

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	23 January 2019
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2018/2019 - Housing and Technical Resources (HRA)
----------	--

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 9 November 2018 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; 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 2018/2019.

3.2. The report details the financial position for Housing and Technical Resources (HRA) in Appendix A.

4. Employee Implications

4.1. None.

5. Financial Implications

5.1. As at 9 November 2018, there is a breakeven position against the phased budget. The forecast for the budget to 31 March 2019 is also a breakeven position.

5.2. Virements are proposed to realign budgets. The movements have been detailed in the appendix to this report.

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)

6 December 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Housing and Technical Resources Committee, 31 October 2018

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 9 November 2018

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Hazel Goodwin, Finance Manager

Ext: 2699 (Tel: 01698 452699)

E-mail: Hazel.Goodwin@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 9 November 2018 (No.9)

Housing Revenue Account

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 09/11/18 £000	Actual 09/11/18 £000	Variance 09/11/18 £000		% Variance 09/11/18	Note
Employee Costs	12,718	12,718	0	7,533	7,409	124	under	1.6%	1
Property Costs	42,507	42,507	0	26,012	26,013	(1)	over	(0.0%)	2, a, b
Supplies & Services	610	610	0	428	409	19	under	4.4%	
Transport & Plant	194	194	0	135	123	12	under	8.9%	
Administration Costs	5,713	5,713	0	419	420	(1)	over	(0.2%)	
Payments to Other Bodies	3,221	3,221	0	32	30	2	under	6.3%	
Payments to Contractors	100	100	0	69	71	(2)	over	(2.9%)	a
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	23,730	23,730	0	50	46	4	under	8.0%	
Total Controllable Exp.	88,793	88,793	0	34,678	34,521	157	under	0.5%	
Total Controllable Income	(98,991)	(98,991)	0	(55,337)	(55,178)	(159)	under recovered	0.3%	3, b
Transfer to/(from) Balance Sheet	(4,603)	(4,603)	0	(2,833)	(2,835)	2	under	(0.1%)	
Net Controllable Exp.	(14,801)	(14,801)	0	(23,492)	(23,492)	0	-	0.0%	
Loan Charges	14,801	14,801	0	0	0	0	-	0.0%	
Net Controllable Exp.	0	0	0	(23,492)	(23,492)	0	-	0.0%	

Variance Explanations

1. The underspend in Employee Costs is due to higher than anticipated staff turnover.
2. There is an overspend in Property Costs due to repairs and maintenance work which is a demand led service and is currently higher than budgeted, this has been offset within year due to an underspend in the level of bad debt provision forecast.
3. The under recovery in rental income is in relation to the timing of new build completions, which is slightly behind budget forecasts.

Budget Virements

- a. Realignment of Grounds Maintenance budgets to reflect service delivery requirements. Net Effect (£0.000m): Property Costs £0.334m and Payments to Other Bodies (£0.334m).
- b. Expenditure and Income budget to reflect Scottish Government Funding t for Local Heat and Energy Efficiency Strategy - Net Effect £0.000m: Property Costs £0.043m and Income (£0.043m).