

REPORT TO COMMUNITIES COMMITTEE – 5 NOVEMBER 2020

FINANCIAL PERFORMANCE TO 30 SEPTEMBER 2020 - HOUSING REVENUE ACCOUNT (HRA)

1 Reason for Report / Summary

- 1.1 This report provides the Committee with the revenue and capital budget monitoring information to 30 September 2020 for consideration.

2 Recommendations

The Committee is recommended to:

- 1. Consider and discuss the revenue and capital budget monitoring to 30 September 2020;**

3 Purpose and Decision-Making Route

- 3.1 The purpose of this report is to provide the Committee with financial monitoring in relation to budgets within their remit.
- 3.2 The Committee will receive further reports on financial monitoring throughout the year.

4 Discussion

- 4.1 The Housing Revenue Account (HRA) and Capital Expenditure budget for monitoring purposes for 2020/21 were approved by Council on 13 February 2020 and 18 March 2020, respectively. Any net surplus on the HRA is used to fund the HRA Capital Programme, whilst maintaining a minimum working balance of £2m in reserves.

Revenue Budget

- 4.2 The HRA Revenue Budget for monitoring purposes for 2020/21 was agreed on 13 February 2020 by Council as breakeven, with £64.513 million of income and expenditure.
- 4.3 The phased budgeted income and expenditure on service delivery to the end of September 2020 was a net income position of £13.438 million and the actual was net income of £15.002 million, or £1.564 million more than expected and is detailed in **Appendix 1**.
- 4.4 The HRA Financial Performance information to the end of September 2020 has indicated several emerging over and under budget positions as follows:

- **Asset Management and Repairs** - expenditure to date is within the profiled budget position by £701,000 due to reduced term contractor spend as an effect of Covid-19.
- **Sheltered Housing Officers Service** - £552,000 within profiled budget mainly due to an underspend on staffing and a delay in receiving energy charges.
- **Tenancy Services** - expenditure to date is within the profiled budget position by £525,000 and relates to reduced expenditure on premises and repairs and maintenance due to the impact of Covid-19.

4.5 The Service and Finance are continuing to work together to assess what the impact on the year end position and the mitigating actions that are available to the Service in particular relation to the billing issues identified.

Capital Budget

- 4.6 The HRA Capital Budget for the year 2020/21 is £64.801 million and is detailed in **Appendix 3**.
- 4.7 To the end of September 2020, capital expenditure amounted to £9.769 million or 15% of budget after six months. It is anticipated that expenditure will be £31.608 million lower than budget due to the implications of Covid-19 on the delivery of the plan.

5 Council Priorities, Implications and Risk

5.1 The work and outcomes delivered through the various services reporting to the Communities Committee helps in the delivery of the following council priorities:

Pillar	Priority
Our People	<ul style="list-style-type: none"> • Education • Health & Wellbeing
Our Environment	<ul style="list-style-type: none"> • Infrastructure • Resilient Communities
Our Economy	<ul style="list-style-type: none"> • Economy & Enterprise • Estate Modernisation

5.2 This report sets out the financial resources which have been used to deliver the priorities of Communities Committee and as such link into the actions and outcomes set out in the Strategies, Policies and Actions Plans of the services within the Committee's remit.

- 5.3 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing		X	
Equalities			X
Fairer Scotland Duty			X
Town Centre First			X
Sustainability			X
Children and Young People's Rights and Wellbeing			X

- 5.4 An Equalities Impact Assessment and a Town Centre Impact Assessment are not required for this report as the report deals with the monitoring of expenditure against budgets which have been approved previously, and the re-profiling of some expenditure.
- 5.5 There are no staffing or children and young people's wellbeing implications arising from this report.
- 5.6 The following Risk ACORP001 has been identified as relevant to this matter on a Corporate Level: Budget Pressures (*Corporate Risk Register*). The following Risk BSSR003 has been identified as relevant to this matter on a Strategic Level: Balancing the Books (*Directorate Risk Registers*). Actions being taken to mitigate these risks are set out in the report.

6 Scheme of Governance

- 6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.
- 6.2 The Committee is able to consider this item in terms of Section D.1.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to resource matters (within agreed budgets) that have been delegated to the Committee.

Stephen Archer
Director of Infrastructure Services

Report prepared by Shirley-Ann Gordon
14 October 2020

List of Appendices

Appendix 1a and 1b – Revenue Monitoring as at 30 September 2020
Appendix 2 – Budget Movements as at 30 September 2020
Appendix 3 - Capital Performance

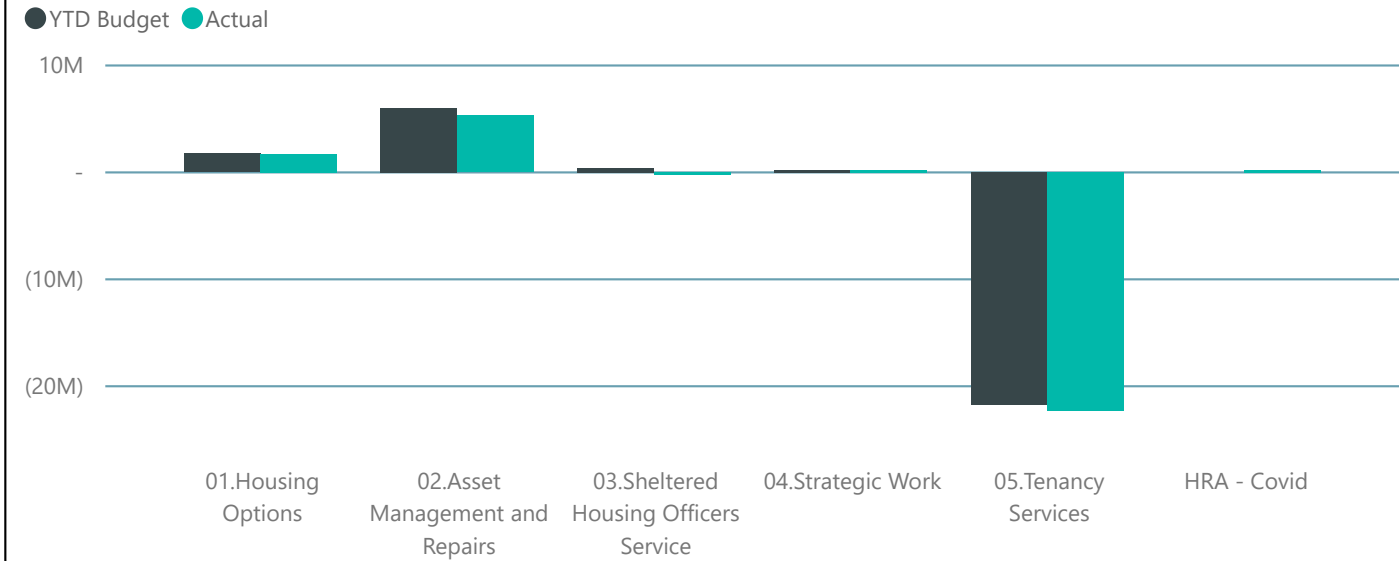


Committee	Revised Base Budget	YTD Budget	Actual	Variance YTD Budget Less Actuals
HRA	(19,517,687)	(13,438,301)	(15,233,076)	1,794,775
HRA - Covid	-	-	230,454	(230,454)
Total	(19,517,687)	(13,438,301)	(15,002,623)	1,564,322

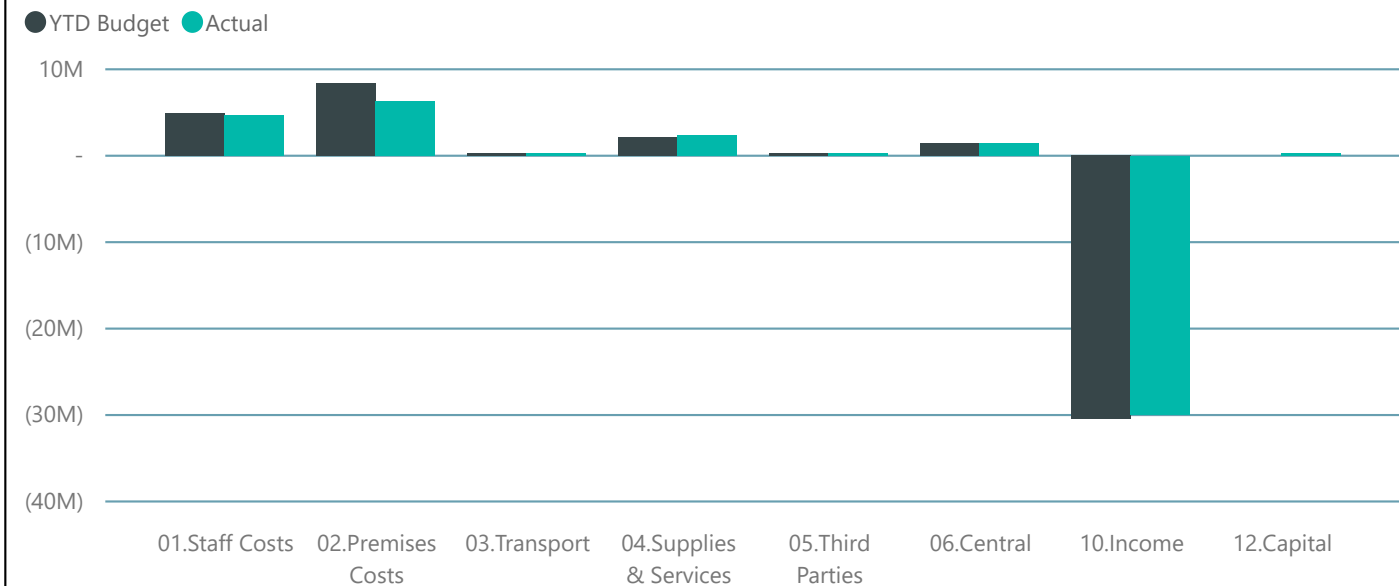
Service	Revised Base Budget	YTD Budget	Actual	Variance YTD Budget Less Actuals
HRA	(19,517,687)	(13,438,301)	(15,233,076)	1,794,775
HRA - Covid	-	-	230,454	(230,454)
Total	(19,517,687)	(13,438,301)	(15,002,623)	1,564,322

Type of Spend	Revised Base Budget	YTD Budget	Actual	Variance YTD Budget Less Actuals
01.Staff Costs	9,732,273	4,864,101	4,695,116	168,985
02.Premises Costs	18,932,460	8,352,812	6,280,152	2,072,660
03.Transport	226,300	114,392	45,458	68,934
04.Supplies & Services	4,606,600	2,142,214	2,410,421	(268,207)
05.Third Parties	175,200	84,798	64,664	20,134
06.Central	2,906,800	1,453,402	1,453,400	2
08.Financing Costs	8,416,000	-	-	-
10.Income	(63,313,320)	(30,450,020)	(29,952,610)	(497,410)
11.Other	(1,200,000)	-	-	-
12.Capital	-	-	776	(776)
Total	(19,517,687)	(13,438,301)	(15,002,623)	1,564,322

YTD Budget and Actual by HRA Page



YTD Budget and Actual by Type of Spend

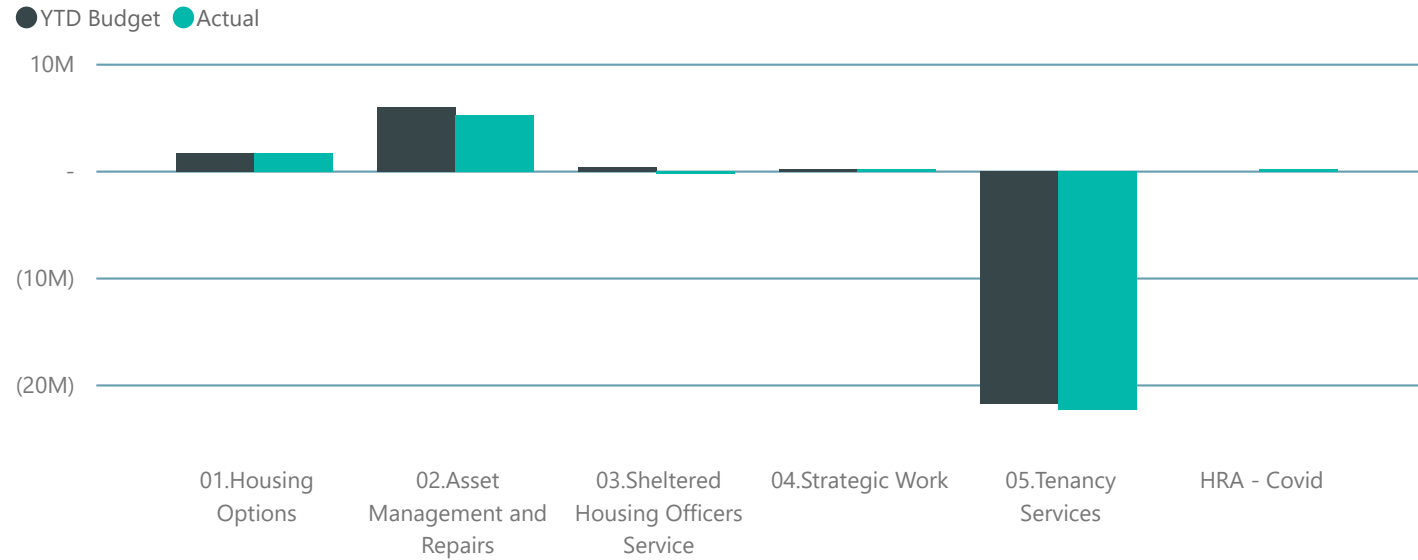




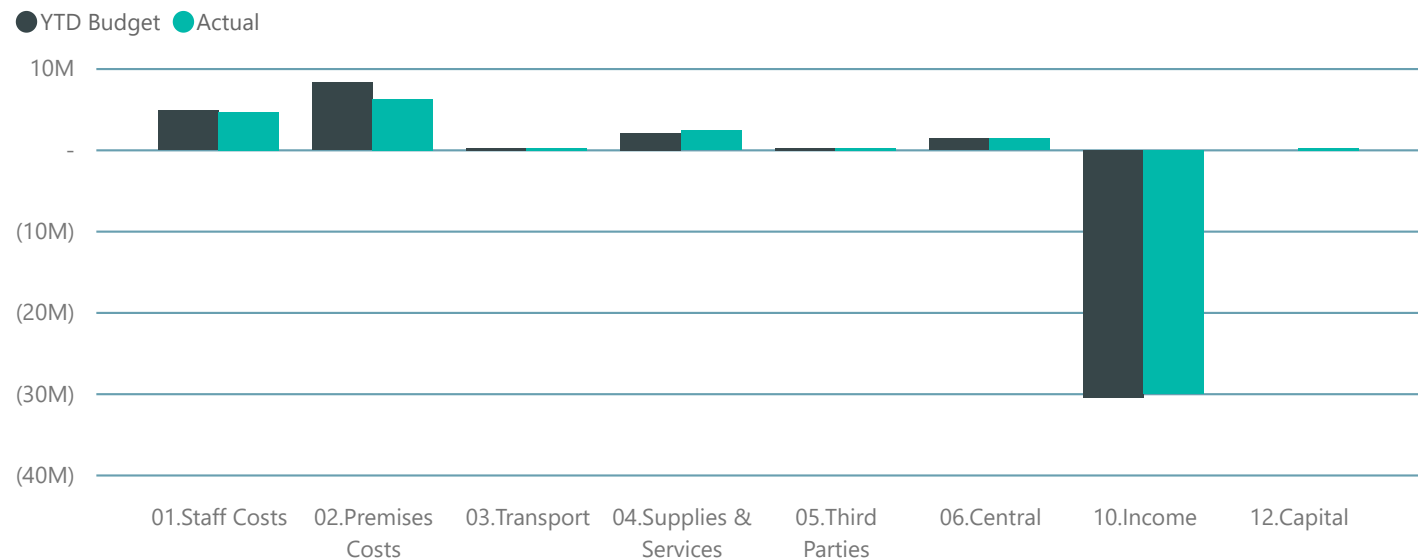
Budget Lines	Revised Base Budget	YTD Budget	Actual	Variance YTD Budget Less Actuals
01.Expenditure	44,995,633	17,011,719	14,949,211	2,062,508
02.Income	(64,513,320)	(30,450,020)	(29,952,610)	(497,410)
03.CFCR	-	-	776	(776)
Total	(19,517,687)	(13,438,301)	(15,002,623)	1,564,322

HRA Page	Revised Base Budget	YTD Budget	Actual	Variance YTD Budget Less Actuals
01.Housing Options	3,579,532	1,773,102	1,733,740	39,362
02.Asset Management and Repairs	14,565,596	5,999,288	5,298,295	700,993
03.Sheltered Housing Officers Service	716,492	428,696	(123,087)	551,783
04.Strategic Work	255,106	127,602	146,294	(18,692)
05.Tenancy Services	(38,634,413)	(21,766,989)	(22,288,318)	521,329
HRA - Covid	-	-	230,454	(230,454)
Total	(19,517,687)	(13,438,301)	(15,002,623)	1,564,322

YTD Budget and Actual by HRA Page



YTD Budget and Actual by Type of Spend





HRA Page	Base Budget as at Mar 2020 Committee	Budget Adjustments	Additional Scottish Government Funding	Budget Virements	Reserves Allocated	Revised Base Budget 20/21
▲						
01.Housing Options	3,579,532	-				3,579,532
02.Asset Management and Repairs	14,565,596					14,565,596
03.Sheltered Housing Officers Service	716,492	-				716,492
04.Strategic Work	255,106					255,106
05.Tenancy Services	(38,634,413)	-				(38,634,413)
Total	(19,517,687)	-				(19,517,687)

COMMUNITIES COMMITTEE - HRA 2020/21 CAPITAL PERFORMANCE (SEPTEMBER 2020)

APPENDIX 3

	APPROVED BUDGET 2020/21 £000	Revised Budget 2020/21 £,000	Actual Exp (Sep 2020) 2020/21 £000	20/21 BUDGET REMAINING +/- £000	PROJECTED YEAR END VARIANCE £'000
PROJECTS					
1 New Build Programme	12,819	14,112	1,341	12,771	(3,112)
2 Kitchens, Bathrooms, Windows, Doors, Roofing, Insulation	-	-	14		2
3 Reactive Heating	1,500	1,254	223	1,031	(554)
4 Sheltered Housing Upgrades (Lifts, Boilers)	300	380	102	278	(340)
5 Sheltered Housing Sprinkler Programme (Fraserburgh)	880	790	147	643	(340)
6 Stock Improvements (non-HIP)	700	681	99	582	(529)
7 Housing Improvement Plan (HIP)	35,000	34,965	6,246	28,719	(19,865)
8 Macrae House Type External Wall Refurbishment	200	188	8	180	230
9 Smart Solar and Battery Storage (LCIPT)	2,920	5,563	78	5,485	(4,163)
10 Housing Fire and Smoke Detector Upgrades	1,911	2,841	473	2,368	(1,641)
11 Capital Works done at Void (Housing Repairs)	2,000	1,588	728	860	0
12 Housing Repairs Service Allocation	460	460	0	460	0
13 Staff Recharges	679	679	306	373	0
14 Other (ICT Infrastructure, SH car park upgrades, hard to treat properties)	1,300	1,300	4	1,296	(1,296)
Total	60,669	64,801	9,769	55,046	(31,608)