

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead Housing and Employability

Council: 27 November 2019

Subject: Housing Revenue Account Budgetary Control Report to 31 October 2019 (Period 7)

1. Purpose

1.1 The purpose of the report is to provide members with an update on the financial performance to 31 October 2019 (Period 7) of the HRA revenue and capital budgets.

2. Recommendations

2.1 Members are asked to:

- i) note the contents of this report which shows the revenue budget forecast to underspend against budget by £0.020m (0.05%) at the year-end; and
- ii) note the net projected annual position in relation to relevant capital projects which is highlighting a variance of £11.964m (19.6%) due to projected net slippage of £12.207m (19.2%) and an overspend of £0.243m (-0.4%).

3. Background

Revenue

3.1 At the meeting of West Dunbartonshire Council on 14 February 2019, Members agreed the revenue estimates for 2018/2019 and a total budget of £43.204m.

Capital

3.2 At the meeting of Council on 14 February 2019, Members also agreed the updated Capital Plan for 2019/20 which has been augmented by slippage from 2018/19 to produce a total planned spend for 2019/20 of £62.316m.

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, and shows a projected underspend of £0.020m.

Capital

- 4.2** The HRA capital summary position is shown in Appendix 3. Information on projects that are highlighted as being within the red and amber categories are provided in Appendices 4 & 5. Appendix 6 provides information on all the remaining projects which are categorised as being within the Green category. A summary of anticipated resources is shown in Appendix 7. The analysis shows that for the in-year planned spend there is currently a projected in-year variance of £11.964m which relates to net anticipated slippage of £12.207m and an overspend of £0.243m. The net slippage comprises £17.207m delayed spend offset by £5.000m accelerated spend.
- 4.3** From the analysis within appendix 4, it can be seen that there are four projects with forecast material slippage, as listed as follows:

Project Name	Slippage (£m)
Doors/Window Component Renewals	0.648
Statutory/regulatory compliance works (lifts/electrical/legionella/fire etc)	1.035
Projects to deliver housing policies/strategies (Buy Backs)	1.479
Affordable Housing Supply Programme	9.045

- 4.4** The Strategic Housing Investment Plan (SHIP) 2018-2023, outlining West Dunbartonshire's Affordable Housing Supply Programme (AHSP) through the More Homes West Dunbartonshire approach was approved by the Housing and Communities Committee in November 2018 with an updated budget being approved at Council on 14 February 2019. An update on the programme and progress on each site was provided to the Housing and Communities Committee on the 6 November 2019. At this point costings for the various sites within the AHSP are being finalised as part of the procurement processes for these sites.
- 4.5** Current projections of costs are showing that the St Andrews site is expected to be over budget by around £1.417m, Aitkenbar to be under budget by £0.431m, Creveul to be under budget by £0.014m, Haldane to be over budget by £0.447m and Dumbarton Harbour to be over by £0.921m. Officers have been successful in securing additional grant income totalling £0.339m for the Aitkenbar and Haldane sites which partially offsets some of this overspend. Currently the underspends and additional grant income projected don't match the projected overspend. Once further costings and possible additional grant are known it may be necessary to seek Council permission to vire funds between budgets within the AHSP and/or to accelerate funds from planned future years spend within the AHSP.

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 Finance and Legal services have been requested on this report and both have advised there are neither any issues nor concerns with the proposal. As the report is for noting no further consultation is envisaged.

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: 15 November 2019

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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 Amber Projects (Capital)
Appendix 6 - Variance analysis Green Projects (Capital)
Appendix 7 - Resources (Capital)

Background Papers: None

Wards Affected: All