

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	6 December 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2023/2024 – Finance and Corporate Resources
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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 2023 to 6 October 2023 for Finance and Corporate Resources

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 2024 of breakeven, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Finance and Corporate Resources Committee for the financial year 2023/2024.
- 3.2. The report details the financial position for Finance and Corporate Resources on Appendix A, along with variance explanations in Appendices B-H as appropriate.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. As at 6 October 2023, there is a breakeven position against the phased budget. The financial forecast for the revenue budget to 31 March 2024 is a breakeven position.
- 5.2. Virements are proposed to realign budgets. This has been detailed in Appendices C, F and H.

6. Climate Change, Sustainability and Environmental Implications

- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

7. Other Implications

- 7.1. 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.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. 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.
- 8.2. 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)

19 October 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Finance and Corporate Resources Committee, 27 September 2023

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 6 October 2023

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

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Finance and Corporate Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	36,905	36,905	0	17,989	17,632	357	under	2.0%	
Property Costs	4,112	4,112	0	822	822	0	-	0.0%	
Supplies & Services	7,363	7,363	0	5,306	5,610	(304)	over	(5.7%)	
Transport & Plant	66	66	0	41	45	(4)	over	(9.8%)	
Administration Costs	7,870	7,870	0	3,857	3,941	(84)	over	(2.2%)	
Payments to Other Bodies	4,079	4,079	0	2,673	2,771	(98)	over	(3.7%)	
Payments to Contractors	259	259	0	46	58	(12)	over	(26.1%)	
Transfer Payments	65,650	65,650	0	29,646	29,646	0	-	0.0%	
Financing Charges	1,216	1,216	0	273	273	0	-	0.0%	
Total Controllable Exp.	127,520	127,520	0	60,653	60,798	(145)	over	(0.2%)	
Total Controllable Inc.	(85,748)	(85,748)	0	(35,021)	(35,166)	145	over recovered	(0.4%)	
Net Controllable Exp.	41,772	41,772	0	25,632	25,632	0	-	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to H as appropriate.

Budget Virements

Virements are noted in Appendices C, F and H.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Finance – Strategy Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,038	3,038	0	1,505	1,428	77	under	5.1%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	19	19	0	5	6	(1)	over	(20.0%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	111	111	0	3	8	(5)	over	(166.7%)	
Payments to Other Bodies	516	516	0	286	325	(39)	-	(13.6%)	2
Payments to Contractors	22	22	0	16	16	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	16	16	0	2	2	0	-	0.0%	
Total Controllable Exp.	3,722	3,722	0	1,817	1,785	32	under	1.8%	
Total Controllable Inc.	(1,604)	(1,604)	0	(47)	(47)	0	-	0.0%	
Net Controllable Exp.	2,118	2,118	0	1,770	1,738	32	under	1.8%	

Variance Explanations**1. Employee Costs**

The underspend reflects the turnover of staff to date, with any vacant posts being considered in line with service requirements.

2. Payments to Other Bodies

The overspend reflects the uplift in external audit fees.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Finance – Transactions Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	12,879	12,879	0	6,390	6,136	254	under	4.0%	1
Property Costs	4,032	4,032	0	777	777	0	-	0.0%	
Supplies & Services	852	852	0	462	491	(29)	over	(6.3%)	
Transport & Plant	5	5	0	0	0	0	-	n/a	
Administration Costs	1,672	1,672	0	981	1,035	(54)	over	(5.5%)	2
Payments to Other Bodies	1,608	1,608	0	991	1,029	(38)	over	(3.8%)	a
Payments to Contractors	237	237	0	30	38	(8)	over	(26.7%)	
Transfer Payments	65,650	65,650	0	29,646	29,646	0	-	0.0%	
Financing Charges	142	142	0	5	5	0	-	0.0%	
Total Controllable Exp.	87,077	87,077	0	39,282	39,157	125	under	0.3%	
Total Controllable Inc.	(68,520)	(68,520)	0	(30,786)	(30,870)	84	over recovered	(0.3%)	3
Net Controllable Exp.	18,557	18,557	0	8,496	8,287	209	under	2.5%	

Variance Explanations**1. Employee Costs**

The underspend reflects the level of turnover within the Service to date, with recruitment being considered in line with service requirements.

2. Administration Costs

The overspend reflects additional postage costs required for service delivery.

3. Income

The over-recovery reflects a greater number of procurement rebates than budgeted.

Budget Virements

- a. Energy Bills Support Scheme & Alternative Fuels Payment: Net Effect £0.109m: Payments to Other Bodies £0.109m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Audit Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	638	638	0	316	344	(28)	over	(8.9%)	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	7	7	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	6	6	0	2	2	0	-	0.0%	
Payments to Other Bodies	1	1	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	4	4	0	0	0	0	-	n/a	
Total Controllable Exp.	656	656	0	318	346	(28)	over	(8.8%)	
Total Controllable Inc.	(282)	(282)	0	(45)	(45)	0	-	0.0%	
Net Controllable Exp.	374	374	0	273	301	(28)	over	(10.3%)	

Variance Explanations1. **Employee Costs**

The overspend reflects a lower than anticipated level of staff turnover.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Information Technology Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,217	5,217	0	2,474	2,311	163	under	6.6%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	5,518	5,518	0	4,506	4,747	(241)	over	(5.3%)	2
Transport & Plant	4	4	0	0	0	0	-	n/a	
Administration Costs	1,604	1,604	0	723	723	0	-	0.0%	
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	631	631	0	94	94	0	-	0.0%	
Total Controllable Exp.	12,974	12,974	0	7,049	7,127	(78)	over	(1.0%)	
Total Controllable Inc.	(7,748)	(7,748)	0	(748)	(748)	0	-	0.0%	
Net Controllable Exp.	5,226	5,226	0	7,049	7,127	(78)	over	(1.1%)	

Variance Explanations**1. Employee Costs**

The underspend reflects the level of turnover within the Service to date, partially offset by Fusion-related staffing costs.

2. Supplies & Services

The overspend reflects the timing of expenditure, an element of which will be prepaid at the end of the year.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Personnel Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	8,815	8,815	0	4,167	4,206	(39)	over	(0.9%)	1, a, b, c
Property Costs	62	62	0	43	43	0	-	0.0%	c
Supplies & Services	194	194	0	48	50	(2)	over	(4.2%)	c
Transport & Plant	14	14	0	3	3	0	-	0.0%	c
Administration Costs	1,002	1,002	0	624	641	(17)	over	(2.7%)	a, c
Payments to Other Bodies	456	456	0	376	379	(3)	over	(0.8%)	a, b, c
Payments to Contractors	0	0	0	0	4	(4)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	40	40	0	2	2	0	-	0.0%	c
Total Controllable Exp.	10,583	10,583	0	5,263	5,328	(65)	over	(1.2%)	
Total Controllable Inc.	(2,275)	(2,275)	0	(1,263)	(1,341)	78	over recovered	(6.2%)	2, a, b, c
Net Controllable Exp.	8,308	8,308	0	4,000	3,987	13	under	0.3%	

Variance Explanations**1. Employee Costs**

The overspend reflects the phasing of staffing costs to date and will be offset by anticipated external project income when received.

2. Income

Over-recovery reflects income from Skills Development Scotland and Seniors Together.

Budget Virements

- Kypemuir and Middlemuir Windfarm Renewable Projects: Net Effect £0.000m: Employee Costs £0.025m, Administration Costs £0.017m, Payments to Other Bodies £0.111m, Income (£0.153m).
- Quarter 1 No-one Left Behind Grant Claim: Net Effect £0.000m: Employee Costs £0.332m, Payments to Other Bodies £0.140m, Income (£0.472m).
- Budget realignment to reflect service delivery: Net Effect £0.000m: Employee Costs £0.312m, Property Costs (£0.051m), Supplies & Services (£0.001m), Transport & Plant (£0.004m), Administration Costs (£0.055m), Payments to Other Bodies (£1.055m), Financing Charges (£0.001m), Income £0.855m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Administration, Legal and Licensing Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,755	3,755	0	1,865	1,969	(104)	over	(5.6%)	1
Property Costs	18	18	0	2	2	0	-	0.0%	
Supplies & Services	119	119	0	35	61	(26)	over	(74.3%)	2
Transport & Plant	14	14	0	10	11	(1)	over	(10.0%)	
Administration Costs	2,331	2,331	0	1,198	1,205	(7)	over	(0.6%)	
Payments to Other Bodies	678	678	0	353	353	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	32	32	0	5	5	0	-	0.0%	
Total Controllable Exp.	6,947	6,947	0	3,468	3,606	(138)	over	(4.0%)	
Total Controllable Inc.	(2,668)	(2,668)	0	(1,060)	(1,043)	(17)	under	1.6%	
Net Controllable Exp.	4,279	4,279	0	2,408	2,563	(155)	over	(6.4%)	

Variance Explanations**1. Employee Costs**

The overspend reflects a lower than anticipated turnover achieved to date.

2. Supplies & Services

The overspend reflects the costs of computer equipment required for service delivery.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 6 October 2023 (No.7)

Communications and Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/10/23	Actual 06/10/23	Variance 06/10/23		% Variance 06/10/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	2,563	2,563	0	1,272	1,238	34	under	2.7%	1, a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	654	654	0	250	255	(5)	over	(2.0%)	a
Transport & Plant	29	29	0	28	31	(3)	over	(10.7%)	
Administration Costs	1,144	1,144	0	325	326	(1)	over	(0.3%)	a
Payments to Other Bodies	820	820	0	667	685	(18)	over	(2.7%)	a
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	351	351	0	165	165	0	-	0.0%	
Total Controllable Exp.	5,561	5,561	0	2,707	2,700	7	under	0.3%	
Total Controllable Inc.	(2,651)	(2,651)	0	(1,072)	(1,072)	0	-	0.0%	
Net Controllable Exp.	2,910	2,910	0	1,635	1,628	7	under	0.4%	

Variance Explanations**1. Employee Costs**

The underspend reflects the level of turnover within the Service to date, with recruitment being considered in line with service requirements.

Budget Virements

- a. Community Asset Transfer & Community Wishlist Funding: Net Effect £0.105m: Employee Costs £0.070m, Supplies & Services £0.020m, Administration Costs £0.002m, Payments to Other Bodies £0.013m.