

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 (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 (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 breakeven position on Housing and Technical Resources' (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 (HRA) on Appendix A, along with variance explanations.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 29 October 2010, there is a breakeven position against the phased budget. 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 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 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 the 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 Revenue Account (HRA)

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	9,864	9,864	0	5,627	5,795	(168)	over	(3.0%)	1, a
Property Costs	36,931	36,931	0	17,073	17,220	(147)	over	(0.9%)	2, a
Supplies & Services	961	961	0	528	516	12	under	2.3%	a
Transport & Plant	20	20	0	11	29	(18)	over	(163.6%)	
Administration Costs	805	805	0	377	395	(18)	over	(4.8%)	a
Payments to Other Bodies	11,252	11,252	0	132	146	(14)	over	(10.6%)	a
Payments to Contractors	0	0	0	0	7	(7)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	9,965	9,965	0	9,851	9,833	18	under	0.2%	a
Total Controllable Exp.	69,798	69,798	0	33,599	33,941	(342)	over	(1.0%)	
Total Controllable Inc.	(84,885)	(84,885)	0	(44,726)	(45,346)	620	over recovered	1.4%	3
Transfer to/(from) B/Sheet	(188)	(188)	0	0	278	(278)	over	n/a	4
Net Controllable Exp.	(15,275)	(15,275)	0	(11,127)	(11,127)	0	-	n/a	
Add:- Non Controllable Budgets									
Central Support Costs	3,216	3,216	0	0	0	0	-	n/a	
Finance Charges	12,059	12,059	0	0	0	0	-	n/a	
Total Budget	0	0	0	(11,127)	(11,127)	0	-	n/a	

Variance Explanations

1. **Employee Costs**
This overspend relates to pension costs associated with Sheltered Wardens and will be managed within the overall budget.
2. **Property Costs**
This overspend relates to repairs and maintenance where demand for the service is currently greater than anticipated.
3. **Income**
This over recovery of income relates to House Rents which are higher than anticipated due to a reduction in the number of council house sales.
4. **Transfer to/(from) Balance Sheet**
This overspend reflects the current proposed year end transfer of surplus to the balance sheet.

Budget Virements

- a. Re-alignment of budgets to reflect the transfer of the Repairs Team from HRA to Property Services: Employee Costs (£1.721m), Property Costs (£0.106m), Supplies and Services (£0.003m), Administration (£0.014m), Payment to Other Bodies £1.859m and Financing Charges (£0.015m)