

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	10 August 2022
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2021/2022 - Housing and Technical Resources (Excl Housing Revenue Account (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 2021 to 31 March 2022 for Housing and Technical Resources (excl HRA).

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the overspend of £0.939m as at 31 March 2022 on Housing and Technical Resources (excl HRA) revenue budget, as detailed in Appendix A of the report, be noted
- (2) that the proposed budget virements, be approved

3. Background

- 3.1. This is the fourth revenue budget monitoring report presented to the Housing and Technical Resources Committee for the financial year 2021/2022.
- 3.2. The report details the financial position for Housing and Technical Resources (excl HRA) in Appendix A, then details the individual services in Appendices B and C and outlines the additional COVID-19 costs, in Appendix D.

4. Employee Implications

4.1. There are no employee implications as a result of this report.

5. Financial Implications

- 5.1. As at 31 March 2022, there is a overspend of £0.939m against the phased budget.
- 5.2. The overspend is caused by additional expenditure in relation to the COVID-19 response including additional expenditure for temporary accommodation costs for homeless people.
- 5.3. As previously reported, the COVID-19 lockdown has had an impact on the Property Services section which provides the property investment, repairs and maintenance service to the HRA and other resources capital and revenue budgets. The section incurred non variable costs which required to be offset by income recovery, therefore a recharge has been made to these budgets to cover fixed costs.

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 4-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.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no Climate Change, Sustainability and Environmental Implications in terms of the information contained within this report.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. 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.
- 8.2. 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)

28 June 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 29 June 2022.
- ◆ Housing & Technical Committee, 8 December 2021.

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 31 March 2022.

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 31 March 2022 (No.14)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Notes
Employee Costs	43,646	43,935	(289)	(289)	43,646	43,766	(120)	over	(0.3%)	
Property Costs	19,903	21,853	(1,950)	(1,950)	19,903	20,871	(968)	over	(4.9%)	
Supplies & Services	14,201	11,181	3,020	3,020	14,201	10,953	3,248	under	22.9%	
Transport & Plant	4,586	4,068	518	518	4,586	3,993	593	under	12.9%	
Administration Costs	3,602	3,660	(58)	(58)	3,602	3,740	(138)	over	(3.8%)	
Payments to Other Bodies	9,260	9,101	159	(130)	9,260	8,832	428	under	4.6%	
Payments to Contractors	18,589	13,079	5,510	5,510	18,589	12,981	5,608	under	30.2%	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	155	158	(3)	(3)	155	185	(30)	over	(19.4%)	
Total Controllable Exp.	113,942	107,035	6,907	6,618	113,942	105,321	8,621	under	7.6%	
Total Controllable Inc.	(95,801)	(88,165)	(7,636)	(7,636)	(95,801)	(86,639)	(9,162)	under recovered	(9.6%)	
Net Controllable Exp.	18,141	18,870	(729)	(1,018)	18,141	18,682	(541)	over	3.0%	
Transfer to Reserves as at (31/03/22)	0	0	(289)	0	0	398	(398)	under recovered		
Position After Transfers to Reserves (31/03/22)	18,141	18,870	(1,018)	(1,018)	18,141	19,080	(939)	over	5.2%	

Variance Explanations

Variances are shown in Appendix B to D as appropriate.

Budget Virements

Virements are shown in Appendix B to D as appropriate.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 31 March 2022 (No.14)

Housing Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Notes
Employee Costs	2,565	2,591	(26)	(26)	2,565	2,622	(57)	over	(2.2%)	1, a
Property Costs	5,673	6,005	(332)	(332)	5,673	6,214	(541)	over	(9.5%)	2, b
Supplies & Services	113	111	2	2	113	56	57	under	50.4%	3
Transport & Plant	105	66	39	39	105	57	48	under	45.7%	
Administration Costs	157	151	6	6	157	156	1	under	0.6%	
Payments to Other Bodies	4,449	4,335	114	114	4,449	4,240	209	under	4.7%	4 c,d,e
Payments to Contractors	2,583	2,324	259	259	2,583	2,407	176	under	6.8%	4
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	11	14	(3)	(3)	11	17	(6)	over	(54.5%)	
Total Controllable Exp.	15,656	15,597	59	59	15,656	15,769	(113)	over	(0.7%)	
Total Controllable Inc.	(6,760)	(6,655)	(105)	(105)	(6,760)	(6,908)	148	over recovered	2.2%	5, e
Net Controllable Exp.	8,896	8,942	(46)	(46)	8,896	8,861	35	under	(0.4%)	
Transfer to Reserves as at (31/03/22)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (31/03/22)	8,896	8,942	(46)	(46)	8,896	8,861	35	under	(0.4%)	

Variance Explanations

1. The variance in Employee Costs relates to delayed implementation of the Community Warden saving managed within the service.
2. The overspend relates to the cost for Homelessness temporary accommodation to meet current demand. This is managed within the overall service.
3. The underspend in Supplies & Services relates to an underspend in CCTV equipment in Problem Solving and manages the Employee Costs overspend within the Community Warden service.
4. The underspend relates to commissioned services in the Homelessness budget and manages the overspend in property costs. Actual expenditure varies according to service requirements, a budget realignment is required for future years.
5. The over recovery relates to the income for Homelessness temporary accommodation based on current levels and covers costs within the service.

Budget Virements

- a. Transfer of additional pay award £0.019m and Apprentice Levy £0.011m: £0.030m Employee Costs.
- b. Transfer of Efficiency saving in physio charges net (£0.003m): (£0.003m) Property Costs.
- c. Transfer from Reserves for Homelessness RRTP allocation from prior year net £0.372m: £0.372m Payments to Other Bodies.
- d. Transfer of Living Wage allocation for support contracts net £0.037m: £0.037m Payments to Other Bodies.
- e. Transfer from Reserves for Homelessness general reserve allocation from prior year net £0.226m: (£0.029m) Payments to Other Bodies, Income £0.255m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 31 March 2022 (No.14)

Property Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Notes
Employee Costs	41,081	41,344	(263)	(263)	41,081	41,131	(50)	over	(0.1%)	1 a
Property Costs	14,230	14,455	(225)	(225)	14,230	13,647	583	under	4.1%	2 b
Supplies & Services	14,088	11,047	3,041	3,041	14,088	10,888	3,200	under	22.7%	3
Transport & Plant	4,481	4,002	479	479	4,481	3,925	556	under	12.4%	4 c,d
Administration Costs	3,445	3,509	(64)	(64)	3,445	3,580	(135)	over	(3.9%)	5
Payments to Other Bodies	4,388	4,088	300	11	4,388	3,945	443	under	10.1%	6 e,f
Payments to Contractors	16,006	10,755	5,251	5,251	16,006	10,573	5,433	under	33.9%	7
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	144	144	0	0	144	168	(24)	over	(16.7%)	
Total Controllable Exp.	97,863	89,344	8,519	8,230	97,863	87,857	10,006	under	10.2%	
Total Controllable Inc.	(89,041)	(80,857)	(8,184)	(8,184)	(89,041)	(79,398)	(9,643)	under recovered	(10.8%)	8 a,g
Net Controllable Exp.	8,822	8,487	335	46	8,822	8,459	363	under	(4.1%)	
Transfer to Reserves as at (31/03/22)	0	0	(289)	0	0	398	(398)	over		
Position After Transfers to Reserves (31/03/22)	8,822	8,487	46	46	8,822	8,857	(35)	over	0.4%	

Variance Explanations

- The variance in Employee Costs relates in the main to vacancies which are actively being recruited or are still under consideration whilst service requirements are determined. This offsets an overspend due to the need for overtime to meet current levels of service demand.
- Covid-19 restrictions has impacted on the level of security and refuse uplifts needed. This varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
- Covid-19 restrictions has impacted on the level of materials required. This varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
- Covid-19 restrictions have impacted on the level of Plant required. This varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
- This is a combination of minor overspends in relation to administration costs including increased use of mobile telephones.
- This reflects the current level of demand for owners grants relating to the participation in the Housing Investment projects. This demand will have been partially impacted by COVID-19.
- Covid-19 restrictions have impacted on the level of Sub Contractors required. This varies depending on the current workload demands and timing of works on a wide variety of capital and revenue works.
- The level of income recovered varies depending on the current workload and timing for the recovery of income on a wide variety of major capital and revenue works. Covid-19 restrictions has had an impact on the level of income recovered as can be seen from the net underspends above. The service continues to incur non variable costs which require to be offset by income recovery, therefore a final recharge is required to Resources revenue and capital budgets to cover these fixed costs.

Budget Virements

- Transfer of additional pay award £0.076m and Apprentice Levy £0.157m overall net £0.233m: £0.545m Employee Costs, Income (£0.312m)
- Transfer of additional utilities funding from RHI net £0.111m: £0.111m Property Costs.
- Realignment of Central Support budget net (£0.052m): Administration (£0.160m), Income £0.108m
- Transfer of Efficiency saving in physio charges net (£0.023m): (£0.023m) Administration.
- Care and Repair expenditure and income realignment net £0.000m : Payments to Other Bodies £0.214m, Income (£0.214m)
- Transfer of Community Investment budget for use in future years net (£0.013m): (£0.013m) Payments to Other Bodies.
- Office Accommodation income realignment for dilapidations one off net (£0.315m) : Income (£0.315m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 31 March 2022 (No.14)

Housing and Technical Resources Summary (excl HRA) - Covid-19

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Notes
Employee Costs	0	0	0	0	0	13	(13)	over	0.0%	
Property Costs	0	1,393	(1,393)	(1,393)	0	1,010	(1,010)	over	0.0%	1
Supplies & Services	0	23	(23)	(23)	0	9	(9)	over	0.0%	
Transport & Plant	0	0	0	0	0	11	(11)	over	0.0%	
Administration Costs	0	0	0	0	0	4	(4)	over	0.0%	
Payments to Other Bodies	423	678	(255)	(255)	423	647	(224)	over	(53.0%)	1, a
Payments to Contractors	0	0	0	0	0	1	(1)	over	0.0%	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	0	0	0	0	0	0	0	-	0.0%	
Total Controllable Exp.	423	2,094	(1,671)	(1,671)	423	1,695	(1,272)	over	(300.7%)	
Total Controllable Inc.	0	(653)	653	653	0	(333)	333	over recovered	0.0%	1
Net Controllable Exp.	423	1,441	(1,018)	(1,018)	423	1,362	(939)	over	222.0%	
Transfer to Reserves as at (31/03/22)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (31/03/22)	423	1,441	(1,018)	(1,018)	423	1,362	(939)	over	222.0%	

Variance Explanations

1. The majority of this is additional expenditure and income for temporary accommodation costs for homeless people.

Budget Virements

a. Tenancy Sustainment Funding Income net £0.423m: Payments to Other Bodies £0.423m.