

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	17 June 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 2019 to 28 February 2020 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 fifth 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. **Probable Outturn:** Following the Council's formal Probable Outturn exercise, the forecast for the budget to 31 March 2020 is a breakeven position.

5.2. As at 28 February 2020, there is a breakeven position against the phased budget.

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)

13 May 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Housing and Technical Resources Committee, 1 April 2020

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 28 February 2020

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 28 February 2020 (No.12)

Housing Revenue Account

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 28/02/20 £000	Actual 28/02/20 £000	Variance 28/02/20 £000		% Variance 28/02/20	Note
Employee Costs	13,526	12,785	741	12,087	11,519	568	under	4.7%	1
Property Costs	44,604	44,435	169	34,604	34,339	265	under	0.8%	2
Supplies & Services	1,475	1,475	0	746	733	13	under	1.7%	
Transport & Plant	195	195	0	183	182	1	under	0.5%	
Administration Costs	5,702	5,656	46	519	475	44	under	8.5%	
Payments to Other Bodies	3,174	3,126	48	22	22	0	-	0.0%	
Payments to Contractors	100	105	(5)	90	103	(13)	over	(14.4%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	20,589	20,599	(10)	20,656	20,677	(21)	over	(0.1%)	
Total Controllable Exp.	89,365	88,376	989	68,907	68,050	857	under	1.2%	
Total Controllable Income	(101,921)	(101,727)	(194)	(82,632)	(82,519)	(113)	under recovered	0.1%	3
Transfer to/(from) Balance Sheet	(2,608)	(1,813)	(795)	(2,407)	(1,663)	(744)	under recovered	30.9%	4
Net Controllable Exp.	(15,164)	(15,164)	0	(16,132)	(16,132)	0	-	0.0%	
Loan Charges	15,164	15,164	0	0	0	0	-	0.0%	
Net Controllable Exp.	0	0	0	(16,132)	(16,132)	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 are still under consideration 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

None