

To: Communities and Housing Policy Board

On: 7 March 2023

Report by: Director of Finance and Resources

Heading: General Services Revenue, Housing Revenue Account (HRA) and Capital Budget Monitoring as at 6 January 2023

1. Summary of Financial Position

- 1.1. The projected outturn at 31 March 2023 for all services reporting to the Communities and Housing Policy Board, including the Housing Revenue Account, is an overspend position of £0.025m (0.2%) against the revised budget for the year. This can be further analysed as a projected overspend in General Services activities of £0.025m and a break-even position in the HRA.
- 1.2. The projected capital outturn at 31 March 2023 for projects reported to the Communities and Housing Policy Board is a break-even position against the revised budget of £19.992m for the year.
- 1.3. This is summarised over the relevant services in the table below and further analysis is provided in the Appendices.

Table 1: Revenue				
Division / Department	Revised Annual Budget £000	Projected Outturn £000	Budget Variance £000	Budget Variance %
Housing Revenue Account (HRA)	£0	£0	£0	0%
Communities & Housing Directorate	£12	£12	£0	0%
Housing - General Services (Not HRA)	£5,660	£6,078	(£418)	(7%)
Communities and Public Protection (including Regulatory Services)	£6,176	£5,783	£393	6%
Criminal Justice	£3,725	£3,725	£0	0%

Table 2: Capital				
Division / Department	Revised Annual Budget £000	Projected Outturn £000	Budget Variance £000	Budget Variance %
Housing Revenue Account (HRA)	£18,700	£18,700	£0	0%
Other Housing PSHG	£1,292	£1,292	£0	0%

2. Recommendations

Members are requested to:

- 2.1. Note the projected Revenue outturn position detailed in Table 1 above;
- 2.2. Note the projected Capital outturn position detailed in Table 2 above; and
- 2.3. Note the budget adjustments detailed at sections 4 and 6.

3. Revenue

- 3.1. The Revenue Budget Monitoring Statement at Appendix 1 identifies a projected overspend of £0.025m (0.2% of total budget) for all services reporting to this Policy Board. Detailed division service reports can also be found here, along with an explanation of each significant projected variance.
- 3.2. The projected outturn is based on information currently available, and assumptions made by service budget holders. Projections are subject to continuous review, and any changes will be detailed in future reports to the Board.
- 3.3. The main reason for the projected outturn positions are indicated below the Appendix tables, showing both the subjective analysis (what the budget is spent on) and the objective analysis (which division is spending the budget).
- 3.4. The projected overspend is £0.025m. This includes a significant projected overspend in the Homelessness Service, which is largely offset by an underspend in employee costs within the Public Protection Service.

4. Revenue Budget Adjustments

- 4.1. Members are requested to note, from Appendix 1, budget adjustments totalling £1.056m have been processed since the previous finance report to board. These relate wholly to:
 - £0.430m – Increased Employee Costs Budget for Pay Award
 - £0.136m – Drawdown of Rapid Re-Housing Reserve
 - £0.136m – Drawdown of Alcohol & Drug Funding from the Social Renewal Plan

- £0.113m – Drawdown of Private Rented Sector Advocacy and Enforcement Initiative
- £0.133 – Drawdown of Villages Improvement Funding
- (£0.153) – Transfer of Environmental Task Force Funding to Reserve
- £0.261m – Transfer of Pandemic Recovery Grant to reserve

5. Communities and Housing Services Capital

- 5.1. The Capital Investment Programme 2022/23 to 2026/27 was approved by the Council on 3 March 2022. For Communities and Housing Services the approved capital spend for 2022/23 is £19.992m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates net budget adjustments in the approved capital programme for Communities and Housing Services of (£2.500m) within HRA to reflect revised cash flows for Improvements to Existing Properties. Along with budget adjustments reported to previous meetings of the Policy Board, this brings the total net budget adjustments in 2022/23 to 11.049m.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes totalling £2.500m have arisen which reflect the following:

Budget Carried Forward to 2023-24 from 2022-23 (£2.500m):

- **HRA**
 - Improvements to Existing Properties (£2.500m) related to cash flow timings over work for Heating and External Improvements;

Implications of this report

1. **Financial** – The projected budget outturn position for Communities and Housing Services Revenue budget is an overspend of £0.025m (0.2% of total budget). All income and expenditure, in all services within the department will continue to be monitored closely for the rest of the financial year and, where necessary, steps will be taken to mitigate any overspend.

The projected outturn position for Communities and Housing Services' Capital budget is break-even. The Capital programme will continue to be monitored closely for the rest of the financial year and, where necessary, steps will be taken to mitigate any overspend.

Any changes to current projections in either Revenue or Capital budgets will be reported to the Board as early as possible, along with an explanation for the movement.

2. **HR and Organisational Development**

None directly arising from this report.

3. **Community/Council Planning**

None directly arising from this report.

4. **Legal**

None directly arising from this report.

5. **Property/Assets**

Capital projects will result in new build Council housing stock and improvements to existing stock.

6. **Information Technology**

None directly arising from this report.

7. **Equality and Human Rights**

The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health and Safety**

None directly arising from this report.

9. Procurement

None directly arising from this report.

10. Risk

The potential risk that the Council will overspend its approved budgets for the year will be managed at a Council-wide level by the Chief Executive and Directors.

11. Privacy Impact

None directly arising from this report.

12. Cosla Policy Position

N/a.

13. Climate Risk

None directly arising from this report.

List of Background Papers

Housing Revenue Account Budget & Rent Levels 2022/23 and Housing Capital Investment Plan 2022/23 to 2023/24, Council, 3 March 2022;

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2022/23 – 2026/27, Council, 3 March 2022.

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 6 January 2023

POLICY BOARD : COMMUNITIES AND HOUSING - All SERVICES

Objective Summary	Approved Annual Budget at Period 8	Budget Adjustments	Revised Annual Budget at Period 10	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Housing Revenue Account (HRA)	0	0	0	0	0	0.0%	0	0
Communities and Housing Directorate	12	0	12	12	0	0.0%	(55)	55
Housing - General Services (Not HRA)	5,180	480	5,660	6,078	(418)	(7.4%)	(271)	(147)
Communities and Public Protection (including Regulatory Services)	5,861	315	6,176	5,783	393	6.4%	366	27
Criminal Justice	3,464	261	3,725	3,725	0	0.0%	0	0
NET EXPENDITURE	14,517	1,056	15,573	15,598	(25)	(0.2%)	40	(65)

Objective Heading	Key Reasons for Projected Variance
Housing Revenue Account (HRA)	Overall the HRA is projecting a break-even position at the year-end. Employee costs are projected to underspend due to the ongoing recruitment of vacancies within the service. However, Repairs & Maintenance costs are likely to overspend by over £3.6m against budget, this includes pressures such as rising material, fuel, and labour prices to repair, maintain, and improve our tenants' homes. The resultant overspend will decrease the funds available for debt repayments at year-end in line with the councils financial strategy of debt smoothing.
Communities and Housing Directorate	No significant projected year-end variances to report.
Housing - General Services (Not HRA)	There is a projected operating overspend of £0.418m. This and the adverse movement from the previous report, is in part due to continuing pressures on furniture in our temporary accommodation properties. Other significant pressures include increased utility costs £0.037m, Void rental loss of £0.056m and increased Council Tax liability £0.057m as a consequence of extended void periods. Short-stay temporary accommodation is also running with a pressure of £0.027m due to increased demand. Budget lines will be closely monitored with a view to managing this projected overspend.
Communities and Public Protection (including Regulatory Services)	The significant underspend represents the ongoing difficulties in recruitment with the Public Protection service. In addition, there is a staff saving included for Senior Management posts within this service. Within the Community Learning & Development Service, there is a reduction in Payments to Other Bodies, along with an over-recovery of income generated by allocating staff time to the Summer Holiday Food & Child Care Programme.
Criminal Justice	No significant projected year-end variances to report.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 6 January 2023

POLICY BOARD : COMMUNITIES AND HOUSING - GENERAL SERVICES (excluding HRA)

Subjective Summary	Approved Annual Budget at Period 8	Budget Adjustments	Revised Annual Budget at Period 10	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	11,674	461	12,135	11,948	187	1.5%	94	93
Premises Related	1,783	2	1,785	1,915	(130)	(7.3%)	(87)	(43)
Transport Related	171	4	175	234	(59)	(33.7%)	(64)	5
Supplies and Services	2,842	493	3,335	3,592	(257)	(7.7%)	(147)	(110)
Third Party Payments	85	2	87	86	1	1.1%	1	(0)
Transfer Payments	2,559	686	3,245	3,206	39	1.2%	75	(36)
Support Services	1,091	0	1,091	1,107	(16)	(1.5%)	(6)	(10)
Depreciation and Impairment Losses	(23)	0	(23)	(23)	0	0.0%	0	0
GROSS EXPENDITURE	20,182	1,648	21,830	22,064	(234)	(1.1%)	(135)	(99)
Income	(5,665)	(592)	(6,257)	(6,466)	209	3.3%	175	34
NET EXPENDITURE	14,517	1,056	15,573	15,598	(25)	(0.2%)	40	(65)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 6 January 2023

POLICY BOARD : COMMUNITIES, HOUSING AND PLANNING SERVICES - Housing Revenue Account (HRA) Only

Subjective Summary	Approved Annual Budget at Period 8	Budget Adjustments	Revised Annual Budget at Period 10	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	10,531	0	10,531	9,784	747	7.1%	820	(73)
Premises Related	16,447	0	16,447	20,071	(3,624)	(22.0%)	(2,337)	(1,287)
Transport Related	103	0	103	56	47	45.6%	43	4
Supplies and Services	679	0	679	682	(3)	(0.4%)	5	(8)
Third Party Payments	27	0	27	121	(94)	(348.1%)	(102)	8
Transfer Payments	3,900	0	3,900	3,963	(63)	(1.6%)	(57)	(6)
Support Services	2,490	0	2,490	2,479	11	0.4%	21	(10)
Depreciation and Impairment Losses	20,775	0	20,775	17,131	3,644	17.5%	2,421	1,223
GROSS EXPENDITURE	54,952	0	54,952	54,287	665	1.2%	814	(149)
Income	(54,952)	0	(54,952)	(54,287)	(665)	(1.2%)	(814)	149
NET EXPENDITURE	0	0	0	0	0	0.0%	0	0

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY
 1st April to 6th January 2023
POLICY BOARD: COMMUNITIES & HOUSING

Project Title	Prior Years Expenditure to 31/03/2022 £000	Current Year 2022-23						Full Programme - All years			
		Approved Budget 2022-23 £000	Budget Adjustments in 2022-23 £000	Revised Budget 2022-23 £000	Projected Outturn 2022-23 £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-27 £000	Projected Outturn to 31-Mar-27 £000	Budget Variance (Adverse) or Favourable	
HOUSING(HRA)											
Improvements To Existing Properties	0	10,967	(6,327)	4,640	4,640	0	0%	57,730	57,730	0	0%
Regeneration	4,633	4,738	(1,697)	3,041	3,041	0	0%	23,568	23,568	0	0%
Other Assets	0	2,640	(610)	2,030	2,030	0	0%	7,885	7,885	0	0%
Non Property Expenditure	0	350	89	439	439	0	0%	1,839	1,839	0	0%
Council House New Build	33,782	9,000	(1,850)	7,150	7,150	0	0%	62,112	62,112	0	0%
Professional Fees	0	2,300	(900)	1,400	1,400	0	0%	7,500	7,500	0	0%
Total Housing(HRA) Programme	38,415	29,995	(11,295)	18,700	18,700	0	0%	160,634	160,634	0	0%
HOUSING(PSHG)											
Private Sector Housing Grant Programme	0	1,046	246	1,292	1,292	0	0%	1,292	1,292	0	0%
Total Housing(PSHG) Programme	0	1,046	246	1,292	1,292	0	0%	1,292	1,292	0	0%
TOTAL COMMUNITIES, HOUSING & PLANNING BOARD	38,415	31,041	(11,049)	19,992	19,992	0	0%	161,926	161,926	0	0%

*Rolling programmes have a prior year year expenditure of £0 as the expenditure is not directly linked from one year to the next as a singular project.