

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE – 28th January, 2003

POLICY AND RESOURCES COMMITTEE – 4th February, 2003

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2002/3

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises members of the capital expenditure incurred for the period from 1st April, 2002 to 30th November, 2002 and measures projected capital expenditure for the year against budgeted provision and available resources for the year.

1. RECOMMENDATION

It is recommended that the Committee:

- notes the position as at 30th November, 2002 on the Composite Capital Programme as per the accompanying monitoring statement.
- notes that the Director of Finance will review the position on the Composite Capital Programme and address issues relating to the projected spend position, possible slippage on projects and resources potentially available for 2002/3.
- notes that projections of the year end position will be ongoing and brought forward, on a regular basis, to future Committees.

2. BACKGROUND

The original Composite Capital Programme Budget for the 2002/3 financial year (excluding Local Capital Fund Projects) was £10.298 million as per the Final Revenue and Capital Budgets Volume 2002/3 issued to members in May, 2002. When Local Capital Fund Projects are included the original budget for 2002/3 increases to £10.936 million.

Further to the availability of final expenditure figures for 2001/2 the Composite Capital Programme for 2002/3 was reviewed and revised to take account of underspends and overspends on projects with carry forward implications for 2002/3. In conducting such a review full consultations were held with Departments resulting in a subsequent revised budget (excluding Local Capital Fund Projects) of £11.158 million for 2002/3. When Local Capital Fund Projects are included the revised budget for 2002/3 increases to £11.796 million.

The Capital Budget Sub Group met on 24th October, 2002 and considered the 2002/2006 Financial Plan Submissions from Departments in the light of estimated availability of capital

funding resources for 2002/3 and 2003/4. It was decided that the capital budget for 2002/3 should be further revised in line with capital expenditure projections contained within the 2002/2006 Financial Plan Submissions. This action has resulted in an updated revised budget (excluding Local Capital Fund Projects) of £10.650 million for 2002/3. When Local Capital Fund Projects are included the updated revised budget for 2002/3 increases to £11.189 million.

3. CURRENT POSITION

The accompanying [monitoring statement](#) sets out the position on the Composite Capital Programme for 2002/3 as at 30th November, 2002.

In terms of expenditure to the end of November, actual expenditure totalled £5.144 million which equates to 46 per cent of the revised budget of £11.189 million for the current financial year.

However, it should be noted that, in addition to actual expenditure achieved, work is ongoing on a number of projects for which no payment has, as yet, been made. Such payments will, of course, be reflected within the actual spend levels of future statements.

This position, although not unusual when compared with previous year trends (and noting £395,000 of covenant expenditure budgeted for the year which will not be incurred until March, 2002), must be closely monitored by Departmental Directors with a view to maximising budgeted expenditure for the year.

The total potential capital resource of £10.675 million exceeds the latest estimate of expenditure of £10.281 million by £394,000. This underspend is mainly attributable to additional allocation of £338,000 for land decontamination which was granted by the Scottish Executive at a late stage in the current financial year i.e. 1st December, 2002. Although the Director of Environmental and Consumer Protection has specific plans for the additional allocation granted there is insufficient time remaining within the current financial year to progress these plans in terms of capital spend.

The projected underspend is well within permitted carry forward limits pertaining to rephasing of resources from 2002/3 for use within 2003/4. Further, as part of the Budget Process for 2003/4 it is expected that the Director of Finance will review the position on the Composite Capital Programme and address issues relating to the projected spend position, possible slippage on projects and overall resources potentially available for 2002/3.

It should be noted that to maintain the balance between estimated expenditure and available resources it is incumbent on Departmental Directors - the Accountable Managers - to ensure that project expenditure proceeds according to plan. Accordingly, where the possibility of slippage arises, Departmental Directors must inform the Director of Finance at the earliest opportunity to allow a corporate assessment of the programme to be conducted and, where appropriate, resultant compensating action to be taken. Departmental Directors must also identify and notify potential overspends to the Director of Finance at the earliest opportunity to allow a similar assessment to be made.

4. FINANCIAL IMPLICATIONS

Financial implications are shown in the accompanying monitoring statement and up to date projections of the year end position will be brought before Committee at appropriate intervals.

5. CONCLUSION

It is concluded that the total potential capital resource of £10.675 million exceeds the latest estimate of expenditure of £10.281 million by £394,000. Although the Composite Capital Programme is currently projecting an underspend it should be noted that this level of underspend is well within permitted carry forward limits pertaining to rephasing of resources from 2002/3 for use within 2003/4.

It should also be noted that as part of the Budget Process for 2003/4 it is expected that the Director of Finance will review the position on the Composite Capital Programme and address issues relating to the projected spend position, possible slippage on projects and overall resources potentially available for 2002/3.

6. HUMAN RIGHTS IMPLICATIONS

There are no Human Rights Implications arising as a result of this report.

7. CONSULTATION

The Chief Executive, the Director of Law and Administration, the Director of Planning and Transport, the Director of Property Services and the Director of Roads have been consulted in the preparation of this report.

DAVID S SAWERS
DIRECTOR OF FINANCE

NOTE

No background papers as defined by Section 50D of the Local Government (Scotland) Act, 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing this report.