

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>24 April 2024</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2023/2024 - Housing and Technical Resources - Housing Revenue Account (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 2023 to 26 January 2024 for Housing and Technical Resources (HRA)

## 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' (HRA) revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2024 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 2023/2024.
- 3.2. The report details the financial position for Housing and Technical Resources (HRA) on Appendix A.

## 4. Employee Implications

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

## 5. Financial Implications

- 5.1. **Probable Outturn:** Following the Council's formal Probable Outturn exercise, the forecast for the budget to 31 March 2024 is a breakeven position.
- 5.2. This breakeven position includes a lower than budgeted Transfer from Reserves being required in the financial year. The increased level of costs experienced will be offset by an underspend in Loan Charges this financial year.

5.3. A reduction in spend on Loan Charges is anticipated in 2023/2024 from utilising an in-year benefit from the Housing Revenue Account Loans Fund Review. This was approved by Council on 21 February 2024 as part of the 2024/2025 budget setting report for the HRA.

5.4. As at 26 January 2024, there is a breakeven position against the phased budget.

## **6 Climate Change, Sustainability and Environmental Implications**

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

## **7. Other Implications**

7.1 The main risk associated with the Council's Revenue Budget is that there is an overspend. 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.

7.2 Inflationary and budget pressures this year increase the risk of overspend, however, these pressures are assessed and managed within the budget planning exercise for current and future years.

## **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.

**Jackie Taylor**

**Executive Director (Finance and Corporate Resources)**

**Stephen Gibson**

**Executive Director (Housing and Technical Resources)**

27 March 2024

### **Link(s) to Council Values/Priorities/Outcomes**

♦ Accountable, Effective, Efficient and Transparent

### **Previous References**

♦ Executive Committee, 20 March 2024

### **List of Background Papers**

♦ Financial ledger and budget monitoring results to 26 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 26 January 2024 (No.11)

## Housing Revenue Account

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 26/01/24</b>	<b>Actual 26/01/24</b>	<b>Variance 26/01/24</b>		<b>% Variance 26/01/24</b>	<b>Notes</b>
Employee Costs	15,310	15,401	(91)	12,343	12,409	(66)	over	(0.5%)	
Property Costs	50,929	56,610	(5,681)	34,269	38,885	(4,616)	over	(13.5%)	1
Supplies & Services	653	691	(38)	557	551	6	under	1.1%	
Transport & Plant	196	189	7	119	113	6	under	5.0%	
Administration Costs	5,570	5,597	(27)	427	443	(16)	over	(3.7%)	
Payments to Other Bodies	2,974	2,979	(5)	1,696	1,703	(7)	over	(0.4%)	
Payments to Contractors	100	145	(45)	68	68	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	27,162	27,162	0	25,167	25,167	0	-	0.0%	
<b>Total Controllable Exp.</b>	102,894	108,774	(5,880)	74,646	79,339	(4,693)	over	(6.3%)	
Total Controllable Inc.	(115,940)	(116,768)	828	(85,715)	(85,908)	193	over recovered	0.2%	2
Transfer to/(from) Balance Sheet	(4,907)	(853)	(4,054)	(3,118)	(1,123)	(1,995)	under recovered	(64.0%)	3
<b>Net Controllable Exp.</b>	(17,953)	(8,847)	(9,106)	(14,187)	(7,692)	(6,495)	over	(45.8%)	
Loan Charges	17,953	8,847	9,106	6,495	0	6,495	under	(100.0%)	4
<b>Net Controllable Exp.</b>	0	0	0	(7,692)	(7,692)	0	-	0.0%	

**Variance Explanations**

1. The net overspend reflects the volume and cost of repairs and maintenance, including additional costs for the internal contractor.
2. The additional income is due to the favourable timing of new build and purchased council housing units being available to rent.
3. The net combined overspend requires for a lower than budgeted level of transfer from reserves at this time.
4. The underspend is due to a reduction in spend on Loan Charges anticipated from utilising an in-year benefit from the Housing Revenue Account Loans Fund Review.

**Virements**

There are no virements to report.