

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	5 May 2010
Report by:	Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2009/2010 - Housing and Technical Resources (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 2009 to 19 March 2010 for Housing and Technical Resources (HRA)
- ◆ provide a forecast for the year to 31 March 2010.

2. Recommendation(s)

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

- (1) that the breakeven position on Housing and Technical Resources' (HRA) revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2010 of breakeven, be noted.
- (2) that following the probable outturn exercise the forecast to 31 March 2010 of breakeven, be noted.

3. Background

- 3.1. This is the fourth revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2009/2010.
- 3.2. The report details the financial position for Housing and Technical Resources (HRA) on Appendix A, along with variance explanations.

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. As at 19 March 2010, there is a breakeven position against the phased budget.
- 5.2. Following the probable outturn exercise the forecast to 31 March 2010 on the Housing and Technical Resources (HRA) is a breakeven position. This position is achieved by transferring a forecast underspend to the balance sheet for utilisation in future years.

6. Other Implications

- 6.1. The main risk associated with the Council's Revenue Budget is failure to manage the budget resulting in a significant 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.

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 the report.

Linda Hardie

Executive Director (Finance and Information Technology Resources)

Lindsay Freeland

Executive Director (Housing and Technical Resources)

30 March 2010

Link(s) to Council Objectives

- ◆ Value: Accountable, Effective and Efficient

Previous References

- ◆ Housing and Technical Resources Committee, 17 February 2010

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 19 March 2010

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 19 March 2010 (No 13)

HRA

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/03/10	Actual 19/03/10	Variance 19/03/10		% Variance 19/03/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	11,428	11,480	(52)	11,031	11,119	(88)	over	(0.8%)	1
Property Costs	37,100	37,619	(519)	33,489	33,659	(170)	over	(0.5%)	2
Supplies & Services	985	992	(7)	932	895	37	under	4.0%	
Transport & Plant	20	27	(7)	19	14	5	under	26.3%	
Administration Costs	899	1,036	(137)	831	911	(80)	over	(9.6%)	3
Payments to Other Bodies	9,098	9,472	(374)	240	197	43	under	17.9%	
Payments to Contractors	60	75	(15)	60	57	3	under	5.0%	
Transfer Payments	0	0	0	0	1	(1)	over	n/a	
Financing Charges	11,302	11,308	(6)	11,302	11,322	(20)	over	(0.2%)	
Total Controllable Exp.	70,892	72,009	(1,117)	57,904	58,175	(271)	over	(0.5%)	
Total Controllable Inc.	(82,184)	(83,966)	1,782	(72,768)	(74,109)	1,341	over recovered	1.8%	4
Transfer to/(from) B/Sheet	0	442	(442)	0	340	(340)	over	n/a	5
Net Controllable Exp.	(11,292)	(11,515)	223	(14,864)	(15,594)	730	under	4.9%	
Add:- Non Controllable Budgets									
Central Support Costs	3,216	3,216	0	0	0	0	-	n/a	
Finance Charges	8,076	8,299	(223)	(804)	(74)	(730)	over	(90.8%)	6
Total Budget	0	0	0	(15,668)	(15,668)	0	-	n/a	

Variance Explanations

- Employee Costs**
This overspend relates mainly to overtime for one-off projects, for example the introduction of the Document Management System which links to the Common Allocation System.
- Property Costs**
This overspend relates to demand for repairs and is offset by additional income from the recovery of rechargeable repairs and insurance claims (see 3 below).
- Administration Costs**
This overspend is mainly due to costs associated with the new allocation policy and an update of information leaflets across the service.
- Income**
This over recovery is due to rent collected as a result of a reduction in the predicted level of house sales. In addition, there are also over-recoveries in relation to rechargeable repairs and insurance recoveries which offset additional expenditure (see 2 above).
- Transfer to/(from) Balance Sheet**
This underspend represents the transfer of the underspend on the HRA account to the balance sheet to be carried forward for use in future years.
- Finance Charges**
This overspend relates to Interest on Revenue Balances being less than anticipated due to revenue balances being lower than in previous years.