

**To:** Communities and Housing Policy Board

**On:** 17 January 2023

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

**Heading:** General Services Revenue, Housing Revenue Account (HRA) and Capital Budget Monitoring as at 11 November 2022

## 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 underspend position of £0.040m (0.3%) against the revised budget for the year. This can be further analysed as a projected underspend in General Services activities of £0.040m 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 £22.492m 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>Total Projected Outturn £000</b>	<b>Budget Variance £000</b>	<b>Budget Variance %</b>
Housing Revenue Account (HRA)	£0	£0	£0	£0	0%
Communities & Housing Directorate	£12	£67	£67	(£55)	(458%)
Housing - General Services (Not HRA)	£5,180	£5,451	£5,451	(£271)	(5%)
Communities and Public Protection (including Regulatory Services)	£5,861	£5,495	£5,495	£366	6%
Criminal Justice	£3,464	£3,464	£3,464	£0	0%

<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)	£21,200	£21,200	£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 underspend of £0.040m (0.3% 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 £0.040m. This includes an estimated underspend in employee costs within the Public Protection Service and this incorporates an anticipated increase in utility costs.

## **4. Revenue Budget Adjustments**

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling (£0.153m) have been processed since the previous finance report to board. These relate wholly to:
  - £0.029m – Increased National Insurance Allocation
  - £0.067m – Transfer of Future Paisley Funding
  - (£0.249m) – 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 £22.492m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates net budget adjustments in the approved capital programme for Communities and Housing Services of (£5.595m) within HRA to reflect revised cash flows following contract awards. Along with budget adjustments reported to previous meetings of the Policy Board, this brings the total net budget adjustments in 2022/23 to £8.549m.

## **6. Capital Budget Adjustments**

- 6.1. Since the last report, budget changes totalling £5.595m have arisen which reflect the following:

Budget Carried Forward to 2023-24 from 2022-23 (£5.595m):

- **HRA**
    - Improvements to Existing Properties (£1.140m) largely related to cash flow timings for external improvements after contracts have been approved;
    - Regeneration (£2.575m) for Howard Street refurbishments now expected to commence in early 2023/24;
    - Other Assets (£0.700m) for timing of work in Laundrette Refurbishments and Sheltered Amenity Housing;
    - Council House New Build (£1.180m) to reflect full completion of Tannahill expected in August 2023.
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## Implications of this report

1. **Financial** – The projected budget outturn position for Communities and Housing Services Revenue budget is an underspend of £0.040m (0.3% 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.

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**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 11 November 2022**

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

Objective Summary	Approved 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
Housing Revenue Account (HRA)	0	0	0	0	0	0.0%	0	0
Communities and Housing Directorate	11	1	12	67	(55)	(458.3%)	(2)	(53)
Housing - General Services (Not HRA)	5,172	8	5,180	5,451	(271)	(5.2%)	(63)	(208)
Communities and Public Protection (including Regulatory Services)	5,774	87	5,861	5,495	366	6.2%	93	273
Criminal Justice	3,713	(249)	3,464	3,464	0	0.0%	0	0
<b>NET EXPENDITURE</b>	<b>14,670</b>	<b>(153)</b>	<b>14,517</b>	<b>14,477</b>	<b>40</b>	<b>0.3%</b>	<b>28</b>	<b>12</b>

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 £2m against budget reflecting current levels of demand and cost increases. The resultant overspend will be managed in year through decreased debt repayments, this is in line with the councils financial strategy of debt smoothing.
Communities and Housing Directorate	This overspend reflects the current recharge level to the HRA, this overspend is managed within the overall budget across all services.
Housing - General Services (Not HRA)	There is a projected overspend of £0.271m reflecting current demands on the service. This is partially due to increases in utility costs of £0.037m, the demand for furniture for homelessness accommodation of £0.112m. In addition, the cost of Void rental loss is projected to be an overspend of £0.091m and increased Council Tax liability due to voids is projected to overspend by £0.045m. All budget lines will be closely monitored with a view to managing the impact of this projected overspend.
Communities and Public Protection (including Regulatory Services)	The significant underspend, and movement from Period 6, represents the ongoing difficulties in recruitment with Public Protection. In addition, there is a staff turnover saving included for Senior Management posts in this service which became vacant during the year. Within the Community Learning & Development Service, there is a reduction in Payments to Other Bodies, along with an over recovery of income for staffing costs for the provision of 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 11 November 2022**

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

Subjective Summary	Approved 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	11,541	133	11,674	11,580	94	0.8%	(19)	113
Premises Related	1,679	104	1,783	1,870	(87)	(4.9%)	(64)	(23)
Transport Related	172	(1)	171	235	(64)	(37.2%)	(60)	(4)
Supplies and Services	2,488	354	2,842	2,989	(147)	(5.2%)	(123)	(24)
Third Party Payments	87	(2)	85	84	1	1.4%	1	0
Transfer Payments	2,397	162	2,559	2,484	75	2.9%	20	55
Support Services	1,091	0	1,091	1,097	(6)	(0.5%)	(8)	2
Depreciation and Impairment Losses	(23)	0	(23)	(23)	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>19,431</b>	<b>751</b>	<b>20,182</b>	<b>20,317</b>	<b>(135)</b>	<b>(0.7%)</b>	<b>(253)</b>	<b>117</b>
Income	(4,761)	(904)	(5,665)	(5,840)	175	3.1%	281	(106)
<b>NET EXPENDITURE</b>	<b>14,670</b>	<b>(153)</b>	<b>14,517</b>	<b>14,477</b>	<b>40</b>	<b>0.3%</b>	<b>28</b>	<b>12</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2022/23**  
**1 April 2022 to 11 November 2022**

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

Subjective Summary	Approved 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	10,568	(37)	10,531	9,711	820	7.8%	1,037	(217)
Premises Related	16,352	95	16,447	18,784	(2,337)	(14.2%)	(2,333)	(4)
Transport Related	103	0	103	60	43	41.7%	7	36
Supplies and Services	737	(58)	679	674	5	0.7%	(55)	60
Third Party Payments	27	0	27	129	(102)	(377.8%)	(45)	(57)
Transfer Payments	3,900	0	3,900	3,957	(57)	(1.5%)	(221)	164
Support Services	2,490	0	2,490	2,469	21	0.8%	(3)	24
Depreciation and Impairment Losses	20,775	0	20,775	18,354	2,421	11.7%	2,501	(80)
<b>GROSS EXPENDITURE</b>	<b>54,952</b>	<b>0</b>	<b>54,952</b>	<b>54,137</b>	<b>814</b>	<b>1.5%</b>	<b>887</b>	<b>(75)</b>
Income	(54,952)	0	(54,952)	(54,137)	(814)	(1.5%)	(887)	75
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>



RENFREWSHIRE COUNCIL  
CAPITAL INVESTMENT STRATEGY  
1st April to 11th November 2022  
POLICY BOARD: COMMUNITIES & HOUSING

		Current Year 2022-23						Full Programme - All years			
Project Title	Prior Years Expenditure to 31/03/2022	Approved Budget 2022-23	Budget Adjustments in 2022-23	Revised Budget 2022-23	Projected Outturn 2022-23	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-27	Projected Outturn to 31-Mar-27	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000			£000	£000		
<b>HOUSING(HRA)</b>											
Improvements To Existing Properties	0	10,967	(3,827)	7,140	7,140	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%
<b>Total Housing(HRA) Programme</b>	<b>38,415</b>	<b>29,995</b>	<b>(8,795)</b>	<b>21,200</b>	<b>21,200</b>	<b>0</b>	<b>0%</b>	<b>160,634</b>	<b>160,634</b>	<b>0</b>	<b>0%</b>
<b>HOUSING(PSHG)</b>											
Private Sector Housing Grant Programme	0	1,046	246	1,292	1,292	0	0%	1,292	1,292	0	0%
<b>Total Housing(PSHG) Programme</b>	<b>0</b>	<b>1,046</b>	<b>246</b>	<b>1,292</b>	<b>1,292</b>	<b>0</b>	<b>0%</b>	<b>1,292</b>	<b>1,292</b>	<b>0</b>	<b>0%</b>
<b>TOTAL COMMUNITIES, HOUSING &amp; PLANNING BOARD</b>	<b>38,415</b>	<b>31,041</b>	<b>(8,549)</b>	<b>22,492</b>	<b>22,492</b>	<b>0</b>	<b>0%</b>	<b>161,926</b>	<b>161,926</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.