

Report

3

Report to:	Enterprise Services Committee
Date of Meeting:	17 May 2016
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community and Enterprise Resources)

Subject:	Enterprise Services - Revenue Budget Monitoring 2015/2016
----------	--

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 2015 to 4 March 2016 for Enterprise Services
- ◆ provide a forecast for the year to 31 March 2016.

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 £0.126million (0.35%), as detailed in Appendices B to E of the report, be noted;
- (2) that, following the probable exercise, the forecast to 31 March 2016 of an overspend of £0.131m, be noted; and
- (3) that the proposed budget virements be approved.

3. Background

3.1. This is the fifth revenue budget monitoring report presented to the Enterprise Services Committee for the financial year 2015/2016.

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, where appropriate, 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 4 March 2016, the Enterprise Services' variance against the phased budget is an overspend of £0.126 million (0.35%).

- 5.2. Following the probable exercise, the Enterprise Services' forecast for the revenue budget to 31 March 2016 is an overspend of £0.131m. Taking the Community Services' forecast of an underspend of £0.312m and the Trading Services' forecast of an under recovery of surplus of £0.181m, the Community and Enterprise Resources' forecast for the revenue budget to 31 March 2016 is a breakeven position.
- 5.3. Virements are proposed to realign budgets. These movements are detailed in the attached 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)

Michael McGlynn

Executive Director (Community and Enterprise Resources)

22 March 2016

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Enterprise Services Committee, 1 March 2016

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 4 March 2016

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	37,416	37,007	409	33,858	33,408	450	under	1.3%	
Property Costs	13,591	14,089	(498)	12,336	12,637	(301)	over	(2.4%)	
Supplies & Services	4,996	5,635	(639)	4,180	4,820	(640)	over	(15.3%)	
Transport & Plant	6,616	6,325	291	5,587	5,266	321	under	5.7%	
Administration Costs	1,275	1,205	70	1,137	1,071	66	under	5.8%	
Payments to Other Bodies	14,124	14,093	31	11,715	11,635	80	under	0.7%	
Payments to Contractors	60,860	60,917	(57)	51,016	51,329	(313)	over	(0.6%)	
Transfer Payments	586	586	0	586	586	0	-	0.0%	
Financing Charges	490	476	14	459	449	10	under	2.2%	
Total Controllable Exp.	139,954	140,333	(379)	120,874	121,201	(327)	over	(0.3%)	
Total Controllable Inc.	(32,024)	(32,584)	560	(18,500)	(19,001)	501	over recovered	2.7%	
Net Controllable Exp.	107,930	107,749	181	102,374	102,200	174	under	0.2%	

Variance Explanations

Variance explanations are shown in Appendices B to E.

Budget Virements

Budget virements are shown in Appendices C, D and E.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Planning and Building Standards

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,147	2,975	172	2,847	2,687	160	under	5.6%	1
Property Costs	36	31	5	30	25	5	under	16.7%	
Supplies & Services	61	79	(18)	53	93	(40)	over	(75.5%)	2
Transport & Plant	24	36	(12)	22	36	(14)	over	(63.6%)	
Administration Costs	158	176	(18)	138	158	(20)	over	(14.5%)	
Payments to Other Bodies	125	149	(24)	121	140	(19)	over	(15.7%)	
Payments to Contractors	5,269	5,269	0	3,434	3,432	2	under	0.1%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	22	16	6	21	18	3	under	14.3%	
Total Controllable Exp.	8,842	8,731	111	6,666	6,589	77	under	1.2%	
Total Controllable Inc.	(8,781)	(8,630)	(151)	(3,799)	(3,684)	(115)	under recovered	(3.0%)	3
Net Controllable Exp.	61	101	(40)	2,867	2,905	(38)	over	(1.3%)	

Variance Explanations

- Employee Costs**
The underspend is due to vacancies which are being considered in line with Service requirements.
- Supplies and Services**
The overspend reflects additional expenditure in relation to the maintenance of IT equipment.
- Income**
The under recovery reflects the lower than anticipated level of planning applications and building warrants achieved to date.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Regeneration

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,150	2,114	36	1,946	1,914	32	under	1.6%	
Property Costs	0	525	(525)	0	401	(401)	over	n/a	1
Supplies & Services	15	16	(1)	15	16	(1)	over	(6.7%)	
Transport & Plant	12	11	1	9	9	0	-	0.0%	
Administration Costs	45	45	0	20	20	0	-	0.0%	
Payments to Other Bodies	4,596	4,689	(93)	2,883	2,930	(47)	over	(1.6%)	a,b
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	10	10	0	-	0.0%	
Total Controllable Exp.	6,829	7,411	(582)	4,883	5,300	(417)	over	(8.5%)	
Total Controllable Inc.	(2,780)	(3,086)	306	(662)	(814)	152	over recovered	23.0%	2,a
Net Controllable Exp.	4,049	4,325	(276)	4,221	4,486	(265)	over	(6.3%)	

Variance Explanations

1. Property Costs

The overspend relates to expenditure on rental properties, which is partially offset by rental income received for these premises.

2. Income

The over recovery reflects income received in relation to rental properties, which partially offsets the overspend within Property Costs above.

Budget Virements

- a. Realign budget for additional external funding for Employability Programmes. Net effect £0.000m: Payments to Other Bodies £2.225m and Income (£2.225m).
- b. Transfer of budget from the Tackling Poverty Programme for Employability Programmes £0.962m: Payments to Other Bodies £0.962m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,796	5,827	(31)	5,243	5,261	(18)	over	(0.3%)	
Property Costs	1,407	1,418	(11)	1,024	1,042	(18)	over	(1.8%)	
Supplies & Services	2,821	2,836	(15)	2,359	2,382	(23)	over	(1.0%)	
Transport & Plant	284	271	13	195	182	13	under	6.7%	
Administration Costs	335	360	(25)	314	323	(9)	over	(2.9%)	
Payments to Other Bodies	6,934	6,926	8	6,865	6,857	8	under	0.1%	
Payments to Contractors	21,684	21,551	133	15,981	15,867	114	under	0.7%	1,a
Transfer Payments	586	586	0	586	586	0	-	0.0%	
Financing Charges	41	40	1	41	40	1	under	2.4%	
Total Controllable Exp.	39,888	39,815	73	32,608	32,540	68	under	0.2%	
Total Controllable Inc.	(5,996)	(6,018)	22	(5,276)	(5,298)	22	over recovered	0.4%	a
Net Controllable Exp.	33,892	33,797	95	27,332	27,242	90	under	0.3%	

Variance Explanations**1. Payments to Contractors**

The underspend is due to less than anticipated work being undertaken to date by the Trading Operation. This is partially offset by additional works undertaken by private contractors due to the specialist nature of the works required.

Budget Virements

- a. Realign budget to reflect the current level level of rechargeable works. Net effect £0.000m: Payments to Contracts £0.777m and Income (£0.777m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16	% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	0	0	0	0	0	0	-	n/a
Property Costs	0	0	0	0	0	0	-	n/a
Supplies & Services	0	0	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	2,157	2,067	90	1,642	1,555	87	under	5.3% 1,a
Payments to Contractors	0	0	0	0	0	0	-	n/a
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
Total Controllable Exp.	2,157	2,067	90	1,642	1,555	87	under	5.3%
Total Controllable Inc.	(36)	(36)	0	(36)	(36)	0	-	0.0%
Net Controllable Exp.	2,121	2,031	90	1,606	1,519	87	under	5.4%

Variance Explanations**1. Payments to Other Bodies**

The underspend reflects the timing of expenditure in respect of the programme.

Budget Virements

- a. Transfer of budget to Regeneration Services for Employability Programmes (£0.962m): Payments to Other Bodies (£0.962m).