

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	12 July 2016
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community and Enterprise Resources)

Subject:	Enterprise Services - Revenue Budget Monitoring 2016/2017
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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 2016 to 27 May 2016 for Enterprise Services
- ◆ provide a forecast for the year to 31 March 2017.

2. Recommendation(s)

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

- (1) that the overspend on the Enterprise Services revenue budget of £0.026 million (0.7%), as detailed in Appendices B to E of the report, and the forecast to 31 March 2017 of a breakeven position, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the first revenue budget monitoring report presented to the Enterprise Services Committee for the financial year 2016/2017.

3.2. The Community and Enterprise Resources budget is managed in totality by the Resource. The individual Enterprise Services reports are included, along with variance explanations, in Appendices B to E. For information, the report details the financial position for Community and Enterprise Resources in Appendix A. As Appendices B to E reflect Enterprise 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 27 May 2016, the Enterprise Services variance from phased budget is an overspend of £0.026 million (0.7%). The Enterprise Services forecast for the revenue budget to 31 March 2017 is a break even position.

5.2. Virements are proposed to realign budgets. These movements are detailed in the attached 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)

Michael McGlynn

Executive Director (Community and Enterprise Resources)

6 June 2016

Link(s) to Council Values/Objectives

◆ Accountable, Effective and Efficient

Previous References

◆ None

List of Background Papers

◆ Financial ledger and budget monitoring results to 27 May 2016.

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 27 May 2016 (No.3)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/05/16	Actual 27/05/16	Variance 27/05/16		% Variance 27/05/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	36,823	36,823	0	5,034	5,027	7	under	0.1%	
Property Costs	13,358	13,358	0	276	268	8	under	2.9%	
Supplies & Services	5,238	5,238	0	398	393	5	under	1.3%	
Transport & Plant	4,758	4,758	0	823	813	10	under	1.2%	
Administration Costs	1,131	1,131	0	91	99	(8)	over	(8.8%)	
Payments to Other Bodies	10,979	10,979	0	2,358	2,360	(2)	over	(0.1%)	
Payments to Contractors	52,846	52,846	0	3,186	3,181	5	under	0.2%	
Transfer Payments	586	586	0	147	147	0	-	0.0%	
Financing Charges	187	187	0	44	42	2	under	4.5%	
Total Controllable Exp.	125,906	125,906	0	12,357	12,330	27	under	0.2%	
Total Controllable Inc.	(22,019)	(22,019)	0	(1,811)	(1,786)	(25)	under recovered	(1.4%)	
Net Controllable Exp.	103,887	103,887	0	10,546	10,544	2	under	0.0%	

Variance Explanations

Variance explanations are shown in Appendix B.

Budget Virements

Budget virements are shown in Appendices C and D.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 27 May 2016 (No.3)

Planning and Building Standards

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/05/16	Actual 27/05/16	Variance 27/05/16		% Variance 27/05/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,078	3,078	0	413	412	1	under	0.2%	
Property Costs	36	36	0	0	0	0	-	n/a	
Supplies & Services	41	41	0	23	24	(1)	over	(4.3%)	
Transport & Plant	24	24	0	4	7	(3)	over	(75.0%)	
Administration Costs	70	70	0	15	15	0	-	0.0%	
Payments to Other Bodies	125	125	0	6	6	0	-	0.0%	
Payments to Contractors	302	302	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	22	22	0	4	4	0	-	0.0%	
Total Controllable Exp.	3,698	3,698	0	465	468	(3)	over	(0.6%)	
Total Controllable Inc.	(3,727)	(3,727)	0	(466)	(442)	(24)	under recovered	(5.2%)	1
Net Controllable Exp.	(29)	(29)	0	(1)	26	(27)	over	(2700.0%)	

Variance Explanations**1. Income**

The under recovery reflects the level of planning applications to date.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 27 May 2016 (No.3)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/05/16	Actual 27/05/16	Variance 27/05/16		% Variance 27/05/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,956	1,956	0	284	284	0	-	0.0%	a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	16	16	0	3	3	0	-	0.0%	b
Transport & Plant	5	5	0	1	1	0	-	0.0%	
Administration Costs	44	44	0	0	0	0	-	n/a	
Payments to Other Bodies	1,262	1,262	0	644	644	0	-	0.0%	a,b,c
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	11	11	0	2	2	0	-	0.0%	
Total Controllable Exp.	3,294	3,294	0	934	934	0	-	0.0%	
Total Controllable Inc.	(347)	(347)	0	(44)	(44)	0	-	0.0%	b,c
Net Controllable Exp.	2,947	2,947	0	890	890	0	-	0.0%	

Budget Virements

- a. Realignment of 2016/17 approved savings. Net effect £0.000m : Employee Costs (£0.120m) and Payment to Other Bodies £0.120m.
- b. Realignment of budget to reflect current service delivery. Net effect £0.000m: Supplies and Services (£0.020m), Payments to Other Bodies £0.062m and Income (£0.042m).
- c. Establish budget for Scottish Employment Initiative Funding. Net effect £0.000m: Payments to Other Bodies £0.167m and Income (£0.167m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 27 May 2016 (No.3)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/05/16	Actual 27/05/16	Variance 27/05/16		% Variance 27/05/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,854	5,854	0	801	801	0	-	0.0%	a,c
Property Costs	1,210	1,210	0	32	33	(1)	over	(3.1%)	c
Supplies & Services	3,217	3,217	0	58	58	0	-	0.0%	c
Transport & Plant	275	275	0	27	27	0	-	0.0%	a,c
Administration Costs	357	357	0	17	18	(1)	over	(5.9%)	c
Payments to Other Bodies	6,657	6,657	0	1,386	1,386	0	-	0.0%	c
Payments to Contractors	20,583	20,583	0	697	694	3	under	0.4%	a,b,c
Transfer Payments	586	586	0	147	147	0	-	0.0%	
Financing Charges	36	36	0	8	8	0	-	0.0%	c
Total Controllable Exp.	38,775	38,775	0	3,173	3,172	1	under	0.0%	
Total Controllable Inc.	(4,631)	(4,631)	0	(579)	(579)	0	-	0.0%	c
Net Controllable Exp.	34,144	34,144	0	2,594	2,593	1	under	0.0%	

Budget Virements

- Realignment of 2016/17 approved savings. Net effect £0.000m: Employee Costs £0.131m, Transport and Plant £0.015m and Payment to Contractors (£0.146m).
- Reallocation of 2016/17 approved savings to Roads Trading Operation £0.100m: Payment to Contractors £0.100m.
- Realignment of budget to reflect current service delivery. Net effect £0.000m: Employee Costs £0.269m, Property Costs £0.099m, Supplies and Services £0.095m Transport and Plant £0.011m, Administration Costs £0.082m, Payments to Other Bodies £0.094m, Payments to Contractors (£0.052m), Financing Charges £0.011m and Income (£0.609m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 27 May 2016 (No.3)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/05/16	Actual 27/05/16	Variance 27/05/16	% Variance 27/05/16	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	0	0	0	0	0	0	-	n/a
Property Costs	0	0	0	0	0	0	-	n/a
Supplies & Services	0	0	0	0	0	0	-	n/a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	0	0	0	0	0	0	-	n/a
Payments to Other Bodies	2,691	2,691	0	300	300	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.	2,691	2,691	0	300	300	0	-	0.0%
Total Controllable Inc.	0	0	0	0	0	0	-	n/a
Net Controllable Exp.	2,691	2,691	0	300	300	0	-	0.0%