

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 (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 (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, be noted
- (2) that, following the probable outturn exercise, the forecast to 31 March 2011 of breakeven 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 (HRA) in Appendix A, along with variance explanations.

4. Employee Implications

4.1. None.

5. Financial Implications

5.1. As at 21 January 2011, there is a breakeven position against the phased budget.

5.2. Following the probable outturn exercise the forecast to 31 March 2011 on the Housing and Technical Resources (HRA) is a breakeven position. This position is achieved by transferring the forecast underspend to the balance sheet for utilisation in future years.

5.3. 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)

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 Revenue Account (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	10,010	9,999	11	7,981	7,881	100	under	1.3%	1, b
Property Costs	36,812	38,081	(1,269)	25,216	25,121	95	under	0.4%	2, a
Supplies & Services	961	785	176	698	675	23	under	3.3%	
Transport & Plant	20	55	(35)	16	25	(9)	over	(56.3%)	
Administration Costs	805	760	45	577	559	18	under	3.1%	
Payments to Other Bodies	11,227	10,593	634	174	148	26	under	14.9%	a, b
Payments to Contractors	0	14	(14)	0	8	(8)	over	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	9,965	9,927	38	9,965	9,858	107	under	1.1%	
Total Controllable Exp.	69,800	70,214	(414)	44,627	44,275	352	under	0.8%	
Total Controllable Inc.	(84,887)	(86,414)	1,527	(61,960)	(62,811)	851	over recovered	1.4%	3
Transfer to/(from) B/Sheet	(188)	925	(1,113)	0	1,203	(1,203)	over	n/a	4
Net Controllable Exp.	(15,275)	(15,275)	0	(17,333)	(17,333)	0	-	n/a	
Add:- Non Controllable Budgets									
Central Support Costs	3,216	3,216	0	0	0	0	-		
Finance Charges	12,059	12,059	0	0	0	0	-		
Total Budget	0	0	0	(17,333)	(17,333)	0	-		

Variance Explanations

1. Employee Costs

This underspend relates to vacancies that exist within the Service, including the recently transferred rent teams. This is being partially offset by an overspend on pension costs associated with Sheltered Wardens and will be managed within the overall budget.

2. Property Costs

This is due to a number of small variances across property costs.

3. Income

This over recovery of income mainly 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 year end transfer to the balance sheet for utilisation in future years.

Budget Virements

- a. Re-alignment of budgets to reflect the transfer of budget for office accommodation at Cambuslang Gate: Property Costs (£0.128m) and Payment to Other Bodies £0.128m.
- b. Realignment of budgets to reflect the transfer of Rent Team: Employee Costs £0.139m and Payments to Other Bodies (£0.139m).