

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2022/23

APPENDIX 1

PERIOD END DATE

31 December 2022

Subjective Summary	Total Budget 2022/23 £000	Spend to Date 2022/23 £000	Forecast Spend £000	Forecast Variance 2022/23 £000 %		Annual RAG Status
Employee Costs	6,690	4,796	6,932	242	4%	↓
Property Costs	2,030	1,267	1,909	(121)	-6%	↑
Transport Costs	112	85	139	27	0%	↓
Supplies, Services And Admin	395	173	330	(65)	-16%	↑
Support Services	2,724	1,742	2,613	(111)	-4%	↑
Other Expenditure	532	650	754	222	42%	↓
Repairs & Maintenance	12,942	9,763	13,783	841	6%	↓
Bad Debt Provision	1,060	731	975	(85)	-8%	↑
Void Loss (Council Tax/Lost Rents)	857	1,644	2,150	1,293	151%	↓
Loan Charges	12,175	9,232	12,309	134	1%	↓
CFCR	7,501	4,039	5,385	(2,116)	-28%	↑
Total Expenditure	47,018	34,122	47,279	261	1%	↓
House Rents	45,215	33,342	45,388	(173)	0%	↑
Lockup Rents	210	148	206	4	2%	↓
Factoring/Insurance Charges	1,316	977	1,302	14	1%	↓
Other rents	115	78	116	(1)	-1%	↑
Interest on Revenue Balance	55	23	30	25	45%	↓
Transfer from Reserves	0	0	100	(100)	0%	↑
Miscellaneous income	107	45	137	(30)	-28%	↑
Total Income	47,018	34,613	47,279	(261)	-1%	↑
Net Expenditure	0	(492)	0	0		→

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

APPENDIX 2

MONTH END DATE

31 December 2022

PERIOD

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Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
EMPLOYEE COSTS		6,690	6,932	242	4%
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 higher than the 2% budgeted . Also £60K of this adverse variance relates to the increased pay awarded to caretakers following job evaluation panel on 7 April. This £60K is offset by a transfer from HRA service improvement reserve which is shown in the income section .				
Mitigating Action	It is not possible to mitigate against an agreed pay award however managers will continue to review any possible reductions in costs where possible to try and partially offset some of this				
Anticipated Outcome	A year end overspend is anticipated				
Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
PROPERTY COSTS		2,030	1,909	(121)	-6%
Subjective Description		This budget covers electricity, gas, rates, rents, cleaning and insurance costs.			
Variance Narrative					
Main Issues	A favourable variance is expected due to the revised probable calculations for utilities, based on 21/22 actual outturn plus required inflation rates.				
Mitigating Action	No mitigating action is required.				
Anticipated Outcome	A year end underspend is anticipated				
Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
SUPPLIES, SERVICES AND ADMIN		395	330	(65)	-16%
Subjective Description		This budget covers computer supplies & equipment, telephones, printing, postages and tenant participation costs.			
Variance Narrative					
Main Issues	A favourable variance is forecast due to the expectation that the ICT computer software recharge for 22/23 will be similar to the 21/22 recharge, which was lower than 22/23 budget, resulting in a projected favourable variance. Tenant Participation costs are also expected to be under budget based on the trend of the spend year to date.				
Mitigating Action	No mitigating action is required.				
Anticipated Outcome	A year end underspend is anticipated				

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Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
SUPPORT SERVICES		2,724	2,613	(111)	-4%
Subjective Description					
This budget covers central support recharges to the HRA					
Variance Narrative					
Main Issues	A favourable variance is expected with the assumption that the 2022/23 forecast outturn for support services is expected to be in line with the 2021/22 outturn adjusted for pay uplifts etc. This charge is calculated each year end based on HRA's percentage usage of the total cost of WDC support services. The 2022/23 HRA budget was set before this 2021/22 outturn was known so was based on 2020/21 charge which was higher.				
Mitigating Action	No mitigating action is required.				
Anticipated Outcome	A year end underspend is anticipated				
Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
REPAIRS & MAINTENANCE		12,942	13,783	841	6%
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 will be higher than usual.				
Mitigating Action	In order to get back to pre - COVID levels of voids and repairs , it is considered necessary to pursue this increased activity for 2022/23 albeit at a financial cost . It should be noted that in previous years, costs were lower than budgeted due to lower activity in lockdown / COVID restrictions .				
Anticipated Outcome	A year end overspend is anticipated				

Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
BAD DEBT PROVISION		1,060	975	(85)	-8%
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 expected to be required for 2022/23 is less than estimated at time of budget setting, resulting in a favourable variance. This assumes that the provision required in 2022/23 will be similar to the 2021/22 provision.				
Mitigating Action	No mitigating action is required.				
Anticipated Outcome	A year end underspend is anticipated				

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

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VOID LOSS	857	2,150	1,293	151%	↓
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 numbers continue to be high.				
Mitigating Action	A void working group has been reviewing the issues and have been implementing actions and working with Housing Maintenance managers to improve the situation and it is expected that the void figures will start to decrease significantly over the next few months.				
Anticipated Outcome	A year end overspend is anticipated				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
LOAN CHARGES	12,175	12,309	134	1%	↓
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.				
Mitigating Action	None available				
Anticipated Outcome	A year end oversend is anticipated				
Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
CFCR	7,501	5,385	(2,116)	-28%	↑
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. Due to a large part of the planned Capital spend on new builds being reprofiled into 2023/24 this reduced contribution will not create any issues for the remaining Capital programs being delivered in 2022/23.				
Mitigating Action	None available				
Anticipated Outcome	A year end underspend is anticipated				