

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>12 October 2011</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2011/2012 - 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 2 September 2011 for Housing and Technical Resources (excl HRA)
- ◆ provide a forecast for the year to 31 March 2012

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the underspend of £0.048million on Housing and Technical Resources' (excl HRA) revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2012 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 2011/2012.

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 2 September 2011, the variance from phased budget to date is an underspend of £0.048million. The forecast for the revenue budget to 31 March 2012 is a breakeven position.

5.2. Virements are also proposed to realign budgets across the services. 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 that there is 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.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.

## **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.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

**Lindsay Freeland**

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

12 September 2011

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

- ◆ Accountable, Effective and Efficient

### **Previous References**

- ◆ Housing and Technical Resources Committee, 13 July 2011

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 2 September 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 2 September 2011 (No.6)

## 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 02/09/11</b>	<b>Actual 02/09/11</b>	<b>Variance 02/09/11</b>		<b>% Variance 02/09/11</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	20,437	20,437	0	7,839	7,568	271	under	3.5%	
Property Costs	18,009	18,009	0	6,874	6,376	498	under	7.2%	
Supplies & Services	1,024	1,024	0	316	457	(141)	over	(44.6%)	
Transport & Plant	199	199	0	78	72	6	under	7.7%	
Administration Costs	5,193	5,193	0	641	578	63	under	9.8%	
Payments to Other Bodies	13,487	13,487	0	3,493	3,570	(77)	over	(2.2%)	
Payments to Contractors	1,802	1,802	0	1,137	1,074	63	under	5.5%	
Transfer Payments	112,000	112,000	0	48,069	48,068	1	under	0.0%	
Financing Charges	809	809	0	378	361	17	under	4.5%	
<b>Total Controllable Exp.</b>	<b>172,960</b>	<b>172,960</b>	<b>0</b>	<b>68,825</b>	<b>68,124</b>	<b>701</b>	<b>under</b>	<b>1.0%</b>	
<b>Total Controllable Inc.</b>	<b>(145,888)</b>	<b>(145,888)</b>	<b>0</b>	<b>(52,955)</b>	<b>(52,302)</b>	<b>(653)</b>	<b>under recovered</b>	<b>(1.2%)</b>	
<b>Net Controllable Exp.</b>	<b>27,072</b>	<b>27,072</b>	<b>0</b>	<b>15,870</b>	<b>15,822</b>	<b>48</b>	<b>under</b>	<b>0.3%</b>	

**Variance Explanations**

Variance explanations are shown in Appendices B-D.

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

**Housing and Technical Resources Committee: Period Ended 2 September 2011 (No.6)**

**Area Services**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 02/09/11</b>	<b>Actual 02/09/11</b>	<b>Variance 02/09/11</b>		<b>% Variance 02/09/11</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	3,721	3,721	0	1,425	1,206	219	under	15.4%	1,a
Property Costs	8,199	8,199	0	3,726	3,151	575	under	15.4%	2,b
Supplies & Services	139	139	0	54	34	20	under	37.0%	
Transport & Plant	107	107	0	45	40	5	under	11.1%	
Administration Costs	909	909	0	82	76	6	under	7.3%	c,d
Payments to Other Bodies	4,608	4,608	0	1,318	1,410	(92)	over	(7.0%)	3
Payments to Contractors	1,762	1,762	0	1,097	1,034	63	under	5.7%	
Transfer Payments	0	0	0	0	0	0		n/a	
Financing Charges	37	37	0	18	19	(1)	over	(5.6%)	
<b>Total Controllable Exp.</b>	<b>19,482</b>	<b>19,482</b>	<b>0</b>	<b>7,765</b>	<b>6,970</b>	<b>795</b>	<b>under</b>	<b>10.2%</b>	
<b>Total Controllable Inc.</b>	<b>(12,795)</b>	<b>(12,795)</b>	<b>0</b>	<b>(4,339)</b>	<b>(3,743)</b>	<b>(596)</b>	<b>under recovered</b>	<b>(13.7%)</b>	<b>4,a</b>
<b>Net Controllable Exp.</b>	<b>6,687</b>	<b>6,687</b>	<b>0</b>	<b>3,426</b>	<b>3,227</b>	<b>199</b>	<b>under</b>	<b>5.8%</b>	

**Variance Explanations**

**1. Employee Costs**

The underspend relates mainly to vacancies.

**2. Property Costs**

The underspend relates mainly to reduced expenditure on Bed and Breakfast and also a reduction in participation in the 'Care of Gardens Scheme' by owner occupiers. These are offset by an under recovery of income (see 4 below).

**3. Payments to Other Bodies**

The overspend relates to additional community safety projects funded from within the overall budget.

**4. Income**

The under recovery of income relates mainly to a reduction in the use of Bed and Breakfast accommodation and also a reduction in participation in the Care of Gardens scheme. This is offset by an underspend on Property Costs (see 2 above).

**Budget Virements**

- a. Transfer of Repairs Team to Customer Services Centre within Finance Services. Net Effect 0: Employee Costs (£0.255m) and Income £0.255m.
- b. Transfer of budget from Community Resources for Living Wage £0.058m: Property Costs £0.058m.
- c. Transfer of Community Alarms to Social Work Resources (£0.168m): Administration Costs (£0.168m).
- d. Transfer of budget to Finance Services due to Internal Support realignment (£0.322m); Administration Costs (£0.322m).

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

**Housing and Technical Resources Committee: Period Ended 2 September 2011 (No.6)**

**Property Services**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 02/09/11</b>	<b>Actual 02/09/11</b>	<b>Variance 02/09/11</b>		<b>% Variance 02/09/11</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	5,725	5,725	0	2,193	2,148	45	under	2.1%	1
Property Costs	9,598	9,598	0	3,069	3,154	(85)	over	(2.8%)	2,a,b,c
Supplies & Services	147	147	0	63	48	15	under	23.8%	
Transport & Plant	73	73	0	28	26	2	under	7.1%	
Administration Costs	1,045	1,045	0	88	108	(20)	over	(22.7%)	
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	40	40	0	40	40	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	541	541	0	269	265	4	under	1.5%	
<b>Total Controllable Exp.</b>	<b>17,169</b>	<b>17,169</b>	<b>0</b>	<b>5,750</b>	<b>5,789</b>	<b>(39)</b>	<b>over</b>	<b>(0.7%)</b>	
<b>Total Controllable Inc.</b>	<b>(4,065)</b>	<b>(4,065)</b>	<b>0</b>	<b>(380)</b>	<b>(354)</b>	<b>(26)</b>	<b>under recovered</b>	<b>(6.8%)</b>	<b>b</b>
<b>Net Controllable Exp.</b>	<b>13,104</b>	<b>13,104</b>	<b>0</b>	<b>5,370</b>	<b>5,435</b>	<b>(65)</b>	<b>over</b>	<b>(1.2%)</b>	

**Variance Explanations**

**1. Employee Costs**

The underspend relates mainly to vacancies and is offset by an under recovery of income from recharges to client services.

**2. Property Costs**

The overspend relates mainly to costs associated with health and safety work required at the Council's principal offices and will be contained within the overall Resource budget.

**Budget Virements**

- a. Transfer of budget from Social Work Resources in respect of Legislative Compliance £0.091m: Property Costs £0.091m
- b. Creation of Legislative Compliance budget. Net Effect 0: Property Costs £0.345m and Income (£0.345m).
- c. Transfer of budget from Community Resources for Living Wage £0.108m: Property Costs £0.108m

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

**Housing and Technical Resources Committee: Period Ended 2 September 2011 (No.6)**

**Finance Services**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 02/09/11</b>	<b>Actual 02/09/11</b>	<b>Variance 02/09/11</b>		<b>% Variance 02/09/11</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	10,991	10,991	0	4,221	4,214	7	under	0.2%	a
Property Costs	212	212	0	79	71	8	under	10.1%	
Supplies & Services	738	738	0	199	375	(176)	over	(88.4%)	1
Transport & Plant	19	19	0	5	6	(1)	over	(20.0%)	
Administration Costs	3,239	3,239	0	471	394	77	under	16.3%	2,b
Payments to Other Bodies	8,879	8,879	0	2,175	2,160	15	under	0.7%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	112,000	112,000	0	48,069	48,068	1	under	0.0%	
Financing Charges	231	231	0	91	77	14	under	15.4%	
<b>Total Controllable Exp.</b>	<b>136,309</b>	<b>136,309</b>	<b>0</b>	<b>55,310</b>	<b>55,365</b>	<b>(55)</b>	<b>over</b>	<b>(0.1%)</b>	
<b>Total Controllable Inc.</b>	<b>(129,028)</b>	<b>(129,028)</b>	<b>0</b>	<b>(48,236)</b>	<b>(48,205)</b>	<b>(31)</b>	<b>under recovered</b>	<b>(0.1%)</b>	<b>a,b</b>
<b>Net Controllable Exp.</b>	<b>7,281</b>	<b>7,281</b>	<b>0</b>	<b>7,074</b>	<b>7,160</b>	<b>(86)</b>	<b>over</b>	<b>(1.2%)</b>	

**Variance Explanations**

**1. Supplies and Services**

The overspend relates to costs associated with the implementation of an Electronic Document and Record Management System (EDRMS).

**2. Administration**

The underspend is as a result of controls placed on expenditure within this area, and is being used to partly off-set the cost of systems implementation (see 1 above).

**Budget Virements**

a. Transfer of Repairs Team from Property Services. Net Effect 0; Employee Costs £0.255m and Income (£0.255m).

b. Transfer of budget from Area Services in relation to realignment of Internal Support £0.322m: Administration Costs (£0.223m) and Income £0.545m