

# 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 (excl 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 (excl 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 (excl HRA) revenue budget, as detailed in Appendix A of the report, and the financial 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 (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 22 June 2018, there is a breakeven position against the phased budget. The financial forecast for the revenue budget to 31 March 2019 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)**

5 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 and Technical Resources Summary (excl HRA)

<b>Budget Category</b>	<b>Annual Budget £000</b>	<b>Forecast for Year £000</b>	<b>Annual Forecast Variance £000</b>	<b>Budget Proportion 22/06/18 £000</b>	<b>Actual 22/06/18 £000</b>	<b>Variance 22/06/18 £000</b>		<b>% Variance 22/06/18</b>	<b>Note</b>
Employee Costs	8,048	8,048	0	1,644	1,597	47	under	2.9%	
Property Costs	16,385	16,385	0	4,271	4,317	(46)	over	(1.1%)	
Supplies & Services	280	280	0	40	43	(3)	over	(7.5%)	
Transport & Plant	280	280	0	57	28	29	under	50.9%	
Administration Costs	515	515	0	51	47	4	under	7.8%	
Payments to Other Bodies	6,060	6,060	0	1,024	1,041	(17)	over	(1.7%)	
Payments to Contractors	2,693	2,693	0	445	453	(8)	over	(1.8%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	50	50	0	6	0	6	under	100.0%	
<b>Total Controllable Exp.</b>	<b>34,311</b>	<b>34,311</b>	<b>0</b>	<b>7,538</b>	<b>7,526</b>	<b>12</b>	<b>under</b>	<b>0.2%</b>	
<b>Total Controllable Inc.</b>	<b>(15,913)</b>	<b>(15,913)</b>	<b>0</b>	<b>(3,315)</b>	<b>(3,303)</b>	<b>(12)</b>	<b>under recovered</b>	<b>(0.4%)</b>	
<b>Net Controllable Exp.</b>	<b>18,398</b>	<b>18,398</b>	<b>0</b>	<b>4,223</b>	<b>4,223</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Virements**

Virements are shown in Appendix B and C.

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**

**Housing and Technical Resources Committee: Period Ended 22 June 2018 (No.4)**

**Housing Services**

<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	2,165	2,165	0	456	460	(4)	over	(0.9%)	a, c
Property Costs	5,571	5,571	0	692	686	6	under	0.9%	a, b, c
Supplies & Services	182	182	0	24	26	(2)	over	(8.3%)	a, c
Transport & Plant	115	115	0	21	11	10	under	47.6%	a
Administration Costs	73	73	0	11	12	(1)	over	(9.1%)	a, c
Payments to Other Bodies	3,773	3,773	0	741	736	5	under	0.7%	a, c
Payments to Contractors	2,655	2,655	0	436	446	(10)	over	(2.3%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	12	12	0	3	0	3	under	100.0%	a
<b>Total Controllable Exp.</b>	<b>14,546</b>	<b>14,546</b>	<b>0</b>	<b>2,384</b>	<b>2,377</b>	<b>7</b>	<b>under</b>	<b>0.3%</b>	
<b>Total Controllable Inc.</b>	<b>(7,088)</b>	<b>(7,088)</b>	<b>0</b>	<b>(1,590)</b>	<b>(1,583)</b>	<b>(7)</b>	<b>under recovered</b>	<b>(0.4%)</b>	<b>a, b, c</b>
<b>Net Controllable Exp.</b>	<b>7,458</b>	<b>7,458</b>	<b>0</b>	<b>794</b>	<b>794</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Budget Virements**

- a. Expenditure and Income budget to reflect the Home Office Refugee Resettlement Programme Costs and Funding - Net Effect £0.000m: Employee Costs £0.154m, Property Costs £0.035m, Supplies & Services £0.096m, Transport & Plant £0.016m, Administration Costs £0.003m, Payments to Other Bodies £0.020m, Financing Charges £0.001m and Income (£0.325m).
- b. Realignment of budgets with Community & Enterprise Resources in respect of the Care of Gardens Service. Net Effect £0.008m - Property Costs (£0.138m) and Income £0.146m.
- c. Realignment of Support Costs to reflect service delivery. Net Effect (£0.016m): Employee Costs £0.078m, Property Costs £0.037m, Supplies & Services (£0.045m), Administration Costs (£0.280m), Payments to Other Bodies (£0.078m) and Income £0.272m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 22 June 2018 (No.4)

## Property Services

<b>Budget Category</b>	<b>Annual Budget £000</b>	<b>Forecast for Year £000</b>	<b>Annual Forecast Variance £000</b>	<b>Budget Proportion 22/06/18 £000</b>	<b>Actual 22/06/18 £000</b>	<b>Variance 22/06/18 £000</b>		<b>% Variance 22/06/18</b>	<b>Note</b>
Employee Costs	5,883	5,883	0	1,188	1,137	51	under	4.3%	1, a, b
Property Costs	10,814	10,814	0	3,579	3,631	(52)	over	(1.5%)	2
Supplies & Services	98	98	0	16	17	(1)	over	(6.3%)	
Transport & Plant	165	165	0	36	17	19	under	52.8%	
Administration Costs	442	442	0	40	35	5	under	12.5%	b
Payments to Other Bodies	2,287	2,287	0	283	305	(22)	over	(7.8%)	c
Payments to Contractors	38	38	0	9	7	2	under	22.2%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	38	38	0	3	0	3	under	100.0%	
<b>Total Controllable Exp.</b>	<b>19,765</b>	<b>19,765</b>	<b>0</b>	<b>5,154</b>	<b>5,149</b>	<b>5</b>	<b>under</b>	<b>0.1%</b>	
<b>Total Controllable Inc.</b>	<b>(8,825)</b>	<b>(8,825)</b>	<b>0</b>	<b>(1,725)</b>	<b>(1,720)</b>	<b>(5)</b>	<b>under recovered</b>	<b>(0.3%)</b>	<b>a</b>
<b>Net Controllable Exp.</b>	<b>10,940</b>	<b>10,940</b>	<b>0</b>	<b>3,429</b>	<b>3,429</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Variance Explanations**

1. The underspend in Employee Costs is due to higher than anticipated staff turnover.
2. The overspend in Property Costs reflects the expected increased costs in utilities which is being monitored.

**Budget Virements**

- a. Realignment of Support Costs to reflect service delivery. Net Effect £0.056m: Employee Costs £0.045m and Income £0.011m.
- b. Realignment of budgets with Community & Enterprise Resources in respect of the Care of Gardens Service. Net Effect (£0.026m) - Employee Costs (£0.025m) and Administration Costs (£0.001m).
- c. Transfer from Capital in respect of Private Sector Housing Scheme of Assistance. Net Effect £1.000m: Payment to Other Bodies £1.000m.