

WEST DUNBARTONSHIRE COUNCIL

Report by Director of Housing, Regeneration and Environmental Services

Council : 26 April 2006

Subject: HRA Capital Programme 2005/2006 Budgetary Control Report to 15 March 2006 (Period 11)

1. Purpose of Report

- 1.1** The purpose of this report is to advise Members on the progress of the HRA Capital Programme 2005/2006. Budgetary control statements for the HRA Capital Programme are also presented to the Social Justice Committee to allow the Committee to monitor performance.

2. Background

- 2.1** Council agreed the 2005/2006 HRA Capital Programme at its Budget meeting on 10 February 2005. At its meeting on 14 December 2005, the Social Justice Committee was presented with the probable outturn figures for the Capital Programme and the Committee approved budget virement in respect of the HRA Capital Programme. This report compares expenditure against the various probable outturn headings up to 15 March 2006.

3. Main Issues

- 3.1** The original budgeted expenditure on the Capital Programme, with matched resources, was £15.092m (see Appendix A). The projected outturn, approved by the Social Justice Committee at its meeting on the 14 December 2005, is slightly less at £15.027m.
- 3.2** A summary of the expenditure to 15 March 2006 on each main budget heading is attached at Appendix B. Expenditure to 15 March 2006 totals £12.170m.
- 3.3** Members will note that the actual spend to 15 March 2006 is compared to the phased capital probable outturn at 15 March 2006 amounting to £11.322m, resulting in an overspend of £0.848m as at 15 March 2006.
- 3.4** Details of the actual expenditure and phased probable outturn to 15 March 2006 on each detailed budget heading are attached at Appendix C.

- 3.5** Members' attention is drawn to the Revised Projected Outturn column at Appendix C, which shows a revised projected outturn of £15.629m, which is £0.602m greater than the projected outturn reported to the Social Justice Committee at its meeting on 14 December 2005.
- 3.6** As can also 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 is very often accelerated on other projects.
- 3.7** However the predominant reason for the overspend relates to the Void Housing Strategy budget which is overspent on the previously reported probable outturn by £0.573m. The Department has been concentrating on reducing the number of void houses and it has been necessary to invest a substantial amount of money to bring many of the void houses up to a standard acceptable to a prospective tenant.
- 3.8** Although the 2005/2006 HRA Capital Programme is likely to overspend by £0.602m, this will be funded from resources available from the underspend in 2004/2005.
- 3.9** The Head of Finance has been consulted on the projected overspend and the budget virement, as required by the Council's Financial Regulations, (Section C Control of Expenditure, Paragraph 2 and 3.)
- 3.10** The Social Justice Committee approved the projected overspend of £0.602m and the budget virement as highlighted in the "Projected (Over)/Under Spend as at 31 March 2006" column, as required in terms of the Council's Financial Regulations, (Section C Control of Expenditure, Paragraph 2 and 3.)
- 3.11** In terms of Financial Regulation, Section C paragraph 4, a significant overspend on the Capital Programme must be reported to the full Council.

4. Personnel Issues

- 4.1** There are no personnel issues to note.

5. Financial Implications

- 5.1** The financial implications are as detailed in the report. There is an anticipated overspend within the 2005/2006 HRA Capital Programme of £0.602m which will be funded from resources available from the 2004/2005 underspend.

6. Recommendation

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

David McMillan

Director of Housing, Regeneration and Environmental Services

Date: 7 April 2006

Ward Affected All

Appendices: Appendix A – Capital Programme Resources
Appendix B – Summary of Expenditure to 15 Mar. 2006
Appendix C – Details of Expenditure to 15 Mar. 2006

Background Papers: None

Person to Contact: James Pow, Manager of Finance,
Telephone 01389 737535