

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE

- 18th June, 2002

POLICY AND RESOURCES COMMITTEE – 25th June, 2002

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2001/2

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises members of the actual capital expenditure incurred for the period from 1st April, 2001 to 31st March, 2002 and measures 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 31st March, 2002 on the Composite Capital Programme as per the accompanying monitoring statement.
- notes the Director of Finance has utilised capital financing resources to bring about the most advantageous year end position for financial year 2001/2.
- Notes a review of the 2001/2 Capital Expenditure year end position is to be carried out with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2002/3 Composite Capital Programme.

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 14th 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 31st March, 2002.

It can be seen that actual expenditure for the year totalled £8.654 million which equates to an underspend of £980,000 (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 (£117,000) – 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 (£349,000) – Delays in the purchase of land.

Skid Resistance Works / Aligned Road Safety Works (£110,000) - Specialist surfacing difficulties due to weather.

Environmental and Consumer Protection

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

Property Services

Facilities for the Disabled (£107,000) - Adjustments in programmes to meet clients requirements / slow progress by works contractors.

It can also be seen that actual expenditure for the year of £8.654 million is within the total capital resource of £9.535 million by £881,000. This underspend is within the allowable provisions pertaining to carry forward of resources for use within 2002/3.

In this respect it is the intention to carry out a review of the 2001/2 Capital Expenditure year end position with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2002/3 Composite Capital Programme.

4. FINANCIAL IMPLICATIONS

The underspend on the Composite Capital Programme will be addressed through the carry forward of funding resources into financial year 2002/3. In this respect it is the intention to carry out a review of the 2001/2 Capital Expenditure year end position with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2002/3 Composite Capital Programme.

5. CONCLUSION

The Composite Capital Programme for 2001/2 has suffered a degree of slippage which will result in the carry forward of expenditure and associated funding from 2001/2 to 2002/3. In this respect it is the intention to carry out a review of the 2001/2 Capital Expenditure year end position with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2002/3 Composite Capital Programme.

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.