

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Chief Officer - Resources**

**Housing and Communities Committee: 23 November 2022**

---

**Subject: Housing Revenue Account Budgetary Control Report  
to 30 September 2022 (Period 6)**

### **1. Purpose**

- 1.1** The purpose of the report is to provide members with an update on the financial performance to 30 September 2022 (Period 6) 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 £1.363m 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 variance of £27.230m (41.5%) which is made up of projects requiring reprofiling of £27.816m (42.4%) and overspend of £0.585m (0.9%).

### **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.

There have been no subsequent budget adjustments made since the HRA budget is a stand-alone ring fenced account and therefore any additional costs that arise such as higher than anticipated pay awards needs to be met without any additional budget enhancements.

#### 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 reprofiling of spend from 2021/22 to produce a total planned spend for 2022/23 of £65.567m.

## 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 £1.363m, 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 variance of £27.230m.
- 4.3 From the analysis within the appendices it can be seen that there is one project with forecast material reprofiling required, as listed as follows:

Project Name	Reprofiling required (£m)
Affordable Housing Supply Programme	27.346

Estimating the timing of likely financial payments relating to progress on large projects such as new house builds is extremely difficult. This is due to the unpredictability of project issues that affect timings of different stages of the build and therefore timings of when payments are due out. These issues are not usually known until some time after budget is profiled at the beginning of each financial year. Issues can include land contamination, materials / labour shortages, planning delays. The new build sites which will now commence later than originally planned will be reprofiled into 2023/24 and beyond based on most up to date information.

## 5. People Implications

- 5.1 There are no people implications.

## 6. Financial and Procurement Implications

- 6.1 Influenced by Brexit, the Covid-19 pandemic, Ukraine and other issues, the emergence of supply issues and subsequent cost increases is being felt across Scotland and the UK.

- 6.2** We are likely to see this impact on the cost all our future new build development sites. Housing Development Officers and Finance will continue to assess the impacts in the context of affordability of developments. Due to the reprofiling into 23/24 of the new sites , the impact of this will not affect current year 2022/23.

## **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.

**Laurence Slavin**  
**Chief Officer – Resources**  
**Date: 25 October 2022**

---

**Person to Contact:** Janice Rainey - Business Unit Finance Partner (HEED),  
16 Church Street, Dumbarton, G82 1QL,  
Telephone: 01389 737704, e-mail [janice.rainey@west-dunbarton.gov.uk](mailto:janice.rainey@west-dunbarton.gov.uk)

**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)

**Background Papers:** None

**Wards Affected:** All