

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	27 September 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2023/2024 – Finance and Corporate Resources
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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 2023 to 11 August 2023 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 2024 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 2023/2024.

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

4. Employee Implications

4.1. None.

5. Financial Implications

5.1. As at 11 August 2023, there is a breakeven position against the phased budget. The financial forecast for the revenue budget to 31 March 2024 is a breakeven position.

5.2. Virements are proposed to realign budgets. These virements are detailed in Appendices C and F.

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. 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 the report.

Paul Manning
Executive Director (Finance and Corporate Resources)

23 August 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Finance and Corporate Resources Committee, 28 June 2023

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 11 August 2023.

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 11 August 2023 (No.5)

Finance and Corporate Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	36,221	36,221	0	12,281	12,151	130	under	1.1%	
Property Costs	4,163	4,163	0	314	314	0	-	0.0%	
Supplies & Services	7,358	7,358	0	4,790	4,879	(89)	over	(1.9%)	
Transport & Plant	71	71	0	2	3	(1)	over	(50.0%)	
Administration Costs	7,867	7,867	0	2,777	2,860	(83)	over	(3.0%)	
Payments to Other Bodies	4,761	4,761	0	2,718	2,718	0	-	0.0%	
Payments to Contractors	259	259	0	46	72	(26)	over	(56.5%)	
Transfer Payments	65,650	65,650	0	20,950	20,950	0	-	0.0%	
Financing Charges	1,217	1,217	0	267	268	(1)	over	(0.4%)	
Total Controllable Exp.	127,567	127,567	0	44,145	44,215	(70)	over	(0.2%)	
Total Controllable Inc.	(86,009)	(86,009)	0	(22,764)	(22,834)	70	over recovered	(0.3%)	
Net Controllable Exp.	41,558	41,558	0	21,381	21,381	0	-	0.0%	

Variance Explanations

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

Budget Virements

Virements are noted in Appendices C and F.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 11 August 2023 (No.5)

Finance – Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,038	3,038	0	1,039	987	52	under	5.0%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	19	19	0	5	15	(10)	over	(200.0%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	111	111	0	3	6	(3)	over	(100.0%)	
Payments to Other Bodies	516	516	0	127	127	0	-	0.0%	
Payments to Contractors	22	22	0	16	16	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	16	16	0	2	2	0	-	0.0%	
Total Controllable Exp.	3,722	3,722	0	1,192	1,153	39	under	3.3%	
Total Controllable Inc.	(1,604)	(1,604)	0	(29)	(29)	0	-	0.0%	
Net Controllable Exp.	2,118	2,118	0	1,163	1,124	39	under	3.4%	

Variance Explanations**1. Employee Costs**

The underspend reflects the turnover of staff to date, with any vacant posts being considered in line with service requirements.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 11 August 2023 (No.5)

Finance – Transactions Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	12,938	12,938	0	4,462	4,234	228	under	5.1%	1, a, b
Property Costs	4,032	4,032	0	307	307	0	-	0.0%	
Supplies & Services	869	869	0	319	352	(33)	over	(10.3%)	2, b
Transport & Plant	5	5	0	0	0	0	-	n/a	
Administration Costs	1,655	1,655	0	836	865	(29)	over	(3.5%)	3, a, b
Payments to Other Bodies	1,499	1,499	0	854	854	0	-	0.0%	
Payments to Contractors	237	237	0	30	53	(23)	over	(76.7%)	4
Transfer Payments	65,650	65,650	0	20,950	20,950	0	-	0.0%	
Financing Charges	142	142	0	4	5	(1)	over	(25.0%)	
Total Controllable Exp.	87,027	87,027	0	27,762	27,620	142	under	0.5%	
Total Controllable Inc.	(68,579)	(68,579)	0	(20,706)	(20,776)	70	over recovered	(0.3%)	5, b
Net Controllable Exp.	18,448	18,448	0	7,056	6,844	212	under	3.0%	

Variance Explanations

- Employee Costs**
The underspend reflects the level of turnover within the Service to date, with recruitment being considered in line with service requirements.
- Supplies & Services**
The overspend reflects the costs of additional computer equipment required for service delivery.
- Administration Costs**
The overspend reflects additional postage costs required for service delivery.
- Payments to Contractors**
The overspend reflects additional security costs that are not budgeted for.
- Income**
The over-recovery reflects a greater number of procurement rebates than budgeted.

Budget Virements

- LACER Funding for Financial Wellbeing Support and Energy Related Support: Net Effect £0.255m: Employee Costs £0.052m, Administration Costs £0.203m.
- Budget realignment to reflect service delivery: Net Effect £0.000m: Employee Costs (£0.149m), Property Costs £0.120m, Supplies & Services (£0.054m), Administration Costs £0.933m, Income (£0.850m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 11 August 2023 (No.5)

Audit Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	633	633	0	216	227	(11)	over	(5.1%)	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	7	7	0	0	0	0	-	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	6	6	0	2	2	0	-	0.0%	
Payments to Other Bodies	1	1	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	4	4	0	0	0	0	-	n/a	
Total Controllable Exp.	651	651	0	218	229	(11)	over	(5.0%)	
Total Controllable Inc.	(277)	(277)	0	(40)	(40)	0	-	0.0%	
Net Controllable Exp.	374	374	0	178	189	(11)	-	(6.2%)	

Variance Explanations**1. Employee Costs**

The overspend reflects a lower than anticipated level of staff turnover.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 11 August 2023 (No.5)

Information Technology Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,217	5,217	0	1,584	1,507	77	under	4.9%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	5,518	5,518	0	4,204	4,228	(24)	over	(0.6%)	2
Transport & Plant	4	4	0	0	0	0	-	n/a	
Administration Costs	1,604	1,604	0	524	524	0	-	0.0%	
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	94	94	0	-	0.0%	
Total Controllable Exp.	12,974	12,974	0	6,406	6,353	53	under	0.8%	
Total Controllable Inc.	(7,747)	(7,747)	0	(229)	(229)	0	-	0.0%	
Net Controllable Exp.	5,226	5,226	0	6,177	6,124	53	under	0.9%	

Variance Explanations**1. Employee Costs**

The underspend reflects the level of turnover within the Service to date, with recruitment being considered in line with service requirements.

2. Supplies & Services

The overspend reflects the timing of expenditure, an element of which will be prepaid at the end of the year.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 11 August 2023 (No.5)

Personnel Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	8,146	8,146	0	2,843	2,967	(124)	over	(4.4%)	1, a
Property Costs	113	113	0	6	6	0	-	0.0%	
Supplies & Services	193	193	0	41	42	(1)	over	(2.4%)	
Transport & Plant	19	19	0	1	1	0	-	0.0%	
Administration Costs	1,018	1,018	0	449	497	(48)	over	(10.7%)	2
Payments to Other Bodies	1,260	1,260	0	767	767	0	-	0.0%	
Payments to Contractors	0	0	0	0	3	(3)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	41	41	0	2	2	0	-	0.0%	
Total Controllable Exp.	10,790	10,790	0	4,109	4,285	(176)	over	(4.3%)	
Total Controllable Inc.	(2,482)	(2,482)	0	(456)	(456)	0	-	(0.0%)	
Net Controllable Exp.	8,308	8,308	0	3,653	3,829	(176)	over	(4.8%)	

Variance Explanations**1. Employee Costs**

The overspend reflects the phasing of staffing costs to date and will be offset by anticipated external project income when received.

2. Administration Costs

The overspend reflects unbudgeted costs, an element of which will be recharged later in the year.

Budget Virements

- a. Additional General Revenue Grant (GRG) Funding – No-one Left Behind: Net Effect £0.641m: Employee Costs £0.641m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 11 August 2023 (No.5)

Administration, Legal and Licensing Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,756	3,756	0	1,283	1,372	(89)	over	(6.9%)	1
Property Costs	18	18	0	1	1	0	-	0.0%	
Supplies & Services	118	118	0	18	34	(16)	over	(88.9%)	2
Transport & Plant	14	14	0	1	2	(1)	over	(100.0%)	
Administration Costs	2,331	2,331	0	688	691	(3)	over	(0.4%)	
Payments to Other Bodies	678	678	0	332	332	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	5	5	0	-	0.0%	
Total Controllable Exp.	6,947	6,947	0	2,328	2,437	(109)	over	(4.7%)	
Total Controllable Inc.	(2,668)	(2,668)	0	(466)	(466)	0	-	0.0%	
Net Controllable Exp.	4,279	4,279	0	1,862	1,971	(109)	over	(5.9%)	

Variance Explanations**1. Employee Costs**

The overspend reflects a lower than anticipated turnover achieved to date.

2. Supplies & Services

The overspend reflects the costs of additional computer equipment required for service delivery.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Finance and Corporate Resources Committee: Period Ended 11 August 2023 (No.5)

Communications and Strategy Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 11/08/23	Actual 11/08/23	Variance 11/08/23		% Variance 11/08/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	2,493	2,493	0	854	857	(3)	over	-0.4%	
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	634	634	0	203	208	(5)	over	-2.5%	
Transport & Plant	29	29	0	0	0	0	-	n/a	
Administration Costs	1,142	1,142	0	275	275	0	-	0.0%	
Payments to Other Bodies	807	807	0	638	638	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	351	351	0	160	160	0	-	0.0%	
Total Controllable Exp.	5,456	5,456	0	2,130	2,138	(8)	over	(0.4%)	
Total Controllable Inc.	(2,651)	(2,651)	0	(838)	(838)	0	-	0.0%	
Net Controllable Exp.	2,805	2,805	0	1,292	1,300	(8)	over	(0.6%)	

Variance Explanations

n/a