

In accordance with Section 100B(4)(b) of the Local Government Act 1972, the Chairman has agreed that this item may be considered at the meeting as a matter of urgency.

Cabinet

21st September 2011

Report of the Portfolio Holder for Quality of Life

VIREMENT OF ASBESTOS BUDGET INTO HOUSING CAPITAL WORKSTREAMS

Recommendations

That Members approve the virement of £100,000 in respect of the Asbestos Testing and Removal capital programme budget, into the main capital programme workstreams under which asbestos removal works take place.

Background

The current capital budget includes a sum of £100,000 for the removal of asbestos in properties prior to other improvement work being carried out. The asbestos budget is an enabling budget and is considered to be an overhead cost but does not currently show as a cost against any of the other capital programme workstreams.

During a recent audit it was a recommendation that for proper accounting purposes the asbestos budget be shown as an overhead cost against the relevant capital programme workstreams. In allocating the asbestos costs to the individual workstreams as opposed to keeping it separate the true cost of each workstream including all overheads will be more clearly visible.

The recommendation includes the recording of the asbestos cost under a separate cost centre within the main budget code for each workstream

This approach will have no impact on the level or nature of the works completed and is aimed purely at accounting better for spend within each of the workstreams.

The budgets affected are as follows:-

- Kitchen £41,340
- Bathroom £26,330

• Electrical Upgrade	£20,000
• Disabled Facilities Adaptations	£12,330
TOTAL	£100,000

Financial Implications

There will be no impact on the overall capital budget as the £100,000 would have been used to pay for the cost of asbestos removal on each of the workstreams identified above. The virement will mean that the £100,000 is now shown as an overhead against each workstream rather than as a general overhead.

There will be no impact on the overall delivery of the capital works programme, the same amount of work will be completed.

Conclusions

The virement of the £100,000 from the asbestos budget into the four identified workstreams will make for better accounting but has no impact on the delivery of the programme and will not affect the overall spend.

The proposed virement comes as a result of an audit recommendation.