

Report

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Report to:	Community Services Committee
Date of Meeting:	1 March 2016
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community Services - Revenue Budget Monitoring 2015/2016
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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 2015 to 8 January 2016 for Community Services
- ◆ provide a forecast for the year to 31 March 2016.

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 £0.367million (0.3%), as detailed in Appendices B to F of the report, be noted;
- (2) that, following the probable exercise, the forecast to 31 March 2016 of an underspend of £0.312m, be noted; and
- (3) that the proposed budget virements be approved.

3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Community Services Committee for the financial year 2015/2016.

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, where appropriate, 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 8 January 2016, the Community Services variance from phased budget is an underspend of £0.367m (0.3%).

- 5.2. Following the probable exercise, the Community Services' forecast for the revenue budget to 31 March 2016 is an underspend of £0.312m. Taking the Enterprise Services' forecast of an overspend of £0.131m and the Trading Services' forecast of an under recovery of surplus of £0.181m, the Community and Enterprise Resources' forecast for the revenue budget to 31 March 2016 is a breakeven position.
- 5.3. Virements are proposed to realign budgets. These movements are detailed in the attached appendices to this report, where appropriate.

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)

28 January 2016

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Services Committee, 8 December 2015

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 8 January 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 8 January 2016 (No.11)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	37,417	37,008	409	28,102	27,782	320	under	1.1%	
Property Costs	13,591	14,089	(498)	11,110	11,430	(320)	over	(2.9%)	
Supplies & Services	4,996	5,635	(639)	3,202	3,632	(430)	over	(13.4%)	
Transport & Plant	6,615	6,324	291	4,678	4,446	232	under	5.0%	
Administration Costs	1,275	1,205	70	917	886	31	under	3.4%	
Payments to Other Bodies	11,864	11,833	31	8,996	9,003	(7)	over	(0.1%)	
Payments to Contractors	60,043	60,100	(57)	38,036	37,975	61	under	0.2%	
Transfer Payments	586	586	0	440	440	0	-	0.0%	
Financing Charges	490	476	14	443	439	4	under	0.9%	
Total Controllable Exp.	136,877	137,256	(379)	95,924	96,033	(109)	over	(0.1%)	
Total Controllable Inc.	(28,987)	(29,547)	560	(14,760)	(15,022)	262	over recovered	1.8%	
Net Controllable Exp.	107,890	107,709	181	81,164	81,011	153	under	0.2%	

Variance Explanations

Variance explanations are shown in Appendices B and 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 8 January 2016 (No.11)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	18,614	18,659	(45)	14,001	13,994	7	under	0.0%	a
Property Costs	11,656	11,650	6	9,749	9,673	76	under	0.8%	1
Supplies & Services	1,737	2,350	(613)	1,228	1,643	(415)	over	(33.8%)	2
Transport & Plant	5,926	5,646	280	4,220	3,991	229	under	5.4%	3
Administration Costs	465	342	123	295	225	70	under	23.7%	4
Payments to Other Bodies	62	30	32	50	25	25	under	50.0%	
Payments to Contractors	13,718	13,867	(149)	10,534	10,552	(18)	over	(0.2%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	363	364	(1)	329	333	(4)	over	(1.2%)	
Total Controllable Exp.	52,541	52,908	(367)	40,406	40,436	(30)	over	(0.1%)	
Total Controllable Inc.	(10,867)	(11,233)	366	(6,732)	(6,894)	162	over recovered	2.4%	5
Net Controllable Exp.	41,674	41,675	(1)	33,674	33,542	132	under	0.4%	

Variance Explanations

- 1. Property Costs**
The underspend is mainly due to a reduction in water charges as a result of the closure of bothies.
- 2. Supplies and Services**
The overspend reflects the additional cost of play equipment and additional leasing costs for refuse equipment.
- 3. Transport and Plant**
The underspend reflects lower than anticipated fuel costs within Refuse and Streets.
- 4. Administration Costs**
The underspend reflects lower than anticipated printing and stationery costs associated with the rollout of the food waste collection.
- 5. Income**
The over recovery is due to greater demand for street cleaning services and the cleaning of void properties, partially offset by lower than anticipated income generated within Conference and Banqueting and from Public Conveniences.

Budget Virements

- a. Transfer from centrally held funds for additional 0.5% Pay Award: £0.089m: Employee Costs £0.089m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,923	3,880	43	2,950	2,939	11	under	0.4%	a
Property Costs	12	16	(4)	5	7	(2)	over	(40.0%)	
Supplies & Services	114	118	(4)	71	72	(1)	over	(1.4%)	
Transport & Plant	118	109	9	83	78	5	under	6.0%	
Administration Costs	42	57	(15)	30	38	(8)	over	(26.7%)	
Payments to Other Bodies	141	117	24	103	88	15	under	14.6%	
Payments to Contractors	459	492	(33)	418	425	(7)	over	(1.7%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	17	8	25	17	8	under	32.0%	
Total Controllable Exp.	4,834	4,806	28	3,685	3,664	21	under	0.6%	
Total Controllable Inc.	(1,181)	(1,190)	9	(423)	(433)	10	over recovered	2.4%	
Net Controllable Exp.	3,653	3,616	37	3,262	3,231	31	under	1.0%	

Budget Virements

- a. Transfer from centrally held funds for additional 0.5% Pay Award: £0.019m: Employee Costs £0.019m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	5	(1)	3	4	(1)	over	(33.3%)	
Property Costs	232	203	29	148	148	0	-	0.0%	
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	10	10	0	10	10	0	-	0.0%	
Payments to Other Bodies	102	108	(6)	15	15	0	-	0.0%	
Payments to Contractors	19,362	19,385	(23)	14,262	14,262	0	-	0.0%	a,b
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	19,710	19,711	(1)	14,438	14,439	(1)	over	0.0%	
Total Controllable Inc.	0	(1)	1	0	(1)	1	over recovered	n/a	
Net Controllable Exp.	19,710	19,710	0	14,438	14,438	0	-	0.0%	

Budget Virements

- a. Transfer from centrally held funds for additional 0.5% Pay Award: £0.116m: Payments to Contractors £0.116m.
- b. Transfer from centrally held funds in respect of loss of income at East Kilbride Ice Rink: £0.245m: Payments to Contractors £0.245m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Projects

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	9	9	0	9	9	0	-	0.0%	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	71	57	14	68	57	11	under	16.2%	
Transport & Plant	194	194	0	130	130	0	-	0.0%	
Administration Costs	3	8	(5)	2	8	(6)	over	(300.0%)	
Payments to Other Bodies	7	7	0	6	6	0	-	0.0%	
Payments to Contractors	368	353	15	28	13	15	under	53.6%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	652	628	24	243	223	20	under	8.2%	
Total Controllable Inc.	(550)	(548)	(2)	(225)	(224)	(1)	under recovered	(0.4%)	
Net Controllable Exp.	102	80	22	18	(1)	19	under	105.6%	

Budget Virements

- a. Transfer to Finance and Corporate Resources in respect of Personnel Transfer: (£0.030m); Payments to Contractors (£0.030m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,774	3,539	235	2,829	2,659	170	under	6.0%	1, a,b
Property Costs	248	246	2	246	243	3	under	1.2%	
Supplies & Services	177	179	(2)	52	51	1	under	1.9%	b
Transport & Plant	57	57	0	53	53	0	-	0.0%	b
Administration Costs	217	207	10	176	173	3	under	1.7%	b
Payments to Other Bodies	0	0	0	0	0	0	-	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	28	28	0	26	26	0	-	0.0%	b
Total Controllable Exp.	4,501	4,256	245	3,382	3,205	177	under	5.2%	
Total Controllable Inc.	(1,833)	(1,842)	9	(8)	(16)	8	over recovered	100.0%	
Net Controllable Exp.	2,668	2,414	254	3,374	3,189	185	under	5.5%	

Variance Explanations**1. Employee Costs**

The underspend reflects vacancies within Administration Services and Change and Development Services which are being considered in line with service requirements.

Budget Virements

- Transfer from centrally held funds for additional 0.5% Pay Award: £0.017m: Employee Costs £0.017m
- Transfer to Finance and Corporate Resources in respect of Personnel Transfer: (£0.680m): Employee Costs (£0.666m), Supplies and Services (£0.005m), Transport and Plant (£0.004m), Administration Costs (£0.002m), Financing Charges (£0.003m).