and support costs for systems used by the service.
2. The over recovery reflects increased planning and building warrant fees.

Budget Virements

- a. Transfer from Reserves for secondment saving. Net Effect £0.025m: Employee Costs £0.025m.
- b. Establish budget for Hamilton Palace Grounds income. Net Effect £0.000m: Payments to Other Bodies £0.042m and income (£0.042m).
- c. Establish temporary budget for Smarter Choices Smarter Places funding. Net Effect £0.000m: Payment to Other Bodies £0.178m and Income (£0.178m).
- d. Transfer of restoration bond income to establish budget for works at Broken Cross and Mainhill sites. Net effect £0.000m: Payments to Contractors £0.482m and Income (£0.482m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 17 August 2018 (No.6)

## Roads Total

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	5,902	5,902	0	1,969	1,892	77	under	3.9%	<b>1</b>
Property Costs	651	651	0	86	89	(3)	over	(3.5%)	
Supplies & Services	1,554	1,554	0	252	255	(3)	over	(1.2%)	
Transport & Plant	276	276	0	44	41	3	under	6.8%	
Administration Costs	279	279	0	41	45	(4)	over	(9.8%)	
Payments to Other Bodies	5,358	5,358	0	2,668	2,668	0	-	0.0%	
Payments to Contractors	15,848	15,848	0	3,453	3,453	0	-	0.0%	
Transfer Payments	563	563	0	281	281	0	-	0.0%	
Financing Charges	40	40	0	3	3	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>30,471</b>	<b>30,471</b>	<b>0</b>	<b>8,797</b>	<b>8,727</b>	<b>70</b>	<b>under</b>	<b>0.8%</b>	
<b>Total Controllable Inc.</b>	<b>(4,159)</b>	<b>(4,159)</b>	<b>0</b>	<b>(1,142)</b>	<b>(1,072)</b>	<b>(70)</b>	<b>under recovered</b>	<b>(6.1%)</b>	<b>2</b>
<b>Net Controllable Exp.</b>	<b>26,312</b>	<b>26,312</b>	<b>0</b>	<b>7,655</b>	<b>7,655</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

Variance Explanations

1. The under spend mainly relates to employee turnover being higher than budgeted within the service.
2. The under recovery is due to lower income than budgeted from car parks. This is a demand led service.

Budget Virements

No virements to report.