

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 (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 2019 to 13 September 2019 for Housing and Technical Resources (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' (HRA) revenue budget, as detailed in Appendix A of the report, and the 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 (HRA) on Appendix A.

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 also 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 (Including Environmental and Risk)

- 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)

20 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 Revenue Account

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 13/09/19 £000	Actual 13/09/19 £000	Variance 13/09/19 £000		% Variance 13/09/19	Note
Employee Costs	13,675	13,675	0	5,841	5,622	219	under	3.7%	1, a
Property Costs	44,605	44,605	0	16,345	16,380	(35)	over	(0.2%)	2, a
Supplies & Services	1,654	1,654	0	533	521	12	under	2.3%	a
Transport & Plant	195	195	0	65	66	(1)	over	(1.5%)	
Administration Costs	5,702	5,702	0	241	233	8	under	3.3%	a
Payments to Other Bodies	3,174	3,174	0	1	5	(4)	over	(400.0%)	
Payments to Contractors	100	100	0	54	56	(2)	over	(3.7%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	20,589	20,589	0	15,786	15,786	0	-	0.0%	a
Total Controllable Exp.	89,694	89,694	0	38,866	38,669	197	under	0.5%	
Total Controllable Income	(102,529)	(102,529)	0	(37,515)	(37,318)	(197)	under recovered	0.5%	3, a
Transfer to/(from) Balance Sheet	(2,845)	(2,845)	0	(1,351)	(1,351)	0	-	0.0%	a
Net Controllable Exp.	(15,680)	(15,680)	0	0	0	0	-	0.0%	
Loan Charges	15,680	15,680	0	0	0	0	-	0.0%	a
Net Controllable Exp.	0	0	0	0	0	0	-	0.0%	

Variance Explanations

1. The variance in Employee Costs relates to an underspend in pension contributions and vacancies, which are being actively recruited, or being currently held whilst service requirements are determined.
2. The variance in Property Costs is due to repairs and grounds maintenance work which is a demand led service and is currently higher than budget. This is partially offset by an underspend in bad debt provision due to the demands following the roll out of Universal Credit and better than expected collection rates for rental income.
3. The overall under recovery in rental income is impacted by the timing of new build completions.

Budget Virements

- a. Realignment to reflect revised Budget forecasts for the HRA, including movements between repairs and bad debt provision, requirements for the new IT system, reduced loan charges and adjustments to income projections. Net Effect £0.000m: Employee Costs £0.208m, Property Costs £0.003m, Supplies and Services £0.834m, Administration (£0.011), Financing Charges (£1.250m), Income £1.002m and Transfers to/(from) Balance Sheet (£0.786m).