

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by Acting Executive Director of Housing, Environmental and Economic Development (Housing and Regeneration Services)**

**Housing, Environment and Economic Development Committee:  
7 November 2007**

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**Subject: HRA Capital Programme 2007/2008 Budgetary Control Report  
to 15 September 2007 (Period 5)**

#### **1. Purpose of Report**

- 1.1** The purpose of this report is to advise the Committee on the progress of the HRA Capital Programme 2007/2008. Budgetary control statements for the HRA Capital Programme are also presented to the full Council to allow Members to monitor performance.

#### **2. Background**

- 2.1** Council agreed the 2007/2008 HRA Capital Programme at its Budget meeting on 8 February 2007. This report details expenditure against the various budget headings up to 15 September 2007.

#### **3. Main Issues**

- 3.1** The budgeted expenditure on the Capital Programme, with matched resources, is £17.002m (see Appendix A).
- 3.2** A summary of the expenditure to 15 September 2007 on each main budget heading is attached at Appendix B. Expenditure to 15 September 2007 totals £4.263m.
- 3.3** The Committee will note that the actual spend to 15 September 2007 is compared to the phased capital budget at 15 September 2007 amounting to £5.615m, resulting in an underspend of £1.352m.
- 3.4** Details of the actual expenditure and phased budget to 15 September 2007 on each detailed budget heading are attached at Appendix C.
- 3.5** As can be seen there are a number of significant over and under spendings on the various budget lines. This is not unusual as certain projects can be unavoidably delayed, in which case the spend on other projects is very often accelerated.
- 3.6** Brief explanations of the main variances are as follows;

**i) Kitchen Upgrades Underspend £649,000**

This apparent underspend is a result of the phasing of this budget as it is anticipated that the budget will be spent in full by the year end.

**ii) Environmental Improvements Underspend £134,000**

The underspend relates to the proportion of the work to be undertaken as regards the non fencing work (car parks, footpaths etc upgrades) and this work is programmed by Roads Section for later in the financial year.

**iii) Communal/Digital TV Systems Underspend £118,000**

This underspend is due to a number of properties having been removed from the project due to the unsuitability of the installation.

**iv) Building Improvement Programme Underspend £126,000**

This apparent underspend is a result of the phasing of this budget as it is anticipated that the budget will be spent in full by the year end.

**v) Bathroom Upgrades Underspend £88,000**

This underspend is the result of the number of no accesses being encountered and also the number of refusals by tenants when the full extent of the work has been explained. Additional addresses have now been released.

**vi) Minor Capital Works Overspend £117,000**

This overspend is mainly due to unanticipated roofing and guttering work.

**vii) uPVC Front & Back Doors Overspend £116,000**

No budget had been allowed for this item of expenditure as the capital uPVC component replacement programme had wound down. However uPVC components are still being ordered responsively and a budget line may be required in the future.

**viii) Void House Strategy Underspend £557,000**

The average number of void houses has fallen by over one-fifth since 2005/2006. This has resulted in a steady decline in the amount of capital work being committed to bringing our void properties up to an acceptable condition for letting.

**ix) Central Heating Overspend £148,000**

This overspend is due to the level of failures of obsolete boilers being encountered during annual safety inspections.

- 3.7** Details of the projected outturn on the HRA Capital Programme to 31 March 2008 are attached at Appendix D. The Committee will note that a total spend of £15.028m is predicted, resulting in an underspend of £1.974m.
- 3.8** The Committee will also note that there are a large number of over and underspendings from the original HRA Capital budget approved at the Council meeting on 8 February 2007.
- 3.9** The revised budgets as detailed in the "Projected Outturn to 31 March 2008" column, are based upon a proposed virement which was the subject of a report to the Council meeting held on Wednesday 31 October 2007.

**4. Personnel Issues**

- 4.1** There are no personnel issues.

**5. Financial Implications**

- 5.1** The first financial implication of this report is that the Council has spent £4.263m to the 15 September 2007 against a phased budget of £5.615m resulting in an underspend as at 15 September 2007 of £1.352m.
- 5.2** The second financial implication of this report is that the HRA Capital Programme is predicted to underspend by £1.974m.

**6. Risk Analysis**

- 6.1** The present variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March 2008 which could affect the final year end spend.

**7. Conclusion**

- 7.1** This report identifies an underspend against the phased budget at period 5 of £1.352m.

**7.2** The report also identifies a projected total underspend of £1.974m and asks for Members' approval for the resultant budget virement.

**8. Recommendation**

**8.1** The Committee is asked to note the contents of this report.

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**Development**  
**(Housing & Regeneration Services)**  
**Date: 29 October 2007**

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**Wards Affected:** All

**Background Papers:** None

**Appendix:** A : HRA Capital Resources  
B : Summary of HRA Capital Spend  
C : Details of HRA Capital Spend  
D : HRA Projected Capital Outturn