

# Report

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| Report to:       | <b>Financial Resources Scrutiny Forum</b>                   |
| Date of Meeting: | <b>21 March 2019</b>  |
| Report by:       | <b>Executive Director (Finance and Corporate Resources)</b> |

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| Subject: | <b>Revenue Budget Monitoring 2018/2019</b> |
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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 1 February 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 12 (1 February 2019) and the forecast to 31 March 2019, for General Services, Housing Revenue Account and Trading Operations (as detailed in Appendices A to D), be noted.

## 3. Background

3.1. The Revenue reports attached provide detail on the most recent Executive Committee report dated 13 March 2019. The reports detail the position as at 1 February 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 Financial Position **before** Transfers to Reserves as at Period 12 (1 February 2019) for General Services
- ◆ Appendix B - 2018/2019 Financial Position **after** Transfers to Reserves as at Period 12 (1 February 2019) for General Services
- ◆ Appendix C - 2018/2019 Financial Position as at Period 12 (1 February 2019) for Housing Revenue Account
- ◆ Appendix D - 2018/2019 Financial Position as at Period 12 (1 February 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 D.

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 1 February 2019, compared with the budget for the same period (section 7).

## 6. 2018/2019 General Services Probable Outturn

- 6.1. As reported previously (Executive Committee: 13 February 2019), the probable outturn position for the Council shows a forecast before Transfers to Reserves of an underspend of £13.257 million. This position takes into account the £5.191 million in the Transfers to Reserves budget line in respect of the Priorities and Investments. After taking into account all the agreed Transfers to Reserves (Executive Committee, 13 February 2019), the outturn position is an underspend of £7.063 million. **This is unchanged from the outturn position reported in the last report on 13 February 2019.**
- 6.2. There are a number of corporate pressures that require to be managed from this underspend. At the Executive Committee (13 February 2019), the proposal to use £4.000 million of this underspend to manage the 2019/2020 Budget Strategy was approved. The report to the Executive Committee also noted that the 2018/2019 additional Pay Award of 0.5% will result in additional costs of £1.305 million that require to be funded.
- 6.3. In addition, the 2019/2020 Overall Savings, Budget and Council Tax Report to the Council (27 February 2019), proposes the use of a further £1.000 million of this underspend to manage the 2019/2020 Budget Strategy. This leaves a revised underspend of £0.758 million after Transfers to Reserves, as detailed in Table 1 below.

**Table 1: Corporate Pressures Funding**

|   | £m           |
|---|--------------|
| Outturn Position ( <i>section 4.1</i> )                                     | 7.063        |
| 2019/2020 Strategy ( <i>approved Executive Committee 13 February 2019</i> ) | (4.000)      |
| 2018/2019 Pay Award - additional 0.5%                                       | (1.305)      |
| <b>Outturn after known commitments and Transfers to Reserves</b>            | <b>1.758</b> |
| 2019/2020 Strategy ( <i>Council Meeting - 27 February 2019</i> )            | (1.000)      |
| <b>Revised Outturn after known commitments and Transfers to Reserves</b>    | <b>0.758</b> |

## 2018/2019 General Services Monitoring Position

### 7. Financial Position as at 1 February 2019 (Period 12)

- 7.1. **General Fund Revenue Account:** As at period 12 (1 February 2019), the position on the General Fund before transfers to reserves is an underspend of £12.337 million (Appendix 1). Appendix 2 shows the position assuming the approval of the proposed transfers to reserves, as an underspend of £6.636 million. **This is in line with the probable outturn position being reported and there are no significant changes from period 11. The position of each Resource is detailed below and these are also in line with the position reported in the last report.**
- 7.2. **Community and Enterprise Resources:** As at period 12, the Resource is showing an underspend of £1.026 million before transfers to reserves and an underspend of £0.629 million after transfers. The actual underspend position at period 12 is due to vacancies, turnover and additional planning building standards income and does not include the additional payment to be made to South Lanarkshire Leisure and Culture (SLLC) in respect of their budget pressures (included in the forecast outturn) or any potential legal costs in respect of the food safety case as these have not yet been agreed.

- 7.3. South Lanarkshire Leisure and Culture have confirmed that the anticipated budget pressures have continued, and therefore it is recommended that the £0.400 million included in the outturn position is paid over to manage these pressures. In addition, the Council has received funding as part of a bequest, to be spent on leisure and culture. It is also recommended that £0.100 million is passed to SLLC to assist in managing these budget pressures. The total payment to SLLC would be £0.500 million.
- 7.4. The underspend is offset by an under recovery of Trading surplus within the Roads and Fleet Trading Operations, in line with the forecast position.
- 7.5. **Education Resources:** As at period 12, the Resource is showing an underspend of £4.064 million before transfers to reserves and an underspend of £0.033 million after transfers. The actual net underspend position at period 12 before transfers is due to the underspends in Pupil Equity Fund and the timing of recruitment within the Early Years' Service including the 1140 expansion, partially offset by overspends in transport and demand led external placements.
- 7.6. **Finance and Corporate Resources:** The position as at period 12 is a breakeven position. There are no proposed transfers to reserves. This is in line with the forecast position being reported.
- 7.7. **Housing and Technical Resources:** As at period 12, the Resource is showing an underspend of £0.799 million before transfers to reserves reflecting the underspend on the Scottish Government funding for Temporary Accommodation within the Homeless Service, as a result of implementation timing and the level of bad debts being lower than anticipated. After transfers to reserves in respect of the Homelessness funding, the position at period 12 is a breakeven position.
- 7.8. **Social Work Resources:** The position at period 12 is a net overspend of £1.006 million. There are no proposed transfers to reserves. This overspend relates to Children and Families (external residential places, foster places as well as the level of kinship care payments) and Adults and Older People (overtime and staff costs), partially offset by underspends in Performance and Support and Justice due to vacancies. The overspend is in line with the both the position reported during the year, and the forecast outturn.
- 7.9. **Loan Charges:** The position at period 12 is showing an underspend of £5.900 million. This is the same position that has been reported to Committee previously and reflects the timing of borrowing (delayed due to using cash balances) and the interest rates achieved.
- 7.10. **Corporate Items:** The position being reported at period 12 is an underspend of £1.361 million before transfers to reserves. This relates to the underspend in Superannuation on Overtime which has been previously reported, and underspends in the Rates, Utilities, Carbon Reduction and Pay Grade Restructure budgets which are not required in 2018/2019. This is partially offset by the commitment for Council Tax Second Homes. After taking account of the transfer to reserves for utilities, the period 12 position is an underspend of £0.927 million. These positions do not yet take account of the actuals in respect of the interest on balances or the bad debt provision which will not be confirmed until the end of the financial year.

- 7.11. **Council Tax and Council Tax Reduction Scheme:** The period 12 position is showing an over recovery of £2.320 million, including Council Tax Second Homes income. This is in line with the forecast outturn position.
- 7.12. **2018/2019 Additional General Revenue Grant:** Since the last report, Education Resources have been notified of the £1.934 million General Revenue Grant allocation for the Teachers Induction Scheme. The annual budget and outturn figures included in the Appendices to this report include this additional funding.
- 7.13. **Other Funding:** There has been no additional funding notified to the Council since the last report (13 February 2019).
- 8. Housing Revenue Account Position**
- 8.1. As at 1 February 2019, Appendix C 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 is an actual surplus before transfers to reserves of £7.111 million, representing an under recovery of £2.127 million against phased budget. The position after transfers to reserves is a surplus of £7.071 million, representing an under recovery against phased budget of £2.167 million. These are detailed in Appendix D of the report.
- 9.2. The under recovery lies mainly within the Property Trading Operation due to the timing of works in relation to Early Years, Central Heating Programmes and Growth and Capacities in Schools and also within the Fleet Trading Operation due to repairs and timing of efficiencies, offset by an underspend in Community and Enterprise Resources.
- 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 March 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 1 February 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 (BEFORE Transfers)**  
**Period Ended 1 February 2019 (No.12)**

| <u>Committee</u>                            | Annual<br>Budget | Annual<br>Forecast<br>BEFORE<br>Transfers | Annual<br>Forecast<br>Variance<br>BEFORE<br>Transfers | Budget<br>Proportion<br>to 01/02/19 | Actual<br>to<br>Period 12<br>01/02/19 | Variance<br>to<br>01/02/19 |              |
|---|------------------|---|---|-------------------------------------|---------------------------------------|----------------------------|--------------|
|   | £m               | £m  | £m  | £m                                  | £m                                    | £m                         |              |
| <b>Departments:</b>                         |                  |   |   |                                     |                                       |                            |              |
| <b>Community and Enterprise Resources</b>   | <b>116.002</b>   | <b>115.272</b>                            | <b>0.730</b>  | <b>97.346</b>                       | <b>96.320</b>                         | <b>1.026</b>               | <b>under</b> |
| Facilities Streets and Waste (Inc. Support) | 64.052           | 63.947                                    | 0.105   | 50.446                              | 50.373                                | 0.073                      | under        |
| Environmental Services (Inc. Projects)      | 3.963            | 3.882                                     | 0.081   | 3.219                               | 3.148                                 | 0.071                      | under        |
| Leisure and Culture Services                | 18.902           | 19.269                                    | (0.367)   | 18.124                              | 18.085                                | 0.039                      | under        |
| Planning and Economic Development           | 2.958            | 2.683                                     | 0.275   | 5.876                               | 5.690                                 | 0.186                      | under        |
| Roads                                       | 26.127           | 25.491                                    | 0.636   | 19.681                              | 19.024                                | 0.657                      | under        |
| <b>Education Resources</b>                  | <b>310.362</b>   | <b>305.900</b>                            | <b>4.462</b>  | <b>247.444</b>                      | <b>243.380</b>                        | <b>4.064</b>               | <b>under</b> |
| <b>Finance and Corporate Resources</b>      | <b>33.908</b>    | <b>33.908</b>                             | <b>0.000</b>  | <b>33.397</b>                       | <b>33.397</b>                         | <b>0.000</b>               | <b>-</b>     |
| Finance Services                            | 15.412           | 15.109                                    | 0.303   | 15.410                              | 15.039                                | 0.371                      | under        |
| Audit and Compliance Services               | 0.347            | 0.352                                     | (0.005)   | 0.426                               | 0.440                                 | (0.014)                    | over         |
| Information Technology Services             | 4.278            | 4.344                                     | (0.066)   | 4.450                               | 4.537                                 | (0.087)                    | over         |
| Communications and Strategy Services        | 1.099            | 1.402                                     | (0.303)   | 1.147                               | 1.389                                 | (0.242)                    | over         |
| Administration and Licensing Services       | 4.495            | 4.618                                     | (0.123)   | 4.461                               | 4.651                                 | (0.190)                    | over         |
| Personnel Services                          | 8.277            | 8.083                                     | 0.194   | 7.503                               | 7.341                                 | 0.162                      | under        |
| <b>Housing and Technical Resources</b>      | <b>20.218</b>    | <b>19.319</b>                             | <b>0.899</b>  | <b>19.582</b>                       | <b>18.783</b>                         | <b>0.799</b>               | <b>under</b> |
| Housing Services                            | 7.456            | 6.523                                     | 0.933   | 6.175                               | 5.362                                 | 0.813                      | under        |
| Property Services                           | 12.762           | 12.796                                    | (0.034)   | 13.407                              | 13.421                                | (0.014)                    | over         |
| <b>Social Work Resources</b>                | <b>152.206</b>   | <b>153.315</b>                            | <b>(1.109)</b>  | <b>116.970</b>                      | <b>117.976</b>                        | <b>(1.006)</b>             | <b>over</b>  |
| Performance and Support Services            | 7.891            | 7.166                                     | 0.725   | 6.669                               | 6.052                                 | 0.617                      | under        |
| Children and Families                       | 29.685           | 31.466                                    | (1.781)   | 24.844                              | 26.312                                | (1.468)                    | over         |
| Adults and Older People                     | 113.535          | 113.730                                   | (0.195)   | 85.441                              | 85.733                                | (0.292)                    | over         |
| Justice and Substance Misuse                | 1.095            | 0.953                                     | 0.142   | 0.016                               | (0.121)                               | 0.137                      | under        |
| <b>Joint Boards</b>                         | <b>2.363</b>     | <b>2.363</b>                              | <b>0.000</b>  | <b>2.061</b>                        | <b>2.061</b>                          | <b>0.000</b>               | <b>-</b>     |
|   | <b>635.059</b>   | <b>630.077</b>                            | <b>4.982</b>  | <b>516.800</b>                      | <b>511.917</b>                        | <b>4.883</b>               | <b>under</b> |

| <u>Committee</u>                   | Annual<br>Budget | Annual<br>Forecast<br>BEFORE<br>Transfers | Annual<br>Forecast<br>Variance<br>BEFORE<br>Transfers | Budget<br>Proportion<br>to 01/02/19 | Actual<br>to<br>Period 12<br>01/02/19 | Variance<br>to<br>01/02/19 |                 |
|------------------------------------|------------------|---|---|-------------------------------------|---------------------------------------|----------------------------|-----------------|
|                                    | £m               | £m  | £m  | £m                                  | £m                                    | £m                         |                 |
| Service Departments Total          | 635.059          | 630.077                                   | 4.982   | 516.800                             | 511.917                               | 4.883                      | under           |
| Trading Accounts Surplus           | (11.919)         | (9.693)                                   | (2.226)   | (9.238)                             | (7.111)                               | (2.127)                    | 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   | 1.708                               | 0.347                                 | 1.361                      | under           |
| Transfer to Reserves               | 5.191            | 5.191                                     | 0.000   | 5.191                               | 5.191                                 | 0.000                      | -               |
| <b>Total Expenditure</b>           | <b>689.943</b>   | <b>679.392</b>                            | <b>10.551</b>   | <b>571.966</b>                      | <b>561.949</b>                        | <b>10.017</b>              | <b>under</b>    |
| Council Tax                        | 146.058          | 148.566                                   | 2.508   | 125.192                             | 127.342                               | 2.150                      | over rec        |
| Less: Council Tax Reduction Scheme | (19.670)         | (19.472)                                  | 0.198   | (16.860)                            | (16.690)                              | 0.170                      | under           |
| Net Council Tax                    | 126.388          | 129.094                                   | 2.706   | 108.332                             | 110.652                               | 2.320                      | over rec        |
| General Revenue Grant              | 253.419          | 253.419                                   | 0.000   | 210.462                             | 210.462                               | 0.000                      | -               |
| Non Domestic Rates                 | 295.500          | 295.500                                   | 0.000   | 250.038                             | 250.038                               | 0.000                      | -               |
| Transfer from Reserves             | 14.636           | 14.636                                    | 0.000   | 14.636                              | 14.636                                | 0.000                      | -               |
| <b>Total Income</b>                | <b>689.943</b>   | <b>692.649</b>                            | <b>2.706</b>  | <b>583.468</b>                      | <b>585.788</b>                        | <b>2.320</b>               | <b>over rec</b> |
| <b>Net Expenditure / (Surplus)</b> | <b>0.000</b>     | <b>(13.257)</b>                           | <b>13.257</b>   | <b>(11.502)</b>                     | <b>(23.839)</b>                       | <b>12.337</b>              | <b>under</b>    |

| <u>Corporate Pressures</u>            | Annual<br>Budget | Annual<br>Forecast<br>BEFORE<br>Transfers | Annual<br>Forecast<br>Variance<br>BEFORE<br>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)   |
| 2019/2020 Strategy - additional       | 0.000            | 1.000                                     | (1.000)   |
| <b>Total Expenditure</b>              | <b>0.000</b>     | <b>(6.952)</b>                            | <b>6.952</b>  |

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report (BEFORE Transfers)**  
**Period Ended 1 February 2019 (No.12)**

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

|   | Annual<br>Budget<br>£m | Annual<br>Forecast<br>BEFORE<br>Transfers<br>£m | Annual<br>Forecast<br>Variance<br>BEFORE<br>Transfers<br>£m | Budget<br>Proportion<br>to 01/02/19<br>£m | Actual<br>to<br>Period 12<br>01/02/19<br>£m | Variance<br>to<br>01/02/19<br>£m |                 |
|---|------------------------|---|---|---|---|----------------------------------|-----------------|
| Employee Cost                                     | 419.824                | 417.263   | 2.561   | 337.371                                   | 334.655                                     | 2.716                            | under           |
| Property Costs                                    | 52.291                 | 51.024  | 1.267   | 47.277                                    | 46.057                                      | 1.220                            | under           |
| Supplies and Services                             | 32.598                 | 30.937  | 1.661   | 24.405                                    | 22.766                                      | 1.639                            | under           |
| Transport Costs                                   | 22.994                 | 23.609  | (0.615)   | 18.277                                    | 18.691                                      | (0.414)                          | over            |
| Administration Costs                              | 11.897                 | 12.410  | (0.513)   | 8.918                                     | 9.160                                       | (0.242)                          | over            |
| Payments to Other Bodies                          | 54.912                 | 56.296  | (1.384)   | 43.579                                    | 44.910                                      | (1.331)                          | over            |
| Payments to Contractors                           | 186.801                | 186.944   | (0.143)   | 148.714                                   | 148.949                                     | (0.235)                          | over            |
| Transfer Payments                                 | 3.355                  | 3.546   | (0.191)   | 3.177                                     | 3.364                                       | (0.187)                          | over            |
| Housing Benefits                                  | 80.897                 | 79.220  | 1.677   | 67.702                                    | 66.263                                      | 1.439                            | under           |
| Financing Charges (controllable)                  | 2.106                  | 2.069   | 0.037   | 1.560                                     | 1.507                                       | 0.053                            | under           |
| <b>Total</b>                                      | <b>867.675</b>         | <b>863.318</b>                                  | <b>4.357</b>  | <b>700.980</b>                            | <b>696.322</b>                              | <b>4.658</b>                     | <b>under</b>    |
| Service Departments Total                         | 867.675                | 863.318   | 4.357   | 700.980                                   | 696.322                                     | 4.658                            | under           |
| Trading Accounts Surplus                          | (11.919)               | (9.693)   | (2.226)   | (9.238)                                   | (7.111)                                     | (2.127)                          | 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   | 1.708                                     | 0.347                                       | 1.361                            | under           |
| Transfer to Reserves                              | 5.191                  | 5.191   | 0.000   | 5.191                                     | 5.191                                       | 0.000                            | -               |
| <b>Total Expenditure</b>                          | <b>922.559</b>         | <b>912.633</b>                                  | <b>9.926</b>  | <b>756.146</b>                            | <b>746.354</b>                              | <b>9.792</b>                     | <b>under</b>    |
| <b>Income</b>                                     |                        |   |   |   |   |                                  |                 |
| Housing Benefit Subsidy                           | 75.435                 | 73.950  | (1.485)   | 64.051                                    | 62.778                                      | (1.273)                          | under rec       |
| Other Income                                      | 157.181                | 159.291   | 2.110   | 120.129                                   | 121.627                                     | 1.498                            | over rec        |
| Council Tax (Net of Council Tax Reduction Scheme) | 126.388                | 129.094   | 2.706   | 108.332                                   | 110.652                                     | 2.320                            | over rec        |
| General Revenue Grant                             | 253.419                | 253.419   | 0.000   | 210.462                                   | 210.462                                     | 0.000                            | -               |
| Non Domestic Rates                                | 295.500                | 295.500   | 0.000   | 250.038                                   | 250.038                                     | 0.000                            | -               |
| Transfer from Reserves                            | 14.636                 | 14.636  | 0.000   | 14.636                                    | 14.636                                      | 0.000                            | -               |
| <b>Total Income</b>                               | <b>922.559</b>         | <b>925.890</b>                                  | <b>3.331</b>  | <b>767.648</b>                            | <b>770.193</b>                              | <b>2.545</b>                     | <b>over rec</b> |
| <b>Net Expenditure / (Income)</b>                 | <b>0.000</b>           | <b>(13.257)</b>                                 | <b>13.257</b>   | <b>(11.502)</b>                           | <b>(23.839)</b>                             | <b>12.337</b>                    | <b>under</b>    |

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report (AFTER Transfers)**  
**Period Ended 1 February 2019 (No.12)**

Committee

|   | Annual<br>Budget | Annual<br>Forecast<br>AFTER<br>Transfers | Annual<br>Forecast<br>Variance<br>AFTER<br>Transfers | Budget<br>Proportion<br>to 01/02/19 | Actual<br>to<br>Period 12<br>01/02/19 | Variance<br>to<br>01/02/19 |              |
|---|------------------|--|--|-------------------------------------|---------------------------------------|----------------------------|--------------|
| Departments:                                | £m               | £m                                       | £m   | £m                                  | £m                                    | £m                         |              |
| <b>Community and Enterprise Resources</b>   | <b>116.002</b>   | <b>115.669</b>                           | <b>0.333</b>   | <b>97.346</b>                       | <b>96.717</b>                         | <b>0.629</b>               | <b>under</b> |
| Facilities Streets and Waste (Inc. Support) | 64.052           | 64.232                                   | (0.180)  | 50.446                              | 50.658                                | (0.212)                    | over         |
| Environmental Services (Inc. Projects)      | 3.963            | 3.934                                    | 0.029  | 3.219                               | 3.200                                 | 0.019                      | under        |
| Leisure and Culture Services                | 18.902           | 19.269                                   | (0.367)  | 18.124                              | 18.085                                | 0.039                      | under        |
| Planning and Economic Development           | 2.958            | 2.743                                    | 0.215  | 5.876                               | 5.750                                 | 0.126                      | under        |
| Roads                                       | 26.127           | 25.491                                   | 0.636  | 19.681                              | 19.024                                | 0.657                      | under        |
| <b>Education Resources</b>                  | <b>310.362</b>   | <b>310.324</b>                           | <b>0.038</b>   | <b>247.444</b>                      | <b>247.411</b>                        | <b>0.033</b>               | <b>under</b> |
| <b>Finance and Corporate Resources</b>      | <b>33.908</b>    | <b>33.908</b>                            | <b>0.000</b>   | <b>33.397</b>                       | <b>33.397</b>                         | <b>0.000</b>               | <b>-</b>     |
| Finance Services                            | 15.412           | 15.109                                   | 0.303  | 15.410                              | 15.039                                | 0.371                      | under        |
| Audit and Compliance Services               | 0.347            | 0.352                                    | (0.005)  | 0.426                               | 0.440                                 | (0.014)                    | over         |
| Information Technology Services             | 4.278            | 4.344                                    | (0.066)  | 4.450                               | 4.537                                 | (0.087)                    | over         |
| Communications and Strategy Services        | 1.099            | 1.402                                    | (0.303)  | 1.147                               | 1.389                                 | (0.242)                    | over         |
| Administration and Licensing Services       | 4.495            | 4.618                                    | (0.123)  | 4.461                               | 4.651                                 | (0.190)                    | over         |
| Personnel Services                          | 8.277            | 8.083                                    | 0.194  | 7.503                               | 7.341                                 | 0.162                      | under        |
| <b>Housing and Technical Resources</b>      | <b>20.218</b>    | <b>20.218</b>                            | <b>0.000</b>   | <b>19.582</b>                       | <b>19.582</b>                         | <b>0.000</b>               | <b>-</b>     |
| Housing Services                            | 7.456            | 7.422                                    | 0.034  | 6.175                               | 6.161                                 | 0.014                      | under        |
| Property Services                           | 12.762           | 12.796                                   | (0.034)  | 13.407                              | 13.421                                | (0.014)                    | over         |
| <b>Social Work Resources</b>                | <b>152.206</b>   | <b>153.315</b>                           | <b>(1.109)</b>                                       | <b>116.970</b>                      | <b>117.976</b>                        | <b>(1.006)</b>             | <b>over</b>  |
| Performance and Support Services            | 7.891            | 7.166                                    | 0.725  | 6.669                               | 6.052                                 | 0.617                      | under        |
| Children and Families                       | 29.685           | 31.466                                   | (1.781)  | 24.844                              | 26.312                                | (1.468)                    | over         |
| Adults and Older People                     | 113.535          | 113.730                                  | (0.195)  | 85.441                              | 85.733                                | (0.292)                    | over         |
| Justice and Substance Misuse                | 1.095            | 0.953                                    | 0.142  | 0.016                               | (0.121)                               | 0.137                      | under        |
| <b>Joint Boards</b>                         | <b>2.363</b>     | <b>2.363</b>                             | <b>0.000</b>   | <b>2.061</b>                        | <b>2.061</b>                          | <b>0.000</b>               | <b>-</b>     |
|   | <b>635.059</b>   | <b>635.797</b>                           | <b>(0.738)</b>                                       | <b>516.800</b>                      | <b>517.144</b>                        | <b>(0.344)</b>             | <b>over</b>  |

Committee

|                                    | Annual<br>Budget | Annual<br>Forecast<br>AFTER<br>Transfers | Annual<br>Forecast<br>Variance<br>AFTER<br>Transfers | Budget<br>Proportion<br>to 01/02/19 | Actual<br>to<br>Period 12<br>01/02/19 | Variance<br>to<br>01/02/19 |                 |
|------------------------------------|------------------|--|--|-------------------------------------|---------------------------------------|----------------------------|-----------------|
|                                    | £m               | £m                                       | £m   | £m                                  | £m                                    | £m                         |                 |
| Service Departments Total          | 635.059          | 635.797                                  | (0.738)  | 516.800                             | 517.144                               | (0.344)                    | over            |
| Trading Accounts Surplus           | (11.919)         | (9.653)                                  | (2.266)  | (9.238)                             | (7.071)                               | (2.167)                    | 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  | 1.708                               | 0.781                                 | 0.927                      | under           |
| Transfer to Reserves               | 5.191            | 5.191                                    | 0.000  | 5.191                               | 5.191                                 | 0.000                      | -               |
| <b>Total Expenditure</b>           | <b>689.943</b>   | <b>685.586</b>                           | <b>4.357</b>   | <b>571.966</b>                      | <b>567.650</b>                        | <b>4.316</b>               | <b>under</b>    |
| Council Tax                        | 146.058          | 148.566                                  | 2.508  | 125.192                             | 127.342                               | 2.150                      | over rec        |
| Less: Council Tax Reduction Scheme | (19.670)         | (19.472)                                 | 0.198  | (16.860)                            | (16.690)                              | 0.170                      | under           |
| Net Council Tax                    | 126.388          | 129.094                                  | 2.706  | 108.332                             | 110.652                               | 2.320                      | over rec        |
| General Revenue Grant              | 253.419          | 253.419                                  | 0.000  | 210.462                             | 210.462                               | 0.000                      | -               |
| Non Domestic Rates                 | 295.500          | 295.500                                  | 0.000  | 250.038                             | 250.038                               | 0.000                      | -               |
| Transfer from Reserves             | 14.636           | 14.636                                   | 0.000  | 14.636                              | 14.636                                | 0.000                      | -               |
| <b>Total Income</b>                | <b>689.943</b>   | <b>692.649</b>                           | <b>2.706</b>   | <b>583.468</b>                      | <b>585.788</b>                        | <b>2.320</b>               | <b>over rec</b> |
| <b>Net Expenditure / (Surplus)</b> | <b>0.000</b>     | <b>(7.063)</b>                           | <b>7.063</b>   | <b>(11.502)</b>                     | <b>(18.138)</b>                       | <b>6.636</b>               | <b>under</b>    |

Corporate Pressures

|                                       | Annual<br>Budget | Annual<br>Forecast<br>AFTER<br>Transfers | Annual<br>Forecast<br>Variance<br>AFTER<br>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)  |
| 2019/2020 Strategy - additional       | 0.000            | 1.000                                    | (1.000)  |
| <b>Total Expenditure</b>              | <b>0.000</b>     | <b>(0.758)</b>                           | <b>0.758</b>   |



**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report (AFTER Transfers)**  
**Period Ended 1 February 2019 (No.12)**

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

|   | Annual<br>Budget<br>£m | Forecast<br>AFTER<br>Transfers<br>£m | Annual<br>Forecast<br>Variance<br>AFTER<br>Transfers<br>£m | Budget<br>Proportion<br>to 01/02/19<br>£m | Actual<br>to<br>Period 12<br>01/02/19<br>£m | Variance<br>to<br>01/02/19<br>£m |                 |
|---|------------------------|--------------------------------------|--|---|---|----------------------------------|-----------------|
| Employee Cost                                     | 419.824                | 418.481                              | 1.343  | 337.371                                   | 335.750                                     | 1.621                            | under           |
| Property Costs                                    | 52.291                 | 51.034                               | 1.257  | 47.277                                    | 46.067                                      | 1.210                            | under           |
| Supplies and Services                             | 32.598                 | 33.864                               | (1.266)  | 24.405                                    | 25.603                                      | (1.198)                          | over            |
| Transport Costs                                   | 22.994                 | 23.609                               | (0.615)  | 18.277                                    | 18.691                                      | (0.414)                          | over            |
| Administration Costs                              | 11.897                 | 12.410                               | (0.513)  | 8.918                                     | 9.160                                       | (0.242)                          | over            |
| Payments to Other Bodies                          | 54.912                 | 56.538                               | (1.626)  | 43.579                                    | 45.001                                      | (1.422)                          | over            |
| Payments to Contractors                           | 186.801                | 187.044                              | (0.243)  | 148.714                                   | 149.049                                     | (0.335)                          | over            |
| Transfer Payments                                 | 3.355                  | 3.546                                | (0.191)  | 3.177                                     | 3.364                                       | (0.187)                          | over            |
| Housing Benefits                                  | 80.897                 | 79.220                               | 1.677  | 67.702                                    | 66.263                                      | 1.439                            | under           |
| Financing Charges (controllable)                  | 2.106                  | 2.069                                | 0.037  | 1.560                                     | 1.507                                       | 0.053                            | under           |
| <b>Total</b>                                      | <b>867.675</b>         | <b>867.815</b>                       | <b>(0.140)</b>   | <b>700.980</b>                            | <b>700.455</b>                              | <b>0.525</b>                     | <b>under</b>    |
| Service Departments Total                         | 867.675                | 867.815                              | (0.140)  | 700.980                                   | 700.455                                     | 0.525                            | under           |
| Trading Accounts Surplus                          | (11.919)               | (9.653)                              | (2.266)  | (9.238)                                   | (7.071)                                     | (2.167)                          | 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  | 1.708                                     | 0.781                                       | 0.927                            | under           |
| Transfer to Reserves                              | 5.191                  | 5.191                                | 0.000  | 5.191                                     | 5.191                                       | 0.000                            | -               |
| <b>Total Expenditure</b>                          | <b>922.559</b>         | <b>917.604</b>                       | <b>4.955</b>   | <b>756.146</b>                            | <b>750.961</b>                              | <b>5.185</b>                     | <b>under</b>    |
| <b>Income</b>                                     |                        |                                      |  |   |   |                                  |                 |
| Housing Benefit Subsidy                           | 75.435                 | 73.950                               | (1.485)  | 64.051                                    | 62.778                                      | (1.273)                          | under rec       |
| Other Income                                      | 157.181                | 158.068                              | 0.887  | 120.129                                   | 120.533                                     | 0.404                            | over rec        |
| Council Tax (Net of Council Tax Reduction Scheme) | 126.388                | 129.094                              | 2.706  | 108.332                                   | 110.652                                     | 2.320                            | over rec        |
| General Revenue Grant                             | 253.419                | 253.419                              | 0.000  | 210.462                                   | 210.462                                     | 0.000                            | -               |
| Non Domestic Rates                                | 295.500                | 295.500                              | 0.000  | 250.038                                   | 250.038                                     | 0.000                            | -               |
| Transfer from Reserves                            | 14.636                 | 14.636                               | 0.000  | 14.636                                    | 14.636                                      | 0.000                            | -               |
| <b>Total Income</b>                               | <b>922.559</b>         | <b>924.667</b>                       | <b>2.108</b>   | <b>767.648</b>                            | <b>769.099</b>                              | <b>1.451</b>                     | <b>over rec</b> |
| <b>Net Expenditure / (Income)</b>                 | <b>0.000</b>           | <b>(7.063)</b>                       | <b>7.063</b>   | <b>(11.502)</b>                           | <b>(18.138)</b>                             | <b>6.636</b>                     | <b>under</b>    |

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 1 February 2019 (No.12)**  
**Housing Revenue Account**

|                                  | Annual<br>Budget | Forecast<br>for Year | Annual<br>Forecast<br>Variance | Budget<br>Proportion<br>to 01/02/19 | Actual<br>to Period 12<br>01/02/19 | Variance<br>to<br>01/02/19 |                    | %       | Note |
|----------------------------------|------------------|----------------------|--------------------------------|-------------------------------------|------------------------------------|----------------------------|--------------------|---------|------|
|                                  | £m               | £m                   | £m                             | £m                                  | £m                                 | £m                         |                    |         |      |
| Employee Costs                   | 12.718           | 12.544               | 0.174                          | 10.467                              | 10.336                             | 0.131                      | under              | 1.3%    | 1    |
| Property Costs                   | 42.507           | 42.465               | 0.042                          | 29.861                              | 29.803                             | 0.058                      | under              | 0.2%    | 2    |
| Supplies & Services              | 0.610            | 0.554                | 0.056                          | 0.495                               | 0.464                              | 0.031                      | under              | 6.3%    |      |
| Transport & Plant                | 0.194            | 0.174                | 0.020                          | 0.166                               | 0.152                              | 0.014                      | under              | 8.4%    |      |
| Administration Costs             | 5.713            | 5.677                | 0.036                          | 0.577                               | 0.555                              | 0.022                      | under              | 3.8%    |      |
| Payments to Other Bodies         | 3.221            | 3.221                | 0.000                          | 0.040                               | 0.040                              | 0.000                      | -                  | 0.0%    |      |
| Payments to Contractors          | 0.100            | 0.129                | (0.029)                        | 0.089                               | 0.111                              | (0.022)                    | over               | (24.7%) |      |
| Transfer Payments                | 0.000            | 0.000                | 0.000                          | 0.000                               | 0.000                              | 0.000                      | -                  | n/a     |      |
| Financing Charges                | 23.730           | 23.761               | (0.031)                        | 0.051                               | 0.046                              | 0.005                      | under              | 9.8%    |      |
| Total Controllable Expenditure   | 88.793           | 88.525               | 0.268                          | 41.746                              | 41.507                             | 0.239                      | under              | 0.6%    |      |
| Total Controllable Income        | (98.991)         | (98.432)             | (0.559)                        | (75.149)                            | (74.908)                           | (0.241)                    | under<br>recovered | (0.3%)  | 3    |
| Transfer to/(from) Balance Sheet | (4.603)          | (4.604)              | 0.001                          | (3.895)                             | (3.897)                            | 0.002                      | under              | 0.0%    |      |
| Net Controllable Expenditure     | (14.801)         | (14.511)             | (0.290)                        | (37.298)                            | (37.298)                           | 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                          | (37.298)                            | (37.298)                           | 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 1 February 2019 (No.12)**  
**Fleet Trading Operation**

| <b>Budget Category</b>                                       | <b>Annual Budget</b> | <b>Forecast for Year BEFORE Transfers</b> | <b>Annual Forecast Variance BEFORE Transfers</b> | <b>Annual Forecast Variance AFTER Transfers</b> | <b>Budget Proportion 01/02/19</b> | <b>Actual BEFORE Transfers 01/02/19</b> | <b>Variance 01/02/19</b> | <b>% Variance 01/02/19</b> | <b>Note</b> |
|--|----------------------|---|--|---|-----------------------------------|---|--------------------------|----------------------------|-------------|
|  | <b>£000</b>          | <b>£000</b>                               | <b>£000</b>                                      | <b>£000</b>                                     | <b>£000</b>                       | <b>£000</b>                             | <b>£000</b>              |                            |             |
| Employee Costs   | 4.758                | 4.425                                     | 0.333  | 0.333   | 3.807                             | 3.505                                   | 0.302                    | under                      | 7.9% 1      |
| Property Costs   | 0.210                | 0.234                                     | (0.024)  | (0.024)   | 0.191                             | 0.209                                   | (0.018)                  | over                       | (9.4%) 2    |
| Supplies & Services  | 0.209                | 0.142                                     | 0.067  | 0.027   | 0.196                             | 0.131                                   | 0.065                    | under                      | 33.2% 3     |
| Transport & Plant  | 9.158                | 10.221                                    | (1.063)  | (1.063)   | 6.821                             | 7.973                                   | (1.152)                  | over                       | (16.9%) 4   |
| Administration Costs   | 0.005                | 0.015                                     | (0.010)  | (0.010)   | 0.004                             | 0.011                                   | (0.007)                  | over                       | (175.0%) 5  |
| 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)   | 0.041                             | 0.039                                   | 0.002                    | under                      | 4.9%        |
| <b>Total Controllable Exp.</b>                               | 14.393               | 15.092                                    | (0.699)  | (0.739)   | 11.064                            | 11.871                                  | (0.807)                  | over                       | (7.3%)      |
| <b>Total Controllable Inc.</b>                               | (17.269)             | (17.192)                                  | (0.077)  | (0.077)   | (13.499)                          | (13.509)                                | 0.010                    | over recovered             | (0.1%)      |
| <b>Net Controllable Exp.</b>                                 | (2.876)              | (2.100)                                   | (0.776)  | (0.816)   | (2.435)                           | (1.638)                                 | (0.797)                  | under surplus              | (32.7%)     |
| <b>Transfer to Reserves (as at 01/02/19)</b>                 |                      |   |  |   |                                   | 0.040                                   | (0.040)                  | over                       |             |
| <b>Position After Transfers to Reserves (as at 01/02/19)</b> |                      |   |  |   |                                   | (1.598)                                 | (0.837)                  | under surplus              | (34.4%)     |

**Variance Explanations**

- Employee Costs**  
The underspend relates vacancies within the Fleet workshop.
- Property Costs**  
The overspend relates to utilities costs in the depots.
- Supplies and Services**  
The underspend is the result of less than anticipated expenditure on pool car permits, equipment and uniforms.
- 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.

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 1 February 2019 (No.12)**  
**Roads Trading Operation**

| <b>Budget Category</b>         | <b>Annual Budget</b> | <b>Forecast for Year BEFORE Transfers</b> | <b>Annual Forecast Variance BEFORE Transfers</b> | <b>Annual Forecast Variance AFTER Transfers</b> | <b>Budget Proportion 01/02/19</b> | <b>Actual BEFORE Transfers 01/02/19</b> | <b>Variance 01/02/19</b> |                | <b>% Variance 01/02/19</b> | <b>Note</b> |
|--------------------------------|----------------------|---|--|---|-----------------------------------|---|--------------------------|----------------|----------------------------|-------------|
|                                | <b>£000</b>          | <b>£000</b>                               | <b>£000</b>                                      | <b>£000</b>                                     | <b>£000</b>                       | <b>£000</b>                             | <b>£000</b>              |                |                            |             |
| Employee Costs                 | 8.026                | 7.588                                     | 0.438  | 0.438   | 6.421                             | 5.975                                   | 0.446                    | under          | 6.9%                       | 1           |
| Property Costs                 | 0.191                | 0.200                                     | (0.009)  | (0.009)   | 0.178                             | 0.187                                   | (0.009)                  | over           | (5.1%)                     |             |
| Supplies & Services            | 6.856                | 6.960                                     | (0.104)  | (0.104)   | 6.839                             | 7.522                                   | (0.683)                  | over           | (10.0%)                    | 2           |
| Transport & Plant              | 3.666                | 4.071                                     | (0.405)  | (0.405)   | 2.805                             | 3.105                                   | (0.300)                  | over           | (10.7%)                    | 3           |
| Administration Costs           | 0.121                | 0.125                                     | (0.004)  | (0.004)   | 0.116                             | 0.122                                   | (0.006)                  | over           | (5.2%)                     |             |
| 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                             | 3.154                                   | (0.360)                  | over           | (12.9%)                    | 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                        |             |
| <b>Total Controllable Exp.</b> | 21.654               | 21.738                                    | (0.084)  | (0.084)   | 19.153                            | 20.070                                  | (0.917)                  | over           | (4.8%)                     |             |
| <b>Total Controllable Inc.</b> | (26.293)             | (26.352)                                  | 0.059  | 0.059   | (23.078)                          | (23.972)                                | 0.894                    | over recovered | 3.9%                       | 5           |
| <b>Net Controllable Exp.</b>   | (4.639)              | (4.614)                                   | (0.025)  | (0.025)   | (3.925)                           | (3.902)                                 | (0.023)                  | under surplus  | (0.6%)                     |             |

**Variance Explanations**

1. **Employee Costs**  
The underspend relates to staff turnover during the year.
2. **Supplies and Services**  
The overspend relates to expenditure on materials, including salt, and will be offset by additional income.
3. **Transport and Plant**  
The overspend relates to increased costs in relation to fuel and vehicle hires.
4. **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.
5. **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 1 February 2019 (No.12)**  
**Property Services Trading Operation**

| <b>Budget Category</b>         | <b>Annual Budget</b> | <b>Forecast for Year BEFORE Transfers</b> | <b>Annual Forecast Variance BEFORE Transfers</b> | <b>Annual Forecast Variance AFTER Transfers</b> | <b>Budget Proportion 01/02/19</b> | <b>Actual BEFORE Transfers 01/02/19</b> | <b>Variance 01/02/19</b> |                 | <b>% Variance 01/02/19</b> | <b>Note</b> |
|--------------------------------|----------------------|---|--|---|-----------------------------------|---|--------------------------|-----------------|----------------------------|-------------|
|                                | <b>£000</b>          | <b>£000</b>                               | <b>£000</b>                                      | <b>£000</b>                                     | <b>£000</b>                       | <b>£000</b>                             | <b>£000</b>              |                 |                            |             |
| Employee Costs                 | 32.594               | 32.399                                    | 0.195  | 0.195   | 27.294                            | 27.014                                  | 0.280                    | under           | 1.0%                       | 1           |
| Property Costs                 | 1.165                | 0.940                                     | 0.225  | 0.225   | 0.942                             | 0.819                                   | 0.123                    | under           | 13.1%                      | 2           |
| Supplies & Services            | 12.219               | 12.711                                    | (0.492)  | (0.492)   | 10.401                            | 8.961                                   | 1.440                    | under           | 13.8%                      | 3           |
| Transport & Plant              | 4.300                | 4.198                                     | 0.102  | 0.102   | 3.625                             | 3.305                                   | 0.320                    | under           | 8.8%                       | 4           |
| Administration Costs           | 3.399                | 3.383                                     | 0.016  | 0.016   | 2.864                             | 2.866                                   | (0.002)                  | over            | (0.1%)                     |             |
| Payments to Other Bodies       | 2.284                | 2.284                                     | 0.000  | 0.000   | 1.419                             | 1.417                                   | 0.002                    | under           | 0.1%                       |             |
| Payments to Contractors        | 19.160               | 17.185                                    | 1.975  | 1.975   | 16.402                            | 14.275                                  | 2.127                    | under           | 13.0%                      | 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   | 0.078                             | 0.070                                   | 0.008                    | under           | 10.3%                      |             |
| <b>Total Controllable Exp.</b> | 75.228               | 73.195                                    | 2.033  | 2.033   | 63.025                            | 58.727                                  | 4.298                    | under           | 6.8%                       |             |
| <b>Total Controllable Inc.</b> | (79.632)             | (76.174)                                  | (3.458)  | (3.458)   | (65.903)                          | (60.298)                                | (5.605)                  | under recovered | (8.5%)                     | 6           |
| <b>Net Controllable Exp.</b>   | (4.404)              | (2.979)                                   | (1.425)  | (1.425)   | (2.878)                           | (1.571)                                 | (1.307)                  | under surplus   | (45.4%)                    |             |

**Variance Explanations**

1. **Employee Costs**  
The underspend relates to staff turnover during the year.
2. **Property Costs**  
The underspend is due to site security costs being lower than anticipated.
3. **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.
4. **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.
5. **Payment to Contractors**  
The underspend reflects the level of sub-contracted work to date.
6. **Income**  
The under recovery reflects the current workload and is offset by a reduction in expenditure.