

Report

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| Report to: | Housing and Technical Resources Committee |
| Date of Meeting: | 17 February 2010 |
| Report by: | Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources) |

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| Subject: | Revenue Budget Monitoring 2009/2010 - 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 to 23 December 2009 for Housing and Technical Resources (excl 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 underspend of £0.007 million (0.03%) 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 2010 of an underspend of £0.178 million be noted; and
- (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 2009/2010.

3.2. The report details the financial position for Housing and Technical Resources (excl HRA) on 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 2009, the variance from phased budget to date is an underspend of £0.007 million (0.03%).

5.2. Following the probable outturn exercise the financial forecast to 31 March 2010 is an underspend of £0.178m (0.73%).

- 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 2010

Link(s) to Council Objectives

- ◆ Value: Accountable, Effective and Efficient

Previous References

- ◆ Housing and Technical Resources Committee, 25 November 2009

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 23 December 2009

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 2009 (No.10)

Housing and Technical Resources Summary (excl HRA)

| | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 23/12/09 | Actual 23/12/09 | Variance 23/12/09 | | % Variance 23/12/09 | Note |
|--------------------------------|------------------|----------------------|--------------------------------|----------------------------------|--------------------|----------------------|-------------------|---------------------------|------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| <u>Budget Category</u> | | | | | | | | | |
| Employee Costs | 21,438 | 20,746 | 692 | 15,846 | 15,190 | 656 | under | 4.1% | |
| Property Costs | 9,750 | 10,299 | (549) | 7,422 | 8,049 | (627) | over | (8.4%) | |
| Supplies & Services | 1,167 | 1,192 | (25) | 682 | 717 | (35) | over | (5.1%) | |
| Transport & Plant | 107 | 91 | 16 | 74 | 53 | 21 | under | 28.4% | |
| Administration Costs | 2,933 | 2,750 | 183 | 1,976 | 1,796 | 180 | under | 9.1% | |
| Payments to Other Bodies | 15,383 | 15,960 | (577) | 9,884 | 10,358 | (474) | over | (4.8%) | |
| Payments to Contractors | 184 | 283 | (99) | 165 | 259 | (94) | over | (57.0%) | |
| Transfer Payments | 91,524 | 101,445 | (9,921) | 72,429 | 78,572 | (6,143) | over | (8.5%) | |
| Financing Charges | 501 | 430 | 71 | 329 | 279 | 50 | under | 15.2% | |
| Total Controllable Exp. | 142,987 | 153,196 | (10,209) | 108,807 | 115,273 | (6,466) | over | (5.9%) | |
| Total Controllable Inc. | (118,606) | (128,993) | 10,387 | (81,005) | (87,478) | 6,473 | over recovered | (8.0%) | |
| Net Controllable Exp. | 24,381 | 24,203 | 178 | 27,802 | 27,795 | 7 | under | (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 2009 (No.10)

Area Services

| Budget Category | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 23/12/09 | Actual 23/12/09 | Variance 23/12/09 | | % Variance 23/12/09 | Note |
|--------------------------------|----------------------|--------------------------|---------------------------------|-----------------------------------|------------------------|--------------------------|-----------------------|----------------------------|-------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| Employee Costs | 10,578 | 10,337 | 241 | 7,855 | 7,625 | 230 | under | 2.9% | 1 |
| Property Costs | 8,581 | 9,205 | (624) | 6,421 | 7,105 | (684) | over | (10.7%) | 2 |
| Supplies & Services | 254 | 320 | (66) | 201 | 252 | (51) | over | (25.4%) | |
| Transport & Plant | 107 | 86 | 21 | 74 | 46 | 28 | under | 37.8% | |
| Administration Costs | 528 | 405 | 123 | 311 | 213 | 98 | under | 31.5% | |
| Payments to Other Bodies | 3,534 | 4,189 | (655) | 1,698 | 2,252 | (554) | over | (32.6%) | 3 |
| Payments to Contractors | 184 | 218 | (34) | 165 | 184 | (19) | over | (11.5%) | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Financing Charges | 143 | 123 | 20 | 104 | 87 | 17 | under | 16.3% | |
| Total Controllable Exp. | 23,909 | 24,883 | (974) | 16,829 | 17,764 | (935) | over | (5.6%) | |
| Total Controllable Inc. | (15,215) | (15,788) | 573 | (6,385) | (6,737) | 352 | over recovered | (5.5%) | 4 |
| Net Controllable Exp. | 8,694 | 9,095 | (401) | 10,444 | 11,027 | (583) | over | (5.6%) | |

Variance Explanations**1. Employee Costs**

The underspend reflects the high level of turnover and resultant vacancies experienced within the Service.

2. Property Costs

The overspend relates mainly to expenditure on the 'Care of Gardens Scheme' for owner occupiers. There is also an overspend in relation to Bed and Breakfast expenditure. This reflects current demand for homeless accommodation and is offset by an over recovery of income.

3. Payments to Other Bodies

The overspend relates to expenditure on affordable social housing which will be managed within the overall budget.

4. Income

This over recovery reflects the level of benefit received for homeless accommodation and offsets the overspend on Bed and Breakfast costs (see 2 above). In addition, extra funding has been secured for Community Safety/Problem Solving Projects which offsets additional expenditure (see 2 above).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 23 December 2009 (No.10)

Supporting People

| Budget Category | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 23/12/09 | Actual 23/12/09 | Variance 23/12/09 | | % Variance 23/12/09 | Note |
|--------------------------------|---------------|-------------------|--------------------------|----------------------------|-----------------|-------------------|----------------|---------------------|------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| Employee Costs | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Property Costs | 0 | 0 | 0 | 0 | (3) | 3 | under | 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 | 0 | 0 | - | n/a | |
| Payments to Other Bodies | 7,927 | 7,846 | 81 | 6,020 | 5,938 | 82 | under | 1.4% | a |
| 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. | 7,927 | 7,846 | 81 | 6,020 | 5,935 | 85 | under | 1.4% | |
| Total Controllable Inc. | (455) | (495) | 40 | (56) | (92) | 36 | over recovered | (64.3%) | |
| Net Controllable Exp. | 7,472 | 7,351 | 121 | 5,964 | 5,843 | 121 | under | 2.0% | |

Budget Virements

a. Transfer to Financing Charges (£0.741m): Payment to Other Bodies (£0.741m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 23 December 2009 (No.10)

Property Services

| | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 23/12/09 | Actual 23/12/09 | Variance 23/12/09 | | % Variance 23/12/09 | Note |
|--------------------------------|------------------|----------------------|--------------------------------|----------------------------------|--------------------|----------------------|-------------------|---------------------------|------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| <u>Budget Category</u> | | | | | | | | | |
| Employee Costs | 3,627 | 3,378 | 249 | 2,668 | 2,375 | 293 | under | 11.0% | 1 |
| Property Costs | 984 | 994 | (10) | 866 | 874 | (8) | over | (0.9%) | |
| Supplies & Services | 189 | 236 | (47) | 117 | 143 | (26) | over | (22.2%) | |
| Transport & Plant | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Administration Costs | 169 | 161 | 8 | 110 | 102 | 8 | under | 7.3% | |
| Payments to Other Bodies | 256 | 257 | (1) | 0 | 0 | 0 | - | n/a | |
| Payments to Contractors | 0 | 65 | (65) | 0 | 61 | (61) | over | n/a | 2 |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Financing Charges | 66 | 64 | 2 | 48 | 45 | 3 | under | 6.3% | |
| Total Controllable Exp. | 5,291 | 5,155 | 136 | 3,809 | 3,600 | 209 | under | 5.5% | |
| Total Controllable Inc. | (820) | (903) | 83 | (273) | (331) | 58 | over recovered | (21.2%) | 3 |
| Net Controllable Exp. | 4,471 | 4,252 | 219 | 3,536 | 3,269 | 267 | under | 7.6% | |

Variance Explanations**1. Employee Costs**

This underspend reflects the high level of turnover and resultant vacancies experienced by the service at the start of the financial year. The majority of these posts have now been filled.

2. Payments to Contractors

This overspend relates to the purchase of services to cover vacancies within Property Services and is offset by an underspend in employee costs (see 1 above).

3. Income

This relates to additional external funding received for energy related projects and offsets additional expenditure on Payments to Contractors (see 2 above).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 23 December 2009 (No.10)

Finance Services

| | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion 23/12/09 | Actual 23/12/09 | Variance 23/12/09 | | % Variance 23/12/09 | Note |
|--------------------------------|------------------|----------------------|--------------------------------|----------------------------------|--------------------|----------------------|-------------------|---------------------------|------|
| | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| <u>Budget Category</u> | | | | | | | | | |
| Employee Costs | 7,233 | 7,031 | 202 | 5,323 | 5,190 | 133 | under | 2.5% | 1 |
| Property Costs | 185 | 100 | 85 | 135 | 73 | 62 | under | 45.9% | |
| Supplies & Services | 724 | 636 | 88 | 364 | 322 | 42 | under | 11.5% | |
| Transport & Plant | 0 | 5 | (5) | 0 | 7 | (7) | over | n/a | |
| Administration Costs | 2,236 | 2,184 | 52 | 1,555 | 1,481 | 74 | under | 4.8% | |
| Payments to Other Bodies | 3,666 | 3,668 | (2) | 2,166 | 2,168 | (2) | over | (0.1%) | |
| Payments to Contractors | 0 | 0 | 0 | 0 | 14 | (14) | over | n/a | |
| Transfer Payments | 91,524 | 101,445 | (9,921) | 72,429 | 78,572 | (6,143) | over | (8.5%) | 2 |
| Financing Charges | 292 | 243 | 49 | 177 | 147 | 30 | under | 16.9% | |
| Total Controllable Exp. | 105,860 | 115,312 | (9,452) | 82,149 | 87,974 | (5,825) | over | (7.1%) | |
| Total Controllable Inc. | (102,116) | (111,807) | 9,691 | (74,291) | (80,318) | 6,027 | over recovered | (8.1%) | 3 |
| Net Controllable Exp. | 3,744 | 3,505 | 239 | 7,858 | 7,656 | 202 | under | 2.6% | |

Variance Explanations**1. Employee Costs**

This underspend reflects the current level of vacancies within the Service.

2. Transfer Payments

This overspend reflects the current demand for housing benefit. This is offset by an over recovery of rent allowance and rent rebate subsidy (see Income below).

3. Income

This over recovery mainly relates to rent allowance and rent rebate subsidy which reflect the current demand for housing benefit and offsets additional expenditure (see 2 above).