

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>30 June 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2021/2022 - Housing and Technical Resources - Housing Revenue Account (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 2021 to 21 May 2021 for Housing and Technical Resources (HRA)
- ◆ provide a forecast for the year to 31 March 2022

## 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 2022 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 2021/22.

3.2. The report details the financial position for Housing and Technical Resources (HRA) on Appendix A.

## 4. Employee Implications

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

## 5. Financial Implications

5.1. As at 21 May 2021, there is a breakeven position against the phased budget. The forecast for the budget to 31 March 2022 is also a breakeven position.

5.2. The impact of COVID-19 on the budget continues to be monitored. There has been a reduced volume of repairs completed to date but this is not expected to continue. The annual rental income projections for the year are expected to be lower as a result of Covid-19 delaying the completion of expected new properties assumed within the budget.

5.3. The COVID-19 lock down has had an impact on the Property Services section which provides the property repairs and maintenance service to the HRA. The section continues to incur non variable costs which require to be offset by income recovery, therefore, a recharge of £2.536m has been required to date to HRA revenue budget to cover these fixed costs.

## **6. Climate Change, Sustainability and Environmental Implications**

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

## **7. Other Implications**

7.1. 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.

## **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)**

1 June 2021

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

♦ Accountable, Effective, Efficient and Transparent

## **Previous References**

♦ Executive Committee, 23 June 2021

## **List of Background Papers**

♦ Financial ledger and budget monitoring results to 21 May 2021

## **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 21 May 2021 (No.2)

## Housing Revenue Account

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 21/05/21</b>	<b>Actual 21/05/21</b>	<b>Variance 21/05/21</b>		<b>% Variance 21/05/21</b>	<b>Notes</b>
Employee Costs	14,090	14,090	0	1,672	1,631	41	under	2.5%	1, a
Property Costs	48,021	48,021	0	3,265	3,284	(19)	over	(0.6%)	a
Supplies & Services	879	879	0	94	90	4	under	4.3%	
Transport & Plant	195	195	0	15	11	4	under	26.7%	
Administration Costs	5,645	5,645	0	67	64	3	under	4.5%	
Payments to Other Bodies	3,030	3,030	0	301	301	0	-	0.0%	
Payments to Contractors	100	100	0	0	1	(1)	over	0.0%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	19,637	19,637	0	5,720	5,720	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>91,597</b>	<b>91,597</b>	<b>0</b>	<b>11,134</b>	<b>11,102</b>	<b>32</b>	<b>under</b>	<b>0.3%</b>	
Total Controllable Inc.	(109,186)	(109,186)	0	(9,544)	(9,512)	(32)	under recovered	(0.3%)	2, a
Transfer to/(from) Balance Sheet	(52)	(52)	0	0	0	0	-	0.0%	
<b>Net Controllable Exp.</b>	<b>(17,641)</b>	<b>(17,641)</b>	<b>0</b>	<b>1,590</b>	<b>1,590</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
Loan Charges	17,641	17,641	0	0	0	0	-		
<b>Net Controllable Exp.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,590</b>	<b>1,590</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Variance Explanations**

1. The variance in Employee Costs is due to higher than anticipated staff turnover.
2. The rental income assumed additional new build properties would be completed for 2021/22 but this was partially delayed due to Covid-19.

**Virements**

- a. Realignment of costs and income in relation to Hostel Accommodation net Nil:- Employee Costs (£0.097m), Property Costs (£0.051m) and Income £0.148m.