

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	30 June 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2021/2022 - Housing and Technical Resources (Excl 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 2021 to 21 May 2021 for Housing and Technical Resources (excl HRA)

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the overspend of £0.070m as at 21 May 2021 on Housing and Technical Resources (excl HRA) Revenue Budget, as detailed in Appendix A of the report, and the forecast to 31 March 2021 of a breakeven position, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

- 3.1. This is the first revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2021/2022.
- 3.2. The report details the financial position for Housing and Technical Resources (excl HRA) on Appendix A, then details the individual services in Appendices B and C and outlines the additional COVID-19 costs, in Appendix D.

4. Employee Implications

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

5. Financial Implications

- 5.1. As at 21 May 2021, there is a overspend of £0.070m against the phased budget.
- 5.2. The overspend is caused by additional expenditure in relation to the COVID-19 response including additional expenditure for temporary accommodation costs for homeless people.

- 5.3. The COVID-19 lock down has also had an impact on the Property Services section which provides the property investment, repairs and maintenance service to the HRA and other Resources Capital and Revenue budgets. The section continues to incur non variable costs which require to be offset by income recovery, therefore, a recharge of £4.299m has been required to date to these budgets to cover fixed costs.

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 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.

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)

Daniel Lowe

Executive Director (Housing and Technical Resources)

1 June 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 23 June 2021

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 21 May 2021.

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 21 May 2021 (No.2)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Notes
Employee Costs	42,818	42,818	0	5,088	4,982	106	under	2.1%	
Property Costs	19,772	19,772	0	3,581	3,660	(79)	over	(2.2%)	
Supplies & Services	14,171	14,171	0	1,402	970	432	under	30.8%	
Transport & Plant	4,590	4,590	0	250	241	9	under	3.6%	
Administration Costs	3,777	3,777	0	292	286	6	under	2.1%	
Payments to Other Bodies	8,260	8,260	0	859	925	(66)	over	(7.7%)	
Payments to Contractors	18,693	18,693	0	1,623	703	920	under	56.7%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	154	154	0	6	0	6	under	100.0%	
Total Controllable Exp.	112,235	112,235	0	13,101	11,767	1,334	under	10.2%	
Total Controllable Inc.	(95,876)	(95,876)	0	(7,806)	(6,402)	(1,404)	under recovered	(18.0%)	
Net Controllable Exp.	16,359	16,359	0	5,295	5,365	(70)	over	1.3%	
Transfer to Reserves as at (21/05/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (21/05/21)	16,359	16,359	0	5,295	5,365	(70)	over	1.3%	

Variance Explanations

Variances are shown in Appendix B and D as appropriate.

Budget Virements

Virements are shown in Appendix B and C as appropriate.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 21 May 2021 (No.2)

Housing Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Notes
<u>Budget Category</u>									
Employee Costs	2,325	2,325	0	280	300	(20)	over	(7.1%)	
Property Costs	5,690	5,690	0	2,005	2,007	(2)	over	(0.1%)	
Supplies & Services	82	82	0	3	1	2	under	66.7%	
Transport & Plant	102	102	0	7	4	3	under	42.9%	
Administration Costs	150	150	0	21	21	0	-	0.0%	
Payments to Other Bodies	3,863	3,863	0	621	617	4	under	0.6%	
Payments to Contractors	2,687	2,687	0	298	298	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	11	11	0	3	0	3	under	100.0%	
Total Controllable Exp.	14,910	14,910	0	3,238	3,248	(10)	over	(0.3%)	
Total Controllable Inc.	(6,676)	(6,676)	0	(461)	(471)	10	over recovered	2.2%	
Net Controllable Exp.	8,234	8,234	0	2,777	2,777	0	-	0.0%	
Transfer to Reserves as at (21/05/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (21/05/21)	8,234	8,234	0	2,777	2,777	0	-	0.0%	

Variance Explanations

None.

Budget Virements

None.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 21 May 2021 (No.2)

Property Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Notes
Employee Costs	40,493	40,493	0	4,808	4,682	126	under	2.6%	1
Property Costs	14,082	14,082	0	1,576	1,597	(21)	over	(1.3%)	a
Supplies & Services	14,089	14,089	0	1,399	968	431	under	30.8%	2
Transport & Plant	4,488	4,488	0	243	237	6	under	2.5%	
Administration Costs	3,627	3,627	0	271	265	6	under	2.2%	
Payments to Other Bodies	4,397	4,397	0	238	243	(5)	over	(2.1%)	b
Payments to Contractors	16,006	16,006	0	1,325	405	920	under	69.4%	3
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	143	143	0	3	0	3	under	100.0%	
Total Controllable Exp.	97,325	97,325	0	9,863	8,397	1,466	under	14.9%	
Total Controllable Inc.	(89,200)	(89,200)	0	(7,345)	(5,879)	(1,466)	under recovered	(20.0%)	4, a
Net Controllable Exp.	8,125	8,125	0	2,518	2,518	0	-	0.0%	
Transfer to Reserves as at (21/05/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (21/05/21)	8,125	8,125	0	2,518	2,518	0	-	0.0%	

Variance Explanations

1. The variance in Employee Costs relates to vacancies which are actively being recruited, or are still under consideration whilst service requirements are determined. An element of the underspend is also due to lower levels of overtime as a result of Covid-19 restrictions.
2. Covid-19 restrictions has impacted on the level of materials required. This varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
3. Covid-19 restrictions has impacted on the level of Sub Contractors required. This varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
4. The level of income recovered varies depending on the current workload and timing for the recovery of income on a wide variety of major capital and revenue works. Covid-19 restrictions has had an impact on the level of income recovered as can be seen from the underspends above. The service continues to incur non variable costs which require to be offset by income recovery, therefore a recharge of £4.299m has been required to date to Resources revenue and capital budgets to cover these fixed costs.

Budget Virements

- a. Additional planned maintenance funding CFCR/Reserves net £2.412m: £3.000m Property Costs and additional income (£0.588m).
- b. Transfer from Capital in respect of Private Sector Housing Scheme of Assistance. Net Effect £1.000m: Payment to Other Bodies £1.000m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 21 May 2021 (No.2)

Housing and Technical Resources Summary (excl HRA) - Covid-19

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/05/21	Actual 21/05/21	Variance 21/05/21		% Variance 21/05/21	Notes
Employee Costs	0	0	0	0	0	0	-	0.0%	
Property Costs	0	0	0	0	56	(56)	over	0.0%	1
Supplies & Services	0	0	0	0	1	(1)	over	0.0%	
Transport & Plant	0	0	0	0	0	0	-	0.0%	
Administration Costs	0	0	0	0	0	0	-	0.0%	
Payments to Other Bodies	0	0	0	0	65	(65)	over	0.0%	1
Payments to Contractors	0	0	0	0	0	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	0	0	0	0	0	0	-	0.0%	
Total Controllable Exp.	0	0	0	0	122	(122)	over	0.0%	
Total Controllable Inc.	0	0	0	0	(52)	52	over recovered	0.0%	1
Net Controllable Exp.	0	0	0	0	70	(70)	over	0.0%	
Transfer to Reserves as at (21/05/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (21/05/21)	0	0	0	0	70	(70)	over	0.0%	

Variance Explanations

1. The majority of this additional expenditure is for temporary accommodation costs for homeless cases.

Budget Virements

None