



## HOUSING COMMITTEE

Thursday, 18 November 2021

<b>REPORT TITLE:</b>	<b>QUARTER 2 MONITOR REPORT</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION AND PLACE</b>

### REPORT SUMMARY

This report provides a summary of the projected year-end revenue and capital position for Housing Committee as at the end of Quarter 2 (to September 2021) of the 2021/22 financial year. The report provides Members with an overview of budget performance to enable the Committee to take ownership of their specific budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

The Committee is accountable for ensuring that the committee budgets remain within the relevant envelope and will take collective responsibility via the Policy and Resources Committee to ensure that the whole Council budget remains in balance at all times, by agreeing mitigating actions to bring the budget back in line, should a deficit be forecast.

### RECOMMENDATIONS

The Housing Committee is requested to:

1. Note the projected year-end revenue forecast variance of £0.071m favourable position as reported at quarter 2 (Jul-Sep) of 2021-22.
2. Note progress on the achievement of approved savings and the projected year-end forecast position at quarter 2 (Jul-Sep) of 2021-22.
3. Note the reserves allocated to the Committee for future one-off commitments
4. Note the projected year-end capital forecast expenditure position of £6.926m as reported at quarter 2 (Jul-Sep) of 2021-22.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Regular monitoring and reporting of revenue and capital budgets, reserves, savings achievements and Medium-Term Financial Strategy (MTFS) position enables decisions to be taken faster, which may produce revenue benefits and will improve financial control of Wirral Council.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 Other reporting frequencies could be considered, but quarterly reporting is standard practice.

### 3.0 BACKGROUND INFORMATION

#### Revenue Forecast Position

- 3.1 This section provides a summary of the projected year-end revenue position as at the end of Quarter 2, Month 6 (September 2021) of 2021/22 financial year.
- 3.2 As at the end of September 2021, the forecast year-end position for the Housing service is a favourable variance of £0.071m against a budget of £7.583m.

**TABLE 1: 2021/22 Housing – Service Budget & Forecast**

Objective	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Housing Strategy & Investment	481	482	-1	0%	
Housing Standards	855	847	8	1%	Favourable
Homelessness	1,004	1,004	0	0%	
Supported Housing	4,361	4,297	64	2%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>6,701</b>	<b>6,630</b>	<b>71</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	882	882	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>7,583</b>	<b>7,512</b>	<b>71</b>	<b>1%</b>	<b>Favourable</b>

- 3.3 **Housing:** A favourable variance of £0.071m is reported for 2021-22, with grant support being received to support a number of activities, including Homelessness, Rough Sleepers and the Refugee Programme.

- 3.4 **Supported Housing service**– Favourable variance of £0.064m. This relates to Supported Housing lower staff costs of £0.039m and grant support for Hospital Discharge / Minor Adaptions.

**TABLE 2: 2021/22 Housing – Subjective Budget & Forecast**

Subjective	Budget £000	Forecast £000	Variance (+ Fav, - Adv)		Adv/Fav
			£000	%	
Income	-2,809	-3,852	1,042	37%	<b>Favourable</b>
<b>Expenditure</b>					
Employee	3,608	3,981	-373	-10%	Adverse
Non-Pay	5,903	6,501	-599	-2%	Adverse
Total Expenditure	<b>9,295</b>	<b>10,482</b>	<b>-971</b>	<b>-10%</b>	<b>Adverse</b>
<b>Directorate Surplus / (Deficit)</b>	<b>6,701</b>	<b>6,630</b>	<b>71</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	882	882	0	0%	
Movement on Reserves	0	0	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>7,583</b>	<b>7,512</b>	<b>71</b>	<b>1%</b>	<b>Favourable</b>

- 3.5 **Income:** A favourable variance of £1.042m is reported for 2021-22. This relates to mainly to grant support income, including the Resettlement Programme, Homelessness and the Rough Sleeper Initiative.
- 3.6 **Employees:** An adverse variance of £0.373m is reported for 2021-22. This relates to increased costs associated with new grant awards (as shown in Income), with interim staff support to ensure services and projects can be delivered. This is offset by a favourable variance on increased income associated to support this.
- 3.7 **Non Pay:** An adverse variance of £0.599m is reported for 2021-22. This mainly relates to forecast costs for Homelessness which is covered by Grant funding income.

### **Budget Saving Achievement Progress**

- 3.8 Within each Committee's revenue budget there are a number of savings proposals, that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken

immediately to ensure a balanced forecast budget can be reported to the end of the year.

**TABLE 3: 2021/22 Housing – Budget Savings**

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Cease support for Community Alarms	£0.20m	£0.20m	<b>AMBER</b>	Saving will be delivered through mitigation whilst a review of the Community Alarms service is undertaken.
<b>Total</b>	<b>£0.2m</b>	<b>£0.2m</b>		

### Earmarked Reserves

3.9 Earmarked reserves are amounts set aside for a specific purpose or projects.

**TABLE 4 : Housing Committee Reserves**

Reserves	2021-22 Opening balance (£000)
Selective Licensing	-538
HMO Licence Fees	-131
Maintenance & Emergency repairs	-71
Challenge Fund Properties	-22
<b>Total</b>	<b>-762</b>

### 2021/22 COMMITTEE CAPITAL BUDGET

**TABLE 5: 2021/22 – Housing Committee Capital Budget & Forecast**

Scheme	2021/22		
	Budget at 01.04.21 £000	Forecast Outturn £000	Variance £000
<b>Housing</b>			
Aids, Adaptations and Disabled Facility Grants	7,782	6,386	-1,396
Clearance	390	10	-380
Empty Property Grant Scheme	380	210	-170
Home Improvements	0	250	250
Property Pooled Plus I.T System	0	70	70
<b>Total Housing</b>	<b>8,552</b>	<b>6,926</b>	<b>-1,626</b>

3.10 Table 5 summarises the forecast expenditure against Capital Budgets, which shows a favourable variance of £1.626m.

- 3.11 Aids, Adaptations and Disabled Facilities Grants has slipped £1.396m into 2022-23 for committed/planned programmes which will incur expenditure next financial year.
- 3.12 Home Improvements has previously been approved by Members with budget provision top sliced from the Better Care Fund grant.
- 3.13 Members should note the majority of the housing capital programme operates on a rolling programme basis related to approvals and works being undertaken therefore expenditure against available budgets can fluctuate across financial years.

#### **4 FINANCIAL IMPLICATIONS**

- 4.1 This is the budget monitoring report that provides information on the forecast outturn for the Housing Committee for 2021/22. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to the Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

#### **5 LEGAL IMPLICATIONS**

- 5.1 Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. This is in addition to the personal duty on the Chief Finance (Section 151) Officer to make a report, if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources.

#### **6 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are no implications arising directly from this report.

## **7 RELEVANT RISKS**

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
1. Senior Leadership / Directorate Teams regularly reviewing the financial position.
  2. Availability of General Fund Balances.
  3. Review of existing services and service provision.

## **8 ENGAGEMENT/CONSULTATION**

- 8.1 The priorities in the Council Plan 2025 were informed by stakeholder engagement carried out in 2019.

## **9 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 There are no equality implications arising specifically from this report.

## **10 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The Wirral Plan 2025 includes a set of goals and objectives to create a sustainable environment which urgently tackles the environment emergency. These are based on developing and delivering plans that improve the environment for Wirral residents. The performance report will include information on key areas where environment and climate related outcomes are delivered.
- 10.2 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 There are no community wealth implication arising directly from this report.

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## **APPENDICES**

None

## **BACKGROUND PAPERS**

- 2021/22 BUDGET MONITORING
- P&R Budget Monitoring 2021/22 Quarter 2

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Housing Committee	26 November 2020
Housing Committee	27 January 2021
Housing Committee	10 March 2021
Housing Committee	19 October 2021