

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	5 June 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 2018 to 1 March 2019 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 underspend of £0.207 million 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 fifth revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2018/2019.
- 3.2. The Resource has completed its formal probable outturn exercise for the year. This exercise identifies the expected spend to the 31 March 2019. Details are included in section 5.
- 3.3. The report details the financial position for Housing and Technical Resources (excl HRA) on Appendix A, and then details the individual services in Appendices B to C.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. **Probable Outturn:** Following the Council's formal Probable Outturn exercise, the Resource position before any transfers to reserves is an underspend of £0.899 million. The financial forecast for the revenue budget to 31 March 2019 is a breakeven position after transfers to reserves of £0.899 million.

- 5.2. As reported previously, the Resource identified that 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 had also been reported that current levels of Bad Debts on homelessness are significantly better than expected, and therefore it is anticipated that £0.899 million underspend on the specific funding will be seen this year. It has been agreed that this is transferred to reserves to meet costs associated with Homelessness in future years.
- 5.3. **As at 1 March 2019**, there is an underspend position against the phased budget, being £1.020 million. This is the position **before** transfers to reserves. The Resource position as at 1 March 2019 **after** approved transfers to reserves are taken into account, is an underspend of £0.207 million.
- 5.4. The £0.207 million underspend reflects that the Resource is also experiencing an underspend in respect of the Rapid Housing Programme funding of £0.105 million due to the timing of the receipt of additional General Revenue Grant funding, and also an underspend in respect of the scheme of assistance payments to homeowners (£0.102 million underspend) reflecting the current level of demand. As part of the final outturn position, approval will be sought to transfer the Rapid Housing Programme funding to reserves to be carried forward for use in future years.
- 5.5. 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)

1 May 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Housing and Technical Resources Committee, 20 March 2019

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 1 March 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 1 March 2019 (No.13)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 01/03/19 £000	Actual 01/03/19 £000	Variance 01/03/19 £000		% Variance 01/03/19	Note
Employee Costs	8,254	7,926	328	328	7,365	7,047	318	under	4.3%	
Property Costs	17,902	17,828	74	74	16,393	16,337	56	under	0.3%	
Supplies & Services	279	210	69	69	171	159	12	under	7.0%	
Transport & Plant	280	256	24	24	224	186	38	under	17.0%	
Administration Costs	514	541	(27)	(27)	231	232	(1)	over	(0.4%)	
Payments to Other Bodies	6,080	6,215	(135)	(135)	5,148	5,204	(56)	over	(1.1%)	
Payments to Contractors	2,693	2,705	(12)	(12)	1,728	1,740	(12)	over	(0.7%)	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	51	48	3	3	41	32	9	under	22.0%	
Total Controllable Exp.	36,053	35,729	324	324	31,301	30,937	364	under	1.2%	
Total Controllable Inc.	(16,141)	(16,716)	575	(324)	(12,950)	(13,606)	656	over recovered	5.1%	
Net Controllable Exp.	19,912	19,013	899	0	18,351	17,331	1,020	under	(5.6%)	
Transfer to Reserves (as at 01/03/19)					0	813	(813)	under recovered		
Position After Transfers to Reserves (as at 01/03/19)					18,351	18,144	207	under	(1.1%)	

Variance Explanations

Variances are shown in Appendix B and C as appropriate.

Budget Virements

Virements are shown in Appendix C.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 1 March 2019 (No.13)

Housing Services

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 01/03/19 £000	Actual 01/03/19 £000	Variance 01/03/19 £000		% Variance 01/03/19	Note
Employee Costs	2,371	2,397	(26)	(26)	2,115	2,037	78	under	3.7%	1
Property Costs	5,571	5,273	298	298	5,120	4,873	247	under	4.8%	2
Supplies & Services	182	119	63	63	77	79	(2)	over	(2.6%)	
Transport & Plant	115	106	9	9	78	61	17	under	21.8%	
Administration Costs	73	84	(11)	(11)	73	69	4	under	5.5%	
Payments to Other Bodies	3,793	3,732	61	61	3,281	3,265	16	under	0.5%	
Payments to Contractors	2,655	2,690	(35)	(35)	1,693	1,721	(28)	over	(1.7%)	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	12	13	(1)	(1)	12	7	5	under	41.7%	
Total Controllable Exp.	14,772	14,414	358	358	12,449	12,112	337	under	2.7%	
Total Controllable Inc.	(7,316)	(7,891)	575	(324)	(6,334)	(6,952)	618	over recovered	9.8%	3
Net Controllable Exp.	7,456	6,523	933	34	6,115	5,160	955	under	(15.6%)	
Transfer to Reserves (as at 01/03/19)					0	813	(813)	under recovered		
Position After Transfers to Reserves (as at 01/03/19)					6,115	5,973	142	under	(2.3%)	

Variance Explanations

- Employee Costs includes an underspend of £0.105m due to the timing of the receipt of Rapid Rehousing Transitional Planning Funding General Revenue Grant.
- The current level of bad debt is forecast to be lower than current budget levels.
- 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.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 1 March 2019 (No.13)

Property Services

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 01/03/19 £000	Actual 01/03/19 £000	Variance 01/03/19 £000		% Variance 01/03/19	Note
Employee Costs	5,883	5,529	354	354	5,250	5,010	240	under	4.6%	1
Property Costs	12,331	12,555	(224)	(224)	11,273	11,464	(191)	over	(1.7%)	2
Supplies & Services	97	91	6	6	94	80	14	under	14.9%	
Transport & Plant	165	150	15	15	146	125	21	under	14.4%	
Administration Costs	441	457	(16)	(16)	158	163	(5)	over	(3.2%)	
Payments to Other Bodies	2,287	2,483	(196)	(196)	1,867	1,939	(72)	over	(3.9%)	3, a
Payments to Contractors	38	15	23	23	35	19	16	under	45.7%	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	39	35	4	4	29	25	4	under	13.8%	
Total Controllable Exp.	21,281	21,315	(34)	(34)	18,852	18,825	27	under	0.1%	
Total Controllable Inc.	(8,825)	(8,825)	0	0	(6,616)	(6,654)	38	over recovered	0.6%	
Net Controllable Exp.	12,456	12,490	(34)	(34)	12,236	12,171	65	under	(0.5%)	
Transfer to Reserves (as at 01/03/19)					0	0	0	-		
Position After Transfers to Reserves (as at 01/03/19)					12,236	12,171	65	under	(0.5%)	

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 overspends including rental costs and demand for repairs.
3. The overspend in Payments to Other Bodies reflects the current demand for Adaptations for the Private Sector Housing Scheme of Assistance being higher than budgeted, this is partially offset by an underspend in payments to homeowners to reflect current demand levels.

Budget Virements

- a. Reversal of transfer from Reserves in respect of Private Sector Housing Scheme of Assistance (£0.306m): Payment to Other Bodies (£0.306m).