

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

Council: 29 October 2008

Subject: HRA Capital Programme 2008/2009 Budgetary Control Report to 15 September 2008 (Period 5)

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 September 2008.

3. Main Issues

- 3.1** The projected expenditure on the Capital Programme, with matched projected resources, is £16.902m (see Appendix A).
- 3.2** A summary of the expenditure to 15 September 2008 on each main budget heading is attached at Appendix B. Expenditure to 15 September 2008 totals £5.856m.
- 3.3** Members will note that the actual spend to 15 September 2008 is compared to the phased capital budget at 15 September 2008 amounting to £5.550m, resulting in a spend of £0.306m greater than anticipated in the phased estimates.
- 3.4** Details of the actual expenditure and phased budget to 15 September 2008 on each budget heading are attached at Appendix C.
- 3.5** Brief explanations of the main variances are as follows:

i) Multi-Storey Comprehensive Area Renewal - Underspending £304,000

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 may be an underspending at the year end.

ii) Bathroom Upgrades - Overspending £140,000

This overspending is the result of the timing of the expenditure being in front of the budget phasing at this point in the financial year, and no year end overspend is being predicted on this budget.

iii) uPVC Windows/Doors - Overspending £181,000

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.

iv) Void House Strategy - Overspending £156,000

Financial year 2008/09 is the first year a discrete budget has been established. Expenditure and void levels are consistent with 2007/08, it is therefore reasonable to assume that the budget for Void House Strategy has been understated and this will require to be addressed in future years. Given this, this budget line will continue to show an overspend through the remainder of the current year.

v) Central Heating - Overspending £393,000

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 around £800,000 to a total of £1.8m.

3.6 Although we are anticipating some overspends on certain individual budgets, the year end position overall is still being predicted as a total spend of around £16.902m, as some projects will underspend against their budgets which will compensate for those projects which are overspending.

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 £5.856m to the 15 September 2008 against a phased budget of £5.550m resulting in a phased overspend as at 15 September 2008 of £0.306m.

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 year end spend.

7. Conclusion

7.1 The report identifies a phased overspend against phased budget of £0.306m, but the year end position is still being predicted as a total spend of around £16.902m, as some projects will underspend against their budgets which will compensate for those projects which are overspending.

8. Recommendation

8.1 Members are asked to note the contents of this report.

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Date: 9 October 2008

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

Background Papers: None

Ward Affected All