

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) |

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| Subject: | Revenue Budget Monitoring 2017/2018 - Housing and Technical Resources (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 (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' (HRA) revenue budget, as detailed in Appendix A of the report, and the 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 (HRA) on Appendix A.

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 forecast for the budget to 31 March 2018 is a breakeven position.
- 5.2. Virements are proposed to realign budgets. These movements have been detailed in Appendix A to the 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 Revenue Account

| <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 | 12,661 | 12,661 | 0 | 4,511 | 4,314 | 197 | under | 4.4% | 1, a |
| Property Costs | 36,995 | 36,995 | 0 | 10,520 | 10,685 | (165) | over | (1.6%) | 2 |
| Supplies & Services | 612 | 612 | 0 | 222 | 215 | 7 | under | 3.2% | |
| Transport & Plant | 216 | 216 | 0 | 53 | 53 | 0 | - | 0.0% | |
| Administration Costs | 4,161 | 4,161 | 0 | 285 | 294 | (9) | over | (3.2%) | b |
| Payments to Other Bodies | 5,520 | 5,520 | 0 | 9 | 10 | (1) | over | (11.1%) | |
| Payments to Contractors | 100 | 100 | 0 | 26 | 26 | 0 | - | 0.0% | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 | - | 0.0% | |
| Financing Charges | 19,520 | 19,520 | 0 | 5,456 | 5,460 | (4) | over | (0.1%) | c |
| Total Controllable Exp. | 79,785 | 79,785 | 0 | 21,082 | 21,057 | 25 | under | 0.1% | |
| Total Controllable Income | (94,787) | (94,787) | 0 | (30,762) | (30,759) | (3) | under recovered | 0.0% | b |
| Transfer to/(from) Balance Sheet | 619 | 619 | 0 | 238 | 260 | (22) | over recovered | (9.2%) | a, c |
| Net Controllable Exp. | (14,383) | (14,383) | 0 | (9,442) | (9,442) | 0 | - | 0.0% | |
| Loan Charges | 14,383 | 14,383 | 0 | 0 | 0 | 0 | - | 0.0% | |
| Net Controllable Exp. | 0 | 0 | 0 | (9,442) | (9,442) | 0 | - | 0.0% | |

Variance Explanations**1. Employee Costs**

The underspend in Employee Costs is due to higher than anticipated staff turnover across the service to date

2. Property Costs

This overspend is due to repairs and grounds maintenance works which are demand led services and will be managed within the overall budget.

Budget Virements

- Realignment of budgets to reflect final pay award. Net Effect £0.000m: Employee Costs (£0.004m), Transfer to/(from) Balance Sheet £0.004m.
- Realignment of budget to reflect reduction in support charges. Net Effect £0.000m: Administration Costs (£0.029m), Income £0.029m.
- Realignment of budget to reflect reduction in CFCR transfer to Capital Programme. Net Effect £0.000m: Financing Charges (£0.481m), Transfer to/(from) Balance Sheet £0.481m.