

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Officer - Resources

Housing and Communities Committee: 22 February 2023

**Subject: Housing Revenue Account Budgetary Control Report
to 31 December 2022 (Period 9)**

1. Purpose

- 1.1** The purpose of the report is to provide members with an update on the financial performance to 31 December 2022 (Period 9) of the HRA revenue and capital budgets for 2022/23.

2. Recommendations

2.1 Members are asked to:

- i) note the revenue analysis shows projected adverse variances of £2.116m however this will be offset by reducing the contribution from revenue to capital (CFCR) therefore netting to a revenue break even position ; and
- ii) note the net projected annual position in relation to the capital plan is highlighting an in-year adverse variance of £27.772m (42.33%) which is made up of re-profiling of £31.671m (48.27%) and overspend of £3.899m (5.94%) as detailed in Appendix 4.

3. Background

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 9 March 2022, Members agreed the revenue estimates for 2022/23 and a total budget of £47.018m.

Capital

- 3.2** At the meeting of Council on 9 March 2022, Members also agreed the updated Capital Plan for 2022/23 which has been augmented by re-profiling and from 2021/22 and budget adjustment to produce a total planned spend for 2021/22 of £65.604m.

4. Main Issues

Revenue

- 4.1** The budgetary position for HRA Revenue is provided in Appendix 1 with information on projected variances valued at more than £0.050m being provided as Appendix 2. This shows a net break even position which is made

up of projected adverse variances of £2.116m, offset by reducing the contribution from revenue to capital (CFCR) by the same amount therefore netting to a revenue break even position.

Due to the spend reprofiling shown below in Capital (4.3), the CFCR which is budgeted in HRA revenue can be reduced without any concerns around the ability to fund the Capital spend in 2022/23.

Capital

- 4.2** The HRA capital summary position is shown in Appendix 3. Information on projects that are highlighted as being within the Red category is provided in Appendix 4 and Appendix 5 provides information on the projects at Green. A summary of anticipated resources is shown in Appendix 6. The analysis shows that there is currently a projected in-year adverse variance of £27.772m.
- 4.3** From the analysis within the appendices it can be seen that the projects with forecast material slippage, are listed as follows:

Project Name	Slippage (£m)
Doors/window component renewals	1.500
Roof Coverings	2.255
Affordable Housing Supply Programme	27.673

Reasons for slippage are explained in Appendix 4.

5. People Implications

- 5.1** There are no people implications.

6. Financial and Procurement Implications

- 6.1** Other than the financial position noted above, there are no financial implications of the budgetary control report. There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1** The main financial risks to the ongoing financial position relate to unforeseen cost being identified between now and the end of the financial year. This can affect all service areas.

8. Equalities Impact Assessment (EIA)

- 8.1** The report is for noting and therefore no Equalities Impact Assessment was completed for this report.

9. Consultation

- 9.1** The views of both Housing management and Legal services have been requested on this report and both have advised there are neither any issues nor concerns with the proposal.

10. Strategic Assessment

- 10.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council. This report is for noting and, therefore, does not directly affect any of the strategic priorities.

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Date: 22 January 2023

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Appendices: Appendix 1 - Budgetary Position (Revenue)
Appendix 2 - Variance analysis (Revenue)
Appendix 3 - Budgetary Position (Capital)
Appendix 4 - Variance analysis Red Projects (Capital)
Appendix 5 - Variance analysis Green Projects (Capital)
Appendix 6 - Resources (Capital)
Appendix 7 - Analysis of Affordable Housing Supply Programme (Capital)

Background Papers: None

Wards Affected: All