

# Report

Report to:	<b>Community and Enterprise Resources Committee</b>
Date of Meeting:	<b>9 August 2022</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Community and Enterprise Resources - Revenue Budget Monitoring 2022/2023</b>
----------	---

## 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 20 May 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 £0.001m as at 20 May 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 first revenue budget monitoring report presented to the Community and Enterprise Resources Committee for the financial year 2022/2023.

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 20 May 2022, there is a reported overspend of £0.001m 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 over spend. 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.

## **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)**

4 July 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 20 May 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](mailto:louise.harvey@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period 2 Ended 20 May 2022 (No.2)

## Community and Enterprise Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/05/22	Actual 20/05/22	Variance 20/05/22		% Variance 20/05/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	89,744	89,744	0	10,086	9,836	250	under	2.5%	
Property Costs	3,539	3,539	0	162	219	(57)	over	(35.2%)	
Supplies & Services	16,695	16,695	0	1,242	1,238	4	under	0.3%	
Transport & Plant	21,407	21,407	0	3,702	3,903	(201)	over	(5.4%)	
Administration Costs	758	758	0	50	52	(2)	over	(4.0%)	
Payments to Other Bodies	9,806	9,806	0	1,383	1,382	1	under	0.1%	
Payments to Contractors	42,804	42,804	0	6,851	6,851	0	-	0.0%	
Transfer Payments	603	603	0	179	179	0	-	0.0%	
Financing Charges	185	185	0	5	6	(1)	over	(20.0%)	
<b>Total Controllable Exp.</b>	185,541	185,541	0	23,660	23,666	(6)	over	0.0%	
<b>Total Controllable Inc.</b>	(62,804)	(62,804)	0	(13,534)	(13,539)	5	over recovered	0.0%	
<b>Net Controllable Exp.</b>	122,737	122,737	0	10,126	10,127	(1)	over	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 20 May 2022 (No.2)

## Facilities, Streets, Waste and Grounds (including Support)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/05/22	Actual 20/05/22	Variance 20/05/22		% Variance 20/05/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	58,974	58,974	0	6,548	6,466	82	under	1.3%	1,a,b,c
Property Costs	1,841	1,841	0	89	110	(21)	over	(23.6%)	c
Supplies & Services	8,029	8,029	0	706	702	4	under	0.6%	a,b,c
Transport & Plant	7,496	7,496	0	1,962	1,962	0	-	0.0%	b
Administration Costs	261	261	0	19	21	(2)	over	(10.5%)	a,c
Payments to Other Bodies	1,149	1,149	0	0	0	0	-	n/a	a
Payments to Contractors	17,172	17,172	0	955	955	0	-	0.0%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	77	77	0	3	3	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>94,999</b>	<b>94,999</b>	<b>0</b>	<b>10,282</b>	<b>10,219</b>	<b>63</b>	<b>under</b>	<b>0.6%</b>	
<b>Total Controllable Inc.</b>	<b>(18,961)</b>	<b>(18,961)</b>	<b>0</b>	<b>(7,542)</b>	<b>(7,517)</b>	<b>(25)</b>	<b>under recovered</b>	<b>(0.3%)</b>	<b>2,a,c</b>
<b>Net Controllable Exp.</b>	<b>76,038</b>	<b>76,038</b>	<b>0</b>	<b>2,740</b>	<b>2,702</b>	<b>38</b>	<b>under</b>	<b>1.4%</b>	

Variance Explanations

- The variance is mainly due to vacancies within School Crossing Patrollers, Catering, Cleaning and Janitors services within Facilities.
- The under recovery of income is due to reduced hospitality income within Facilities and the decrease in uptake of the Care of Gardens service within Grounds, partially offset by the provision of additional services within Cleaning and Housing and income from the hire of the banqueting suite.

Budget Virements

- Establish temporary budget to reflect transfer from reserves for 22/23 Disposal Tonnage Funding, Investment in Climate Challenge South Lanarkshire, Food Strategy Support Fund and Food Funding. Net effect £3.595m: Employees £0.119m, Supplies £0.462m, Administration £0.006m, PTOB £1.108m, PTC £1.900m.
- Transfer to reserves temporary budget in respect of Waste Management / Fly Tipping. Net effect (£0.395m): Employees (£0.107m), Supplies (£0.254m), Transport (£0.034m).
- Realign budget to reflect service delivery within Facilities. Net effect £0.000m: Employees £0.218m, Property £0.085m, Supplies and Services (£0.567m), Administration £0.009m, Income £0.255m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 20 May 2022 (No.2)

## Fleet and Environmental Services (Incl Projects)

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 20/05/22</b>	<b>Actual 20/05/22</b>	<b>Variance 20/05/22</b>		<b>% Variance 20/05/22</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	9,251	9,251	0	1,209	1,111	98	under	8.1%	1
Property Costs	181	181	0	13	11	2	under	15.4%	
Supplies & Services	260	260	0	31	32	(1)	over	(3.2%)	
Transport & Plant	9,585	9,585	0	1,014	1,213	(199)	over	(19.6%)	2,a
Administration Costs	31	31	0	5	5	0	-	0.0%	
Payments to Other Bodies	122	122	0	5	4	1	under	20.0%	
Payments to Contractors	237	237	0	61	60	1	under	1.6%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	25	25	0	0	0	0	-	n/a	
<b>Total Controllable Exp.</b>	19,692	19,692	0	2,338	2,436	(98)	over	(4.2%)	
<b>Total Controllable Inc.</b>	(18,862)	(18,862)	0	(3,064)	(3,121)	57	over recovered	1.9%	3
<b>Net Controllable Exp.</b>	830	830	0	(726)	(685)	(41)	over	(5.6%)	

**Variance Explanations**

1. The variance is mainly due to vacant posts within the services which are being recruited.
2. The overspend mainly relates to the timing in the achievement of efficiencies and fuel costs, which is offset by an over recovery in income.
3. The over recovery relates mainly to income from fuel and from the sale of vehicles, partially offset by an under recovery in taxi inspection income within Fleet.

**Budget Virements**

- a. Establish a temporary budget for fuel price increases 22/23. Net effect £1.350m: Transport and Plant £1.350m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 20 May 2022 (No.2)

## South Lanarkshire Leisure and Culture

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/05/22	Actual 20/05/22	Variance 20/05/22		% Variance 20/05/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	4	4	0	1	1	0	-	0.0%	
Property Costs	98	98	0	13	13	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	20,888	20,888	0	5,515	5,515	0	-	0.0%	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
<b>Total Controllable Exp.</b>	21,078	21,078	0	5,529	5,529	0	-	0.0%	
<b>Total Controllable Inc.</b>	0	0	0	0	0	0	-	n/a	
<b>Net Controllable Exp.</b>	21,078	21,078	0	5,529	5,529	0	-	0.0%	

**Variance Explanations**

No variances to report.

**Budget Virements**

- a. Transfer to reserves temporary budget in respect of Community Led Activities for 23-24 expenditure. Net effect (£0.275m): PTC (£0.275m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Community and Enterprise Resources: Period Ended 20 May 2022 (No.2)

## Planning and Economic Development

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 20/05/22</b>	<b>Actual 20/05/22</b>	<b>Variance 20/05/22</b>		<b>% Variance 20/05/22</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	5,165	5,165	0	590	564	26	under	4.4%	1,a,b
Property Costs	623	623	0	0	0	0	-	0.0%	a
Supplies & Services	119	119	0	34	34	0	-	0.0%	
Transport & Plant	33	33	0	2	2	0	-	0.0%	
Administration Costs	64	64	0	8	8	0	-	0.0%	
Payments to Other Bodies	3,205	3,205	0	103	103	0	-	0.0%	a,b
Payments to Contractors	302	302	0	0	0	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	34	34	0	1	1	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>9,545</b>	<b>9,545</b>	<b>0</b>	<b>738</b>	<b>712</b>	<b>26</b>	<b>under</b>	<b>3.5%</b>	
<b>Total Controllable Inc.</b>	<b>(5,987)</b>	<b>(5,987)</b>	<b>0</b>	<b>(1,660)</b>	<b>(1,670)</b>	<b>10</b>	<b>over recovered</b>	<b>0.6%</b>	<b>2,a</b>
<b>Net Controllable Exp.</b>	<b>3,558</b>	<b>3,558</b>	<b>0</b>	<b>(922)</b>	<b>(958)</b>	<b>36</b>	<b>over</b>	<b>3.9%</b>	

**Variance Explanations**

1. The variance is mainly due to staff turnover and staff working on reduced hour contracts.
2. The over recovery is due to a greater demand in Planning and Building standard applications.

**Budget Virements**

- a. Establish budget for Business Loans Scotland, City Deal, Levelling Up Fund, Community Renewal Fund, Business Ventilation Fund, Low carbon Vacant & Derelict Land Investment Programme, Clyde Cycle Park and Hamilton Towers Expenditure and Income. Net Effect £0.000m: Employee Costs £0.201m, Property £0.597m, PTOB £1.443m, Income (£2.241m).
- b. Establish budget to reflect transfer from reserves for Get South Lanarkshire Working investment. Net effect £1.409m: Employees £0.151m, PTOB £1.258m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 20 May 2022 (No.2)

## Roads Total (Inc Roads Constructing Services)

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 20/05/22</b>	<b>Actual 20/05/22</b>	<b>Variance 20/05/22</b>		<b>% Variance 20/05/22</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	16,350	16,350	0	1,738	1,694	44	under	2.5%	1
Property Costs	796	796	0	47	85	(38)	over	(80.9%)	2
Supplies & Services	8,287	8,287	0	471	470	1	under	0.2%	
Transport & Plant	4,293	4,293	0	724	726	(2)	over	(0.3%)	
Administration Costs	394	394	0	18	18	0	-	0.0%	
Payments to Other Bodies	5,250	5,250	0	1,275	1,275	0	-	0.0%	
Payments to Contractors	4,205	4,205	0	320	321	(1)	over	(0.3%)	a, b,c
Transfer Payments	603	603	0	179	179	0	-	0.0%	
Financing Charges	49	49	0	1	2	(1)	over	(100.0%)	
<b>Total Controllable Exp.</b>	<b>40,227</b>	<b>40,227</b>	<b>0</b>	<b>4,773</b>	<b>4,770</b>	<b>3</b>	<b>under</b>	<b>0.1%</b>	
<b>Total Controllable Inc.</b>	<b>(18,994)</b>	<b>(18,994)</b>	<b>0</b>	<b>(1,268)</b>	<b>(1,231)</b>	<b>(37)</b>	<b>under recovered</b>	<b>(2.9%)</b>	<b>3,b,c</b>
<b>Net Controllable Exp.</b>	<b>21,233</b>	<b>21,233</b>	<b>0</b>	<b>3,505</b>	<b>3,539</b>	<b>(34)</b>	<b>over</b>	<b>(1.0%)</b>	

**Variance Explanations**

1. The variance is mainly due to staff turnover.
2. The over spend is in the main due to higher than anticipated electricity costs for Electrical Vehicle charging points.
3. The under recovery is due to less than anticipated income from maintenance works within the Construction Unit.

**Budget Virements**

- a. Transfer of budget for capital funded from revenue. Net effect (£1.531m): Payment to Contractor (£1.531m).
- b. Establish temporary budget to reflect transfer from reserves for Parking income shortfall 22/23 and Investment Community Resilience Funding. Net effect £1.255m: Payment to Contractors £0.255m, Income £1.000m.
- c. Budget realignment to reflect revenue works completed by the Construction Unit for Roads General Services as a result of the change to trading services. Net effect £0.000m: Payment to Contractor (£11.940m), Income £11.940m.