

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE – 15th April, 2003

POLICY AND RESOURCES COMMITTEE – 22nd April, 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 28th February, 2003 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 28th February, 2003 on the Composite Capital Programme as per the accompanying monitoring statement.
- notes that projections of the year end position will be ongoing and subject to further monitoring.
- agrees that the Director of Finance is given the responsibility to utilise capital financing resources to bring about the most advantageous year end position for financial year 2002/3.

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 28th February, 2003.

It can be seen that after the passage of eleven months actual expenditure totalled £7.121 million which equates to 64 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 level for the year.

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, 2003), must be closely monitored by Departmental Directors with a view to maximising budgeted expenditure for the year.

The latest estimate of expenditure of £9.595 million is within the total potential capital resource of £10.633 million (excluding enhancement in terms of capital allocation anticipation provisions) by £1.038 million. It should be noted that this amount will be carried forward to augment the 2003/04 funding resources. Further, as part of the Capital Monitoring Process for 2002/3 it is expected that the Director of Finance will continue to 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.

4. FINANCIAL IMPLICATIONS

Financial implications are shown in the accompanying monitoring statement and up to date projections of the year end position will be ongoing and subject to further monitoring.

5. CONCLUSION

It is concluded that Composite Programme capital expenditure projections are within available resources. 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 be noted that as part of the Capital Monitoring Process for 2002/3 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.

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.