

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	5 February 2020
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 to 6 December 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 third 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 6 December 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 appendix to this report.

6. Climate Change, Sustainability and Environmental Implications

6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in 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)

31 December 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ None.

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 6 December 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 6 December 2019 (No.9)

Housing Revenue Account

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 06/12/19 £000	Actual 06/12/19 £000	Variance 06/12/19 £000		% Variance 06/12/19	Note
Employee Costs	13,526	12,785	741	8,982	8,543	439	under	4.9%	1, a
Property Costs	44,604	44,435	169	29,352	29,242	110	under	0.4%	2
Supplies & Services	1,475	1,475	0	633	632	1	under	0.2%	b
Transport & Plant	195	195	0	103	102	1	under	1.0%	
Administration Costs	5,702	5,656	46	409	391	18	under	4.4%	
Payments to Other Bodies	3,174	3,126	48	21	27	(6)	over	(28.6%)	
Payments to Contractors	100	105	(5)	92	98	(6)	over	(6.5%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	20,589	20,599	(10)	20,639	20,646	(7)	over	(0.0%)	
Total Controllable Exp.	89,365	88,376	989	60,231	59,681	550	under	0.9%	
Total Controllable Income	(102,379)	(102,185)	(194)	(61,604)	(61,423)	(181)	under recovered	0.3%	3, a
Transfer to/(from) Balance Sheet	(2,150)	(1,355)	(795)	(1,756)	(1,387)	(369)	under recovered	21.0%	4, b, c
Net Controllable Exp.	(15,164)	(15,164)	0	(3,129)	(3,129)	0	-	0.0%	
Loan Charges	15,164	15,164	0	0	0	0	-	0.0%	c
Net Controllable Exp.	0	0	0	(3,129)	(3,129)	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 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 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.
4. The net impact of the underspends within the service has resulted in a reduced requirement to drawdown from reserves in the current financial year.

Budget Virements

- a. Realignment to reflect alterations to reporting structures. Net Effect £0.000m: Employee Costs (£0.149m), Property Costs (£0.001) and Income £0.150m.
- b. Realignment to reflect revised profiling for new IT System payments. Net Effect £0.000m: Supplies and Services (£0.179m) and Transfers to/(from) Balance Sheet £0.179m.
- c. Realignment to reflect revised Loan Charges. Net Effect £0.000m: Transfers to/(from) Balance Sheet £0.516m and Loan Charges (£0.516m).