

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	7 February 2024
Report by:	Head of Finance (Strategy) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2023/2024 - 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 to 1 December 2023 for Housing and Technical Resources (excl Housing Revenue Account (HRA))

2. Recommendation(s)

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

- (1) that the breakeven position as at 1 December 2023 on Housing and Technical Resources' (excl HRA) revenue budget and the forecast to 31 March 2024 of a breakeven position after approved transfers to reserves, as detailed in Appendix A of the report, 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 2023/2024.
- 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.

4. Employee Implications

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

5. Financial Implications

5.1. **Probable Outturn:** Following the Council's formal probable outturn exercise, the forecast for the budget to 31 March 2024 is a breakeven position after approved transfers to reserves of £1.510 million. This is made up of overspends in the Estates and Property Maintenance services, offset by an underspend in Office Accommodation.

5.2. As at 1 December 2023, there is a breakeven position against the phased budget.

6. Other Implications

- 6.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. The risk is managed through 4-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. Inflationary and budget pressures this year increase the risk of overspend, however, we have mitigated this through providing additional funds in future years budget strategy and in this year, through some reserve funds available.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no climate change, sustainability and environmental implications in terms of the information contained within this report.

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.

Jackie Taylor
Head of Finance (Strategy)

Stephen Gibson
Executive Director (Housing and Technical Resources)

10 January 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Executive Committee, 24 January 2024

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 1 December 2023

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 December 2023 (No.9)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/12/23	Actual 01/12/23	Variance 01/12/23		% Variance 01/12/23	Notes
Employee Costs	50,063	48,205	1,858	32,470	31,204	1,266	under	3.9%	
Property Costs	19,319	21,038	(1,719)	14,238	15,341	(1,103)	over	(7.7%)	
Supplies & Services	13,832	14,010	(178)	8,310	8,504	(194)	over	(2.3%)	
Transport & Plant	4,723	4,408	315	2,959	2,778	181	under	6.1%	
Administration Costs	3,754	3,734	20	427	557	(130)	over	(30.4%)	
Payments to Other Bodies	8,600	8,625	(25)	4,216	4,198	18	under	0.4%	
Payments to Contractors	12,865	12,625	240	7,342	6,960	382	under	5.2%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	154	181	(27)	19	20	(1)	over	(5.3%)	
Total Controllable Exp.	113,310	112,825	485	69,981	69,562	419	under	0.6%	
Total Controllable Inc.	(95,718)	(96,743)	1,025	(49,743)	(49,324)	(419)	under recovered	(0.8%)	
Net Controllable Exp.	17,582	16,082	1,510	20,238	20,238	0	-	0.0%	
Transfer to Reserves as at (01/12/23)	0	1,510	(1,510)	0	0	0	-		
Position After Transfers to Reserves (01/12/23)	17,592	17,592	0	20,238	20,238	0	-	0.0%	

Variance Explanations

Variances are shown in Appendix B and C as appropriate.

Budget Virements

Virements are shown in Appendix B and C as appropriate.

Approved Transfers to Reserves

Detailed in Appendix B and C

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 1 December 2023 (No.9)

Housing Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/12/23	Actual 01/12/23	Variance 01/12/23		% Variance 01/12/23	Notes
Employee Costs	4,034	4,016	18	2,546	2,521	25	under	1.0%	a
Property Costs	6,638	7,305	(687)	4,665	5,147	(482)	over	(10.3%)	1, b, c
Supplies & Services	217	212	5	132	140	(8)	over	(6.1%)	
Transport & Plant	194	154	40	147	125	22	under	15.0%	
Administration Costs	156	145	11	57	61	(4)	over	(7.0%)	
Payments to Other Bodies	4,728	4,626	102	2,860	2,789	71	under	2.5%	
Payments to Contractors	2,709	2,468	241	1,466	1,299	167	Under	11.4%	2
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	11	20	(9)	2	2	0	-	0.0%	
Total Controllable Exp.	18,687	18,946	(259)	11,875	12,084	(209)	over	(1.8%)	
Total Controllable Inc.	(8,458)	(10,274)	1,816	(5,546)	(5,803)	257	over recovered	4.6%	3, c, d
Net Controllable Exp.	10,229	8,672	1,557	6,329	6,281	48	under	0.8%	
Transfer to Reserves as at (01/12/23)	0	1,485	(1,485)	0	0	0	-		
Position After Transfers to Reserves (01/12/23)	10,229	10,157	72	6,329	6,281	48	under	0.8%	

Variance Explanations

1. The overspend relates to the cost of works on temporary accommodation to meet current demand.
2. The underspend relates to commissioned services in the homelessness budget where expenditure varies according to service requirements.
3. The over recovery relates mainly to rent from temporary accommodation stock.

Budget Virements

- a. Incorporation of additional pay award. Net Effect £0.180m: Employee Costs £0.180m.
- b. Transfer of budget from centre for utilities. Net Effect £0.100m, Property Costs £0.100m.
- c. Realignment of budget within Homelessness. Net Effect £0.000m: Property Costs £0.305m and Income (£0.305m).
- d. Funding from Scottish Government for Ukraine Resettlement Funding. Net Effect £1.485: Income £1.485m.

Approved Transfers to Reserves (£1.485m):

- i. Ukraine Resettlement Funding. (£1.485m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 1 December 2023 (No.9)

Property Services

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 01/12/23	Actual 01/12/23	Variance 01/12/23		% Variance 01/12/23	Notes
Employee Costs	46,029	44,189	1,840	29,924	28,683	1,241	under	4.1%	1, a
Property Costs	12,681	13,733	(1,052)	9,573	10,194	(621)	over	(6.5%)	2, a, b
Supplies & Services	13,615	13,798	(183)	8,178	8,364	(186)	over	(2.3%)	3, c
Transport & Plant	4,529	4,254	275	2,812	2,653	159	under	5.7%	4
Administration Costs	3,598	3,589	9	370	496	(126)	over	(34.1%)	
Payments to Other Bodies	3,872	3,999	(127)	1,356	1,409	(53)	over	(3.9%)	d
Payments to Contractors	10,156	10,157	(1)	5,876	5,661	215	under	3.7%	5, e
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	143	161	(18)	17	18	(1)	over	(5.9%)	
Total Controllable Exp.	94,623	93,880	743	58,106	57,478	628	under	1.1%	
Total Controllable Inc.	(87,259)	(86,469)	(790)	(44,197)	(43,521)	(676)	under recovered	(1.5%)	6, a, e
Net Controllable Exp.	7,364	7,411	(47)	13,909	13,957	(48)	over	0.3%	
Transfer to Reserves as at (01/12/23)	0	25	(25)	0	0	0	-		
Position After Transfers to Reserves (01/12/23)	7,364	7,436	(72)	13,909	13,957	(48)	over	0.3%	

Variance Explanations

1. The variance relates to vacancies which are actively being recruited or are still under consideration whilst service requirements are determined.
2. The overspend relates primarily to service charges within the estates service.
3. The level of expenditure on materials varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
4. The level of expenditure on scaffolding, plant and other transportation costs varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
5. The use of private contractors varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
6. 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.

Budget Virements

- a. Incorporation of additional pay award. Net Effect £0.645m: Employee costs £2.864m, Property Costs £0.181m and Income (£2.400m).
- b. Transfer of budget from centre for utilities. Net Effect £0.362m, Property Costs £0.362m.
- c. Transfer to centre to reflect achievement of procurement savings. Net Effect (£0.384m): Supplies and Services (£0.384m).
- d. Transfer from CFCR in respect of Private Sector Housing Scheme of Assistance. Net Effect £1.000m: Payment to Other Bodies £1.000m.
- e. Realignment of budget within Building Services. Net Effect £0.000m: Payments to Contractors (£3.000m) and Income £3.000m.

Approved Transfers to Reserves (£0.025m):

- i) Local Heat and Energy Efficiencies Strategies (LHEES). (£0.025m)