

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>22 August 2018</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2018/2019 - Housing and Technical Resources (HRA)</b>
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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 22 June 2018 for Housing and Technical Resources (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' (HRA) revenue budget, as detailed in Appendix A of the report, and the 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 first 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 (HRA) on Appendix A.

## 4. Employee Implications

4.1. None.

## 5. Financial Implications

5.1. As at 22 June 2018, there is a breakeven position against the phased budget. The forecast for the budget to 31 March 2019 is a breakeven position.

## 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)**

6 July 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 22 June 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 22 June 2018 (No.4)

## Housing Revenue Account

<u>Budget Category</u>	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 22/06/18 £000	Actual 22/06/18 £000	Variance 22/06/18 £000		% Variance 22/06/18	Note
Employee Costs	12,718	12,718	0	2,639	2,600	39	under	1.5%	1, a
Property Costs	42,130	42,130	0	5,384	5,426	(42)	over	(0.8%)	2, b
Supplies & Services	610	610	0	272	274	(2)	over	(0.7%)	
Transport & Plant	194	194	0	36	35	1	under	2.8%	
Administration Costs	5,713	5,713	0	160	158	2	under	1.3%	a, c
Payments to Other Bodies	3,555	3,555	0	12	12	0	-	0.0%	c
Payments to Contractors	100	100	0	21	21	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	23,730	23,730	0	0	0	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>88,750</b>	<b>88,750</b>	<b>0</b>	<b>8,524</b>	<b>8,526</b>	<b>(2)</b>	<b>over</b>	<b>(0.0%)</b>	
Total Controllable Income	(98,948)	(98,948)	0	(19,746)	(19,748)	2	over recovered	(0.0%)	a, b
Transfer to/(from) Balance Sheet	(4,603)	(4,603)	0	(1,062)	(1,062)	0	-	0.0%	
<b>Net Controllable Exp.</b>	<b>(14,801)</b>	<b>(14,801)</b>	<b>0</b>	<b>(12,284)</b>	<b>(12,284)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
Loan Charges	14,801	14,801	0	0	0	0	-	0.0%	
<b>Net Controllable Exp.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12,284)</b>	<b>(12,284)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

Variance Explanations

- The underspend in Employee Costs is due to higher than anticipated staff turnover.
- This overspend in Property Costs is due to repairs work which is a demand led service and is currently higher than budgeted.

Budget Virements

- Realignment to reflect realised strategy savings. Net Effect £0.000m: Employee Costs, (£0.067m), Administration Costs (£0.006m), Income £0.073m.
- Realignment of budget to reflect expected service charge income. Net Effect £0.000m: Property Costs (£0.069m), Income £0.069m.
- Realignment of support budgets to reflect current service delivery. Net Effect £0.000: Administration Costs (£0.065m), Payments to Other Bodies £0.065m.