

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

Council: 17 December 2008

Subject: HRA Capital Programme 2008/2009 Budgetary Control Report to 15 November 2008 (Period 7)

1. Purpose

- 1.1** The purpose of this report is to advise Members on the progress of the HRA Capital Programme 2008/2009. 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 2008/2009 HRA Capital Programme at its Budget meeting on 14 February 2008. This report details expenditure against the various budget headings up to 15 November 2008.

3. Main Issues

- 3.1** The budgeted expenditure on the Capital Programme, with matched resources, is £16.902m (see Appendix A).
- 3.2** A summary of the expenditure to 15 November 2008 on each main budget heading is attached at Appendix B. Expenditure to 15 November 2008 totals £8.706m.
- 3.3** Members will note that the actual spend to 15 November 2008 is compared to the phased capital budget at 15 November 2008 amounting to £8.601m, resulting in a spend of £0.105m more than anticipated in the phased estimates.
- 3.4** Details of the actual expenditure and phased budget to 15 November 2008 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) Multi-Storey Comprehensive Area Renewal - Underspending £520,000

This underspending is the result of the timing of the expenditure being behind the budget phasing at this point in the financial year and no year end underspend is being predicted on this budget.

ii) Kitchen Upgrades - Underspending £516,000

This underspending is the result of the timing of the expenditure being behind the budget phasing at this point in the financial year. However it does now look as if there will be an underspending at the year end amounting to just over £500,000.

iii) uPVC Windows/Doors - Overspending £247,000

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 on a responsive basis and budget provision will be required in the future. The overspend at the year end is predicted to be around £350,000.

iv) Void House Strategy - Overspending £347,000

The budget on the Void House Strategy has been understated and this budget overspend will continue. The overspend at the year end is predicted to be around £400,000.

v) Central Heating - Overspending £1,270,000

This overspend is as a result of more obsolete boilers and systems being discovered during annual gas maintenance visits and it is anticipated that the budget will now overspend by £1,500,000.

vi) Overclad Projects - Underspending £115,000

This budget is underspending and the year underspend is predicted to be around £300,000.

vii) Metal Roof & Render Projects - Underspending £120,000

This budget is underspending and the year underspend is predicted to be around £400,000.

viii) Statutory Compliance Projects - Underspending £147,000

This budget is underspending and the year underspend is predicted to be around £230,000.

- 3.7 Details of the projected outturn on the HRA Capital Programme to 31 March 2009 are attached at Appendix D. Members will note that a total spend of £16.902m is still being predicted but the spread of the anticipated expenditure has altered to a degree in response to changing circumstances in key areas.
- 3.8 Members 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 14 February 2008.
- 3.9 Members' approval to the revised budgets as detailed in the "Revised Budget to 31 March 2009" column is therefore required in terms of the Council's Financial Regulations, Section C Control of Expenditure, Paragraph 2.
- 3.10 As per the Council's Financial Regulations the approval of the Head of Finance has been obtained to the budget virement as detailed in Appendix D.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial Implications

- 5.1 The Council has spent £8.706m to the 15 November 2008 against a phased budget of £8.601m resulting in an overspend as at 15 November 2008 of £0.105m.
- 5.2 The HRA Capital Programme is predicted to spend up to the budget of £16.902m, but the spread of that expenditure has changed from the budget approved by Council on 14 February 2008 as a consequence of changing circumstances on key budget lines as outlined above.

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 2009 which could affect the final year end spend.

7. Conclusion

- 7.1 This report identifies an overspend against the phased budget at period 7 of £0.105m.

7.2 The report highlights that a total spend of £16.902m is still being predicted, but the spread of the expenditure has changed and this is reflected in the proposed virements outlined in Appendix D.

8. Recommendation

a) Members are asked to:

- i) note the contents of this report; and**
- ii) approve the budget virement as referred to in paragraph 3.10 and detailed on Appendix D.**

Elaine Melrose

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Date: 2 December 2008

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Appendices: Appendix A - Capital Programme Resources
Appendix B - Summary of Expenditure to 15 Nov. 2008
Appendix C - Details of Expenditure to 15 Nov. 2008

Background Papers: None

Ward Affected: All