

**To:** Communities and Housing Policy Board

**On:** 22 August 2023

**Report by:** Director of Finance and Resources

**Heading:** General Services Revenue, Housing Revenue Account (HRA) and Capital Budget Monitoring as at 23<sup>rd</sup> June 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 an underspend position of £0.343m (2.4%) against the revised budget for the year. This can be further analysed as a projected underspend in General Services activities of £0.343m and a break-even position 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 £30.795m for the year.
- 1.3. This is summarised over the relevant services in the table below and further analysis is provided in the appendices.

<b>Table 1: Revenue</b>				
<b>Division / Department</b>	<b>Revised Annual Budget £000</b>	<b>Projected Outturn £000</b>	<b>Budget Variance £000</b>	<b>Budget Variance %</b>
Housing Revenue Account (HRA)	0	0	0	0%
Housing – General Services (Not HRA)	4,906	4,906	0	0%
Communities and Public Protection	6,062	5,719	343	5.7%
Criminal Justice	3,190	3,190	0	0%
<b>Board Total – Revenue</b>	<b>14,158</b>	<b>13,815</b>	<b>343</b>	<b>2.4%</b>

<b>Table 2: Capital</b>				
<b>Division / Department</b>	<b>Revised Annual Budget £000</b>	<b>Projected Outturn £000</b>	<b>Budget Variance £000</b>	<b>Budget Variance %</b>
Housing Revenue Account (HRA)	29,678	29,678	0	0%
Other Housing PSHG	1,117	1,117	0	0%
<b>Board Total – Capital</b>	<b>30,795</b>	<b>30,795</b>	<b>0</b>	<b>0%</b>

## **2. Recommendations**

2.1 Members are requested to:

- a) Note the projected Revenue outturn position detailed in Table 1 above;
- b) Note the projected Capital outturn position detailed in Table 2 above; and
- c) Approve the £0.300m reinstatement of HRA reserves from the recurring saving option in section 4.2;
- d) Approve the budget adjustments detailed at sections 4 and 6.

## **3. Revenue**

- 3.1. The Revenue Budget Monitoring Statement at Appendix 1 identifies a projected underspend of £0.343m (2.4% 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 underspend is £0.343m, largely due to an underspend in employee costs within the Public Protection Service, owing to a number of vacancies.

## **4. Revenue Budget Adjustments**

- 4.1. Members are requested to note, from Appendix 1, budget adjustments totalling £0.591m have been processed since the budget was approved in March 2023. These relate wholly to:

- £0.040m – Drawdown from Rapid Re-Housing Reserve
- £0.205m – Drawdown from Private Sector Housing Reserve
- £0.064m – Drawdown of Alcohol & Drug Funding from the Social Renewal Plan
- £0.080m – Drawdown of Private Rented Sector Advocacy and Enforcement Initiative Funding
- £0.142m – Drawdown of Environmental Task Force Funding
- £0.060m – Transfer of Duke of Edinburgh Funding from Children's Services

4.2. Members are also asked to approve an option which will allow the HRA reserves budget to be reinstated by a £0.300m recurrent saving, as per the agreed actions arising from the Council meeting of 2 March 2023. It is proposed that a recurring saving of £0.300m can be achieved by redesigning the delivery of elements of housing management services through management actions. These proposals will result in no reduction on existing service levels delivered to tenants.

## **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 is £30.795m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates net budget adjustments in the approved capital programme for Communities and Housing Services of £0.517m, as explained in 6.1 below.

## **6. Capital Budget Adjustments**

- 6.1. Since the budget was approved on 2 March 2023, budget changes totalling £0.517m have arisen, which reflect the following:
- Budget increase of £0.517m in 2023/24, to reflect the Public Sector Housing Grant (PSHG) Investment Project 23/24 approved by the Communities and Housing Policy Board on 16 May 2023.

## Implications of this report

1. **Financial** – The projected budget outturn position for Communities and Housing Services Revenue budget is an underspend of £0.343m (2.4% of total budget). 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 23 June 2023**

**POLICY BOARD : COMMUNITIES AND HOUSING - All SERVICES**

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget at Period 3	Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	%
Housing Revenue Account (HRA)	0	0	0	0	0	0.0%
Housing - General Services (Not HRA)	4,539	367	4,906	4,906	0	0.0%
Communities and Public Protection (including Regulatory Services)	5,838	224	6,062	5,719	343	5.7%
Criminal Justice	3,190	0	3,190	3,190	0	0.0%
<b>NET EXPENDITURE</b>	<b>13,567</b>	<b>591</b>	<b>14,158</b>	<b>13,815</b>	<b>343</b>	<b>2.4%</b>

Objective Heading	Key Reasons for Projected Variance
Housing Revenue Account (HRA)	An underspend in employee costs is projected due to the timing of recruitment of vacancies within the service. Property costs are projected to overspend, reflecting ongoing demands for repair and maintenance provision, particularly in void properties, as well as additional Council Tax costs for these properties. Transfer payments are forecast to overspend, owing to the impact of repairs pressures on void rent loss. 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)	Within Property Costs there is increasing demand for homelessness accommodation, impacting on rental costs, Council Tax and furniture for temporary accommodation units. This forecast overspend is expected to be offset by additional rental income received in relation to these units. All budget lines are being closely monitored with an aim to mitigate the overspends anticipated as a result of these demand pressures.
Communities and Public Protection	The projected underspend here relates to vacancies within the service, which are currently being reviewed by operational management.
Criminal Justice	No significant projected year end variances to report.

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2023/24**  
**1 April 2023 to 23 June 2023**

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

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget at Period 3	Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	%
Employees	11,503	876	12,379	12,244	135	1.1%
Premises Related	1,779	211	1,990	2,217	(227)	(11.4%)
Transport Related	172	(2)	170	197	(27)	(15.9%)
Supplies and Services	2,307	934	3,241	3,203	38	1.2%
Third Party Payments	87	0	87	84	3	3.4%
Transfer Payments	3,151	(516)	2,635	2,679	(44)	(1.7%)
Support Services	55	1	56	28	28	50.0%
Depreciation and Impairment Losses	(23)	0	(23)	(18)	(5)	(21.7%)
<b>GROSS EXPENDITURE</b>	<b>19,031</b>	<b>1,504</b>	<b>20,535</b>	<b>20,636</b>	<b>(101)</b>	<b>(0.5%)</b>
Income	(5,464)	(913)	(6,377)	(6,821)	444	7.0%
<b>NET EXPENDITURE</b>	<b>13,567</b>	<b>591</b>	<b>14,158</b>	<b>13,815</b>	<b>343</b>	<b>2.4%</b>

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget at Period 3	Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	%
Employees	11,007	(241)	10,766	10,476	290	2.7%
Premises Related	20,397	0	20,397	21,322	(925)	(4.5%)
Transport Related	103	0	103	51	52	50.5%
Supplies and Services	792	(59)	733	787	(54)	(7.4%)
Third Party Payments	49	0	49	137	(88)	(179.6%)
Transfer Payments	4,190	300	4,490	4,969	(479)	(10.7%)
Support Services	2,492	0	2,492	2,447	45	1.8%
Depreciation and Impairment Losses	19,089	0	19,089	19,089	0	0.0%
GROSS EXPENDITURE	58,119	0	58,119	59,277	(1,158)	(2.0%)
Income	(58,119)	0	(58,119)	(59,277)	1,158	2.0%
NET EXPENDITURE	0	0	0	0	0	0.0%



RENFREWSHIRE COUNCIL  
CAPITAL INVESTMENT STRATEGY  
1st April to 23rd June 2023  
POLICY BOARD: COMMUNITIES & HOUSING

Project Title	Prior Years Expenditure to 31/03/2023 £000	Current Year 2023-24						Full Programme - All years			
		Approved Budget 2023-24 £000	Budget Adjustments in 2023-24 £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	
<b>HOUSING(HRA)</b>											
Improvements To Existing Properties	0	13,390	0	13,390	13,390	0	0%	114,025	114,025	0	0%
Regeneration	7,045	9,378	0	9,378	9,378	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	1,550	0	1,550	1,550	0	0%	1,550	1,550	0	0%
Council House New Build	33,782	1,680	0	1,680	1,680	0	0%	74,599	74,599	0	0%
Professional Fees	0	1,865	0	1,865	1,865	0	0%	9,615	9,615	0	0%
<b>Total Housing(HRA) Programme</b>	<b>40,827</b>	<b>29,678</b>	<b>0</b>	<b>29,678</b>	<b>29,678</b>	<b>0</b>	<b>0%</b>	<b>319,242</b>	<b>319,242</b>	<b>0</b>	<b>0%</b>
<b>HOUSING(PSHG)</b>											
Private Sector Housing Grant Programme	0	600	517	1,117	1,117	0	0%	1,117	1,117	0	0%
<b>Total Housing(PSHG) Programme</b>	<b>0</b>	<b>600</b>	<b>517</b>	<b>1,117</b>	<b>1,117</b>	<b>0</b>	<b>0%</b>	<b>1,117</b>	<b>1,117</b>	<b>0</b>	<b>0%</b>
<b>TOTAL COMMUNITIES, HOUSING &amp; PLANNING BOARD</b>	<b>40,827</b>	<b>30,278</b>	<b>517</b>	<b>30,795</b>	<b>30,795</b>	<b>0</b>	<b>0%</b>	<b>320,359</b>	<b>320,359</b>	<b>0</b>	<b>0%</b>

\*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.