

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	15 March 2023
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2022/2023 - Housing and Technical Resources (Excl 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 2022 to 27 January 2023 for Housing and Technical Resources (excl HRA)

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the overspend position of £0.245 million, as at 27 January 2023, on Housing and Technical Resources (excl HRA) Revenue Budget and the forecast to 31 March 2023 of a £0.342 million overspend position, as detailed in Appendix A of the report, be noted, and
- (2) 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 2022/2023.
- 3.2. The report details the financial position for Housing and Technical Resources (excl HRA) on Appendix A, then details the individual services in Appendices B and C.

4. Employee Implications

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

5. Financial Implications

- 5.1. Probable Outturn: As at 31 March 2023, there is an overspend of £0.342 million forecast against the annual budget. This is made up of overspends in the Estates and Homelessness services, offset by underspends in Supporting People and Other Housing budgets.
- 5.2. As at 27 January 2023, there is an overspend of £0.245 million against the phased budget.

6. Other Implications

- 6.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. The risk is managed through 4-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.
- 6.2. Inflationary and budget pressures this year increase the risk of overspend, however, we have mitigated this through providing additional funds in future years' budget strategy and in this year, through some reserve funds available.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no climate change, sustainability and environmental implications in terms of the information contained within this report.

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)

Stephen Gibson

Executive Director (Housing and Technical Resources)

15 February 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Executive Committee, 1 March 2023

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 27 January 2023

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 27 January 2023 (No.11)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/01/23	Actual 27/01/23	Variance 27/01/23		% Variance 27/01/23	Notes
Employee Costs	46,004	45,558	446	37,017	36,638	379	under	1.0%	
Property Costs	21,317	22,146	(829)	18,525	19,141	(616)	over	(3.3%)	
Supplies & Services	14,529	11,484	3,045	11,961	9,319	2,642	under	22.1%	
Transport & Plant	4,743	4,286	457	3,833	3,680	153	under	4.0%	
Administration Costs	3,747	3,747	0	3,004	2,980	24	under	0.8%	
Payments to Other Bodies	8,937	9,003	(66)	6,898	6,904	(6)	over	(0.1%)	
Payments to Contractors	18,831	14,810	4,021	14,918	13,597	1,321	under	8.9%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	154	161	(7)	144	173	(29)	over	(20.1%)	
Total Controllable Exp.	118,262	111,195	7,067	96,300	92,432	3,868	under	4.0%	
Total Controllable Inc.	(99,117)	(91,708)	(7,409)	(76,249)	(72,136)	(4,113)	under recovered	(5.4%)	
Net Controllable Exp.	19,145	19,487	(342)	20,051	20,296	(245)	over	1.2%	
Transfer to Reserves as at (04/11/22)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (04/11/22)	19,145	19,487	(342)	20,051	20,296	(245)	over	1.2%	

Variance Explanations

Variances are shown in Appendix B and C as appropriate.

Budget Virements

Virements are shown in Appendix B and C as appropriate.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 27 January 2023 (No.11)

Housing Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/01/23	Actual 27/01/23	Variance 27/01/23		% Variance 27/01/23	Notes
Employee Costs	2,789	2,879	(90)	2,270	2,349	(79)	over	(3.5%)	1, a, c, d
Property Costs	6,720	6,955	(235)	4,942	5,061	(119)	over	(2.4%)	2, a, b
Supplies & Services	291	277	14	228	218	10	under	4.4%	a
Transport & Plant	195	106	89	151	106	45	under	29.8%	a
Administration Costs	148	152	(4)	137	130	7	under	5.1%	a
Payments to Other Bodies	4,757	4,789	(32)	3,979	3,984	(5)	over	(0.1%)	a
Payments to Contractors	2,750	2,519	231	1,685	1,561	124	under	7.4%	3
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	11	18	(7)	11	19	(8)	over	(72.7%)	
Total Controllable Exp.	17,661	17,695	(34)	13,403	13,428	(25)	over	(0.2%)	
Total Controllable Inc.	(7,831)	(7,865)	34	(5,305)	(5,330)	25	over recovered	0.5%	a
Net Controllable Exp.	9,830	9,830	0	8,098	8,098	0	-	0.0%	
Transfer to Reserves as at (04/11/22)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (04/11/22)	9,830	9,830	0	8,098	8,098	0	-	0.0%	

Variance Explanations

1. The overspend relates to staffing costs within the homeless service and is offset by underspends in payments to contractors.
2. The overspend relates to the cost of works on temporary accommodation to meet current demand.
3. The underspend relates to commissioned services in the homelessness budget where expenditure varies according to service requirements.

Budget Virements

- a. Ukraine refugee budget funding realignments Net Nil: Employee costs (£0.201m), Property costs £0.316m, Supplies & services £0.161m, Transport & plant £0.067m, Administration costs £0.002m, Payments to other bodies (£0.081m) and Income (£0.264m).
- b. Transfer of Homeless funding from available Reserves Net £0.639m: Property Costs £0.639m.
- c. Incorporation of additional pay award Net £0.111m: Employee costs £0.111m.
- d. Reduction in NIC requirement Net (£0.002m): Employee costs (£0.002m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 27 January 2023 (No.11)

Property Services

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 27/01/23	Actual 27/01/23	Variance 27/01/23		% Variance 27/01/23	Notes
Employee Costs	43,215	42,679	536	34,747	34,289	458	under	1.3%	1, a, b
Property Costs	14,597	15,191	(594)	13,583	14,080	(497)	over	(3.7%)	2, a, b, c
Supplies & Services	14,238	11,207	3,031	11,733	9,101	2,632	under	22.4%	3, d
Transport & Plant	4,548	4,180	368	3,682	3,574	108	under	2.9%	4
Administration Costs	3,599	3,595	4	2,867	2,850	17	under	0.6%	
Payments to Other Bodies	4,180	4,214	(34)	2,919	2,920	(1)	over	(0.0%)	d, e
Payments to Contractors	16,081	12,291	3,790	13,233	12,036	1,197	under	9.0%	5, f
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	143	143	0	133	154	(21)	over	(15.8%)	
Total Controllable Exp.	100,601	93,500	7,101	82,897	79,004	3,893	under	4.7%	
Total Controllable Inc.	(91,286)	(83,843)	(7,443)	(70,944)	(66,806)	(4,138)	under recovered	(5.8%)	6, a, b, d
Net Controllable Exp.	9,315	9,657	(342)	11,953	12,198	(245)	over	2.0%	
Transfer to Reserves as at (04/11/22)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (04/11/22)	9,315	9,657	(342)	11,953	12,198	(245)	over	2.0%	

Variance Explanations

1. The variance relates to vacancies which are actively being recruited or are still under consideration whilst service requirements are determined.
2. The overspend relates primarily to service charges within the estates service.
3. The level of expenditure on materials varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
4. The level of expenditure on scaffolding, plant and other transportation costs varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
5. The use of private contractors varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
6. The level of income recovered varies depending on the current workload and timing for the recovery of income on a wide variety of major capital and revenue works.

Budget Virements

- a. Incorporation of additional pay award Net £0.257m: Employee costs £1.699m, Property costs £0.229m and Income (£1.670m).
- b. Reduction in NIC requirement Net (£0.027m): Employee costs (£0.027m), Property costs (£0.025m) and Income £0.025m.
- c. Funding for increased Rates and Utility Charges Net £0.260m: Property costs £0.260m.
- d. Transfers from Reserves for Scheme of Assistance Net Nil: Supplies & services £0.201m, Payments to other bodies £0.281m and Transfers to/(from) reserves (£0.482m).
- e. Funding for Green Growth Accelerator Net £0.026m: Payments to other bodies £0.026m.
- f. Funding for Local housing and Energy Efficiency Strategies (LHEES) Net £0.075m: Payments to contractors £0.075m.