

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	13 December 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
----------	---

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 4 November 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 £0.056m as at 4 November 2022 on Community and Enterprise Resources' revenue budget, as detailed in appendix A of the report be noted.
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the third 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 4 November 2022, there is a minor overspend of £0.056m 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.

The minor overspend of £0.056m reflects underspends within employee costs and over recovery of Planning and Building Standards income from fees and income from waste streams and these are supporting costs within Roads, Transportation and Fleet services in relation to transport costs and charging of Electric Vehicles, prior to tariffs being introduced.

- 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)

16 November 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 04 November 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 7 Ended 04 November 2022 (No.8)

Community and Enterprise Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/11/22	Actual 04/11/22	Variance 04/11/22		% Variance 04/11/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	89,189	89,189	0	49,748	48,631	1,117	under	2.2%	
Property Costs	3,809	3,809	0	2,485	2,998	(513)	over	(20.6%)	
Supplies & Services	17,648	17,648	0	9,206	9,203	3	under	0.0%	
Transport & Plant	23,601	23,601	0	12,742	13,608	(866)	over	(6.8%)	
Administration Costs	816	816	0	501	552	(51)	over	(10.2%)	
Payments to Other Bodies	9,825	9,825	0	5,491	5,491	0	-	0.0%	
Payments to Contractors	46,506	46,506	0	21,464	21,165	299	under	1.4%	
Transfer Payments	603	603	0	330	330	0	-	0.0%	
Financing Charges	185	185	0	96	109	(13)	over	(13.5%)	
Total Controllable Exp.	192,182	192,182	0	102,063	102,087	(24)	over	0.0%	
Total Controllable Inc.	(67,888)	(67,888)	0	(35,839)	(35,807)	(32)	under recovered	(0.1%)	
Net Controllable Exp.	124,294	124,294	0	66,224	66,280	(56)	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 04 November 2022 (No.8)

Facilities, Waste and Grounds Services

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/11/22	Actual 04/11/22	Variance 04/11/22		% Variance 04/11/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	55,948	55,948	0	31,350	31,053	297	under	0.9%	1,b,d,e,f
Property Costs	1,756	1,756	0	988	1,044	(56)	over	(5.7%)	2,a,c,f,g
Supplies & Services	8,539	8,539	0	4,347	4,263	84	under	1.9%	3,b,f,g
Transport & Plant	8,588	8,588	0	4,865	4,911	(46)	over	(0.9%)	b,f
Administration Costs	165	165	0	76	108	(32)	over	(42.1%)	4,f
Payments to Other Bodies	50	50	0	39	39	0	-	0.0%	F
Payments to Contractors	16,897	16,897	0	7,961	7,662	299	under	3.8%	5,a,b,f
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	45	45	0	28	32	(4)	over	(14.3%)	
Total Controllable Exp.	91,988	91,988	0	49,654	49,112	542	under	1.1%	
Total Controllable Inc.	(19,728)	(19,728)	0	(11,683)	(11,634)	(49)	under recovered	(0.4%)	6,f,g
Net Controllable Exp.	72,260	72,260	0	37,971	37,478	493	under	1.3%	

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, and turnover and staff working on reduced hourly contracts as a result of flexible retirement throughout the service.
2. The variance is due to greater than budgeted expenditure on Health & Hygiene charges within the Janitorial service and rates charges associated with historic public conveniences, and higher than anticipated expenditure on the security and upkeep of the Castlehill Transfer station. In addition, the overspend is also due retention of the additional death facility at Peel Park.
3. The variance is due to an under spend on school meals food purchases and is offset by an under recovery in school meal income.
4. The overspend is due to a greater spend on medical costs within the service.
5. The variance is mainly due to the income received from the disposal of both fibres and containers with the Waste service.
6. 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. Transfer from reserves in respect of expenditure commitments for Lammermoor retention money, repairs and renewals for Forrest Street containers, work carried out at the crematorium and laptops for Cooks in Charge. Net effect £0.162m: Property Costs £0.019m, Supplies & Services £0.062m Payment to Contractors £0.081m.
- b. Transfer previous investment monies to Cost of Living initiatives in respect of funding for Waste Education and organic waste collection, fly tipping and CCTV. Net effect (£0.262m): Employees (£0.067m), Supplies & Services (£0.185m), Transport & plant (£0.021m), Payment to Contractor £0.011m.
- c. Funding received for utilities support. Net effect £0.098m: Property Costs £0.098m.
- d. Transfer of budgets to support New Deal, maximising attendance resourcing and procurement savings. Net effect (£0.226m). Employee Costs (£0.224m), Property Costs (£0.002m)..
- e. Transfer from Education Resources for provision of additional services. Net effect £0.022m. Employee costs £0.022m
- f. Realign budget to reflect service delivery within Facilities, Waste and Streets & Bereavement. Net effect £0.000m: Employees £0.819m, Property (£0.108m), Supplies and Services £0.396m, Transport £0.298m, Administration (£0.008m), Payment to Other Bodies £0.010m, Payment to Contractors (£0.367m), Income (£1.040).
- g. Income received from Scottish Power for work carried out at Coalburn play park. Net effect £0.000m. Supplies & Services £0.183m, Income (0.183m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 04 November 2022 (No.8)

Planning and Regulatory Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/11/22	Actual 04/11/22	Variance 04/11/22		% Variance 04/11/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	7,207	7,207	0	4,077	3,808	269	under	6.6%	1,b
Property Costs	148	148	0	131	130	1	under	0.8%	a,d
Supplies & Services	277	277	0	120	120	0	-	0.0%	c,d
Transport & Plant	554	554	0	477	476	1	under	0.2%	d
Administration Costs	146	146	0	61	62	(1)	over	(1.6%)	d
Payments to Other Bodies	255	255	0	73	73	0	-	0.0%	d
Payments to Contractors	1,624	1,624	0	751	751	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	46	46	0	25	25	0	-	0.0%	
Total Controllable Exp.	10,257	10,257	0	5,715	5,445	270	under	4.7%	
Total Controllable Inc.	(5,320)	(5,320)	0	(3,173)	(3,393)	220	over recovered	6.9%	2,d
Net Controllable Exp.	4,937	4,937	0	2,542	2,052	490	under	19.3%	

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. Funding received for utilities support. Net effect £0.005m: Property Costs £0.005m.
- b. Transfer of budgets to support New Deal. Net effect (£0.110m). Employee costs (£0.110m)
- c. Transfer from reserves in respect of expenditure commitments for Environmental Flare system. Net effect £0.030m. Supplies & Services £0.030m.
- d. Realign budget to reflect service delivery within Environmental Services and Planning and Building Standards. Net effect £0.000m: Property £0.107m, Supplies and Services (£0.018m), Transport £0.428m, Administration £0.020m, Payment to Other Bodies £0.010m, Income (£0.547).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 04 November 2022 (No.8)

South Lanarkshire Leisure and Culture

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/11/22	Actual 04/11/22	Variance 04/11/22		% Variance 04/11/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4	4	0	2	2	0	-	0.0%	
Property Costs	98	98	0	62	63	(1)	over	(1.6%)	
Supplies & Services	0	0	0	0	1	(1)	over	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	8	8	0	8	9	(1)	over	(12.5%)	
Payments to Other Bodies	80	80	0	0	0	0	-	n/a	
Payments to Contractors	23,474	23,474	0	10,655	10,655	0	-	0.0%	a,b
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	23,664	23,664	0	10,727	10,730	(3)	over	0.0%	
Total Controllable Inc.	0	0	0	0	(3)	3	over recovered	n/a	
Net Controllable Exp.	23,664	23,664	0	10,727	10,727	0	-	0.0%	

Variance Explanations

No variances to report.

Budget Virements

- Transfer from Corporate items in respect of funding for warm welcome initiative. Net effect £3.000m: PTC £3.000m.
- Transfer previous investment monies to Cost of Living initiatives in respect of funding for Community Led Activities and Cardio equipment investments. Net effect (£0.424m): PTC (£0.424m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 04 November 2022 (No.8)

Enterprise and Sustainable Development

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/11/22	Actual 04/11/22	Variance 04/11/22		% Variance 04/11/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,115	5,115	0	2,888	2,882	6	under	0.2%	1,b,d,e
Property Costs	796	796	0	534	536	(2)	over	(0.4%)	c
Supplies & Services	296	296	0	139	140	(1)	over	(0.7%)	a
Transport & Plant	47	47	0	45	44	1	under	2.2%	
Administration Costs	99	99	0	40	45	(5)	over	(12.5%)	a
Payments to Other Bodies	4,187	4,187	0	1,340	1,340	0	-	0.0%	a,b,d
Payments to Contractors	52	52	0	52	52	0	-	0.0%	d
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	44	44	0	20	20	0	-	0.0%	
Total Controllable Exp.	10,636	10,636	0	5,058	5,059	(1)	over	0.0%	
Total Controllable Inc.	(3,838)	(3,838)	0	(1,979)	(1,989)	10	over recovered	0.5%	d,e
Net Controllable Exp.	6,798	6,798	0	3,079	3,070	9	under	0.3%	

Variance Explanations

- The variance is mainly due to vacant posts within the services which are being recruited.

Budget Virements

- Transfer from reserves in respect of expenditure commitments for Montrose House move to Headquarters, food strategy and climate change investments. Net effect £0.051m: Supplies and Services £0.038m, Administration £0.001m, Payment to Other Bodies £0.012m.
- Transfer previous investment monies to Cost of Living initiatives in respect of investment funding for Get South Lanarkshire Working. Net effect (£0.428m): Employees (£0.004m), Payment to Other Bodies (£0.424m).
- Funding received for utilities support. Net effect £0.002m: Property Costs £0.002m.
- Establish budget in respect of income received for East Overton Community and Sports Facilities, Strathaven CARS project, Smarter Choices Smarter Places, UK Shared Prosperity Fund, Community Led Local Development funding. Net Effect £0.000m: Employee Costs £0.102m, Payment to Other Bodies £0.486m, Payment to Contractors £0.009m, Income (£0.597m).
- Realign budget to reflect service delivery within Economic Development. Net effect £0.000m: Employees (£0.181m), Income £0.181m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Community and Enterprise Resources: Period Ended 04 November 2022 (No.8)

Roads, Transportation and Fleet Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 04/11/22	Actual 04/11/22	Variance 04/11/22		% Variance 04/11/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	20,915	20,915	0	11,431	10,886	545	under	4.8%	1,b
Property Costs	1,011	1,011	0	770	1,225	(455)	over	(59.1%)	2,a
Supplies & Services	8,536	8,536	0	4,600	4,679	(79)	over	(1.7%)	3,a
Transport & Plant	14,412	14,412	0	7,355	8,177	(822)	over	(11.2%)	4,d
Administration Costs	398	398	0	316	328	(12)	over	(3.8%)	
Payments to Other Bodies	5,253	5,253	0	4,039	4,039	0	-	0.0%	
Payments to Contractors	4,459	4,459	0	2,045	2,045	0	-	0.0%	c
Transfer Payments	603	603	0	330	330	0	-	0.0%	
Financing Charges	50	50	0	23	32	(9)	over	(39.1%)	
Total Controllable Exp.	55,637	55,637	0	30,909	31,741	(832)	over	(2.7%)	
Total Controllable Inc.	(39,002)	(39,002)	0	(19,004)	(18,788)	(216)	under recovered	(1.1%)	5,d
Net Controllable Exp.	16,635	16,635	0	11,905	12,953	(1,048)	over	(8.8%)	

Variance Explanations

1. The variance is 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 mainly relates to increased costs for annual subscriptions for Computer Licences and PPE within Roads.
4. The overspend is mainly due to the timing of efficiencies and greater than anticipated expenditure in the workshop within Fleet services.
5. The under recovery is mainly due to the net effect of 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. Funding received for utilities support. Net effect £0.115m. Property Costs £0.045m, Supplies & Services £0.070m.
- b. Transfer of budgets to support maximising attendance resourcing and transfer of emergency planning to Finance & Corporate Resources. Net effect (£0.150m). Employee Costs (£0.150m).
- c. Transfer previous investment monies to Cost of Living initiatives in respect of community resilience funding. Net effect (£0.220m). Payment to Contractor (£0.220m)
- d. Realign budget to reflect service delivery within Fleet services. Net effect £0.000m: Transport £0.230m, Income (£0.230).