

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	17 January 2017
Report by:	Executive Director (Finance and Corporate Resources) 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 to 11 November 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 £0.100 million (0.5%), 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 third 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 11 November 2016, the Enterprise Services' variance from phased budget is an overspend of £0.100 million (0.5%). The Enterprise Services' forecast for the revenue budget to 31 March 2017 is a breakeven 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

◆ None

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 D.

Budget Virements

Budget virements are shown in Appendices C to E.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Planning and Building Standards

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	3,078	3,078	0	1,834	1,822	12	under	0.7%	
Property Costs	47	47	0	18	18	0	-	0.0%	
Supplies & Services	41	41	0	26	36	(10)	over	(38.5%)	
Transport & Plant	24	24	0	15	27	(12)	over	(80.0%)	
Administration Costs	106	106	0	88	99	(11)	over	(12.5%)	
Payments to Other Bodies	125	125	0	79	80	(1)	over	(1.3%)	
Payments to Contractors	1,336	1,336	0	615	615	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	22	22	0	14	12	2	under	14.3%	
Total Controllable Exp.	4,779	4,779	0	2,689	2,709	(20)	over	(0.7%)	
Total Controllable Inc.	(4,772)	(4,772)	0	(2,976)	(2,896)	(80)	under recovered	(2.7%)	1
Net Controllable Exp.	7	7	0	(287)	(187)	(100)	over	(34.8%)	

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 11 November 2016 (No.9)

Regeneration

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	2,329	2,329	0	1,391	1,390	1	under	0.1%	a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	16	16	0	11	11	0	-	0.0%	
Transport & Plant	7	7	0	5	5	0	-	0.0%	a
Administration Costs	45	45	0	10	10	0	-	0.0%	
Payments to Other Bodies	5,366	5,366	0	2,456	2,456	0	-	0.0%	a,b,c,d,e
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	7	6	1	under	14.3%	
Total Controllable Exp.	7,774	7,774	0	3,880	3,878	2	under	0.1%	
Total Controllable Inc.	(3,238)	(3,238)	0	(449)	(447)	(2)	under recovered	(0.4%)	a,c,d,e
Net Controllable Exp.	4,536	4,536	0	3,431	3,431	0	-	0.0%	

Budget Virements

- ASPIRE budget transferred to Education Resources. Net effect £0.000m: Employee Costs (£0.027m), Transport and Plant (£0.004m), Payments to Other Bodies (£0.132m) and Income £0.163m.
- Transfer of Youth Employment Initiative match budget from Tackling Poverty Programme £0.552m: Payments to Other Bodies £0.552m.
- Establish budget for Youth Employment Initiative European Social Fund funding. Net Effect £0.000m: Payments to Other Bodies £1.355m and income (£1.355m).
- Establish budget for Employability Pipeline European Social Fund funding. Net Effect £0.000m: Payments to Other Bodies £0.691m and income (£0.691m).
- Establish budget for Business Support European Social Fund funding. Net effect £0.000m: Payments to Other Bodies £0.102m and income (£0.102m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Roads

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	5,978	5,978	0	3,548	3,498	50	under	1.4%	1
Property Costs	1,347	1,347	0	1,010	1,010	0	-	0.0%	a
Supplies & Services	2,032	2,032	0	888	888	0	-	0.0%	
Transport & Plant	275	275	0	141	148	(7)	over	(5.0%)	
Administration Costs	349	349	0	98	107	(9)	over	(9.2%)	
Payments to Other Bodies	6,804	6,804	0	4,982	4,985	(3)	over	(0.1%)	
Payments to Contractors	19,701	19,701	0	8,055	8,055	0	-	0.0%	
Transfer Payments	586	586	0	440	400	0	-	0.0%	
Financing Charges	37	37	0	28	30	(2)	over	(7.1%)	
Total Controllable Exp.	37,109	37,109	0	19,190	19,161	29	under	0.2%	
Total Controllable Inc.	(4,717)	(4,717)	0	(2,749)	(2,720)	(29)	under recovered	(1.1%)	2
Net Controllable Exp.	32,392	32,392	0	16,441	16,441	0	-	0.0%	

Variance Explanations

- Employee Costs**
The under spend reflects the current level of turnover within the Service and vacant posts within the Parking Unit.
- Income**
The under recovery is due to less than anticipated income generated within the Parking Unit.

Budget Virements

- Transfer of Carbon Reduction Commitment budget £0.127m: Property Costs £0.127m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Tackling Poverty Programme

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	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	1,124	1,124	0	872	872	0	-	0.0% a,b
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.	1,124	1,124	0	872	872	0	-	0.0%
Total Controllable Inc.	(22)	(22)	0	(22)	(22)	0	-	0.0% b
Net Controllable Exp.	1,102	1,102	0	850	850	0	-	0.0%

Budget Virements

- a. Transfer of Youth Employment Initiative match budget to Regeneration (£0.552m): Payments to Other Bodies (£0.552m).
b. Establish budget for Participatory Budgeting funding. Net Effect £0.000m: Payments to Other Bodies £0.022m and income (£0.022m).