

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 (excl 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 9 November 2018 for Housing and Technical Resources (excl 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 (excl HRA) revenue budget, as detailed in Appendix A of the report, and the financial 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 (excl HRA) in Appendix A, and then details the individual services in Appendices B to C.

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 financial forecast for the revenue budget to 31 March 2019 is also a breakeven position.

5.2. As reported previously, the Resource identified that £0.188 million of the funding allocated from the Scottish Government for Temporary Accommodation within the Homeless Service, will not be required in the current year as a result of implementation timescales. It has been identified that current levels of Bad Debts on

homelessness are significantly better than expected, and therefore it is anticipated that a higher underspend on the specific funding will be seen this year. It will be proposed that this is transferred to reserves to meet costs associated with Homelessness in future years.

- 5.3. Virements are proposed to realign budgets. These movements have been detailed in the appendices 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)

5 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:-

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Housing and Technical Resources Summary (excl HRA)

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	8,049	8,049	0	4,622	4,520	102	under	2.2%	
Property Costs	16,504	16,504	0	11,377	11,508	(131)	over	(1.2%)	
Supplies & Services	279	279	0	127	112	15	under	11.8%	
Transport & Plant	280	280	0	146	130	16	under	11.0%	
Administration Costs	514	514	0	163	169	(6)	over	(3.7%)	
Payments to Other Bodies	6,080	6,080	0	3,196	3,227	(31)	over	(1.0%)	
Payments to Contractors	2,693	2,693	0	1,243	1,230	13	under	1.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	51	51	0	37	32	5	under	13.5%	
Total Controllable Exp.	34,450	34,450	0	20,911	20,928	(17)	over	(0.1%)	
Total Controllable Inc.	(16,141)	(16,329)	188	(7,191)	(7,373)	182	over recovered	2.5%	
Net Controllable Exp.	18,309	18,121	188	13,720	13,555	165	under	(1.2%)	

Variance Explanations

Variances are shown in Appendix B and C as appropriate.

Budget Virements

Virements are shown in Appendix B and C.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Housing Services

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	2,166	2,166	0	1,248	1,321	(73)	over	(5.8%)	1
Property Costs	5,571	5,571	0	3,036	3,062	(26)	over	(0.9%)	
Supplies & Services	182	182	0	64	54	10	under	15.6%	
Transport & Plant	115	115	0	54	36	18	under	33.3%	
Administration Costs	73	73	0	57	57	0	-	0.0%	
Payments to Other Bodies	3,793	3,793	0	2,107	2,075	32	under	1.5%	
Payments to Contractors	2,655	2,655	0	1,220	1,214	6	under	0.5%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	12	12	0	8	7	1	under	12.5%	
Total Controllable Exp.	14,567	14,567	0	7,794	7,826	(32)	over	(0.4%)	
Total Controllable Inc.	(7,316)	(7,504)	188	(4,275)	(4,472)	197	over recovered	4.6%	2, a
Net Controllable Exp.	7,251	7,063	188	3,519	3,354	165	under	(4.7%)	

Variance Explanations

1. The overspend in Employee Costs is due to lower than anticipated staff turnover across the service to date.
2. Funding allocated from the Scottish Government for Temporary Accommodation within the Homeless Service, will not be required in the current year as a result of implementation timescales.

Budget Virements

- a. Realignment of budget to reflect the transfer of Housing Benefit Management Fee funding to Finance & Corporate Resources (£0.227m): Income (£0.227m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Property Services

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	5,883	5,883	0	3,374	3,199	175	under	5.2%	1
Property Costs	10,933	10,933	0	8,341	8,446	(105)	over	(1.3%)	2, a
Supplies & Services	97	97	0	63	58	5	under	7.9%	
Transport & Plant	165	165	0	92	94	(2)	over	(2.2%)	
Administration Costs	441	441	0	106	112	(6)	over	(5.7%)	
Payments to Other Bodies	2,287	2,287	0	1,089	1,152	(63)	over	(5.8%)	3
Payments to Contractors	38	38	0	23	16	7	under	30.4%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	39	39	0	29	25	4	under	13.8%	
Total Controllable Exp.	19,883	19,883	0	13,117	13,102	15	under	0.1%	
Total Controllable Inc.	(8,825)	(8,825)	0	(2,916)	(2,901)	(15)	under recovered	(0.5%)	
Net Controllable Exp.	11,058	11,058	0	10,201	10,201	0	-	0.0%	

Variance Explanations

1. The underspend in Employee Costs is due to higher than anticipated staff turnover.
2. The overspend to date in Property Costs reflects a combination of minor overspends including demand for repairs.
3. The overspend in Payments to Other Bodies reflects the current demand on the Home Improve Service being higher than budgeted.

Budget Virements

- a. Additional budget to reflect increased Rates. Net Effect £0.118m: Property Costs £0.118m.