

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	13 December 2017
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2017/2018 - 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 13 October 2017 for Housing and Technical Resources (excl HRA)
- ◆ provide a forecast for the year to 31 March 2018

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 2018 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 2017/2018.

3.2. 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. As at 13 October 2017, there is a breakeven position against the phased budget. The financial forecast for the revenue budget to 31 March 2018 is a breakeven position.

5.2. 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)

8 November 2017

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Housing and Technical Resources, 4 October 2017

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 13 October 2017

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 13 October 2017 (No.8)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 13/10/17 £000	Actual 13/10/17 £000	Variance 13/10/17 £000		% Variance 13/10/17	Note
Employee Costs	8,031	8,031	0	4,156	4,088	68	under	1.6%	
Property Costs	22,001	22,001	0	11,674	11,724	(50)	over	(0.4%)	
Supplies & Services	334	334	0	173	142	31	under	17.9%	
Transport & Plant	261	261	0	91	94	(3)	over	(3.3%)	
Administration Costs	812	812	0	138	149	(11)	over	(8.0%)	
Payments to Other Bodies	6,398	6,398	0	2,902	2,850	52	under	1.8%	
Payments to Contractors	3,014	3,014	0	1,218	1,205	13	under	1.1%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	57	57	0	28	25	3	under	10.7%	
Total Controllable Exp.	40,908	40,908	0	20,380	20,277	103	under	0.5%	
Total Controllable Inc.	(18,772)	(18,772)	0	(6,557)	(6,454)	(103)	under recovered	(1.6%)	
Net Controllable Exp.	22,136	22,136	0	13,823	13,823	0	-	0.0%	

Variance Explanations

Variance explanations are shown in Appendices B and C.

Virements

Virements are shown in Appendices B and C

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 October 2017 (No.8)

Housing Services

<u>Budget Category</u>	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 13/10/17 £000	Actual 13/10/17 £000	Variance 13/10/17 £000		% Variance 13/10/17	Note
Employee Costs	2,119	2,119	0	1,168	1,171	(3)	over	(0.3%)	a
Property Costs	6,039	6,039	0	2,906	2,888	18	under	0.6%	a
Supplies & Services	241	241	0	120	94	26	under	21.7%	1, a
Transport & Plant	106	106	0	36	37	(1)	over	(2.8%)	a
Administration Costs	354	354	0	51	52	(1)	over	(2.0%)	a
Payments to Other Bodies	3,902	3,902	0	1,861	1,859	2	under	0.1%	a
Payments to Contractors	2,972	2,972	0	1,196	1,193	3	under	0.3%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	12	12	0	6	8	(2)	over	(33.3%)	
Total Controllable Exp.	15,745	15,745	0	7,344	7,302	42	under	0.6%	
Total Controllable Inc.	(9,436)	(9,436)	0	(4,225)	(4,189)	(36)	under recovered	(0.9%)	a
Net Controllable Exp.	6,309	6,309	0	3,119	3,113	6	under	0.2%	

Variance Explanations

- The underspend in Supplies & Services reflects a managed underspend in Computer Equipment costs.

Budget Virements

- Upload of a expenditure and income budget to reflect the Home Office Refugee Resettlement Programme Funding - Net Effect £0.000m: Employee Costs £0.159m, Property Costs £0.037m, Supplies & Services £0.094m, Transport & Plant £0.017m, Administration Costs £0.005m, Payments to Other Bodies £0.067m and Income (£0.379m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 October 2017 (No.8)

Property Services

<u>Budget Category</u>	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 13/10/17 £000	Actual 13/10/17 £000	Variance 13/10/17 £000		% Variance 13/10/17	Note
Employee Costs	5,912	5,912	0	2,988	2,917	71	under	2.4%	1
Property Costs	15,962	15,962	0	8,768	8,836	(68)	over	(0.8%)	2, a, b
Supplies & Services	93	93	0	53	48	5	under	9.4%	
Transport & Plant	155	155	0	55	57	(2)	over	(3.6%)	
Administration Costs	458	458	0	87	97	(10)	over	(11.5%)	
Payments to Other Bodies	2,496	2,496	0	1,041	991	50	under	4.8%	3
Payments to Contractors	42	42	0	22	12	10	under	45.5%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	45	45	0	22	17	5	under	22.7%	
Total Controllable Exp.	25,163	25,163	0	13,036	12,975	61	under	0.5%	
Total Controllable Inc.	(9,336)	(9,336)	0	(2,332)	(2,265)	(67)	under recovered	(2.9%)	4, a
Net Controllable Exp.	15,827	15,827	0	10,704	10,710	(6)	over	(0.1%)	

Variance Explanations

1. The underspend in Employee Costs is due to higher than anticipated staff turnover across the service to date.
2. The overspend reflects the current demand for repairs in relation to Estates managed properties.
3. The underspend reflects procurement efficiencies in External Support Contracts for 2018/19.
4. The under recovery of income relates to Estates managed properties and reflects the current income generation.

Budget Virements

- a. Estates Services Business Plan realignments to reflect current service delivery. Net Effect £0.000m: Property Costs (£0.220m), Income £0.220m.
- b. Realignment of budget to reflect change in status of Facilities Management and Grounds Maintenance. Net Effect (£0.403m): Property Costs (£0.403m).