

Report

6

Report to:	Executive Committee
Date of Meeting:	27 June 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 3: 1 April 2018 to 25 May 2018
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2018 to 25 May 2018, and a projection for the year.

2. Recommendation(s)

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

- (1) that the breakeven position on the General Fund Revenue Account at 25 May 2018 as detailed in Appendix 1 of the report and the forecast to 31 March 2019, be noted;
- (2) that the breakeven position on the Housing Revenue Account at 25 May 2018 and the forecast to 31 March 2019 of breakeven (Appendix 3), be noted.

3. Background

3.1. This is an overview report summarising the General Services Monitoring Position regarding actual expenditure and income to 25 May 2018, compared with the budget for the same period (section 4). This is provided on a Resource basis in Appendix 1 to the report and a subjective basis in Appendix 2.

2017/18 General Services Monitoring Position

4. Financial Position as at 25 May 2018

4.1. As at 25 May 2018, Appendix 1 of the report details a breakeven position (0.0%) against the phased budget. The financial forecast to 31 March 2019 is a breakeven position.

4.2. **Trading Operations:** Included within the breakeven position for the General Fund Revenue Account in 4.1 above are the Trading Operations. As at 25 May 2018, the actual surpluses achieved by the Trading Operations total £1.852 million, representing a breakeven position against the phased budget.

4.3. Additional General Revenue Grant

The Council has been notified of additional General Revenue Grant of £0.125 million to fund the provision of free sanitary products within secondary schools. This has been added to the Education Resources budget shown in Appendix 1.

4.4. Other Funding

Community and Enterprise Resources have been notified of funding from the Scottish Government in respect of the Local Air Quality Management Grant Fund (£0.126 million), the Local Air Quality Action Planning Fund (£0.250 million) and the Vehicle Emission Testing and Engine Idling Fund (£0.022 million).

4.5. In addition, Education Resources have been notified by the Scottish Government of funding in respect of the Attainment Scotland Fund Schools Programme (£1.980 million) and also the Expansion of Early Learning and Childcare (£1.314 million). The Early Learning and Childcare funding is in addition to the £2.569 million included in the 2018/2019 Finance Settlement and already included in Education Resource's budget.

4.6. Finally, Finance and Corporate Resources have been notified by Skills Development Scotland of funding in relation to Scotland's Employment Recruitment Initiative (£0.172 million). These additional funds have been included in the budgets in Appendix 1.

5. Housing Revenue Account Position

5.1. As at 25 May 2018, Appendix 3 of the report shows a breakeven position against the phased budget on the Housing Revenue Account. The forecast to 31 March 2019 on the Housing Revenue Account is a breakeven position.

6. Employee Implications

6.1. None.

7. Financial Implications

7.1. As detailed in the report.

8. Other Implications

8.1. 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.

8.2. There are no implications for sustainability in terms of the information contained in this report.

9. Equality Impact Assessment and Consultation Arrangements

9.1. 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.

9.2. 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)

4 June 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 25 May 2018

Contact for Further Information

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

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 25 May 2018 (No.3)

<u>Committee</u>	Annual Budget	Forecast	Annual Forecast Variance	Budget Proportion to 25/05/18	Actual to Period 3 25/05/18	Variance to 25/05/18	
	£m	£m	£m	£m	£m	£m	
Departments:							
Community and Enterprise Resources	115.142	115.142	0.000	12.724	12.724	0.000	-
Facilities Streets and Waste (Inc. Support)	62.749	62.749	0.000	4.856	4.856	0.000	-
Environmental Services (Inc. Projects)	4.183	4.183	0.000	0.506	0.506	0.000	-
Leisure and Culture Services	18.905	18.905	0.000	4.583	4.583	0.000	-
Planning and Economic Development	2.895	2.895	0.000	0.287	0.287	0.000	-
Roads	26.410	26.410	0.000	2.492	2.492	0.000	-
Education Resources	308.711	308.711	0.000	36.782	36.782	0.000	-
Finance and Corporate Resources	36.711	36.711	0.000	7.020	7.020	0.000	-
Finance Services	14.895	14.895	0.000	3.030	3.001	0.029	under
Audit and Compliance Services	0.335	0.335	0.000	0.070	0.080	(0.010)	over
Information Technology Services	4.232	4.232	0.000	1.340	1.334	0.006	under
Communications and Strategy Services	0.915	0.915	0.000	0.223	0.248	(0.025)	over
Administration and Licensing Services	4.412	4.412	0.000	1.201	1.220	(0.019)	over
Personnel Services	11.922	11.922	0.000	1.156	1.137	0.019	under
Housing and Technical Resources	18.416	18.416	0.000	3.221	3.221	0.000	-
Housing Services	7.466	7.466	0.000	0.492	0.492	0.000	-
Property Services	10.950	10.950	0.000	2.729	2.729	0.000	-
Social Work Resources	151.366	151.366	0.000	23.885	23.885	0.000	-
Performance and Support Services	9.170	9.170	0.000	0.992	0.989	0.003	under
Children and Family	29.490	29.490	0.000	4.487	4.552	(0.065)	over
Adults and Older People	111.637	111.637	0.000	18.420	18.381	0.039	under
Justice and Substance Misuse	1.069	1.069	0.000	(0.014)	(0.037)	0.023	under
Joint Boards	2.378	2.378	0.000	0.302	0.302	0.000	-
	632.724	632.724	0.000	83.934	83.934	0.000	-

<u>Committee</u>	Annual Budget	Forecast	Annual Forecast Variance	Budget Proportion to 25/05/18	Actual to Period 3 25/05/18	Variance to 25/05/18	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	632.724	632.724	0.000	83.934	83.934	0.000	-
Trading Accounts Surplus	(11.511)	(11.511)	0.000	(1.852)	(1.852)	0.000	-
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	57.779	57.779	0.000	12.381	12.381	0.000	-
Corporate Items	4.597	4.597	0.000	0.000	0.000	0.000	-
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	683.589	683.589	0.000	94.463	94.463	0.000	-
Council Tax	145.758	145.758	0.000	31.234	31.234	0.000	-
Less: Council Tax Reduction Scheme	(19.370)	(19.370)	0.000	(4.151)	(4.151)	0.000	-
Net Council Tax	126.388	126.388	0.000	27.083	27.083	0.000	-
General Revenue Grant	250.906	250.906	0.000	40.319	40.319	0.000	-
Non Domestic Rates	295.500	295.500	0.000	45.462	45.462	0.000	-
Transfer from Reserves	10.795	10.795	0.000	10.795	10.795	0.000	-
Total Income	683.589	683.589	0.000	123.659	123.659	0.000	-
Net Expenditure / (Surplus)	0.000	0.000	0.000	(29.196)	(29.196)	0.000	-

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 25 May 2018 (No.3)

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 25/05/18	Actual to Period 3 25/05/18	Variance to 25/05/18	
	£m	£m	£m	£m	£m	£m	
Service Departments:							
Expenditure							
Employee Cost	417.028	417.028	0.000	52.559	52.530	0.029	under
Property Costs	49.429	49.429	0.000	5.333	5.331	0.002	under
Supplies and Services	37.201	37.201	0.000	3.925	3.852	0.073	under
Transport Costs	21.567	21.567	0.000	3.107	3.098	0.009	under
Administration Costs	11.301	11.301	0.000	1.421	1.389	0.032	under
Payments to Other Bodies	50.811	50.811	0.000	9.987	9.991	(0.004)	over
Payments to Contractors	183.296	183.296	0.000	20.498	20.510	(0.012)	over
Transfer Payments	2.418	2.418	0.000	0.401	0.429	(0.028)	over
Housing Benefits	89.417	89.417	0.000	13.329	13.329	0.000	-
Financing Charges (controllable)	1.929	1.929	0.000	0.480	0.466	0.014	under
Total	864.397	864.397	0.000	111.040	110.925	0.115	under
Service Departments Total	864.397	864.397	0.000	111.040	110.925	0.115	under
Trading Accounts Surplus	(11.511)	(11.511)	0.000	(1.852)	(1.852)	0.000	-
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	57.779	57.779	0.000	12.381	12.381	0.000	-
Corporate Items	4.597	4.597	0.000	0.000	0.000	0.000	-
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	915.262	915.262	0.000	121.569	121.454	0.115	under
Income							
Housing Benefit Subsidy	84.182	84.182	0.000	12.275	12.258	(0.017)	under rec
Other Income	147.491	147.491	0.000	14.831	14.733	(0.098)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	126.388	126.388	0.000	27.083	27.083	0.000	-
General Revenue Grant	250.906	250.906	0.000	40.319	40.319	0.000	-
Non Domestic Rates	295.500	295.500	0.000	45.462	45.462	0.000	-
Transfer from Reserves	10.795	10.795	0.000	10.795	10.795	0.000	-
Total Income	915.262	915.262	0.000	150.765	150.650	(0.115)	under rec
Net Expenditure	0.000	0.000	0.000	(29.196)	(29.196)	0.000	-

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 25 May 2018 (No.3)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 25/05/18	Actual to Period 3 25/05/18	Variance to 25/05/18		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	12.718	12.718	0.000	1.660	1.634	0.026	under	1.6%	1
Property Costs	42.130	42.130	0.000	3.895	3.911	(0.016)	over	(0.4%)	
Supplies & Services	0.610	0.610	0.000	0.211	0.210	0.001	under	0.5%	
Transport & Plant	0.194	0.194	0.000	0.029	0.027	0.002	under	6.9%	
Administration Costs	5.778	5.778	0.000	0.123	0.124	(0.001)	over	(0.8%)	
Payments to Other Bodies	3.490	3.490	0.000	0.010	0.010	0.000	-	0.0%	
Payments to Contractors	0.100	0.100	0.000	0.021	0.021	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	23.730	23.730	0.000	0.000	0.000	0.000	-	0.0%	
Total Controllable Expenditure	88.750	88.750	0.000	5.949	5.937	0.012	under	0.2%	
Total Controllable Income	(98.948)	(98.948)	0.000	(11.953)	(11.956)	0.003	over rec	(0.0%)	
Transfer to/(from) Balance Sheet	(4.603)	(4.603)	0.000	(0.986)	(0.971)	(0.015)	under rec	(1.5%)	
Net Controllable Expenditure	(14.801)	(14.801)	0.000	(6.990)	(6.990)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	14.801	14.801	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(6.990)	(6.990)	0.000	-	0.0%	

Variance Explanations**1. Employee Costs**

This underspend reflects the current turnover levels across the service.