

Report

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Report to:	Community Services Committee
Date of Meeting:	30 October 2012
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community and Enterprise Resources - Revenue Budget Monitoring 2012/2013
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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 31 August 2012 for Community and Enterprise Resources
- ◆ 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 Community and Enterprise Resources' revenue budget of £0.015m (0.03%), as detailed in Appendix A of the report, and the forecast to 31 March 2013 of break even be noted;
- (2) that the proposed budget virements in respect of Community Services as detailed in Appendices B to E of the report, be approved; and
- (3) that the proposed budget virements in relation to Support Services, as detailed in Appendix J of the report, be endorsed and referred to the Enterprise Services Committee for approval.

3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Community Services Committee and Enterprise Services Committee for the financial year 2012/2013.
- 3.2. The report details the financial position for Community and Enterprise Resources on Appendix A, and then details the individual services, along with variance explanations, in Appendices B to J.
- 3.3. The Services relating to Community Services are detailed in Appendices B to E of this report, including the details of any proposed virements that require approval.
- 3.4. Support Services as detailed in Appendix J of the report cannot be readily split between Community and Enterprise Services and thus any proposed virements will require to be endorsed by the Community Services Committee and referred to the Enterprise Services Committee for approval.

4. Employee Implications

- 4.1. None

5. Financial Implications

- 5.1. As at 31 August 2012, the variance from phased budget is an underspend of £0.015m (0.03%). The 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)

17 September 2012

Link(s) to Council Values/Improvement Themes/Objectives

- ♦ Accountable, Effective and Efficient

Previous References

- ♦ Community Services Committee 21 August 2012
- Enterprise Services Committee 21 August 2012

List of Background Papers

- ♦ Financial ledger and budget monitoring results to 31 August 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 31 August 2012 (No.6)

Community and Enterprise Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	36,858	36,858	0	14,127	13,884	243	under	1.7%	
Property Costs	12,270	12,270	0	4,926	4,949	(23)	over	(0.5%)	
Supplies & Services	4,057	4,057	0	1,228	1,306	(78)	over	(6.4%)	
Transport & Plant	5,507	5,507	0	2,675	2,885	(210)	over	(7.9%)	
Administration Costs	8,914	8,914	0	3,556	3,592	(36)	over	(1.0%)	
Payments to Other Bodies	22,103	22,103	0	9,370	9,414	(44)	over	(0.5%)	
Payments to Contractors	62,232	62,232	0	22,980	21,836	1,144	under	5.0%	
Transfer Payments	533	533	0	266	266	0	-	0.0%	
Financing Charges	769	769	0	384	364	20	under	5.2%	
Total Controllable Exp.	153,243	153,243	0	59,512	58,496	1,016	under	1.7%	
Total Controllable Inc.	(35,872)	(35,872)	0	(13,018)	(12,017)	(1,001)	under recovered	(7.7%)	
Net Controllable Exp.	117,371	117,371	0	46,494	46,479	15	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to J.

Budget Virements

Budget virements are shown in Appendices B to J.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Facilities, Streets and Bereavement

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	11,647	11,647	0	4,439	4,444	(5)	over	(0.1%)	
Property Costs	11,140	11,140	0	4,786	4,774	12	under	0.3%	
Supplies & Services	1,006	1,006	0	345	346	(1)	over	(0.3%)	
Transport & Plant	1,523	1,523	0	815	870	(55)	over	(6.7%)	1
Administration Costs	4,035	4,035	0	1,702	1,699	3	under	0.2%	
Payments to Other Bodies	9	9	0	5	11	(6)	over	(120.0%)	
Payments to Contractors	98	98	0	32	32	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	229	229	0	66	64	2	under	3.0%	
Total Controllable Exp.	29,687	29,687	0	12,190	12,240	(50)	over	(0.4%)	
Total Controllable Inc.	(11,386)	(11,386)	0	(4,959)	(5,010)	51	over recovered	1.0%	2
Net Controllable Exp.	18,301	18,301	0	7,231	7,230	1	under	0.0%	

Variance Explanations

- Transport and Plant**
The overspend is mainly due to asset modifications and fuel and hired vehicle charges being greater than anticipated within Streets and Bereavement Services.
- Income**
The over recovery is mainly due to income from other Council departments for chargeable services and demand for bereavement services being greater than anticipated.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Waste and Environmental

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	9,767	9,767	0	3,759	3,541	218	under	5.8%	1
Property Costs	114	114	0	11	17	(6)	over	(54.5%)	
Supplies & Services	599	599	0	158	158	0	-	0.0%	
Transport & Plant	3,600	3,600	0	1,688	1,790	(102)	over	(6.0%)	2
Administration Costs	2,314	2,314	0	968	970	(2)	over	(0.2%)	
Payments to Other Bodies	228	228	0	41	41	0	-	0.0%	
Payments to Contractors	15,958	15,958	0	6,410	6,145	265	under	4.1%	3
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	319	319	0	236	233	3	under	1.3%	
Total Controllable Exp.	32,899	32,899	0	13,271	12,895	376	under	2.8%	
Total Controllable Inc.	(2,443)	(2,443)	0	(988)	(496)	(492)	under recovered	(49.8%)	4
Net Controllable Exp.	30,456	30,456	0	12,283	12,399	(116)	over	(0.9%)	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service with the recruitment process underway to fill a number of posts. In addition, overtime costs within Refuse and Disposal Services are less than anticipated.

2. Transport and Plant

The overspend is due to greater than anticipated fuel and vehicle maintenance costs within Refuse and Disposal Services.

3. Payments to Contractors

The underspend is due to less than anticipated expenditure on waste collection partially offset by greater than anticipated amenity site charges.

4. Income

The under recovery is due to less than anticipated income from special uplifts.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	2	2	0	-	0.0%	
Property Costs	232	232	0	68	67	1	under	1.5%	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	1,758	1,758	0	749	747	2	under	0.3%	
Payments to Other Bodies	112	112	0	13	11	2	under	15.4%	
Payments to Contractors	21,395	21,395	0	10,684	10,684	0	-	0.0%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	23,501	23,501	0	11,516	11,511	5	under	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	23,501	23,501	0	11,516	11,511	5	under	0.0%	

Budget Virements

- a. Transfer from Support Services in respect of revenue consequences of capital expenditure £0.411m: Payments to Contractors £0.411m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Projects

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	419	419	0	193	216	(23)	over	(11.9%)	1
Property Costs	0	0	0	0	2	(2)	over	n/a	
Supplies & Services	77	77	0	10	10	0	-	0.0%	
Transport & Plant	153	153	0	93	93	0	-	0.0%	
Administration Costs	0	0	0	0	0	0	-	n/a	
Payments to Other Bodies	0	0	0	0	1	(1)	over	n/a	
Payments to Contractors	306	306	0	63	47	16	under	25.4%	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	955	955	0	359	369	(10)	over	(2.8%)	
Total Controllable Inc.	(948)	(948)	0	(353)	(363)	10	over recovered	2.8%	
Net Controllable Exp.	7	7	0	6	6	0	-	0.0%	

Variance Explanations**1. Employee Costs**

The overspend is mainly due to greater than anticipated basic salaries on project activities including Greenspace Health projects and is offset by an over recovery in income.

2. Payments to Contractors

The underspend is due to less than anticipated work carried out to date within Greenspace Health projects.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Planning and Building Standards

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,043	3,043	0	1,186	1,191	(5)	over	(0.4%)	
Property Costs	38	38	0	2	2	0	-	0.0%	
Supplies & Services	50	50	0	24	27	(3)	over	(12.5%)	
Transport & Plant	0	0	0	0	16	(16)	over	n/a	
Administration Costs	809	809	0	56	58	(2)	over	(3.6%)	
Payments to Other Bodies	125	125	0	20	20	0	-	0.0%	
Payments to Contractors	300	300	0	97	97	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	49	49	0	12	12	0	-	0.0%	
Total Controllable Exp.	4,414	4,414	0	1,397	1,423	(26)	over	(1.9%)	
Total Controllable Inc.	(3,727)	(3,727)	0	(1,666)	(1,206)	(460)	under recovered	(27.6%)	1
Net Controllable Exp.	687	687	0	(269)	217	(486)	over	(180.7%)	

Variance Explanations**1. 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.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,190	2,190	0	833	816	17	under	2.0%	1
Property Costs	2	2	0	2	2	0	-	0.0%	
Supplies & Services	26	26	0	8	7	1	under	12.5%	
Transport & Plant	8	8	0	5	5	0	-	0.0%	
Administration Costs	445	445	0	5	5	0	-	0.0%	
Payments to Other Bodies	6,715	6,715	0	1,036	1,036	0	-	0.0%	a
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	7	6	1	under	14.3%	
Total Controllable Exp.	9,404	9,404	0	1,896	1,877	19	under	1.0%	
Total Controllable Inc.	(2,638)	(2,638)	0	(150)	(151)	1	over recovered	0.7%	
Net Controllable Exp.	6,766	6,766	0	1,746	1,726	20	under	1.1%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service with the recruitment process underway to fill a number of posts.

Budget Virements

- a. Transfer from Housing and Technical Resources in respect of the Youthstart project £0.040m: Payments to Other Bodies £0.040m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,825	4,825	0	1,844	1,835	9	under	0.5%	c
Property Costs	449	449	0	55	83	(28)	over	(50.9%)	1
Supplies & Services	2,109	2,109	0	630	711	(81)	over	(12.9%)	2
Transport & Plant	150	150	0	66	103	(37)	over	(56.1%)	3,c
Administration Costs	1,378	1,378	0	36	73	(37)	over	(102.8%)	4
Payments to Other Bodies	10,828	10,828	0	7,326	7,364	(38)	over	(0.5%)	
Payments to Contractors	23,356	23,356	0	5,626	4,831	795	under	14.1%	5,a,b
Transfer Payments	533	533	0	266	266	0	-	0.0%	
Financing Charges	80	80	0	39	26	13	under	33.3%	
Total Controllable Exp.	43,708	43,708	0	15,888	15,292	596	under	3.8%	
Total Controllable Inc.	(6,251)	(6,251)	0	(1,597)	(1,489)	(108)	under recovered	(6.8%)	6
Net Controllable Exp.	37,457	37,457	0	14,291	13,803	488	under	3.4%	

Variance Explanations

- Property Costs**
The overspend is due to the level of electricity charges incurred at the main roads depots being higher than budget.
- Supplies and Services**
The overspend is due to the level of IT costs incurred across the service being higher than budget.
- Transport and Plant**
The overspend is due to greater than anticipated costs associated with Resource specific cars.
- Administration Costs**
The overspend is due to small overspends across a number of expenditure areas including telephones, printing and advertising.
- Payments to Contractors**
The underspend is due to less than anticipated rechargeable and specialist work carried out to date.
- Income**
The under recovery is due to rechargeable work being lower than experienced in previous years.

Budget Virements

- Transfer from Reserves for Roads Maintenance £1.000m: Payments to Contractors £1.000m.
- Transfer to Housing and Technical Resources for Legislative Compliance (£0.007m): Payments to Contractors (£0.007m).
- Budget Realignment in respect of the usage of pool cars £0.000m: Employee Costs (£0.046m), Transport and Plant £0.046m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Tackling Poverty Programme

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	466	466	0	166	166	0	-	0.0%	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	3	3	0	1	1	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	4,086	4,086	0	929	929	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	
Total Controllable Exp.	4,555	4,555	0	1,096	1,096	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	4,555	4,555	0	1,096	1,096	0	-	0.0%	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 31 August 2012 (No.6)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/08/12	Actual 31/08/12	Variance 31/08/12		% Variance 31/08/12	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,497	4,497	0	1,705	1,673	32	under	1.9%	1
Property Costs	295	295	0	2	2	0	-	0.0%	
Supplies & Services	187	187	0	52	46	6	under	11.5%	
Transport & Plant	73	73	0	8	8	0	-	0.0%	
Administration Costs	(1,825)	(1,825)	0	40	40	0	-	0.0%	
Payments to Other Bodies	0	0	0	0	1	(1)	over	n/a	
Payments to Contractors	819	819	0	68	0	68	under	100.0%	2,a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	74	74	0	24	23	1	under	4.2%	
Total Controllable Exp.	4,120	4,120	0	1,899	1,793	106	under	5.6%	
Total Controllable Inc.	(8,479)	(8,479)	0	(3,305)	(3,302)	(3)	under recovered	(0.1%)	
Net Controllable Exp.	(4,359)	(4,359)	0	(1,406)	(1,509)	103	under	7.3%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service with the recruitment process underway to fill a number of posts.

2. Payments to Contractors

The underspend is due to the running costs of new operational buildings being lower than anticipated.

Budget Virements

- a. Transfer to Leisure and Culture Services in respect of revenue consequences of capital expenditure (£0.411m): Payments to Contractors (£0.411m).