

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee:
7 March 2012

**Subject: Housing Revenue Account Capital Programme 2011/2012
Budgetary Control Report to 31 January 2012 (Period 10)**

1. Purpose

- 1.1** The purpose of this report is to advise Members on the progress of the HRA Capital Programme 2011/2012 and allow performance to be monitored.

2. Background

- 2.1** The 2011/2012 HRA Capital Programme was last reported to Members at the Council meeting on 25 January 2012, with a probable outturn of £17.820m matched by a probable resource of this value.
- 2.3** This report details probable income and expenditure against the various budget headings up to 31 January 2012.

3. Main Issues

- 3.1** Resources achieved to date total £9.272m. When compared to the probable outturn to date of £9.235m this indicates a favourable position currently of £0.037m (0.40% of the year to date probable outturn) indicating that the HRA is likely to exceed the probable outturn mainly due to the generation of additional land sales and owner occupier contributions.
- 3.2** Expenditure incurred to date totals £9.475m. When compared to the probable outturn to date of £9.302m, this indicates an overspend position currently of £0.173 (1.86% of the year to date probable outturn). The main reason for the overspend position is due to the combined impact of the following:
- (a) External Cladding Works - This shows an adverse variance of £0.226m due to the identification of additional properties that require work;
 - (b) Heating Improvements - This shows a favourable variance of £0.152m due to property access difficulties; and
 - (c) Other - The combined impact of other small adverse variances totals £0.099m.

In line with year end capital procedures the final slippage balance that requires to be carried forward into 2012/13 will be adjusted to reflect actual spend incurred in 2011/12.

4. People Implications

4.1 There are no people implications.

5. Financial implications

5.1 When compared to the probable outturn to date resources shows a favourable variance of £0.037m, while expenditure shows an adverse variance of £0.173m. The situation will be monitored and action taken as necessary.

6. Risk Analysis

6.1 The main risks are as follows:

(a) As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated.

(b) 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 2012 which could affect the year end spend.

7. Equalities Impact Assessment (EIA)

7.1 No equalities impact assessment was required in relation to this report.

8. Strategic Assessment

8.1 The Council has identified four main strategic priorities for 2011/2012, namely Social & Economic Regeneration, Financial Strategy, Asset Management Strategy; and Fit for Purpose Services.

8.2 The HRA capital plan contributes to both Social & Economic Regeneration and the Asset Management Strategy via the provision of high quality housing.

9. Conclusions and Recommendations

9.1 Both resources and spend to date are higher than the probable outturn to date by £0.037m and £0.173m respectively, however, this will be monitored and appropriate action taken as necessary.

9.2 Members are asked to note the position to date as outlined in the attached appendix.

Elaine Melrose
Executive Director of Housing, Environmental and Economic Development
Date: 15 February 2012

Person to Contact: Jennifer Ogilvie - Business Partner (Finance), Garshake Road, Dumbarton, telephone: 01389 737471, e-mail jennifer.ogilvie@west-dunbarton.gov.uk

Appendices: Appendix - HRA Capital Programme
Financial Year 2011/12 - Probable Outturn

Background Papers: HRA Capital Programme 2011/12 - Council 25 January 2012

Wards Affected: All