

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	19 March 2013
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Enterprise Services - 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 2012 to 18 January 2013 for Enterprise Services
- ◆ 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 the Enterprise Services revenue budget of £0.006m (0.02%), as detailed in Appendices B to E of the report, and the forecast to 31 March 2013 of an overspend of £0.006m be noted; and
- (2) that the proposed budget virements in respect of Enterprise Services as detailed in Appendices B to E of the report, be approved.

3. Background

- 3.1. This is the fifth revenue budget monitoring report presented to the Enterprise Services Committee for the financial year 2012/2013.
- 3.2. The Community and Enterprise Resources budget is managed in totality by the Resource. The individual Enterprise Services reports are included, along with variance explanations, in Appendices B to E. For information, the report details the financial position for Community and Enterprise Resources in Appendix A. As Appendices B to E reflect Enterprise 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 18 January 2013, the Enterprise Services variance from phased budget is an overspend of £0.006m (0.02%).

- 5.2. Following the probable exercise, the Enterprise Services forecast for the revenue budget to 31 March 2013 is an overspend of £0.006m.
- 5.3. Virements are also proposed to realign budgets across the services and with other Resources including a virement of £1m to Planning and Building Standards from Roads. The level of investment in the Roads infrastructure remains at previously agreed levels to reflect one of the Council's priorities. 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)

29 January 2013

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Services Committee, 22 January 2013
- ◆ Enterprise Services Committee, 22 January 2013

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 18 January 2013.

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 18 January 2013 (No.11)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,196	37,065	131	28,457	28,267	190	under	0.7%	
Property Costs	12,531	12,598	(67)	10,780	10,778	2	under	0.0%	
Supplies & Services	4,945	5,055	(110)	2,931	2,989	(58)	over	(2.0%)	
Transport & Plant	5,881	6,055	(174)	4,940	5,105	(165)	over	(3.3%)	
Administration Costs	9,053	8,939	114	7,057	7,035	22	under	0.3%	
Payments to Other Bodies	23,276	23,494	(218)	18,287	18,371	(84)	over	(0.5%)	
Payments to Contractors	59,672	59,609	63	46,012	45,825	187	under	0.4%	
Transfer Payments	533	533	0	533	533	0	-	0.0%	
Financing Charges	602	572	30	545	543	2	under	0.4%	
Total Controllable Exp.	153,689	153,920	(231)	119,542	119,446	96	under	0.1%	
Total Controllable Inc.	(35,099)	(35,381)	282	(23,574)	(23,510)	(64)	under recovered	(0.3%)	
Net Controllable Exp.	118,590	118,539	51	95,968	95,936	32	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to E.

Budget Virements

Budget virements are shown in Appendices B to E.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 January 2013 (No.11)

Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,281	3,284	(3)	2,544	2,544	0	-	0.0%	a
Property Costs	24	24	0	13	13	0	-	0.0%	
Supplies & Services	160	163	(3)	58	59	(1)	over	(1.7%)	a, b
Transport & Plant	44	44	0	32	32	0	-	0.0%	a
Administration Costs	871	871	0	149	149	0	-	0.0%	a
Payments to Other Bodies	145	145	0	145	153	(8)	over	(5.5%)	a
Payments to Contractors	300	300	0	220	220	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	26	26	0	25	24	1	under	4.0%	
Total Controllable Exp.	4,851	4,857	(6)	3,186	3,194	(8)	over	(0.3%)	
Total Controllable Inc.	(2,690)	(2,690)	0	(2,165)	(2,165)	0	-	0.0%	c
Net Controllable Exp.	2,161	2,167	(6)	1,021	1,029	(8)	over	(0.8%)	

Budget Virements

- Internal Budget Virement from Support to reflect current service delivery £0.200m: Employee Costs £0.045m, Supplies and Services £0.040m, Transport and Plant £0.044m, Administration £0.051m, Payments to Other Bodies £0.020m.
- Additional General Revenue Grant for Wind Turbines £0.070m: Supplies and Services £0.070m.
- Transfer from Roads to Planning and Building Standards (per 5.3. in Report) £1.000m: Income £1.000m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 January 2013 (No.11)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,181	2,131	50	1,674	1,635	39	under	2.3%	1
Property Costs	2	4	(2)	2	2	0	-	0.0%	
Supplies & Services	26	21	5	18	15	3	under	16.7%	
Transport & Plant	11	11	0	8	7	1	under	12.5%	
Administration Costs	452	448	4	16	13	3	under	18.8%	
Payments to Other Bodies	7,735	7,936	(201)	5,063	5,126	(63)	over	(1.2%)	2, a, b, c
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	18	18	0	12	11	1	under	8.3%	
Total Controllable Exp.	10,425	10,569	(144)	6,793	6,809	(16)	over	(0.2%)	
Total Controllable Inc.	(3,885)	(4,029)	144	(1,299)	(1,317)	18	over recovered	1.4%	3
Net Controllable Exp.	6,540	6,540	0	5,494	5,492	2	under	0.0%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service.

2. Payments to Other Bodies

The overspend is due to additional expenditure on the Youth Employment Strategy and Conservation Area Regeneration Scheme and is offset by an over recovery in income and underspend in employee costs.

3. Income

The over recovery is due to additional income from Clyde Gateway for the Youth Employment Strategy and is offset by additional expenditure.

Budget Virements

- Reduction in transfer from Reserves for Routes to Inclusion Projects (£0.500m): Payments to Other Bodies (£0.500m).
- Transfer from centrally held funds in respect of rental properties £0.281m: Payments to Other Bodies £0.281m.
- Internal Budget Virement from Support to reflect current service delivery £0.087m: Payments to Other Bodies £0.087m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 January 2013 (No.11)

Roads

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13		% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,989	5,009	(20)	3,843	3,857	(14)	over	(0.4%)	a
Property Costs	569	573	(4)	529	539	(10)	over	(1.9%)	a, b
Supplies & Services	2,922	2,975	(53)	1,648	1,671	(23)	over	(1.4%)	a
Transport & Plant	248	247	1	210	201	9	under	4.3%	a
Administration Costs	1,481	1,496	(15)	355	367	(12)	over	(3.4%)	a
Payments to Other Bodies	10,920	10,938	(18)	10,667	10,686	(19)	over	(0.2%)	a, c
Payments to Contractors	21,407	21,326	81	13,121	12,932	189	under	1.4%	1, a, d
Transfer Payments	533	533	0	533	533	0	-	0.0%	
Financing Charges	51	52	(1)	51	51	0	-	0.0%	a
Total Controllable Exp.	43,120	43,149	(29)	30,957	30,837	120	under	0.4%	
Total Controllable Inc.	(6,251)	(6,280)	29	(3,053)	(2,933)	(120)	under recovered	(3.9%)	2
Net Controllable Exp.	36,869	36,869	0	27,904	27,904	0	-	0.0%	

Variance Explanations**1. Payments to Contractors**

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

2. Income

The under recovery is due to rechargeable work being lower than experienced in previous years.

Budget Virements

- Realignment of Roads budget to reflect current service delivery; Net effect £0: Employee Costs £0.070m, Property Costs £0.094m, Supplies and Services £0.195m, Transport and Plant £0.099m, Administration £0.086m, Payments to Other Bodies £0.067m, Payments to Contractors (£0.582m), Financing Charges (£0.029m).
- Transfer of Living Wage allocation from Trading Operations £0.001m: Property Costs £0.001m.
- Transfer of Living Wage allocation from Facilities, Streets and Bereavement £0.025m: Payments to Other Bodies £0.025m.
- Transfer to Planning and Building Standards from Roads (per 5.3. in Report) (£1.000m): Payments to Contractors (£1.000m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 18 January 2013 (No.11)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/01/13	Actual 18/01/13	Variance 18/01/13	% Variance 18/01/13	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	518	518	0	423	423	0	-	0.0%
Property Costs	0	0	0	0	0	0	-	n/a
Supplies & Services	29	29	0	29	29	0	-	0.0%
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	0	0	0	0	0	0	-	n/a
Payments to Other Bodies	4,128	4,128	0	2,225	2,225	0	-	0.0% a
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.	4,675	4,675	0	2,677	2,677	0	-	0.0%
Total Controllable Inc.	(120)	(120)	0	(120)	(120)	0	-	0.0% a
Net Controllable Exp.	4,555	4,555	0	2,557	2,557	0	-	0.0%

Budget Virements

a. Budget realignment to reflect additional NHS income received; Net Effect £0: Payments to Other Bodies £0.120m, Income (£0.120m).