

Report

6

Report to:	Housing and Technical Resources Committee
Date of Meeting:	13 July 2011
Report by:	Chief Executive Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2011/2012 - Housing and Technical Resources (excl HRA)
----------	---

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 10 June 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 £0.039million 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 first 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 10 June 2011, the variance from phased budget to date is an underspend of £0.039million. The forecast for the revenue budget to 31 March 2012 is a breakeven position.

5.2. Living Wage

On 10 February 2011, the Council's Executive Committee approved the implementation of a Living Wage with an increase of at least £250 for those employees earning less than £21,000.

A budget allocation has been made to Housing and Technical Resources and has been shown across all Services in the accompanying Appendices. This has been funded from Central Funds earmarked during the 2011/12 budget process.

- 5.3. 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.

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)

17 June 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 10 June 2011

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Paul Manning, Head of Finance

Ext: 4532 (Tel: 01698 454532)

E-mail: paul.manning@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 10 June 2011 (No.3)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	20,623	20,623	0	3,132	2,959	173	under	5.5%	
Property Costs	17,372	17,372	0	3,148	3,049	99	under	3.1%	
Supplies & Services	1,043	1,043	0	135	116	19	under	14.1%	
Transport & Plant	112	112	0	21	20	1	under	4.8%	
Administration Costs	5,912	5,912	0	235	195	40	under	17.0%	
Payments to Other Bodies	13,464	13,464	0	1,477	1,507	(30)	over	(2.0%)	
Payments to Contractors	1,802	1,802	0	173	177	(4)	over	(2.3%)	
Transfer Payments	112,000	112,000	0	19,097	19,098	(1)	over	0.0%	
Financing Charges	812	812	0	310	307	3	under	1.0%	
Total Controllable Exp.	173,140	173,140	0	27,728	27,428	300	under	1.1%	
Total Controllable Inc.	(146,105)	(146,105)	0	(19,492)	(19,231)	(261)	under recovered	(1.3%)	
Net Controllable Exp.	27,035	27,035	0	8,236	8,197	39	under	0.5%	

Variance Explanations

Variance explanations are shown in Appendices B-D.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 10 June 2011 (No.3)

Area Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,783	3,783	0	573	511	62	under	10.8%	1,a
Property Costs	8,107	8,107	0	1,735	1,531	204	under	11.8%	2,a,b,c,d,e
Supplies & Services	142	142	0	27	14	13	under	48.1%	b,c
Transport & Plant	107	107	0	20	16	4	under	20.0%	
Administration Costs	1,365	1,365	0	34	24	10	under	29.4%	a,b,c,e,f
Payments to Other Bodies	4,586	4,586	0	635	635	0		0.0%	A
Payments to Contractors	1,762	1,762	0	164	164	0		0.0%	
Transfer Payments	0	0	0	0	0	0		n/a	
Financing Charges	36	36	0	9	8	1	under	11.1%	F
Total Controllable Exp.	19,888	19,888	0	3,197	2,903	294	under	9.2%	
Total Controllable Inc.	(12,870)	(12,870)	0	(2,091)	(1,897)	(194)	under recovered	(9.3%)	3,a,b,c
Net Controllable Exp.	7,018	7,018	0	1,106	1,006	100	under	9.0%	

Variance Explanations

1. Employee Costs

The underspend relates mainly to vacancies.

2. Property Costs

The underspend relates mainly to expenditure on the 'Care of Gardens Scheme' for owner occupiers and is offset by an under recovery of income.

3. Income

The under recovery of income relates mainly to the Care of Gardens scheme and is offset by an underspend on Property Costs.

Budget Virements

- a. Transfer of budget to Property Services as part of a rationalisation of internal recharges (£0.229m); Employee Costs (£0.290m), Property Costs (£0.005m), Administration Costs £1.499m, Payments to Other Bodies (£0.841m) and Income (£0.592m)
- b. Transfer of David Dale House to Property Support Net Effect 0; Property Costs (£0.780m), Supplies and Services (£0.005m), Administration Costs (£0.008m) and Income £0.793m.
- c. Transfer of Cambuslang Gate to Property Support Net Effect 0: Property Costs (£1.063m), Supplies and Services (£0.003m), Administration Costs (£0.005m) and Income £1.071m.
- d. Transfer of rent budgets for Cambuslang Gate to Property Services (£0.107m); Property Costs (£0.107m)
- e. Transfer of Internal Support Budget to Finance Services (£1.138m): Property Costs (£0.199m) and Administration Costs (£0.939m)
- f. Transfer of budget to Finance Services for Private Sector Housing Scheme of Assistance (£1.842m); Administration Costs £0.065m and Financing Charges (£1.907m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 10 June 2011 (No.3)

Property Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	6,033	6,033	0	926	845	81	under	8.7%	1
Property Costs	9,053	9,053	0	1,379	1,487	(108)	over	(7.8%)	2,a,b,c,d,e,f,g,h,i
Supplies & Services	141	141	0	12	13	(1)	over	(8.3%)	a,c
Transport & Plant	0	0	0	0	3	(3)	over	n/a	
Administration Costs	1,044	1,044	0	36	34	2	under	5.6%	a,c,f,g,j
Payments to Other Bodies	0	0	0	0	0	0	-	n/a	
Payments to Contractors	40	40	0	9	13	(4)	over	(44.4%)	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	541	541	0	257	255	2	under	0.8%	
Total Controllable Exp.	16,852	16,852	0	2,619	2,650	(31)	over	(1.2%)	
Total Controllable Inc.	(3,879)	(3,879)	0	(182)	(141)	(41)	under recovered	(22.5%)	c,g,j
Net Controllable Exp.	12,973	12,973	0	2,437	2,509	(72)	over	(3.0%)	

Variance Explanations**1. Employee Costs**

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

2. Property Costs

The overspend relates mainly to costs associated with the Council's principal offices.

Budget Virements

- Transfer of rent budgets from Finance Services in respect of David Dale House £0.385m: Property Costs £0.376m, Supplies and Services £0.001m and Administration Costs £0.008m.
- Budget transfer from Social Work Resources for David Dale House £0.415m; Property Costs £0.415m
- Transfer of Cambuslang Gate from Area Services Net Effect 0: Property Costs £0.379m, Supplies and Services £0.003m, Administration Costs £0.005m and Income (£0.387m).
- Transfer of rent budgets for Cambuslang Gate from Area Services £0.107m; Property Costs £0.107m
- Transfer of rent budgets for Cambuslang Gate from Finance Services £0.329m; Property Costs £0.329m
- Transfer of Internal Support Budget to Finance Services (£2.205m): Property Costs (£0.648m) and Administration Costs (£1.557m)
- Transfer of budget from Area Services as part of a rationalisation of internal recharge budgets £0.229m; Property Costs £0.006m, Administration Costs £0.223m, and Income (£0.153m).
- Transfer from Finance Services for Legislative Compliance £0.037m; Property Costs £0.037m.
- Transfer for Legislative Compliance from Education Resources £0.309m, Enterprise Resources £0.007m and Finance and IT Resources £0.011m; Property Costs £0.327m.
- Transfer from Finance Services as part of a rationalisation of internal recharge budgets £0.465m; Administration Costs £0.619m and Income (£0.153m).

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 10 June 2011 (No.3)

Finance Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/06/11	Actual 10/06/11	Variance 10/06/11		% Variance 10/06/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	10,807	10,807	0	1,633	1,603	30	under	1.8%	1,a,b
Property Costs	212	212	0	34	31	3	under	8.8%	c,d,e
Supplies & Services	760	760	0	96	89	7	under	7.3%	
Transport & Plant	5	5	0	1	1	0	-	n/a	
Administration Costs	3,503	3,503	0	165	137	28	under	17.0%	b,e,f,,g
Payments to Other Bodies	8,878	8,878	0	842	872	(30)	over	(3.6%)	2,b,f,h
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	112,000	112,000	0	19,097	19,098	(1)	over	0.0%	
Financing Charges	235	235	0	44	44	0	-	n/a	
Total Controllable Exp.	136,400	136,400	0	21,912	21,875	37	under	0.2%	
Total Controllable Inc.	(129,356)	(129,356)	0	(17,219)	(17,193)	(26)	under recovered	(0.2%)	3,b,c,d,f
Net Controllable Exp.	7,044	7,044	0	4,693	4,682	11	under	0.2%	

Variance Explanations

1. Employee Costs

The underspend relates mainly to vacancies, and is offset by an under recovery in income from internal recharges across the Resource.

2. Payments to Other Bodies

The overspend relates mainly to payments to supporting people providers.

3. Income

The under recovery of income relates mainly to an under recovery of income for support services as a result of vacancies.

Budget Virements

- a. Transfer of Rent staff from Finance Services to HRA (£0.118m); Employee Costs (£0.118m)
- b. Transfer of budget for Private Sector Housing Scheme of Assistance from Area Services £1.842m; Employee Costs £0.093m, Administration Costs £0.023m, Payments to Other Bodies £1.467m and Income £0.259m
- c. Transfer of rent budgets for David Dale House to Property Support (£0.385m); Property Costs (£0.114m), and Income (£0.271m).
- d. Transfer of rent budgets in respect of Cambuslang Gate to Property Support (£0.329m); Property Costs (£0.160m) and Income (£0.169m).
- e. Transfer of budget from Area Services and Property Services to realign internal support budgets £3.343m; Property Costs £0.0.847m and Administration Costs £2.496m.
- f. Transfer from Finance Services to Property Services from a rationalisation of internal recharge budgets (£0.465m); Administration Costs £1.637m, Payments to Other Bodies £0.179m and Income (£2.281m).
- g. Transfer from Finance Services to Property Services for Legislative Compliance (£0.037m); Payments to Other Bodies (£0.037m).
- h. Budget for Private Sector Housing Scheme of Assistance from centrally held funds £2.034m; Payments to Other Bodies £2.034m