

To: Communities, Housing and Planning Services Policy Board

On: 27th October 2020

Report by: Director of Finance and Resources

Heading: HRA, Revenue and Capital Budget Monitoring as at 18 September 2020

1. Summary of Financial Position

- 1.1. The projected revenue outturn at 31 March 2021 for all services (including the housing revenue account) reporting to the Communities, Housing and Planning Policy Board is an overspend position of £0.124m (0.9%) against the revised budget for the year.
- 1.2. The projected capital outturn at 31 March 2021 for projects reported to the Communities, Housing and Planning Policy Board is a breakeven position against the revised budget for the year.
- 1.3. This is summarised over the relevant services in the table below and further analysis is provided in the Appendices.
- 1.4. For the financial year 2020/21, the projected outturn position is split into Core (or business as usual) and COVID-19 related variances to help readers understand the impact of the pandemic on service finances.

Table 1: Revenue						
Division / Department	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Housing Revenue Account (HRA)	£0	(£388)	(£24)	(£412)	£412	0%
Development & Housing Directorate	(£192)	(£192)	£0	(£192)	£0	0%
Planning and Housing	£5,881	£5,970	£425	£6,395	(£514)	(8.7%)

Table 1: Revenue						
Division / Department	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Communities and Public Protection (excluding Regulatory Services)	£3,877	£3,677	£222	£3,899	(£22)	(0.6%)
Criminal Justice	£3,508	£3,501	£7	£3,508	(£0)	(0%)

Table 2: Capital						
Division / Department	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Housing Revenue Account (HRA)	£19,918	£19,918	£0	£19,918	£0	0%
Other Housing PSHG	£1,113	£1,113	£0	£1,113	£0	0%
Development & Housing Projects – Green network	£65	£65	£0	£65	£0	0%

2. Recommendations

Members are requested to:

- 2.1. Note the projected HRA and 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 report at Appendix 1 identifies a projected overspend of £0.124 million (0.9% of total budget) for all services reporting to this Policy Board. Detailed division service reports can be 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. Any changes to these projections will be detailed in future reports to the Board.
- 3.3. The main reason for the projected outturn positions are indicated below the 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 that budget adjustments totalling an increase of £99k in budget have been processed since the previous finance report to board. These relate wholly to:

- £112k increase in budget reflecting the drawdown of specific grant for the Rapid Rehousing Project
- £7k reduction in budget reflecting the in-year savings in employee costs due to the “buy back of annual leave scheme”
- £6k reduction in budget reflecting payroll virements within Community Protection

It should also be noted that the Housing Benefit function transferred from CHAPS to Finance & Resources and this transfer is reflected in the movements column in appendix 1 under transfer payments and income.

5. Communities, Housing and Planning Services Capital

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9th March 2020. The current programme is £21.096m
- 5.2. Further detail, including reasons for significant variances (where applicable), can be found at Appendix 2.

6. Capital Budget Adjustments

- 6.1. Since the last report there have been no budget changes.

Implications of this report

1. **Financial** – The projected budget outturn position for Communities, Housing and Planning Services Revenue budget is an overspend of £0.124m. 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, Housing and Planning Services' Capital budget is breakeven. 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 2020/21 and Housing Capital Investment Plan 2020/21 to 2022/23;

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2020/21 – 24/25. Council, 9th March 2020.

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
27th June 2020 to 18th September 2020

POLICY BOARD : COMMUNITIES, HOUSING AND PLANNING SERVICES - All SERVICES

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Housing Revenue Account (HRA)	0	0	0	(388)	(24)	(412)	412	0.0%	2,166	(2,578)
Development & Housing Directorate	(192)	0	(192)	(192)		(192)	0	0.0%	(192)	0
Planning & Housing Services	5,772	109	5,881	5,970	425	6,395	(514)	(8.7%)	7,656	(1,261)
Communities and Public Protection (excluding Regulatory Services)	3,885	(8)	3,877	3,677	222	3,899	(22)	(0.6%)	3,924	(25)
Criminal Justice	3,510	(2)	3,508	3,501	7	3,508	0	0.0%	3,510	(2)
NET EXPENDITURE	12,975	99	13,074	12,568	630	13,198	(124)	(0.9%)	17,064	(3,866)

Objective Heading	Key Reasons for Projected Variance
Housing Revenue Account (HRA)	The HRA is projecting a year end underspend of £412k and this is after making provision to fund all COVID related costs and loss of income. The projected underspend is mainly due to a combination of vacant posts within the service and an underspend in contractors payments as a result of the COVID related restrictions placed on contractors limiting their capacity to undertake planned maintenance / voids during the first 6 months of the year.
Development & Housing Directorate	No projected year end variances to report
Planning & Housing Services	The projected year end overspend is £514k and this is principally due to additional costs due to COVID. These additional costs relate to staff overtime to keep critical services within Homeless functions in operation. Supplies and services are also projected to overspend re additional bed and breakfast/ short stay facilities required to house Homeless people and meet service demands and responsibilities. It should be noted that, whilst we are still projecting planning and building standards fees being online, there is a risk that these services will under-recover over the financial year due to reduced customer applications etc.
Communities and Public Protection (excluding Regulatory Services)	Public Protection is projecting a year end overspend of £22k and this is after making provision of £222k to fund all COVID related under-recoveries in income. The overspend due to Covid is being offset by underspends in employee costs due to vacancies.
Criminal Justice	No projected year end variances to report

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
27th June 2020 to 18th September 2020

POLICY BOARD : COMMUNITIES, HOUSING AND PLANNING SERVICES - All SERVICES

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	19,370	438	19,808	19,150	179	19,329	479	2.4%	19,131	198
Premises Related	16,266	(75)	16,191	16,369	(680)	15,689	502	3.1%	17,887	(2,198)
Transport Related	294	0	294	225		225	69	23.6%	324	(99)
Supplies and Services	2,917	72	2,989	2,993	46	3,039	(50)	(1.7%)	2,981	58
Third Party Payments	395	0	395	415		415	(20)	(5.1%)	406	9
Transfer Payments	6,219	(64)	6,155	6,444		6,444	(289)	(4.7%)	69,651	(63,207)
Support Services	3,853	0	3,853	3,827		3,827	26	0.7%	3,850	(23)
Depreciation and Impairment Losses	21,821	(23)	21,798	21,798		21,798	0	0.0%	21,821	(23)
GROSS EXPENDITURE	71,137	348	71,485	71,221	(455)	70,766	719	1.0%	136,051	(65,285)
Income	(58,162)	(249)	(58,411)	(58,653)	1,085	(57,568)	(843)	(1.4%)	(118,987)	61,419
NET EXPENDITURE	12,975	99	13,074	12,568	630	13,198	(124)	(0.9%)	17,064	(3,866)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
27th June 2020 to 18th September 2020

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

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	8,924	0	8,924	8,565	71	8,636	288	3.2%	8,665	(29)
Premises Related	14,816	(90)	14,726	14,731	(998)	13,733	993	6.7%	16,285	(2,552)
Transport Related	102	0	102	34		34	68	66.7%	102	(68)
Supplies and Services	714	0	714	698	38	736	(22)	(3.1%)	775	(39)
Third Party Payments	0	0	0	0		0	0	0.0%	0	0
Transfer Payments	3,910	0	3,910	3,910		3,910	0	0.0%	3,911	(1)
Support Services	2,425	0	2,425	2,400		2,400	25	1.0%	2,425	(25)
Depreciation and Impairment Losses	21,821	0	21,821	21,821		21,821	0	0.0%	21,821	0
GROSS EXPENDITURE	52,712	(90)	52,622	52,159	(889)	51,270	1,352	2.6%	53,984	(2,714)
Income	(52,712)	90	(52,622)	(52,547)	865	(51,682)	(940)	(1.8%)	(51,818)	136
NET EXPENDITURE	0	0	0	(388)	(24)	(412)	412	0.0%	2,166	(2,578)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 28th September 2020
POLICY BOARD: COMMUNITIES, HOUSING & PLANNING

Project Title	Prior Years Expenditure to 31/03/2020*	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21	Budget Adjustments in 2020-21	Revised Budget 2020-21	Projected Outturn 2020-21	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-25	Projected Outturn to 31-Mar-25	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000			£000	£000		
HOUSING(HRA)											
Improvements To Existing Properties	0	13,420	(7,515)	5,905	5,905	0	0%	38,300	38,300	0	0%
Regeneration	4,132	425	200	625	625	0	0%	6,262	6,262	0	0%
Other Assets	0	3,970	(530)	3,440	3,440	0	0%	9,050	9,050	0	0%
Non Property Expenditure	0	1,190	(102)	1,088	1,088	0	0%	1,230	1,230	0	0%
Council House New Build	21,201	10,110	(2,350)	7,760	7,760	0	0%	62,913	62,913	0	0%
Professional Fees	0	1,100	0	1,100	1,100	0	0%	3,450	3,450	0	0%
Total Housing(HRA) Programme	25,333	30,215	(10,297)	19,918	19,918	0	0%	121,205	121,205	0	0%
HOUSING(PSHG)											
Private Sector Housing Grant Programme	0	2,050	(937)	1,113	1,113	0	0%	2,263	2,263	0	0%
Total Housing(PSHG) Programme	0	2,050	(937)	1,113	1,113	0	0%	2,263	2,263	0	0%
DEVELOPMENT & HOUSING SERVICES											
Local Green Area Networks Projects	0	65	0	65	65	0	0%	135	135	0	0%
Total Development & Housing	0	65	0	65	65	0	0%	135	135	0	0%
TOTAL COMMUNITIES, HOUSING & PLANNING BOARD	25,333	32,330	(11,234)	21,096	21,096	0	0%	123,603	123,603	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.

Objective Heading	Key Reasons for Potential Variance