

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	11 October 2016
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Enterprise Services - Revenue Budget Monitoring 2016/2017
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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 19 August 2016 for Enterprise Services
- ◆ provide a forecast for the year to 31 March 2017.

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 £0.072 million (0.6%), as detailed in Appendices B to E of the report, and the forecast to 31 March 2017 of a breakeven position, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the second revenue budget monitoring report presented to the Enterprise Services Committee for the financial year 2016/2017.

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, 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 19 August 2016, the Enterprise Services' variance from phased budget is an overspend of £0.072 million (0.6%). The Enterprise Services' forecast for the revenue budget to 31 March 2017 is a breakeven position.

5.2. 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)

5 September 2016

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Enterprise Services Committee – 12 July 2016

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 19 August 2016.

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16		% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	37,757	37,757	0	13,744	13,666	78	under	0.6%	
Property Costs	13,631	13,631	0	5,528	5,524	4	under	0.1%	
Supplies & Services	4,141	4,141	0	1,227	1,224	3	under	0.2%	
Transport & Plant	6,008	6,008	0	2,145	2,148	(3)	over	(0.1%)	
Administration Costs	1,082	1,082	0	238	256	(18)	over	(7.6%)	
Payments to Other Bodies	11,543	11,543	0	5,625	5,643	(18)	over	(0.3%)	
Payments to Contractors	53,312	53,312	0	15,538	15,500	38	under	0.2%	
Transfer Payments	586	586	0	293	293	0	-	0.0%	
Financing Charges	186	186	0	76	77	(1)	over	(1.3%)	
Total Controllable Exp.	128,246	128,246	0	44,414	44,331	83	under	0.2%	
Total Controllable Inc.	(24,737)	(24,737)	0	(7,766)	(7,686)	(80)	under recovered	(1.0%)	
Net Controllable Exp.	103,509	103,509	0	36,648	36,645	3	under	0.0%	

Variance Explanations

Detailed within Appendix B.

Budget Virements

Budget virements are shown in Appendices B to E.

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Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Planning and Building Standards

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance		% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,078	3,078	0	1,124	1,119	5	under	0.4%	
Property Costs	47	47	0	16	16	0	-	0.0%	
Supplies & Services	41	41	0	25	29	(4)	over	(16.0%)	
Transport & Plant	24	24	0	10	17	(7)	over	(70.0%)	
Administration Costs	106	106	0	62	66	(4)	over	(6.5%)	a
Payments to Other Bodies	124	124	0	18	18	0	-	0.0%	
Payments to Contractors	1,336	1,336	0	396	396	0	-	0.0%	b
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	22	22	0	8	8	0	-	0.0%	
Total Controllable Exp.	4,778	4,778	0	1,659	1,669	(10)	over	(0.6%)	
Total Controllable Inc.	(4,771)	(4,771)	0	(2,174)	(2,111)	(63)	under recovered	(2.9%)	1,b
Net Controllable Exp.	7	7	0	(515)	(442)	(73)	over	(14.2%)	

Variance Explanations**1. Income**

The under recovery reflects the level of planning applications to date.

Budget Virements

- Transfer from Reserves for Planning Inquiries carried forward from previous year £0.040m: Administration Costs £0.040m
- Establish budget for Broken Cross project. Net effect £0.000m: Payments to Contractors £1.034m and Income (£1.034m).

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Regeneration

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16		% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,358	2,358	0	862	861	1	under	0.1%	a,b
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	16	16	0	7	7	0	-	0.0%	
Transport & Plant	11	11	0	4	4	0	-	0.0%	a
Administration Costs	44	44	0	4	4	0	-	0.0%	
Payments to Other Bodies	2,723	2,723	0	1,746	1,746	0	-	0.0%	a,c,d
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	5	4	1	under	20.0%	
Total Controllable Exp.	5,163	5,163	0	2,628	2,626	2	under	0.1%	
Total Controllable Inc.	(1,179)	(1,179)	0	(214)	(213)	(1)	under recovered	(0.5%)	a,b,d
Net Controllable Exp.	3,984	3,984	0	2,414	2,413	1	under	0.0%	

Budget Virements

- Establish budget for Opportunities for All and 16 plus funding from Scottish Government. Net effect £0.000m: Employee Costs £0.103m, Transport and Plant £0.006m, Payments to Other Bodies £0.134m and Income (£0.243m).
- Realignment of budget to reflect current service delivery. Net effect £0.000m: Employee Costs £0.299m and Income (£0.299m).
- Transfer of Employability Pipeline budget from Tackling Poverty Programme £1.037m: Payments to Other Bodies £1.037m.
- Smarter Choices Smarter Places funding from Transport Scotland. Net effect £0.000m: Payments to Other Bodies £0.290m and income (£0.290m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Roads

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16		% Variance 19/08/16	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,977	5,977	0	2,162	2,157	5	under	0.2%	a
Property Costs	1,220	1,220	0	269	269	0	-	0.0%	a
Supplies & Services	2,032	2,032	0	288	288	0	-	0.0%	a,f
Transport & Plant	276	276	0	92	92	0	-	0.0%	a
Administration Costs	350	350	0	59	61	(2)	over	(3.4%)	a
Payments to Other Bodies	6,804	6,804	0	3,324	3,325	(1)	over	0.0%	a,b,d
Payments to Contractors	19,508	19,508	0	4,541	4,541	0	-	0.0%	a,c,e,f
Transfer Payments	586	586	0	293	293	0	-	0.0%	
Financing Charges	37	37	0	17	19	(2)	-	(11.8%)	a
Total Controllable Exp.	36,790	36,790	0	11,045	11,045	0	-	0.0%	
Total Controllable Inc.	(4,623)	(4,623)	0	(1,390)	(1,390)	0	-	0.0%	a
Net Controllable Exp.	32,167	32,167	0	9,655	9,655	0	-	0.0%	

Budget Virements

- Realignment of budget to reflect current service delivery. Net effect £0.000m: Employee Costs £0.121m, Property Costs £0.005m, Supplies and Services £0.004m, Transport and Plant £0.001m, Administration Costs £0.001m, Payments to Other Bodies £0.012m, Payments to Contractors (£0.152m), Financing Charges £0.001m and Income £0.007m.
- Transfer from Reserves for payment to Strathclyde Partnership for Transport carried forward from previous year £0.090m: Payments to Other Bodies £0.090m.
- Transfer from Reserves for Flood Grant funding carried forward from previous year £0.022m: Payments to Contractors £0.022m.
- Reallocation of Living Wage and National Insurance from Facilities Trading Operation £0.045m: Payments to Other Bodies £0.045m
- Transfer to Loan Charges for Street Lighting Programme (£0.731m): Payments to Contractors (£0.731m)
- Transfer of CFCR for Street Lighting Programme (£1.325m): Supplies and Services (£1.189m), Payments to Contractors (£0.136m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 19 August 2016 (No.6)

Tackling Poverty Programme

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/08/16	Actual 19/08/16	Variance 19/08/16		% Variance 19/08/16	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	1,654	1,654	0	471	471	0	-	0.0%	a
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.	1,654	1,654	0	471	471	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	1,654	1,654	0	471	471	0	-	0.0%	

Budget Virements

a. Transfer of Employability Pipeline budget to Regeneration (£1.037m): Payments to Other Bodies (£1.037m).