

Appendix E

Housing and Technical Resources - HRA Variance Analysis 2022/23 (Period 14)

| Subjective Head | Variance | Subjective line | Service / amount | Explanation |
|-----------------|---------------|---|------------------|--|
| Employee Costs | 299k under | APT&C - Basic / Overtime / Superannuation / National Insurance - 324k under | HRA | The variance relates to vacancies across the service. |
| Property Costs | (7,613k) over | <u>Office Accommodation Costs – 86k under</u> | <u>HRA</u> | <u>Reflects reduced building costs in relation to Lindsay House which is currently operating at reduced occupancy.</u> |
| | | <u>Grounds Maintenance - (256k) over</u> | <u>HRA</u> | <u>The overspend reflects the increased demand for special uplifts / special requests this year.</u> |
| | | Repairs and Maintenance - Internal and External Contractor - (8,525k) over | HRA | The net overspend reflects the current demand for repairs and continuing high cost and volume of voids. This also includes the cost of damage due to severe weather in December. |

| Subjective Head | Variance | Subjective line | Service / amount | Explanation |
|--------------------------------|----------|---|------------------|---|
| Property Costs (cont) | | Housing - Rent Free Accommodation - (102k) over | HRA | The overspend reflects the volume of discretionary rent periods awarded during the year, which is demand led. |
| | | Housing - Rent W/O Unlet Periods - (172k) over | HRA | This budget is demand led and the overspend reflects the current pressure in void properties. |
| | | <u>Housing – Rent W/O Bad Periods – 1,869k under</u> | <u>HRA</u> | <u>This underspend reflects a lower than anticipated level of bad debt provision. During the year collection rates for rental income have been better than forecast, which is due in part to schemes such as the tenancy sustainment fund mitigating the overall level of debt.</u> |
| | | Electricity / Gas / Heating Oil / Solid Fuel – (159k) over | HRA | The overspend reflects the current demand and price. |
| | | <u>Fixture and Fittings – (210k) over</u> | <u>HRA</u> | <u>This budget is demand led and the overspend reflects the increased demand during the year.</u> |
| Cleaning Contract - (81k) over | HRA | This overspend is due to inflationary price increases. | | |

| Subjective Head | Variance | Subjective line | Service / amount | Explanation |
|-----------------------|-------------|---|------------------|--|
| Supplies and Services | (184k) over | <u>Computer Equipment Purchase – (213k) over</u> | HRA | <u>This reflects a change to the timing of the new IT system under development and the costs to support existing IT systems.</u> |
| | | <u>I.T. Equipment Maint – Contract – 162k under</u> | HRA | <u>This reflects a change to the timing of the new IT system under development and is offset by overspends in Computer Equipment Purchase.</u> |
| | | <u>Outsourced Mail – (80k) over</u> | HRA | <u>This reflects the cost of omnidox documentation charges and is offset by underspends elsewhere within the service.</u> |
| Transport and Plant | 68k under | <u>Fleet Services Charges (Various) – 61k under</u> | HRA | <u>Reflects reduced usage of embedded vehicles following changes to working practices.</u> |
| Administration Costs | 112k under | Legal Expenses - 58k under | HRA | This budget is demand led and the underspend reflects the lower than anticipated levels of eviction actions during the year. |
| | | <u>Internal Support Services Allocation – 22k under</u> | HRA | <u>This reflects a reduction in the recharge from the Council's support departments.</u> |

| Subjective Head | Variance | Subjective line | Service / amount | Explanation |
|-------------------|-----------------------|---|------------------|--|
| Financing Charges | 4,732k under | Interest – Debt Charges – 4,133k under | HRA | The overall level of debt charge was lower than anticipated due to the profile of funding requirements. |
| | | <u>I.T. Equipment Leasing Contract – (64k over)</u> | <u>HRA</u> | <u>The overspend reflects cost of IT to deliver services.</u> |
| | | <u>Interest on Revenue Balances – 663k under</u> | <u>HRA</u> | <u>The level of interest received reflects the level of balances and interest rates being higher than anticipated.</u> |
| Income | 2,634k over recovered | <u>Sales – Department of the Authority – (154k) under recovered</u> | <u>HRA</u> | <u>This relates to realignment of internal funding in relation to the Housing Advice and Support Team, now based in Central Homelessness.</u> |
| | | <u>Fees and Charges – General – 292k over recovered</u> | <u>HRA</u> | <u>This over recovery is due to an increased level of rechargeable repairs and also one-off work carried out on behalf of owner occupiers.</u> |
| | | House Rents – 574k over recovered | HRA | The over recovery is due to the timing of new builds which completed ahead of the anticipated profiles. |

| Subjective Head | Variance | Subjective line | Service / amount | Explanation |
|-----------------|----------|--|------------------|---|
| Income (cont) | | <u>Insurance Recoveries – 1,502k over recovered</u> | <u>HRA</u> | <u>This over recovery reflects an increase in the level of insurable repairs carried out, namely expected recovery levels in relation to the severe weather incident in December.</u> |
| | | Year End Transfer to the Balance Sheet – 490k over recovered | HRA | The budget assumes a level of transfer from reserves, due to the current net overspend across the service. This is mainly as a result of the aforementioned cost of repairs, offset by underspends in bad debt and interest on revenue balance. The drawdown from reserves was lower than forecast, but higher than budget. |

* The underlined variances represent new variances since the last report

South Lanarkshire Council

Housing & Technical Resources - HRA

Expenditure / Income Variance Trends 2022/23

| | REVISED ANNUAL BUDGET 2022/23 | PERIOD 14 ACTUAL TO DATE | PERIOD 14 VARIANCE AMOUNT | Over/ Under |
|---|--|--------------------------------|---------------------------------|----------------|
| EMPLOYEE COSTS | | | | |
| APT & C BASIC | 11,150 | 10,838 | 312 | under |
| APT & C OVERTIME | 86 | 176 | (90) | over |
| APT & C SUPERANNUATION | 1,983 | 2,017 | (34) | over |
| APT & C NIC | 1,163 | 1,027 | 136 | under |
| MANUAL BASIC | 0 | 8 | (8) | over |
| MANUAL OVERTIME | 0 | 2 | (2) | over |
| MANUAL SUPERANNUATION | 0 | 2 | (2) | over |
| MANUAL NIC | 0 | 1 | (1) | over |
| TRAVEL AND SUBSISTANCE | 40 | 6 | 34 | under |
| OTHER EMPLOYEE COSTS | 0 | 43 | (43) | over |
| PENSION INCREASES | 219 | 213 | 6 | under |
| ADDITIONAL PENSION COSTS | 0 | 9 | (9) | over |
| EMPLOYEE COSTS | 14,641 | 14,342 | 299 | under |
| PROPERTY COSTS | | | | |
| RATES | 105 | 63 | 42 | under |
| SCOTTISH WATER - UNMETERED CHARGES | 4 | 7 | (3) | over |
| SCOTTISH WATER - METERED CHARGES | 8 | 13 | (5) | over |
| RENT | 6 | 0 | 6 | under |
| SERVICE CHARGE | 65 | 98 | (33) | over |
| OTHER ACCOMMODATION COSTS | 31 | 0 | 31 | under |
| BED AND BREAKFAST | 0 | 16 | (16) | over |
| PROPERTY INSURANCE | 923 | 924 | (1) | over |
| SECURITY COSTS | 55 | 38 | 17 | under |
| GROUND MAINTENANCE | 4,257 | 4,513 | (256) | over |
| REPAIRS & MAINTENANCE - INTERNAL CONTRACTOR | 30,836 | 38,937 | (8,101) | over |
| REPAIRS & MAINTENANCE - EXTERNAL CONTRACTOR | 877 | 1,369 | (492) | over |
| HOUSING - RENT FREE ACCOMMODATION | 155 | 257 | (102) | over |
| HOUSING - RENT W/O UNLET PERIODS | 2,354 | 2,526 | (172) | over |
| HOUSING - RENT W/O BAD PERIODS | 3,294 | 1,425 | 1,869 | under |
| ASBESTOS | 139 | 71 | 68 | under |
| FIXED ELECTRICAL | 0 | 1 | (1) | over |
| EPC | 0 | 1 | (1) | over |
| ELECTRICITY - CONTRACT | 1,008 | 900 | 108 | under |
| ELECTRICITY - NON CONTRACT | 0 | 0 | 0 | - |
| GAS | 301 | 581 | (280) | over |
| HEATING OIL | 54 | 43 | 11 | under |
| SOLID FUEL | 4 | 2 | 2 | under |
| FIXTURE & FITTINGS | 58 | 268 | (210) | over |
| JANITOR SERVICE | 74 | 30 | 44 | under |
| CLEANING CONTRACT | 384 | 465 | (81) | over |
| CLEANING MATERIALS | 60 | 22 | 38 | under |
| WINDOW CLEANING | 16 | 56 | (40) | over |
| PEST CONTROL | 122 | 119 | 3 | under |
| REFUSE UPLIFT | 0 | 43 | (43) | over |
| REMOVAL & STORAGE COSTS | 14 | 10 | 4 | under |
| OTHER PROPERTY COSTS | 35 | 54 | (19) | over |
| PROPERTY COSTS | 45,239 | 52,852 | (7,613) | over |

South Lanarkshire Council

Housing & Technical Resources - HRA

Expenditure / Income Variance Trends 2022/23

| | REVISED ANNUAL BUDGET 2022/23 | PERIOD 14 ACTUAL TO DATE | PERIOD 14 VARIANCE AMOUNT | Over/ Under |
|---|--|--------------------------------|---------------------------------|----------------|
| SUPLIES AND SERVICES | | | | |
| COMPUTER EQUIPMENT PURCHASE | 297 | 510 | (213) | over |
| COMPUTER EQUIPMENT RENTAL | 0 | 22 | (22) | over |
| COMPUTER EQUIPMENT MAINTENANCE | 0 | 11 | (11) | over |
| I.T. EQUIPMENT MAINT-CONTRACT | 209 | 47 | 162 | under |
| I.T. ELECTRONIC MESSAGING | 0 | 5 | (5) | over |
| EQUIPMENT, APPARATUS AND TOOLS | 13 | 5 | 8 | under |
| AIDS FOR CLIENTS | 0 | 2 | (2) | over |
| FURNITURE - OFFICE | 10 | 5 | 5 | under |
| FURNITURE - GENERAL | 0 | 14 | (14) | over |
| MATERIALS | 0 | 10 | (10) | over |
| MATERIALS, APPARATUS AND EQUIPMENT | 0 | 4 | (4) | over |
| FOODSTUFFS - GENERAL | 6 | 28 | (22) | over |
| PROTECTIVE CLOTHING & UNIFORMS | 12 | 9 | 3 | under |
| LAUNDRY COSTS | 16 | 15 | 1 | under |
| OTHER SUPPLIES AND SERVICES | 31 | 22 | 9 | under |
| HEALTH AND SAFETY | 15 | 4 | 11 | under |
| OUTSOURCED MAIL | 0 | 80 | (80) | over |
| SUPLIES AND SERVICES | 609 | 793 | (184) | over |
| TRANSPORT AND PLANT | | | | |
| POOL CAR RECHARGE - RENTAL CHARGE | 26 | 29 | (3) | over |
| POOL CAR RECHARGE - FUEL | 6 | 0 | 6 | under |
| POOL CAR RECHARGE - ADDITIONAL CHARGES | 1 | 0 | 1 | under |
| FLEET SERVICE CHARGES VEHICLE MAINTENANCE | 23 | 24 | (1) | over |
| FLEET SERVICE CHARGES LEASING | 72 | 73 | (1) | over |
| FLEET SERVICE CHARGES HIRED VEHICLES | 34 | 0 | 34 | under |
| FLEET SERVICE CHARGES ROAD FUND LICENCES/MOT | 8 | 0 | 8 | under |
| FLEET SERVICE CHARGES FUEL | 21 | 0 | 21 | under |
| STORAGE | 4 | 0 | 4 | under |
| TAXI CHARGES - CONTRACTED | 0 | 1 | (1) | over |
| TRANSPORT AND PLANT | 195 | 127 | 68 | under |
| ADMINISTRATION | | | | |
| PRINTING AND STATIONERY | 61 | 53 | 8 | under |
| BULK PRINTING | 53 | 51 | 2 | under |
| TELEPHONES | 84 | 92 | (8) | over |
| MOBILE PHONES | 27 | 50 | (23) | over |
| ADVERTISING - OF COUNCIL SERVICE AVAILABILITY | 22 | 0 | 22 | under |
| ADVERTISING - OTHER | 12 | 0 | 12 | under |
| POSTAGES/COURIERS | 132 | 125 | 7 | under |
| SMS MESSAGING | 0 | 4 | (4) | over |
| MEMBERSHIP FEES/SUBSCRIPTIONS | 38 | 24 | 14 | under |
| MEDICAL COSTS | 25 | 36 | (11) | over |
| LEGAL EXPENSES | 61 | 3 | 58 | under |
| PETTY OUTLAYS | 4 | 2 | 2 | under |
| HOSPITALITY / CIVIC RECOGNITION | 0 | 1 | (1) | over |
| GIRO BANK AGENCY FEES | 9 | 0 | 9 | under |
| PAYPOINT AGENCY FEES | 49 | 43 | 6 | under |
| INTERNET AGENCY FEES | 6 | 0 | 6 | under |
| OTHER ADMIN COSTS | 15 | 24 | (9) | over |
| CONFERENCES - OFFICIALS | 7 | 2 | 5 | under |
| TRAINING | 0 | 5 | (5) | over |
| INTERNAL SUPPORT SERVICES ALLOCATION | 5,039 | 5,017 | 22 | under |
| ADMINISTRATION | 5,644 | 5,532 | 112 | under |
| PAYMENT TO OTHER BODIES | | | | |
| OTHER COMMITTEES OF THE AUTHORITY | 2,964 | 2,934 | 30 | under |
| GRANTS TO VOLUNTARY ORGANISATIONS | 3 | 0 | 3 | under |
| PAYMENTS TO VOLUNTARY ORGANISATIONS | 31 | 3 | 28 | under |
| PAYMENTS TO OTHER BODIES | 32 | 106 | (74) | over |
| PRIVATE INDIVIDUALS - GENERAL | 111 | 111 | 0 | - |
| PAYMENT TO OTHER BODIES | 3,141 | 3,154 | (13) | over |

South Lanarkshire Council

Housing & Technical Resources - HRA

Expenditure / Income Variance Trends 2022/23

| | REVISED ANNUAL BUDGET 2022/23 | PERIOD 14 ACTUAL TO DATE | PERIOD 14 VARIANCE AMOUNT | Over/ Under |
|--------------------------------------|--|--------------------------------|---------------------------------|-----------------|
| PAYMENT TO CONTRACTORS | | | | |
| PAYMENT TO PRIVATE CONTRACTOR | 80 | 70 | 10 | under |
| PAYMENT TO EXTERNAL CONSULTANTS | 20 | 65 | (45) | over |
| PAYMENT TO CONTRACTORS | 100 | 135 | (35) | over |
| FINANCING CHARGES | | | | |
| INTEREST-DEBT CHARGES | 18,325 | 14,192 | 4,133 | under |
| I.T. EQUIPMENT LEASING-CONTRACT | 67 | 131 | (64) | over |
| CFCR | 26,050 | 26,050 | 0 | - |
| INTEREST ON REVENUE BALANCES | (67) | (730) | 663 | under |
| FINANCING CHARGES | 44,375 | 39,643 | 4,732 | under |
| TOTAL EXPENDITURE | 113,944 | 116,578 | (2,634) | over |
| INCOME | | | | |
| SALES - DEPARTMENTS OF THE AUTHORITY | (1,169) | (1,015) | (154) | under rec |
| FEES AND CHARGES - GENERAL | (2,967) | (3,259) | 292 | over rec |
| RENTAL INCOME | (460) | (408) | (52) | under rec |
| HOUSE RENTS | (100,503) | (101,077) | 574 | over rec |
| LOCK UP RENTS | (2,589) | (2,557) | (32) | under rec |
| INSURANCE RECOVERIES | (250) | (1,752) | 1,502 | over rec |
| OTHER INCOME | (1,789) | (1,884) | 95 | over rec |
| REALLOCATION OF SUPPORT COSTS | (717) | (619) | (98) | under rec |
| TMC BALANCE TO BAL SHEET | 0 | (17) | 17 | over rec |
| YEAR END T/FER TO BALANCE SHEET | (3,500) | (3,990) | 490 | over rec |
| INCOME | (113,944) | (116,578) | 2,634 | over rec |
| NET EXPENDITURE | 0 | 0 | 0 | - |