

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2022/23

APPENDIX 3

PERIOD END DATE

31 March 2023

Subjective Summary	Total Budget	Actual	Forecast Variance 2022/23		Annual RAG Status
	2022/23 £000	2022/23 £000	£000	%	
Employee Costs	6,690	7,180	490	7%	↓
Property Costs	2,030	2,122	92	5%	↓
Transport Costs	112	136	24	0%	↓
Supplies, Services And Admin	395	425	30	8%	↓
Support Services	2,724	2,550	(174)	-6%	↑
Other Expenditure	532	800	268	50%	↓
Repairs & Maintenance	12,942	14,839	1,897	15%	↓
Bad Debt Provision	1,060	939	(121)	-11%	↑
Void Loss (Council Tax/Lost Rents)	857	2,141	1,284	150%	↓
Loan Charges	12,175	13,503	1,328	11%	↓
CFCR	7,501	2,911	(4,590)	-61%	↑
Total Expenditure	47,018	47,546	528	1%	↓
House Rents	45,215	45,396	(181)	0%	↑
Lockup Rents	210	206	4	2%	↓
Factoring/Insurance Charges	1,316	1,302	14	1%	↓
Other rents	115	116	(1)	-1%	↑
Interest on Revenue Balance	55	117	(62)	-113%	↑
Transfer from Reserves	0	100	(100)	0%	↑
Miscellaneous income	107	309	(202)	-189%	↑
Total Income	47,018	47,546	(528)	-1%	↑
Net Expenditure	0	0	0		→

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2022/23
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 3

MONTH END DATE 31 March 2023

PERIOD 12

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
EMPLOYEE COSTS	6,690	7,180	490	7%	↓
Subjective Description					
This budget covers all employees charged directly to the HRA including caretakers.					
Variance Narrative					
Main Issues	This adverse variance is mainly due to the agreed pay award being significantly higher than the 2% budgeted . Also £100K of this adverse variance relates to the increased pay awarded to caretakers following job evaluation panel on 7 April. This £100K is offset by a transfer from HRA service improvement reserve which is shown in the income section .				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
PROPERTY COSTS	2,030	2,122	92	5%	↓
Subjective Description					
This budget covers electricity, gas, rates, rents, cleaning and insurance costs.					
Variance Narrative					
Main Issues	This adverse variance is due to the rising cost of insurance and utilities.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
SUPPORT SERVICES	2,724	2,550	(174)	-6%	↑
Subjective Description					
This budget covers central support recharges to the HRA					
Variance Narrative					
Main Issues	Support charges due to HRA are reviewed each year and for 22/23 has resulted in a lower than budgeted charge being appropriate.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
Other Expenditure	532	800	268	50%	↓
Subjective Description					
This budget covers rent abatements, membership fees and tenancy sustainment					
Variance Narrative					
Main Issues	The main reason for this overspend relates to an increase in rent abatement payments in 22/23 with higher costs than anticipated at time of budget setting.				

MONTH END DATE 31 March 2023

PERIOD 12

Budget Details		Variance Analysis				RAG Status
Subjective Analysis	Budget	Forecast Spend	forecast Variance			
	£000	£000	£000	%		
REPAIRS & MAINTENANCE	12,942	14,839	1,897	15%	↓	
Service Description						
This budget covers all repair and maintenance expenditure to houses and lockups						
Variance Narrative						
Main Issues	The adverse variance within Repairs & Maintenance is due to additional work being carried out to catch up with both jobbing repairs and void repairs. Additional capacity to do this has been achieved through use of sub contractors as well as continuing with HMTA work so in effect more than a typical year worth of work is expected to be completed in 2022/23, therefore the cost was higher than the typical years costs .					

Budget Details		Variance Analysis				RAG Status
Subjective Analysis	Budget	Forecast Spend	forecast Variance			
	£000	£000	£000	%		
BAD DEBT PROVISION	1,060	939	(121)	-11%	↑	
Service Description						
This budget allows for the provision for bad and doubtful debts to be maintained at an appropriate level						
Variance Narrative						
Main Issues	The Bad Debt Provision required is re assessed each year . Based on the debt information, the amount required in 2022/23 is less than estimated at time of budget setting, resulting in a favourable variance.					

Budget Details		Variance Analysis				RAG Status
Subjective Analysis	Budget	Forecast Spend	forecast Variance			
	£000	£000	£000	%		
VOID LOSS	857	2,141	1,284	150%	↓	
Service Description						
This budget covers the rents lost on void houses and lockups and the cost of council tax on void properties.						
Variance Narrative						
Main Issues	The main reason for the projected adverse variance relates to the number of void properties being higher than expected at time of budget setting. The budget was set on the assumption that backlogs following COVID delays in getting voids turned around would be resolved early in year however the time taken to get the numbers reducing has been slower than anticipated leading to this cost.					

Budget Details		Variance Analysis				RAG Status
Subjective Analysis	Budget	Forecast Spend	forecast Variance			
	£000	£000	£000	%		
LOAN CHARGES	12,175	13,503	1,328	11%	↓	
Service Description						
Loan Charges is made up of repayments of principle sums, and the payments of interest and expenses						
Variance Narrative						
Main Issues	The main reason for this variance is the due to interest payments being higher than anticipated at time of budget setting due to the increasing lending rates now being offered					

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PERIOD 12

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
CFCR	7,501	2,911	(4,590)	-61%	↑
Service Description					
This budget covers the contribution from revenue to Capital					
Variance Narrative					
Main Issues		In order to offset the cost pressures on the revenue HRA in 2022/23 , it will be necessary to reduce the contribution to Capital to allow the HRA account to break even. This may have an impact on future investments and / or rent levels.			

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
Rent	45,215	45,396	181	0.4%	↑
Service Description					
This budget covers the income from Housing houses and lock ups .					
Variance Narrative					
Main Issues		Small favourable due to timings of newbuilds being rented out .			

INTEREST ON REVENUE BALANCES	55	117	(62)	-113%	↑
Service Description					
Interest received based upon the balances contained within the revenue account.					
Variance Narrative					
Main Issues		Increased interest rates have resulted in income being higher.			

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Actual Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	

TRANSFER FROM RESERVES	0	100	100	0%	↑
Service Description					
Amount transferred from reserves.					
Variance Narrative					
Main Issues		This favourable variance is due to transfer from reserves to offset the cost of the caretakers salary re-evaluation.			

Misc. Income	107	309	(202)	-189%	↑
Service Description					
Income from miscellaneous sources					
Variance Narrative					
Main Issues		This favourable variance is due to transfer from Balance sheet of a balance held no longer required .			