

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.08 – 02.01.09 (PERIOD 10) HOUSING (NON HRA) AND SOCIAL WORK SERVICES
From: HEAD OF HOUSING AND SOCIAL WORK RESOURCES		
Date: 25 FEBRUARY 2009	Ref: RP/JH/RM	

1. Purpose of Report

1.1. This report advises the Committee on the overall financial position of Non Housing Revenue Account and Social Work Services for the period 1st April to 2nd January 2009. Variances are reported for both year-to-date and projected outturn, with major outturn variances being highlighted and explained.

2. Executive Summary of Financial Position

2.1. The Housing (Non-HRA) service is currently projecting a year-end breakeven position. There have been no changes to the projected outturn from the previous period.

2.2. The Social Work service is currently projecting a year-end surplus of £2,300,002, an adverse movement of £1,004 from the underspend position previously reported for period 9. This position has been reached due to underspends within employee costs, transport costs, payment to other bodies, development initiatives and supplies & services being partially offset by overspends in dilapidation and refurbishment costs along with deficit in energy budgets due to rise in gas and electricity tariffs for the second half of the financial year.

An analysis of variances at both divisional and subjective level is provided in Appendices 1 and 2 respectively.

3. Corporate Considerations

3.1. Due to the currently volatile nature of energy, the Council (through the Scotland Excel contract) extended its existing energy contracts to 31st March 2009, resulting in electricity and gas tariffs increasing by 45% and 55% respectively from October 2008 to March 2009. Upon comparing projected energy costs with base budgets, this Service is likely to incur additional cost pressures of around £424,400 in the current financial year.

3.2. All Services are required to take relevant management action, including minimizing areas of “non-essential” expenditure, to ensure that the Council is able to lessen the impact of these additional cost burdens on existing budget provisions, whilst continuing to provide the same quality of service delivery. Details of this Services’ proposals for managing these additional obligations are highlighted in section 5 of this report.

4. Explanation of Major Out-Turn Variances

4.1. Appendices 1 and 2 outline the Services’ performance against budget; however a summary of the major variances within each division is outlined within table 1 overleaf.

4.2. Service Overview

Service Division	Outturn Position (£s)	Analysis
Housing (Non HRA)	£Breakeven	Employee cost savings and additional housing benefit are offset by under-recoveries of home loan repayments and capital recharges, along with increased energy costs.
Social Work Services	£ 2,300,002 Underspend	Underspends in employee costs, transport costs, payments to other bodies, development initiatives and supplies & services are partially offset by cost pressures within energy costs, independent homecare, fostering and general refurbishment costs.
Total	£2,300,002 Underspend	

5. Cost Pressures and Management Actions

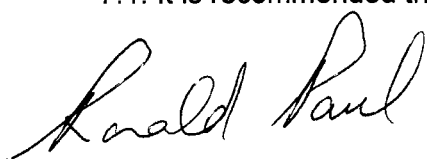
- 5.1. The service will continue to rigorously monitor all budgets to contain the cost pressures within energy, fostering, independent provision of care and general refurbishment.
- 5.2. The service is currently projecting underspend and it is anticipated that this underspend will be maintained until the end of financial year.

6. Financial Concurrence

- 6.1. The Executive Director of Finance and Customer Services concurs with the financial information contained within this report.

7. Recommendations

- 7.1. It is recommended that the contents of this report be noted.



R Paul
Head of Housing and Social Work Resources

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For further information on this report please contact Ian McCulloch on telephone 01698 332776 or John Hogg on telephone 01698 332022

FINANCIAL MONITORING REPORT
1 April 2008 to 2 January 2009 (P10)
COMMITTEE: HOUSING AND SOCIAL
WORK SERVICES

DIVISION : HOUSING (NON HRA) AND SOCIAL WORK SUMMARY

Appendix 1

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)
		£	£	£	£	£	£		
1.	SOCIAL WORK SERVICES	114,639,266	112,907,044	1,732,222 Underspend	164,903,073	162,603,071	2,300,002 Underspend	1.4%	Underspends in employee costs, transport costs, payments to other bodies, development initiatives and supplies & services are partially offset by cost pressures within energy costs, independent homecare, fostering and general refurbishment costs. Employee cost savings and additional housing benefit are offset by under-recoveries of home loan repayments and capital recharges, along with increased energy costs.
2.	HOUSING (NON HRA)	4,569,552	4,561,620	7,933 Underspend	6,242,266	6,242,266	0 On Target	0.0%	
3	TOTAL	119,208,818	117,468,664	1,740,155 Underspend	171,145,339	168,845,337	2,300,002 Underspend	1.3%	

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Appendix 2

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)
		£	£	£	£	£	£		
1.	EMPLOYEE COSTS	65,229,989	63,863,576	1,366,413 Underspend	85,354,973	83,733,423	1,621,550 Underspend	1.9%	Vacancies & tight control on overtime and additional resources for Adult Support & Protection Act from Scottish Govt.
2.	PROPERTY COSTS	3,416,652	3,619,974	(203,322) Overspend	5,353,420	5,785,725	(432,305) Overspend	-8.1%	Energy cost price increases anticipated in 08/09
3.	SUPPLIES AND SERVICES	5,850,278	5,709,342	140,936 Underspend	7,579,785	7,371,400	208,385 Underspend	2.7%	Reduced spend within catering and other supplies & services
4.	TRANSPORT & PLANT	2,795,071	2,676,455	118,616 Underspend	4,169,458	3,895,545	273,913 Underspend	6.6%	Savings within car users allowances
5.	ADMINISTRATION COSTS	1,912,560	1,559,640	352,920 Underspend	4,005,538	3,311,258	694,281 Underspend	17.3%	Ongoing review of Modernisation agenda
6.	PAYMENTS TO OTHER BODIES	63,423,326	63,470,101	(46,775) Overspend	94,090,807	94,065,280	25,527 Underspend	0.0%	
7.	OTHER COSTS	1,013,718	1,166,993	(153,275) Overspend	1,317,685	1,588,005	(270,320) Overspend	-20.5%	Office refurbishment commitments
8.	APPORTIONED EXPENSES	1,802,954	1,802,954	0 On Target	6,024,471	6,024,471	0 On Target	0.0%	
9.	CFCR	0	0	0 On Target	1,600,000	1,600,000	0 On Target	0.0%	
10.	CAPITAL FINANCING CHARGES	1,375,059	1,375,059	0 On Target	1,833,410	1,833,410	0 On Target	0.0%	
11.	TOTAL EXPENDITURE	146,819,607	145,244,094	1,575,513 Underspend	211,329,547	209,208,517	2,121,030 Underspend	1.0%	
12.	INCOME	27,610,789	27,775,431	164,642 Over-recovery	40,184,208	40,363,180	178,972 Over-recovery	0.4%	Increase in NHS funding
13.	NET EXPENDITURE	119,208,818	117,468,664	1,740,155 Underspend	171,145,339	168,845,337	2,300,002 Underspend	1.3%	