

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>8 December 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 (excl 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 8 October 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 £0.252m as at 8 October 2021 on Housing and Technical Resources (excl HRA) Revenue Budget, as detailed in Appendix A of the report, be noted; and
- (2) that the proposed budget virements be approved.

## 3. Background

3.1. This is the third 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) on 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 8 October 2021, there is a overspend of £0.252m 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 require to be offset by income recovery, therefore a recharge of £4.797m has been estimated to date to be recharged to these budgets to cover 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 November 2021

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

◆ Accountable, Effective, Efficient and Transparent

### **Previous References**

◆ Executive Committee, 1 December 2021.

◆ Housing and Technical Resources Committee, 29 September 2021.

### **List of Background Papers**

◆ Financial ledger and budget monitoring results to 8 October 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 8 October 2021 (No.7)

## Housing and Technical Resources Summary (excl HRA)

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 08/10/21</b>	<b>Actual 08/10/21</b>	<b>Variance 08/10/21</b>		<b>% Variance 08/10/21</b>	<b>Notes</b>
Employee Costs	43,019	43,019	0	21,579	21,392	187	under	0.9%	
Property Costs	19,731	19,731	0	12,282	12,686	(404)	over	(3.3%)	
Supplies & Services	14,196	14,196	0	7,253	5,100	2,153	under	29.7%	
Transport & Plant	4,604	4,604	0	1,927	1,548	379	under	19.7%	
Administration Costs	3,781	3,781	0	1,813	1,836	(23)	over	(1.3%)	
Payments to Other Bodies	8,223	8,223	0	3,804	4,047	(243)	over	(6.4%)	
Payments to Contractors	18,589	18,589	0	9,355	4,803	4,552	under	48.7%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	154	154	0	79	93	(14)	over	(17.7%)	
<b>Total Controllable Exp.</b>	<b>112,297</b>	<b>112,297</b>	<b>0</b>	<b>58,092</b>	<b>51,505</b>	<b>6,587</b>	<b>under</b>	<b>11.3%</b>	
<b>Total Controllable Inc.</b>	<b>(96,155)</b>	<b>(96,155)</b>	<b>0</b>	<b>(47,485)</b>	<b>(40,646)</b>	<b>(6,839)</b>	<b>under recovered</b>	<b>(14.4%)</b>	
<b>Net Controllable Exp.</b>	<b>16,142</b>	<b>16,142</b>	<b>0</b>	<b>10,607</b>	<b>10,859</b>	<b>(252)</b>	<b>over</b>	<b>2.4%</b>	
<b>Transfer to Reserves as at (08/10/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>		
<b>Position After Transfers to Reserves (08/10/21)</b>	<b>16,142</b>	<b>16,142</b>	<b>0</b>	<b>10,607</b>	<b>10,859</b>	<b>(252)</b>	<b>over</b>	<b>2.4%</b>	

**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 8 October 2021 (No.7)

## Housing Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 08/10/21</b>	<b>Actual 08/10/21</b>	<b>Variance 08/10/21</b>		<b>% Variance 08/10/21</b>	<b>Notes</b>
Employee Costs	2,526	2,526	0	1,259	1,288	(29)	over	(2.3%)	
Property Costs	5,649	5,649	0	3,447	3,494	(47)	over	(1.4%)	
Supplies & Services	107	107	0	43	44	(1)	over	(2.3%)	
Transport & Plant	123	123	0	70	35	35	under	50.0%	
Administration Costs	154	154	0	57	52	5	under	8.8%	
Payments to Other Bodies	4,036	4,036	0	2,267	2,265	2	under	0.1%	
Payments to Contractors	2,583	2,583	0	1,117	1,100	17	under	1.5%	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	11	11	0	5	8	(3)	over	(60.0%)	
<b>Total Controllable Exp.</b>	<b>15,189</b>	<b>15,189</b>	<b>0</b>	<b>8,265</b>	<b>8,286</b>	<b>(21)</b>	<b>over</b>	<b>(0.3%)</b>	
<b>Total Controllable Inc.</b>	<b>(6,955)</b>	<b>(6,955)</b>	<b>0</b>	<b>(3,071)</b>	<b>(3,092)</b>	<b>21</b>	<b>over recovered</b>	<b>0.7%</b>	
<b>Net Controllable Exp.</b>	<b>8,234</b>	<b>8,234</b>	<b>0</b>	<b>5,194</b>	<b>5,194</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
<b>Transfer to Reserves as at (08/10/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>		
<b>Position After Transfers to Reserves (08/10/21)</b>	<b>8,234</b>	<b>8,234</b>	<b>0</b>	<b>5,194</b>	<b>5,194</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

Variance Explanations

None

Budget Virements

None

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Housing and Technical Resources Committee: Period Ended 8 October 2021 (No.7)

## Property Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 08/10/21</b>	<b>Actual 08/10/21</b>	<b>Variance 08/10/21</b>		<b>% Variance 08/10/21</b>	<b>Notes</b>
Employee Costs	40,493	40,493	0	20,320	20,104	216	under	1.1%	1
Property Costs	14,082	14,082	0	8,835	8,864	(29)	over	(0.3%)	
Supplies & Services	14,089	14,089	0	7,210	5,047	2,163	under	30.0%	2
Transport & Plant	4,481	4,481	0	1,857	1,511	346	under	18.6%	3
Administration Costs	3,627	3,627	0	1,756	1,780	(24)	over	(1.4%)	
Payments to Other Bodies	4,187	4,187	0	1,537	1,560	(23)	over	(1.5%)	a
Payments to Contractors	16,006	16,006	0	8,238	3,703	4,535	under	55.0%	4
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	143	143	0	74	85	(11)	over	(14.9%)	
<b>Total Controllable Exp.</b>	<b>97,108</b>	<b>97,108</b>	<b>0</b>	<b>49,827</b>	<b>42,654</b>	<b>7,173</b>	<b>under</b>	<b>14.4%</b>	
<b>Total Controllable Inc.</b>	<b>(89,200)</b>	<b>(89,200)</b>	<b>0</b>	<b>(44,414)</b>	<b>(37,241)</b>	<b>(7,173)</b>	<b>under recovered</b>	<b>(16.2%)</b>	<b>5</b>
<b>Net Controllable Exp.</b>	<b>7,908</b>	<b>7,908</b>	<b>0</b>	<b>5,413</b>	<b>5,413</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
<b>Transfer to Reserves as at (08/10/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>		
<b>Position After Transfers to Reserves (08/10/21)</b>	<b>7,908</b>	<b>7,908</b>	<b>0</b>	<b>5,413</b>	<b>5,413</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**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 offsets an 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 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.
4. 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.
5. 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 £4.797m is required to date to Resources revenue and capital budgets to cover these fixed costs.

**Budget Virements**

- a. Transfer of Community Investment budget for use in future years net (£0.210m): (£0.210m) Payments to Other Bodies.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Housing and Technical Resources Committee: Period Ended 8 October 2021 (No.7)

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

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 08/10/21</b>	<b>Actual 08/10/21</b>	<b>Variance 08/10/21</b>		<b>% Variance 08/10/21</b>	<b>Notes</b>
Employee Costs	0	0	0	0	0	0	-	0.0%	
Property Costs	0	0	0	0	328	(328)	over	0.0%	1
Supplies & Services	0	0	0	0	9	(9)	over	0.0%	
Transport & Plant	0	0	0	0	2	(2)	over	0.0%	
Administration Costs	0	0	0	0	4	(4)	over	0.0%	
Payments to Other Bodies	0	0	0	0	222	(222)	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%	
<b>Total Controllable Exp.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>565</b>	<b>(565)</b>	<b>over</b>	<b>0.0%</b>	
<b>Total Controllable Inc.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(313)</b>	<b>313</b>	<b>over recovered</b>	<b>0.0%</b>	<b>1</b>
<b>Net Controllable Exp.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>(252)</b>	<b>over</b>	<b>0.0%</b>	
<b>Transfer to Reserves as at (08/10/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>		
<b>Position After Transfers to Reserves (08/10/21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>(252)</b>	<b>over</b>	<b>0.0%</b>	

Variance Explanations

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

Budget Virements

None