

Report

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| Report to: | Executive Committee |
| Date of Meeting: | 15 August 2018 |
| Report by: | Executive Director (Finance and Corporate Resources) |

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| Subject: | Trading Services Financial Performance for Period 1 April to 22 June 2018 |
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the estimated surplus for each of the Council's Trading Operations
- ◆ provide information on the actual surplus as at 22 June 2018
- ◆ provide an update on the projected results for the financial year 2018/2019

2. Recommendation(s)

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

- (1) that the surplus achieved to 22 June 2018 of £3.237 million, as detailed in Appendix A of the report, be noted.

3. Background

Trading Operations Position

- 3.1. As part of the budget for 2018/2019, an estimated target for Trading Operations' surpluses was set at £11.466 million. In the period to 25 May 2018, this was revised to £11.511 million.
- 3.2. Since then, in the period to 22 June 2018, a transfer of budget has taken place between the Fleet, Roads and Property Trading Operations and the Community and Enterprise and Corporate Items budgets in respect of the reallocation of approved 2018/2019 savings and the realignment of internal support budgets.
- 3.3. The effect of the above adjustments is to increase the Budgeted Trading Surplus by £0.426 million, resulting in a revised budget of £11.937 million.
- 3.4. Details of the financial performance of each of the individual Trading Operations is provided in Appendix A to this report.
- 3.5. This budgeted surplus sum will continue to be taken as a minimum target for achievement by the Trading Operations. Effort will be maintained to maximise results during the remainder of this financial year.

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. As at 22 June 2018, the actual surpluses achieved by the Trading Operations total £3.237 million.

6. Other Implications

- 6.1. The main risk associated with the Trading Operations' Budgets is that there is a reduction in the surplus achieved. The risk has been assessed as low given the detailed budget management applied across the Trading Operations. 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)

2 July 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 22 June 2018

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
Period Ended 22 June 2018 (No.4)
Trading Operations

| | 2018/2019 Revenue Budget Surplus | 2018/2019 Forecast Revenue Budget Surplus | Phased Budget (Surplus) at 22/06/18 | Actual (Surplus) / Deficit at 22/06/18 | Variance at 22/06/18 | |
|------------------------|---|--|--|---|---------------------------------|----------|
| Trading Service | £m | £m | £m | £m | £m | |
| Fleet | (3.020) | (3.020) | (0.700) | (0.700) | 0.000 | - |
| Roads | (4.512) | (4.512) | (1.024) | (1.024) | 0.000 | - |
| Property Services | (4.405) | (4.405) | (1.513) | (1.513) | 0.000 | - |
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| Total | (11.937) | (11.937) | (3.237) | (3.237) | 0.000 | - |