

APPENDIX 7

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

Project Life Financials	86,753	2,547	3%	86,753	0	0%
Current Year Financials	10,446	2,547	24%	2,547	(7,899)	-76%
Project Description	New house build					
Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date		31-Mar-21	

Delays as a result of the procurement exercise to appoint CCG (Scotland) as the main contractor to deliver the majority of the West Dunbartonshire Affordable Housing Supply Programme was a significant factor impacting on the in year variance. It should be noted that Housing Development has a degree of complexities, however in terms of significant spend this is markedly accelerated when projects move to the construction site stage. An update on the progress on each side was reported to the Housing & Communities committee on 1 May 2019.

Progress on this programme will be closely monitored on a regular basis through the More Homes Project Board and reported to the Housing and Communities Committee on a quarterly basis.

New build programme will be delivered in line with the overall March 2021 target date.

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Budget Details		Project Life Financials						
		Budget		Spend to Date		Forecast Spend		Variance
		£000	£000	%	£000	£000	%	
2	Void House Strategy Programme							
	Project Life Financials	9,000	4,857	54%	9,000	0	0%	
	Current Year Financials	2,500	4,857	194%	4,857	2,357	94%	
	Project Description	Void House Strategy Programme						
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23	
	Main Issues / Reason for Variance							
	Despite the successful letting of many long-term voids in recent years, the remaining properties which have sat in abeyance for several years have required proportionately more work to bring them back into use. A focus on tackling these high value void properties and a reflection of accelerating this works programme has led to an overspend. It is anticipated that with this concentrated effort in 18/19, the spend in 19/20 will be lower representing the cost of turning around a normal void that occurs during the letting process.							
	Mitigating Action							
	2019/20 should see a large reduction on spend since the majority of problematic properties have been dealt with in 2018/19. Overall, it is anticipated that the programme will come in on budget by the end of the project life.							
	Anticipated Outcome							
	Project to complete as planned and on budget over the project life.							

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Budget Details		Project Life Financials					
		Budget		Spend to Date		Forecast Spend	Variance
		£000	£000	%	£000	£000	%
3	Modern facilities and services						
	Project Life Financials	1,962	549	28%	1,962	0	0%
	Current Year Financials	380	549	144%	549	169	44%
	Project Description	This budget is to undertake the continuation of West Dunbartonshire's commitment to upgrading the kitchens and bathrooms of all housing stock and contribution to maintaining standards for SHQS.					
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23
	Main Issues / Reason for Variance						
	An increase in tenant uptake resulted in an acceleration to the planned works programme as reflected in an in-year overspend. However, it is anticipated that this project will complete on budget by the end of the overall project life.						
	Mitigating Action						
	Overall, it is anticipated that the project will complete on budget by the end of the project life.						
	Anticipated Outcome						
	Project to complete as planned and on budget over the project life.						

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Budget Details		Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Variance	
		£000	£000	%	£000	£000	%
4	Defective Structures/Component Renewals						
	Project Life Financials	1,998	656	33%	1,998	0	0%
	Current Year Financials	563	656	117%	656	93	17%
	Project Description	This budget is to fund the continuous programme of work to address specific structural faults in a number of tenement properties in Drumry.					
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23
	Main Issues / Reason for Variance						
	Programmed works was completed as planned. However, this programme of work is completed by our in-house Building Services and has been ongoing for a number of years now. Over this period, increases have been realised in staff costs, materials, plant etc. which have affected the core costs per block resulting in an in-year overspend.						
	Mitigating Action						
	Housing officers to agree/locate decants for next block to keep a smooth transition. Despite an in-year anticipated overspend, it is anticipated that the project will complete on budget over the project life.						
	Anticipated Outcome						
	Project to complete as planned and on budget over the project life.						

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Budget Details		Project Life Financials					
		Budget		Spend to Date		Forecast Spend	Variance
		£000	£000	%	£000	£000	%
5	Asbestos Management						
	Project Life Financials	1,000	285	29%	1,000	0	0%
	Current Year Financials	200	285	143%	285	85	43%
	Project Description	This budget is to fund work associated with the management of current asbestos legislation and the Council's asbestos policy within housing stock.					
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23
	Main Issues / Reason for Variance						
	This is a contingent budget for unforeseen asbestos management works that are generated via revenue and meet capital criteria. Officers monitor this budget spend and periodically transfer from revenue to capital as appropriate. Despite, the in-year adverse variance, it is anticipated that this project will spend on budget by the end of the project life.						
	Mitigating Action						
	It is anticipated that the project will complete on budget by the end of the project life.						
	Anticipated Outcome						
	Project to complete as planned and on budget over the project life.						

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Budget Details		Project Life Financials					
		Budget	Spend to Date	Forecast Spend	Variance		
		£000	£000	%	£000	£000	%
6	Targeted EESSH compliance works						
	Project Life Financials	24,748	2,970	12%	24,748	0	0%
	Current Year Financials	5,150	2,970	0%	2,970	(2,180)	-42%
	Project Description	This budget enables the council's continued commitment to achieving the Government's standards in relation to energy efficiency.					
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23
Main Issues / Reason for Variance							
The Targeted EESSH (EWI) programme completed a significant amount of workload by the year end, however the full amount of completions did not meet our initial expectations. The target was ambitious considering that work on site commenced towards the end of 2018. Officers and the contractor made every effort to maximise the year end outturn to close this gap as much as possible. The programme continues into 2019 and the output is maintaining good performance and the contractor is increasing labour and resources to increase this further. Whilst the 2018/19 year end outturn was less than planned, the progress is positive for 2019/20. The remaining balance will re-phase into 2019/20.							
Mitigating Action							
It is anticipated that the project will complete on budget by the end of the project life.							
Anticipated Outcome							
Project to complete as planned and on budget over the project life.							

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED STATUS

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

Project Life Financials	125,461	11,864	9%	125,461	0	0%
Current Year Financials	19,239	11,864	62%	11,864	(7,375)	-38%

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER STATUS

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1	Non Traditional and Traditional Improvement Works (Risk St)					
	Project Life Financials	2,452	491	20%	2,452	00%
	Current Year Financials	1,200	491	41%	491	(709)-59%
	Project Description	Risk Street Over clad				
	Project Lifecycle	Planned End Date	31-Mar-20	Forecast End Date	31-Mar-20	
	Main Issues / Reason for Variance					
	Despite significant progress on this longstanding high profile project, the year end outturn was less than anticipated. The remaining in-year budget will re-phase into 2019/20 for completion of this project. The overall project is going very well, officers and contractor are closely engaged and very happy with progress. Feedback from the residents involved and elected members is very positive with the first two full blocks nearing completion by year-end.					
Mitigating Action						
It is anticipated that the project will complete on budget by the end of the project life.						
Anticipated Outcome						
Project to complete on budget as planned.						

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ANALYSIS OF PROJECTS AT AMBER STATUS

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

2	Doors/Window Component renewals						
	Project Life Financials	7,500	852	11%	7,500	0	0%
	Current Year Financials	1,500	852	57%	852	(648)	-43%
	Project Description	Doors/Windows Component Renewals					
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
Main Issues / Reason for Variance							
Project not completed as planned and year-end spend lower than the revised projected outturn. This is due to the underperformance of the new window supply contractor which has been reported for some time. Despite early engagement directly with the supplier when this became apparent, the performance did not improve quickly enough to mitigate the situation. The supplier performance did improve in the last quarter of 2018/19 but not soon enough to significantly increase spend to target. Performance has continued to improve and it is anticipated that this should be sustained and increase further. Remaining balance to re-phase to 2019/20							
Mitigating Action							
Building Services are in close contact with the supplier to improve performance and in conjunction with capital team, are working to complete previous no-access addresses, where materials are already supplied. A revised address list has been provided to ensure sufficient addresses are available to allow workflow.							
Anticipated Outcome							
Project to complete as planned and on budget over the project life.							

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	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

3 Projects to deliver housing policies/strategies (Buy Backs)

Project Life Financials	3,330	517	16%	3,330	0	0%
Current Year Financials	1,330	517	0%	517	(813)	-61%

Project Description This is a budget to undertake specific projects that will deliver housing policies/strategies, example: Ex local authority and mortgage to rent buy-back scheme

Project Lifecycle Planned End Date 31-Mar-21 Forecast End Date 31-Mar-21

Main Issues / Reason for Variance

The main objective of the Buy Back Scheme is to bring former council properties that were sold via the RTB scheme, back into council use. These properties must assist the council with reducing housing need on the waiting list and where appropriate assist with external capital works. For these reasons, any purchase is subject to stringent criteria to ensure accountability and value for money for existing tenants. With several key stakeholders involved, this does mean that there is potential for slippage. However, there is no shortage of suitable properties and plans are in place to ensure full spend next year.

Mitigating Action

Officers will work to maximise buy-backs, in an effort to increase spend and minimise slippage. There are a number of properties identified and we would anticipate the acquisitions will complete in Quarter 1 of 2019/20.

Anticipated Outcome

Project to complete as planned and on budget over the project life.

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4	Environmental Renewals (paths, fences, walls, parking)						
	Project Life Financials	5,485	1,145	21%	5,485	0	0%
	Current Year Financials	1,505	1,145	0%	1,145	(360)	-24%
Project Description		This budget is to enable continued planning and programming of environmental projects such as paths, car parks and landscaped areas under the curtilage of housing management.					
Project Lifecycle		Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23
Main Issues / Reason for Variance							
Project did not meet year-end spend target. Despite efforts by project officers and contract delivery team to maximise completions, the successful delivery of this programme is affected by owner involvement and agreement to improve common access paths in shared ownership locations. This resulted in lower final spend than planned. Remaining budget will re-phase into 2019/20							
Mitigating Action							
It is anticipated that the project will complete on budget by the end of the project life.							
Anticipated Outcome							
Project to complete as planned and on budget over the project life.							

WEST DUNBARTONSHIRE COUNCIL
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ANALYSIS OF PROJECTS AT AMBER STATUS

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

5	Direct Project Support						
	Project Life Financials	9,000	1,990	22%	9,000	0	0%
	Current Year Financials	1,800	1,990	0%	1,990	190	11%
	Project Description	This budget is to fund central support and salary recharges.					
	Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date		31-Mar-21	
	Main Issues / Reason for Variance						
	A year end overspend has occurred due to an increased charge via the central support allocation (£0.068m) and an increased recharged of employee costs from HRA revenue (£0.122m) which is the result of a review by the service which identified a higher percentage of staff time spent on HRA capital activities, it also includes the 18/19 pay award.						
	Mitigating Action						
	It is anticipated that the project will complete on budget by the end of the project life.						
	Anticipated Outcome						
	Project to complete as planned and on budget over the project life.						

Project Life Financials	27,767	4,995	18%	27,767	0	0%
Current Year Financials	7,335	4,995	68%	4,995	(2,340)	-32%

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1 Targeted SHQS Compliance Works

Project Life Financials	1,519	157	10%	1,057	(462)	-30%
Current Year Financials	719	157	22%	157	(562)	-78%

Project Description	This budget is to focus on work required to maintain the SHQS compliance with WDC housing stock.
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Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23
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Main Issues / Reason for Variance

Current year end position shows a favourable variance of £0.562m. £0.100m of planned works will be slipped into 19/20 with the balance of £0.462m identified as being an underspend. Overall project life to complete under budget (£0.462m). No issues with regards the general SHQS budget. No issues in relation to the planned works at 5 Grey Street. Internal upgrades, roof, windows, close and EWI works all complete.

Mitigating Action

None required at this time.

Anticipated Outcome

Project to complete as planned and under budget.

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

2 Clydebank East Demolition/homeloss & disturbance

Project Life Financials	5,704	14	0%	5,631	(73)	-1%
Current Year Financials	87	14	16%	14	(73)	-84%

Project Description	Clydebank East Homeloss/Disturbance Payments
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Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23
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Main Issues / Reason for Variance	
1	1. The project was delayed due to a lack of communication between the team members.
2	2. The budget was exceeded due to unexpected costs.
3	3. The quality of the work was not up to the required standards.
4	4. The project was not completed on time.
5	5. The project was not completed on time.
6	6. The project was not completed on time.
7	7. The project was not completed on time.
8	8. The project was not completed on time.
9	9. The project was not completed on time.
10	10. The project was not completed on time.

No issues. Project to complete under budget.

Mitigating Action

None required

Anticipated Outcome

Project to complete as planned and under budget.

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

3 Capitalised Minor Works

Project Life Financials	2,400	487	20%	2,400	0	0%
Current Year Financials	600	487	81%	487	(113)	-19%

Project Description This is a budget to undertake specific minor ad hoc capital projects that arise on demand throughout the financial year.

Project Lifecycle Planned End Date 31-Mar-23 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

No Issues, projected to complete and meet overall spend target.

Mitigating Action

None required.

Anticipated Outcome

Project to complete as planned and on budget over the project life.

**WEST DUNBARTONSHIRE COUNCIL
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ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000**

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

4 Integrated Housing Management System

Project Life Financials	460	350	76%	460	0	0%
Current Year Financials	460	350	76%	350	(110)	-24%

Project Description Integrated Housing Management System

Project Lifecycle Planned End Date 31-Mar-19 Forecast End Date Summer 2019

Main Issues / Reason for Variance

The IHMS project will enter the go-live phase of implementation on 17 June 2019 with the final switch on of the system to happen in Summer 2019, with the final date pending agreement of the final stage project plan and agreement of consultant availability with the system supplier, Aareon.

Mitigating Action

None required at this time.

Anticipated Outcome

Project to complete as planned.

**WEST DUNBARTONSHIRE COUNCIL
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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

5 Building external component renewals

Project Life Financials	13,710	2,854	21%	13,710	0	0%
Current Year Financials	3,134	2,854	91%	2,854	(280)	-9%

Project Description Building external component renewals

Project Lifecycle Planned End Date 31-Mar-23 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

Works are progressing. Pitched roofing remains behind overall target although recent output is showing improvement. Capital team are tracking progress and output. Additional flat roof works have been identified and accelerated to increase overall completions as these are completed via a back-up specialist contractor.

Mitigating Action

Capital officers are monitoring progress and targets. Additional roofs, including flat roofs, have being identified and provided.

Anticipated Outcome

Project to complete as planned and on budget over the project life.

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

6 **Secure Entry Component Renewals**

Project Life Financials	320	66	21%	320	0	0%
Current Year Financials	130	66	51%	66	(64)	-49%

Project Description This budget is to focus on secure door entry component renewals as identified and recommended from the housing stock condition survey and appropriate council officer referrals.

Project Lifecycle Planned End Date 31-Mar-23 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

No Issues, projected to complete and meet overall spend target.

Mitigating Action

None required.

Anticipated Outcome

Project to complete as planned .

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

Project Life Financials	500	155	31%	500	0	0%
Current Year Financials	100	155	155%	155	55	55%

Project Description	This is a contingent budget for unforeseen matters which may arise during the year.
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Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23
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Main Issues / Reason for Variance	
1	1. The project was delayed due to a lack of communication between the team members.
2	2. The budget was exceeded due to unexpected costs for materials and labor.
3	3. The quality of the work was not up to par due to a lack of oversight and quality control.
4	4. The project was not completed on time due to a lack of resources and a change in scope.
5	5. The project was not completed on time due to a lack of resources and a change in scope.
6	6. The project was not completed on time due to a lack of resources and a change in scope.
7	7. The project was not completed on time due to a lack of resources and a change in scope.
8	8. The project was not completed on time due to a lack of resources and a change in scope.
9	9. The project was not completed on time due to a lack of resources and a change in scope.
10	10. The project was not completed on time due to a lack of resources and a change in scope.

This is a contingent budget for unforeseen matters. Overspend in relation to a high cost fire damage replacement being capitalised.

Mitigating Action

None required

Anticipated Outcome

Project to complete as planned and within overall project life budget.

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
TOTAL GREEN						
Project Life Financials	33,456	5,761	17%	32,916	(540)	-2%
Current Year Financials	7,075	5,761	81%	5,761	(1,314)	-19%

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1	New Build Grant						
	Project Life Financials	(38,779)	(1,915)	5%	(38,779)	0	0%
	Current Year Financials	(6,338)	(1,915)	30%	(1,915)	4,423	-70%
	Project Description	Grant to facilitate the building of new build housing					
	Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
Main Issues / Reason for Variance							
Reprofiling of the new house build program as reported to the Housing and Communities Committee on the 6th February, will result in changes to timing of Scottish Government Grant drawdown.							
Mitigating Action							
None required - timing issue only.							
Anticipated Outcome							
Further Scottish Government Grant drawdowns will be made in 2019/20 to match expenditure.							

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2	Prudential Borrowing						
	Project Life Financials	(120,768)	(7,346)	6%	(120,224)	544	0%
	Current Year Financials	(19,117)	(7,346)	38%	(7,346)	11,771	-62%
	Project Description	Prudential borrowing to finance capital expenditure not already funded from grants/contributions, revenue contributions or capital receipts					
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
	Main Issues / Reason for Variance						
	Prudential Borrowing is impacted by the both the total level of capital spend and the level of other capital resources. The level of prudential borrowing in 2018/19 and overall is likely to be less than anticipated for reasons identified within each project that shows re-phasing requirements in the red analysis.						
Mitigating Action							
Mitigating actions are detailed in the red analysis.							
Anticipated Outcome							
Prudential Borrowing was less than anticipated.							

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE

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Budget Details	Project Life Financials					
	Budget	Income to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

3

CFCR						
Project Life Financials	(23,955)	(13,349)	56%	(23,955)	0	0%
Current Year Financials	(7,429)	(13,349)	180%	(13,349)	(5,920)	80%
Project Description	Capital Funded from Current Revenue					
Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
Main Issues / Reason for Variance						
Council policy established a number of years ago is that any surpluses will be earmarked for the purpose of regeneration of the housing stock, therefore an additional CFCR has been applied in year.						
Mitigating Action						
No issues						
Anticipated Outcome						
The CFCR was more than original budgeted						

TOTAL RESOURCES						
Project Life Financials	(186,685)	(22,620)	12%	(186,145)	(540)	0%
Current Year Financials	(33,651)	(22,620)	67%	(22,620)	(11,031)	33%