

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	2 March 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 21 January 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 overspend of £0.011 million (0.0%) 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 fourth 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) in 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 21 January 2011, the variance from phased budget to date is an overspend of £0.011 million (0.0%).

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)

1 February 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Housing and Technical Resources Committee, 8 December 2010

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 21 January 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 21 January 2011 (No.11)

Housing and Technical Resources Summary (excl HRA)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/01/11	Actual 21/01/11	Variance 21/01/11		% Variance 21/01/11	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	21,884	21,736	148	17,695	17,735	(40)	over	(0.2%)	
Property Costs	17,010	16,413	597	13,485	13,037	448	under	3.3%	
Supplies & Services	1,028	1,340	(312)	706	821	(115)	over	(16.3%)	
Transport & Plant	138	102	36	107	82	25	under	23.4%	
Administration Costs	2,520	2,501	19	1,800	1,674	126	under	7.0%	
Payments to Other Bodies	10,659	9,979	680	6,814	6,336	478	under	7.0%	
Payments to Contractors	1,802	2,036	(234)	1,657	1,788	(131)	over	(7.9%)	
Transfer Payments	103,712	110,296	(6,584)	87,044	92,535	(5,491)	over	(6.3%)	
Financing Charges	845	813	32	811	771	40	under	4.9%	
Total Controllable Exp.	159,598	165,216	(5,618)	130,119	134,779	(4,660)	over	(3.6%)	
Total Controllable Inc.	(131,983)	(137,536)	5,553	(98,192)	(102,841)	4,649	over recovered	4.7%	
Net Controllable Exp.	27,615	27,680	(65)	31,927	31,938	(11)	over	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 21 January 2011 (No.11)

Area Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/01/11	Actual 21/01/11	Variance 21/01/11		% Variance 21/01/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	4,040	3,616	424	3,101	2,715	386	under	12.4%	1
Property Costs	8,247	7,417	830	6,444	6,145	299	under	4.6%	2, a
Supplies & Services	107	158	(51)	83	105	(22)	over	(26.5%)	a
Transport & Plant	133	97	36	103	72	31	under	30.1%	
Administration Costs	292	275	17	178	176	2	under	1.1%	a
Payments to Other Bodies	4,970	4,760	210	3,339	3,180	159	under	4.8%	3
Payments to Contractors	1,762	1,920	(158)	1,623	1,687	(64)	over	(3.9%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	41	63	(22)	31	47	(16)	over	(51.6%)	
Total Controllable Exp.	19,592	18,306	1,286	14,902	14,127	775	under	5.2%	
Total Controllable Inc.	(11,791)	(10,833)	(958)	(7,340)	(6,767)	(573)	under recovered	(7.8%)	4, a, b
Net Controllable Exp.	7,801	7,473	328	7,562	7,360	202	under	2.7%	

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 4 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. Income

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

Budget Virements

- a. Transfer of Cambuslang Gate to Property Services (£0.107m): Property Costs (£1.155m), Supplies and Services (£0.003m), Administration Costs (£0.005m) and Income £1.056m.
- b. Realignment of income in relation to homelessness from Finance, Benefits and Revenue Support Services (£0.250m): Income (£0.250m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 21 January 2011 (No.11)

Property Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/01/11	Actual 21/01/11	Variance 21/01/11		% Variance 21/01/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,966	5,755	211	4,805	4,710	95	under	2.0%	1
Property Costs	8,450	8,542	(92)	6,789	6,634	155	under	2.3%	2, a
Supplies & Services	107	163	(56)	84	104	(20)	over	(23.8%)	a
Transport & Plant	0	2	(2)	0	6	(6)	over	n/a	
Administration Costs	200	261	(61)	125	133	(8)	over	(6.4%)	
Payments to Other Bodies	257	0	257	198	0	198	under	100%	3
Payments to Contractors	40	114	(74)	34	99	(65)	over	(191.2%)	4
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	565	546	19	556	539	17	under	3.1%	
Total Controllable Exp.	15,585	15,383	202	12,591	12,225	366	under	2.9%	
Total Controllable Inc.	(3,958)	(3,938)	(20)	(910)	(805)	(105)	under recovered	(11.5%)	5, a
Net Controllable Exp.	11,627	11,445	182	11,681	11,420	261	under	2.2%	

Variance Explanations**1. Employee Costs**

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

2. 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).

3. Payment to Other Bodies

This underspend is a result of a change to internal support reallocation and is offset by under recoveries of income across the Resource.

4. 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.

5. Income

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

Budget Virements

- a. Transfer of Cambuslang Gate from Area Services, £0.107m and Finance, Benefits and Revenues £0.324m: Property Costs £0.815m, Supplies and Services £0.003m and Income (£0.387m).

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 21 January 2011 (No.11)

Finance, Benefits and Revenue Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/01/11	Actual 21/01/11	Variance 21/01/11		% Variance 21/01/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	11,878	12,365	(487)	9,789	10,310	(521)	over	(5.3%)	1, c, d, e
Property Costs	313	454	(141)	252	258	(6)	over	(2.4%)	a, d
Supplies & Services	814	1,019	(205)	539	612	(73)	over	(13.5%)	d
Transport & Plant	5	3	2	4	4	0	-	0.0%	
Administration Costs	2,028	1,965	63	1,497	1,365	132	under	8.8%	2, a, d
Payments to Other Bodies	5,432	5,219	213	3,277	3,156	121	under	3.7%	3
Payments to Contractors	0	2	(2)	0	2	(2)	over	n/a	
Transfer Payments	103,712	110,296	(6,584)	87,044	92,535	(5,491)	over	(6.3%)	4
Financing Charges	239	204	35	224	185	39	under	17.4%	d
Total Controllable Exp.	124,421	131,527	(7,106)	102,626	108,427	(5,801)	over	(5.7%)	
Total Controllable Inc.	(116,234)	(122,765)	6,531	(89,942)	(95,269)	5,327	over recovered	5.9%	5, a, b, c, e
Net Controllable Exp.	8,187	8,762	(575)	12,684	13,158	(474)	over	(3.7%)	

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. Administration Costs

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

3. Payments to Other Bodies

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

4. Transfer Payments

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

5. 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

- a. Transfer of Cambuslang Gate to Property Services (£0.324m): Property Costs (£0.160m), Administration Costs £0.005m and Income (£0.169m).
- b. Realignment of income in to Area Services in relation to homelessness £0.250m: Income £0.250m.
- c. Realignment of budget to reflect transfer of Rent Team to HRA: Employee Costs (£0.139m) and Income £0.139m.
- d. Part-year transfer of Money Matters Advice Service to Social Work Resources (£0.368m): Employee Costs (£0.351m), Property Costs (£0.001m), Supplies and Services (£0.006m), Administration Costs (£0.009) and Financing Charges (£0.001m).
- e. Realignment of budget to reflect Fairer Scotland projects: Employee Costs £0.167m and Income (£0.167m).