

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2023/24

APPENDIX 1

PERIOD END DATE

30 June 2023

Subjective Summary	Total Budget 2023/24 £000	Spend to Date 2023/24 £000	Forecast Spend £000	Forecast Variance 2023/24		Annual RAG Status
				£000	%	
Employee Costs	7,669	1,565	7,881	212	3%	↓
Property Costs	2,377	140	2,087	(290)	-12%	↑
Transport Costs	142	7	138	(4)	0%	↑
Supplies, Services And Admin	389	38	397	8	2%	↓
Support Services	2,720	0	2,603	(117)	-4%	↑
Other Expenditure	534	258	485	(49)	-9%	↑
Repairs & Maintenance	16,257	1,332	17,473	1,216	7%	↓
Bad Debt Provision	1,089	16	939	(150)	-14%	↑
Void Loss (Council Tax/Lost Rents)	1,261	461	1,617	356	28%	↓
Loan Charges	15,476	3,934	15,476	0	0%	→
CFCR	1,729	307	708	(1,021)	-59%	↑
Total Expenditure	49,643	8,058	49,804	161	0%	↓
House Rents	47,729	11,343	47,693	36	0%	↓
Lockup Rents	217	48	216	1	0%	↓
Factoring/Insurance Charges	1,434	1,498	1,498	(64)	-4%	↑
Other rents	117	23	120	(3)	-3%	↑
Interest on Revenue Balance	30	0	146	(116)	-387%	↑
Miscellaneous income	116	29	131	(15)	-13%	↑
Total Income	49,643	12,941	49,804	(161)	0%	↑
Net Expenditure	0	(4,883)	0	0		→

MONTH END DATE 30 June 2023

PERIOD 3

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
EMPLOYEE COSTS	7,669	7,881	212	3%	↓
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 additional posts being approved, after time of budget setting to meet the demands of the service				
Mitigating Action	Managers will continue to consider ways to keep staffing costs down including considering each vacancy as it arises re need / urgency to fill.				
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	2,377	2,087	(290)	-12%	↑
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 assumption that office accommodation and utility costs will be similar to last year which is lower than anticipated at time of budget				
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	%	
SUPPORT SERVICES	2,720	2,603	(117)	-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 2023/24 forecast outturn for support services is expected to be in line with the 2022/23 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 2023/24 HRA budget was set before this 2022/23 outturn was known so was based on 2021/22 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	16,257	17,473	1,216	7%	↓
Service Description					
This budget covers all repair and maintenance expenditure to houses and lockups					
Variance Narrative					
Main Issues	High volume of jobs and inflationary increases in materials and labour have resulted in the budget being insufficient to meet current demand. There was a large numbers of voids at start of financial year. Void numbers have now significantly reduced therefore it is expected costs will start to reduce in this area.				
Mitigating Action	There are uncontrollable costs, such as materials and inflation as well as the demand for repairs which continues to increase. However as we continue to progress with the building services improvement plan, we expect costs to reduce particularly in relation to void houses.				
Anticipated Outcome	A year end overspend is anticipated				

MONTH END DATE 30 June 2023

PERIOD 3

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
BAD DEBT PROVISION	1,089	939	(150)	-14%	↑
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 2023/24 is less than estimated at time of budget setting, resulting in a favourable variance. This assumes that the provision required in 2023/24 will be similar to the 2022/23 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	%	
VOID LOSS	1,261	1,617	356	28%	↓
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 however the numbers continued to be high at the beginning of this financial year. They have now lowered considerably				
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 continue to decrease 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	%	
CFCR	1,729	708	(1,021)	-59%	↑
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 2023/24, it will be necessary to reduce the contribution to Capital to allow the HRA account to break even.				
Mitigating Action	None available				
Anticipated Outcome	A year end underspend is anticipated				