

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	13 November 2019
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2019/2020 - Housing and Technical Resources (excl 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 to 13 September 2019 for Housing and Technical Resources (excl HRA)
- ♦ provide a forecast for the year to 31 March 2020

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 (excl HRA) revenue budget, as detailed in Appendix A of the report, and the financial forecast to 31 March 2020 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 2019/2020.
- 3.2. The report details the financial position for Housing and Technical Resources (excl HRA) on Appendix A, and then details the individual services in Appendices B to C.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. As at 13 September 2019, there is a breakeven position against the phased budget. The forecast for the budget to 31 March 2020 is a breakeven position.
- 5.2. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report.

6. Other Implications

- 6.1. 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.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.

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 this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

Daniel Lowe

Executive Director (Housing and Technical Resources)

19 September 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Housing and Technical Resources Committee, 4 September 2019

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 13 September 2019

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 13 September 2019 (No.6)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 13/09/19 £000	Actual 13/09/19 £000	Variance 13/09/19 £000		% Variance 13/09/19	Note
Employee Costs	41,757	41,757	0	0	18,154	17,979	175	under	1.0%	
Property Costs	19,748	19,748	0	0	7,407	7,429	(22)	over	(0.3%)	
Supplies & Services	13,565	13,565	0	0	4,988	4,985	3	under	0.1%	
Transport & Plant	4,600	4,600	0	0	1,642	1,624	18	under	1.1%	
Administration Costs	3,838	3,838	0	0	1,526	1,542	(16)	over	(1.0%)	
Payments to Other Bodies	8,389	8,389	0	0	3,525	3,486	39	under	1.1%	
Payments to Contractors	18,924	18,924	0	0	5,377	5,464	(87)	over	(1.6%)	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	154	154	0	0	117	118	(1)	over	(0.9%)	
Total Controllable Exp.	110,975	110,975	0	0	42,736	42,627	109	under	0.3%	
Total Controllable Inc.	(94,683)	(94,683)	0	0	(34,944)	(34,835)	(109)	under recovered	(0.3%)	
Net Controllable Exp.	16,292	16,292	0	0	7,792	7,792	0	-	0.0%	
Transfer to Reserves (as at 13/09/19)					0	0	0	-		
Position After Transfers to Reserves (as at 13/09/19)					7,792	7,792	0	-	0.0%	

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 13 September 2019 (No.6)

Housing Services

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 13/09/19 £000	Actual 13/09/19 £000	Variance 13/09/19 £000		% Variance 13/09/19	Note
Employee Costs	2,567	2,567	0	0	1,058	1,070	(12)	over	(1.1%)	a, b
Property Costs	5,376	5,376	0	0	1,299	1,284	15	under	1.2%	a
Supplies & Services	155	155	0	0	80	85	(5)	over	(6.3%)	a
Transport & Plant	122	122	0	0	42	31	11	under	26.2%	a
Administration Costs	160	160	0	0	9	16	(7)	over	(77.8%)	a
Payments to Other Bodies	3,807	3,807	0	0	1,559	1,528	31	under	2.0%	a
Payments to Contractors	2,918	2,918	0	0	904	904	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	10	10	0	0	5	6	(1)	over	(20.0%)	a
Total Controllable Exp.	15,115	15,115	0	0	4,956	4,924	32	under	0.6%	
Total Controllable Inc.	(6,649)	(6,649)	0	0	(1,975)	(1,943)	(32)	under recovered	(1.6%)	a
Net Controllable Exp.	8,466	8,466	0	0	2,981	2,981	0	-	0.0%	
Transfer to Reserves (as at 13/09/19)							0	-		
Position After Transfers to Reserves (as at 13/09/19)					2,981	2,981	0	-	0.0%	

Budget Virements

- a. Realignments to reflect the current Homelessness forecasts. Net Effect £0.000m: Employee Costs £0.075m, Property Costs (£0.217m), Supplies & Services £0.009m, Transport & Plant (£0.006m), Administration Costs £0.008m, Payments to Other Bodies £0.010m, Payments to Contractors (£0.198m), Financing Charges (£0.001m) and Income £0.320m.
- b. Drawdown of reserves in relation to Rapid Rehousing Transitional Planning Funding carried forward. Net Effect £0.059m: Employee Costs £0.059m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 September 2019 (No.6)

Property Services

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 13/09/19 £000	Actual 13/09/19 £000	Variance 13/09/19 £000		% Variance 13/09/19	Note
Employee Costs	39,190	39,190	0	0	17,096	16,909	187	under	1.1%	1
Property Costs	14,372	14,372	0	0	6,108	6,145	(37)	over	(0.6%)	
Supplies & Services	13,410	13,410	0	0	4,908	4,900	8	under	0.2%	
Transport & Plant	4,478	4,478	0	0	1,600	1,593	7	under	0.4%	
Administration Costs	3,678	3,678	0	0	1,517	1,526	(9)	over	(0.6%)	
Payments to Other Bodies	4,582	4,582	0	0	1,966	1,958	8	under	0.4%	
Payments to Contractors	16,006	16,006	0	0	4,473	4,560	(87)	over	(1.9%)	2
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	144	144	0	0	112	112	0	-	0.0%	
Total Controllable Exp.	95,860	95,860	0	0	37,780	37,703	77	under	0.2%	
Total Controllable Inc.	(88,034)	(88,034)	0	0	(32,969)	(32,892)	(77)	under recovered	(0.2%)	3
Net Controllable Exp.	7,826	7,826	0	0	4,811	4,811	0	-	0.0%	
Transfer to Reserves (as at 13/09/19)							0	-		
Position After Transfers to Reserves (as at 13/09/19)					4,811	4,811	0	-	0.0%	

Variance Explanations

1. The variance in Employee Costs relates to vacancies which are actively being recruited, or being held whilst service requirements are determined.
2. This variance reflects the requirement to purchase external professional services within the Projects team, to meet current service demands.
3. 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 projects.