

Report

6

Report to:	Housing and Technical Resources Committee
Date of Meeting:	7 March 2018
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)
----------	---

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 2017 to 5 January 2018 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 fourth 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 5 January 2018, there is a breakeven position against the phased budget.

5.2. Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2018 is a breakeven position. The outturn position includes proposed transfers to reserves totalling £0.659 million in respect of Temporary Homelessness GRG funding required for the 2018/2019 savings exercise (£0.300 million) and also for use in future years (£0.359 million).

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)

31 January 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 5 January 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 5 January 2018 (No.11)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 05/01/18 £000	Actual 05/01/18 £000	Variance 05/01/18 £000		% Variance 05/01/18	Note
Employee Costs	7,935	7,967	(32)	5,893	5,837	56	under	1.0%	
Property Costs	22,339	22,567	(228)	15,230	15,326	(96)	over	(0.6%)	
Supplies & Services	334	260	74	264	203	61	under	23.1%	
Transport & Plant	261	253	8	182	183	(1)	over	(0.5%)	
Administration Costs	810	827	(17)	179	194	(15)	over	(8.4%)	
Payments to Other Bodies	6,550	6,316	234	4,399	4,217	182	under	4.1%	
Payments to Contractors	3,014	3,012	2	1,686	1,699	(13)	over	(0.8%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	57	50	7	29	24	5	under	17.2%	
Total Controllable Exp.	41,300	41,252	48	27,862	27,683	179	under	0.6%	
Total Controllable Inc.	(17,333)	(17,285)	(48)	(9,257)	(9,078)	(179)	under recovered	(1.9%)	
Net Controllable Exp.	23,967	23,967	0	18,605	18,605	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 5 January 2018 (No.11)

Housing Services

<u>Budget Category</u>	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 05/01/18 £000	Actual 05/01/18 £000	Variance 05/01/18 £000		% Variance 05/01/18	Note
Employee Costs	2,141	2,273	(132)	1,591	1,685	(94)	over	(5.9%)	1
Property Costs	6,039	6,218	(179)	3,374	3,429	(55)	over	(1.6%)	2
Supplies & Services	241	156	85	190	136	54	under	28.4%	3
Transport & Plant	106	108	(2)	71	64	7	under	9.9%	
Administration Costs	354	359	(5)	60	61	(1)	over	(1.7%)	
Payments to Other Bodies	3,880	3,852	28	2,900	2,885	15	under	0.5%	
Payments to Contractors	2,972	2,983	(11)	1,659	1,681	(22)	over	(1.3%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	12	15	(3)	7	7	0	-	0.0%	
Total Controllable Exp.	15,745	15,964	(219)	9,852	9,948	(96)	over	(1.0%)	
Total Controllable Inc.	(8,106)	(8,521)	415	(5,139)	(5,329)	190	over recovered	3.7%	4, a
Net Controllable Exp.	7,639	7,443	196	4,713	4,619	94	under	2.0%	

Variance Explanations

1. The overspend in Employee Costs reflects current turnover levels within Housing Services being lower than anticipated.
2. The overspend in Property Costs reflects the current demand for repairs in relation to Temporary Accommodation managed properties.
3. The underspend in Supplies & Services reflects a managed underspend in Computer Equipment costs.
4. The over recovery of income relates to Temporary Accommodation managed properties higher than budgeted and reflects additional general revenue grant in relation to this Service.

Budget Virements

- a. Additional General Revenue Grant for Temporary Accommodation - Net Effect £1.330m: Income £1.330m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 5 January 2018 (No.11)

Property Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 05/01/18 £000	Actual 05/01/18 £000	Variance 05/01/18 £000		% Variance 05/01/18	Note
Employee Costs	5,794	5,694	100	4,302	4,152	150	under	3.5%	1, a
Property Costs	16,300	16,349	(49)	11,856	11,897	(41)	over	(0.3%)	2, b, c
Supplies & Services	93	104	(11)	74	67	7	under	9.5%	
Transport & Plant	155	145	10	111	119	(8)	over	(7.2%)	
Administration Costs	456	468	(12)	119	133	(14)	over	(11.8%)	
Payments to Other Bodies	2,670	2,464	206	1,499	1,332	167	under	11.1%	3, a, d
Payments to Contractors	42	29	13	27	18	9	under	33.3%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	45	35	10	22	17	5	under	22.7%	
Total Controllable Exp.	25,555	25,288	267	18,010	17,735	275	under	1.5%	
Total Controllable Inc.	(9,227)	(8,764)	(463)	(4,118)	(3,749)	(369)	under recovered	(9.0%)	4, a
Net Controllable Exp.	16,328	16,524	(196)	13,892	13,986	(94)	over	(0.7%)	

Variance Explanations

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

Budget Virements

- a. Scheme of Assistance realignments to reflect current service delivery. Net Effect (£0.118m): Employee Costs (£0.118m), Payments to Other Bodies, (£0.109m), Income, £0.109m.
- b. Transfer from Reserves for Renewable Heating Initiative funding. Net Effect £0.270m. Property Costs £0.270m.
- c. Transfer from Reserves for Dilapidation Works. Net Effect £0.068m. Property Costs £0.068m.
- d. Transfer from Reserves for Scheme of Assistance. Net Effect £0.283m. Payments to Other Bodies, £0.283m.