

WEST DUNBARTONSHIRE COUNCIL

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

Council : 19 December 2007

**Subject: HRA Capital Programme 2007/2008 Budgetary Control Report
to 15 November 2007 (Period 7)**

1. Purpose of Report

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

2. Background

- 2.1** Council agreed the 2007/2008 HRA Capital Programme at its Budget meeting on 8 February 2007. At its meeting on 31 October 2007, Council was presented with the probable outturn figures for the HRA Capital Programme and approved the revised probable spend figure of £15.028m. This report details expenditure against the various probable outturn headings up to 15 November 2007.

3. Main Issues

- 3.1** The budgeted expenditure on the Capital Programme, with matched resources, is now £15.028m (see Appendix A).
- 3.2** A summary of the expenditure to 15 November 2007 on each main budget heading is attached at Appendix B. Expenditure to 15 November 2007 totals £7.001m.
- 3.3** Members will note that the actual spend to 15 November 2007 is now compared to the phased capital probable outturn at 15 November 2007 amounting to £7.367m, resulting in an underspend of £0.366m.
- 3.4** Details of the actual expenditure and phased probable outturn to 15 November 2007 on each detailed budget heading are attached at Appendix C.
- 3.5** Brief explanations of the main variances are as follows;

i) Kitchen Upgrades Underspend £425,000

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 £199,000

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) uPVC Front & Back Doors Overspend £179,000

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.

iv) Void House Strategy Overspend £182,000

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. The probable outturn figure was set at £600,000, from an original budget of £2m, but it would appear that the probable outturn has been set too low and this budget will now be overspent when compared to the projected outturn.

- 3.6** Although we are now anticipating some overspends on certain individual projected outturn budgets, the year end position overall is still being predicted as a total spend of around £15.028m, as some projects will underspend against the projected outturn which will compensate for those projects which are overspending against the projected outturn.

4. Personnel Issues

- 4.1** There are no personnel issues.

5. Financial Implications

- 5.1** The financial implication of this report is that the Council has spent £7.001m to the 15 November 2007 against a phased probable outturn of £7.367m resulting in an underspend as at 15 November 2007 of £0.366m.

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 7 of £0.366m.

8. Recommendation

- a. Members are asked to note the contents of this report.**

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Appendix: Appendix A – Capital Programme Resources
Appendix B – Summary of Expenditure to 15 Nov. 2007
Appendix C – Details of Expenditure to 15 Nov. 2007

Background Papers: None

Wards Affected: All