

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	29 September 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2021/2022 - Housing and Technical Resources - Housing Revenue Account (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 2021 to 13 August 2021 for Housing and Technical Resources (HRA)
- ◆ provide a forecast for the year to 31 March 2022.

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 2022 of a breakeven position, 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 2021/2022.
- 3.2. The report details the financial position for Housing and Technical Resources (HRA) in Appendix A.

4. Employee Implications

4.1. There are no employee implications as a result of this report.

5. Financial Implications

- 5.1. As at 13 August 2021, there is a breakeven position against the phased budget. The forecast for the budget to 31 March 2022 is also a breakeven position.
- 5.2. The COVID-19 lockdown has had an impact on the Property Services section which provides the property repairs and maintenance service to the HRA. The section continues to incur non variable costs which require to be offset by income recovery, therefore a recharge of £0.233m is estimated to date to HRA revenue budget to cover these fixed costs.

6. Climate Change, Sustainability and Environmental Implications

- 6.1. There are no Climate Change, Sustainability and Environmental Implications in terms of the information contained within this report.

7. Other Implications

- 7.1. The main risk associated with the Council's Revenue Budget is that there is an 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.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. 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.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

Daniel Lowe

Executive Director (Housing and Technical Resources)

23 August 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 22 September 2021.
- ◆ Housing and Technical Resources Committee, 30 June 2021

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 13 August 2021.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Hazel Goodwin, Finance Manager

Ext: 2699 (Tel: 01698 452699)

E-mail: Hazel.Goodwin@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 August 2021 (No.5)

Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/08/21	Actual 13/08/21	Variance 13/08/21		% Variance 13/08/21	Notes
<u>Budget Category</u>									
Employee Costs	14,090	14,090	0	4,912	4,731	181	under	3.7%	1
Property Costs	48,021	48,021	0	18,843	18,888	(45)	over	(0.2%)	a
Supplies & Services	879	879	0	211	210	1	under	0.5%	
Transport & Plant	195	195	0	40	29	11	under	27.5%	
Administration Costs	5,645	5,645	0	188	189	(1)	over	(0.5%)	
Payments to Other Bodies	2,976	2,976	0	752	752	0	-	0.0%	b
Payments to Contractors	100	100	0	0	0	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	19,637	19,637	0	19,637	19,640	(3)	over	(0.0%)	
Total Controllable Exp.	91,543	91,543	0	44,583	44,439	144	under	0.3%	
Total Controllable Inc.	(108,345)	(108,345)	0	(35,875)	(35,869)	(6)	under recovered	(0.0%)	b, c
Transfer to/(from) Balance Sheet	(839)	(839)	0	(323)	(185)	(138)	under recovered	(42.7%)	2, b, c
Net Controllable Exp.	(17,641)	(17,641)	0	8,385	8,385	0	-	0.0%	
Loan Charges	17,641	17,641	0	0	0	0	-		
Net Controllable Exp.	0	0	0	8,385	8,385	0	-	0.0%	

Variance Explanations

1. The variance in Employee Costs is due to higher than anticipated staff turnover.
2. The net combined underspend year to date allows for a lower than budgeted level of transfer from reserves.

Virements

- a. Realignment of bad debt provision budget to repairs & maintenance: Net : Nil. Bad Debt Provision (£2.000m), Repairs £2.000m.
- b. Realignment of Insurance Commission staffing and income budgets due to revised service delivery: Net: Nil. Payments to Other Bodies (£0.054m), Controllable Income £0.216m, Reserves (£0.162m).
- c. Realignment of Rental Income due to slippage in new build completion: Net: Nil. Rental Income £0.625m, Reserves (£0.625m).