

Report

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Report to:	Community Services Committee
Date of Meeting:	4 February 2014
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community and Enterprise Resources)

Subject:	Community Services - Revenue Budget Monitoring 2013/2014
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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 2013 to 13 December 2013 for Community Services
- ◆ provide a forecast for the year to 31 March 2014.

2. Recommendation(s)

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

- (1) that the underspend on the Community Services' revenue budget of £0.567million (1.06%), as detailed in Appendices B to F of the report, be noted;
- (2) that, following the probable exercise, the forecast to 31 March 2014 of an underspend of £0.837m be noted; and
- (3) that the proposed budget virements in respect of Community Services, as detailed in Appendices B to F of the report, be approved.

3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Community Services Committee for the financial year 2013/2014.
- 3.2. The Community and Enterprise Resources' budget is managed in totality by the Resource. The individual Community Services reports are included, along with variance explanations, in Appendices B to F. For information, the report details the financial position for Community and Enterprise Resources in Appendix A. As Appendices B to F reflect Community 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 13 December 2013, the Community Services' variance from phased budget is an underspend of £0.567million (1.06%).
- 5.2. Following the probable exercise, the Community Services' forecast for the revenue budget to 31 March 2014 is an underspend of £0.837m. Taking the Enterprise Services' forecast of an overspend of £0.698m and the Trading Services forecast of an under recovery of surplus of £0.139m, the Community and Enterprise Resources' forecast for the revenue budget to 31 March 2014 is a breakeven position.
- 5.3. 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)

6 January 2014

Link(s) to Council Objectives/Values

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Services Committee, 12 November 2013

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 13 December 2013.

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 13 December 2013 (No.10)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/12/13	Actual 13/12/13	Variance 13/12/13		% Variance 13/12/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	37,766	37,358	408	25,716	25,541	175	under	0.7%	
Property Costs	13,020	13,235	(215)	9,953	10,088	(135)	over	(1.4%)	
Supplies & Services	4,788	5,613	(825)	2,136	2,522	(386)	over	(18.1%)	
Transport & Plant	5,821	6,084	(263)	4,268	4,452	(184)	over	(4.3%)	
Administration Costs	1,143	1,273	(130)	832	943	(111)	over	(13.3%)	
Payments to Other Bodies	20,672	20,807	(135)	13,718	13,807	(89)	over	(0.6%)	
Payments to Contractors	56,216	55,428	788	38,286	37,709	577	under	1.5%	
Transfer Payments	586	586	0	440	440	0	-	0.0%	
Financing Charges	660	640	20	416	415	1	under	0.2%	
Total Controllable Exp.	140,672	141,024	(352)	95,765	95,917	(152)	over	(0.2%)	
Total Controllable Inc.	(24,100)	(24,591)	491	(12,315)	(12,573)	258	over recovered	2.1%	
Net Controllable Exp.	116,572	116,433	139	83,450	83,344	106	under	0.1%	

Variance Explanations

Variance explanations are shown in 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 13 December 2013 (No.10)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/12/13	Actual 13/12/13	Variance 13/12/13		% Variance 13/12/13	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	18,080	17,766	314	12,276	12,129	147	under	1.2%	1, a
Property Costs	11,527	11,621	(94)	8,805	8,846	(41)	over	(0.5%)	b
Supplies & Services	1,251	1,640	(389)	719	911	(192)	over	(26.7%)	2, b
Transport & Plant	5,193	5,426	(233)	3,760	3,912	(152)	over	(4.0%)	3
Administration Costs	276	252	24	177	186	(9)	over	(5.1%)	
Payments to Other Bodies	62	103	(41)	53	82	(29)	over	(54.7%)	
Payments to Contractors	15,094	13,943	1,151	10,822	10,043	779	under	7.2%	4
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	507	515	(8)	322	322	0	-	0.0%	
Total Controllable Exp.	51,990	51,266	724	36,934	36,431	503	under	1.4%	
Total Controllable Inc.	(11,676)	(11,849)	173	(5,997)	(6,108)	111	over recovered	1.9%	5
Net Controllable Exp.	40,314	39,417	897	30,937	30,323	614	under	2.0%	

Variance Explanations**1. Employee Costs**

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

2. Supplies and Services

The overspend is mainly due to expenditure on items of materials.

3. Transport and Plant

The overspend is mainly due to vehicle maintenance, hired vehicles and fuel costs being greater than anticipated.

4. Payments to Contractors

The underspend is within Refuse and Disposal Services and reflects the profile of expenditure on the Strategic Waste project.

5. Income

The over recovery is mainly due to street cleansing sales within Streets and Bereavement Services being greater than anticipated and additional service requests within Facilities Management.

Budget Virements

- Transfer to Trading Services in respect of 2013/14 Living Wage allocation (£0.481m): Employee Costs (£0.481m).
- Transfer from Trading Services in respect of 2013/14 Trading Living Wage reallocation to Resources £0.099m: Property Costs £0.096m, Supplies and Services £0.003m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 December 2013 (No.10)

Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/12/13	Actual 13/12/13	Variance 13/12/13		% Variance 13/12/13	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,842	3,788	54	2,615	2,568	47	under	1.8%	1, a
Property Costs	12	12	0	11	12	(1)	over	(9.1%)	
Supplies & Services	165	161	4	72	77	(5)	over	(6.9%)	
Transport & Plant	121	146	(25)	88	104	(16)	over	(18.2%)	
Administration Costs	96	73	23	45	44	1	under	2.2%	
Payments to Other Bodies	151	144	7	102	93	9	under	8.8%	
Payments to Contractors	239	357	(118)	158	229	(71)	over	(44.9%)	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	17	8	13	14	(1)	over	(7.7%)	
Total Controllable Exp.	4,651	4,698	(47)	3,104	3,141	(37)	over	(1.2%)	
Total Controllable Inc.	(414)	(493)	79	(321)	(380)	59	over recovered	18.4%	3
Net Controllable Exp.	4,237	4,205	32	2,783	2,761	22	under	0.8%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service which are being filled in line with service requirements.

2. Payments to Contractors

The overspend is mainly due to the high level of expenditure incurred on the treatment of clinical waste which is offset by an over recovery of income.

3. Income

The over recovery is mainly due to greater than anticipated charges received for the treatment of clinical waste which is offset by an overspend in payments to contractors.

Budget Virements

- a. Transfer to Trading Services in respect of 2013/14 Living Wage allocation (£0.018m): Employee Costs (£0.018m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 December 2013 (No.10)

Leisure and Culture

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 13/12/13 £000	Actual 13/12/13 £000	Variance 13/12/13 £000		% Variance 13/12/13	Note
Employee Costs	4	5	(1)	3	3	0	-	0.0%	
Property Costs	230	226	4	158	155	3	under	1.9%	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	11	13	(2)	11	12	(1)	over	(9.1%)	
Payments to Other Bodies	112	115	(3)	23	23	0	-	0.0%	
Payments to Contractors	21,631	21,775	(144)	15,981	16,093	(112)	over	(0.7%)	1, a, b, c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	21,988	22,134	(146)	16,176	16,286	(110)	over	(0.7%)	
Total Controllable Inc.	0	(1)	1	0	(1)	1	over recovered	n/a	
Net Controllable Exp.	21,988	22,133	(145)	16,176	16,285	(109)	over	(0.7%)	

Variance Explanations**1. Payments to Contractors**

The variance is mainly due to payments to South Lanarkshire Leisure and Culture Trust to reflect the cost of changes in service provision in 2013/14.

Budget Virements

- Transfer from Trading Services in respect of 2013/14 Trading Living Wage reallocation to Resources £0.005m: Payments to Contractors £0.005m.
- Transfer from Enterprise Services to Leisure to reflect current service delivery £0.360m: Payments to Contractors £0.360m,
- Internal budget virement from Projects to reflect contribution towards Coalburn Leisure Centre £0.210m: Payments to Contractors £0.210m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 December 2013 (No.10)

Projects

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/12/13	Actual 13/12/13	Variance 13/12/13		% Variance 13/12/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	501	534	(33)	377	394	(17)	over	(4.5%)	
Property Costs	0	0	0	0	1	(1)	over	n/a	
Supplies & Services	57	165	(108)	24	33	(9)	over	(37.5%)	
Transport & Plant	154	153	1	153	153	0	-	0.0%	
Administration Costs	0	4	(4)	0	3	(3)	over	n/a	
Payments to Other Bodies	0	4	(4)	0	3	(3)	over	n/a	
Payments to Contractors	317	289	28	91	87	4	under	4.4%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	1	(1)	over	n/a	
Total Controllable Exp.	1,029	1,149	(120)	645	675	(30)	over	(4.7%)	
Total Controllable Inc.	(1,007)	(1,108)	101	(645)	(660)	15	over recovered	2.3%	
Net Controllable Exp.	22	41	(19)	0	15	(15)	over	n/a	

Budget Virements

- a. Internal budget virement to Leisure to reflect contribution towards Coalburn Leisure Centre (£0.210m): Payments to Contractors (£0.210m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 December 2013 (No.10)

Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/12/13	Actual 13/12/13	Variance 13/12/13		% Variance 13/12/13	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4,483	4,356	127	3,071	3,057	14	under	0.5%	1
Property Costs	294	300	(6)	292	290	2	under	0.7%	
Supplies & Services	161	231	(70)	60	60	0	-	0.0%	
Transport & Plant	73	71	2	69	67	2	under	2.9%	
Administration Costs	250	254	(4)	206	207	(1)	over	(0.5%)	
Payments to Other Bodies	0	2	(2)	0	1	(1)	over	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	51	34	17	23	23	0	-	0.0%	
Total Controllable Exp.	5,312	5,248	64	3,721	3,705	16	under	0.4%	
Total Controllable Inc.	(1,427)	(1,435)	8	(6)	(45)	39	over recovered	650.0%	2
Net Controllable Exp.	3,885	3,813	72	3,715	3,660	55	under	1.5%	

Variance Explanations**1. Employee Costs**

The underspend is mainly due to vacancies that exist across the Service which are being filled in line with service requirements.

2. Income

The over recovery is due to greater than anticipated rental income from Estates managed properties.