

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	15 November 2017
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2017/2018 - Finance and Corporate Resources
----------	--

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 15 September 2017 for Finance and Corporate Resources
- ◆ provide a forecast for the year to 31 March 2018

2. Recommendation(s)

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

- (1) that the breakeven position on the Finance and Corporate Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2018 of breakeven, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the second revenue budget monitoring report presented to the Finance and Corporate Resources Committee for the financial year 2017/2018.

3.2. The report details the financial position for Finance and Corporate Resources on Appendix A, along with variance explanations in Appendices B-G.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 15 September 2017, there is a breakeven position against the phased budget. The financial forecast for the revenue budget to 31 March 2018 is a breakeven position.

5.2. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.

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 the report.

Paul Manning
Executive Director (Finance and Corporate Resources)

26 September 2017

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Finance and Corporate Resources Committee – 6 September 2017

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 15 September 2017

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: 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 15 September 2017 (No.7)

Finance and Corporate Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 15/09/17	Actual 15/09/17	Variance 15/09/17		% Variance 15/09/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	34,327	34,327	0	15,250	15,241	9	under	0.1%	
Property Costs	2,458	2,458	0	950	962	(12)	over	(1.3%)	
Supplies & Services	5,771	5,771	0	2,955	2,916	39	under	1.3%	
Transport & Plant	115	115	0	19	13	6	under	31.6%	
Administration Costs	6,851	6,851	0	2,740	2,741	(1)	over	0.0%	
Payments to Other Bodies	3,726	3,726	0	1,214	1,175	39	under	3.2%	
Payments to Contractors	245	245	0	24	45	(21)	over	(87.5%)	
Transfer Payments	97,075	97,075	0	43,065	43,065	0	-	0.0%	
Financing Charges	783	783	0	132	118	14	under	10.6%	
Total Controllable Exp.	151,351	151,351	0	66,349	66,276	73	under	0.1%	
Total Controllable Inc.	(118,481)	(118,481)	0	(48,133)	(48,060)	(73)	under recovered	(0.2%)	
Net Controllable Exp.	32,870	32,870	0	18,216	18,216	0	-	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to G.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 15 September 2017 (No.7)

Finance Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 15/09/17 £000	Actual 15/09/17 £000	Variance 15/09/17 £000		% Variance 15/09/17	Note
Employee Costs	15,889	15,889	0	7,081	6,984	97	under	1.4%	1,a,b
Property Costs	1,874	1,874	0	669	669	0	-	0.0%	
Supplies & Services	848	848	0	438	448	(10)	over	(2.3%)	
Transport & Plant	11	11	0	6	1	5	under	83.3%	
Administration Costs	1,416	1,416	0	461	443	18	under	3.9%	2
Payments to Other Bodies	2,553	2,553	0	355	342	13	under	3.7%	
Payments to Contractors	244	244	0	23	38	(15)	over	(65.2%)	
Transfer Payments	97,075	97,075	0	43,065	43,065	0	-	0.0%	
Financing Charges	255	255	0	88	71	17	under	19.3%	
Total Controllable Exp.	120,165	120,165	0	52,186	52,061	125	under	0.2%	
Total Controllable Inc.	(104,352)	(104,352)	0	(44,339)	(44,355)	16	over recovered	0.0%	a
Net Controllable Exp.	15,813	15,813	0	7,847	7,706	141	under	1.8%	

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies which are being considered in line with service requirements.

2. Administration Costs

The underspend is due to less than budgeted expenditure on legal expenses and fees required for the collection of Council Tax.

Budget Virements

- a. Realignment of blue badge employee budget. Net Effect 0: Employee Costs £0.123m and Income (£0.123m).
- b. Transfer to centrally held funds for realignment of pay award allocation (£0.077m): Employee Costs (£0.077m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 15 September 2017 (No.7)

Audit Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 15/09/17	Actual 15/09/17	Variance 15/09/17		% Variance 15/09/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	628	628	0	312	314	(2)	over	(0.6%)	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	10	10	0	5	2	3	under	60.0%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	8	8	0	2	1	1	under	50.0%	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	1	1	0	1	7	(6)	over	(600.0%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	5	5	0	2	2	0	-	0.0%	
Total Controllable Exp.	652	652	0	322	326	(4)	over	(1.2%)	
Total Controllable Inc.	(229)	(229)	0	(1)	(1)	0	-	0.0%	
Net Controllable Exp.	423	423	0	321	325	(4)	over	(1.2%)	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 15 September 2017 (No.7)

Information Technology Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 15/09/17	Actual 15/09/17	Variance 15/09/17		% Variance 15/09/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,319	5,319	0	2,310	2,310	0	-	0.0%	
Property Costs	462	462	0	239	247	(8)	over	(3.3%)	
Supplies & Services	3,494	3,494	0	1,946	1,901	45	under	2.3%	1
Transport & Plant	10	10	0	4	4	0	-	0.0%	
Administration Costs	1,473	1,473	0	765	773	(8)	over	(1.0%)	a
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	444	444	0	0	0	0	-	n/a	
Total Controllable Exp.	11,202	11,202	0	5,264	5,235	29	under	0.6%	
Total Controllable Inc.	(7,239)	(7,239)	0	(1,974)	(1,945)	(29)	under recovered	(1.5%)	2
Net Controllable Exp.	3,963	3,963	0	3,290	3,290	0	-	0.0%	

Variance Explanations**1. Supplies and Services**

The underspend is due to less than anticipated computer equipment purchased on behalf of the Leisure Trust to date and is partially offset by an under recovery of income from recharges (See 2 below).

2. Income

The under recovery is due to less than anticipated income from recharges to the Leisure Trust for computer equipment purchased to date and is offset by reduced expenditure above.

Budget Virements

- a.** Transfer from reserves for Local Government Digital Transformational Partnership £0.030m: Administration Costs £0.030m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 15 September 2017 (No.7)

Personnel Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 15/09/17	Actual 15/09/17	Variance 15/09/17		% Variance 15/09/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	6,512	6,512	0	2,892	2,901	(9)	over	(0.3%)	
Property Costs	93	93	0	30	41	(11)	over	(36.7%)	
Supplies & Services	371	371	0	115	103	12	under	10.4%	
Transport & Plant	58	58	0	5	5	0	-	0.0%	
Administration Costs	1,394	1,394	0	369	388	(19)	over	(5.1%)	
Payments to Other Bodies	416	416	0	175	168	7	under	4.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	37	37	0	18	22	(4)	over	(22.2%)	
Total Controllable Exp.	8,881	8,881	0	3,604	3,628	(24)	over	(0.7%)	
Total Controllable Inc.	(2,307)	(2,307)	0	(490)	(493)	3	over recovered	0.6%	
Net Controllable Exp.	6,574	6,574	0	3,114	3,135	(21)	over	(0.7%)	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 15 September 2017 (No.7)

Administration, Legal and Licensing Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 15/09/17	Actual 15/09/17	Variance 15/09/17		% Variance 15/09/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,228	4,228	0	1,885	1,927	(42)	over	(2.2%)	1
Property Costs	29	29	0	12	5	7	under	58.3%	
Supplies & Services	165	165	0	81	88	(7)	over	(8.6%)	
Transport & Plant	8	8	0	3	3	0	-	0.0%	
Administration Costs	2,046	2,046	0	932	945	(13)	over	(1.4%)	a
Payments to Other Bodies	703	703	0	642	623	19	under	3.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	35	35	0	18	17	1	under	5.6%	
Total Controllable Exp.	7,214	7,214	0	3,573	3,608	(35)	over	(1.0%)	
Total Controllable Inc.	(1,996)	(1,996)	0	(617)	(587)	(30)	under recovered	(4.9%)	
Net Controllable Exp.	5,218	5,218	0	2,956	3,021	(65)	over	(2.2%)	

Variance Explanations**1. Employee Costs**

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

Budget Virements

- a. Transfer for Members Superannuation costs £0.056m: Administration Costs £0.056m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 15 September 2017 (No.7)

Communications and Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 15/09/17	Actual 15/09/17	Variance 15/09/17		% Variance 15/09/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	1,751	1,751	0	770	805	(35)	over	(4.5%)	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	883	883	0	370	374	(4)	over	(1.1%)	a
Transport & Plant	28	28	0	1	0	1	under	100.0%	
Administration Costs	514	514	0	211	191	20	under	9.5%	
Payments to Other Bodies	54	54	0	42	42	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	7	7	0	6	6	0	-	0.0%	
Total Controllable Exp.	3,237	3,237	0	1,400	1,418	(18)	over	(1.3%)	
Total Controllable Inc.	(2,358)	(2,358)	0	(712)	(679)	(33)	under recovered	(4.6%)	2,a
Net Controllable Exp.	879	879	0	688	739	(51)	over	(7.4%)	

Variance Explanations**1. Employee Costs**

The overspend is due to lower than anticipated staff turnover across the Service to date.

2. Income

The under recovery is due to less than anticipated income from external work completed to date.

Budget Virements

- a. Realignment of Commercial Work and Paper budgets to reflect current service delivery. Net Effect 0: Supplies and Services (£0.210m) and Income £0.210m.