

# Report

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Report to:	<b>Enterprise Services Committee</b>
Date of Meeting:	<b>12 November 2013</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) and Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Enterprise Services - Revenue Budget Monitoring 2013/2014</b>
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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 20 September 2013 for Enterprise Services
- ◆ provide a forecast for the year to 31 March 2014.

## 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 £0.021million (0.10%), as detailed in Appendices B to E of the report, be noted; and the forecast to 31 March 2014 of break even be noted.
- (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 second revenue budget monitoring report presented to the Enterprise Services Committee for the financial year 2013/2014.
- 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 20 September 2013, the Enterprise Services' variance from phased budget is an overspend of £0.021million (0.10%). The Enterprise Services' forecast for the revenue budget to 31 March 2014 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)**

2 October 2013

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

- ◆ Accountable, Effective and Efficient

## **Previous References**

- ◆ Enterprise Services Committee, 3 September 2013

## **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 20 September 2013.

## **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](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 20 September 2013 (No.7)

## Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/09/13	Actual 20/09/13	Variance 20/09/13		% Variance 20/09/13	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	38,282	38,282	0	17,113	17,021	92	under	0.5%	
Property Costs	12,484	12,484	0	6,658	6,721	(63)	over	(0.9%)	
Supplies & Services	4,654	4,654	0	1,189	1,202	(13)	over	(1.1%)	
Transport & Plant	5,821	5,821	0	3,003	3,030	(27)	over	(0.9%)	
Administration Costs	965	965	0	232	312	(80)	over	(34.5%)	
Payments to Other Bodies	19,572	19,572	0	10,368	10,410	(42)	over	(0.4%)	
Payments to Contractors	58,579	58,579	0	25,261	25,124	137	under	0.5%	
Transfer Payments	586	586	0	293	293	0	-	0.0%	
Financing Charges	660	660	0	351	354	(3)	over	(0.9%)	
<b>Total Controllable Exp.</b>	141,603	141,603	0	64,468	64,467	1	under	0.0%	
<b>Total Controllable Inc.</b>	(26,689)	(26,689)	0	(8,015)	(8,014)	(1)	under recovered	0.0%	
<b>Net Controllable Exp.</b>	114,914	114,914	0	56,453	56,453	0	-	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 20 September 2013 (No.7)

## Planning and Building Standards

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 20/09/13</b>	<b>Actual 20/09/13</b>	<b>Variance 20/09/13</b>		<b>% Variance 20/09/13</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	3,073	3,073	0	1,430	1,447	(17)	over	(1.2%)	1
Property Costs	37	37	0	17	17	0	-	0.0%	a
Supplies & Services	47	47	0	33	35	(2)	over	(6.1%)	
Transport & Plant	24	24	0	11	15	(4)	over	(36.4%)	
Administration Costs	74	74	0	58	70	(12)	over	(20.7%)	
Payments to Other Bodies	125	125	0	46	46	0	-	0.0%	
Payments to Contractors	300	300	0	163	163	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	22	22	0	11	11	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>3,702</b>	<b>3,702</b>	<b>0</b>	<b>1,769</b>	<b>1,804</b>	<b>(35)</b>	<b>over</b>	<b>(2.0%)</b>	
<b>Total Controllable Inc.</b>	<b>(3,727)</b>	<b>(3,727)</b>	<b>0</b>	<b>(1,426)</b>	<b>(1,426)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
<b>Net Controllable Exp.</b>	<b>(25)</b>	<b>(25)</b>	<b>0</b>	<b>343</b>	<b>378</b>	<b>(35)</b>	<b>over</b>	<b>(10.2%)</b>	

**Variance Explanations****1. Employee Costs**

The overspend reflects the current staffing establishment within the service. These costs will be managed overall within the Resource.

**Budget Virements**

- a. Transfer to Housing and Technical Resources in respect of Legislative Compliance / Planned Maintenance (£0.004m): Property Costs (£0.004m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 20 September 2013 (No.7)

## Regeneration

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/09/13	Actual 20/09/13	Variance 20/09/13		% Variance 20/09/13	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	2,268	2,268	0	1,038	987	51	under	4.9%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	19	19	0	10	12	(2)	over	(20.0%)	
Transport & Plant	8	8	0	4	4	0	-	0.0%	
Administration Costs	47	47	0	10	14	(4)	over	(40.0%)	
Payments to Other Bodies	4,133	4,133	0	1,246	1,255	(9)	over	(0.7%)	a
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	11	11	0	5	5	0	-	0.0%	
<b>Total Controllable Exp.</b>	6,486	6,486	0	2,313	2,277	36	under	1.6%	
<b>Total Controllable Inc.</b>	(2,176)	(2,176)	0	(214)	(192)	(22)	under recovered	(10.3%)	2
<b>Net Controllable Exp.</b>	4,310	4,310	0	2,099	2,085	14	under	0.7%	

**Variance Explanations****1. Employee Costs**

The underspend is due to vacancies within Property Development, including the effect of staff secondments. Vacancies are being considered in line with service requirements.

**2. Income**

The under recovery is due to less than anticipated income received from recharges for staff secondments which is offset by an underspend in employee costs.

**Budget Virements**

- a. Transfer from Reserves in respect of General Jobs Fund £0.559m: Payments to Other Bodies £0.559m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period Ended 20 September 2013 (No.7)

## Roads

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/09/13	Actual 20/09/13	Variance 20/09/13		% Variance 20/09/13	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	5,071	5,071	0	2,328	2,346	(18)	over	(0.8%)	a
Property Costs	476	476	0	430	491	(61)	over	(14.2%)	1, b
Supplies & Services	2,984	2,984	0	538	541	(3)	over	(0.6%)	
Transport & Plant	249	249	0	96	85	11	under	11.5%	
Administration Costs	309	309	0	45	100	(55)	over	(122.2%)	2
Payments to Other Bodies	10,952	10,952	0	7,497	7,507	(10)	over	(0.1%)	
Payments to Contractors	21,278	21,278	0	7,551	7,415	136	under	1.8%	3, a
Transfer Payments	586	586	0	293	293	0	-	0.0%	
Financing Charges	44	44	0	22	23	(1)	over	(4.5%)	
<b>Total Controllable Exp.</b>	41,949	41,949	0	18,800	18,801	(1)	over	0.0%	
<b>Total Controllable Inc.</b>	(6,323)	(6,323)	0	(1,468)	(1,469)	1	over recovered	(0.1%)	
<b>Net Controllable Exp.</b>	35,626	35,626	0	17,332	17,332	0	-	0.0%	

**Variance Explanations****1. Property Costs**

The overspend is mainly due to unbudgeted security costs at Canderside Depot and backdated rates and electricity costs for Roads depots. These are being met within the overall Roads budget.

**2. Administration Costs**

The overspend is mainly due to unbudgeted legal costs which are being met within the overall Roads budget.

**3. Payments to Contractors**

The underspend reflects the level of works carried out to date.

**Budget Virements**

- Transfer from centrally held funds in respect of 2013/14 Living Wage allocation £0.022m: Employee Costs £0.001m, Payments to Contractors £0.021m.
- Transfer to Housing and Technical Resources in respect of Legislative Compliance / Planned Maintenance (£0.002m): Property Costs (£0.002m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 20 September 2013 (No.7)

## Tackling Poverty Programme

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/09/13	Actual 20/09/13	Variance 20/09/13		% Variance 20/09/13	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	465	465	0	118	118	0	-	0.0%	
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	4,072	4,072	0	1,495	1,495	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	
<b>Total Controllable Exp.</b>	<b>4,540</b>	<b>4,540</b>	<b>0</b>	<b>1,613</b>	<b>1,613</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>4,540</b>	<b>4,540</b>	<b>0</b>	<b>1,613</b>	<b>1,613</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	