

To: Communities, Housing and Planning Services Policy Board

On: 19th January 2021

Report by: Director of Finance and Resources

Heading: HRA, Revenue and Capital Budget Monitoring as at 13 November 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 £1.031m (7.9%) 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	(£617)	£959	£342	(£342)	0%
Development & Housing Directorate	(£192)	(£192)	£0	(£192)	£0	0%
Planning and Housing	£5,881	£6,046	£426	£6,472	(£591)	10%

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)	£3,916	£3,698	£316	£4,014	(£98)	2.5%
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)	£13,323	£13,323	£0	£13,323	£0	0%
Other Housing PSHG	£913	£913	£0	£913	£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 £1.031m million (7.9% 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 a net increase of £39k in budget have been processed since the previous finance report to board. This relates to
- £40k increase in budget reflecting the drawdown of funds for the tackling poverty project for streetstuff activities, and
 - A 1k increase in income budgets reflecting the CHAPS proportion of the increase in Sales, Fees and Charges as contained in the relevant 2020/21 budget motion.

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 £14.301m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £6.795m, largely within HRA as a result of adjustments to cash flows due to delays to start dates because of the ongoing Covid-19 pandemic.
- 5.3. 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, budget changes totalling £6.795m have arisen which reflect the following:

Budget re-profiled from 2020-21 to 2021-22 (£6.795m):

- **HRA**
 - Improvements to Existing Properties (£2.656m) mainly as a result in changes of the timing in planned External Improvements due to Covid-19;
 - Council House New Build (£3.310m) largely due to changes in the start date of Tannahill New Build;
 - Other Assets (£0.629m) due to cashflow timings of Smoke & Heater Detector Installations and Disables Adaptations;

- **PSHG**

- PSHG (£0.200m) due to a revision of cash flows for payments of grants in relation to Owners in Council House Schemes and Disabled Adaptations.

Implications of this report

1. **Financial** – The projected budget outturn position for Communities, Housing and Planning Services Revenue budget is an overspend of £1.031m or 7.9%. 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
1st April 2020 to 13th November 2020

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

Objective Summary	Revised Annual Budget at Period 6	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Housing Revenue Account (HRA)	0	0	0	(617)	959	342	(342)	0.0%	412	(754)
Development & Housing Directorate	(192)	0	(192)	(192)	0	(192)	0	0.0%	0	0
Planning & Housing Services	5,881	0	5,881	6,046	426	6,472	(591)	(10.0%)	(514)	(77)
Communities and Public Protection (excluding Regulatory Services)	3,877	39	3,916	3,698	316	4,014	(98)	(2.5%)	(22)	(76)
Criminal Justice	3,508	0	3,508	3,501	7	3,508	0	0.0%	0	0
NET EXPENDITURE	13,074	39	13,113	12,436	1,708	14,144	(1,031)	(7.9%)	(124)	(907)

Objective Heading	Key Reasons for Projected Variance
Housing Revenue Account (HRA)	The projected year end overspend is £342k and this is after incurring HRA related COVID costs/loss of income amounting to £959k. The HRA is utilising in year underspends in employee costs due to vacancies, underspends in premises waste disposal costs and underspends in transport costs/staff mileage to partially mitigate the additional COVID costs. Projected expenditure on payments to Building Services and other contractors for maintenance works have also been updated reflecting their capacity to undertake works until the end of the financial year.
Development & Housing Directorate	No projected year end variances to report.
Planning & Housing Services	The projected year end overspend is £591k 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. Planning Fees and Building Standard fees remain online at period 8 however It should be noted that there is a risk that these services will under-recover between now and the end of the financial year end.
Communities and Public Protection (excluding Regulatory Services)	Public Protection is projecting a year end overspend of £98k and this is after incurring £316k of COVID related expenditure and income under-recoveries for services such as community learning and pest control. The overspend due to Covid is being partially offset by underspends in employee costs due to vacancies and underspends in property maintenance/cleaning costs.
Criminal Justice	No year end variances to report

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 13th November 2020

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

Subjective Summary	Revised Annual Budget at Period 6	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	19,808	(0)	19,808	19,005	208	19,213	595	3.0%	479	116
Premises Related	16,191	75	16,266	16,362	308	16,670	(404)	(2.5%)	502	(906)
Transport Related	294	(3)	291	231	8	239	52	17.9%	69	(17)
Supplies and Services	2,989	43	3,032	3,071	39	3,110	(78)	(2.6%)	(50)	(28)
Third Party Payments	395	0	395	415	0	415	(20)	(5.1%)	(20)	0
Transfer Payments	6,155	223	6,378	6,488	0	6,488	(110)	(1.7%)	(289)	179
Support Services	3,853	(0)	3,853	3,838	0	3,838	15	0.4%	26	(11)
Depreciation and Impairment Losses	21,798	(0)	21,798	21,798	0	21,798	0	0.0%	0	(0)
GROSS EXPENDITURE	71,485	336	71,821	71,208	563	71,771	50	0.1%	719	(669)
Income	(58,411)	(297)	(58,708)	(58,772)	1,145	(57,627)	(1,081)	(1.8%)	(843)	(238)
NET EXPENDITURE	13,074	39	13,113	12,436	1,708	14,144	(1,031)	(7.9%)	(124)	(907)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 13th November 2020

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

Subjective Summary	Revised Annual Budget at Period 6	New 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	8,386	71	8,457	467	5.2%	288	179
Premises Related	14,816	(90)	14,726	14,711	(15)	14,696	30	0.2%	993	(963)
Transport Related	102	0	102	43	0	43	59	57.8%	68	(9)
Supplies and Services	714	0	714	677	38	715	(1)	(0.1%)	(22)	21
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	3,910	0	3,910	3,911	0	3,911	(1)	0.0%	0	(1)
Support Services	2,425	0	2,425	2,408	0	2,408	17	0.7%	25	(8)
Depreciation and Impairment Losses	21,821	0	21,821	21,821	0	21,821	0	0.0%	0	0
GROSS EXPENDITURE	52,712	(90)	52,622	51,957	94	52,051	571	1.1%	1,352	(781)
Income	(52,712)	90	(52,622)	(52,574)	865	(51,709)	(913)	(1.7%)	(940)	27
NET EXPENDITURE	0	0	0	(617)	959	342	(342)	0.0%	412	(754)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 13th November 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 £000	Projected Outturn to 31-Mar-25 £000	Budget Variance (Adverse) or Favourable	
		£000	£000	£000	£000						
HOUSING(HRA)											
Improvements To Existing Properties	0	13,420	(10,221)	3,199	3,199	0	0%	38,250	38,250	0	0%
Regeneration	4,132	425	(100)	325	325	0	0%	6,262	6,262	0	0%
Other Assets	0	3,970	(1,109)	2,861	2,861	0	0%	9,100	9,100	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	(5,360)	4,750	4,750	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	(16,892)	13,323	13,323	0	0%	121,205	121,205	0	0%
HOUSING(PSHG)											
Private Sector Housing Grant Programme	0	2,050	(1,137)	913	913	0	0%	2,263	2,263	0	0%
Total Housing(PSHG) Programme	0	2,050	(1,137)	913	913	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	(18,029)	14,301	14,301	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