

**To:** Communities, Housing and Planning Services Policy Board

**On:** 16<sup>th</sup> March 2021

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

**Heading:** HRA, Revenue and Capital Budget Monitoring as at 8<sup>th</sup> January 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 £1.296m (9.7%) 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	(£159)	£760	<b>£601</b>	(£601)	0%
Development & Housing Directorate	(£192)	(£192)	£0	<b>(£192)</b>	£0	0%
Planning and Housing	£5,881	£5,881	£570	<b>£6,451</b>	(£570)	9.7%

<b>Division / Department</b>	<b>Revised Annual Budget £000</b>	<b>Projected Outturn Core £000</b>	<b>Projected Outturn COVID-19 £000</b>	<b>Total Projected Outturn £000</b>	<b>Budget Variance £000</b>	<b>Budget Variance %</b>
Communities and Public Protection (excluding Regulatory Services)	£4,216	£3,988	£353	<b>£4,341</b>	(£125)	3%
Criminal Justice	£3,508	£3,501	£7	<b>£3,508</b>	0	0%

<b>Division / Department</b>	<b>Revised Annual Budget £000</b>	<b>Projected Outturn Core £000</b>	<b>Projected Outturn COVID-19 £000</b>	<b>Total Projected Outturn £000</b>	<b>Budget Variance £000</b>	<b>Budget Variance %</b>
Housing Revenue Account (HRA)	£9,518	£9,518	£0	<b>£9,518</b>	£0	0%
Other Housing PSHG	£913	£913	£0	<b>£913</b>	£0	0%
Development & Housing Projects – Green network	£65	£65	£0	<b>£65</b>	£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 £1.296 million (9.7% 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 £300k have been processed since the previous finance report to board and this relates to the transfer of the Families First Service from Children's Services to Communities and Housing.

#### **5. Communities, Housing and Planning Services Capital**

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9<sup>th</sup> March 2020. The current programme is £10.496m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £3.805m within HRA as a result of adjustments to cash flows due 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 £3.805m have arisen which reflect the following:

Budget re-profiled from 2020-21 to 2021-22 (£3.805m):

- **HRA**
  - Improvements to Existing Properties (£1.700m) mainly as a result in changes of the timing in planned External Improvements due to Covid-19;
  - Regeneration & Council House New Build (£1.235m) largely due to changes in the cash flows at Tannahill and SW Johnstone;
  - Other Assets (£0.870m) due to cashflow timings of Rotworks and Smoke & Heater Detector Installations.

---

## Implications of this report

1. **Financial** – The projected budget outturn position for Communities, Housing and Planning Services Revenue budget is an overspend of £1.296m or 9.7%. 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, 9<sup>th</sup> March 2020.

---

**Author:** Kevin Festorazzi - Principal Accountant Ext 4885  
Stewart Muir - Finance Business Partner Ext 6132

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
1st April 2020 to 8th January 2021

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

Objective Summary	Revised Annual Budget at Period 8	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	(159)	760	601	(601)	0.0%	(342)	(259)
Development & Housing Directorate	(192)	0	(192)	(192)	0	(192)	0	0.0%	0	0
Planning & Housing Services	5,881	0	5,881	5,881	570	6,451	(570)	(9.7%)	(591)	21
Communities and Public Protection (excluding Regulatory Services)	3,916	300	4,216	3,988	353	4,341	(125)	(3.0%)	(98)	(27)
Criminal Justice	3,508	0	3,508	3,501	7	3,508	0	0.0%	0	0
<b>NET EXPENDITURE</b>	<b>13,113</b>	<b>300</b>	<b>13,413</b>	<b>13,019</b>	<b>1,690</b>	<b>14,709</b>	<b>(1,296)</b>	<b>(9.7%)</b>	<b>(1,031)</b>	<b>(265)</b>

Objective Heading	Key Reasons for Projected Variance
Housing Revenue Account (HRA)	The projected year end overspend is £601k and this is after incurring HRA related COVID costs/loss of income amounting to £760k. 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 are updated on a four weekly basis and have also been adjusted to reflect their capacity to undertake works until the end of the financial year. A recent review undertaken in relation to the projected income to be received at the year by the HRA from bank interest indicates that there will be an under-recovery of £121k at the year end. This is due to lower bank interest rates and lower cash balances being deposited.
Development & Housing Directorate	No projected year end variances to report.
Planning & Housing Services	The projected year end overspend is £570k and this is entirely 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. Building Standard fees are now, at period 10 projected to under-recover due to a reduction in customer requests for warrants etc this financial year.
Communities and Public Protection (excluding Regulatory Services)	Public Protection is projecting a year end overspend of £125k and this is after incurring £353k of COVID related expenditure and income under-recoveries for services such as community learning and pest control. The overspends 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 8th January 2021**

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

Subjective Summary	Revised Annual Budget at Period 8	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	257	20,065	19,180	163	19,343	722	3.6%	595	127
Premises Related	16,266	(224)	16,042	16,359	627	16,986	(944)	(5.9%)	(404)	(540)
Transport Related	291	0	291	238	8	246	45	15.5%	52	(7)
Supplies and Services	3,032	43	3,075	2,964	67	3,031	44	1.4%	(78)	122
Third Party Payments	395	0	395	415	0	415	(20)	(5.1%)	(20)	0
Transfer Payments	6,378	0	6,378	6,576	(60)	6,516	(138)	(2.2%)	(110)	(28)
Support Services	3,853	0	3,853	3,820	0	3,820	33	0.9%	15	18
Depreciation and Impairment Losses	21,798	0	21,798	21,798	0	21,798	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>71,821</b>	<b>76</b>	<b>71,897</b>	<b>71,350</b>	<b>805</b>	<b>72,155</b>	<b>(258)</b>	<b>(0.4%)</b>	<b>50</b>	<b>(308)</b>
Income	(58,708)	224	(58,484)	(58,331)	885	(57,446)	(1,038)	(1.8%)	(1,081)	43
<b>NET EXPENDITURE</b>	<b>13,113</b>	<b>300</b>	<b>13,413</b>	<b>13,019</b>	<b>1,690</b>	<b>14,709</b>	<b>(1,296)</b>	<b>(9.7%)</b>	<b>(1,031)</b>	<b>(265)</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
1st April 2020 to 8th January 2021

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

Subjective Summary	Revised Annual Budget at Period 8	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	8,332	39	8,371	553	6.2%	467	86
Premises Related	14,726	(224)	14,502	14,736	285	15,021	(519)	(3.6%)	30	(549)
Transport Related	102	0	102	47	0	47	55	53.9%	59	(4)
Supplies and Services	714	0	714	732	19	751	(37)	(5.2%)	(1)	(36)
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	3,910	0	3,910	3,988	(71)	3,917	(7)	(0.2%)	(1)	(6)
Support Services	2,425	0	2,425	2,415	0	2,415	10	0.4%	17	(7)
Depreciation and Impairment Losses	21,821	0	21,821	21,821	0	21,821	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>52,622</b>	<b>(224)</b>	<b>52,398</b>	<b>52,071</b>	<b>272</b>	<b>52,343</b>	<b>55</b>	<b>0.1%</b>	<b>571</b>	<b>(516)</b>
Income	(52,622)	224	(52,398)	(52,230)	488	(51,742)	(656)	(1.3%)	(913)	257
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(159)</b>	<b>760</b>	<b>601</b>	<b>(601)</b>	<b>0.0%</b>	<b>(342)</b>	<b>(259)</b>



RENFREWSHIRE COUNCIL  
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES  
1st April to 8th January 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	
<b>HOUSING(HRA)</b>											
Improvements To Existing Properties	0	13,420	(11,813)	1,607	1,607	0	0%	38,358	38,358	0	0%
Regeneration	4,132	425	(95)	330	330	0	0%	6,282	6,282	0	0%
Other Assets	0	3,970	(1,799)	2,171	2,171	0	0%	9,150	9,150	0	0%
Non Property Expenditure	0	1,190	(96)	1,094	1,094	0	0%	1,366	1,366	0	0%
Council House New Build	21,201	10,110	(6,894)	3,216	3,216	0	0%	62,599	62,599	0	0%
Professional Fees	0	1,100	0	1,100	1,100	0	0%	3,450	3,450	0	0%
<b>Total Housing(HRA) Programme</b>	<b>25,333</b>	<b>30,215</b>	<b>(20,697)</b>	<b>9,518</b>	<b>9,518</b>	<b>0</b>	<b>0%</b>	<b>121,205</b>	<b>121,205</b>	<b>0</b>	<b>0%</b>
<b>HOUSING(PSHG)</b>											
Private Sector Housing Grant Programme	0	2,050	(1,137)	913	913	0	0%	2,263	2,263	0	0%
<b>Total Housing(PSHG) Programme</b>	<b>0</b>	<b>2,050</b>	<b>(1,137)</b>	<b>913</b>	<b>913</b>	<b>0</b>	<b>0%</b>	<b>2,263</b>	<b>2,263</b>	<b>0</b>	<b>0%</b>
<b>DEVELOPMENT &amp; HOUSING SERVICES</b>											
Local Green Area Networks Projects	0	65	0	65	65	0	0%	135	135	0	0%
<b>Total Development &amp; Housing</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>65</b>	<b>65</b>	<b>0</b>	<b>0%</b>	<b>135</b>	<b>135</b>	<b>0</b>	<b>0%</b>
<b>TOTAL COMMUNITIES, HOUSING &amp; PLANNING BOARD</b>	<b>25,333</b>	<b>32,330</b>	<b>(21,834)</b>	<b>10,496</b>	<b>10,496</b>	<b>0</b>	<b>0%</b>	<b>123,603</b>	<b>123,603</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.