

Report

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Report to:	Community Services Committee
Date of Meeting:	17 May 2016
Report by:	Executive Director (Finance and Corporate Resources) and 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 4 March 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 £0.300million (0.45%), 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, as detailed in Appendix D, be approved.

3. Background

3.1. This is the fifth 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 4 March 2016, the Community Services' variance against the phased budget is an underspend of £0.300m (0.45%).

- 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)

13 April 2016

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Community Services Committee, 1 March 2016

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 4 March 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 4 March 2016 (No.13)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	37,416	37,007	409	33,858	33,408	450	under	1.3%	
Property Costs	13,591	14,089	(498)	12,336	12,637	(301)	over	(2.4%)	
Supplies & Services	4,996	5,635	(639)	4,180	4,820	(640)	over	(15.3%)	
Transport & Plant	6,616	6,325	291	5,587	5,266	321	under	5.7%	
Administration Costs	1,275	1,205	70	1,137	1,071	66	under	5.8%	
Payments to Other Bodies	14,124	14,093	31	11,715	11,635	80	under	0.7%	
Payments to Contractors	60,860	60,917	(57)	51,016	51,329	(313)	over	(0.6%)	
Transfer Payments	586	586	0	586	586	0	-	0.0%	
Financing Charges	490	476	14	459	449	10	under	2.2%	
Total Controllable Exp.	139,954	140,333	(379)	120,874	121,201	(327)	over	(0.3%)	
Total Controllable Inc.	(32,024)	(32,584)	560	(18,500)	(19,001)	501	over recovered	2.7%	
Net Controllable Exp.	107,930	107,749	181	102,374	102,200	174	under	0.2%	

Variance Explanations

Variance explanations are shown in Appendices B, C and F.

Budget Virements

Budget virements are shown in Appendix D.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Facilities, Streets and Waste

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	18,613	18,658	(45)	16,841	16,810	31	under	0.2%	
Property Costs	11,656	11,650	6	10,813	10,724	89	under	0.8%	1
Supplies & Services	1,737	2,350	(613)	1,524	2,094	(570)	over	(37.4%)	2
Transport & Plant	5,927	5,647	280	5,066	4,759	307	under	6.1%	3
Administration Costs	465	342	123	421	323	98	under	23.3%	4
Payments to Other Bodies	62	30	32	62	28	34	under	54.8%	
Payments to Contractors	13,718	13,867	(149)	11,780	12,127	(347)	over	(2.9%)	5
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	363	364	(1)	336	336	0	-	0.0%	
Total Controllable Exp.	52,541	52,908	(367)	46,843	47,201	(358)	over	(0.8%)	
Total Controllable Inc.	(10,867)	(11,233)	366	(7,998)	(8,356)	358	over recovered	4.5%	6
Net Controllable Exp.	41,674	41,675	(1)	38,845	38,845	0	-	0.0%	

Variance Explanations

- 1. Property Costs**
The underspend is mainly due to lower than anticipated utility costs across a number of properties.
- 2. Supplies and Services**
The overspend reflects the cost of play equipment and costs for refuse materials and 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. Payments to Contractors**
The overspend relates to the costs associated with the residual waste contract, and also additional one-off maintenance expenditure within Bereavement Services.
- 6. 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.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Environmental

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,923	3,880	43	3,549	3,527	22	under	0.6%	
Property Costs	12	16	(4)	11	10	1	under	9.1%	
Supplies & Services	114	118	(4)	110	117	(7)	over	(6.4%)	
Transport & Plant	118	109	9	109	94	15	under	13.8%	
Administration Costs	42	57	(15)	40	49	(9)	over	(22.5%)	
Payments to Other Bodies	141	117	24	121	104	17	under	14.0%	
Payments to Contractors	459	492	(33)	419	499	(80)	over	(19.1%)	1
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	17	8	25	18	7	under	28.0%	
Total Controllable Exp.	4,834	4,806	28	4,384	4,418	(34)	over	(0.8%)	
Total Controllable Inc.	(1,181)	(1,190)	9	(491)	(560)	69	over recovered	14.1%	2
Net Controllable Exp.	3,653	3,616	37	3,893	3,858	35	under	0.9%	

Variance Explanations**1. Payments to Contractors**

The overspend is due to additional demand for the removal of clinical waste, which is offset by an over recovery of income.

2. Income

The over recovery reflects additional demand for the removal of clinical waste, which offsets the overspend within Payments to Contractors.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	5	(1)	4	5	(1)	over	(25.0%)	
Property Costs	232	203	29	211	188	23	under	10.9%	
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)	19,362	19,385	(23)	over	(0.1%)	a
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)	19,602	19,603	(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	19,602	19,602	0	-	0.0%	

Budget Virements

a. 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 4 March 2016 (No.13)

Projects

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	9	9	0	9	9	0	-	0.0%	
Property Costs	0	0	0	0	1	(1)	over	n/a	
Supplies & Services	71	57	14	64	63	1	under	1.6%	
Transport & Plant	194	194	0	130	130	0	-	0.0%	
Administration Costs	3	8	(5)	3	3	0	-	0.0%	
Payments to Other Bodies	7	7	0	6	6	0	-	0.0%	
Payments to Contractors	368	353	15	40	19	21	under	52.5%	
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	252	231	21	under	8.3%	
Total Controllable Inc.	(550)	(548)	(2)	(230)	(230)	0	-	0.0%	
Net Controllable Exp.	102	80	22	22	1	21	under	95.5%	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 4 March 2016 (No.13)

Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/03/16	Actual 04/03/16	Variance 04/03/16		% Variance 04/03/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,774	3,539	235	3,419	3,195	224	under	6.6%	1
Property Costs	248	246	2	247	246	1	under	0.4%	
Supplies & Services	177	179	(2)	55	55	0	-	0.0%	
Transport & Plant	57	57	0	56	56	0	-	0.0%	
Administration Costs	217	207	10	191	185	6	under	3.1%	
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	27	(1)	over	(3.8%)	
Total Controllable Exp.	4,501	4,256	245	3,994	3,764	230	under	5.8%	
Total Controllable Inc.	(1,833)	(1,842)	9	(8)	(22)	14	over recovered	175.0%	
Net Controllable Exp.	2,668	2,414	254	3,986	3,742	244	under	6.1%	

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.