

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>1 April 2009</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b> <b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2008/2009 - Housing and Technical Resources (Excl HRA)</b>
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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 20 February 2009 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 fourth revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2008/2009.
- 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 20 February 2009, 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)**

2 March 2009

### **Link(s) to Council Objectives**

♦ Value: Accountable, Effective and Efficient

### **Previous References**

♦ Housing and Technical Resources Committee, 4 February 2009

### **List of Background Papers**

♦ Financial ledger and budget monitoring results to 20 February 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 20 February 2009 (No 12)

## Housing and Technical Resources Summary (excl HRA)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/02/09	Actual 20/02/09	Variance 20/02/09		% Variance 20/02/09	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	21,345	20,875	470	19,062	18,539	523	under	2.7%	
Property Costs	8,777	9,076	(299)	7,122	7,625	(503)	over	(7.1%)	
Supplies & Services	1,092	1,192	(100)	815	985	(170)	over	(20.9%)	
Transport & Plant	84	78	6	73	70	3	under	4.1%	
Administration Costs	3,263	3,089	174	2,592	2,369	223	under	8.6%	
Payments to Other Bodies	15,972	15,786	186	11,607	11,596	11	under	0.1%	
Payments to Contractors	75	110	(35)	71	105	(34)	over	(47.9%)	
Transfer Payments	90,154	91,528	(1,374)	79,701	81,387	(1,686)	over	(2.1%)	
Financing Charges	510	511	(1)	399	414	(15)	over	(3.8%)	
<b>Total Controllable Exp.</b>	141,272	142,245	(973)	121,442	123,090	(1,648)	over	(1.4%)	
<b>Total Controllable Inc.</b>	(115,850)	(116,823)	973	(92,397)	(94,045)	1,648	over recovered	1.8%	
<b>Net Controllable Exp.</b>	25,422	25,422	0	29,045	29,045	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 20 February 2009 (No 12)

## Area Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/02/09	Actual 20/02/09	Variance 20/02/09		% Variance 20/02/09	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	10,441	10,292	149	9,332	9,089	243	under	2.6%	1
Property Costs	7,719	7,964	(245)	6,470	6,946	(476)	over	(7.4%)	2
Supplies & Services	298	282	16	231	216	15	under	6.5%	
Transport & Plant	84	78	6	73	69	4	under	5.5%	
Administration Costs	596	524	72	400	324	76	under	19.0%	3
Payments to Other Bodies	3,337	3,266	71	1,679	1,663	16	under	1.0%	
Payments to Contractors	75	77	(2)	71	71	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	143	141	2	141	150	(9)	over	(6.4%)	
<b>Total Controllable Exp.</b>	<b>22,693</b>	<b>22,624</b>	<b>69</b>	<b>18,397</b>	<b>18,528</b>	<b>(131)</b>	<b>over</b>	<b>(0.7%)</b>	
<b>Total Controllable Inc.</b>	<b>(13,622)</b>	<b>(13,311)</b>	<b>(311)</b>	<b>(7,192)</b>	<b>(7,005)</b>	<b>(187)</b>	<b>under recovered</b>	<b>(2.6%)</b>	<b>4</b>
<b>Net Controllable Exp.</b>	<b>9,071</b>	<b>9,313</b>	<b>(242)</b>	<b>11,205</b>	<b>11,523</b>	<b>(318)</b>	<b>over</b>	<b>(2.8%)</b>	

**Variance Explanations****1. Employee Costs**

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

**2. Property Costs**

The overspend relates mainly to expenditure on the 'Care of Gardens Scheme' 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.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 20 February 2009 (No 12)

## Supporting People

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/02/09	Actual 20/02/09	Variance 20/02/09	% Variance 20/02/09	Note
	£000	£000	£000	£000	£000	£000		
<b><u>Budget Category</u></b>								
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	5	(5)	over	n/a
Payments to Other Bodies	8,668	8,568	100	7,777	7,772	5	under	0.1%
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
<b>Total Controllable Exp.</b>	8,668	8,568	100	7,777	7,777	0	-	n/a
<b>Total Controllable Inc.</b>	(455)	(355)	(100)	(77)	(77)	0	-	n/a
<b>Net Controllable Exp.</b>	8,213	8,213	0	7,700	7,700	0	-	n/a

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 20 February 2009 (No 12)

## Property Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/02/09	Actual 20/02/09	Variance 20/02/09		% Variance 20/02/09	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	3,354	3,331	23	2,995	2,897	98	under	3.3%	1, a
Property Costs	842	920	(78)	487	533	(46)	over	(9.4%)	2, a, b
Supplies & Services	57	188	(131)	47	159	(112)	over	(238.3%)	3
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	171	151	20	148	120	28	under	18.9%	a
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	62	64	(2)	over	(3.2)	
<b>Total Controllable Exp.</b>	4,799	4,974	(175)	3,739	3,807	(68)	over	(1.8%)	
<b>Total Controllable Inc.</b>	(685)	(819)	134	(370)	(549)	179	over recovered	(48.4%)	4, a
<b>Net Controllable Exp.</b>	4,114	4,155	(41)	3,369	3,258	111	under	3.3%	

**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.

**3. Supplies and Services**

This overspend is a result of the purchase of a Close Circuit Television system being funded by the Police, and is offset by an over recovery of income.

**4. Income**

This over recovery of income is a result of external funding received from Police for Close Circuit Television, which is offset by an overspend within Supplies and Services (see 3 above).

**Budget Virements**

- a. Transfer of Close Circuit Television budget from Community Resources: Employee Costs (£0.088m), Property Costs (£0.036m), Administration Costs (£0.007m) and Income £0.439m
- b. Refund of Legislative Compliance underspend to Resources: Property Costs (£0.034m)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 20 February 2009 (No 12)

## Finance Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 20/02/09</b>	<b>Actual 20/02/09</b>	<b>Variance 20/02/09</b>		<b>% Variance 20/02/09</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	7,550	7,252	298	6,735	6,553	182	under	2.7%	1
Property Costs	216	192	24	165	146	19	under	11.5%	
Supplies & Services	737	722	15	537	610	(73)	over	(13.6%)	2
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	2,496	2,414	82	2,044	1,920	124	under	6.1%	3
Payments to Other Bodies	3,666	3,668	(2)	2,151	2,161	(10)	over	(0.5%)	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	90,154	91,528	(1,374)	79,701	81,387	(1,686)	over	(2.1%)	4
Financing Charges	293	303	(10)	196	200	(4)	over	(2.0%)	
<b>Total Controllable Exp.</b>	<b>105,112</b>	<b>106,079</b>	<b>(967)</b>	<b>91,529</b>	<b>92,978</b>	<b>(1,449)</b>	<b>over</b>	<b>(1.6%)</b>	
<b>Total Controllable Inc.</b>	<b>(101,088)</b>	<b>(102,338)</b>	<b>1,250</b>	<b>(84,758)</b>	<b>(86,414)</b>	<b>1,656</b>	<b>over recovered</b>	<b>(2.0%)</b>	<b>5</b>
<b>Net Controllable Exp.</b>	<b>4,024</b>	<b>3,741</b>	<b>283</b>	<b>6,771</b>	<b>6,564</b>	<b>207</b>	<b>under</b>	<b>3.1%</b>	

Variance Explanations**1. Employee Costs**

The underspend is due to vacancies across the Service.

**2. Supplies and Services**

The overspend is partially due to expenditure on a project funded by the Department of Work and Pensions in relation to Employment and Support Allowance. This is offset by an over recovery of income.

**3. 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.

**4. 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.

**5. 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 4 above). This is also income from the Department of Work and Pensions for a project in relation to Employment and Support Allowance which is offset by additional expenditure on Supplies and Services (see 2 above).