

Report

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Report to:	Community Services Committee
Date of Meeting:	17 January 2017
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community 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 to 11 November 2016 for Community 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 underspend on the Community Services' revenue budget of £0.106 million (0.3%), as detailed in Appendices B to F 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 third revenue budget monitoring report presented to the Community 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 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 11 November 2016, the Community Services' variance from phased budget is an underspend of £0.106 million (0.3%). The Community 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)

15 December 2016

Link(s) to Council Values/Objectives

◆ Accountable, Effective and Efficient

Previous References

◆ Community Services Committee – 11 October 2016

List of Background Papers

◆ Financial ledger and budget monitoring results to 11 November 2016.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Louise Allison, Resource Manager

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 11 November 2016 (No.9)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/11/16	Actual 11/11/16	Variance 11/11/16		% Variance 11/11/16	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	36,673	36,673	0	21,756	21,522	234	under	1.1%	
Property Costs	13,655	13,655	0	9,937	10,001	(64)	over	(0.6%)	
Supplies & Services	5,511	5,511	0	2,633	2,644	(11)	over	(0.4%)	
Transport & Plant	6,001	6,001	0	3,257	3,260	(3)	over	(0.1%)	
Administration Costs	1,075	1,075	0	396	442	(46)	over	(11.6%)	
Payments to Other Bodies	13,657	13,657	0	8,495	8,507	(12)	over	(0.1%)	
Payments to Contractors	53,550	53,550	0	27,156	27,118	38	under	0.1%	
Transfer Payments	586	586	0	440	440	0	-	0.0%	
Financing Charges	178	178	0	116	115	1	under	0.9%	
Total Controllable Exp.	130,886	130,886	0	74,186	74,049	137	under	0.2%	
Total Controllable Inc.	(26,914)	(26,914)	0	(12,262)	(12,131)	(131)	under recovered	(1.1%)	
Net Controllable Exp.	103,972	103,972	0	61,924	61,918	6	under	0.0%	

Variance Explanations

Detailed within 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 11 November 2016 (No.9)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/11/16	Actual 11/11/16	Variance 11/11/16		% Variance 11/11/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	18,772	18,772	0	11,141	11,090	51	under	0.5%	1, a, b
Property Costs	11,769	11,769	0	8,815	8,879	(64)	over	(0.7%)	2, c, d, e
Supplies & Services	3,099	3,099	0	1,610	1,599	11	under	0.7%	e, f
Transport & Plant	5,487	5,487	0	2,996	2,985	11	under	0.4%	e
Administration Costs	313	313	0	121	127	(6)	over	(5.0%)	e
Payments to Other Bodies	31	31	0	15	28	(13)	over	(86.7%)	
Payments to Contractors	13,438	13,438	0	8,985	8,945	40	under	0.4%	3, e
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	54	54	0	37	37	0	-	0.0%	e
Total Controllable Exp.	52,963	52,963	0	33,720	33,690	30	under	0.1%	
Total Controllable Inc.	(10,940)	(10,940)	0	(5,581)	(5,551)	(30)	under recovered	(0.5%)	4
Net Controllable Exp.	42,023	42,023	0	28,139	28,139	0	-	0.0%	

Variance Explanations

1. Employee Costs

The variance is mainly due to the service currently running with vacancies partially offset by overtime costs being greater than budget.

2. Property Costs

The variance is mainly due to the costs associated with the installation of the new CCTV system at Forrest Street Depot Blantyre and the payment of rates against a premise proposed as a saving.

3. Payment to Contractors

The net under spend is mainly within Waste Disposal, where domestic disposal and green waste and gully waste is less than anticipated, partially offset by food and garden disposal costs.

4. Income

The under recovery of income is due to lower than anticipated income within Conference and Banqueting and the demand for Bereavement Services being less than anticipated.

Budget Virements

- a. 2016/17 overtime saving (£0.003m) : Employee Costs (£0.003m)
- b. Transfer of post from Community & Enterprise to Finance & Corporate (Procurement staff) (£0.078m) : Employee Costs (£0.078m)
- c. 2016/17 utility saving (£0.001m) : Property Costs (£0.001m)
- d. Transfer of utility budget to Fleet Trading (£0.025m) : Property Costs (£0.025m)
- e. Temporary realignment of budget to reflect service delivery Net effect £0.000m : Property Costs (£0.071m), Supplies & Services £0.093m, Transport & Plant (£0.005m), Administration (£0.006m), Payment to Contractors (£0.003m), Financing Charges (£0.008m)
- f. Transfer from Reserves for domestic waste bins £1.280m : Supplies & Services £1.280m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 11 November 2016 (No.9)

Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/11/16	Actual 11/11/16	Variance 11/11/16		% Variance 11/11/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,916	3,916	0	2,326	2,329	(3)	over	(0.1%)	
Property Costs	12	12	0	4	3	1	under	25.0%	
Supplies & Services	93	93	0	43	47	(4)	over	(9.3%)	
Transport & Plant	108	108	0	59	56	3	under	5.1%	
Administration Costs	36	36	0	25	30	(5)	over	(20.0%)	
Payments to Other Bodies	131	131	0	83	78	5	under	6.0%	
Payments to Contractors	422	422	0	310	312	(2)	over	(0.6%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	13	13	0	-	0.0%	
Total Controllable Exp.	4,743	4,743	0	2,863	2,868	(5)	over	(0.2%)	
Total Controllable Inc.	(1,145)	(1,145)	0	(402)	(407)	5	over recovered	1.2%	
Net Controllable Exp.	3,598	3,598	0	2,461	2,461	0	-	0.0%	

Budget Virements

There are no budget virements.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 11 November 2016 (No.9)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/11/16	Actual 11/11/16	Variance 11/11/16		% Variance 11/11/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	2	2	0	-	0.0%	
Property Costs	232	232	0	87	87	0	-	0.0%	a
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	0	0	0	-	n/a	
Payments to Other Bodies	71	71	0	0	0	0	-	n/a	
Payments to Contractors	18,436	18,436	0	9,181	9,181	0	-	0.0%	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.	18,753	18,753	0	9,278	9,278	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	18,753	18,753	0	9,278	9,278	0	-	0.0%	

Budget Virements

- 2016/17 utility saving (£0.009m) : Property Costs (£0.009m)
- 2016/17 Living Wage allocation £0.006m : Payment to Contractors £0.006m
Transfer of employee budget to Finance and Corporate Resources (Personnel) (£0.007m) : Payment to Contractors (£0.007m)
- 2016/17 savings correction £0.050m : Payment to Contractors £0.050m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 11 November 2016 (No.9)

Projects

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/11/16	Actual 11/11/16	Variance 11/11/16		% Variance 11/11/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	9	9	0	4	4	0	-	0.0%	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	56	56	0	21	21	0	-	0.0%	
Transport & Plant	39	39	0	39	39	0	-	0.0%	
Administration Costs	3	3	0	1	1	0	-	0.0%	
Payments to Other Bodies	5	5	0	0	0	0	-	n/a	
Payments to Contractors	217	217	0	10	10	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	329	329	0	75	75	0	-	0.0%	
Total Controllable Inc.	(247)	(247)	0	(75)	(75)	0	-	0.0%	
Net Controllable Exp.	82	82	0	0	0	0	-	0.0%	

Budget Virements

There are no budget virements.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 11 November 2016 (No.9)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/11/16	Actual 11/11/16	Variance 11/11/16		% Variance 11/11/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,587	2,587	0	1,510	1,387	123	under	8.1%	1,a
Property Costs	248	248	0	3	4	(1)	over	(33.3%)	
Supplies & Services	174	174	0	34	42	(8)	over	(23.5%)	
Transport & Plant	61	61	0	2	0	2	under	100.0%	
Administration Costs	213	213	0	53	68	(15)	over	(28.3%)	
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	29	29	0	17	17	0	-	0.0%	
Total Controllable Exp.	3,312	3,312	0	1,619	1,518	101	under	6.2%	
Total Controllable Inc.	(1,833)	(1,833)	0	(8)	(13)	5	over recovered	62.5%	
Net Controllable Exp.	1,479	1,479	0	1,611	1,505	106	under	6.6%	

Variance Explanations

1. Employee Costs

The underspend relates to vacancies which are being considered in line with service requirements.

Budget Virements

- a. Budget transfer to Finance and Corporate Resources from Community and Enterprise Resources for Finance and Procurement employee costs : (£0.974m) : Employee Costs (£0.974m)