

To: Communities and Housing Policy Board

On: 16 January 2024

Report by: Director of Finance and Resources

Heading: General Services Revenue, Housing Revenue Account (HRA) and Capital Budget Monitoring as at 10 November 2023

1. Summary of Financial Position

- 1.1. The projected outturn at 31 March 2024 for all services reporting to the Communities and Housing Policy Board, including the Housing Revenue Account, is a break-even position against the revised budget for the year in both General Services activities and in the HRA.
- 1.2. The projected capital outturn at 31 March 2024 for projects reported to the Communities and Housing Policy Board is a break-even position against the revised budget of £21.495m 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%
Housing – General Services (Not HRA)	4,682	4,682	0	0%
Communities and Public Protection	5,926	5,926	0	0%
Criminal Justice	3,845	3,845	0	0%
Board Total – Revenue	14,453	14,453	0	0%

Table 2: Capital				
Division / Department	Revised Annual Budget £000	Projected Outturn £000	Budget Variance £000	Budget Variance %
Housing Revenue Account (HRA)	20,378	20,378	0	0%
Other Housing PSHG	1,117	1,117	0	0%
Board Total – Capital	21,495	21,495	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. Approve the budget adjustments detailed at section 4.

3. Revenue

- 3.1. The Revenue Budget Monitoring Statement at Appendix 1 identifies a projected break-even position 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 projected outturn for Homelessness continues to be a risk over the remainder of the financial year, with increasing demand on services being managed within existing resources at present, including some additional staffing being supported through migration and asylum funding streams allocated to the Council by the UK and Scottish Government.
- 3.4. The significant potential increase in homeless presentations linked to asylum population in Renfrewshire and more widely across the West of Scotland, is anticipated to create additional financial pressures for Council services. Projections of these pressures will continue to be reviewed and reported to future Communities and Housing Policy Boards.
- 3.5. 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).

4. Revenue Budget Adjustments

4.1. Members are requested to note, from Appendix 1, budget adjustments totalling £0.534m have been processed since the budget was approved in March 2023. The most significant adjustment being:

- (£0.121m) – Transfer of Public Protection Directorate costs to Environment, Housing & Infrastructure.
- £0.655m – Additional Criminal Justice funding from the Scottish Government outwith the specific grant.

5. Communities and Housing Services Capital

5.1. The Capital Investment Programme 2023/24 to 2027/28 was approved by the Council on 2 March 2023. For Communities and Housing Services the approved capital spend for 2023/24 was £30.795m.

6. Capital Budget Adjustments

6.1. As shown in Appendix 2, there have been no budget changes within HRA capital and PSHG capital since the last report on 15 September 2023.

Implications of this report

1. **Financial** – The projected budget outturn position for Communities and Housing Services Revenue budget is a break-even position. 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 significant 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 significant 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**

None directly arising from this report.

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 budget 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.
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List of Background Papers

Housing Revenue Account Budget & Rent Levels 2023/24 and Housing Capital Investment Plan 2023/24 to 2027/28, Council, 2 March 2023;

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2023/24 – 2027/28, Council, 2 March 2023.

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 10 November 2023

POLICY BOARD : COMMUNITIES AND HOUSING - All SERVICES

Objective Summary	Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%		£000
Housing Revenue Account (HRA)	0	0	0	0	0	0.0%	0	0
Housing - General Services (Not HRA)	4,682	0	4,682	4,682	0	0.0%	0	0
Communities and Public Protection (including Regulatory Services)	6,047	(121)	5,926	5,926	0	0.0%	(5)	5
Criminal Justice	3,190	655	3,845	3,845	0	0.0%	0	(0)
NET EXPENDITURE	13,919	534	14,453	14,453	0	0.0%	(5)	5

Objective Heading	Key Reasons for Projected Variance
Housing Revenue Account (HRA)	A projected underspend in employee costs is due to the timing of recruitment of vacancies within the service. Property costs are projected to significantly overspend, reflecting ongoing demands for repair and maintenance provision, particularly in void properties. Transfer payments continue to forecast an overspend, owing to the impact of repairs pressures on void rent loss, as well as additional Council Tax costs for these properties. These overspends are expected to be offset by additional interest income due to higher than budgeted interest rates. Overall, the HRA is therefore still projected to break-even at year-end.
Housing - General Services (Not HRA)	There is a continuing increased demand for homelessness accommodation, impacting on rental costs, Council Tax and furniture for temporary accommodation units. The forecast overspends are expected to be offset by additional rental income received in relation to these units. As reported to the recent Leadership Board, there are increasing pressures in relation to migration and asylum provision, particularly related to UK Home Office decisions being streamlined to tackle the volume of asylum seekers nationally. The significant potential increase in homeless presentations linked to the asylum population in Renfrewshire and more widely across the West of Scotland, is anticipated to create additional financial pressures for Council services. Projections are currently being developed and will be reported as they become available.
Communities and Public Protection	No significant projected year end variances to report.
Criminal Justice	No significant projected year end variances to report.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 10 November 2023

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

Subjective Summary	Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	12,197	127	12,324	12,126	198	1.6%	(52)	249
Premises Related	1,945	0	1,945	2,181	(236)	(12.1%)	(294)	58
Transport Related	171	0	171	701	(530)	(309.9%)	(35)	(495)
Supplies and Services	3,294	60	3,354	3,211	143	4.3%	(155)	298
Third Party Payments	87	0	87	107	(20)	(23.0%)	(2)	(18)
Transfer Payments	2,442	(60)	2,382	2,666	(284)	(11.9%)	(68)	(216)
Support Services	54	0	54	28	26	48.8%	41	(15)
Depreciation and Impairment Losses	(23)	0	(23)	(18)	(5)	(21.7%)	(5)	0
GROSS EXPENDITURE	20,167	127	20,294	21,002	(708)	(3.5%)	(569)	(139)
Income	(6,248)	407	(5,841)	(6,549)	708	12.1%	564	144
NET EXPENDITURE	13,919	534	14,453	14,453	0	0.0%	(5)	5

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 10 November 2023

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

Subjective Summary	Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	11,098	0	11,098	10,872	226	2.0%	259	(33)
Premises Related	20,288	0	20,288	22,866	(2,578)	(12.7%)	(1,301)	(1,277)
Transport Related	103	0	103	51	52	50.5%	52	0
Supplies and Services	733	0	733	743	(10)	(1.4%)	50	(60)
Third Party Payments	49	0	49	49	0	0.0%	0	0
Transfer Payments	4,399	0	4,399	5,192	(793)	(18.0%)	(740)	(53)
Support Services	2,492	0	2,492	2,455	37	1.5%	(8)	45
Depreciation and Impairment Losses	19,089	0	19,089	19,089	0	0.0%	0	0
GROSS EXPENDITURE	58,251	0	58,251	61,318	(3,067)	(5.3%)	(1,687)	(1,380)
Income	(58,251)	0	(58,251)	(61,318)	3,067	5.3%	1,687	1,380
NET EXPENDITURE	0	0	0	0	0	0.0%	0	0

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY
1st April to 10th November 2023
POLICY BOARD: COMMUNITIES & HOUSING

Project Title	Prior Years Expenditure to 31/03/2023 £000	Current Year 2023-24						Full Programme - All years			
		Annual Budget at P6 2023-24 £000	Budget Adjustments £000	Revised Budget 2023-24 £000	Projected Outturn 2023-24 £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	10,250	0	10,250	10,250	0	0%	113,885	113,885	0	0%
Regeneration	7,045	4,768	0	4,768	4,768	0	0%	106,953	106,953	0	0%
Other Assets	0	1,815	0	1,815	1,815	0	0%	12,500	12,500	0	0%
Non Property Expenditure	0	550	0	550	550	0	0%	1,550	1,550	0	0%
Council House New Build	41,237	1,330	0	1,330	1,330	0	0%	74,478	74,478	0	0%
Professional Fees	0	1,665	0	1,665	1,665	0	0%	9,415	9,415	0	0%
Total Housing(HRA) Programme	48,282	20,378	0	20,378	20,378	0	0%	318,781	318,781	0	0%
HOUSING(PSHG)											
Private Sector Housing Grant Programme	0	1,117	0	1,117	1,117	0	0%	1,117	1,117	0	0%
Total Housing(PSHG) Programme	0	1,117	0	1,117	1,117	0	0%	1,117	1,117	0	0%
TOTAL COMMUNITIES, HOUSING & PLANNING BOARD	48,282	21,495	0	21,495	21,495	0	0%	319,898	319,898	0	0%