

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	4 February 2009
Report by:	Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2008/2009 - Housing and Technical Resources (Excl HRA)
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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 2008 to 23 December 2008 for Housing and Technical Resources (excl HRA)
- ◆ provide a forecast for the year to 31 March 2009

2. Recommendation(s)

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

- (1) that the break even position on Housing and Technical Resources' (excl HRA) revenue budget, as detailed in Appendix A of the report, be noted.
- (2) that following the probable outturn exercise, the forecast to 31 March 2009 of breakeven be noted.
- (3) that the proposed budget virements be approved.

3. Background

3.1. This is the third revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2008/2009. Further reports will follow throughout the financial year.

3.2. The report details the financial position for Housing and Technical Resources (excl HRA) in Appendix A, and then details the individual services, along with variance explanations, in Appendices B to E.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 23 December 2008, there is a break even position against the phased budget.

5.2. Following the probable outturn exercise the forecast for the revenue budget to 31 March 2009 is a break even position.

- 5.3. Virements are also proposed to realign budgets across the services and with other Resources. These movements have been detailed in the appendices to this report.

6. Other Implications

- 6.1. None

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.

Linda Hardie

Executive Director (Finance and Information Technology Resources)

Jim Hayton

Executive Director (Housing and Technical Resources)

12 January 2009

Link(s) to Council Objectives/Values

- ♦ Value: Accountable, Effective and Efficient

Previous References

- ♦ Housing and Technical Resources Committee, 12 November 2008

List of Background Papers

- ♦ Financial ledger and budget monitoring results to 23 December 2008

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

Housing and Technical Resources Committee: Period Ended 23 December 2008 (No 10)

Housing and Technical Resources Summary (excl HRA)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/08	Actual 23/12/08	Variance 23/12/08		% Variance 23/12/08	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	21,434	20,964	470	15,857	15,459	398	under	2.5%	
Property Costs	8,847	9,146	(299)	5,903	6,244	(341)	over	(5.8%)	
Supplies & Services	1,092	1,192	(100)	652	598	54	under	8.3%	
Transport & Plant	84	78	6	60	59	1	under	1.7%	
Administration Costs	3,270	3,096	174	1,976	1,745	231	under	11.7%	
Payments to Other Bodies	15,971	15,785	186	9,892	9,801	91	under	0.9%	
Payments to Contractors	75	110	(35)	70	113	(43)	over	(61.4%)	
Transfer Payments	90,154	91,528	(1,374)	68,149	69,442	(1,293)	over	(1.9%)	
Financing Charges	510	511	(1)	364	374	(10)	over	(2.7%)	
Total Controllable Exp.	141,437	142,410	(973)	102,923	103,835	(912)	over	(0.9%)	
Total Controllable Inc.	(116,290)	(117,263)	973	(75,425)	(76,337)	912	over recovered	1.2%	
Net Controllable Exp.	25,147	25,147	0	27,498	27,498	0	-	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B-E.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 23 December 2008 (No 10)

Area Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/08	Actual 23/12/08	Variance 23/12/08		% Variance 23/12/08	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	10,441	10,292	149	7,732	7,604	128	under	1.7%	1, a, b, d
Property Costs	7,719	7,964	(245)	5,441	5,757	(316)	over	(5.8%)	2, a
Supplies & Services	298	282	16	208	176	32	under	15.4%	a
Transport & Plant	84	78	6	60	59	1	under	1.7%	a
Administration Costs	596	524	72	350	266	84	under	24.0%	3, a, b
Payments to Other Bodies	3,336	3,265	71	1,280	1,282	(2)	over	(0.2%)	a, b, c
Payments to Contractors	75	77	(2)	70	70	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	143	141	2	140	148	(8)	over	(5.7%)	
Total Controllable Exp.	22,692	22,623	69	15,281	15,362	(81)	over	(0.5%)	
Total Controllable Inc.	(13,622)	(13,311)	(311)	(5,327)	(5,141)	(186)	under recovered	(3.5%)	4, a, c
Net Controllable Exp.	9,070	9,312	(242)	9,954	10,221	(267)	over	(2.7%)	

Variance Explanations**1. Employee Costs**

The underspend reflects the high level of vacancies within the Service.

2. Property Costs

The overspend relates to expenditure on the care of gardens for owner occupiers.

3. Administration Costs

The underspend lies across a number of areas including printing, telephones and other administration costs.

4. Income

This under recovery reflects the current level of accommodation available for let by the homeless service.

Budget Virements

- Realignment of Homeless Budget to reflect Business Plan: Employee Costs £0.018m, Property Costs £0.393m, Supplies and Services £0.007m, Transport and Plant (£0.002m), Administration Costs (£0.030m), Payments to Other Bodies £0.045m, and Income (£0.431m)
- Transfer of Community Safety Budget from Community Resources: Employee Costs £0.070m, Administration £0.001m, Payments to Other Bodies £0.496m and Income (£0.060m)
- Realignment of Hostel Grant Budget: Payments to Other Bodies £0.782m, and Income (£0.782m)
- Additional 0.5% 2008/09 Pay Award: Employee Costs £0.053m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 23 December 2008 (No 10)

Supporting People

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/08	Actual 23/12/08	Variance 23/12/08	% Variance 23/12/08	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	0	0	0	0	0	0	-	n/a
Property Costs	0	0	0	0	0	0	-	n/a
Supplies & Services	0	0	0	0	0	0	-	n/a
Transport & Plant	0	0	0	0	0	0	-	n/a
Administration Costs	0	0	0	0	4	(4)	over	n/a
Payments to Other Bodies	8,668	8,568	100	6,485	6,385	100	under	1.5%
Payments to Contractors	0	0	0	0	0	0	-	n/a
Transfer Payments	0	0	0	0	0	0	-	n/a
Financing Charges	0	0	0	0	0	0	-	n/a
Total Controllable Exp.	8,668	8,568	100	6,485	6,389	96	under	1.5%
Total Controllable Inc.	(455)	(355)	(100)	(159)	(63)	(96)	under recovered	(60.4%)
Net Controllable Exp.	8,213	8,213	0	6,326	6,326	0	-	0.0%

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 23 December 2008 (No 10)

Property Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 23/12/08	Actual 23/12/08	Variance 23/12/08		% Variance 23/12/08	Note
	£000	£000	£000	£000	£000	£000			
Budget Category									
Employee Costs	3,443	3,420	23	2,544	2,395	149	under	5.9%	1, a
Property Costs	912	990	(78)	330	372	(42)	over	(12.7%)	2
Supplies & Services	57	188	(131)	38	44	(6)	over	(15.8%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	178	158	20	140	113	27	under	19.3%	
Payments to Other Bodies	301	284	17	0	0	0	-	n/a	
Payments to Contractors	0	33	(33)	0	34	(34)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	74	67	7	53	56	(3)	over	(5.7%)	
Total Controllable Exp.	4,965	5,140	(175)	3,105	3,014	91	under	2.9%	
Total Controllable Inc.	(1,125)	(1,259)	134	(626)	(635)	9	over recovered	1.4%	
Net Controllable Exp.	3,840	3,881	(41)	2,479	2,379	100	under	4.0%	

Variance Explanations**1. Employee Costs**

The underspend is a result of vacant posts, and high turnover levels within the Service.

2. Property Costs

This overspend is a result of the increasing demand for repairs.

Budget Virements

a. Additional 0.5% 2008/09 Pay Award: Employee Costs £0.017m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 23 December 2008 (No 10)

Finance Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 23/12/08 £000	Actual 23/12/08 £000	Variance 23/12/08 £000		% Variance 23/12/08	Note
Employee Costs	7,550	7,252	298	5,581	5,460	121	under	2.2%	1,a,b
Property Costs	216	192	24	132	115	17	under	12.9%	
Supplies & Services	737	722	15	406	378	28	under	6.9%	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	2,496	2,414	82	1,486	1,362	124	under	8.3%	2
Payments to Other Bodies	3,666	3,668	(2)	2,127	2,134	(7)	over	(0.3%)	c
Payments to Contractors	0	0	0	0	9	(9)	over	n/a	
Transfer Payments	90,154	91,528	(1,374)	68,149	69,442	(1,293)	over	(1.9%)	3
Financing Charges	293	303	(10)	171	170	1	under	0.6%	
Total Controllable Exp.	105,112	106,079	(967)	78,052	79,070	(1,018)	over	(1.3%)	
Total Controllable Inc.	(101,088)	(102,338)	1,250	(69,313)	(70,498)	1,185	over recovered	1.7%	4
Net Controllable Exp.	4,024	3,741	283	8,739	8,572	167	under	1.9%	

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies across the Service.

2. Administration Costs

This underspend is partially due to the current level of debt recovery costs in relation to Council Tax and rates, and also to controls introduced within offices in relation to printing and stationery, telephones and other administration costs.

3. Transfer Payments

The overspend reflects the current demand for rent allowance payments and is offset by an over recovery of rent allowance subsidy from the Department of Work and Pensions.

4. Income

The over recovery relates to rent allowance subsidies received from the Department of Work and Pensions and is offset by an overspend on transfer payments (see 3 above).

Budget Virements

- a. Additional 0.5% 2008/09 Pay Award: Employee Costs £0.038m
- b. Transfer of Employee budgets for Welfare Rights Officers from Area Services: Employee Costs £0.064m
- c. Transfer of budget in relation to Pensioner Grants: Payments to Other Bodies £0.100m