

To: Communities and Housing Policy Board

On: 12 March 2024

Report by: Director of Finance and Resources

Heading: General Services Revenue, Housing Revenue Account (HRA) and Capital Budget Monitoring as at 5 January 2024

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 overspend of £0.021m against the revised budget for the year in General Services 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 £21.451m 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 (Non-HRA)	4,667	4,688	(21)	(0.4%)
Communities and Public Protection	5,927	5,927	0	0%
Criminal Justice	3,843	3,843	0	0%
Board Total – Revenue	14,437	14,458	(21)	(0.1%)

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	1,073	1,073	0	0%
Board Total – Capital	21,451	21,451	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 overspend of £0.021m 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 within Housing – General Services Non-HRA, 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 long-term financial pressures for Council services. Projections of these pressures will continue to be reviewed and reported to future Communities and Housing Policy Boards as required.
- 3.5. The main reasons 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, a budget adjustment totalling (£0.016m) relating to Non-Domestic Rates.

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.
- 5.2. The Capital Monitoring report at Appendix 2 indicates a revised budget in 2023/24 for Communities and Housing Services of £21.451m.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes totalling £0.044m have arisen which reflect the following PSHG capital projects:
- Budget carried forward from 2023/24 into 2024/25 of (£0.044m)
 - Owners In Council House Schemes – (£0.040m)
 - Fees/Consultancy/Title Clearance – (£0.004m)
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Implications of this report

1. **Financial** – The projected budget outturn position for Communities and Housing Services Revenue budget is projected overspend of £0.021m. 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**

The Capital Plan Investment programme includes Capital projects that 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**

The Capital Plan Investment programme includes investment in Council assets and facilities to ensure they remain safe and accessible in line with statutory obligations.

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

Investment in Council assets improves energy efficiency, reducing the Council's carbon footprint and helping it achieve its Net Zero by 2030 target.

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 5 January 2024

POLICY BOARD : COMMUNITIES AND HOUSING - All SERVICES

Objective Summary	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
Housing Revenue Account (HRA)	0	0	0	0	0	0.0%	0	0
Housing - General Services (Not HRA)	4,682	(15)	4,667	4,688	(21)	(0.4%)	0	(21)
Communities and Public Protection (including Regulatory Services)	5,926	1	5,927	5,927	0	0.0%	0	0
Criminal Justice	3,845	(2)	3,843	3,843	0	0.0%	0	0
NET EXPENDITURE	14,453	(16)	14,437	14,458	(21)	(0.1%)	0	(21)

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 reduced loan charges and additional interest received on balances. Overall, the HRA is therefore still projected to break even at year-end.
Housing - General Services (Non-HRA)	There is a continuing increased demand for homelessness accommodation, impacting on rental costs, Council Tax and furniture for temporary accommodation units. The forecasted overspends are expected to be partially offset by additional rental income received in relation to these units. As previously reported, 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. This increasing demand on services is 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. Projections will be monitored and revised as the situation continues to develop.
Communities and Public Protection	Employee costs are projected to underspend which is due to vacancies within the service, part of this underspend has been allocated against spend across other budget lines and overall, the service is projected to break-even at year end.
Criminal Justice	No significant projected year end variances to report.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 5 January 2024

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

Subjective Summary	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	12,324	(1)	12,323	12,153	170	1.4%	198	(28)
Premises Related	1,945	(16)	1,930	2,388	(458)	(23.7%)	(236)	(222)
Transport Related	171	0	171	314	(143)	(83.6%)	(530)	387
Supplies and Services	3,354	0	3,354	3,861	(507)	(15.1%)	143	(650)
Third Party Payments	87	0	87	88	(1)	(1.1%)	(20)	19
Transfer Payments	2,382	(1)	2,381	2,879	(498)	(20.9%)	(284)	(214)
Support Services	54	0	54	20	34	63.0%	26	8
Depreciation and Impairment Losses	(23)	0	(23)	(18)	(5)	(21.7%)	(5)	0
GROSS EXPENDITURE	20,294	(18)	20,276	21,684	(1,408)	(6.9%)	(708)	(700)
Income	(5,841)	2	(5,839)	(7,226)	1,387	23.8%	708	679
NET EXPENDITURE	14,453	(16)	14,437	14,458	(21)	(0.1%)	0	(21)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 5 January 2024

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

Subjective Summary	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	11,098	0	11,098	10,709	389	3.5%	226	163
Premises Related	20,288	0	20,288	23,057	(2,769)	(13.6%)	(2,579)	(190)
Transport Related	103	0	103	52	51	49.5%	52	(1)
Supplies and Services	733	0	733	684	49	6.7%	(10)	59
Third Party Payments	49	0	49	49	0	0.0%	0	0
Transfer Payments	4,399	0	4,399	5,044	(645)	(14.7%)	(793)	148
Support Services	2,492	0	2,492	2,455	37	1.5%	37	0
Depreciation and Impairment Losses	19,089	0	19,089	18,711	378	2.0%	0	378
GROSS EXPENDITURE	58,251	0	58,251	60,761	(2,510)	(4.3%)	(3,067)	557
Income	(58,251)	0	(58,251)	(60,761)	2,510	4.3%	3,067	(557)
NET EXPENDITURE	0	0	0	0	0	0.0%	0	0

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY
1st April to 5th January 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 P8 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	5,414	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	46,651	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	(44)	1,073	1,073	0	0%	1,117	1,117	0	0%
Total Housing(PSHG) Programme	0	1,117	(44)	1,073	1,073	0	0%	1,117	1,117	0	0%
TOTAL COMMUNITIES, HOUSING & PLANNING BOARD	46,651	21,495	(44)	21,451	21,451	0	0%	319,898	319,898	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.