

Report

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Report to:	Community and Enterprise Services Committee
Date of Meeting:	12 December 2017
Report by:	Executive Director (Finance and Corporate Resources) 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 13 October 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.
- (2) that the proposed budget virements be approved.

3. Background

- 3.1. This is the third 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 explanations.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. As at 13 October 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.

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)

7 November 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 13 October 2017.

Contact for Further Information

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

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 October 2017 (No.8)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/10/17	Actual 13/10/17	Variance 13/10/17		% Variance 13/10/17	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	63,617	63,617	0	33,213	32,895	318	under	1.0%	
Property Costs	3,120	3,120	0	1,814	1,901	(87)	over	(4.8%)	
Supplies & Services	8,165	8,165	0	3,486	3,645	(159)	over	(4.6%)	
Transport & Plant	7,778	7,778	0	3,812	3,832	(20)	over	(0.5%)	
Administration Costs	724	724	0	456	583	(127)	over	(27.9%)	
Payments to Other Bodies	11,108	11,108	0	6,106	6,097	9	under	0.1%	
Payments to Contractors	55,328	55,328	0	24,711	24,451	260	under	1.1%	
Transfer Payments	586	586	0	439	431	8	under	1.8%	
Financing Charges	180	180	0	75	73	2	under	2.7%	
Total Controllable Exp.	150,606	150,606	0	74,112	73,908	204	under	0.3%	
Total Controllable Inc.	(31,442)	(31,442)	0	(16,652)	(16,448)	(204)	under recovered	(1.2%)	
Net Controllable Exp.	119,164	119,164	0	57,460	57,460	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 13 October 2017 (No.8)

Facilities, Streets and Waste (including Support)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/10/17	Actual 13/10/17	Variance 13/10/17		% Variance 13/10/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	48,804	48,804	0	25,603	25,316	287	under	1.1%	1,a,b,c
Property Costs	2,403	2,403	0	1,306	1,393	(87)	over	(6.7%)	2,b,c
Supplies & Services	6,424	6,424	0	2,920	3,070	(150)	over	(5.1%)	3,b,c
Transport & Plant	7,327	7,327	0	3,611	3,622	(11)	over	(0.3%)	b
Administration Costs	309	309	0	138	153	(15)	over	(10.9%)	c
Payments to Other Bodies	19	19	0	15	20	(5)	over	(33.3%)	
Payments to Contractors	14,855	14,855	0	8,260	8,238	22	under	0.3%	4,b
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	82	82	0	31	29	2	under	6.5%	
Total Controllable Exp.	80,223	80,223	0	41,884	41,841	43	under	0.1%	
Total Controllable Inc.	(17,466)	(17,466)	0	(10,159)	(10,116)	(43)	under recovered	(0.4%)	5,b,c
Net Controllable Exp.	62,757	62,757	0	31,725	31,725	0	-	0.0%	

Variance Explanations

1. The variance is mainly due to vacancies within the service due to turnover and timing of recruitment, partially offset by overtime costs.
2. The overspend relates to rates associated with a civic amenity site, Muttonhole Road.
3. The overspend in supplies & services relates mainly to school meal food costs within the Catering service and will be funded by food rebate to some extent by the year end.
4. The variance relates to a lower level of tonnage disposed of within organic waste, bulky uplift and contaminated co-mingled waste. This is partially offset by refuse disposal, recycle tonnage and recycle contaminated tonnage being greater.
5. The variance is mainly due to an under recovery of income within Conference & Banqueting.

Budget Virements

- a. Transfer of budget to reflect Living Wage and Pay-award, Net effect £0.505m: Employee Costs £0.505m
- b. Realignment of budget to reflect current service delivery, Net Effect £0.000m: Employee Costs (£0.130m), Property Costs (£0.005m), Supplies and Services £0.084m, Transport & Plant (£0.015m), Payment to Contractor £0.080m, Income (£0.014m)
- c. Realignment of budget to reflect change in status of Facilities Management, Net Effect £23.345m: Employees £0.146m, Property Costs (£0.053m), Supplies & Services (£0.042m), Administration (£0.002m), Income £23.296m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 October 2017 (No.8)

Environmental (Incl Projects)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/10/17	Actual 13/10/17	Variance 13/10/17		% Variance 13/10/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,985	3,985	0	2,050	1,925	125	under	6.1%	1
Property Costs	12	12	0	4	4	0	-	0.0%	
Supplies & Services	130	130	0	42	50	(8)	over	(19.0%)	
Transport & Plant	146	146	0	86	83	3	under	3.5%	
Administration Costs	34	34	0	15	126	(111)	over	(740.0%)	2
Payments to Other Bodies	177	177	0	102	102	0	-	0.0%	
Payments to Contractors	833	833	0	340	350	(10)	over	(2.9%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	10	10	0	-	0.0%	
Total Controllable Exp.	5,342	5,342	0	2,649	2,650	(1)	over	(0.0%)	
Total Controllable Inc.	(973)	(973)	0	(459)	(460)	1	over recovered	0.2%	
Net Controllable Exp.	4,369	4,369	0	2,190	2,190	0	-	0.0%	

Variance Explanations

1. The variance is mainly due to vacancies within Environmental Services.
2. The variance is due to legal costs.

Budget Virements

No major budget virements.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 October 2017 (No.8)

Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/10/17	Actual 13/10/17	Variance 13/10/17		% Variance 13/10/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	2	2	0	-	0.0%	
Property Costs	130	130	0	54	54	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	8	8	0	8	8	0	-	0.0%	
Payments to Other Bodies	71	71	0	8	8	0	-	0.0%	
Payments to Contractors	18,443	18,443	0	9,174	9,174	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.	18,656	18,656	0	9,246	9,246	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	18,656	18,656	0	9,246	9,246	0	-	0.0%	

Variance Explanations

No variances to report.

Budget Virements

- a. Realignment of budget to reflect change in status of Facilities Management, Net Effect (£0.109m): Property (£0.109m)
 b. Transfer of budget to reflect Living Wage and Pay-award, Net Effect £0.091m : Payment to Contractors £0.091m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 October 2017 (No.8)

Planning and Economic Development

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/10/17	Actual 13/10/17	Variance 13/10/17		% Variance 13/10/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,150	5,150	0	2,652	2,766	(114)	over	(4.3%)	1
Property Costs	26	26	0	6	6	0	-	0.0%	
Supplies & Services	56	56	0	47	48	(1)	over	(2.1%)	
Transport & Plant	29	29	0	15	27	(12)	over	(80.0%)	2
Administration Costs	75	75	0	55	56	(1)	over	(1.8%)	a
Payments to Other Bodies	5,372	5,372	0	1,924	1,924	0	-	0.0%	b,c,d,e,f
Payments to Contractors	2,142	2,142	0	758	758	0	-	0.0%	g
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	33	33	0	12	12	0	-	0.0%	
Total Controllable Exp.	12,883	12,883	0	5,469	5,597	(128)	over	(2.3%)	
Total Controllable Inc.	(8,403)	(8,403)	0	(4,113)	(3,976)	(137)	under recovered	(3.3%)	3,b,c,d,e,f,g
Net Controllable Exp.	4,480	4,480	0	1,356	1,621	(265)	over	(19.5%)	

Variance Explanations

1. The overspend relates to current establishment of staffing.
2. The overspend is due to the cost of staff transport for business purposes.
3. The under recovery is due to fewer than anticipated Planning and Building Warrant Applications.

Budget Virements

- a. Realignment of budget to reflect change in status of Facilities Management (£0.005m): Administration (£0.005m).
- b. Establish budget for Participatory Budgeting income. Net Effect £0.000m: Payments to Other Bodies £0.080m and Income (£0.080m).
- c. Establish budget for Smarter Choices Smarter Places income. Net Effect £0.000m: Payments to Other Bodies £0.141m and Income (£0.141m).
- d. Establish budget for Strathaven Conservation Area Regeneration Scheme income. Net Effect £0.000m: Payments to Other Bodies £0.100m and Income (£0.100m).
- e. Establish budget for Youth Employment Initiative European Social Fund funding. Net Effect £0.000m: Payments to Other Bodies £1.105m and income (£1.105m).
- f. Establish budget for Employability Pipeline European Social Fund funding. Net Effect £0.000m: Payments to Other Bodies £0.519m and income (£0.519m).
- g. Establish budget for Broken Cross and Glentaggart bonds carry forward. Net effect £0.000m: Payments to Contractors £1.840m and Income (£1.840m).

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 13 October 2017 (No.8)

Roads Total

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/10/17	Actual 13/10/17	Variance 13/10/17		% Variance 13/10/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,674	5,674	0	2,906	2,886	20	under	0.7%	1
Property Costs	549	549	0	444	444	0	-	0.0%	a
Supplies & Services	1,555	1,555	0	477	477	0	-	0.0%	a
Transport & Plant	276	276	0	100	100	0	-	0.0%	
Administration Costs	298	298	0	240	240	0	-	0.0%	
Payments to Other Bodies	5,469	5,469	0	4,057	4,043	14	under	0.3%	a
Payments to Contractors	19,055	19,055	0	6,179	5,931	248	under	4.0%	2,a,b
Transfer Payments	586	586	0	439	431	8	under	1.8%	
Financing Charges	40	40	0	22	22	0	-	0.0%	
Total Controllable Exp.	33,502	33,502	0	14,864	14,574	290	under	2.0%	
Total Controllable Inc.	(4,600)	(4,600)	0	(1,921)	(1,896)	(25)	under recovered	(1.3%)	3
Net Controllable Exp.	28,902	28,902	0	12,943	12,678	265	under	2.0%	

Variance Explanations

1. The underspend mainly relates to staff turnover savings, and vacancies are considered as part of future service delivery.
2. The underspend is mainly due to continued savings resulting from the Street Lighting Improvement Programme.
3. The under recovery is due to reduced income from car parks.

Budget Virements

- a. Realignment of budget to reflect change in status of Facilities Management, Net Effect (£1.172m): Property (£0.036m), Supplies & Services (£0.003m), Payments to Other Bodies (£1.074m), Payments to Contractors (£0.059m).
- b. Transfer of budget to Loan Charges for Street Lighting Programme (£0.670m): Payments to Contractors (£0.670m).