

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>18 May 2011</b>
Report by:	<b>Chief Executive Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2010/2011 - Housing and Technical Resources (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 2010 to 18 March 2011 for Housing and Technical Resources (HRA)
- ◆ provide a forecast for the year to 31 March 2011.

## 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' (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 2011 of break even be noted; and
- (3) that the proposed budget virements be approved.

## 3. Background

3.1. This is the fifth revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2010/2011.

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 18 March 2011, there is a breakeven position against the phased budget.

5.2. Following the probable outturn exercise the forecast to 31 March 2011 on the Housing and Technical Resources (HRA) is a break even position. This position is achieved by transferring the forecast underspend to the balance sheet for utilisation in future years.

5.3. Virements are also proposed to realign budgets across the Service. These movements have been detailed in Appendix A 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 the report.

**Archibald Strang**  
**Chief Executive**

**Lindsay Freeland**  
**Executive Director (Housing and Technical Resources)**

29 March 2011

### **Link(s) to Council Values/Improvement Themes/Objectives**

- ◆ Accountable, Effective and Efficient

### **Previous References**

- ◆ Housing and Technical Resources Committee, 2 March 2011

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 18 March 2011

### **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 18 March 2011 (No 13)

## Housing Revenue Account (HRA)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 18/03/11	Actual 18/03/11	Variance 18/03/11		% Variance 18/03/11	Note
	£000	£000	£000	£000	£000	£000			
<b>Budget Category</b>									
Employee Costs	10,010	9,999	11	9,177	9,182	(5)	over	(0.1%)	
Property Costs	36,812	38,081	(1,269)	32,972	32,999	(27)	over	(0.1%)	
Supplies & Services	961	785	176	890	751	139	under	15.6%	1
Transport & Plant	20	55	(35)	19	28	(9)	over	(47.4%)	
Administration Costs	805	760	45	749	756	(7)	over	(0.9%)	
Payments to Other Bodies	9,821	9,187	634	151	152	(1)	over	(0.7%)	a
Payments to Contractors	0	14	(14)	0	8	(8)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	9,965	9,927	38	9,965	9,872	93	under	0.9%	2
<b>Total Controllable Exp.</b>	<b>68,394</b>	<b>68,808</b>	<b>(414)</b>	<b>53,923</b>	<b>53,748</b>	<b>175</b>	<b>under</b>	<b>0.3%</b>	
<b>Total Controllable Inc.</b>	<b>(83,481)</b>	<b>(85,008)</b>	<b>1,527</b>	<b>(76,077)</b>	<b>(77,200)</b>	<b>1,123</b>	<b>over recovered</b>	<b>1.5%</b>	<b>3 a</b>
<b>Transfer to/(from) B/Sheet</b>	<b>(188)</b>	<b>925</b>	<b>(1,113)</b>	<b>0</b>	<b>1,298</b>	<b>(1,298)</b>	<b>over</b>	<b>n/a</b>	<b>4</b>
<b>Net Controllable Exp.</b>	<b>(15,275)</b>	<b>(15,275)</b>	<b>0</b>	<b>(22,154)</b>	<b>(22,154)</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Add:- Non Controllable Budgets</b>									
<b>Central Support Costs</b>	<b>3,216</b>	<b>3,216</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Finance Charges</b>	<b>12,059</b>	<b>12,059</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Total Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(22,154)</b>	<b>(22,154)</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	

**Variance Explanations**

- Supplies and Services**  
This underspend relates to Computer Equipment Purchase and is in line with the current IT strategy.
- Financing Charges**  
This underspend relates to charges for IT equipment leasing being less than anticipated.
- Income**  
This over recovery of income mainly relates to House Rents which are higher than anticipated due to a reduction in the number of council house sales.
- Transfer to/(from) Balance Sheet**  
This overspend reflects the current year end transfer to the balance sheet for utilisation in future years.

**Budget Virements**

- Re-alignment of budgets to reflect the rationalisation of internal recharging mechanisms: Payment to Other Bodies (£1.406m) and Income £1.406m