

Report

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Report to:	Community and Enterprise Resources Committee
Date of Meeting:	8 August 2017
Report by:	Executive Director (Finance and Corporate Resources) and Executive Director (Community and Enterprise Resources)

Subject:	Community and Enterprise Resources - Revenue Budget Monitoring 2017/2018
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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 26 May 2017 for Community and Enterprise 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 Community and Enterprise Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2018 of a breakeven position, be noted; and
- (2) that the proposed budget virements as detailed in Appendices B to F of the report, be approved.

3. Background

3.1. This is the first revenue budget monitoring report presented to the Community and Enterprise Resources Committee for the financial year 2017/2018.

3.2. The report details the financial position for Community and Enterprise Resources in Appendix A and the individual services' reports in appendices B to F, including variance explanation.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 26 May 2017, there is a breakeven position against the phased budget. The forecast for the revenue budget to 31 March 2018 is a break even position.

5.2. Virements are proposed to realign budgets across budget categories and with other Resources. These movements are detailed in appendices B to F of this report.

5.3 The Resource budget reflects changes to the trading services for Grounds and Facilities services within the overall net budget to change their status following approval at the Executive Committee meeting on 28 June 2017.

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)

12 July 2017

Link(s) to Council Values/Objectives

◆ Accountable, Effective and Efficient

Previous References

◆ None

List of Background Papers

◆ Financial ledger and budget monitoring results to 26 May 2017

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 May 2017 (No.3)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/05/17	Actual 26/05/17	Variance 26/05/17		% Variance 26/05/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	62,309	62,309	0	8,321	8,329	(8)	over	(0.1%)	
Property Costs	14,019	14,019	0	104	104	0	-	0.0%	
Supplies & Services	7,633	7,633	0	833	825	8	under	1.0%	
Transport & Plant	8,102	8,102	0	398	400	(2)	over	(0.5%)	
Administration Costs	3,733	3,733	0	87	99	(12)	over	(13.8%)	
Payments to Other Bodies	10,270	10,270	0	1,821	1,821	0	-	0.0%	
Payments to Contractors	51,911	51,911	0	7,981	7,975	6	under	0.1%	
Transfer Payments	586	586	0	146	144	2	under	1.4%	
Financing Charges	227	227	0	6	5	1	under	16.7%	
Total Controllable Exp.	158,790	158,790	0	19,697	19,702	(5)	over	(0.0%)	
Total Controllable Inc.	(65,840)	(65,840)	0	(7,188)	(7,193)	5	Over recovered	0.0%	
Net Controllable Exp.	92,950	92,950	0	12,509	12,509	0	-	0.0%	

Variance Explanations

Detailed within Appendices B to F.

Budget Virements

Budget virements are shown in Appendices B to F.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 May 2017 (No.3)

Facilities, Streets and Waste (including Support)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/05/17	Actual 26/05/17	Variance 26/05/17		% Variance 26/05/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	48,057	48,057	0	6,363	6,368	(5)	over	(0.1%)	a,b,c,e,f,g
Property Costs	12,513	12,513	0	81	82	(1)	over	(1.2%)	a,d,f,g
Supplies & Services	5,925	5,925	0	797	789	8	under	1.0%	a,b,c,e,f,g
Transport & Plant	7,689	7,689	0	361	363	(2)	over	(0.6%)	a,b,c,d,e,f,g,h
Administration Costs	3,316	3,316	0	35	38	(3)	over	(8.6%)	a,b,c,d,e,f,g
Payments to Other Bodies	19	19	0	11	17	(6)	over	(54.5%)	f
Payments to Contractors	13,116	13,116	0	2,347	2,340	7	under	0.3%	b,c,f,g
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	132	132	0	3	2	1	under	33.3%	b,e,f
Total Controllable Exp.	90,767	90,767	0	9,998	9,999	(1)	over	(0.0%)	
Total Controllable Inc.	(56,387)	(56,387)	0	(6,126)	(6,139)	13	over recovered	0.2%	a,b,f
Net Controllable Exp.	34,380	34,380	0	3,872	3,860	12	under	0.3%	

Variance Explanations

No significant variances to report.

Budget Virements

- Transfer of Facilities Management Trading service budget net effect (£4.035m): Employee Costs £18.097m, Property Costs £0.591m, Supplies and Services £3.896m, Transport and Plant £0.143m, Administration Costs £1.388m, Income (£28.150m).
- Transfer of Grounds Trading service budget net effect (£2.235m): Employee Costs £8.980m, Supplies and Services £0.778m, Transport and Plant £2.058m, Administration Costs £1.724m, Payment to Contractors £0.152m, Financing Charges £0.052m, Income (£15.979m).
- Realignment of budget (Waste) Net Effect £0.000m: Employee Costs (£0.138m), Supplies and Services (£0.246m), Transport and Plant £0.100m, Administration Costs (£0.207m), Payment to Contractors £0.491m
- Corporate Insurance saving Net effect (£0.073m): Property Costs (£0.042m), Transport and Plant (£0.009m), Administration Costs (£0.022m)
- Transfer of support budgets to Finance & Corporate Resources Net effect (£0.103m): Employee Costs (£0.003m), Supplies and Services (£0.006m), Transport and Plant (£0.001m), Administration Costs (£0.091m), Financing Charges (£0.002m)
- Realignment of budget (Facilities) Net Effect £0.000m: Employee Costs (£0.014m), Property Costs (£0.059m), Supplies and Services (£0.009m), Transport and Plant £0.002m, Administration Costs £0.011m, Payment to other Bodies (£0.012m), Payment to Contractors (£0.009m), Financing Charges (£0.001m), Income £0.091m
- Realignment of budget (Ops Admin) Net Effect £0.000m: Employee Costs (£0.001m), Property Costs (£0.006m), Supplies and Services £0.010m, Transport and Plant (£0.003m), Administration Costs (£0.006m), Payment to Contractors £0.006m
- Reallocation of 2017/18 Alternative Service Delivery Model (ASDM) saving from Environmental including Projects (£0.500m): Transport (£0.500m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 May 2017 (No.3)

Environmental (Incl Projects)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/05/17	Actual 26/05/17	Variance 26/05/17		% Variance 26/05/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,992	3,992	0	505	499	6	under	1.2%	a
Property Costs	12	12	0	2	1	1	under	50.0%	
Supplies & Services	91	91	0	6	6	0	-	0.0%	
Transport & Plant	107	107	0	14	13	1	under	7.1%	b,c
Administration Costs	31	31	0	10	19	(9)	over	(90.0%)	
Payments to Other Bodies	131	131	0	13	12	1	under	7.7%	
Payments to Contractors	306	306	0	124	125	(1)	over	(0.8%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	0	0	0	-	n/a	
Total Controllable Exp.	4,695	4,695	0	674	675	(1)	over	(0.1%)	
Total Controllable Inc.	(951)	(951)	0	(97)	(98)	1	over recovered	1.0%	
Net Controllable Exp.	3,744	3,744	0	577	577	0	-	0.0%	

Variance Explanations

No significant variances to report

Budget Virements

- Reallocation of 2017/18 approved Corporate Overtime savings £0.148m : Employee Costs £0.148m
- Reallocation of 2017/18 Fleet Saving (£0.328m), Transfer to Fleet Trading : Transport (£0.328m)
- Reallocation of 2017/18 Alternative Service Delivery Model (ASDM) saving £0.500m, Transfer to Waste : Transport £0.500m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 May 2017 (No.3)

Leisure and Culture

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/05/17	Actual 26/05/17	Variance 26/05/17		% Variance 26/05/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4	4	0	1	1	0	-	0.0%	
Property Costs	238	238	0	12	12	0	-	0.0%	a
Supplies & Services	0	0	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	9	9	0	0	0	0	-	n/a	
Payments to Other Bodies	71	71	0	0	0	0	-	n/a	
Payments to Contractors	18,362	18,362	0	4,590	4,590	0	-	0.0%	b
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	18,684	18,684	0	4,603	4,603	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	18,684	18,684	0	4,603	4,603	0	-	0.0%	

Variance Explanations

No variances to report.

Budget Virements

- Corporate Insurance saving Net effect (£0.003m): Property Costs (£0.003m)
- Reallocation of Casual Hire saving from Fleet Trading £0.011m: Payment to Contractor £0.011m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 May 2017 (No.3)

Planning and Economic Development

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/05/17	Actual 26/05/17	Variance 26/05/17		% Variance 26/05/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,854	4,854	0	673	703	(30)	over	(4.5%)	1,a,b
Property Costs	35	35	0	2	2	0	-	0.0%	
Supplies & Services	56	56	0	1	1	0	-	0.0%	
Transport & Plant	29	29	0	4	5	(1)	over	(25.0%)	
Administration Costs	79	79	0	14	14	0	-	0.0%	
Payments to Other Bodies	3,529	3,529	0	435	435	0	-	0.0%	c,d,e
Payments to Contractors	302	302	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	33	33	0	1	1	0	-	0.0%	
Total Controllable Exp.	8,917	8,917	0	1,130	1,161	(31)	over	(2.7%)	
Total Controllable Inc.	(4,187)	(4,187)	0	(438)	(438)	0	-	0.0%	b,d,e
Net Controllable Exp.	4,730	4,730	0	692	723	(31)	over	(4.5%)	

Variance Explanations

1. **Employee Costs:** The overspend relates to employee savings still to be implemented.

Budget Virements

- a. Transfer from Support Services of 17/18 employee saving £0.090m: Employee Costs £0.090m.
- b. Establish budget for Opportunities for All funding. Net effect £0.000m: Employee Costs £0.045m and Income (£0.045m).
- c. Transfer from Finance & Corporate Resources for 17/18 VASLAN saving £0.082m: Payments to Other Bodies £0.082m.
- d. Establish budget for Scotland's Employment Recruitment Initiative funding. Net Effect £0.000m: Payments to Other Bodies £0.185m and income (£0.185m).
- e. Establish budget for Hamilton Palace Grounds income. Net Effect £0.000m: Payments to Other Bodies £0.042m and income (£0.042m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 26 May 2017 (No.3)

Roads Total

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/05/17	Actual 26/05/17	Variance 26/05/17		% Variance 26/05/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,402	5,402	0	779	758	21	under	2.7%	1,a
Property Costs	1,221	1,221	0	7	7	0	-	0.0%	b
Supplies & Services	1,561	1,561	0	29	29	0	-	0.0%	
Transport & Plant	277	277	0	19	19	0	-	0.0%	
Administration Costs	298	298	0	28	28	0	-	0.0%	b
Payments to Other Bodies	6,520	6,520	0	1,362	1,357	5	under	0.4%	
Payments to Contractors	19,825	19,825	0	920	920	0	-	0.0%	a,c,d
Transfer Payments	586	586	0	146	144	2	under	1.4%	
Financing Charges	37	37	0	2	2	0	-	0.0%	
Total Controllable Exp.	35,727	35,727	0	3,292	3,264	28	under	0.9%	
Total Controllable Inc.	(4,315)	(4,315)	0	(527)	(518)	(9)	under recovered	(1.7%)	c
Net Controllable Exp.	31,412	31,412	0	2,765	2,746	19	under	0.7%	

Variance Explanations

- Employee Costs:** The under spend mainly relates to employee turnover within Car Parking.

Budget Virements

- Realignment of Flood Risk Management budget. Net effect £0.000m: Employee Costs £0.050m, Payments to Contractors (£0.050m).
- Insurance saving (£0.033m): Property Costs (£0.001m) and Administration Costs (£0.032m).
- Establish budget for Transport Scotland Act Income. Net effect £0.000m: Payments to Contractors £0.065m and Income (£0.065m).
- Transfer of CFCR for Street Lighting Programme (£0.271m): Payments to Contractors (£0.271m).