

# Report

Report to:	<b>Finance and Corporate Resources Committee</b>
Date of Meeting:	<b>16 November 2022</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2022/2023 - Finance and Corporate Resources</b>
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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 2022 to 7 October 2022 for Finance and Corporate Resources

## 2. Recommendation(s)

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

- (1) that the breakeven position on the Finance and Corporate Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2023 of breakeven, 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 Finance and Corporate Resources Committee for the financial year 2022/2023.

3.2. The report details the financial position for Finance and Corporate Resources on Appendix A, along with variance explanations in Appendices B to H.

## 4. Employee Implications

4.1. None.

## 5. Financial Implications

5.1. As at 7 October 2022, there is a breakeven position against the phased budget. The financial forecast for the revenue budget to 31 March 2023 is a breakeven position.

5.2. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.

## 6. Climate Change, Sustainability and Environmental Implications

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

## **7. Other Implications**

- 7.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. There are general inflation and budget 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 the report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

19 October 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 7 October 2022

## **Contact for Further Information**

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

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## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Finance and Corporate Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 07/10/22	Actual 07/10/22	Variance 07/10/22		% Variance 07/10/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	36,938	36,938	0	17,783	17,544	239	Under	1.3%	
Property Costs	1,726	1,726	0	847	850	(3)	Over	(0.4%)	
Supplies & Services	10,353	10,353	0	6,843	6,903	(60)	Over	(0.9%)	
Transport & Plant	75	75	0	13	10	3	Under	(23.1%)	
Administration Costs	8,295	8,295	0	4,406	4,468	(62)	Over	(1.4%)	
Payments to Other Bodies	8,084	8,084	0	3,061	3,061	0	-	0.0%	
Payments to Contractors	271	271	0	28	15	13	Under	46.4%	
Transfer Payments	65,107	65,107	0	29,971	29,971	0	-	0.0%	
Financing Charges	1,217	1,217	0	903	947	(44)	Over	(4.9%)	
<b>Total Controllable Exp.</b>	132,066	132,066	0	63,855	63,769	86	Under	0.1%	
<b>Total Controllable Inc.</b>	(90,074)	(90,074)	0	(36,192)	(36,106)	(86)	Under Recovered	0.2%	
<b>Net Controllable Exp.</b>	41,992	41,922	0	27,663	27,663	0	Under	0.7%	

**Variance Explanations**

Variance explanations are shown in Appendices B to H as appropriate.

**Budget Virements**

Budget virements are shown in Appendices B to H as appropriate.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Finance - Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 07/10/22	Actual 07/10/22	Variance 07/10/22		% Variance 07/10/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	2,941	2,941	0	1,446	1,420	26	Under	1.8%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	20	20	0	8	12	(4)	Over	(50.0%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	112	112	0	101	104	(3)	Over	(3%)	
Payments to Other Bodies	516	516	0	353	353	0	-	0.0%	
Payments to Contractors	22	22	0	15	15	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	16	16	0	10	10	0	-	0.0%	
<b>Total Controllable Exp.</b>	3,627	3,627	0	1,993	1,914	19	Under	1%	
<b>Total Controllable Inc.</b>	(1,604)	(1,604)	0	0	(7)	7	Over recovered	n/a	
<b>Net Controllable Exp.</b>	2,023	2,023	0	1,993	1,907	26	Under	1.3%	

Variance Explanations

- The underspend is a consequence of vacant posts within the Service, which are being considered in line with service requirements

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Finance - Transactions Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 07/10/22	Actual 07/10/22	Variance 07/10/22		% Variance 07/10/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	12,854	12,854	0	6,231	6,072	159	Under	2.6%	1,a,b,d
Property Costs	1,715	1,715	0	837	832	5	Under	0.6%	2,a,d
Supplies & Services	3,856	3,856	0	2,843	2,854	(11)	Over	(0.4%)	a
Transport & Plant	9	9	0	3	1	2	Under	66.7%	a
Administration Costs	2,238	2,238	0	1,458	1,472	(14)	Over	(1%)	a
Payments to Other Bodies	1,499	1,499	0	995	995	0	-	0.0%	
Payments to Contractors	249	249	0	13	0	13	Under	100%	
Transfer Payments	65,107	65,107	0	29,971	29,971	0	-	0.0%	
Financing Charges	142	142	0	58	75	(17)	Over	(29.3%)	a
<b>Total Controllable Exp.</b>	87,669	87,669	0	42,409	42,272	137	Under	0.3%	
<b>Total Controllable Inc.</b>	(68,829)	(68,829)	0	(30,407)	(30,381)	(26)	Under recovered	0.1%	3,a,c
<b>Net Controllable Exp.</b>	18,840	18,840	0	12,002	11,891	111	under	0.9%	

**Variance Explanations****1. Employee Costs**

The underspend is a consequence of vacant posts within the Service, which are being considered in line with service requirements.

**Budget Virements**

- Internal Budget Realignments: Net Effect: £0.000m, Employee Costs (£0.105m), Property Costs (£0.030m), Administration Costs £1.021m, Transfer Payments (£4.000m), Income £3.114m
- Externally Funded Posts for one year (LACER & Self Isolation Support): Net Effect: £0.257m, Employee costs £0.257m
- Procurement Saving: Net Effect: (£0.093m), Income (£0.093m)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Audit Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 07/10/22	Actual 07/10/22	Variance 07/10/22		% Variance 07/10/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	613	613	0	301	322	(21)	Over	(7.0%)	1,a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	7	7	0	3	1	2	Under	66.7%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	6	6	0	4	3	1	Under	25%	a
Payments to Other Bodies	1	1	0	0	0	0	-	n/a	a
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	4	4	0	3	3	0	-	0.0%	
<b>Total Controllable Exp.</b>	631	631	0	311	329	(18)	Over	(5.8%)	
<b>Total Controllable Inc.</b>	(276)	(276)	0	(1)	(19)	18	over recovered	-	2,a
<b>Net Controllable Exp.</b>	355	355	0	310	310	0	-	0.0%	

**Variance Explanations****1. Employee Costs**

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

**2. Income**

The overspend in income reflects staff funding from the European Social Fund.

**Budget Virements**

- a. Internal Budget Realignment: Net Effect: £0.000m: Employee Costs £0.039m, Administration Costs (£0.001m), Payment to Other Bodies £0.001m and Income (£0.039m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Information Technology Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 07/10/22</b>	<b>Actual 07/10/22</b>	<b>Variance 07/10/22</b>		<b>% Variance 07/10/22</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	5,067	5,067	0	2,504	2,579	(75)	Over	(3.0%)	1,a
Property Costs	0	0	0	0	(13)	13	Under	n/a	a
Supplies & Services	5,525	5,525	0	3,615	3,622	(7)	over	(0.2%)	a,b
Transport & Plant	4	4	0	1	2	(1)	Over	(100.0%)	
Administration Costs	1,604	1,604	0	720	720	0	-	0.0%	a
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	631	631	0	611	614	(3)	Over	(0.5%)	a
<b>Total Controllable Exp.</b>	12,831	12,831	0	7,451	7,524	(73)	Over	(1.0%)	
<b>Total Controllable Inc.</b>	(7,749)	(7,749)	0	(2,521)	(2,531)	10	over recovered	(0.4%)	a
<b>Net Controllable Exp.</b>	5,082	5,082	0	4,930	4,993	(63)	Over	(1.9%)	

**Variance Explanations****1. Employee Costs**

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

**Budget Virements**

- a. Internal Budget Realignments: Net Effect £0.000m: Employee Costs (£0.136m), Property Costs (£0.579m), Supplies & Services £0.278m, Administration Costs £0.316m, Financing Charges £0.130m, Income (£0.009m)
- b. Procurement Saving: Net Effect (£0.013m), Supplies & Services (£0.013m)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Personnel Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 07/10/22	Actual 07/10/22	Variance 07/10/22		% Variance 07/10/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	8,941	8,941	0	4,122	3,899	223	Under	5.4%	1,a,b,c,d,e
Property Costs	113	113	0	53	30	23	Under	43.4%	
Supplies & Services	192	192	0	77	100	(23)	Over	(29.9%)	
Transport & Plant	18	18	0	8	4	4	Under	50.0%	
Administration Costs	1,099	1,099	0	591	618	(27)	Over	(4.6%)	b
Payments to Other Bodies	3,973	3,973	0	660	660	0	-	0.0%	a,b,d
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	41	41	0	28	40	(12)	Over	(42.9%)	
<b>Total Controllable Exp.</b>	<b>14,377</b>	<b>14,377</b>	<b>0</b>	<b>5,539</b>	<b>5,351</b>	<b>188</b>	<b>under</b>	<b>4.2%</b>	
<b>Total Controllable Inc.</b>	<b>(5,994)</b>	<b>(5,994)</b>	<b>0</b>	<b>(1,067)</b>	<b>(1,067)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	<b>b,c</b>
<b>Net Controllable Exp.</b>	<b>8,383</b>	<b>8,383</b>	<b>0</b>	<b>4,472</b>	<b>4,284</b>	<b>188</b>	<b>under</b>	<b>4.2%</b>	

Variance Explanations**1. Employee Costs**

The underspend in employee costs reflects the level of modern apprentices currently required and also staff working on other funded projects.

Budget Virements

- a. Internal Budget Realignment: Net Effect £0.000m: Employee Costs £0.060m, Payment to Other Bodies (£0.060m)
- b. Upload or Renewable Budget: Net Effect: £0.000m, Employee Costs £0.066m, Administration Costs £0.056m, Payment to Other Bodies £0.324m, Income (£0.446m)
- c. Upload of Kickstart Budget: Net Effect: £0.000m, Employee Costs £0.410m, Income (£0.410m)
- d. Upload of Long Terms Unemployed Budget: Net Effect £0.000m, Employee Costs £0.036m, Payments to Other Bodies (£0.036m)
- e. Trauma funding for post: Net Effect £0.038m, Employee Costs £0.038m



## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Administration, Legal and Licensing Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 07/10/22	Actual 07/10/22	Variance 07/10/22		% Variance 07/10/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	4,098	4,098	0	2,007	2,032	(25)	Over	(1.2%)	1
Property Costs	18	18	0	0	1	(1)	Over	n/a	
Supplies & Services	120	120	0	41	56	(15)	Over	(36.6%)	
Transport & Plant	14	14	0	1	3	(2)	Over	(200%)	
Administration Costs	2,094	2,094	0	1,146	1,161	(15)	Over	(1.3%)	
Payments to Other Bodies	678	678	0	376	376	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	32	32	0	20	33	(13)	Over	(65.0%)	
<b>Total Controllable Exp.</b>	7,054	7,054	0	3,591	3,662	(71)	Over	(2.0%)	
<b>Total Controllable Inc.</b>	(2,941)	(2,941)	0	(1,222)	(1,131)	(91)	Under recovered	7.4%	
<b>Net Controllable Exp.</b>	4,113	4,113	0	2,369	2,531	(162)	over	(6.8%)	

**Variance Explanations****1. Employee Costs**

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 7 October 2022 (No.7)

## Communications and Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 07/10/22	Actual 07/10/22	Variance 07/10/22		% Variance 07/10/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	2,304	2,304	0	1,129	1,220	(91)	over	(8.1%)	1,a,b
Property Costs	0	0	0	0	0	0	-	n/a	a
Supplies & Services	633	633	0	256	258	(2)	Over	(0.8%)	a
Transport & Plant	30	30	0	0	0	0	-	n/a	
Administration Costs	1,142	1,142	0	386	390	(4)	Over	(1.0%)	a
Payments to Other Bodies	1,417	1,417	0	677	677	0	-	0.0%	a,b,c
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	351	351	0	173	172	1	Under	0.6%	a
<b>Total Controllable Exp.</b>	5,877	5,877	0	2,621	2,717	(96)	Over	(3.7%)	
<b>Total Controllable Inc.</b>	(2,681)	(2,681)	0	(974)	(970)	(4)	under recovered	0.4%	a
<b>Net Controllable Exp.</b>	3,196	3,196	0	1,647	1,747	(100)	over	(6.1%)	

**Variance Explanations****1. Employee Costs**

The overspend is mainly due to lower than anticipated staff turnover across the Service to date.

**Budget Virements**

- Internal Budget Realignment: Net Effect £0.000m: Employee Costs (£0.169m), Property Costs (£0.040m), Supplies and Services (£0.046m), Administration Costs (£0.076m), Payments to Other Bodies (£0.023m), Financing Charges £0.005m, Income £0.349m
- Transfer of Community Asset Budget from Housing & Technical: Net Effect £0.113m. Employee Costs £0.045m, Payments to Other Bodies £0.068m
- Upload of Citizen Advice Bureau Funding: Net Effect £0.040m, Payment to Other Bodies £0.040m