

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	4 October 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 18 August 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 second 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 18 August 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)

30 August 2017

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 18 August 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 18 August 2017 (No.6)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 18/8/17 £000	Actual 18/8/17 £000	Variance 18/8/17 £000		% Variance 18/8/17	Note
Employee Costs	7,933	7,933	0	2,871	2,805	66	under	2.3%	
Property Costs	22,526	22,526	0	5,676	5,692	(16)	over	(0.3%)	
Supplies & Services	240	240	0	98	101	(3)	over	(3.1%)	
Transport & Plant	244	244	0	58	66	(8)	over	(13.8%)	
Administration Costs	808	808	0	70	89	(19)	over	(27.1%)	
Payments to Other Bodies	6,331	6,331	0	2,102	2,064	38	under	1.8%	
Payments to Contractors	2,964	2,964	0	981	982	(1)	over	(0.1%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	56	56	0	26	18	8	under	30.8%	
Total Controllable Exp.	41,102	41,102	0	11,882	11,817	65	under	0.5%	
Total Controllable Inc.	(18,660)	(18,660)	0	(4,426)	(4,361)	(65)	under recovered	(1.5%)	
Net Controllable Exp.	22,442	22,442	0	7,456	7,456	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 18 August 2017 (No.6)

Housing Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 18/8/17 £000	Actual 18/8/17 £000	Variance 18/8/17 £000		% Variance 18/8/17	Note
Employee Costs	1,963	1,963	0	765	754	11	under	1.4%	a
Property Costs	6,005	6,005	0	2,401	2,382	19	under	0.8%	b
Supplies & Services	147	147	0	52	28	24	under	46.2%	1
Transport & Plant	90	90	0	15	21	(6)	over	(40.0%)	
Administration Costs	349	349	0	14	15	(1)	over	(7.1%)	
Payments to Other Bodies	3,835	3,835	0	1,411	1,400	11	under	0.8%	
Payments to Contractors	2,922	2,922	0	972	973	(1)	over	(0.1%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	11	11	0	3	4	(1)	over	(33.3%)	
Total Controllable Exp.	15,322	15,322	0	5,633	5,577	56	under	1.0%	
Total Controllable Inc.	(9,057)	(9,057)	0	(2,687)	(2,661)	(26)	under recovered	(1.0%)	a
Net Controllable Exp.	6,265	6,265	0	2,946	2,916	30	under	1.0%	

Variance Explanations

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

Budget Virements

- a. Realignment of budgets with Finance & Corporate as part of the Finance Review. Net Effect £0.843m: Employee Costs (£0.025m), Income £0.868m.
b. Realignment of budgets with Community & Enterprise Resources as part of the Grounds Review. Net Effect (£0.030m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 18 August 2017 (No.6)

Property Services

<u>Budget Category</u>	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 18/8/17 £000	Actual 18/8/17 £000	Variance 18/8/17 £000		% Variance 18/8/17	Note
Employee Costs	5,970	5,970	0	2,106	2,051	55	under	2.6%	1, a
Property Costs	16,521	16,521	0	3,275	3,310	(35)	over	(1.1%)	2, b
Supplies & Services	93	93	0	46	73	(27)	over	(58.7%)	3
Transport & Plant	154	154	0	43	45	(2)	over	(4.7%)	
Administration Costs	459	459	0	56	74	(18)	over	(32.1%)	
Payments to Other Bodies	2,496	2,496	0	691	664	27	under	3.9%	
Payments to Contractors	42	42	0	9	9	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	45	45	0	23	14	9	under	39.1%	
Total Controllable Exp.	25,780	25,780	0	6,249	6,240	9	under	0.1%	
Total Controllable Inc.	(9,603)	(9,603)	0	(1,739)	(1,700)	(39)	under recovered	(2.2%)	4
Net Controllable Exp.	16,177	16,177	0	4,510	4,540	(30)	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 reflects the current demand for repairs in relation to Estates managed properties and pressures within the Office Accommodation portfolio.
3. The overspend relates to telephone line rental costs in relation to the CCTV service.
4. The under recovery of income relates to Estates managed properties and reflects the current income generation pressures being managed by the Service.

Budget Virements

- a. Realignment of budgets with Finance & Corporate as part of the Finance Review. Net Effect £0.000m: Employee Costs (£0.025m), Employee Costs £0.025m.
- b. Realignment of budgets with Community & Enterprise Resources as part of the Grounds Review. Net Effect (£0.319m).