

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	23 May 2018
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2017/2018 - 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 2017 to 2 March 2018 for Housing and Technical Resources (excl HRA).
- ◆ provide a forecast for the year to 31 March 2018.

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 2018 of a breakeven position, be noted.

3. Background

3.1. This is the fifth revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2017/2018.

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 2 March 2018, there is a breakeven position against the phased budget.

5.2. Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2018 is a breakeven position. The outturn position includes proposed transfers to reserves totalling £0.659 million in respect of Temporary Homelessness GRG funding required for the 2018/2019 savings exercise (£0.300 million) and also for use in future years (£0.359 million).

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)

2 May 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Housing and Technical Resources Committee, 7 March 2018

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 2 March 2018

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 2 March 2018 (No.13)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 02/03/18 £000	Actual 02/03/18 £000	Variance 02/03/18 £000		% Variance 02/03/18	Note
Employee Costs	7,935	7,967	(32)	7,106	7,024	82	under	1.2%	
Property Costs	22,343	22,571	(228)	18,430	18,621	(191)	over	(1.0%)	
Supplies & Services	353	279	74	319	243	76	under	23.8%	
Transport & Plant	261	253	8	189	214	(25)	over	(13.2%)	
Administration Costs	807	824	(17)	209	224	(15)	over	(7.2%)	
Payments to Other Bodies	6,530	6,296	234	5,691	5,505	186	under	3.3%	
Payments to Contractors	3,014	3,012	2	1,987	1,992	(5)	over	(0.3%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	57	50	7	55	47	8	under	14.5%	
Total Controllable Exp.	41,300	41,252	48	33,986	33,870	116	under	0.3%	
Total Controllable Inc.	(17,333)	(17,285)	(48)	(12,184)	(12,068)	(116)	under recovered	(1.0%)	
Net Controllable Exp.	23,967	23,967	0	21,802	21,802	0	-	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B and C.

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Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 2 March 2018 (No.13)

Housing Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 02/03/18 £000	Actual 02/03/18 £000	Variance 02/03/18 £000		% Variance 02/03/18	Note
Employee Costs	2,141	2,273	(132)	1,922	2,024	(102)	over	(5.3%)	1
Property Costs	6,043	6,222	(179)	3,976	4,046	(70)	over	(1.8%)	2
Supplies & Services	260	175	85	229	153	76	under	33.2%	3
Transport & Plant	106	108	(2)	60	76	(16)	over	(26.7%)	
Administration Costs	351	356	(5)	49	50	(1)	over	(2.0%)	
Payments to Other Bodies	3,860	3,832	28	3,570	3,536	34	under	1.0%	
Payments to Contractors	2,972	2,983	(11)	1,945	1,972	(27)	over	(1.4%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	12	15	(3)	11	14	(3)	over	(27.3%)	
Total Controllable Exp.	15,745	15,964	(219)	11,762	11,871	(109)	over	(0.9%)	
Total Controllable Inc.	(8,106)	(8,521)	415	(6,771)	(6,956)	185	over recovered	2.7%	4
Net Controllable Exp.	7,639	7,443	196	4,991	4,915	76	under	1.5%	

Variance Explanations

1. The overspend in Employee Costs reflects current turnover levels within Housing Services being lower than anticipated.
2. The overspend in Property Costs reflects the current demand for repairs in relation to Temporary Accommodation managed properties.
3. The underspend in Supplies & Services reflects a managed underspend in Computer Equipment costs.
4. The over recovery of income relates to Temporary Accommodation managed properties higher than budgeted and reflects additional general revenue grant in relation to this Service.

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Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 2 March 2018 (No.13)

Property Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 02/03/18 £000	Actual 02/03/18 £000	Variance 02/03/18 £000		% Variance 02/03/18	Note
Employee Costs	5,794	5,694	100	5,184	5,000	184	under	3.5%	1
Property Costs	16,300	16,349	(49)	14,454	14,575	(121)	over	(0.8%)	2
Supplies & Services	93	104	(11)	90	90	0	-	0.0%	
Transport & Plant	155	145	10	129	138	(9)	over	(7.0%)	
Administration Costs	456	468	(12)	160	174	(14)	over	(8.8%)	
Payments to Other Bodies	2,670	2,464	206	2,121	1,969	152	under	7.2%	3
Payments to Contractors	42	29	13	42	20	22	under	52.4%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	45	35	10	44	33	11	under	25.0%	
Total Controllable Exp.	25,555	25,288	267	22,224	21,999	225	under	1.0%	
Total Controllable Inc.	(9,227)	(8,764)	(463)	(5,413)	(5,112)	(301)	under recovered	(5.6%)	4
Net Controllable Exp.	16,328	16,524	(196)	16,811	16,887	(76)	over	(0.5%)	

Variance Explanations

1. The underspend in Employee Costs is due to higher than anticipated staff turnover across the service to date.
2. The overspend in Property Costs reflects the current demand for repairs in relation to Estates managed properties being higher than budgeted.
3. The underspend reflects procurement efficiencies in External Support Contracts for 2018/19 being achieved early.
4. The under recovery of income relates to Estates managed properties being lower than budget and reflects the current income generation.