

Report

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

Subject:	Revenue Budget Monitoring 2011/2012 - Housing and Technical Resources (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 2 September 2011 for Housing and Technical Resources (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 on Housing and Technical Resources' (HRA) revenue budget of £0.043m (0.6%), 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 (HRA) on Appendix A, along with variance explanations.

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 £0.043m (0.6%). 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 Service. These movements have been detailed in Appendix A 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 4 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 the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

Lindsay Freeland

Executive Director (Housing and Technical Resources)

13 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 Revenue Account (HRA)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 02/09/11	Actual 02/09/11	Variance 02/09/11		% Variance 02/09/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	9,813	9,813	0	3,733	3,561	172	under	4.6%	1,a,b
Property Costs	37,427	37,427	0	12,904	13,562	(658)	over	(5.1%)	2,a,b
Supplies & Services	900	900	0	369	340	29	under	7.9%	a
Transport & Plant	82	82	0	36	53	(17)	over	(47.2%)	
Administration Costs	7,096	7,096	0	266	187	79	under	29.7%	3,a
Payments to Other Bodies	6,131	6,131	0	27	32	(5)	over	(18.5%)	b
Payments to Contractors	0	0	0	0	2	(2)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	13,394	13,394	0	7,080	7,043	37	under	0.5%	
Total Controllable Exp.	74,843	74,843	0	24,415	24,780	(365)	over	(1.5%)	
Total Controllable Inc.	(86,599)	(86,599)	0	(32,106)	(32,514)	408	over recovered	1.3%	4
Transfer to/(from) B/Sheet	(2,048)	(2,048)	0	0	0	0	-	n/a	
Net Controllable Exp.	(13,804)	(13,804)	0	(7,691)	(7,734)	43	under	(0.6%)	
Add:- Non Controllable Budgets									
Central Support Costs	0	0	0	0	0	0	-	n/a	
Finance Charges	13,804	13,804	0	0	0	0	-	n/a	
Total Budget	0	0	0	(7,691)	(7,734)	43	under	(0.6%)	

Variance Explanations

1. Employee Costs

This underspend reflects the current level of vacancies within the Service.

2. Property Costs

This overspend is mainly due to insulation works, and is off-set by additional grant income from the Scottish Government (see 4 below).

3. Administration Costs

This underspend is the result of management action to reduce expenditure in this budget area.

4. Income

This over recovery of income relates to grant funding received from the Scottish Government for insulation works, and is offset by additional property costs (see 2 above).

Budget Virements

- a. Realignment of budget in respect of Community Alarms transfer to Social Work. Net Effect 0; Employee Costs (£0.037m), Property Costs (£0.070m), Supplies and Services (£0.060m) and Administration Costs £0.167m.
- b. Realignment of budget to reflect the current level of planned maintenance work. Net Effect 0; Employee Costs (£0.012m), Property Costs £0.105m and Payments to Other Bodies (£0.093m).