

Report

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

Subject:	Revenue Budget Monitoring 2010/2011 - 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 2010 to 18 March 2011 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 £0.022 million (0.1%) 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 2011 of £0.065 million overspend 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 (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 18 March 2011, the variance from phased budget to date is an underspend of £0.022 million (0.1%).

5.2. Following the probable outturn exercise, the financial forecast to 31 March 2011 for the revenue budget is an overspend of £0.065 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.

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 and Technical Resources Summary (excl 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			
<u>Budget Category</u>									
Employee Costs	22,010	21,862	148	19,943	20,157	(214)	over	(1.1%)	
Property Costs	16,964	16,367	597	16,201	15,412	789	under	4.9%	
Supplies & Services	1,028	1,340	(312)	837	1,070	(233)	over	(27.8%)	
Transport & Plant	138	102	36	128	87	41	under	32.0%	
Administration Costs	4,601	4,582	19	2,382	2,163	219	under	9.2%	
Payments to Other Bodies	9,678	8,998	680	7,027	6,531	496	under	7.1%	
Payments to Contractors	1,802	2,036	(234)	1,695	2,009	(314)	over	(18.5%)	
Transfer Payments	103,712	110,296	(6,584)	103,712	111,489	(7,777)	over	(7.5%)	
Financing Charges	845	813	32	835	770	65	under	7.8%	
Total Controllable Exp.	160,778	166,396	(5,618)	152,760	159,688	(6,928)	over	(4.5%)	
Total Controllable Inc.	(132,816)	(138,369)	5,553	(116,433)	(123,383)	6,950	over recovered	6.0%	
Net Controllable Exp.	27,962	28,027	(65)	36,327	36,305	22	under	0.1%	

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 18 March 2011 (No.13)

Area Services

Budget Category	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			
Employee Costs	3,747	3,323	424	3,468	3,018	450	under	13.0%	1, a
Property Costs	8,274	7,444	830	7,708	7,267	441	under	5.7%	2, a
Supplies & Services	107	158	(51)	100	130	(30)	over	(30.0%)	
Transport & Plant	133	97	36	123	75	48	under	39.0%	
Administration Costs	640	623	17	282	225	57	under	20.2%	a
Payments to Other Bodies	4,067	3,857	210	3,638	3,323	315	under	8.7%	3, a
Payments to Contractors	1,762	1,920	(158)	1,655	1,890	(235)	over	(14.2%)	4
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	41	63	(22)	41	45	(4)	over	(9.8%)	
Total Controllable Exp.	18,771	17,485	1,286	17,015	15,973	1,042	under	6.1%	
Total Controllable Inc.	(12,153)	(11,195)	(958)	(9,222)	(8,497)	(725)	under recovered	(7.9%)	5, a
Net Controllable Exp.	6,618	6,290	328	7,793	7,476	317	under	4.1%	

Variance Explanations

1. Employee Costs

The underspend reflects the current level of vacancies with the Service.

2. Property Costs

This underspend is due to a number of variances, mainly related to accommodation for homeless tenants which are offset by an under recovery of income (see 5 below). This underspend is being partially offset by an overspend on the 'Care of Gardens Scheme' for owner occupiers.

3. Payments to Other Bodies

This underspend reflects savings achieved by the re-provisioning of homelessness support service contracts.

4. Payment to Contractors

This overspend relates to the purchase of support services within the Homelessness Service.

5. Income

The under recovery relates to house rents for homeless tenants, offset by an underspend on property costs (see 2 above).

Budget Virements

- a. Transfer of budgets to reflect rationalisation of internal recharging model (£1.119m): Employee Costs (£0.290m), Property Costs £0.025m, Administration Costs £0.348m, Payments to Other Bodies (£0.841m) and Income (£0.361m). The balance of this transfer is across Property Services and Finance, Benefits and Revenue Support Services.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 18 March 2011 (No.13)

Property Services

Budget Category	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			
Employee Costs	6,026	5,815	211	5,502	5,467	35	under	0.6%	a
Property Costs	8,377	8,469	(92)	8,191	7,810	381	under	4.7%	1
Supplies & Services	107	163	(56)	100	108	(8)	over	(8.0%)	
Transport & Plant	0	2	(2)	0	7	(7)	over	n/a	
Administration Costs	832	893	(61)	160	206	(46)	over	(28.8%)	b
Payments to Other Bodies	0	(257)	257	0	0	0	-	n/a	b
Payments to Contractors	40	114	(74)	40	115	(75)	over	(187.5%)	2
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	565	546	19	562	539	23	under	4.1%	
Total Controllable Exp.	15,947	15,745	202	14,555	14,252	303	under	2.1%	
Total Controllable Inc.	(3,964)	(3,944)	(20)	(794)	(672)	(122)	under recovered	(15.4%)	3, b
Net Controllable Exp.	11,983	11,801	182	13,761	13,580	181	under	1.3%	

Variance Explanations**1. Property Costs**

This underspend relates mainly to the delivery of legislative compliance programmes. This is partially offset by an under recovery of income (see 5 below). There are also underspends in relation to gas and electricity costs which have been less than budgeted for the year to date.

2. Payments to Contractors

The overspend reflects the use of external professional services to cover vacancies in areas of work required to be done in order to comply with legislation.

3. Income

This under recovery of income is due to an underspend in the delivery of the legislative compliance programme. (see 2 above).

Budget Virements

- Transfer from centrally held funds in respect of National Diagnostic Costs £0.060m: Employee Costs £0.060m.
- Transfer of budgets to reflect rationalisation of internal recharging model £0.368m: Administration Costs £0.632m, Payments to Other Bodies (£0.257m) and Income (£0.007m). The balance of this transfer is across Area Services and Finance, Benefits and Revenue Support Services.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 18 March 2011 (No.13)

Finance, Benefits and Revenue Support Services

Budget Category	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			
Employee Costs	12,237	12,724	(487)	10,973	11,672	(699)	over	(6.4%)	1, a
Property Costs	313	454	(141)	302	335	(33)	over	(10.9%)	
Supplies & Services	814	1,019	(205)	637	832	(195)	over	(30.6%)	2
Transport & Plant	5	3	2	5	5	0	-	0.0%	
Administration Costs	3,129	3,066	63	1,940	1,732	208	under	10.7%	3, b
Payments to Other Bodies	5,611	5,398	213	3,389	3,208	181	under	5.3%	4, b
Payments to Contractors	0	2	(2)	0	4	(4)	over	n/a	
Transfer Payments	103,712	110,296	(6,584)	103,712	111,489	(7,777)	over	(7.5%)	5
Financing Charges	239	204	35	232	186	46	under	19.8%	
Total Controllable Exp.	126,060	133,166	(7,106)	121,190	129,463	(8,273)	over	(6.8%)	
Total Controllable Inc.	(116,699)	(123,230)	6,531	(106,417)	(114,214)	7,797	over recovered	7.3%	6, b
Net Controllable Exp.	9,361	9,936	(575)	14,773	15,249	(476)	over	(3.2%)	

Variance Explanations**1. Employee Costs**

The overspend relates to costs associated with the delayed implementation of the Benefits and Revenues Review and Cash Hall Review.

2. Supplies & Services

This overspend relates to costs associated with the implementation of the Benefits and Revenues Review.

3. Administration Costs

This underspend relates mainly to printing and stationery and is in line with measures taken to reduce expenditure in this area.

4. Payments to Other Bodies

This underspend reflects the contracts currently in place for Supporting People services.

5. Transfer Payments

This overspend relates to the demand for benefits and is offset by an over recovery of income (see 5 below).

6. Income

This over recovery relates to the level of benefit subsidy received and is offset by an overspend on Transfer Payments (see 4 above).

Budget Virements

- Transfer from centrally held funds in respect of National Diagnostic Costs £0.359m: Employee Costs £0.359m.
- Transfer of budgets to reflect rationalisation of internal recharging model £0.751m: Administration Costs £1.101m, Payments to Other Bodies £0.179m and Income (£0.529m). The balance of this transfer is across Area Services and Property Services.