

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	1 March 2016
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Enterprise 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 8 January 2016 for Enterprise 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 overspend on the Enterprise Services' revenue budget of £0.214million (0.2%), as detailed in Appendices B to E of the report, be noted;
- (2) that the forecast to 31 March 2016 of an overspend of £0.131m, be noted; and
- (3) that the proposed budget virements, as detailed in Appendices B, C and D of the report be approved.

3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Enterprise 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 Enterprise Services reports are included, along with variance explanations, where appropriate, 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 8 January 2016, the Enterprise Services' variance from phased budget is an overspend of £0.214 million (0.2%).

- 5.2. Following the probable exercise, the Enterprise Services' forecast for the revenue budget to 31 March 2016 is an overspend of £0.131m. Taking the Community Services' forecast of an underspend of £0.312m 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.

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)

28 January 2016

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Enterprise Services Committee 8 December 2016

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 8 January 2016

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Lorraine O'Hagan, Accounting and Budgeting Manager

Ext: 4617 (Tel: 01698 454617)

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	37,417	37,008	409	28,102	27,782	320	under	1.1%	
Property Costs	13,591	14,089	(498)	11,110	11,430	(320)	over	(2.9%)	
Supplies & Services	4,996	5,635	(639)	3,202	3,632	(430)	over	(13.4%)	
Transport & Plant	6,615	6,324	291	4,678	4,446	232	under	5.0%	
Administration Costs	1,275	1,205	70	917	886	31	under	3.4%	
Payments to Other Bodies	11,864	11,833	31	8,996	9,003	(7)	over	(0.1%)	
Payments to Contractors	60,043	60,100	(57)	38,036	37,975	61	under	0.2%	
Transfer Payments	586	586	0	440	440	0	-	0.0%	
Financing Charges	490	476	14	443	439	4	under	0.9%	
Total Controllable Exp.	136,877	137,256	(379)	95,924	96,033	(109)	over	(0.1%)	
Total Controllable Inc.	(28,987)	(29,547)	560	(14,760)	(15,022)	262	over recovered	(1.8%)	
Net Controllable Exp.	107,890	107,709	181	81,164	81,011	153	under	0.2%	

Variance Explanations

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

Budget Virements

Budget virements are shown in Appendices B, C and D.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Planning and Building Standards

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,147	2,975	172	2,366	2,244	122	under	5.2%	1, a
Property Costs	36	31	5	23	23	0	-	0.0%	
Supplies & Services	61	79	(18)	57	75	(18)	over	(31.6%)	
Transport & Plant	24	36	(12)	19	30	(11)	over	(57.9%)	
Administration Costs	158	176	(18)	103	122	(19)	over	(18.4%)	
Payments to Other Bodies	125	149	(24)	98	111	(13)	over	(13.3%)	
Payments to Contractors	5,269	5,269	0	2,849	2,849	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	22	16	6	17	17	0	-	0.0%	
Total Controllable Exp.	8,842	8,731	111	5,532	5,471	61	Under	1.1%	
Total Controllable Inc.	(8,781)	(8,630)	(151)	(3,479)	(3,388)	(91)	under recovered	(2.6%)	2
Net Controllable Exp.	61	101	(40)	2,053	2,083	(30)	over	(1.5%)	

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies within the Service which are being considered in line with Service requirements.

2. Income

The under recovery reflects the lower than anticipated level of planning applications and building warrants achieved to date.

Budget Virements

- a. Transfer from centrally held funds for additional 0.5% Pay Award: £0.015m: Employee Costs £0.015m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,150	2,114	36	1,612	1,589	23	under	1.4%	a
Property Costs	0	525	(525)	0	391	(391)	over	n/a	1
Supplies & Services	15	16	(1)	15	18	(3)	over	(20.0%)	
Transport & Plant	12	11	1	8	8	0	-	0.0%	
Administration Costs	45	45	0	13	13	0	-	0.0%	
Payments to Other Bodies	1,410	1,503	(93)	1,227	1,264	(37)	over	(3.0%)	
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	8	8	0	-	0.0%	
Total Controllable Exp.	3,643	4,225	(582)	2,883	3,291	(408)	over	(14.2%)	
Total Controllable Inc.	(556)	(862)	306	(415)	(576)	161	over recovered	38.8%	2
Net Controllable Exp.	3,087	3,363	(276)	2,468	2,715	(247)	over	(10.0%)	

Variance Explanations**1. Property Costs**

The overspend relates to expenditure on rental properties, which is partially offset by rental income received for these premises.

2. Income

The over recovery reflects income received in relation to rental properties, which partially offsets the overspend within Property Costs above.

Budget Virements

- a. Transfer from centrally held funds for additional 0.5% Pay Award: £0.007m: Employee Costs £0.007m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,796	5,827	(31)	4,332	4,344	(12)	over	(0.3%)	a
Property Costs	1,407	1,418	(11)	939	945	(6)	over	(0.6%)	
Supplies & Services	2,821	2,836	(15)	1,711	1,716	(5)	over	(0.3%)	
Transport & Plant	284	271	13	165	156	9	under	5.5%	
Administration Costs	335	360	(25)	288	297	(9)	over	(3.1%)	
Payments to Other Bodies	6,934	6,926	8	5,283	5,280	3	under	0.1%	
Payments to Contractors	20,867	20,734	133	9,945	9,874	71	under	0.7%	1
Transfer Payments	586	586	0	440	440	0	-	0.0%	
Financing Charges	41	40	1	38	38	0	-	0.0%	
Total Controllable Exp.	39,071	38,998	73	23,141	23,090	51	under	0.2%	
Total Controllable Inc.	(5,219)	(5,241)	22	(3,478)	(3,490)	12	over recovered	0.3%	a
Net Controllable Exp.	33,852	33,757	95	19,663	19,600	63	under	0.3%	

Variance Explanations**1. Payments to Contractors**

The underspend is due to less than anticipated work being undertaken to date by the Trading Operation. This is partially offset by additional works undertaken by private contractors due to the specialist nature of the works required.

Budget Virements

- Transfer from centrally held funds for additional 0.5% Pay Award: £0.026m: Employee Costs £0.026m.
- Additional expenditure and income to reflect the level of rechargeable works to be undertaken: Net effect £0: Payments to Contracts £0.327m, Income (£0.327m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 8 January 2016 (No.11)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 08/01/16	Actual 08/01/16	Variance 08/01/16		% Variance 08/01/16	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	3,083	2,993	90	2,214	2,214	0	-	0.0%	
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.	3,083	2,993	90	2,214	2,214	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	3,083	2,993	90	2,214	2,214	0	-	0.0%	