

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 (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 2009 to 19 March 2010 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 £0.039 million (0.14%) 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 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 (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 19 March 2010, the variance from phased budget to date is an underspend of £0.039 million (0.14%).

5.2. Following the probable outturn exercise the financial forecast to 31 March 2010 is an underspend of £0.178 million

- 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. 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 this 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)

Housing and Technical Resources Summary (excl HRA)

	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			
<u>Budget Category</u>									
Employee Costs	22,084	21,392	692	20,763	19,955	808	under	3.9%	
Property Costs	9,490	10,039	(549)	8,801	9,497	(696)	over	(7.9%)	
Supplies & Services	1,167	1,192	(25)	1,054	976	78	under	7.4%	
Transport & Plant	107	91	16	99	86	13	under	13.1%	
Administration Costs	2,933	2,750	183	2,860	2,611	249	under	8.7%	
Payments to Other Bodies	15,383	15,960	(577)	12,334	12,724	(390)	over	(3.2%)	
Payments to Contractors	184	283	(99)	184	349	(165)	over	(89.7%)	
Transfer Payments	91,524	101,445	(9,921)	90,524	102,565	(12,041)	over	(13.3%)	
Financing Charges	501	430	71	488	351	137	under	28.1%	
Total Controllable Exp.	143,373	153,582	(10,209)	137,107	149,114	(12,007)	over	(8.8%)	
Total Controllable Inc.	(118,471)	(128,858)	10,387	(109,028)	(121,074)	12,046	over recovered	11.0%	
Net Controllable Exp.	24,902	24,724	178	28,079	28,040	39	under	0.1%	

Variance Explanations

Variance explanations are shown in Appendices B-E.

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Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 19 March 2010 (No.13)

Area Services

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	10,733	10,492	241	10,235	9,984	251	under	2.5%	1, a
Property Costs	8,581	9,205	(624)	8,060	8,835	(775)	over	(9.6%)	2
Supplies & Services	254	320	(66)	242	306	(64)	over	(26.4%)	
Transport & Plant	107	86	21	99	81	18	under	18.2%	
Administration Costs	528	405	123	498	370	128	under	25.7%	3
Payments to Other Bodies	3,534	4,189	(655)	2,479	2,983	(504)	over	(20.3%)	4
Payments to Contractors	184	218	(34)	184	286	(102)	over	(55.4%)	5
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	143	123	20	141	111	30	under	21.3%	
Total Controllable Exp.	24,064	25,038	(974)	21,938	22,956	(1,018)	over	(4.6%)	
Total Controllable Inc.	(14,855)	(15,428)	573	(10,422)	(10,380)	(42)	under recovered	(0.4%)	b
Net Controllable Exp.	9,209	9,610	(401)	11,516	12,576	(1,060)	over	(9.2%)	

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.

3. Administration Costs

This underspend has been achieved through tight controls and will be used to manage overspends elsewhere in the budgets.

4. Payments to Other Bodies

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

5. Payments to Contractors

This overspend relates to payments for homeless accommodation and support services and reflects an increase in provision to meet demand.

Budget Virements

- a. Transfer from centrally held funds in respect of National Diagnostic release costs £0.155m: Employee Costs £0.155m
- b. Alignment of support service budgets £0.356m: Income £0.356m, Finance, Benefits and Revenue Support (£0.356m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 19 March 2010 (No.13)

Supporting People

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	0	0	0	0	0	0	-	n/a	
Property Costs	0	0	0	0	1	(1)	over	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	7,660	7,580	80	under	1.0%	
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	7,660	7,581	79	under	1.0%	
Total Controllable Inc.	(455)	(495)	40	(75)	(117)	42	over recovered	56.0%	
Net Controllable Exp.	7,472	7,351	121	7,585	7,464	121	under	1.6%	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 19 March 2010 (No.13)

Property Services

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	3,921	3,672	249	3,532	3,189	343	under	9.7%	1, a
Property Costs	724	734	(10)	563	568	(5)	over	(0.9%)	b
Supplies & Services	189	236	(47)	183	188	(5)	over	(2.7%)	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	169	161	8	163	147	16	under	9.8%	
Payments to Other Bodies	256	257	(1)	0	0	0	-	n/a	
Payments to Contractors	0	65	(65)	0	63	(63)	over	n/a	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	66	64	2	62	51	11	under	17.7%	
Total Controllable Exp.	5,325	5,189	136	4,503	4,206	297	under	6.6%	
Total Controllable Inc.	(691)	(774)	83	(541)	(565)	24	over recovered	4.4%	b
Net Controllable Exp.	4,634	4,415	219	3,962	3,641	321	under	8.1%	

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).

Budget Virements

- a. Transfer from centrally held funds in respect of National Diagnostic release costs £0.294m: Employee Costs £0.294m
- b. Refund of legislative compliance underspend to Resources (£0.131m): Property Costs (£0.131m). Also, realignment of Property Services budget to reflect legislative compliance outturn: Property Costs (£0.129m) Income £0.129m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 19 March 2010 (No.13)

Finance Services

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	7,430	7,228	202	6,996	6,782	214	under	3.1%	1, a
Property Costs	185	100	85	178	93	85	under	47.8%	
Supplies & Services	724	636	88	629	482	147	under	23.4%	2
Transport & Plant	0	5	(5)	0	5	(5)	over	n/a	
Administration Costs	2,236	2,184	52	2,199	2,094	105	under	4.8%	3
Payments to Other Bodies	3,666	3,668	(2)	2,195	2,161	34	under	1.5%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	91,524	101,445	(9,921)	90,524	102,565	(12,041)	over	(13.3%)	4
Financing Charges	292	243	49	285	189	96	under	33.7%	
Total Controllable Exp.	106,057	115,509	(9,452)	103,006	114,371	(11,365)	over	(11.0%)	
Total Controllable Inc.	(102,470)	(112,161)	9,691	(97,990)	(110,012)	12,022	over recovered	12.3%	5, b
Net Controllable Exp.	3,587	3,348	239	5,016	4,359	657	under	13.1%	

Variance Explanations**1. Employee Costs**

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

2. Supplies and Services

This underspend reflects programmed development within IT systems which have been less than anticipated.

3. Administration Costs

This underspend has been achieved through tight controls and will be used to manage overspends elsewhere in the budgets.

4. 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).

5. 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).

Budget Virements**a.** Transfer from centrally held funds in respect of National Diagnostic release costs £0.197m: Employee Costs £0.197m**b.** Alignment of support service budgets (£0.356m): Income (£0.356m), Area Services £0.356m