

# Report

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Report to:	<b>Enterprise Services Committee</b>
Date of Meeting:	<b>22 January 2013</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Enterprise Services - Revenue Budget Monitoring 2012/2013</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April to 26 October 2012 for Enterprise Services
- ◆ provide a forecast for the year to 31 March 2013.

## 2. Recommendation(s)

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

- (1) that the underspend on the Enterprise Services revenue budget of £0.022m (0.08%), as detailed in Appendices B to E of the report, and the forecast to 31 March 2013 of break even be noted; and
- (2) that the proposed budget virements in respect of Enterprise Services as detailed in Appendices B to E of the report, be approved.

## 3. Background

- 3.1. This is the fourth revenue budget monitoring report presented to the Enterprise Services Committee for the financial year 2012/2013.
- 3.2. The Community and Enterprise Resources budget is managed in totality by the Resource. The individual Enterprise Services reports are included, along with variance explanations, in Appendices B to E. For information, the report details the financial position for Community and Enterprise Resources in Appendix A. As Appendices B to E reflect Enterprise Services only, the total of Appendix A does not balance to the total of these.
- 3.3. Support Services within the Resource provides support for all Services, however, this is monitored through the Community Services Committee.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 26 October 2012, the Enterprise Services variance from phased budget is an underspend of £0.022m (0.08%). The Enterprise Services forecast for the revenue budget to 31 March 2013 is a break even position.

- 5.2. Virements are also proposed to realign budgets across the services and with other Resources. These movements have been detailed in the appendices to this report.

## **6. Other Implications**

- 6.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.
- 6.2 There are no implications for sustainability in terms of the information contained in this report.

## **7. Equality Impact Assessment and Consultation Arrangements**

- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

**Colin McDowall**

**Executive Director (Community and Enterprise Resources)**

12 November 2012

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

- ◆ Accountable, Effective and Efficient

## **Previous References**

- ◆ Community Services Committee, 30 October 2012
- ◆ Enterprise Services Committee, 30 October 2012

## **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 26 October 2012.

## **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 26 October 2012 (No.8)

## Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	36,945	36,945	0	19,787	19,698	89	under	0.4%	
Property Costs	12,421	12,421	0	8,036	8,110	(74)	over	(0.9%)	
Supplies & Services	4,701	4,701	0	1,854	1,951	(97)	over	(5.2%)	
Transport & Plant	5,709	5,709	0	3,542	3,779	(237)	over	(6.7%)	
Administration Costs	8,915	8,915	0	4,757	4,816	(59)	over	(1.2%)	
Payments to Other Bodies	22,967	22,967	0	12,145	12,214	(69)	over	(0.6%)	
Payments to Contractors	61,408	61,408	0	30,299	29,109	1,190	under	3.9%	
Transfer Payments	533	533	0	400	400	0	-	0.0%	
Financing Charges	769	769	0	513	499	14	under	2.7%	
<b>Total Controllable Exp.</b>	154,368	154,368	0	81,333	80,576	757	under	0.9%	
<b>Total Controllable Inc.</b>	(35,988)	(35,988)	0	(17,096)	(16,349)	(747)	under recovered	(4.4%)	
<b>Net Controllable Exp.</b>	118,380	118,380	0	64,237	64,227	10	under	0.0%	

**Variance Explanations**

Variance explanations are shown in Appendices B to E.

**Budget Virements**

Budget virements are shown in Appendices B to E.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	3,237	3,237	0	1,633	1,648	(15)	over	(0.9%)	a
Property Costs	38	38	0	7	7	0	-	0.0%	
Supplies & Services	50	50	0	50	58	(8)	over	(16.0%)	
Transport & Plant	0	0	0	0	23	(23)	over	n/a	1
Administration Costs	819	819	0	70	83	(13)	over	(18.6%)	
Payments to Other Bodies	125	125	0	77	88	(11)	over	(14.3%)	
Payments to Contractors	300	300	0	163	163	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	49	49	0	28	18	10	under	35.7%	
<b>Total Controllable Exp.</b>	<b>4,618</b>	<b>4,618</b>	<b>0</b>	<b>2,028</b>	<b>2,088</b>	<b>(60)</b>	<b>over</b>	<b>(3.0%)</b>	
<b>Total Controllable Inc.</b>	<b>(3,727)</b>	<b>(3,727)</b>	<b>0</b>	<b>(2,160)</b>	<b>(1,520)</b>	<b>(640)</b>	<b>under recovered</b>	<b>(29.6%)</b>	<b>2</b>
<b>Net Controllable Exp.</b>	<b>891</b>	<b>891</b>	<b>0</b>	<b>(132)</b>	<b>568</b>	<b>(700)</b>	<b>over</b>	<b>(530.3%)</b>	

**Variance Explanations****1. Transport and Plant**

The overspend is due to greater than anticipated costs associated with Resource specific cars.

**2. Income**

The under recovery is due to a reduction in the level and value of planning applications and building standards warrants as a result of the economic downturn. A budget realignment will be completed against this line following the probable outturn.

**Budget Virements**

- a. Transfer from centrally held funds in respect of National Diagnostic Project £0.193m: Employee Costs £0.193m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Regeneration

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 26/10/12 £000	Actual 26/10/12 £000	Variance 26/10/12 £000		% Variance 26/10/12	Note
Employee Costs	2,181	2,181	0	1,170	1,145	25	under	2.1%	1
Property Costs	2	2	0	2	2	0	-	0.0%	
Supplies & Services	26	26	0	13	11	2	under	15.4%	
Transport & Plant	11	11	0	6	6	0	-	0.0%	
Administration Costs	452	452	0	10	10	0	-	0.0%	
Payments to Other Bodies	7,657	7,657	0	1,644	1,644	0	-	0.0%	a, b, c, d,
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	18	18	0	11	9	2	under	18.2%	
<b>Total Controllable Exp.</b>	<b>10,347</b>	<b>10,347</b>	<b>0</b>	<b>2,856</b>	<b>2,827</b>	<b>29</b>	<b>under</b>	<b>1.0%</b>	
<b>Total Controllable Inc.</b>	<b>(3,825)</b>	<b>(3,825)</b>	<b>0</b>	<b>(451)</b>	<b>(452)</b>	<b>1</b>	<b>over recovered</b>	<b>0.2%</b>	<b>a, b, c</b>
<b>Net Controllable Exp.</b>	<b>6,522</b>	<b>6,522</b>	<b>0</b>	<b>2,405</b>	<b>2,375</b>	<b>30</b>	<b>under</b>	<b>1.2%</b>	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the service.

Budget Virements

- Budget Realignment to reflect Youth Jobs Fund: Net Effect £0: Payments to Other Bodies £0.861m, Income (£0.861m).
- Budget Realignment to reflect Flexible Support Fund: Net Effect £0: Payments to Other Bodies £0.169m, Income (£0.169m).
- Budget Realignment to reflect Alcohol Drug Partnership Funding: Net Effect £0: Payments to Other Bodies £0.145m, Income (£0.145m).
- Capital Financed by Current Revenue (CFCR) transfer in respect of works at Hornal Road (£0.100m): Payments to Other Bodies (£0.100m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Roads

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b>Budget Category</b>									
Employee Costs	4,919	4,919	0	2,642	2,641	1	under	0.0%	a
Property Costs	477	477	0	403	478	(75)	over	(18.6%)	1, b, c
Supplies & Services	2,727	2,727	0	962	1,048	(86)	over	(8.9%)	2, c, e
Transport & Plant	149	149	0	89	136	(47)	over	(52.8%)	3
Administration Costs	1,395	1,395	0	52	111	(59)	over	(113.5%)	4
Payments to Other Bodies	10,829	10,829	0	8,891	8,943	(52)	over	(0.6%)	5
Payments to Contractors	22,985	22,985	0	10,822	9,773	1,049	under	9.7%	6, d, e
Transfer Payments	533	533	0	400	400	0	-	0.0%	
Financing Charges	80	80	0	56	39	17	under	30.4%	
<b>Total Controllable Exp.</b>	44,094	44,094	0	24,317	23,569	748	under	3.1%	
<b>Total Controllable Inc.</b>	(6,251)	(6,251)	0	(2,273)	(2,217)	(56)	under recovered	(2.5%)	7
<b>Net Controllable Exp.</b>	37,843	37,843	0	22,044	21,352	692	under	3.1%	

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

The overspend is due to the level of electricity charges incurred at the main roads depots being higher than budgeted and also security costs being higher than anticipated.

**2. Supplies and Services**

The overspend is due to expenditure across a number of areas including licensing costs and IT hardware being higher than budgeted.

**3. Transport and Plant**

The overspend is due to the cost of Resource pool cars being greater than budget.

**4. Administration Costs**

The overspend is due to small overspends across a number of expenditure areas including telephones, printing and advertising.

**5. Payments to Other Bodies**

The overspend is due to expenditure on school crossing patrols being greater than the available budget.

**6. Payments to Contractors**

A budget realignment will be completed following the probable outturn to reflect forecast income and expenditure levels across the service and Planning and Building Standards.

**7. Income**

The under recovery is due to rechargeable work being lower than experienced in previous years.

**Budget Virements**

- Transfer from centrally held funds in respect of National Diagnostic Project £0.046m: Employee Costs £0.046m.
- Transfer from centrally held funds in respect of rates poundage increase £0.019m: Property Costs £0.019m.
- Transfer from centrally held funds in respect of utilities price increase £0.252m: Property Costs £0.005m, Supplies and Services £0.247m.
- Transfer from centrally held funds for charge from Grounds Trading Services in respect of fuel £0.004m: Payments to Contractors £0.004m.
- Realignment of Roads budget to reflect current service delivery: Net effect £0: Supplies and Services £0.371m, Payments to Contractors (£0.371m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 October 2012 (No.8)

## Tackling Poverty Programme

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/10/12	Actual 26/10/12	Variance 26/10/12		% Variance 26/10/12	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	518	518	0	377	377	0	-	0.0%	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	29	29	0	21	21	0	-	0.0%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	0	0	0	0	0	0	-	n/a	
Payments to Other Bodies	4,008	4,008	0	1,414	1,414	0	-	0.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
<b>Total Controllable Exp.</b>	4,555	4,555	0	1,812	1,812	0	-	0.0%	
<b>Total Controllable Inc.</b>	0	0	0	0	0	0	-	n/a	
<b>Net Controllable Exp.</b>	4,555	4,555	0	1,812	1,812	0	-	0.0%	