

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>23 May 2018</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2017/2018 - 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 2017 to 2 March 2018 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.

## 3. Background

3.1. This is the fifth 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 2 March 2018, there is a breakeven position against the phased budget.

5.2. The forecast for the budget to 31 March 2018 is a breakeven position. The outturn position includes a proposed transfer to reserves totalling £0.029 million.

## 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)**

2 May 2018

### **Link(s) to Council Values/Ambitions/Objectives**

◆ Accountable, effective, efficient and transparent

### **Previous References**

◆ Housing and Technical Resources Committee, 7 March 2018

### **List of Background Papers**

◆ Financial ledger and budget monitoring results to 2 March 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 2 March 2018 (No.13)

## Housing Revenue Account

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 02/03/18</b>	<b>Actual 02/03/18</b>	<b>Variance 02/03/18</b>		<b>% Variance 02/03/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	12,639	12,197	442	11,373	10,991	382	under	3.4%	1
Property Costs	37,938	39,460	(1,522)	31,432	32,323	(891)	over	(2.8%)	2
Supplies & Services	610	619	(9)	520	516	4	under	0.8%	
Transport & Plant	216	176	40	183	145	38	under	20.8%	
Administration Costs	5,886	5,903	(17)	660	655	5	under	0.8%	
Payments to Other Bodies	3,490	3,232	258	63	76	(13)	over	(20.6%)	
Payments to Contractors	100	61	39	95	52	43	under	45.3%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	19,520	19,513	7	19,587	19,574	13	under	0.1%	
<b>Total Controllable Exp.</b>	<b>80,399</b>	<b>81,161</b>	<b>(762)</b>	<b>63,913</b>	<b>64,332</b>	<b>(419)</b>	<b>over</b>	<b>(0.7%)</b>	
Total Controllable Income	(95,401)	(95,664)	263	(79,732)	(79,607)	(125)	under recovered	0.2%	3
Transfer to/(from) Balance Sheet	619	29	590	571	27	544	under	95.3%	
<b>Net Controllable Exp.</b>	<b>(14,383)</b>	<b>(14,474)</b>	<b>91</b>	<b>(15,248)</b>	<b>(15,248)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
Loan Charges	14,383	14,474	(91)	0	0	0	-	0.0%	
<b>Net Controllable Exp.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(15,248)</b>	<b>(15,248)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**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 being higher than budgeted which these are demand led services this overspend is being managed within the overall budget. This includes partial offset by underspend in the forecast bad debt requirements due to a delay in the timing of the anticipated impact of welfare reform this financial year.

**3. Income**

This under recovery relates to a lower than forecast number of council houses due to the timing of the new build completions this financial year.