

Report

Report to:	Executive Committee
Date of Meeting:	21 November 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Trading Services Financial Performance for Period 1 April 2018 to 12 October 2018
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the estimated surplus for each of the Council's Trading Operations,
- ◆ provide information on the actual surplus as at 12 October 2018, and
- ◆ provide an update on the projected results for the financial year 2018/2019.

2. Recommendation(s)

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

- (1) that the surplus achieved to 12 October 2018 of £4.961 million, as detailed in Appendix A of the report, be noted.

3. Background

Trading Operations Position

- 3.1. As part of the budget for 2018/2019, an estimated target for Trading Operations' surpluses was set at £11.466 million. In the period to 17 August 2018, this was revised to £11.941 million.
- 3.2. Since then, in the period to 12 October 2018, a budget allocation has taken place from the Corporate Items budget line to the Trading Operations in respect of the allocation of the 2018/2019 Rates Poundage.
- 3.3. The effect of the above adjustments is to decrease the Budgeted Trading Surplus by £0.007 million, resulting in a revised budget of £11.934 million.
- 3.4. Details of the financial performance of each of the individual Trading Operations is provided in Appendix A to this report.
- 3.5. This budgeted surplus sum will continue to be taken as a minimum target for achievement by the Trading Operations. Effort will be maintained to maximise results during the remainder of this financial year.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. As at 12 October 2018, the actual surpluses achieved by the Trading Operations total £4.961 million. At this point in the year, there are reductions in elements of work that were planned within the Property Services Trading Operation. This reflects some works on Primary Schools and Early Learning, and timing of works in the Housing Programme. This is likely to result in a lower surplus than planned for the year, which will in turn impact on the General Fund Revenue Account. Work is ongoing to quantify this position, which will be reported to a future Committee.

6. Other Implications

- 6.1. The main risk associated with the Trading Operations' Budgets is that there is a reduction in the surplus achieved. The risk has been assessed as low given the detailed budget management applied across the Trading Operations. 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)

22 October 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 26 September 2018

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 12 October 2018

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
Period Ended 12 October 2018 (No.8)
Trading Operations

	2018/2019 Revenue Budget Surplus	2018/2019 Forecast Revenue Budget Surplus	Phased Budget (Surplus) at 12/10/18	Actual (Surplus) / Deficit at 12/10/18	Variance at 12/10/18	
Trading Service	£m	£m	£m	£m	£m	
Fleet	(2.891)	(2.891)	(1.557)	(1.557)	0.000	-
Roads	(4.639)	(4.639)	(2.482)	(2.482)	0.000	-
Property Services	(4.404)	(4.404)	(0.922)	(0.922)	0.000	-
Total	(11.934)	(11.934)	(4.961)	(4.961)	0.000	-