

Report

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Report to:	Finance and Corporate Resources Committee
Date of Meeting:	25 April 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2017/2018 - Finance and Corporate Resources
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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 2017 to 2 February 2018 for Finance and Corporate Resources
- ◆ provide a forecast for the year to 31 March 2018

2. Recommendation(s)

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

- (1) that the breakeven position on the Finance and Corporate Resources' revenue budget, as detailed in Appendix A of the report, be noted; and
- (2) that following the probable outturn exercise, the forecast to 31 March 2018 of breakeven, be noted.

3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Finance and Corporate Resources Committee for the financial year 2017/2018.

3.2. The report details the financial position for Finance and Corporate Resources on Appendix A, along with variance explanations in Appendices B-G.

4. Employee Implications

4.1. None.

5. Financial Implications

5.1. As at 2 February 2018, there is a breakeven position against the phased budget.

5.2. Following the probable outturn exercise, the forecast for the revenue budget to 31 March 2018 is a breakeven position.

5.3. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as 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 the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

28 March 2018

Link(s) to Council Values/Ambitions/Objectives

◆ Value: Accountable, Effective, Efficient and Transparent

Previous References

◆ None

List of Background Papers

◆ Financial ledger and budget monitoring results to 2 February 2018

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

Finance and Corporate Resources Committee: Period Ended 2 February 2018 (No.12)

Finance and Corporate Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/02/18	Actual 02/02/18	Variance 02/02/18		% Variance 02/02/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	34,168	33,968	200	28,162	27,953	209	under	0.7%	
Property Costs	2,379	2,492	(113)	1,733	1,821	(88)	over	(5.1%)	
Supplies & Services	5,599	5,694	(95)	4,475	4,585	(110)	over	(2.5%)	
Transport & Plant	113	72	41	96	57	39	under	40.6%	
Administration Costs	7,766	7,522	244	5,712	5,474	238	under	4.2%	
Payments to Other Bodies	1,682	1,599	83	1,559	1,479	80	under	5.1%	
Payments to Contractors	245	266	(21)	209	229	(20)	over	(9.6%)	
Transfer Payments	89,624	89,624	0	72,426	72,426	0	-	0.0%	
Financing Charges	732	684	48	612	577	35	under	5.7%	
Total Controllable Exp.	142,308	141,921	387	114,984	114,601	383	under	0.3%	
Total Controllable Inc.	(108,396)	(108,009)	(387)	(78,119)	(77,736)	(383)	under recovered	(0.5%)	
Net Controllable Exp.	33,912	33,912	0	36,865	36,865	0	-	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B to G as appropriate.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 2 February 2018 (No.12)

Finance Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/02/18	Actual 02/02/18	Variance 02/02/18		% Variance 02/02/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	15,824	15,582	242	13,075	12,871	204	under	1.6%	1
Property Costs	1,835	1,842	(7)	1,295	1,292	3	under	0.2%	
Supplies & Services	840	944	(104)	718	810	(92)	over	(12.8%)	2
Transport & Plant	11	7	4	9	10	(1)	over	(11.1%)	
Administration Costs	1,420	1,335	85	1,043	966	77	under	7.4%	3
Payments to Other Bodies	529	494	35	529	495	34	under	6.4%	
Payments to Contractors	244	266	(22)	208	229	(21)	over	(10.1%)	
Transfer Payments	89,624	89,624	0	72,426	72,426	0	-	0.0%	
Financing Charges	255	200	55	194	154	40	under	20.6%	4
Total Controllable Exp.	110,582	110,294	288	89,497	89,253	244	under	0.3%	
Total Controllable Inc.	(94,464)	(94,368)	(96)	(69,813)	(69,752)	(61)	under recovered	(0.1%)	
Net Controllable Exp.	16,118	15,926	192	19,684	19,501	183	under	0.9%	

Variance Explanations**1. Employee Costs**

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

2. Supplies and Services

The overspend is due to the additional requirement for Benefits and Revenues system costs in the financial year.

3. Administration Costs

The underspend is in relation to postages, legal expenses and paypoint agency fees identified as part of 2018/19 savings proposals.

4. Financing Charges

The underspend relates to the budget for server hardware that is not required until future financial years.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 2 February 2018 (No.12)

Audit Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/02/18	Actual 02/02/18	Variance 02/02/18		% Variance 02/02/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	626	681	(55)	515	561	(46)	over	(8.9%)	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	10	5	5	5	4	1	under	20.0%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	9	4	5	7	3	4	under	57.1%	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	1	0	1	1	0	1	under	100.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	4	4	0	2	2	0	-	0.0%	
Total Controllable Exp.	650	694	(44)	530	570	(40)	over	(7.5%)	
Total Controllable Inc.	(229)	(249)	20	(61)	(76)	15	over recovered	24.6%	2
Net Controllable Exp.	421	445	(24)	469	494	(25)	over	(5.3%)	

Variance Explanations**1. Employee Costs**

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

2. Income

The over recovery of income relates to ESF Management Fee and additional LEADER monies anticipated in the financial year.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 2 February 2018 (No.12)

Information Technology Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/02/18	Actual 02/02/18	Variance 02/02/18		% Variance 02/02/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,298	5,218	80	4,363	4,274	89	under	2.0%	1
Property Costs	434	502	(68)	349	395	(46)	over	(13.2%)	2
Supplies & Services	3,402	3,362	40	2,769	2,767	2	under	0.1%	
Transport & Plant	9	8	1	8	6	2	under	25.0%	
Administration Costs	1,572	1,565	7	1,209	1,176	33	under	2.7%	
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	394	387	7	374	371	3	under	0.8%	
Total Controllable Exp.	11,109	11,042	67	9,072	8,989	83	under	0.9%	
Total Controllable Inc.	(7,207)	(7,140)	(67)	(4,483)	(4,400)	(83)	under recovered	(1.9%)	3
Net Controllable Exp.	3,902	3,902	0	4,589	4,589	0	-	0.0%	

Variance Explanations**1. Employee Costs**

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

2. Property Costs

The overspend is due to increased electricity costs at Caird Data Centre.

3. Income

The under recovery is due to less than anticipated income from recharges to the Leisure Trust for computer equipment purchased to date and is offset by reduced expenditure.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 2 February 2018 (No.12)

Personnel Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/02/18	Actual 02/02/18	Variance 02/02/18		% Variance 02/02/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	6,458	6,302	156	5,298	5,190	108	under	2.0%	1
Property Costs	81	131	(50)	70	123	(53)	over	(75.7%)	2
Supplies & Services	320	324	(4)	225	217	8	under	3.6%	
Transport & Plant	58	22	36	49	12	37	under	75.5%	
Administration Costs	1,633	1,596	37	933	921	12	under	1.3%	
Payments to Other Bodies	396	377	19	302	275	27	under	8.9%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	37	43	(6)	21	22	(1)	over	(4.8%)	
Total Controllable Exp.	8,983	8,795	188	6,898	6,760	138	under	2.0%	
Total Controllable Inc.	(2,314)	(2,126)	(188)	(1,230)	(1,092)	(138)	under recovered	(11.2%)	3
Net Controllable Exp.	6,669	6,669	0	5,668	5,668	0	-	0.0%	

Variance Explanations**1. Employee Costs**

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

2. Property Costs

The overspend is due to increased costs at Hillhouse Training Unit and will be managed within the overall budget.

3. Income

The under recovery is due to less than anticipated income from the Training Fund and Skills Development Scotland in the financial year and is offset by reduced expenditure.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 2 February 2018 (No.12)

Administration, Legal and Licensing Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/02/18	Actual 02/02/18	Variance 02/02/18		% Variance 08/12/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,216	4,363	(147)	3,474	3,557	(83)	over	(2.4%)	1
Property Costs	29	17	12	19	11	8	under	42.1%	
Supplies & Services	144	152	(8)	107	118	(11)	over	(10.3%)	
Transport & Plant	7	8	(1)	6	7	(1)	over	(16.7%)	
Administration Costs	2,618	2,537	81	2,224	2,142	82	under	3.7%	2
Payments to Other Bodies	703	683	20	675	663	12	under	1.8%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	35	35	0	18	18	0	-	0.0%	
Total Controllable Exp.	7,752	7,795	(43)	6,523	6,516	7	under	0.1%	
Total Controllable Inc.	(1,996)	(1,989)	(7)	(1,221)	(1,216)	(5)	under recovered	(0.4%)	
Net Controllable Exp.	5,756	5,806	(50)	5,302	5,300	2	under	0.0%	

Variance Explanations**1. Employee Costs**

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

2. Administration Costs

The underspend is due to less than anticipated expenditure on the 2017 Local Government Election.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 2 February 2018 (No.12)

Communications and Strategy Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/02/18	Actual 02/02/18	Variance 02/02/18		% Variance 02/02/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	1,746	1,822	(76)	1,437	1,500	(63)	over	(4.4%)	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	883	907	(24)	651	669	(18)	over	(2.8%)	
Transport & Plant	28	27	1	24	22	2	under	8.3%	
Administration Costs	514	485	29	296	266	30	under	10.1%	
Payments to Other Bodies	54	45	9	53	46	7	under	13.2%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	7	15	(8)	3	10	(7)	over	(233.3%)	
Total Controllable Exp.	3,232	3,301	(69)	2,464	2,513	(49)	over	(2.0%)	
Total Controllable Inc.	(2,186)	(2,137)	(49)	(1,311)	(1,200)	(111)	under recovered	(8.5%)	2
Net Controllable Exp.	1,046	1,164	(118)	1,153	1,313	(160)	over	(13.9%)	

Variance Explanations**1. Employee Costs**

The overspend is due to lower than anticipated staff turnover across the Service to date.

2. Income

The under recovery is due to less than anticipated income from external work completed to date.