

**ANGUS COUNCIL**

**FINANCE AND INFORMATION TECHNOLOGY COMMITTEE**

**- 7th May, 2002**

**POLICY AND RESOURCES COMMITTEE – 14th May, 2002**

**CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2001/2**

**REPORT BY THE DIRECTOR OF FINANCE**

**ABSTRACT**

This report appraises members of the near actual capital expenditure incurred for the period from 1st April, 2001 to 31<sup>st</sup> March, 2002 and measures near actual 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 31<sup>st</sup> March, 2002 on the Composite Capital Programme as per the accompanying monitoring statement.
- notes the figures as per the monitoring statement have been produced on a near actual basis and are subject to finalisation.
- agrees 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 2001/2.

## **2. BACKGROUND**

The original Composite Capital Programme Budget for the 2001/2 financial year (excluding Local Capital Fund Projects) was £10.124 million as per the Final Revenue and Capital Budgets Volume 2001/2 issued to members in April, 2001. When Local Capital Fund Projects are included the original budget for 2001/2 increases to £10.511 million.

Further to the availability of final expenditure figures for 2000/1 the Composite Capital Programme for 2001/2 was reviewed and revised to take account of underspends and overspends on projects with carry forward implications for 2001/2. In conducting such a review full consultations were held with Departments resulting in a subsequent revised budget (excluding Local Capital Fund Projects) of £9.965 million for 2001/2. When Local Capital Fund Projects are included the revised budget for 2001/2 increases to £10.332 million.

The Budget Review Group met on 5th December, 2001 and 14<sup>th</sup> December, 2001 and considered the 2001/2005 Financial Plan Submissions from Departments in the light of estimated availability of capital funding resources for 2001/2 and 2002/3. It was decided that the capital budget for 2001/2 should be further revised in line with capital expenditure projections contained within the 2001/2005 Financial Plan Submissions. This action has resulted in an updated revised budget (excluding Local Capital Fund Projects) of £9.305 million for 2001/2. When Local Capital Fund Projects are included the updated revised budget for 2001/2 increases to £9.634 million.

## **3. CURRENT POSITION**

The accompanying monitoring statement sets out the position on the Composite Capital Programme for 2001/2 as at 31<sup>st</sup> March, 2002. It should be noted that the figures as per the monitoring statement have been produced on a near actual basis and are subject to finalisation.

It can be seen that near actual expenditure for the year totalled £8.681 million which equates to an underspend of £953,000 (10 per cent) when compared with the revised budget of £9.634 million for the year.

The main items of slippage, amounts of slippage and reasons for slippage are as follows:

### Education

School Buildings Improvement (£146,000) – The granting of Supplementary Capital Consent by the Scottish Executive at a late stage in the financial year.

## Roads

A92 Dundee to Arbroath Proposed Dualling (£358,000) – Delays in the purchase of land.

Skid Resistance Works / Aligned Road Safety Works (£152,000) - Delays in the progress of certain projects.

## Environmental and Consumer Protection

Expenditure on Contaminated Land (£80,000) - Rephasing of expenditure to accommodate Comprehensive Land Survey.

## Property Services

Facilities for the Disabled (£108,000) - Poor Contractor Performance / Work Load Pressures within Property Services

It can also be seen that near actual expenditure for the year of £8.681 million is within the total potential capital resource of £9.754 million by £1.073 million. This projected underspend is within the allowable provisions pertaining to carry forward of resources for use within 2002/3. It is the intention to monitor and address the foregoing issue with a view to bringing about the most advantageous year end position for financial year 2001/2.

## **4. FINANCIAL IMPLICATIONS**

Financial implications are shown in the accompanying monitoring statement which has been produced on a near actual basis and is subject to finalisation. The projected underspend on the Composite Capital Programme may be addressed through the carry forward of funding resources into financial year 2002/3. It is the intention to monitor and address the foregoing issue with a view to bringing about the most advantageous year end position for financial year 2001/2.

## **5. CONCLUSION**

It is concluded that Composite Programme near actual capital expenditure for the year is within the potential availability of resources for the year and it is the intention to monitor and address issues pertaining to the projected underspend with a view to bringing about the most advantageous year end position for financial year 2001/2. The accompanying monitoring statement, therefore, can at this stage be regarded for information purposes only.

## **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.