

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>29 September 2010</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2010/2011 - Housing and Technical Resources (HRA)</b>
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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 6 August 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 second 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 6 August 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.

**Linda Hardie**

**Executive Director (Finance and Information Technology Resources)**

**Lindsay Freeland**

**Executive Director (Housing and Technical Resources)**

16 August 2010

### **Link(s) to Council Values and Objectives**

- ◆ Value: Accountable, Effective and Efficient

### **Previous References**

- ◆ Housing and Technical Resources Committee, 30 June 2010

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 6 August 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 6 August 2010 (No 5)**

**Housing Revenue Account (HRA)**

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 06/08/10</b>	<b>Actual 06/08/10</b>	<b>Variance 06/08/10</b>		<b>% Variance 06/08/10</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	11,451	11,451	0	3,921	3,950	(29)	over	(0.7%)	a
Property Costs	37,122	37,122	0	10,669	10,835	(166)	over	(1.6%)	1, a
Supplies & Services	944	944	0	265	292	(27)	over	(10.2%)	
Transport & Plant	20	20	0	6	17	(11)	over	(183.3%)	
Administration Costs	857	857	0	249	249	0	-	n/a	
Payments to Other Bodies	9,433	9,433	0	51	44	7	under	13.7%	
Payments to Contractors	0	0	0	0	5	(5)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	9,971	9,971	0	8,981	8,972	9	under	0.1%	
<b>Total Controllable Exp.</b>	<b>69,798</b>	<b>69,798</b>	<b>0</b>	<b>24,142</b>	<b>24,364</b>	<b>(222)</b>	<b>over</b>	<b>(0.9%)</b>	
<b>Total Controllable Inc.</b>	<b>(84,885)</b>	<b>(84,885)</b>	<b>0</b>	<b>(24,404)</b>	<b>(24,626)</b>	<b>222</b>	<b>over recovered</b>	<b>0.9%</b>	<b>2, a</b>
<b>Transfer to/(from) B/Sheet</b>	<b>(188)</b>	<b>(188)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Net Controllable Exp.</b>	<b>(15,275)</b>	<b>(15,275)</b>	<b>0</b>	<b>(262)</b>	<b>(262)</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Add:- Non Controllable Budgets</b>									
<b>Central Support Costs</b>	<b>3,216</b>	<b>3,216</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Finance Charges</b>	<b>12,059</b>	<b>12,059</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	
<b>Total Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(262)</b>	<b>(262)</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	

**Variance Explanations**

**1. Property Costs**

This overspend relates to repairs and maintenance where demand for the service is currently greater than anticipated.

**2. 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.

**Budget Virements**

- a. Re-alignment of budgets to reflect current service need and corresponding income anticipated: Employee Costs (£0.023m), Property Costs (£0.297m) and Income £0.320m.