

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	4 October 2022
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)

Subject:	Community and Enterprise Resources - Revenue Budget Monitoring 2022/2023
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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 12 August 2022 for Community and Enterprise Resources

2. Recommendation(s)

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

- (1) that an overspend of £0.050 million as at 12 August 2022 on Community and Enterprise Resources' revenue budget, as detailed in Appendix A of the report be noted; and
- (2) that the proposed budget virements, as detailed in appendices B to F, be approved.

3. Background

3.1. This is the second revenue budget monitoring report presented to the Community and Enterprise Resources Committee for the financial year 2022/2023. The report reflects the new senior management and service structure for Community and Enterprise Resources.

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.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 12 August 2022, there is a reported overspend of £0.050 million against the phased budget.

5.2. The report details the financial position for Community and Enterprise Resources in Appendix A and variance explanations for each service area are detailed in appendices B to F where appropriate.

5.3. 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. Climate Change, Sustainability and Environmental Implications

6.1. There are no implications for climate change, sustainability or environment in terms of the information contained in the report

7. Other Implications

7.1. The main risk associated with the Council's revenue budget is that there is an overspend. There are inflationary and budget pressures including utilities and fuel (as well as general inflation pressures) this year which increase the risk of overspend, however, we have mitigated this going forward by providing additional funds in future years' budget strategy, and in this year, through some reserve funds available. There are also emerging underspends in employee costs which will help offset increasing inflationary pressures.

7.2. We will also continue to monitor the actual impact 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.

8. Equality Impact Assessment and Consultation Arrangements

8.1. 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.

8.2. 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)

David Booth

Executive Director (Community and Enterprise Resources)

7 September 2022

Link(s) to Council Values/Priorities/Outcomes

♦ Accountable, effective, efficient and transparent

Previous References

♦ None

List of Background Papers

♦ Financial ledger and budget monitoring results to 12 August 2022

Contact for Further Information

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

Louise Harvey, Finance Manager

Ext: 2658 (Tel: 01698 452658)

E-mail: louise.harvey@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period 5 Ended 12 August 2022 (No.5)

Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/08/22	Actual 12/08/22	Variance 12/08/22		% Variance 12/08/22	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	88,984	88,984	0	30,006	29,338	668	under	2.2%	
Property Costs	3,642	3,642	0	521	794	(273)	over	(52.4%)	
Supplies & Services	17,070	17,070	0	4,727	4,653	74	under	1.6%	
Transport & Plant	22,665	22,665	0	7,984	8,342	(358)	over	(4.5%)	
Administration Costs	804	804	0	164	172	(8)	over	(4.9%)	
Payments to Other Bodies	9,732	9,732	0	3,354	3,355	(1)	over	0.0%	
Payments to Contractors	44,415	44,415	0	17,198	17,198	0	-	0.0%	
Transfer Payments	603	603	0	302	302	0	-	0.0%	
Financing Charges	185	185	0	9	12	(3)	over	(33.3%)	
Total Controllable Exp.	188,100	188,100	0	64,265	64,166	99	under	0.2%	
Total Controllable Inc.	(65,471)	(65,471)	0	(22,394)	(22,245)	(149)	under recovered	(0.7%)	
Net Controllable Exp.	122,629	122,629	0	41,871	41,921	(50)	over	(0.1%)	

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 12 August 2022 (No.5)

Facilities, Waste and Grounds Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 12/08/22 £000	Actual 12/08/22 £000	Variance 12/08/22 £000		% Variance 12/08/22	Note
Employee Costs	55,398	55,398	0	18,847	18,671	176	under	0.9%	1,c
Property Costs	1,749	1,749	0	225	232	(7)	over	(3.1%)	a,c
Supplies & Services	8,081	8,081	0	2,009	1,891	118	under	5.9%	2,a,c
Transport & Plant	8,310	8,310	0	3,466	3,465	1	under	0.0%	b,c
Administration Costs	173	173	0	41	47	(6)	over	(14.6%)	a
Payments to Other Bodies	41	41	0	3	3	0	-	0.0%	
Payments to Contractors	17,172	17,172	0	5,326	5,326	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	45	45	0	4	4	0	-	0.0%	
Total Controllable Exp.	90,969	90,969	0	29,921	29,639	282	under	0.9%	
Total Controllable Inc.	(18,503)	(18,503)	0	(9,139)	(8,926)	(213)	under recovered	(2.3%)	3,c
Net Controllable Exp.	72,466	72,466	0	20,782	20,713	69	under	0.3%	

Variance Explanations

1. The variance is mainly due to vacancies that are being actively recruited within School Crossing Patrollers, Catering, Cleaning and Janitors services within Facilities.
2. The variance is due to an under spend on school meals food purchases and is offset by an under recovery in school meal income.
3. The variance is due to an under recovery in school meals income, income from Horizons restaurant, hospitality and cleaning service movements, a decrease in uptake in the Care of Gardens service within Grounds partially offset by income from the provision of additional conference & banqueting services for Vaccination centre.

Budget Virements

- a. Removal of funding for procurement savings in 2022/2023. Net effect (£0.018m): Property (£0.008m), Supplies (£0.008m), Administration (£0.002m).
- b. Transfer from reserves temporary budget in respect of funding for red diesel and fuel price increases. Net effect £0.822m: Transport £0.822m.
- c. Realign budget to reflect service delivery within Facilities, Grounds and Streets & Bereavement. Net effect £0.000m: Employees (£0.567m), Property £0.111m, Supplies and Services £0.301m, Transport £0.037m, Income £0.118m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 August 2022 (No.5)

Planning and Regulatory Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/08/22	Actual 12/08/22	Variance 12/08/22		% Variance 12/08/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	7,317	7,317	0	2,478	2,288	190	under	7.7%	1,a,b,c
Property Costs	36	36	0	2	0	2	under	100.0%	
Supplies & Services	265	265	0	73	75	(2)	over	(2.7%)	b,c,d
Transport & Plant	126	126	0	18	16	2	under	11.1%	b
Administration Costs	126	126	0	49	46	3	under	6.1%	c,d
Payments to Other Bodies	245	245	0	13	14	(1)	over	(7.7%)	c,d
Payments to Contractors	1,624	1,624	0	378	378	0	-	0.0%	c,d
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	46	46	0	2	2	0	-	0.0%	
Total Controllable Exp.	9,785	9,785	0	3,013	2,819	194	under	6.4%	
Total Controllable Inc.	(4,773)	(4,773)	0	(1,513)	(1,714)	201	over recovered	13.3%	2,c,d
Net Controllable Exp.	5,012	5,012	0	1,500	1,105	395	under	26.3%	

Variance Explanations

1. The variance is mainly due to vacant posts within the services which are being recruited.
2. The over recovery in income is due to a greater demand for planning and building standards applications.

Budget Virements

- a. Transfer of budget from Planning and Regulatory Services to Enterprise and Sustainable Development for Head of Service post. Net effect (£0.134m): Employees (£0.134m).
- b. Transfer from reserves temporary budget in respect of funding for fuel price increases and Covid employees. Net effect £0.093m: Employees £0.051m, Supplies and Services £0.039m, Transport £0.003m.
- c. Establish budget in respect of Air Quality Projects. Net effect £0.000m: Employees £0.015m, Supplies and Services £0.001m, Administration £0.036m, Payments to Other Bodies £0.031m, Payment to Contractors £0.421m, Income (£0.504m).
- d. Realign budget to reflect service delivery within Environmental Services. Net effect £0.000m: Supplies and Services £0.041m, Administration £0.014m, Payments to Other Bodies (£0.055m), Payment to Contractors £0.664m, Income (£0.664m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 August 2022 (No.5)

South Lanarkshire Leisure and Culture

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/08/22	Actual 12/08/22	Variance 12/08/22		% Variance 12/08/22	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	4	4	0	1	1	0	-	0.0%	
Property Costs	98	98	0	29	29	0	-	0.0%	
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	0	0	0	-	n/a	
Payments to Other Bodies	80	80	0	0	0	0	-	n/a	
Payments to Contractors	20,898	20,898	0	10,655	10,655	0	-	0.0%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	21,088	21,088	0	10,685	10,685	0	-	0.0%	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	21,088	21,088	0	10,685	10,685	0	-	0.0%	

Variance Explanations

No variances to report.

Budget Virements

a. Transfer from reserves temporary budget in respect of funding for fuel price increases. Net effect £0.010m: PTC £0.010m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 August 2022 (No.5)

Enterprise and Sustainable Development

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/08/22	Actual 12/08/22	Variance 12/08/22		% Variance 12/08/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,198	5,198	0	1,724	1,720	4	under	0.2%	a,b,e
Property Costs	794	794	0	152	153	(1)	over	(0.7%)	
Supplies & Services	258	258	0	88	88	0	-	0.0%	b,
Transport & Plant	47	47	0	1	0	1	under	100.0%	e
Administration Costs	99	99	0	20	20	0	-	0.0%	
Payments to Other Bodies	4,113	4,113	0	790	790	0	-	0.0%	c,d,e
Payments to Contractors	43	43	0	43	43	0	-	0.0%	b,c
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	44	44	0	1	1	0	-	0.0%	
Total Controllable Exp.	10,596	10,596	0	2,819	2,815	4	under	0.1%	
Total Controllable Inc.	(3,423)	(3,423)	0	(1,612)	(1,606)	(6)	under recovered	(0.4%)	c,e
Net Controllable Exp.	7,173	7,173	0	1,207	1,209	(2)	over	(0.2%)	

Variance Explanations

No variances to report.

Budget Virements

- Transfer of budget from Planning and Regulatory Services to Enterprise and Sustainable Development for Head of Service post. Net effect £0.134m: Employees £0.134m.
- Transfer from reserves temporary budget in respect of the Food Development Post, Ring Doorbells and Chatelherault Rock Slopes. Net effect (£0.084m): Employees £0.056m, Supplies and Services £0.002m, Payment to Contractors £0.026m.
- Establish temporary budget for planning gain, Strathaven CARS project, Hamilton Palace Grounds and Levelling Up Fund. Net Effect £0.000m: Payment to Other Bodies £0.137m, Payment to Contractors £0.017m, Income (£0.154m).
- Transfer of budget for capital funded from revenue, Climate Challenge Investment to Nature Restoration Capital Fund. Net effect (£0.146m): Payment to Other Bodies (£0.146m).
- Realign budget to reflect service delivery within Economic Development. Net effect £0.000m: Employees £0.155m, Transport (£0.002m), Payments to Other Bodies (£0.041m), Income (£0.112m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 12 August 2022 (No.5)

Roads, Transportation and Fleet Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/08/22	Actual 12/08/22	Variance 12/08/22		% Variance 12/08/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	21,067	21,067	0	6,956	6,658	298	under	4.3%	1,c
Property Costs	965	965	0	113	380	(267)	over	(236.3%)	2
Supplies & Services	8,466	8,466	0	2,557	2,599	(42)	over	(1.6%)	
Transport & Plant	14,182	14,182	0	4,499	4,861	(362)	over	(8.0%)	3,b
Administration Costs	398	398	0	54	59	(5)	over	(9.3%)	a
Payments to Other Bodies	5,253	5,253	0	2,548	2,548	0	-	0.0%	
Payments to Contractors	4,678	4,678	0	796	796	0	-	0.0%	c
Transfer Payments	603	603	0	302	302	0	-	0.0%	
Financing Charges	50	50	0	2	5	(3)	over	(150.0%)	
Total Controllable Exp.	55,662	55,662	0	17,827	18,208	(381)	over	(2.1%)	
Total Controllable Inc.	(38,772)	(38,772)	0	(10,130)	(9,999)	(131)	under recovered	(1.3%)	4,b
Net Controllable Exp.	16,890	16,890	0	7,697	8,209	(512)	over	(6.7%)	

Variance Explanations

1. The variance is mainly due to staff turnover and vacancies within Roads and Fleet which are being recruited.
2. The overspend is in the main due to higher than anticipated electricity costs for Electrical Vehicle charging points and the upkeep of Roads depots.
3. The overspend is mainly due to the timing of efficiencies and greater than anticipated expenditure within the workshop within Fleet.
4. The under recovery is mainly due to the net effect of a less than anticipated income from maintenance works within Roads and an under recovery in taxi inspection income partially offset by income recovered from the sale of vehicles within Fleet.

Budget Virements

- a. Removal of funding for procurement savings in 2022/2023. Net effect (£0.001m): Administration (£0.001m).
- b. Transfer and establish budget in respect of funding for red diesel and fuel price increases. Net effect £0.399m: Transport £1.749m, Income (£1.350m).
- c. Realign budget to reflect service delivery within Roads Construction. Net effect £0.000m: Employees (£0.474m), Payment to Contractors £0.474m.