

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	8 December 2010
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 to 29 October 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 £0.002 million (0.0%) 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 third 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 29 October 2010, the variance from phased budget to date is an underspend of £0.002 million (0.0%). The forecast for the revenue budget to 31 March 2011 is a breakeven position.

5.2. 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)

8 November 2010

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

- ◆ Value: Accountable, Effective and Efficient

Previous References

- ◆ Housing and Technical Resources Committee, 29 September 2010

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 29 October 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 29 October 2010 (No.8)

Housing and Technical Resources Summary (excl HRA)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 29/10/10	Actual 29/10/10	Variance 29/10/10		% Variance 29/10/10	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	22,212	22,212	0	12,824	12,789	35	under	0.3%	
Property Costs	17,739	17,739	0	10,611	10,774	(163)	over	(1.5%)	
Supplies & Services	1,111	1,111	0	623	628	(5)	over	(0.8%)	
Transport & Plant	142	142	0	77	56	21	under	27.3%	
Administration Costs	2,602	2,602	0	1,232	1,160	72	under	5.8%	
Payments to Other Bodies	10,659	10,659	0	4,800	4,622	178	under	3.7%	
Payments to Contractors	1,762	1,762	0	1,082	1,165	(83)	over	(7.7%)	
Transfer Payments	103,712	103,712	0	64,025	64,024	1	under	0.0%	
Financing Charges	846	846	0	451	461	(10)	over	(2.2%)	
Total Controllable Exp.	160,785	160,785	0	95,725	95,679	46	under	0.0%	
Total Controllable Inc.	(132,480)	(132,480)	0	(72,534)	(72,490)	(44)	under recovered	(0.1%)	
Net Controllable Exp.	28,305	28,305	0	23,191	23,189	2	under	0.0%	

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 29 October 2010 (No.8)

Area Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 29/10/10	Actual 29/10/10	Variance 29/10/10		% Variance 29/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,040	4,040	0	2,229	1,942	287	under	12.9%	1, a, b
Property Costs	9,662	9,662	0	5,770	5,924	(154)	over	(2.7%)	2, a, b, c
Supplies & Services	105	105	0	56	92	(36)	over	(64.3%)	a
Transport & Plant	137	137	0	74	52	22	under	29.7%	
Administration Costs	312	312	0	133	103	30	under	22.6%	a
Payments to Other Bodies	4,970	4,970	0	2,478	2,341	137	under	5.5%	3
Payments to Contractors	1,762	1,762	0	1,082	1,084	(2)	over	(0.2%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	41	41	0	22	34	(12)	over	(54.5%)	a
Total Controllable Exp.	21,029	21,029	0	11,844	11,572	272	under	2.3%	
Total Controllable Inc.	(12,597)	(12,597)	0	(5,421)	(5,263)	(158)	under recovered	(2.9%)	4, a, c, d
Net Controllable Exp.	8,432	8,432	0	6,423	6,309	114	under	1.8%	

Variance Explanations

1. Employee Costs

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

2. Property Costs

The overspend relates mainly to expenditure on the 'Care of Gardens Scheme' for owner occupiers. This is partially offset by a number of underspends including that relating to other accommodation for homeless tenants which is offset by an under recovery of income (see 4 below).

3. Payments to Other Bodies

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

4. Income

The under recovery relates to house rents for homeless tenants, this is offset by an underspend on other accommodation (see 2 above).

Budget Virements

- a. Transfer of Benefits and Revenues Control Service to Finance, Benefits and Revenues Support Services (£0.654m): Employee Costs (£3.312m), Property Costs (£0.152m), Supplies and Services (£0.057m), Administration Costs (£0.107m), Financing Charges (£0.035m) and Income £3.009m.
- b. Transfer of excess pay award budget to the centre (£0.069m): Employee Costs (£0.032m) and Property Costs (£0.037m).
- c. Transfer of budgets to Finance, Benefits and Revenues Support Services to reflect targets for additional homeless accommodation and current benefit regulations. (£0.383m): Property Costs £0.151m and Income (£0.534m).
- d. Re-alignment of budgets within Area Services Homelessness budget and housing benefits within Finance, Benefits and Revenues to reflect new housing benefit regulations £0.382m: Income £0.382m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 29 October 2010 (No.8)

Property Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 29/10/10	Actual 29/10/10	Variance 29/10/10		% Variance 29/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,961	5,961	0	3,419	3,353	66	under	1.9%	a, b, c
Property Costs	7,602	7,602	0	4,582	4,555	27	under	0.6%	a, b
Supplies & Services	185	185	0	105	88	17	under	16.2%	b, c
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	220	220	0	116	105	11	under	9.5%	b, c
Payments to Other Bodies	257	257	0	0	0	0	-	0.0%	
Payments to Contractors	0	0	0	0	79	(79)	over	n/a	1
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	565	565	0	286	281	5	under	1.7%	b, c
Total Controllable Exp.	14,790	14,790	0	8,508	8,462	46	under	0.5%	
Total Controllable Inc.	(3,584)	(3,584)	0	(469)	(429)	(40)	under recovered	(8.5%)	b, c
Net Controllable Exp.	11,206	11,206	0	8,039	8,033	6	under	0.1%	

Variance Explanations**1. 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.

Budget Virements

- Transfer of excess pay award budget to the centre (£0.048m): Employee Costs (£0.036m) and Property Costs (£0.012m).
- Realignment of budgets in respect of Property Repairs Team and Investment Team: Employee Costs £2.466m, Property Costs £0.106m, Supplies and Services £0.009m, Administration Costs £0.068m, Financing Charges £0.019m and Income (£2.668m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 29 October 2010 (No.8)

Finance, Benefits and Revenue Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 29/10/10	Actual 29/10/10	Variance 29/10/10		% Variance 29/10/10	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	12,211	12,211	0	7,176	7,494	(318)	over	(4.4%)	1, a, b, c, d, f, g
Property Costs	475	475	0	259	295	(36)	over	(13.9%)	a
Supplies & Services	821	821	0	462	448	14	under	3.0%	a, c, d, f, g
Transport & Plant	5	5	0	3	3	0	-	0.0%	f
Administration Costs	2,070	2,070	0	983	952	31	under	3.2%	a, c, d, f, g
Payments to Other Bodies	5,432	5,432	0	2,322	2,281	41	under	1.8%	
Payments to Contractors	0	0	0	0	2	(2)	over	n/a	
Transfer Payments	103,712	103,712	0	64,025	64,024	1	under	0.0%	
Financing Charges	240	240	0	143	146	(3)	over	(2.1%)	a, c, d, g, f
Total Controllable Exp.	124,966	124,966	0	75,373	75,645	(272)	over	(0.4%)	
Total Controllable Inc.	(116,299)	(116,299)	0	(66,644)	(66,798)	154	over recovered	0.2%	2, a, e, f, g, h
Net Controllable Exp.	8,667	8,667	0	8,729	8,847	(118)	over	(1.4%)	

Variance Explanations**1. Employee Costs**

This overspend relates in part to Fairer Scotland Fund Projects. These are not budgeted for within Services and are offset by an over recovery of income (see 2 below). A budget virement will be prepared to realign the budgets in the next period. The remainder of the variance is a result of the delayed implementation of the Benefits and Revenues Review and Cash Hall Review.

2. Income

This over recovery is due to income received for Fairer Scotland Fund Projects which is not budgeted for within Services. This is offset by an overspend on employee costs (see 1 above).

Budget Virements

- Transfer of Benefits and Revenues Control Service from Area Services £0.654m: Employee Costs £3.312m, Property Costs £0.152m, Supplies and Services £0.057m, Administration Costs £0.107m, Financing Charges £0.035m and Income (£3.009m).
- Transfer of excess pay award budget to the centre (£0.110m): Employee Costs (£0.110m).
- Transfer of Health and Safety budget to Corporate Resources (£0.099m): Employee Costs (£0.091m), Supplies and Services (£0.003m), Administration Costs (£0.004m) and Financing Charges (£0.001m).
- Transfer of Training budget to Corporate Resources (£0.151m): Employee Costs (£0.139m), Supplies and Services (£0.002m), Administration Costs (£0.009m) and Financing Charges (£0.001m).
- Transfer of budgets from Area Services to reflect targets for additional homeless accommodation £0.383m: Income £0.383m.
- Realignment of budget to reflect transfer of Rent Accounting Team to HRA: Employee Costs (£1.117m), Supplies and Services (£0.032m), Transport (£0.003m), Administration Costs (£0.018m), Financing Charges (£0.012m) and Income £1.182m.
- Realignment of budget to reflect transfer of Rent Arrears Team to HRA: Employee Costs (£0.471m), Supplies and Services (£0.017m), Administration Costs (£0.015m), Financing Charges (£0.012m) and Income £0.515m.
- Re-alignment of budgets within Housing Benefit and Area Services homelessness budget to reflect new housing benefit regulations (£0.382m): Income (£0.382m).