

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>20 March 2019</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2018/2019 - Housing and Technical Resources (excl HRA)</b>
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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 2018 to 1 February 2019 for Housing and Technical Resources (excl HRA)
- ◆ provide a forecast for the year to 31 March 2019

## 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 2019 of a breakeven position, 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 2018/2019.
- 3.2. The Resource has completed its formal probable outturn exercise for the year. This exercise identifies the expected spend to the 31 March 2019. Details are included in section 5.
- 3.3. The report details the financial position for Housing and Technical Resources (excl HRA) in Appendix A, and then details the individual services in Appendices B to C.

## 4. Employee Implications

4.1. None.

## 5. Financial Implications

- 5.1. **Probable Outturn:** Following the Council's formal Probable Outturn exercise, the Resource position before any transfers to reserves is an underspend of £0.899m. The financial forecast for the revenue budget to 31 March 2019 is a breakeven position after transfers to reserves of £0.899m.

- 5.2. As reported previously, the Resource identified that funding allocated from the Scottish Government for Temporary Accommodation within the Homeless Service, will not be required in the current year as a result of implementation timescales. It had also been reported that current levels of Bad Debts on homelessness are significantly better than expected, and therefore it is anticipated that £0.899m underspend on the specific funding will be seen this year. It is proposed that this is transferred to reserves to meet costs associated with Homelessness in future years.
- 5.3. **As at 1 February 2018**, there is an underspend position against the phased budget, being a £0.799m underspend against the phased budget. This is the position **before** transfers to reserves. The Resource position as at 1 February 2019 **after** transfers to reserves are taken into account, is a breakeven position.
- 5.4. 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)**

11 February 2019

**Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Housing and Technical Resources Committee, 23 January 2019

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 1 February 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 1 February 2019 (No.12)

## Housing and Technical Resources Summary (excl HRA)

<b>Budget Category</b>	<b>Annual Budget £000</b>	<b>Forecast for Year BEFORE Transfers £000</b>	<b>Annual Forecast Variance BEFORE Transfers £000</b>	<b>Annual Forecast Variance AFTER Transfers £000</b>	<b>Budget Proportion 01/02/19 £000</b>	<b>Actual 01/02/19 £000</b>	<b>Variance 01/02/19 £000</b>		<b>% Variance 01/02/19</b>	<b>Note</b>
Employee Costs	8,254	7,926	328	328	6,657	6,437	220	under	3.3%	
Property Costs	17,902	17,828	74	74	17,446	17,296	150	under	0.9%	
Supplies & Services	279	210	69	69	217	192	25	under	11.5%	
Transport & Plant	280	256	24	24	218	169	49	under	22.5%	
Administration Costs	514	541	(27)	(27)	210	223	(13)	over	(6.2%)	
Payments to Other Bodies	6,386	6,521	(135)	(135)	4,311	4,431	(120)	over	(2.8%)	
Payments to Contractors	2,693	2,705	(12)	(12)	1,551	1,560	(9)	over	(0.6%)	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	51	48	3	3	50	32	18	under	36.0%	
<b>Total Controllable Exp.</b>	<b>36,359</b>	<b>36,035</b>	<b>324</b>	<b>324</b>	<b>30,660</b>	<b>30,340</b>	<b>320</b>	<b>under</b>	<b>1.0%</b>	
<b>Total Controllable Inc.</b>	<b>(16,141)</b>	<b>(16,716)</b>	<b>575</b>	<b>(324)</b>	<b>(11,078)</b>	<b>(11,557)</b>	<b>479</b>	<b>over recovered</b>	<b>4.3%</b>	
<b>Net Controllable Exp.</b>	<b>20,218</b>	<b>19,319</b>	<b>899</b>	<b>0</b>	<b>19,582</b>	<b>18,783</b>	<b>799</b>	<b>under</b>	<b>(4.1%)</b>	
<b>Transfer to Reserves (as at 01/02/19)</b>					<b>0</b>	<b>799</b>	<b>(799)</b>	<b>under recovered</b>		
<b>Position After Transfers to Reserves (as at 01/02/19)</b>					<b>19,582</b>	<b>19,582</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

Variance Explanations

Variances are shown in Appendix B and C as appropriate.

Budget Virements

Virements are shown in Appendix B and C.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 1 February 2019 (No.12)

## Housing Services

<b>Budget Category</b>	<b>Annual Budget £000</b>	<b>Forecast for Year BEFORE Transfers £000</b>	<b>Annual Forecast Variance BEFORE Transfers £000</b>	<b>Annual Forecast Variance AFTER Transfers £000</b>	<b>Budget Proportion 01/02/19 £000</b>	<b>Actual 01/02/19 £000</b>	<b>Variance 01/02/19 £000</b>		<b>% Variance 01/02/19</b>	<b>Note</b>
Employee Costs	2,371	2,397	(26)	(26)	1,839	1,862	(23)	over	(1.3%)	a, b
Property Costs	5,571	5,273	298	298	4,723	4,490	233	under	4.9%	1
Supplies & Services	182	119	63	63	128	117	11	under	8.6%	
Transport & Plant	115	106	9	9	76	53	23	under	30.3%	
Administration Costs	73	84	(11)	(11)	63	67	(4)	over	(6.3%)	
Payments to Other Bodies	3,793	3,732	61	61	2,895	2,830	65	under	2.2%	2
Payments to Contractors	2,655	2,690	(35)	(35)	1,519	1,542	(23)	over	(1.5%)	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	12	13	(1)	(1)	12	7	5	under	41.7%	
<b>Total Controllable Exp.</b>	<b>14,772</b>	<b>14,414</b>	<b>358</b>	<b>358</b>	<b>11,255</b>	<b>10,968</b>	<b>287</b>	<b>under</b>	<b>2.5%</b>	
<b>Total Controllable Inc.</b>	<b>(7,316)</b>	<b>(7,891)</b>	<b>575</b>	<b>(324)</b>	<b>(5,080)</b>	<b>(5,606)</b>	<b>526</b>	<b>over recovered</b>	<b>10.4%</b>	<b>3</b>
<b>Net Controllable Exp.</b>	<b>7,456</b>	<b>6,523</b>	<b>933</b>	<b>34</b>	<b>6,175</b>	<b>5,362</b>	<b>813</b>	<b>under</b>	<b>(13.2%)</b>	
<b>Transfer to Reserves (as at 01/02/19)</b>					<b>0</b>	<b>799</b>	<b>(799)</b>	<b>under recovered</b>		
<b>Position After Transfers to Reserves (as at 01/02/19)</b>					<b>6,175</b>	<b>6,161</b>	<b>14</b>	<b>under</b>	<b>(0.2%)</b>	

Variance Explanations

1. The current level of Homelessness bad debt is forecast to be lower than current budget levels.
2. The current level of External Housing Support Contract Provision is forecast to be lower than current budget levels.
3. Funding allocated from the Scottish Government for Temporary Accommodation within the Homeless Service, will not be required in the current year as a result of implementation timescales.

Budget Virements

- a. Additional GRG budget to reflect new Homelessness Rapid Rehousing Transitional Planning Funding. Net Effect £0.105m: Employee Costs £0.105m.
- b. Additional budget to reflect implementation of Strategy staffing review. Net Effect £0.100m: Employee Costs £0.100m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 1 February 2019 (No.12)

## Property Services

<b>Budget Category</b>	<b>Annual Budget £000</b>	<b>Forecast for Year BEFORE Transfers £000</b>	<b>Annual Forecast Variance BEFORE Transfers £000</b>	<b>Annual Forecast Variance AFTER Transfers £000</b>	<b>Budget Proportion 01/02/19 £000</b>	<b>Actual 01/02/19 £000</b>	<b>Variance 01/02/19 £000</b>		<b>% Variance 01/02/19</b>	<b>Note</b>
Employee Costs	5,883	5,529	354	354	4,818	4,575	243	under	5.0%	1
Property Costs	12,331	12,555	(224)	(224)	12,723	12,806	(83)	over	(0.7%)	2, a
Supplies & Services	97	91	6	6	89	75	14	under	15.7%	
Transport & Plant	165	150	15	15	142	116	26	under	18.3%	
Administration Costs	441	457	(16)	(16)	147	156	(9)	over	(6.1%)	
Payments to Other Bodies	2,593	2,789	(196)	(196)	1,416	1,601	(185)	over	(13.1%)	3, b
Payments to Contractors	38	15	23	23	32	18	14	under	43.8%	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	39	35	4	4	38	25	13	under	34.2%	
<b>Total Controllable Exp.</b>	21,587	21,621	(34)	(34)	19,405	19,372	33	under	0.2%	
<b>Total Controllable Inc.</b>	(8,825)	(8,825)	0	0	(5,998)	(5,951)	(47)	under recovered	(0.8%)	
<b>Net Controllable Exp.</b>	12,762	12,796	(34)	(34)	13,407	13,421	(14)	over	0.1%	
<b>Transfer to Reserves (as at 01/02/19)</b>					0	0	0	-		
<b>Position After Transfers to Reserves (as at 01/02/19)</b>					13,407	13,421	(14)	over	0.1%	

**Variance Explanations**

1. The underspend in Employee Costs is due to higher than anticipated staff turnover.
2. The overspend to date in Property Costs reflects a combination of minor overspends including demand for repairs.
3. The overspend in Payments to Other Bodies reflects the current demand for adaptations on the Private Sector Housing Scheme of Assistance being higher than budgeted.

**Budget Virements**

- a. Transfer from Capital in respect of Legislative Compliance / Planned Maintenance £1.282m: Property Costs £1.282m.
- b. Transfer to Capital in respect of PIF reimbursement (£0.260m): Property Costs (£0.260m).
- c. Price Increases in respect of Utilities from Corporate Items £0.086m: Property Costs £0.086m.
- d. Transfer from Reserves in respect of RHI funding £0.290m: Property Costs £0.290m.
- e. Transfer from Reserves in respect of Private Sector Housing Scheme of Assistance £0.306m: Payment to Other Bodies £0.306m.