

# Report

Report to:	<b>Community and Enterprise Resources Committee</b>
Date of Meeting:	<b>29 August 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2023/2024 - Community and Enterprise Resources</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 2023 to 14 July 2023 for Community and Enterprise Resources

## 2. Recommendation(s)

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

- (1) that the breakeven position on Community and Enterprise Resources' revenue budget, as detailed in Appendix A of the report be noted; and
- (2) that the proposed budget virements as detailed in appendices B to F be approved.

## 3. Background

3.1. This is the first revenue budget monitoring report presented to the Community and Enterprise Resources Committee for the financial year 2023/2024.

3.2. The report details the financial position for Community and Enterprise Resources in Appendix A and the individual Services' reports in appendices B to F.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 14 July 2023, there is a reported breakeven position against the phased budget.

5.2. The report details the financial position for Community and Enterprise Resources in Appendix A and variance explanations for each service area are detailed in appendices B to F where appropriate.

5.3. Virements are proposed to realign budgets across budget categories and with other Resources. These movements are detailed in appendices B to F of this report.

## **6. Climate Change, Sustainability and Environmental Implications**

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

## **7 Other Implications**

- 7.1. The main risk associated with the Council's revenue budget is that there is an overspend. There are inflationary and budget pressures, including utilities, this year which increase the risk of overspend, however, we have mitigated this going forward by providing additional funds in future years' budget strategy.
- 7.2. 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 this report.

**Paul Manning**

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

**David Booth**

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

31 July 2023

## **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient and transparent

## **Previous References**

- ◆ None

## **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 14 July 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

## Community and Enterprise Resources: Period 4 Ended 14 July 2023 (No.4)

## Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/07/23	Actual 14/07/23	Variance 14/07/23		% Variance 14/07/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	94,919	94,919	0	24,680	23,986	694	under	2.8%	
Property Costs	3,806	3,806	0	344	359	(15)	over	(4.4%)	
Supplies & Services	17,615	17,615	0	3,900	3,960	(60)	over	(1.5%)	
Transport & Plant	21,774	21,774	0	7,746	8,075	(329)	over	(4.2%)	
Administration Costs	785	785	0	121	144	(23)	over	(19.0%)	
Payments to Other Bodies	6,125	6,125	0	2,779	2,779	0	-	0.0%	
Payments to Contractors	45,903	45,903	0	11,416	11,417	(1)	over	0.0%	
Transfer Payments	617	617	0	308	308	0	-	0.0%	
Financing Charges	185	185	0	7	9	(2)	over	(28.6%)	
<b>Total Controllable Exp.</b>	191,729	191,729	0	51,301	51,037	264	under	0.5%	
<b>Total Controllable Inc.</b>	(62,161)	(62,161)	0	(19,143)	(18,879)	(264)	under recovered	(1.4%)	
<b>Net Controllable Exp.</b>	129,568	129,568	0	32,158	32,158	0	-	0.0%	

**Variance Explanations**

Detailed within Appendices B to F.

**Budget Virements**

Budget virements are shown in appendices B to F.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period Ended 14 July 2023 (No.4)

## Facilities, Waste and Grounds Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 14/07/23</b>	<b>Actual 14/07/23</b>	<b>Variance 14/07/23</b>		<b>% Variance 14/07/23</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	60,014	60,014	0	15,716	15,454	262	under	1.7%	1,b,c
Property Costs	1,948	1,948	0	234	236	(2)	over	(0.9%)	a,c
Supplies & Services	8,620	8,620	0	2,148	2,200	(52)	over	(2.4%)	2,b,c
Transport & Plant	8,655	8,655	0	3,662	3,663	(1)	over	0.0%	b,b
Administration Costs	176	176	0	37	50	(13)	over	(35.1%)	c
Payments to Other Bodies	51	51	0	23	22	1	under	4.3%	c
Payments to Contractors	17,172	17,172	0	5,227	5,227	0	-	0.0%	a,b,c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	45	45	0	3	4	(1)	over	(33.3%)	
<b>Total Controllable Exp.</b>	96,681	96,681	0	27,050	26,856	194	under	0.7%	
<b>Total Controllable Inc.</b>	(19,176)	(19,176)	0	(8,790)	(8,686)	(104)	under recovered	(1.2%)	3,a,c
<b>Net Controllable Exp.</b>	77,505	77,505	0	18,260	18,170	90	under	0.5%	

**Variance Explanations**

1. The variance is mainly due to vacancies that are being actively recruited within all services.
2. The variance is due to an overspend on school meals food purchases due to the cost of food.
3. The variance is due to an under recovery in school meals income and a decrease in uptake in the Care of Gardens service within Grounds.

**Budget Virements**

- a. Budget received from corporate items in relation to funding for utilities, fuel and RPI for waste contracts: Net effect £1.625m: Property £0.182m, Transport £0.949m, Payment to Contractors £0.412m, Income £0.082m.
- b. Transfer to corporate items temporary budget Front Line First. Net effect (£2.196m): Employees (£1.420m), Supplies and Services £0.088m, Transport and Plant £0.278m, Payment to Contractors (£1.142m).
- c. Realign budget to reflect service delivery within Facilities, Grounds and Streets & Bereavement. Net effect £0.000m: Employees £0.396m, Property £0.021m, Supplies and Services £0.172m, Administration £0.001m, Payment to Other Bodies £0.010m, Payment to Contractors £0.010m, Income (£0.610m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period Ended 14 July 2023 (No.4)

## Planning and Regulatory Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/07/23	Actual 14/07/23	Variance 14/07/23		% Variance 14/07/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	7,419	7,419	0	1,971	1,823	148	under	7.5%	1
Property Costs	41	41	0	1	0	1	under	100.0%	a
Supplies & Services	154	154	0	64	64	0	-	0.0%	
Transport & Plant	126	126	0	18	21	(3)	over	(16.7%)	a
Administration Costs	111	111	0	27	28	(1)	over	(3.7%)	
Payments to Other Bodies	265	265	0	17	18	(1)	over	(5.9%)	
Payments to Contractors	921	921	0	479	480	(1)	over	(0.2%)	b
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	46	46	0	1	1	0	-	0.0%	
<b>Total Controllable Exp.</b>	9,083	9,083	0	2,578	2,435	143	under	5.5%	
<b>Total Controllable Inc.</b>	(4,117)	(4,117)	0	(1,193)	(1,207)	14	over recovered	1.2%	b
<b>Net Controllable Exp.</b>	4,966	4,966	0	1,385	1,228	157	under	11.3%	

**Variance Explanations**

1. The variance is mainly due to vacant posts within the services which are being recruited.

**Budget Virements**

- a. Budget received from corporate items in relation to funding for utilities and fuel. Net effect £0.009m: Property £0.005m, Transport £0.004m  
b. Realign budget to reflect service delivery within Environmental Services. Net effect £0.000m: Payment to Contractors £0.382m, Income (£0.382m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 14 July 2023 (No.4)

## South Lanarkshire Leisure and Culture

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/07/23	Actual 14/07/23	Variance 14/07/23		% Variance 14/07/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	4	4	0	1	2	(1)	over	(100.%)	
Property Costs	98	98	0	16	18	(2)	over	(12.5%)	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	8	8	0	0	0	0	-	n/a	
Payments to Other Bodies	80	80	0	0	0	0	-	n/a	
Payments to Contractors	23,048	23,048	0	5,335	5,335	0	-	0.0%	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>	23,238	23,238	0	5,352	5,355	(3)	over	(0.1%)	
<b>Total Controllable Inc.</b>	(11)	(11)	0	(12)	(15)	3	over recovered	25.0%	b
<b>Net Controllable Exp.</b>	23,227	23,227	0	5,340	5,340	0	-	0.0%	

**Variance Explanations**

No major variances to report.

**Budget Virements**

- Budget received from corporate items in relation to funding for fuel. Net effect £0.007m: PTC £0.007m.
- Establish a Temporary Income budget for Biggar Corn Exchange. Net effect (£0.011m): Income (£0.011m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 14 July 2023 (No.4)

## Enterprise and Sustainable Development

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/07/23	Actual 14/07/23	Variance 14/07/23		% Variance 14/07/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	5,135	5,135	0	1,377	1,355	22	under	1.6%	<b>b,c</b>
Property Costs	201	201	0	0	(1)	1	under	n/a	<b>a</b>
Supplies & Services	245	245	0	44	44	0	-	0.0%	
Transport & Plant	47	47	0	1	1	0	-	0.0%	
Administration Costs	92	92	0	3	4	(1)	over	(33.3%)	
Payments to Other Bodies	354	354	0	89	89	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	44	44	0	2	2	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>6,118</b>	<b>6,118</b>	<b>0</b>	<b>1,516</b>	<b>1,494</b>	<b>22</b>	<b>under</b>	<b>1.5%</b>	
<b>Total Controllable Inc.</b>	<b>(1,123)</b>	<b>(1,123)</b>	<b>0</b>	<b>(647)</b>	<b>(648)</b>	<b>1</b>	<b>over recovered</b>	<b>0.2%</b>	<b>c</b>
<b>Net Controllable Exp.</b>	<b>4,995</b>	<b>4,995</b>	<b>0</b>	<b>869</b>	<b>846</b>	<b>23</b>	<b>under</b>	<b>2.6%</b>	

**Variance Explanations**

No major variances to report.

**Budget Virements**

- Budget received from corporate items in relation to funding for utilities. Net effect £0.004m: Property £0.004m.
- Transfer from reserves temporary budget in respect of Social Enterprise, Locate and Tourism projects. Net effect £0.218m: Employees £0.218m.
- Establish temporary budget for Levelling Up Fund and SDP. Net Effect £0.000m: Employees £0.072m, Income (£0.072m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period Ended 14 July 2023 (No.4)

## Roads, Transportation and Fleet Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 14/07/23</b>	<b>Actual 14/07/23</b>	<b>Variance 14/07/23</b>		<b>% Variance 14/07/23</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	22,347	22,347	0	5,615	5,352	263	under	4.7%	1,c
Property Costs	1,518	1,518	0	93	106	(13)	over	(14.0%)	2,a,c
Supplies & Services	8,596	8,596	0	1,644	1,652	(8)	over	(0.5%)	a
Transport & Plant	12,946	12,946	0	4,065	4,390	(325)	over	(8.0%)	3,a,c
Administration Costs	398	398	0	54	62	(8)	over	(14.8%)	c
Payments to Other Bodies	5,375	5,375	0	2,650	2,650	0	-	0.0%	b,c
Payments to Contractors	4,762	4,762	0	375	375	0	-	0.0%	c,d
Transfer Payments	617	617	0	308	308	0	-	0.0%	b
Financing Charges	50	50	0	1	2	(1)	over	(100.0%)	
<b>Total Controllable Exp.</b>	<b>56,609</b>	<b>56,609</b>	<b>0</b>	<b>14,805</b>	<b>14,897</b>	<b>(92)</b>	<b>over</b>	<b>(0.6%)</b>	
<b>Total Controllable Inc.</b>	<b>(37,734)</b>	<b>(37,734)</b>	<b>0</b>	<b>(8,501)</b>	<b>(8,323)</b>	<b>(178)</b>	<b>under recovered</b>	<b>(2.1%)</b>	<b>4,c,d,e</b>
<b>Net Controllable Exp.</b>	<b>18,875</b>	<b>18,875</b>	<b>0</b>	<b>6,304</b>	<b>6,574</b>	<b>(270)</b>	<b>over</b>	<b>(4.3%)</b>	

**Variance Explanations**

1. The variance is mainly due to staff turnover and vacancies within Roads and Fleet which are being recruited.
2. The overspend is in the main due to higher than anticipated cost in the upkeep of Roads depots.
3. The overspend is mainly due to the timing of efficiencies and greater than anticipated expenditure within the workshop within Fleet.
4. The under recovery is mainly due to the net effect of a less than anticipated income from maintenance works within Roads and within Parking where the demand is less than budget provision.

**Budget Virements**

- a. Budget received from corporate items in relation to funding for utilities and fuel. Net effect £0.508m: Transport £0.283m, Property £0.094m, Supplies and services £0.131m
- b. Transfer of budget in respect of SPT. Net effect £0.135m: Payment to Other Bodies £0.121m, Transfer Payments £0.014m.
- c. Realign budget to reflect service delivery within Roads, Roads Construction and Fleet. Net effect £0.000m: Employees (£0.136m), Property £0.450m, Transport and Plant £0.232m, Admin (£0.020m), Payment to Other Bodies £0.020m, Payment to Contractors £0.580m, Income (£1,126m).
- d. Budget realignment to reflect revenue works completed by the Construction Unit for Roads General Services as a result of the change to trading services. Net effect £0.000m: Payment to Contractor (£13.739m), Income £13.739m.
- e. Establish temporary budget to reflect transfer from reserves for Parking income shortfall 23/24. Net effect £0.360m: Income £0.360m.