

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Officer - Resources

Council: 28 October 2022

**Subject: Housing Revenue Account Budgetary Control Report
to 31 August 2022 (Period 5)**

1. Purpose

- 1.1** The purpose of the report is to provide members with an update on the financial performance to 31 August 2022 (Period 5) of the HRA revenue and capital budgets for 2022/23.

2. Recommendations

- 2.1** Members are asked to:

- i) note the revenue analysis shows a projected annual favourable variance of £0.006m; and
- ii) note the net projected annual position in relation to the capital plan is highlighting an in-year adverse variance of £2.245m (3.42%) which is made up of slippage of £2.564m (3.91%) and overspend of £0.319m (0.49%) 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 slippage from 2021/22 to produce a total planned spend for 2021/22 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, and shows a projected favourable variance of £0.006m. It should be noted however that this assumes the budgeted 2% pay award. In light of the most recent pay award negotiations it is likely that the actual pay award will be higher than 2%. Based on the current offer being

negotiated which is around 5%, the cost to HRA would be an additional £0.295m.

Capital

- 4.2** The HRA capital summary position is shown in Appendix 3. Information on projects that are highlighted as being within the Amber 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 £2.245m.
- 4.3** From the analysis within the appendices it can be seen that there is one project with forecast material slippage, as listed as follows:

Project Name	Slippage (£m)
Affordable Housing Supply Programme	2.564

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.

Laurence Slavin
Chief Officer – Resources
Date: 22 September 2022

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Appendices: Appendix 1 - Budgetary Position (Revenue)
Appendix 2 - Variance analysis (Revenue)
Appendix 3 - Budgetary Position (Capital)
Appendix 4 - Variance analysis Amber 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