

ANGUS COUNCIL
POLICY AND RESOURCES COMMITTEE
10 DECEMBER 2002

LOCAL CAPITAL FUND –MONITORING REPORT
PERIOD TO 30 SEPTEMBER 2002

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

The purpose of this report is to apprise members of the progress of the projects funded from the Local Capital Fund, to outline the actual spend for the period ended 30 September 2002 and indicate the projected outturn on projects.

1. RECOMMENDATION

It is recommended that the Committee notes;

- (a) the contents of this report for its interest, and
- (b) note that the last report submitted to committee specifically relating to the progress of policy led budgeting projects will cover the period to 31 March 2003.

2. INTRODUCTION

In 1996/97, the Council established a Local Capital Fund (LCF) and subsequent contributions were made to the Fund in the following three years. The Fund, together with external match funding, is used to finance projects which will make a positive contribution to the Angus economy.

A number of projects have been approved for funding over the preceding three years, most of which have now been completed. It is the progress of the 6 ongoing projects which is the subject of this monitoring report.

In setting the 2001/02 revenue and capital budgets, the Council recognised the requirement to fund expenditure which could not be accommodated in those budgets. It was therefore agreed to transfer resources from the LCF to fund e-government initiatives and a programme of skid resistance and aligned road safety (report No 334/01 refers). The contribution of a further £430,000 from the LCF to the Roads Department revenue budget in the 2002/03 financial year was also proposed in order to maintain the level of resources made available to the Roads department in line with 2001/02.

On this basis the Local Capital Fund would be exhausted. Consequently, in December 2001 a further contribution to the LCF of £1 million from the general fund was approved in order to enable potentially valuable projects to be taken forward (report 1427/01 refers). In addition, as a result of a review of the balances on special funds in February 2002 (report 193/02 refers), a further contribution of £1.482 million was made to the LCF, comprising £1 million from the Roads & Transport Renewal and Repair Fund, and £0.482 million from General Fund Balances. This will enable the following projects to be undertaken, using LCF resources to the extent indicated (report 193/02 refers):

<i>Project</i>	LCF Contribution
Mid Links, Montrose	£482,000
Montrose Bridge Replacement	£1,000,000
Extension to factory Brent Avenue, Montrose	£457,000

These projects are not incorporated in this monitoring report, they are however included in the ongoing capital monitoring reporting process in respect of the Council's main capital programme.

However, for the other projects funded from the LCF, it was decided that, as part of the monitoring process a six monthly report would be provided, to give both qualitative and quantitative information on projects funded from the LCF.

3. PROGRESS

Commentary on Status of Individual Projects

A commentary has been provided by project managers on the status and progress of the individual projects. These comments have been provided for information in Appendix 1.

Current Year Position

Details of the projects' position as at 30 September 2002 in terms of expenditure and budget are provided in Appendix 2.

For the period ended 30 September 2002, expenditure on the six projects has been funded from the LCF to the extent of £41,000. This represents approximately 62% of the budgeted expenditure of £66,000 available for financial year 2002/03.

As the information in Appendix 2 illustrates, this expenditure represents varying degrees of progress for individual projects.

The Kirriemuir Gateway to the Glens project is complete with anticipated residual expenditure of £4,000 to be met by the LCF in the current year. Overall there is a projected underspend of £8,000 on this project which will remain in the Fund.

Expenditure on the Village Halls (small) project was initially funded from the Local Capital Fund with funds being reimbursed from other funding partners. Actual expenditure of £24,000 has been incurred in the current year, however this will be offset by outstanding grant income, thereby ensuring that expenditure on the project is contained within the LCF monies available.

In addition, the timing of the Arbroath Harbour project has been delayed in order that a joint public/private sector development may be taken forward, and the phasing of the project has been adjusted to reflect this. The status of this project was reported more fully to this Committee on 29 October 2002 (report 1206/02 refers)

Projected Outturn

As mentioned above, the timing of some of the projects has been subject to change but as indicated in Appendix 2, it is currently anticipated that over the life of the ongoing projects a minimal underspend, currently projected to be £9,000, will be incurred. This underspend will help offset the previously reported (report 826/02) overspend of £33,000 incurred on the Village Halls (large) project which was funded through the Local Capital Fund. The overspend on this project is being accommodated within the Fund through interest accrued on the Fund, as detailed in report 826/02.

The phasing of the Angus Millennium Forest project has been adjusted to reflect timing issues with grant repayments and it is anticipated that funds will be reimbursed from the Forestry Authority albeit that this may take at least another 2 years.

One of the criteria which must be met in order to gain Local Capital Funding is that matched funding must also be gained. The current projections indicate that the funding to be provided by the Local Capital Fund is not expected to exceed 40% of the total expenditure on any project.

The projects approved under this initiative are now nearing completion with only two projects extending beyond the current financial year. It is therefore no longer considered necessary to prepare monitoring reports specifically relating to projects approved under this initiative. Consequently, it is recommended that the final monitoring report relating specifically to the Local Capital Fund will cover the period ended 31 March 2003. Thereafter, the financial position of these projects will continue to be monitored as part of the regular capital monitoring reports submitted to the Finance and Information Technology Committee.

4. FINANCIAL IMPLICATIONS

Expenditure of £41,000 has been incurred on ongoing projects for the period ended 30 September 2002. Based on the current position an underspend of £9,000 is anticipated over the life of the ongoing projects which will help to offset the overspend of £33,000 on the Village Halls (large) project which is being accommodated within the Fund through interest accrued (report 826/02 refers).

5. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications as a result of this report.

6. CONSULTATION

The Chief Executive and the Director of Law & Administration have been consulted in the preparation of this report. In addition, consultation has taken place with the designated project managers.

7. CONCLUSION

Expenditure of £41,000 has been incurred on ongoing projects to 30 September 2002, which equates to 62% of the revised funding available for 2002/03.

The final report relating specifically to projects funded through the Local Capital Fund will cover the period ended 31 March 2003, thereafter ongoing projects will be monitored as part of the regular monitoring reports.

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.