

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	29 September 2021
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 13 August 2021 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 £0.131m as at 13 August 2021 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 second 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 13 August 2021, there is a overspend of £0.131m 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. The COVID-19 lockdown has also 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 continues to incur non variable costs which require to be offset by income recovery, therefore, a

recharge of £3.211m has been estimated to date to be recharged 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 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.

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)

23 August 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 22 September 2021.
- ◆ Housing and Technical Resources Committee, 30 June 2021.

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 13 August 2021.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Hazel Goodwin, Finance Manager

Ext: 2699 (Tel: 01698 452699)

E-mail: Hazel.Goodwin@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 August 2021 (No.5)

Housing and Technical Resources Summary (excl HRA)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/08/21	Actual 13/08/21	Variance 13/08/21		% Variance 13/08/21	Notes
Employee Costs	43,019	43,019	0	14,985	14,901	84	under	0.6%	
Property Costs	19,731	19,731	0	7,491	7,587	(96)	over	(1.3%)	
Supplies & Services	14,196	14,196	0	4,967	3,490	1,477	under	29.7%	
Transport & Plant	4,604	4,604	0	1,309	1,055	254	under	19.4%	
Administration Costs	3,781	3,781	0	1,276	1,276	0	-	0.0%	
Payments to Other Bodies	8,433	8,433	0	2,654	2,814	(160)	over	(6.0%)	
Payments to Contractors	18,589	18,589	0	6,536	3,379	3,157	under	48.3%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	154	154	0	19	10	9	under	47.4%	
Total Controllable Exp.	112,507	112,507	0	39,237	34,512	4,725	under	12.0%	
Total Controllable Inc.	(96,155)	(96,155)	0	(33,619)	(28,763)	(4,856)	under recovered	(14.4%)	
Net Controllable Exp.	16,352	16,352	0	5,618	5,749	(131)	over	2.3%	
Transfer to Reserves as at (13/08/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (13/08/21)	16,352	16,352	0	5,618	5,749	(131)	over	2.3%	

Variance Explanations

Variances are shown in Appendix B and D as appropriate.

Budget Virements

Virements are shown in Appendix B and C as appropriate.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 August 2021 (No.5)

Housing Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/08/21	Actual 13/08/21	Variance 13/08/21		% Variance 13/08/21	Notes
Employee Costs	2,526	2,526	0	872	906	(34)	over	(3.9%)	1, a
Property Costs	5,649	5,649	0	2,858	2,869	(11)	over	(0.4%)	a, b
Supplies & Services	107	107	0	31	46	(15)	over	(48.4%)	a, b
Transport & Plant	123	123	0	32	17	15	under	46.9%	a, b
Administration Costs	154	154	0	53	49	4	under	7.5%	a, b
Payments to Other Bodies	4,036	4,036	0	1,466	1,458	8	under	0.5%	a, b
Payments to Contractors	2,583	2,583	0	761	761	0	-	0.0%	b
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	11	11	0	5	2	3	under	60.0%	
Total Controllable Exp.	15,189	15,189	0	6,078	6,108	(30)	over	(0.5%)	
Total Controllable Inc.	(6,955)	(6,955)	0	(2,280)	(2,310)	30	over recovered	1.3%	a, b
Net Controllable Exp.	8,234	8,234	0	3,798	3,798	0	-	0.0%	
Transfer to Reserves as at (13/08/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (13/08/21)	8,234	8,234	0	3,798	3,798	0	-	0.0%	

Variance Explanations

- The variance in Employee Costs relates to the timing of the implementation of the Community Warden saving.

Budget Virements

- Vulnerable Person Relocation Scheme (VPRS) realignment of Home Office Funding net Nil:- £0.201m Employee Costs, £0.028m Property Costs, £0.023m Supplies & Services, £0.028m Transport & Plant, £0.008m Administration Costs, £0.088m Payments to Other Bodies and (£0.376m) Income.
- Homelessness Business plan realignments net Nil:- (£0.069m) Property Costs, £0.002m Supplies & Services, (£0.007m) Transport & Plant, (£0.004m) Administration Costs, £0.085m Payments to Other Bodies, (£0.104m) Payments to Contractors and £0.097m Income.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 August 2021 (No.5)

Property Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/08/21	Actual 13/08/21	Variance 13/08/21		% Variance 13/08/21	Notes
Employee Costs	40,493	40,493	0	14,113	13,995	118	under	0.8%	1
Property Costs	14,082	14,082	0	4,633	4,495	138	under	3.0%	2
Supplies & Services	14,089	14,089	0	4,936	3,443	1,493	under	30.2%	3
Transport & Plant	4,481	4,481	0	1,277	1,036	241	under	18.9%	4, a
Administration Costs	3,627	3,627	0	1,223	1,227	(4)	over	(0.3%)	
Payments to Other Bodies	4,397	4,397	0	1,188	1,203	(15)	over	(1.3%)	
Payments to Contractors	16,006	16,006	0	5,775	2,618	3,157	under	54.7%	5
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	143	143	0	14	8	6	under	42.9%	
Total Controllable Exp.	97,318	97,318	0	33,159	28,025	5,134	under	15.5%	
Total Controllable Inc.	(89,200)	(89,200)	0	(31,339)	(26,205)	(5,134)	under recovered	(16.4%)	6
Net Controllable Exp.	8,118	8,118	0	1,820	1,820	0	-	0.0%	
Transfer to Reserves as at (13/08/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (13/08/21)	8,118	8,118	0	1,820	1,820	0	-	0.0%	

Variance Explanations

1. 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 at present manages the overspend due to the need for overtime to meet current levels of service demand.
2. 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.
3. Covid-19 restrictions has 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.
4. 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.
5. 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.
6. 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 an estimated recharge of £3.211m is required to date to Resources revenue and capital budgets to cover these fixed costs.

Budget Virements

- a. Transfer of Transport Saving to Fleet net (£0.007m): (£0.007m) Transport & Plant.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 13 August 2021 (No.5)

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

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 13/08/21	Actual 13/08/21	Variance 13/08/21		% Variance 13/08/21	Notes
Employee Costs	0	0	0	0	0	0	-	0.0%	
Property Costs	0	0	0	0	223	(223)	over	0.0%	1
Supplies & Services	0	0	0	0	1	(1)	over	0.0%	
Transport & Plant	0	0	0	0	2	(2)	over	0.0%	
Administration Costs	0	0	0	0	0	0	-	0.0%	
Payments to Other Bodies	0	0	0	0	153	(153)	over	0.0%	1
Payments to Contractors	0	0	0	0	0	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	0	0	0	0	0	0	-	0.0%	
Total Controllable Exp.	0	0	0	0	379	(379)	over	0.0%	
Total Controllable Inc.	0	0	0	0	(248)	248	over recovered	0.0%	1
Net Controllable Exp.	0	0	0	0	131	(131)	over	0.0%	
Transfer to Reserves as at (13/08/21)	0	0	0	0	0	0	-		
Position After Transfers to Reserves (13/08/21)	0	0	0	0	131	(131)	over	0.0%	

Variance Explanations

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

Budget Virements

None