
To: Communities, Housing and Planning Services Policy Board

On: 18th May 2021

Report by: Director of Finance and Resources

Heading: HRA, Revenue and Capital Budget Monitoring as at 5th March 2021

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 £1.137m (8.6%) 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.

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	(£224)	£874	£650	(£650)	0%
Development & Housing Directorate	(£194)	(£192)	0	(£192)	(£2)	(1%)
Planning and Housing	£5,881	£5,829	£368	£6,197	(£316)	(5.4%)

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)	£4,007	£3,898	£278	£4,176	(£169)	(4.2%)
Criminal Justice	£3,508	£3,500	£8	£3,508	0	0%

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)	£8,928	£8,928	£0	£8,928	£0	0%
Other Housing PSHG	£777	£777	£0	£777	£0	0%
Development & Housing Projects – Green network	£65	£8	£0	£8	£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 £1.137million (8.6% 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 reductions totalling £211k have been processed since the previous finance report to board. These adjustments relate to
- A reduction in budget of £209k for employee costs as a result of the Community Development and Community Protection workstreams within the Right for Renfrewshire Programme, and a
 - Transfer of £2k to Finance and Resources representing a centralisation of budget resources to fund the cost of the Councils Copyright Licence.

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 £9.713m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates net adjustments within the approved capital programme of £0.784m largely as a result of changes in cash flow timings.
- 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 £0.784m have arisen which reflect the following:

Budget brought forward from 2021-22 to 2020-21 (£0.430m):

- **HRA**
 - Improvements to Existing Properties (£0.430m) mainly as a result of work within Kitchen, Bathroom, Rewiring and Heating occurring in the later part of 2020-21 rather than early 2021-22 as expected.

Budget carried forward to 2021-22 from 2020-21 (£1.214m):

- **HRA**
 - Other Assets (£0.433m) due to timing of Smoke and Heat Detector Installations over gaining access to properties as a result of the Covid-19 pandemic;
 - Council House New Build (£0.588m) as a result of updated profile of works for the Johnstone Castle New Build;

- **PSHG**
PSHG (£0.136m) as a result of updated timings regarding the payments of grants;
- **Development & Housing**
Local Green Area Projects (£0.057m) to reflect updated cash flows for the Semple Trail Heritage Project.

Implications of this report

1. **Financial** – The projected budget outturn position for Communities, Housing and Planning Services Revenue budget is an overspend of £1.137m or 8.6%. 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 to 5th March 2021

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

Objective Summary	Revised Annual Budget at Period 10	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	(224)	874	650	(650)	0.0%	(601)	(49)
Development & Housing Directorate	(192)	(2)	(194)	(192)	0	(192)	(2)	(1.0%)	0	(2)
Planning & Housing Services	5,881	0	5,881	5,829	368	6,197	(316)	(5.4%)	(570)	254
Communities and Public Protection (excluding Regulatory Services)	4,216	(209)	4,007	3,898	278	4,176	(169)	(4.2%)	(125)	(44)
Criminal Justice	3,508	0	3,508	3,500	8	3,508	0	0.0%	0	0
NET EXPENDITURE	13,413	(211)	13,202	12,811	1,528	14,339	(1,137)	(8.6%)	(1,296)	159

Objective Heading	Key Reasons for Projected Variance
Housing Revenue Account (HRA)	The projected year end overspend is £650k and this is after incurring HRA related COVID costs/loss of income amounting to £874k. The HRA is utilising in year underspends in employee costs due to vacancies 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. There is expected to be an under-recovery on interest received by the HRA in the current financial year.
Development & Housing Directorate	No projected year end variances to report.
Planning & Housing Services	The projected year end overspend is £316k and this is due to additional costs due to COVID of £368k. 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.
Communities and Public Protection (excluding Regulatory Services)	Public Protection is projecting a year end overspend of £169k and this is after incurring £278k 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 to 5th March 2021

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

Subjective Summary	Revised Annual Budget at Period 10	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	20,065	(209)	19,856	19,002	118	19,120	736	3.7%	722	14
Premises Related	16,042	(1)	16,041	16,517	803	17,320	(1,279)	(8.0%)	(944)	(335)
Transport Related	291	0	291	231	0	231	60	20.6%	45	15
Supplies and Services	3,075	(150)	2,925	3,022	23	3,045	(120)	(4.1%)	44	(164)
Third Party Payments	395	0	395	414	0	414	(19)	(4.8%)	(20)	1
Transfer Payments	6,378	0	6,378	6,633	(29)	6,604	(226)	(3.5%)	(138)	(88)
Support Services	3,853	(315)	3,538	3,541	0	3,541	(3)	(0.1%)	33	(36)
Depreciation and Impairment Losses	21,798	0	21,798	21,798	0	21,798	0	0.0%	0	0
GROSS EXPENDITURE	71,897	(675)	71,222	71,157	916	72,072	(850)	(1.2%)	(258)	(592)
Income	(58,484)	464	(58,020)	(58,345)	612	(57,733)	(287)	(0.5%)	(1,038)	751
NET EXPENDITURE	13,413	(211)	13,202	12,811	1,528	14,339	(1,137)	(8.6%)	(1,296)	159

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April to 5th March 2021

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

Subjective Summary	Revised Annual Budget at Period 10	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	8,303	39	8,342	582	6.5%	553	29
Premises Related	14,502	0	14,502	14,828	485	15,313	(811)	(5.6%)	(519)	(292)
Transport Related	102	0	102	49	0	49	53	52.0%	55	(2)
Supplies and Services	714	0	714	784	(1)	783	(69)	(9.7%)	(37)	(32)
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	3,910	0	3,910	4,071	(40)	4,031	(121)	(3.1%)	(7)	(114)
Support Services	2,425	0	2,425	2,449	0	2,449	(24)	(1.0%)	10	(34)
Depreciation and Impairment Losses	21,821	0	21,821	21,821	0	21,821	0	0.0%	0	0
GROSS EXPENDITURE	52,398	0	52,398	52,304	483	52,787	(389)	(0.7%)	55	(444)
Income	(52,398)	0	(52,398)	(52,528)	391	(52,137)	(261)	(0.5%)	(656)	395
NET EXPENDITURE	0	0	0	(224)	874	650	(650)	0.0%	(601)	(49)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 5th March 2021
POLICY BOARD: COMMUNITIES, HOUSING & PLANNING

Project Title	Prior Years Expenditure to 31/03/2020* £000	Current Year 2020-21					Full Programme - All years				
		Approved Budget 2020-21 £000	Budget Adjustments in 2020-21 £000	Revised Budget 2020-21 £000	Projected Outturn 2020-21 £000	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		
HOUSING(HRA)											
Improvements To Existing Properties	0	13,420	(11,313)	2,107	2,107	0	0%	38,428	38,428	0	0%
Regeneration	4,132	425	(92)	333	333	0	0%	6,282	6,282	0	0%
Other Assets	0	3,970	(2,141)	1,829	1,829	0	0%	9,240	9,240	0	0%
Non Property Expenditure	0	1,190	(142)	1,048	1,048	0	0%	1,366	1,366	0	0%
Council House New Build	21,201	10,110	(7,648)	2,462	2,462	0	0%	62,439	62,439	0	0%
Professional Fees	0	1,100	49	1,149	1,149	0	0%	3,450	3,450	0	0%
Total Housing(HRA) Programme	25,333	30,215	(21,287)	8,928	8,928	0	0%	121,205	121,205	0	0%
HOUSING(PSHG)											
Private Sector Housing Grant Programme	0	2,050	(1,273)	777	777	0	0%	2,263	2,263	0	0%
Total Housing(PSHG) Programme	0	2,050	(1,273)	777	777	0	0%	2,263	2,263	0	0%
DEVELOPMENT & HOUSING SERVICES											
Local Green Area Networks Projects	0	65	(57)	8	8	0	0%	135	135	0	0%
Total Development & Housing	0	65	-57	8	8	0	0%	135	135	0	0%
TOTAL COMMUNITIES, HOUSING & PLANNING BOARD	25,333	32,330	(22,617)	9,713	9,713	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.