

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>29 September 2010</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2010/2011 - 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 to 6 August 2010 for Housing and Technical Resources (excl 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 underspend of £0.018 million (0.1%) on Housing and Technical Resources' (excl HRA) revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2011 of breakeven, be noted; and
- (2) that the proposed budget virements be approved.

## 3. Background

3.1. This is the second 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 (excl HRA) on Appendix A, and then details the individual services, along with variance explanations, in Appendices B to D.

## 4. Employee Implications

4.1. None.

## 5. Financial Implications

5.1. As at 6 August 2010, the variance from phased budget to date is an underspend of £0.018 million (0.1%). The forecast for the revenue budget to 31 March 2011 is a breakeven position.

5.2. Since the last report to this Committee there has been a change in responsibility for Housing and Technical Resources. Due to changes in the management structure within Corporate Resources, responsibility for Office Accommodation has now transferred to Housing and Technical Resources' Property Services. The details of the budget are incorporated in the appendices to this report. Other virements are also proposed to realign budgets across the Services and from other Resources. These movements have also 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)**

16 August 2010

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

◆ Value: Accountable, Effective and Efficient

### **Previous References**

◆ Housing and Technical Resources Committee, 30 June 2010

### **List of Background Papers**

◆ Financial ledger and budget monitoring results to 6 August 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 6 August 2010 (No.5)

## Housing and Technical Resources Summary (excl HRA)

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 06/08/10</b>	<b>Actual 06/08/10</b>	<b>Variance 06/08/10</b>		<b>% Variance 06/08/10</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	20,973	20,973	0	7,105	7,040	65	under	0.9%	
Property Costs	17,468	17,468	0	5,197	5,604	(407)	over	(7.8%)	
Supplies & Services	1,130	1,130	0	429	415	14	under	3.3%	
Transport & Plant	142	142	0	44	49	(5)	over	(11.4%)	
Administration Costs	2,568	2,568	0	727	664	63	under	8.7%	
Payments to Other Bodies	10,609	10,609	0	2,722	2,733	(11)	over	(0.4%)	
Payments to Contractors	1,762	1,762	0	695	729	(34)	over	(4.9%)	
Transfer Payments	103,712	103,712	0	37,611	37,611	0	-	n/a	
Financing Charges	875	875	0	367	396	(29)	over	(7.9%)	
<b>Total Controllable Exp.</b>	<b>159,239</b>	<b>159,239</b>	<b>0</b>	<b>54,897</b>	<b>55,241</b>	<b>(344)</b>	<b>over</b>	<b>(0.6%)</b>	
<b>Total Controllable Inc.</b>	<b>(130,492)</b>	<b>(130,492)</b>	<b>0</b>	<b>(42,226)</b>	<b>(42,588)</b>	<b>362</b>	<b>over recovered</b>	<b>0.9%</b>	
<b>Net Controllable Exp.</b>	<b>28,747</b>	<b>28,747</b>	<b>0</b>	<b>12,671</b>	<b>12,653</b>	<b>18</b>	<b>under</b>	<b>0.1%</b>	

**Variance Explanations**

Variance explanations are shown in Appendices B-D.

**Budget Virements**

Budget virements are shown in Appendices B-D.

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**

**Housing and Technical Resources Committee: Period Ended 6 August 2010 (No.5)**

**Area Services**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 06/08/10</b>	<b>Actual 06/08/10</b>	<b>Variance 06/08/10</b>		<b>% Variance 06/08/10</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	7,340	7,340	0	2,444	2,371	73	under	3.0%	a, b, c
Property Costs	9,712	9,712	0	3,650	4,015	(365)	over	(10.0%)	1, a, b
Supplies & Services	160	160	0	55	65	(10)	over	(18.2%)	a, b
Transport & Plant	137	137	0	42	42	0	-	n/a	
Administration Costs	421	421	0	103	74	29	under	28.2%	a, b
Payments to Other Bodies	4,951	4,951	0	1,341	1,351	(10)	over	(0.7%)	
Payments to Contractors	1,762	1,762	0	695	696	(1)	over	(0.1%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	76	76	0	26	42	(16)	over	(61.5%)	a, b
<b>Total Controllable Exp.</b>	<b>24,559</b>	<b>24,559</b>	<b>0</b>	<b>8,356</b>	<b>8,656</b>	<b>(300)</b>	<b>over</b>	<b>(3.6%)</b>	
<b>Total Controllable Inc.</b>	<b>(15,454)</b>	<b>(15,454)</b>	<b>0</b>	<b>(2,836)</b>	<b>(3,140)</b>	<b>304</b>	<b>over recovered</b>	<b>10.7%</b>	<b>2, a, c, d</b>
<b>Net Controllable Exp.</b>	<b>9,105</b>	<b>9,105</b>	<b>0</b>	<b>5,520</b>	<b>5,516</b>	<b>4</b>	<b>under</b>	<b>0.1%</b>	

**Variance Explanations**

**1. Property Costs**

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

**2. Income**

The over recovery relates to house rents for homeless tenants.

**Budget Virements**

- a. Transfer of Money Matters Service from Area Services to Finance, Benefits and Revenue Support Services to reflect managerial responsibility (£1.190m): Employee Costs (£1.196m), Property Costs (£0.003m), Supplies and Services (£0.023m), Administration Costs (£0.027m), Financing Charges (£0.003m) and Income £0.062m.
- b. Transfer of Q&A Service from Area Services to Finance, Benefits and Revenue Support Services to reflect managerial responsibility (£2.508m): Employee Costs (£2.162m), Property Costs (£0.212m), Supplies and Services (£0.061m), Administration (£0.041m) and Financing Charges (£0.032m).
- c. Realignment to reflect recharges to HRA : Employee Costs (£0.117m) and Income £0.117m.
- d. Transfer of house rent income budget from Finance, Benefits and Revenue Support Services to reflect changes in the Department for Work and Pensions funding mechanism (£0.700m): Income: (£0.700m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Housing and Technical Resources Committee: Period Ended 6 August 2010 (No.5)

## Property Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/08/10	Actual 06/08/10	Variance 06/08/10		% Variance 06/08/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,534	3,534	0	1,200	1,170	30	under	2.5%	
Property Costs	7,447	7,447	0	1,468	1,504	(36)	over	(2.5%)	a, b, c, d
Supplies & Services	176	176	0	57	41	16	under	28.1%	
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	153	153	0	83	71	12	under	14.5%	
Payments to Other Bodies	257	257	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	31	(31)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	546	546	0	266	271	(5)	over	(1.9%)	a
<b>Total Controllable Exp.</b>	<b>12,113</b>	<b>12,113</b>	<b>0</b>	<b>3,074</b>	<b>3,089</b>	<b>(15)</b>	<b>over</b>	<b>(0.5%)</b>	
<b>Total Controllable Inc.</b>	<b>(885)</b>	<b>(885)</b>	<b>0</b>	<b>(210)</b>	<b>(231)</b>	<b>21</b>	<b>under</b>	<b>(10.0%)</b>	<b>a, b</b>
<b>Net Controllable Exp.</b>	<b>11,228</b>	<b>11,228</b>	<b>0</b>	<b>2,864</b>	<b>2,858</b>	<b>6</b>	<b>under</b>	<b>0.2%</b>	

**Budget Virements**

- Transfer of Office Accommodation from Corporate Resources £7.119m: Property Costs £6.748m, Financing Charges £0.503m and Income (£0.132m).
- Transfer of Legislative Compliance Budgets from Resources £0.428m: Property Costs £0.682m, and Income (£0.254m).
- Transfer to centrally held funds in respect of Utilities (£0.232m): Property Costs (£0.232m).
- Transfer to centrally held funds in respect of Rates (£0.113m): Property Costs (£0.113m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 6 August 2010 (No.5)

## Finance, Benefits and Revenue Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 06/08/10	Actual 06/08/10	Variance 06/08/10		% Variance 06/08/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	10,099	10,099	0	3,461	3,499	(38)	over	(1.1%)	a, b
Property Costs	309	309	0	79	85	(6)	over	(7.6%)	a, b
Supplies & Services	794	794	0	317	309	8	under	2.5%	a, b
Transport & Plant	5	5	0	2	6	(4)	over	(200.0%)	
Administration Costs	1,994	1,994	0	541	519	22	under	4.1%	a, b
Payments to Other Bodies	5,401	5,401	0	1,381	1,382	(1)	over	(0.1%)	
Payments to Contractors	0	0	0	0	2	(2)	over	n/a	
Transfer Payments	103,712	103,712	0	37,611	37,611	0	-	n/a	
Financing Charges	253	253	0	75	83	(8)	over	(10.7%)	a, b
<b>Total Controllable Exp.</b>	<b>122,567</b>	<b>122,567</b>	<b>0</b>	<b>43,467</b>	<b>43,496</b>	<b>(29)</b>	<b>over</b>	<b>(0.1%)</b>	
<b>Total Controllable Inc.</b>	<b>(114,153)</b>	<b>(114,153)</b>	<b>0</b>	<b>(39,180)</b>	<b>(39,217)</b>	<b>37</b>	<b>over recovered</b>	<b>0.1%</b>	<b>a, c</b>
<b>Net Controllable Exp.</b>	<b>8,414</b>	<b>8,414</b>	<b>0</b>	<b>4,287</b>	<b>4,279</b>	<b>8</b>	<b>under</b>	<b>0.2%</b>	

**Budget Virements**

- Transfer of Money Matters Service from Area Services to Finance, Benefits and Revenues Support Services to reflect managerial responsibility £1.190m: Employee Costs £1.196m, Property Costs £0.003m, Supplies and Services £0.023m, Administration Costs £0.027m, Financing Charges £0.003m and Income (£0.062m).
- Transfer of Q&A Service from Area Services to Finance, Benefits and Revenues Support Services to reflect managerial responsibility £2.508m: Employee Costs £2.162m, Property Costs £0.212m, Supplies and Services £0.061m, Administration £0.041m and Financing Charges £0.032m.
- Transfer of house rent income budget to Area Services to reflect changes in Department for Work and Pensions funding mechanism £0.700m: Income: £0.700m.