

Report

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Report to:	Community Services Committee
Date of Meeting:	25 November 2014
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community Services - Revenue Budget Monitoring 2014/2015
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April to 19 September 2014 for Community Services
- ◆ provide a forecast for the year to 31 March 2015

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendations:-

- (1) that the underspend on the Community Services' revenue budget of £0.055million (0.2%), as detailed in Appendices B to F of the report, be noted;
- (2) that the forecast to 31 March 2015 of break even position, be noted; and
- (3) that the proposed budget virements, as detailed in Appendices B, D and F of the report, be approved.

3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Community Services Committee for the financial year 2014/2015.
- 3.2. The Community and Enterprise Resources' budget is managed in totality by the Resource. The individual Community Services reports are included, along with variance explanations where necessary, in Appendices B to F. For information, the report details the financial position for Community and Enterprise Resources in Appendix A. As Appendices B to F reflect Community 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 19 September 2014, the Community Services' variance from phased budget is an underspend of £0.055million (0.2%). The Community Services forecast for the revenue budget to 31 March 2015 is a break even position.

5.2. 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)

Colin McDowall

Executive Director (Community and Enterprise Resources)

1 October 2014

Link(s) to Council Values/Objectives

♦ Accountable, Effective and Efficient

Previous References

♦ Community Services Committee 16 September 2014

List of Background Papers

♦ Financial ledger and budget monitoring results to 19 September 2014

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

Community and Enterprise Resources: Period Ended 19 September 2014 (No.7)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/09/14	Actual 19/09/14	Variance 19/09/14		% Variance 19/09/14	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,780	37,780	0	16,906	16,720	186	under	1.1%	
Property Costs	12,814	12,814	0	6,919	6,909	10	under	0.1%	
Supplies & Services	4,509	4,509	0	1,348	1,340	8	under	0.6%	
Transport & Plant	6,057	6,057	0	2,803	2,914	(111)	over	(4.0%)	
Administration Costs	978	978	0	250	338	(88)	over	(35.2%)	
Payments to Other Bodies	18,742	18,742	0	9,580	9,587	(7)	over	(0.1%)	
Payments to Contractors	55,328	55,328	0	23,357	23,305	52	under	0.2%	
Transfer Payments	586	586	0	293	293	0	-	0.0%	
Financing Charges	657	657	0	350	347	3	under	0.9%	
Total Controllable Exp.	137,451	137,451	0	61,806	61,753	53	under	0.1%	
Total Controllable Inc.	(23,520)	(23,520)	0	(8,340)	(8,290)	(50)	under recovered	(0.6%)	
Net Controllable Exp.	113,931	113,931	0	53,466	53,463	3	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B, C and F.

Budget Virements

Budget virements are shown in Appendices B, D and F.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 September 2014 (No.7)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/09/14	Actual 19/09/14	Variance 19/09/14		% Variance 19/09/14	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	18,213	18,213	0	8,207	8,143	64	under	0.8%	1, a, c
Property Costs	11,653	11,653	0	6,358	6,349	9	under	0.1%	b, c
Supplies & Services	1,204	1,204	0	555	537	18	under	3.2%	2
Transport & Plant	5,417	5,417	0	2,470	2,567	(97)	over	(3.9%)	3
Administration Costs	143	143	0	54	66	(12)	over	(22.2%)	
Payments to Other Bodies	67	67	0	37	35	2	under	5.4%	c
Payments to Contractors	15,422	15,422	0	6,477	6,421	56	under	0.9%	4
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	520	520	0	292	291	1	under	0.3%	
Total Controllable Exp.	52,639	52,639	0	24,450	24,409	41	under	0.2%	
Total Controllable Inc.	(10,784)	(10,784)	0	(4,178)	(4,137)	(41)	under recovered	(1.0%)	5
Net Controllable Exp.	41,855	41,855	0	20,272	20,272	0	-	0.0%	

Variance Explanations**1. Employee Costs**

The underspend is within Refuse and Disposal Services and Streets and Bereavement Services, and is mainly due to vacancies which are being considered in line with Service requirements.

2. Supplies and Services

The underspend is due to lower than anticipated expenditure to date on food and beverages within Conference and Banqueting.

3. Transport & Plant

The overspend is mainly due to additional vehicle maintenance expenditure due to the current age profile of the Fleet. In addition, fuel expenditure is higher than anticipated within Refuse and Disposal Services due to an increase in demand for green waste collections.

4. Payments to Contractors

The underspend is mainly due to refuse disposal costs being lower than anticipated.

5. Income

The under recovery of income is mainly due to lower than anticipated income within Conference and Banqueting, which offsets the underspend within Supplies and Services (see 2 above). In addition, a reduced level of income has been generated from Public Conveniences.

Budget Virements.

- Transfer from centrally held funds in respect of 2014/15 Living Wage allocation £0.076m: Employee Costs £0.076m.
- Transfer from Grounds Trading (£0.030m) and Facilities Trading (£0.001m) in respect of the reallocation of the 2014/15 Trading Living Wage £0.031m: Property Costs £0.031m.
- Transfer to Education Resources (£0.001m), Housing and Technical Resources (£0.014m), Social Work Resources (£0.001m) and Roads Services (£0.023m) in respect of the reallocation of the 2014/15 Living Wage (£0.039m): Employee Costs (£0.001m), Property Cost (£0.015m), Payments to Other Bodies (£0.023m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 September 2014 (No.7)

Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/09/14	Actual 19/09/14	Variance 19/09/14		% Variance 19/09/14	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,881	3,881	0	1,728	1,705	23	under	1.3%	1
Property Costs	12	12	0	4	4	0	-	0.0%	
Supplies & Services	147	147	0	29	29	0	-	0.0%	
Transport & Plant	130	130	0	63	68	(5)	over	(7.9%)	
Administration Costs	73	73	0	27	34	(7)	over	(25.9%)	
Payments to Other Bodies	173	173	0	64	71	(7)	over	(10.9%)	
Payments to Contractors	234	234	0	175	184	(9)	over	(5.1%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	8	9	(1)	over	(12.5%)	
Total Controllable Exp.	4,675	4,675	0	2,098	2,104	(6)	over	(0.3%)	
Total Controllable Inc.	(1,008)	(1,008)	0	(313)	(345)	32	over recovered	10.2%	2
Net Controllable Exp.	3,667	3,667	0	1,785	1,759	26	under	1.5%	

Variance Explanations**1. Employee Costs**

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

2. Income

The over recovery of income is due to an increase in the level of requests for pest control services.

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Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 September 2014 (No.7)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/09/14	Actual 19/09/14	Variance 19/09/14	% Variance 19/09/14	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	4	4	0	2	2	0	-	0.0%
Property Costs	230	230	0	108	108	0	-	0.0%
Supplies & Services	0	0	0	0	0	0	-	n/a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	11	11	0	0	0	0	-	n/a
Payments to Other Bodies	102	102	0	9	9	0	-	0.0%
Payments to Contractors	20,593	20,593	0	10,254	10,254	0	-	0.0% a, b
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
Total Controllable Exp.	20,940	20,940	0	10,373	10,373	0	-	0.0%
Total Controllable Inc.	0	0	0	0	(1)	1	over recovered	n/a
Net Controllable Exp.	20,940	20,940	0	10,373	10,372	1	under	0.0%

Budget Virements

- a. Transfer from centrally held funds in respect of 2014/15 Living Wage allocation £0.096m: Payments to Contractors £0.096m.
- b. Transfer from Facilities Trading Service in respect of the reallocation of the 2014/15 Trading Living Wage £0.004m: Payments to Contractors £0.004m.

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Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 September 2014 (No.7)

Projects

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/09/14	Actual 19/09/14	Variance 19/09/14		% Variance 19/09/14	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	0	0	0	0	0	0	-	n/a	
Property Costs	1	1	0	0	0	0	-	n/a	
Supplies & Services	61	61	0	13	13	0	-	0.0%	
Transport & Plant	153	153	0	153	153	0	-	0.0%	
Administration Costs	0	0	0	0	0	0	-	n/a	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	582	582	0	126	121	5	under	4.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	797	797	0	292	287	5	under	1.7%	
Total Controllable Inc.	(565)	(565)	0	(287)	(287)	0	-	0.0%	
Net Controllable Exp.	232	232	0	5	0	5	under	100.0%	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 September 2014 (No.7)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/09/14	Actual 19/09/14	Variance 19/09/14		% Variance 19/09/14	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,408	4,408	0	2,005	1,985	20	under	1.0%	1, a
Property Costs	295	295	0	4	3	1	under	25.0%	
Supplies & Services	183	183	0	34	32	2	under	5.9%	
Transport & Plant	73	73	0	4	3	1	under	25.0%	
Administration Costs	241	241	0	37	39	(2)	over	(5.4%)	
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	32	32	0	15	14	1	under	6.7%	
Total Controllable Exp.	5,232	5,232	0	2,099	2,076	23	under	1.1%	
Total Controllable Inc.	(1,832)	(1,832)	0	(7)	(7)	0	-	0.0%	
Net Controllable Exp.	3,400	3,400	0	2,092	2,069	23	under	1.1%	

Variance Explanations**1. Employee Costs**

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

Budget Virements

a. Transfer from centrally held funds in respect of the 2014/15 Living Wage allocation £0.001m: Employee Costs £0.001m.