

Report

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| Report to: | Housing and Technical Resources Committee |
| Date of Meeting: | 5 June 2019 |
| Report by: | Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources) |

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| Subject: | Revenue Budget Monitoring 2018/2019 - 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 2018 to 1 March 2019 for Housing and Technical Resources (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' (HRA) revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2019 of a breakeven position, be noted.

3. Background

3.1. This is the fifth revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2018/2019.

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 1 March 2019, there is a breakeven position against the phased budget. The forecast for the budget to 31 March 2019 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 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)

1 May 2019

Link(s) to Council Values/Ambitions/Objectives

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ Housing and Technical Resources Committee, 20 March 2019

List of Background Papers

♦ Financial ledger and budget monitoring results to 1 March 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 March 2019 (No.13)

Housing Revenue Account

| Budget Category | Annual Budget £000 | Forecast for Year £000 | Annual Forecast Variance £000 | Budget Proportion 01/03/19 £000 | Actual 01/03/19 £000 | Variance 01/03/19 £000 | | % Variance 01/03/19 | Note |
|----------------------------------|-------------------------------|-----------------------------------|------------------------------------------|------------------------------------------------|-------------------------------------|---------------------------------------|-----------------|------------------------------------|-------------|
| Employee Costs | 12,718 | 12,544 | 174 | 11,501 | 11,390 | 111 | under | 1.0% | 1 |
| Property Costs | 42,507 | 42,465 | 42 | 32,971 | 32,924 | 47 | under | 0.1% | 2 |
| Supplies & Services | 610 | 554 | 56 | 546 | 495 | 51 | under | 9.3% | 3 |
| Transport & Plant | 194 | 174 | 20 | 182 | 162 | 20 | under | 11.0% | |
| Administration Costs | 5,713 | 5,677 | 36 | 627 | 617 | 10 | under | 1.6% | |
| Payments to Other Bodies | 3,221 | 3,221 | 0 | 66 | 43 | 23 | under | 34.8% | |
| Payments to Contractors | 100 | 129 | (29) | 95 | 123 | (28) | over | (29.5%) | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 | - | 0.0% | |
| Financing Charges | 23,730 | 23,761 | (31) | 51 | 46 | 5 | under | 9.8% | |
| Total Controllable Exp. | 88,793 | 88,525 | 268 | 46,039 | 45,800 | 239 | under | 0.5% | |
| Total Controllable Income | (98,991) | (98,432) | (559) | (82,693) | (82,454) | (239) | under recovered | 0.3% | 4 |
| Transfer to/(from) Balance Sheet | (4,603) | (4,604) | 1 | (4,249) | (4,249) | 0 | - | 0.0% | |
| Net Controllable Exp. | (14,801) | (14,511) | (290) | (40,903) | (40,903) | 0 | - | 0.0% | |
| Loan Charges | 14,801 | 14,511 | 290 | 0 | 0 | 0 | - | 0.0% | |
| Net Controllable Exp. | 0 | 0 | 0 | (40,903) | (40,903) | 0 | - | 0.0% | |

Variance Explanations

1. The underspend in Employee Costs is due to higher than anticipated staff turnover.
2. There is an underspend in Property Costs due to repairs and maintenance work which is a demand led service and is currently higher than budgeted, being offset within year due to an underspend in the level of bad debt provision forecast.
3. This underspend reflects reduced IT maintenance costs for the existing Housing Management System as part of the transition towards implementation of new Housing Management System.
4. The under recovery in rental income is in relation to the timing of new build completions, which is slightly behind budget forecasts.