

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	21 February 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2018/2019
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update members of the Financial Resources Scrutiny Forum of progress on the Council's revenue budget for the period covering 1 April 2018 to 4 January 2019.

2. Recommendation(s)

2.1. The Forum is asked to note the following recommendation(s):-

- (1) that the 2018/2019 Financial Position as at period 11 (4 January 2019) and the forecast to 31 March 2019, for General Services, Housing Revenue Account and Trading Operations (as detailed in Appendices A to F), be noted.

3. Background

3.1. The Revenue reports attached provide detail on the most recent Executive Committee report dated 13 February 2019. The reports detail the position as at 4 January 2019 for General Services, Housing Revenue Account and the Council's Trading Operations.

3.2. The papers have been split into separate Appendices as shown below:

- ◆ Appendix A - 2018/2019 Probable Outturn Position for the Council for General Services
- ◆ Appendix B - 2018/2019 Resource Transfers to Reserves
- ◆ Appendix C - 2018/2019 Financial Position **before** Transfers to Reserves as at Period 11 (4 January 2019) for General Services
- ◆ Appendix D - 2018/2019 Financial Position **after** Transfers to Reserves as at Period 11 (4 January 2019) for General Services
- ◆ Appendix E - 2018/2019 Financial Position as at Period 11 (4 January 2019) for Housing Revenue Account
- ◆ Appendix F - 2018/2019 Financial Position as at Period 11 (4 January 2019) for the Council's Trading Operations

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. The financial position of the General Services Revenue Budget, Housing Revenue Account and the Council's Trading Operations are detailed in Appendices A to F.
- 5.2. This report summarises the 2018/2019 forecast spend for the Council's General Fund Revenue Account to 31 March 2019 (section 6). This is known as the Probable Outturn position. It will also provide details of the General Services Monitoring Position regarding actual expenditure and income to 4 January 2019, compared with the budget for the same period (section 7).
- 5.3. When establishing the probable outturn position for the year, Resources were asked to take all known commitments into account. The report will detail the anticipated spend for the current year and will propose funds to be transferred to reserves for future commitments. The report will also detail the position after proposed transfers to reserves to take account of those known commitments required in the next financial year.

6. 2018/2019 General Services Probable Outturn

- 6.1. Appendix A shows the probable outturn position for the Council.
- 6.2. As per section 5.3, to reflect this, the outturn position in Appendix A shows the position **before** Transfers to Reserves and alongside this, the transfers to reserves and then the outturn position **after** Transfers to Reserves.
- 6.3. **Overall Council Position:** The outturn position is an underspend of £13.257 million, **before** any transfers to reserves. This is an improved position (by £4.435 million) compared to the underspend of £8.822 million reported at period 9.
- 6.4. The main elements of the £4.435 million movement from the period 9 reported position are noted below:
 - £2.162 million in Education Resources is due to the timing of recruitment within the Early Years' Service, reduced energy consumption, an over recovery of income reflecting the receipt of additional funding for the ELC graduate programme, offset by an overspend in ASN transport and additional costs resulting from the cost of external placements.
 - £0.686 million in Housing and Technical Resources (including Trading Operation) is due to an increase of £0.711 million in the underspend on the Scottish Government funding for Temporary Accommodation within the Homeless Service.
 - £1.395 million in Corporate Items is mainly due to carbon reduction commitment (£0.227 million), utilities (£0.434 million), pay model structure (£0.415 million), over recovery of income from interest on revenue balances (£0.510 million), offset by a charge of £0.372 million for Council Tax Second Homes.
- 6.5. **Resource Transfers to Reserves:** As noted in 5.3, Resources have proposed Transfers to Reserves. These are detailed in Appendix B attached and total £6.194 million (Line A). After taking the Resources' proposed transfers to Reserves into account, the outturn position after all transfers to reserves is an underspend of £7.063 million.
- 6.6. There are a number of corporate pressures that require to be managed from this underspend as shown in Table 1:

Table 1: Corporate Pressures Funding

	£m
Outturn Position (<i>section 6.5</i>)	7.063
2019/2020 Strategy (<i>previously proposed to reduce savings requirements</i>)	(4.000)
	3.063
Less:	
2018/2019 Pay Award – additional 0.5%	(1.305)
Revised Outturn after known commitments and Transfers to Reserves	1.758

- 6.7. Taking the corporate pressures into account, results in a revised underspend after transfers of **£1.758 million**.
- 6.8. The table in Appendix B also notes the previously agreed Priorities and Investments Budget Transfers to reserves (Line B) as well as the transfer earmarked to support the 2019/2020 Budget Strategy as detailed in Table 1 above (£4.000 million - Line C).
- 6.9. Details of the Resource positions, including any assumptions are detailed below.
- 6.10. **Community and Enterprise Resources (including Trading Operations):** The outturn position **before** any Transfers to Reserves is an **overspend of £0.071 million**, comprising an underspend in the Non Trading Services of £0.730 million, offset by an under recovery of surplus in the Fleet Trading Operation (£0.776 million) and Roads Trading Operation (£0.025 million) totalling £0.801 million. This includes £0.400 million in respect of the additional payment to SLLC in respect of the financial pressures being experienced this year and a net cost of £0.219 million in relation to compensation payments and Council legal costs in respect of the food safety case, offset by insurance funding.
- 6.11. The Resource is proposing transfers to reserves totalling £0.437 million which would take the reported position **after transfers** to reserves of an **overspend of £0.508 million**. The transfers are detailed in Appendix B.
- 6.12. **Education Resources:** The position **before** any transfers to reserves is an **underspend of £4.462m**. The Resource previously reported a £2.300 million underspend in respect of Pupil Equity Fund (PEF). The outturn position is showing an additional underspend of £2.162 million (*see section 6.4 for details*).
- 6.13. The Resource is proposing transfers to reserves totalling £4.424 million which would take the reported position **after transfers** to reserves of an **underspend of £0.038m**. The transfers are detailed in Appendix B. These are in the main in relation to Early Years.
- 6.14. **Finance and Corporate Resources:** The position **before** any transfers to reserves is a **breakeven position**. There are no proposed transfers to reserves. This is in line with the position that has been reported to Committee during the year.
- 6.15. **Housing and Technical Resources (including Trading Service):** The position **before** any transfers to reserves is an **overspend of £0.526 million**, comprising an underspend in the Non Trading Services of £0.899 million offset by an under recovery of surplus in the Property Trading Operation of £1.425 million. The under recovery in the Property Trading Operation reflects the income received as a result of the timing of works of works for a number of projects. These include Early Years, Central Heating programmes, and Growth and Capacities in schools.

- 6.16. The Resource is also proposing a transfer to reserves for the Scottish Government funding for Temporary Accommodation within the Homeless Service totalling £0.899 million which would take the reported position **after transfers** to reserves to an **overspend of £1.425 million**.
- 6.17. **Social Work Resources:** The position **before** any transfers to reserves is a net **overspend of £1.109 million**. This overspend is slightly higher than the £1.000 million that has been reported to Committee throughout the year and relates to Children and Families (external residential places, foster places as well as the level of kinship care payments) and Adults and Older People (being overtime and staff costs), partially offset by underspends in Performance and Support and Justice due to vacancies.
- 6.18. **Loan Charges:** The outturn position for loan charges is an underspend of £5.900 million. This is the position that has been reported to Committee at period 9. This reflects the timing of borrowing (delayed due to using cash balances) and the interest rates achieved.
- 6.19. **Corporate Items:** The position being reported is an **underspend of £1.895 million before** transfers to reserves. This is an increase on the £0.500 million underspend in relation to Superannuation on Overtime, reported in period 9, and is mainly made up of the following:
- Carbon Reduction Commitment underspend (£0.227 million) as previously purchased allowances are sufficient to meet this year's costs. This funding will be required to meet costs in future years.
 - Superannuation on Overtime (£0.500 million) not required in the current or in future years. The budget has been removed as part of the 2019/2020 budget strategy.
 - An underspend on utilities (£0.434 million) for price increases that have not materialised to the same extent as anticipated. This funding will be required to meet costs in future years.
 - Pay Model Structure budget not required in 2018/2019 (£0.415 million). This budget will be allocated to Resources as part of the 2019/2020 budget exercise.
 - Over recovery of income from interest on revenue balances (£0.510 million) reflecting the profile of cash balances held by the Council across the year, and the interest rate achieved.
 - Finally, this is offset by a commitment in respect of Council Tax Second Homes (£0.372 million), reflecting the level of Council Tax income recovered from second homes.
- 6.20. The position after the proposed transfer to reserves for utilities is an **underspend of £1.461 million**.
- 6.21. **Previously Approved Transfers to Reserves / New Initiatives:** As reported in period 9, there are already agreed transfers to reserves proposed in respect of the new initiatives funding included in the budget for Teachers, Employability, Holiday Lunch Clubs and School Breakfast Clubs. These monies were included in the 2018/2019 Revenue Budget, but were approved to cover two financial years – including 2019/2020. This is therefore shown in the Transfers to Reserves line in the Appendices, as the money will carry forward into 2019/2020. The figure previously reported was £5.148 million. This has increased by £0.043 million to £5.191 million in relation to an additional underspend in Employability. There is no variance on this line as the outturn equates to the budget.

- 6.22. **Council Tax and Council Tax Reduction Scheme:** The position is showing an **over recovery of £2.706 million**. This is £0.372 million higher than that reported to Committee at period 9. The £0.372 million relates to income from Council Tax on second homes and is offset by expenditure in the Corporate Items line.
- 6.23. **General Services Probable Outturn – Summary:** As detailed in section 6.7, the final outturn position is an underspend position of £1.758 million.
- 6.24. This position takes account of the proposed Resource Transfers to Reserves, the corporate Transfers to Reserves, the £4.000 million transfer for use in the 2019/2020 strategy and the 2018/2019 pay award.

2018/2019 General Services Monitoring Position

7. Financial Position as at 4 January 2019 (Period 11)

- 7.1. **General Fund Revenue Account:** As at period 11 (4 January 2019), the position on the General Fund **before** transfers to reserves is an **underspend of £12.040 million** (Appendix C). Appendix D shows the position assuming the approval of the proposed transfers to reserves, as an underspend of **£6.627 million**.
- 7.2. The underspend position (before transfers) is in line with the forecast position for the General Fund (section 6), reflecting the underspend in Education Resources, overspend on Social Work Resources and the under-recovery of surplus on the Property Trading Service, offset by a positive position on Corporate Items, Loan Charges and Council Tax.
- 7.3. **2018/2019 Additional General Revenue Grant:** In December 2018, Finance Circular 8/2018 notified the Council of General Revenue Grant Re-determinations for 2018/2019. These total £0.197 million and relate to new allocations in respect of sanitary products in public buildings (£0.078 million), Rapid Rehousing Transition Planning (£0.105 million), and child burials and cremations (£0.014 million). The annual budget and outturn figures included in the Appendices to this report include this additional funding.
- 7.4. **Other Funding:** Education Resources have been notified of funding from the Scottish Government from the Realising Change Fund to support the implementation of the early years and childcare entitlement to 1140 hours. The funding allocated in 2018/2019 is £0.125 million. Any underspend can be carried forward to the next year, therefore any underspend in the 2018/2019 allocation will be prepaid to the Balance Sheet to meet commitments in 2019/2020.
- 7.5. **Transfers from Capital:** The 2018/2019 Capital Programme included an allocation of £4.551 million for Planned Asset Management. However, following a review of this programme of works to date, it has been identified that some of this expenditure cannot be classed as capital and budget of £1.022 million has therefore been included in the Housing and Technical Resources' Revenue Budget (as per Appendices attached).
- 7.6. The total overall budget for Planned Asset Management, across capital and revenue, remains at £4.551 million. The remaining spend to be incurred by the end of the financial year, will be reviewed to ensure it is classed appropriately (as revenue or capital), and any further budget movement reported to a future meeting.

8. Housing Revenue Account Position

- 8.1. As at 4 January 2019, Appendix E of the report shows a breakeven position against the phased budget on the Housing Revenue Account. The forecast to 31 March 2019 on the Housing Revenue Account is a breakeven position.

9. Trading Operations

- 9.1. Included within the position for the General Fund Revenue Account in 6.3 are the Trading Operations. As at 4 January 2019, the actual surplus achieved by the Trading Operations before transfers to reserves totals £5.888 million, representing an under recovery of £2.007 million against the phased budget. These are detailed in Appendix F of the report.
- 9.2. As previously reported, there is an under recovery of surplus within the Property Trading Operation resulting from the timing of works.
- 9.3. There is also an under recovery that relates to the Fleet and Roads Trading Operations and is offset by an underspend in the Community and Enterprise Resources' budget.

10. Other Implications

- 10.1. 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.
- 10.2. There are no implications for sustainability in terms of the information contained in this report.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. 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.
- 11.2. 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)

13 February 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 4 January 2019

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

Probable Outturn Position

Committee

Departments:

Community and Enterprise Resources	115.999	115.269	0.730
Facilities Streets and Waste (Inc. Support)	64.049	63.944	0.105
Environmental Services (Inc. Projects)	3.963	3.882	0.081
Leisure and Culture Services	18.902	19.269	(0.367)
Planning and Economic Development	2.958	2.683	0.275
Roads	26.127	25.491	0.636
Education Resources	308.428	303.966	4.462
Finance and Corporate Resources	33.908	33.908	0.000
Finance Services	15.412	15.109	0.303
Audit and Compliance Services	0.347	0.352	(0.005)
Information Technology Services	4.278	4.344	(0.066)
Communications and Strategy Services	1.021	1.324	(0.303)
Administration and Licensing Services	4.495	4.618	(0.123)
Personnel Services	8.355	8.161	0.194
Housing and Technical Resources	20.218	19.319	0.899
Housing Services	7.456	6.523	0.933
Property Services	12.762	12.796	(0.034)
Social Work Resources	152.206	153.315	(1.109)
Performance and Support Services	7.846	7.121	0.725
Children and Families	29.685	31.466	(1.781)
Adults and Older People	113.580	113.775	(0.195)
Justice and Substance Misuse	1.095	0.953	0.142
Joint Boards	2.363	2.363	0.000

Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers
£m	£m	£m
633.122	628.140	4.982

Transfers to Reserves	Annual Forecast After Transfers	Annual Forecast Variance AFTER Transfers	
£m	£m	£m	
0.397	115.666	0.333	under
0.285	64.229	(0.180)	over
0.052	3.934	0.029	under
0.000	19.269	(0.367)	over
0.060	2.743	0.215	under
0.000	25.491	0.636	under
4.424	308.390	0.038	under
0.000	33.908	0.000	-
0.000	15.109	0.303	under
0.000	0.352	(0.005)	over
0.000	4.344	(0.066)	over
0.000	1.324	(0.303)	over
0.000	4.618	(0.123)	over
0.000	8.161	0.194	under
0.899	20.218	0.000	-
0.899	7.422	0.034	under
0.000	12.796	(0.034)	over
0.000	153.315	(1.109)	over
0.000	7.121	0.725	under
0.000	31.466	(1.781)	over
0.000	113.775	(0.195)	over
0.000	0.953	0.142	under
0.000	2.363	0.000	-
5.720	633.860	(0.738)	over

Committee

Service Departments Total	633.122	628.140	4.982
Trading Accounts Surplus	(11.919)	(9.693)	(2.226)
CFCR	0.000	0.000	0.000
Loan Charges	57.505	51.605	5.900
Corporate Items	4.107	2.212	1.895
Transfer to Reserves	5.191	5.191	0.000
Total Expenditure	688.006	677.455	10.551

Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers
£m	£m	£m
146.058	148.566	2.508
(19.670)	(19.472)	0.198
126.388	129.094	2.706
251.485	251.485	0.000
295.500	295.500	0.000
14.633	14.633	0.000
688.006	690.712	2.706
0.000	(13.257)	13.257

Transfers to Reserves	Annual Forecast After Transfers	Annual Forecast Variance AFTER Transfers	
£m	£m	£m	
5.720	633.860	(0.738)	over
0.040	(9.653)	(2.266)	over
0.000	0.000	0.000	-
0.000	51.605	5.900	under
0.434	2.646	1.461	under
0.000	5.191	0.000	-
6.194	683.649	4.357	under
0.000	148.566	2.508	over rec
0.000	(19.472)	0.198	under
0.000	129.094	2.706	over rec
0.000	251.485	0.000	
0.000	295.500	0.000	
0.000	14.633	0.000	
0.000	690.712	2.706	over rec
6.194	(7.063)	7.063	under

Committee

Net Expenditure / (Surplus)	0.000	(13.257)	13.257
2019/2020	0.000	4.000	(4.000)
2018/2019 Pay Award	0.000	1.305	(1.305)
Net Expenditure / (Surplus)	0.000	(7.952)	7.952

Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers
£m	£m	£m
0.000	(13.257)	13.257
0.000	4.000	(4.000)
0.000	1.305	(1.305)
0.000	(7.952)	7.952

Transfers to Reserves	Annual Forecast After Transfers	Annual Forecast Variance AFTER Transfers	
£m	£m	£m	
6.194	(7.063)	7.063	under
0.000	4.000	(4.000)	over
0.000	1.305	(1.305)	over
6.194	(1.758)	1.758	under

Transfers to Reserves

Purpose / Description	Resource	Value £m
Crematorium Sinking Fund Contribution to meet future replacement costs at the crematorium	Community and Enterprise	0.050
Crematorium Shelter Funding required to manage the costs of erecting a shelter for visitors at the Crematorium. (2018/2019 Capital Budget exception: Executive Committee 13 February 2019)	Community and Enterprise	0.050
Cashless System Transfer to fund associated costs with a new cashless school system	Community and Enterprise	0.175
Comfort Scheme New initiative in Lanark to encourage tourism by reimbursing businesses for allowing the public to use their toilet facilities. (Report: Community and Enterprise Resources Committee on 22 January 2019)	Community and Enterprise	0.010
Flare System Transfer in respect of costs to upgrade the Flare IT system within Environmental Services. (2018/2019 Capital Budget exception: Executive Committee 13 February 2019)	Community and Enterprise	0.052
EK Task Force Funding identified to contribute towards costs of EK Task Force (Report: Community and Enterprise Resources Committee on 22 January 2019)	Community and Enterprise	0.060
Fleet Sinking Fund Contribution to manage the cost of equipment replacement in fleet depots in future years.	Community and Enterprise (Fleet Trading)	0.040
ELC 1140 Specific Grant Underspend on the Early Years 1140 specific grant due to timing of staff recruitment which is required to meet costs of the service in future years.	Education	0.927
Staffing Funding to manage future staffing commitments.	Education	0.300
Early Years Workers Non Specific Grant Underspend to be carried forward to manage future costs in relation to Early Years service	Education	0.497
Pupil Equity Fund (already reported) The funding received from the Government can be used up to the end of the school term (June 2019). The underspend reflects the element of the funding that will be utilised in April to June 2019.	Education	2.300
ICT Funding Contribution to support the funding required for the renewal of the schools ICT contract.	Education	0.400
Homelessness (already reported) - Increased Value The grant from the Scottish Government included funding for Homelessness. Due to implementation timescales and the level of bad debts being lower than anticipated there is an underspend in the current year to be carried forward to manage the cost of homelessness in future years.	Housing and Technical	0.899
Total Resource Transfers to Reserves (section 4)		5.760
Utilities Carry forward of underspend in 2018/2019 to manage any shortfall in 2019/2020 based on current price increase predictions		0.434
Corporate Budget Lines Transfers to Reserves (section 4.11)		0.434
Total Resource / General Transfers to Reserves (LINE A)		6.194
Teachers incl Classroom Support (already reported) The 2018/2019 budget contains funding for 2 years. The transfer reflects the element required to be transferred to fund the associated costs in 2019/2020.	Transfers to Reserves (Education)	1.730
Employability (already reported) The 2018/2019 budget contains funding for 2 years. The transfer reflects the element required to be transferred to fund the associated costs in 2019/2020.	Transfers to Reserves (Finance and Corporate)	3.211
School Breakfast Clubs (already reported) Underspends were anticipated in the current year due to the rollout of the pilots. This is being carried forward to meet the costs in 2019/2020.	Transfers to Reserves (Education)	0.100
Holiday Lunch Clubs (already reported) Underspends were anticipated in the current year due to the rollout of the pilots. This is being carried forward to meet the costs in 2019/2020.	Transfers to Reserves (Education)	0.150
Priorities and Investments Budget Transfers (Transfer to Reserves Line) (LINE B)		5.191
2019/2020 Strategy (already reported) Underspend in 2018/2019 due to loan charges and council tax to be carried forward and used to manage the 2019/2020 budget strategy.		4.000
Total Corporate Transfers (LINE C)		4.000
Total Transfers to Reserves		15.385

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (BEFORE Transfers)

Period Ended 4 January 2019 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 04/01/19	Actual to Period 11 04/01/19	Variance to 04/01/19	
	£m	£m	£m	£m	£m	£m	
Departments:							
Community and Enterprise Resources	115.999	115.269	0.730	83.294	82.391	0.903	under
Facilities Streets and Waste (Inc. Support)	64.049	63.944	0.105	45.828	45.755	0.073	under
Environmental Services (Inc. Projects)	3.963	3.882	0.081	2.861	2.830	0.031	under
Leisure and Culture Services	18.902	19.269	(0.367)	13.611	13.576	0.035	under
Planning and Economic Development	2.958	2.683	0.275	5.645	5.453	0.192	under
Roads	26.127	25.491	0.636	15.349	14.777	0.572	under
Education Resources	308.428	303.966	4.462	226.913	223.040	3.873	under
Finance and Corporate Resources	33.908	33.908	0.000	29.525	29.525	0.000	-
Finance Services	15.412	15.109	0.303	13.036	12.816	0.220	under
Audit and Compliance Services	0.347	0.352	(0.005)	0.435	0.444	(0.009)	over
Information Technology Services	4.278	4.344	(0.066)	4.419	4.502	(0.083)	over
Communications and Strategy Services	1.021	1.324	(0.303)	0.967	1.176	(0.209)	over
Administration and Licensing Services	4.495	4.618	(0.123)	4.165	4.239	(0.074)	over
Personnel Services	8.355	8.161	0.194	6.503	6.348	0.155	under
Housing and Technical Resources	20.218	19.319	0.899	16.191	15.492	0.699	under
Housing Services	7.456	6.523	0.933	5.900	5.171	0.729	under
Property Services	12.762	12.796	(0.034)	10.291	10.321	(0.030)	over
Social Work Resources	152.206	153.315	(1.109)	124.398	125.213	(0.815)	over
Performance and Support Services	7.846	7.121	0.725	5.945	5.391	0.554	under
Children and Families	29.685	31.466	(1.781)	22.768	24.191	(1.423)	over
Adults and Older People	113.580	113.775	(0.195)	95.578	95.661	(0.083)	over
Justice and Substance Misuse	1.095	0.953	0.142	0.107	(0.030)	0.137	under
Joint Boards	2.363	2.363	0.000	1.910	1.910	0.000	-
	633.122	628.140	4.982	482.231	477.571	4.660	under

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 04/01/19	Actual to Period 11 04/01/19	Variance to 04/01/19	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	633.122	628.140	4.982	482.231	477.571	4.660	under
Trading Accounts Surplus	(11.919)	(9.693)	(2.226)	(7.895)	(5.888)	(2.007)	over
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	57.505	51.605	5.900	57.505	51.605	5.900	under
Corporate Items	4.107	2.212	1.895	1.696	0.335	1.361	under
Transfer to Reserves	5.191	5.191	0.000	5.191	5.191	0.000	-
Total Expenditure	688.006	677.455	10.551	538.728	528.814	9.914	under
Council Tax	146.058	148.566	2.508	114.760	116.730	1.970	over rec
Less: Council Tax Reduction Scheme	(19.670)	(19.472)	0.198	(15.455)	(15.299)	0.156	under
Net Council Tax	126.388	129.094	2.706	99.305	101.431	2.126	over rec
General Revenue Grant	251.485	251.485	0.000	191.329	191.329	0.000	-
Non Domestic Rates	295.500	295.500	0.000	227.308	227.308	0.000	-
Transfer from Reserves	14.633	14.633	0.000	14.633	14.633	0.000	-
Total Income	688.006	690.712	2.706	532.575	534.701	2.126	over rec
Net Expenditure / (Surplus)	0.000	(13.257)	13.257	6.153	(5.887)	12.040	under

<u>Corporate Pressures</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers
	£m	£m	£m
Net Expenditure / (Surplus)	0.000	(13.257)	13.257
2019/2020 Strategy	0.000	4.000	(4.000)
2018/2019 Pay Award - additional 0.5%	0.000	1.305	(1.305)
Total Expenditure	0.000	(7.952)	7.952

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 4 January 2019 (No.11)

Budget Category**Service Departments:****Expenditure**

	Annual Budget £m	Annual Forecast BEFORE Transfers £m	Annual Forecast Variance BEFORE Transfers £m	Budget Proportion to 04/01/19 £m	Actual to Period 11 04/01/19 £m	Variance to 04/01/19 £m	
Employee Cost	417.012	414.381	2.631	305.370	302.748	2.622	under
Property Costs	52.284	51.017	1.267	42.314	41.305	1.009	under
Supplies and Services	33.142	31.481	1.661	22.159	20.537	1.622	under
Transport Costs	22.963	23.578	(0.615)	16.927	17.334	(0.407)	over
Administration Costs	11.717	12.230	(0.513)	7.854	8.100	(0.246)	over
Payments to Other Bodies	54.822	56.206	(1.384)	37.529	38.831	(1.302)	over
Payments to Contractors	186.826	187.039	(0.213)	132.868	132.781	0.087	under
Transfer Payments	3.249	3.440	(0.191)	2.863	3.032	(0.169)	over
Housing Benefits	80.897	79.220	1.677	59.941	58.623	1.318	under
Financing Charges (controllable)	2.074	2.037	0.037	1.411	1.390	0.021	under
Total	864.986	860.629	4.357	629.236	624.681	4.555	under
Service Departments Total	864.986	860.629	4.357	629.236	624.681	4.555	under
Trading Accounts Surplus	(11.919)	(9.693)	(2.226)	(7.895)	(5.888)	(2.007)	over
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	57.505	51.605	5.900	57.505	51.605	5.900	under
Corporate Items	4.107	2.212	1.895	1.696	0.335	1.361	under
Transfer to Reserves	5.191	5.191	0.000	5.191	5.191	0.000	-
Total Expenditure	919.870	909.944	9.926	685.733	675.924	9.809	under
Income							
Housing Benefit Subsidy	75.435	73.950	(1.485)	57.668	56.501	(1.167)	under rec
Other Income	156.429	158.539	2.110	89.337	90.609	1.272	over rec
Council Tax (Net of Council Tax Reduction Scheme)	126.388	129.094	2.706	99.305	101.431	2.126	over rec
General Revenue Grant	251.485	251.485	0.000	191.329	191.329	0.000	-
Non Domestic Rates	295.500	295.500	0.000	227.308	227.308	0.000	-
Transfer from Reserves	14.633	14.633	0.000	14.633	14.633	0.000	-
Total Income	919.870	923.201	3.331	679.580	681.811	2.231	over rec
Net Expenditure / (Income)	0.000	(13.257)	13.257	6.153	(5.887)	12.040	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 4 January 2019 (No.11)

Committee

	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 04/01/19	Actual to Period 11 04/01/19	Variance to 04/01/19	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	115.999	115.666	0.333	83.294	82.788	0.506	under
Facilities Streets and Waste (Inc. Support)	64.049	64.229	(0.180)	45.828	46.040	(0.212)	over
Environmental Services (Inc. Projects)	3.963	3.934	0.029	2.861	2.882	(0.021)	over
Leisure and Culture Services	18.902	19.269	(0.367)	13.611	13.576	0.035	under
Planning and Economic Development	2.958	2.743	0.215	5.645	5.513	0.132	under
Roads	26.127	25.491	0.636	15.349	14.777	0.572	under
Education Resources	308.428	308.390	0.038	226.913	226.883	0.030	under
Finance and Corporate Resources	33.908	33.908	0.000	29.525	29.525	0.000	-
Finance Services	15.412	15.109	0.303	13.036	12.816	0.220	under
Audit and Compliance Services	0.347	0.352	(0.005)	0.435	0.444	(0.009)	over
Information Technology Services	4.278	4.344	(0.066)	4.419	4.502	(0.083)	over
Communications and Strategy Services	1.021	1.324	(0.303)	0.967	1.176	(0.209)	over
Administration and Licensing Services	4.495	4.618	(0.123)	4.165	4.239	(0.074)	over
Personnel Services	8.355	8.161	0.194	6.503	6.348	0.155	under
Housing and Technical Resources	20.218	20.218	0.000	16.191	16.191	0.000	-
Housing Services	7.456	7.422	0.034	5.900	5.870	0.030	under
Property Services	12.762	12.796	(0.034)	10.291	10.321	(0.030)	over
Social Work Resources	152.206	153.315	(1.109)	124.398	125.213	(0.815)	over
Performance and Support Services	7.846	7.121	0.725	5.945	5.391	0.554	under
Children and Families	29.685	31.466	(1.781)	22.768	24.191	(1.423)	over
Adults and Older People	113.580	113.775	(0.195)	95.578	95.661	(0.083)	over
Justice and Substance Misuse	1.095	0.953	0.142	0.107	(0.030)	0.137	under
Joint Boards	2.363	2.363	0.000	1.910	1.910	0.000	-
	633.122	633.860	(0.738)	482.231	482.510	(0.279)	over

Committee

	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 04/01/19	Actual to Period 11 04/01/19	Variance to 04/01/19	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	633.122	633.860	(0.738)	482.231	482.510	(0.279)	over
Trading Accounts Surplus	(11.919)	(9.653)	(2.266)	(7.895)	(5.848)	(2.047)	over
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	57.505	51.605	5.900	57.505	51.605	5.900	under
Corporate Items	4.107	2.646	1.461	1.696	0.769	0.927	under
Transfer to Reserves	5.191	5.191	0.000	5.191	5.191	0.000	-
Total Expenditure	688.006	683.649	4.357	538.728	534.227	4.501	under
Council Tax	146.058	148.566	2.508	114.760	116.730	1.970	over rec
Less: Council Tax Reduction Scheme	(19.670)	(19.472)	0.198	(15.455)	(15.299)	0.156	under
Net Council Tax	126.388	129.094	2.706	99.305	101.431	2.126	over rec
General Revenue Grant	251.485	251.485	0.000	191.329	191.329	0.000	-
Non Domestic Rates	295.500	295.500	0.000	227.308	227.308	0.000	-
Transfer from Reserves	14.633	14.633	0.000	14.633	14.633	0.000	-
Total Income	688.006	690.712	2.706	532.575	534.701	2.126	over rec
Net Expenditure / (Surplus)	0.000	(7.063)	7.063	6.153	(0.474)	6.627	under

Corporate Pressures

	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers
	£m	£m	£m
Net Expenditure / (Surplus)	0.000	(7.063)	7.063
2019/2020 Strategy	0.000	4.000	(4.000)
2018/2019 Pay Award - additional 0.5%	0.000	1.305	(1.305)
Total Expenditure	0.000	(1.758)	1.758

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 4 January 2019 (No.11)

Budget Category

Service Departments:

Expenditure

	Annual Budget £m	Forecast AFTER Transfers £m	Annual Forecast Variance AFTER Transfers £m	Budget Proportion to 04/01/19 £m	Actual to Period 11 04/01/19 £m	Variance to 04/01/19 £m	
Employee Cost	417.012	415.599	1.413	305.370	303.967	1.403	under
Property Costs	52.284	51.027	1.257	42.314	41.315	0.999	under
Supplies and Services	33.142	34.408	(1.266)	22.159	23.086	(0.927)	over
Transport Costs	22.963	23.578	(0.615)	16.927	17.334	(0.407)	over
Administration Costs	11.717	12.230	(0.513)	7.854	8.100	(0.246)	over
Payments to Other Bodies	54.822	56.448	(1.626)	37.529	38.922	(1.393)	over
Payments to Contractors	186.826	187.139	(0.313)	132.868	132.881	(0.013)	over
Transfer Payments	3.249	3.440	(0.191)	2.863	3.032	(0.169)	over
Housing Benefits	80.897	79.220	1.677	59.941	58.623	1.318	under
Financing Charges (controllable)	2.074	2.037	0.037	1.411	1.390	0.021	under
Total	864.986	865.126	(0.140)	629.236	628.650	0.586	under
Service Departments Total	864.986	865.126	(0.140)	629.236	628.650	0.586	under
Trading Accounts Surplus	(11.919)	(9.653)	(2.266)	(7.895)	(5.848)	(2.047)	over
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	57.505	51.605	5.900	57.505	51.605	5.900	under
Corporate Items	4.107	2.646	1.461	1.696	0.769	0.927	under
Transfer to Reserves	5.191	5.191	0.000	5.191	5.191	0.000	-
Total Expenditure	919.870	914.915	4.955	685.733	680.367	5.366	under
Income							
Housing Benefit Subsidy	75.435	73.950	(1.485)	57.668	56.501	(1.167)	under rec
Other Income	156.429	157.316	0.887	89.337	89.639	0.302	over rec
Council Tax (Net of Council Tax Reduction Scheme)	126.388	129.094	2.706	99.305	101.431	2.126	over rec
General Revenue Grant	251.485	251.485	0.000	191.329	191.329	0.000	-
Non Domestic Rates	295.500	295.500	0.000	227.308	227.308	0.000	-
Transfer from Reserves	14.633	14.633	0.000	14.633	14.633	0.000	-
Total Income	919.870	921.978	2.108	679.580	680.841	1.261	over rec
Net Expenditure / (Income)	0.000	(7.063)	7.063	6.153	(0.474)	6.627	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 4 January 2019 (No.11)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 04/01/19	Actual to Period 11 04/01/19	Variance to 04/01/19		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	12.718	12.544	0.174	9.489	9.330	0.159	under	1.7%	1
Property Costs	42.507	42.465	0.042	27.348	27.329	0.019	under	0.1%	2
Supplies & Services	0.610	0.554	0.056	0.460	0.427	0.033	under	7.2%	
Transport & Plant	0.194	0.174	0.020	0.145	0.139	0.006	under	4.1%	
Administration Costs	5.713	5.677	0.036	0.516	0.519	(0.003)	over	(0.6%)	
Payments to Other Bodies	3.221	3.221	0.000	0.035	0.034	0.001	under	2.9%	
Payments to Contractors	0.100	0.129	(0.029)	0.068	0.097	(0.029)	over	(42.6%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	23.730	23.761	(0.031)	0.067	0.046	0.021	under	31.3%	
Total Controllable Expenditure	88.793	88.525	0.268	38.128	37.921	0.207	under	0.5%	
Total Controllable Income	(98.991)	(98.432)	(0.559)	(63.083)	(62.876)	(0.207)	under recovered	(0.3%)	3
Transfer to/(from) Balance Sheet	(4.603)	(4.604)	0.001	(3.541)	(3.541)	0.000	-	0.0%	
Net Controllable Expenditure	(14.801)	(14.511)	(0.290)	(28.496)	(28.496)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	14.801	14.511	0.290	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(28.496)	(28.496)	0.000	-	0.0%	

Variance Explanations

- Employee Costs**
This underspend reflects the current turnover levels and vacancies across the service.
- Property Costs**
This underspend relates to bad debt provision being lower than anticipated, partially offset by reflects expenditure on repairs which are demand led.
- Income**
This under recovery relates to rental income and reflects the timing of the completion of new build properties.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 4 January 2019 (No.11)
Fleet Trading Operation

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 04/01/19	Actual BEFORE Transfers 04/01/19	Variance 04/01/19	% Variance 04/01/19	Note
	£000	£000	£000	£000	£000	£000	£000		
Employee Costs	4.758	4.425	0.333	0.333	3.451	3.163	0.288	under	8.3% 1
Property Costs	0.210	0.234	(0.024)	(0.024)	0.190	0.206	(0.016)	over	(8.4%)
Supplies & Services	0.209	0.142	0.067	0.027	0.153	0.126	0.027	under	17.6%
Transport & Plant	9.159	10.222	(1.063)	(1.063)	6.171	7.142	(0.971)	over	(15.7%) 2
Administration Costs	0.004	0.014	(0.010)	(0.010)	0.004	0.011	(0.007)	over	(175.0%) 3
Payments to Other Bodies	0.004	0.004	0.000	0.000	0.004	0.003	0.001	under	25.0%
Payments to Contractors	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a
Financing Charges	0.049	0.051	(0.002)	(0.002)	0.034	0.033	0.001	under	2.9%
Total Controllable Exp.	14.393	15.092	(0.699)	(0.739)	10.007	10.684	(0.677)	over	(6.8%)
Total Controllable Inc.	(17.269)	(17.192)	(0.077)	(0.077)	(11.539)	(11.484)	(0.055)	under recovered	(0.5%) 4
Net Controllable Exp.	(2.876)	(2.100)	(0.776)	(0.816)	(1.532)	(0.800)	(0.732)	under surplus	(47.8%)
Transfer to Reserves (as at 04/01/19)						0.040	(0.040)	over	
Position After Transfers to Reserves (as at 04/01/19)						(0.760)	(0.772)	under surplus	(50.4%)

Variance Explanations

- Employee Costs**
The underspend relates vacancies within the Fleet workshop.
- Transport and Plant**
The overspend relates to expenditure on tyres, outside repairs and the timing of the achievement of efficiencies.
- Administration Costs**
The overspend relates to employee medical referrals.
- Income**
The net under recovery is due to a reduction in demand for pool cars, partially offset by income from plant maintenance.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 4 January 2019 (No.11)
Roads Trading Operation

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 04/01/19	Actual BEFORE Transfers 04/01/19	Variance 04/01/19	% Variance 04/01/19	Note
	£000	£000	£000	£000	£000	£000	£000		
Employee Costs	8.276	7.838	0.438	0.438	5.615	5.185	0.430	under	7.7% 1
Property Costs	0.191	0.200	(0.009)	(0.009)	0.167	0.172	(0.005)	over	(3.0%)
Supplies & Services	6.856	6.960	(0.104)	(0.104)	6.831	7.063	(0.232)	over	(3.4%) 2
Transport & Plant	3.666	4.071	(0.405)	(0.405)	2.656	2.770	(0.114)	over	(4.3%) 3
Administration Costs	0.121	0.125	(0.004)	(0.004)	0.114	0.120	(0.006)	over	(5.3%)
Payments to Other Bodies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a
Payments to Contractors	2.794	2.794	0.000	0.000	2.794	2.868	(0.074)	over	(2.6%) 4
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a
Financing Charges	0.000	0.000	0.000	0.000	0.000	0.005	(0.005)	over	n/a
Total Controllable Exp.	21.904	21.988	(0.084)	(0.084)	18.177	18.183	(0.006)	over	0.0%
Total Controllable Inc.	(26.543)	(26.602)	0.059	0.059	(21.745)	(21.731)	(0.014)	under recovered	(19.6%) 5
Net Controllable Exp.	(4.639)	(4.614)	(0.025)	(0.025)	(3.568)	(3.548)	(0.020)	under surplus	(0.6%)

Variance Explanations

- Employee Costs**
The underspend relates to staff turnover during the year.
- Supplies and Services**
The overspend relates to expenditure on materials and will be offset by additional income.
- Transport and Plant**
The overspend relates to increased costs in relation to fuel.
- Payment to Contractors**
The overspend relates to an increased level of work being carried out by external contractors, as a result of high staff turnover during the year.
- Income**
The under recovery of income reflects the timing of rechargeable works carried out to date.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 4 January 2019 (No.11)

Property Services Trading Operation

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 04/01/19	Actual BEFORE Transfers 04/01/19	Variance 04/01/19		% Variance 04/01/19	Note
	£000	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>										
Employee Costs	32.594	32.399	0.195	0.195	24.795	24.547	0.248	under	1.0%	1
Property Costs	1.165	0.940	0.225	0.225	0.885	0.778	0.107	under	12.1%	2
Supplies & Services	12.219	12.711	(0.492)	(0.492)	9.484	8.111	1.373	under	14.5%	3
Transport & Plant	4.300	4.198	0.102	0.102	3.301	3.044	0.257	under	7.8%	4
Administration Costs	3.399	3.383	0.016	0.016	2.601	2.603	(0.002)	over	(0.1%)	
Payments to Other Bodies	2.284	2.284	0.000	0.000	1.288	1.286	0.002	under	0.2%	
Payments to Contractors	19.160	17.185	1.975	1.975	14.977	13.901	1.076	under	7.2%	5
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	0.107	0.095	0.012	0.012	0.075	0.069	0.006	under	8.0%	
Total Controllable Exp.	75.228	73.195	2.033	2.033	57.406	54.339	3.067	under	5.3%	
Total Controllable Inc.	(79.632)	(76.174)	(3.458)	(3.458)	(60.201)	(55.879)	(4.322)	under recovered	(7.2%)	6
Net Controllable Exp.	(4.404)	(2.979)	(1.425)	(1.425)	(2.795)	(1.540)	(1.255)	under surplus	(44.9%)	

Variance Explanations

- Employee Costs**
The underspend relates to staff turnover during the year.
- Property Costs**
The underspend is due to site security costs being lower than anticipated.
- Supplies and Services**
The underspend reflects the level of materials required for maintenance and contract works. This is demand led and can therefore fluctuate during the year.
- Transport and Plant**
The underspend reflects the level of scaffolding required for works to date. This is demand led and can therefore fluctuate during the year.
- Payment to Contractors**
The underspend reflects the level of sub-contracted work to date.
- Income**
The under recovery reflects the current workload and is offset by a reduction in expenditure.