

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 - 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 (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 2023 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 2022/2023.

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 2023 is a breakeven position.

5.2. As at 27 January 2023, there is a breakeven position against the phased budget. The forecast for the budget to 31 March 2023 is also a breakeven position.

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, these pressures are assessed and managed within the budget planning exercise for current and future years.
- 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 Revenue Account

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	14,641	14,140	501	11,899	11,654	245	under	2.1%	1, a
Property Costs	46,906	53,424	(6,518)	37,477	40,192	(2,715)	over	(7.2%)	2
Supplies & Services	609	1,021	(412)	439	451	(12)	over	(2.7%)	
Transport & Plant	195	183	12	94	84	10	under	10.6%	
Administration Costs	5,644	5,593	51	364	318	46	under	12.6%	3
Payments to Other Bodies	3,030	3,054	(24)	1,702	1,719	(17)	over	(1.0%)	
Payments to Contractors	100	80	20	77	76	1	under	1.3%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	26,050	26,050	0	26,116	26,116	0	-	0.0%	
Total Controllable Exp.	97,175	103,545	(6,370)	78,168	80,610	(2,442)	over	(3.1%)	
Total Controllable Inc.	(112,000)	(112,475)	475	(82,713)	(83,052)	339	over recovered	0.4%	4
Transfer to/(from) Balance Sheet	(3,500)	(5,840)	2,340	(2,961)	(5,064)	2,103	over recovered	71.0%	5, a
Net Controllable Exp.	(18,325)	(14,770)	(3,555)	(7,506)	(7,506)	0	-	0.0%	
Loan Charges	18,325	14,770	3,555	0	0	0	-		
Net Controllable Exp.	0	0	0	(7,506)	(7,506)	0	-	0.0%	

Variance Explanations

1. The variance is due to higher than anticipated staff turnover.
2. The net overspend reflects the current volume and cost of repairs and maintenance, including additional costs for the internal contractor.
3. A large element of this underspend is due to the demand led legal expenses.
4. Rental income from council housing is higher than forecast due to favourable timing of new build and purchased units being available to rent.
5. The net combined overspend year to date requires for a higher than budgeted level of transfer from reserves.

Virements

- a. Transfer from reserves to fund expected increase in employee costs due to pay award net Nil: - Employee costs £0.726m and Transfers to/(from) Balance Sheet (£0.726m).