

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE

- 20<sup>th</sup> October, 1998

POLICY AND RESOURCES COMMITTEE - 27<sup>th</sup> October, 1998

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME - 1998/9

REPORT BY THE DIRECTOR OF FINANCE

## ABSTRACT

This report apprises members of the capital expenditure incurred for the period from 1st April, 1998 to 30th September, 1998 and measures projected capital expenditure for the year against budgeted provision for the year.

## 1. RECOMMENDATION

It is recommended that the Committee notes the position as at 30th September, 1998 on the Composite Capital Programme as per the accompanying monitoring statement.

Members should note 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 1998/9 financial year was £12.076 million as per the Final Revenue and Capital Budgets Volume 1998/9 issued to members on 2<sup>nd</sup> April, 1998.

Further to the availability of final expenditure figures for 1997/8 the Composite Capital Programme for 1998/9 was reviewed to take account of underspends and overspends on projects which have a carry forward impact into 1998/9. In conducting such a review full consultations were held with Departments which resulted in a nominal overall change and a subsequent revised budget for 1998/9.

**It is considered important to emphasize that Departmental Directors are responsible for their budgets and must ensure that the capital programme is progressed timeously with capital expenditure contained within capital budget limits.**

### **3. CURRENT POSITION**

The accompanying monitoring statement sets out the position on the Composite Capital Programme for 1998/9 as at 30th September, 1998 and the figures, having been closely reviewed and analysed, are considered to be satisfactory at this time in relation to the intended 1998/9 Capital Programme expenditure position.

It can be seen that after the passage of six months actual expenditure totalled £3.532 million which equates to 29 per cent of the revised budget of £12.001 million 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, 1999), must be closely monitored by Departmental Directors to ensure that expenditure accelerates and comes more in line with budget as the year progresses.

It is recognised that the latest estimate of expenditure of £11.530 million is within the total potential capital resource of £11.780 million by £250,000. However, it is further recognised that the total potential capital resource includes the anticipation facility of £255,000 which equates to 5 per cent of the Angus Council Single Formula Allocation of £5.103 million. When this anticipation facility of £255,000 is deducted from available resources it brings the total potential capital resource back in line with estimated expenditure.

It should be noted, however, that with estimated expenditure and available resources in balance it is incumbent on Departmental Directors 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 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 Composite Programme capital expenditure projections are in line with available resources and, therefore, the accompanying monitoring statement can at this stage be regarded for information purposes only.

## **6. 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.

SMS  
05/10/98



1. SUMMARY OF CAPITAL EXPENDITURE 1998/99 - NON-HOUSING PROGRAMME

The table below shows  
 - 1998/99 original departmental capital budgets per the Final Revenue and Capital Budgets Volume 1998/99  
 - 1998/99 revised departmental capital budgets  
 - latest departmental projections for total capital expenditure in 1998/99

Programme	Capital Budget 1998/99		Actual to 30.09.98 £000	Latest Estimate £000	Projected Over/ (Under) Spend £000
	Original £000	Revised £000			
Education	3,135	3,119	1,036	3,126	7
Social Work	508	527	67	527	0
Roads	3,504	3,698	616	3,246	(452)
General Services (inc. Non-HRA)	4,929	4,657	1,813	4,633	(24)
	12,076	12,001	3,532	11,532	(469)

2. SUMMARY OF PROJECTED EXPENDITURE/RESOURCES

The following table compares the anticipated capital expenditure resources available to the Council in 1998/99 with the latest projection of capital spend. To adhere to Scottish Office controls the Council must ensure that the Section 94 resource utilised during the financial year does not vary by more than + 5% or - 10% of the issued S94 Consents.

Programme	Issued Consents		Consent Augmentation		CFCR		Total CFCR £000	Maximum Potential Capital Resource £000	Latest Estimate £000	Latest Estimate as a % of Resource %		
	Single Allocation £000	Urban Prog Consent £000	Challenger Fund etc Consent £000	Est. Capital Receipts £000	Crf From 1997/98 £000	Use of 5% Anticipation £000					Maximum Section 94 Resource £000	Government Allocation £000
Education	5,729	20	2,455	653	1,078	255	10,190	1,250	330	10	11,532	98
Social Work												
Roads												
General Services (inc. Non-HRA)												
<b>Total</b>	<b>5,729</b>	<b>20</b>	<b>2,455</b>	<b>653</b>	<b>1,078</b>	<b>255</b>	<b>10,190</b>	<b>1,250</b>	<b>330</b>	<b>10</b>	<b>11,532</b>	<b>98</b>

**3. Explanation of Significant Variances (Latest Departmental Projection Less Revised Capital Budget Provision)**  
 To ensure strict accountability regarding the monitoring of capital expenditure, delegated responsibility for each project will be specifically assigned to either Finance (F), Property (P) or the Service Department (SD) as shown below

Note: Columns 1, 2, 3, & 4 must always equal Estimated Total Cost for each project

Programme/Project	Assigned Resp.	Estimated Total Cost £000	Monitoring of 1998/99 Expenditure					Projected over/under Spend £000	3 1999/2000 £000	4 Later Years £000	Explanation of Variances
			Capital Budget 1998/99		Actual to 30.09.98 £000	Latest Estimate £000	2				
			Original £000	Revised £000							
<b>Education</b>											
1 Covenant Repayment - Montrose Academy	F	3,177	1,309	187	187	0	187	1,494			
2 Balances on Completed Works	P	11	0	6	11	5	0	0			
3 Andover Primary School	P	2,562	1,477	1,033	1,033	0	52	0			
4 Educational Improvements 1997/98	P	10	0	10	10	2	0	0			
5 Educational Improvements 1998/99	P	845	0	245	245	0	300	300		Reference Report - Education Committee dated 13.10.98	
6 Compulsory in Schools	SD	700	0	100	100	0	200	400			
7 Lentham Primary School - Modernisation/Extension	P	882	52	730	730	0	76	24			
8 Glamis Primary School - Modernisation/Extension	P	271	0	220	25	0	246	0		Reference R.959/98 - Policy and Resources Committee dated 08.09.98 Reference Report - Education Committee dated 13.10.98	
9 Hayhead Primary School - Modernisation/Extension	P	260	0	150	150	0	110	0			
10 Hillside Primary School - Replacement	P	1,700	10	103	103	0	1,462	125			
11 New Deal for Schools - Monkie Primary School	P	235	0	180	228	0	7	0			
12 New Deal for Schools - St Thomas Primary School	P	299	0	210	289	0	10	0			
13 Capital Grants - Village Halls	SD	15	0	15	15	0	0	0			
		10,967	2,848	3,135	3,119	1,038	3,128	2,650	2,343		
<b>Social Work</b>											
14 Covenant Repayment - Seaton Grove, Abroath	F	1,494	616	88	88	0	88	702			
15 Development of Gwanilea Resource Centre / Mental Health Strategy	P	500	35	473	0	473	0	451	14		
(Health Authority Contribution)		(500)	0	(473)	0	(473)	0	(486)	(14)		
16 Health & Safety Improvements to Residential Units	P	615	0	226	245	55	245	195	175		
17 Aids and Adaptations	SD	33	0	11	11	0	11	11	11		
18 Angus Community Care Trust	SD	150	0	150	150	0	0	0	0		
19 Improvements to Adult Resource Centres	P	43	0	23	23	12	23	20	0		
20 Improvements to General Security	P	12	0	10	10	0	10	2	0		
		2,347	651	508	527	67	527	281	888		
<b>Roads</b>											
21 Covenant Repayment - Inverkeilor	F	832	343	49	49	0	49	49	391		
22 Montrose Seaford Development Contribution	SD	130	130	0	0	0	0	0	0		
23 Montrose Bridge (A92)	SD	5,177	48	29	29	7	29	50	5,050		
24 Montrose Town Centre - Environmental Improvement	SD	366	6	85	85	13	85	405	15		
25 Abroath Town Centre - Environmental Improvement	SD	178	143	35	35	0	35	200	75		
26 Replacement of Ice Early Warning System	SD	4,490	511	1,589	1,067	260	1,067	2,512	400		
27 A92 Dundee - Abroath Proposed Dualing	SD	105	0	15	15	4	15	85	5		
28 A92/A937 Junction Improvement - Montrose	SD	180	0	10	10	10	10	160	10		
29 A94/A928 Junction Improvement - Glamis	SD	360	0	30	30	5	30	130	200		
30 Repairs to Abroath Harbour Infrastructure	SD	220	0	71	71	0	71	149	0		
31 New Access to Harbour Area from A92 New Roundabout	SD	45	0	45	45	0	45	0	0		
32 Burnside Drive / Lordburn, Abroath	SD	1,630	0	30	30	0	30	100	1,500		
33 Forfar Town Centre Development	SD	1,100	0	20	20	0	20	80	1,000		
34 Monifieth Town Centre Development	SD	204	0	184	184	5	184	20	0		
35 Bridge Assessments	SD	1,653	0	475	403	43	403	950	300		
36 Bridge Strengthening	SD	624	0	75	64	69	64	310	250		
37 Bridge Repairs	SD	1,300	0	250	250	5	250	350	700		
38 Street Lighting	SD	120	0	60	60	36	60	20	40		
39 Traffic Signals/Pedestrian Crossings	SD	1,370	0	250	270	29	270	375	725		
40 Road Safety/Traffic Calming Measures	SD	450	0	75	75	21	75	150	225		
41 Safe Routes to School	SD	800	0	50	50	0	50	275	475		
42 Cycling/Pedestrian Facilities	SD	400	0	100	100	0	100	100	200		
43 Tourism Signposting	SD	70	0	10	10	0	10	20	40		
44 Tayside Contracts	SD	9	0	0	0	9	9	0	0		
45 Engineering Administration	SD	5,548	5,539	0	0	9	9	0	0		
46 Footway Reconstructions	SD	200	0	175	175	0	175	25	0		
47 Montrose Inner Relief Road - Works	SD	6	0	0	0	7	6	0	0		
48 Montrose Inner Relief Road - Compensation Claims	SD	28,089	6,727	3,504	3,698	618	3,246	6,515	11,601		
49 Balances on Completed Works							(452)				

Capital Programme Co-ordination Group dated 02.09.98  
Project delayed due to non agreement with Trust

Reference R.946/98 - Policy and Resources Committee dated 08.09.98  
Reference R.951/98 - Roads Executive Sub Committee dated 18.09.98

Transfer of £20,000 to Road Safety below

Transfer of £20,000 from Bridge Strengthening above  
Budget includes £10,000 for Andover Footpaths

Reference R.959/98 - Policy and Resources Committee dated 08.09.98

Monitoring of 1998/99 Expenditure

Assigned Resp.	General Services	Cultural Services	Estimated Total Cost £000	Capital Budget 1998/99			Actual to 30.09.98 £000	Latest Estimate £000	Projected over/under Spend £000	3 1998/2000 £000	4 Later Years £000
				Prior to 01.04.98 £000	Original £000	Revised £000					
P		50	80	0	57	57	0	57	0	9	14
			80	0	57	57	0	57	0	9	14
P		51	60	0	2	2	0	2	0	58	0
P		52	66	85	0	1	0	1	0	0	0
P		53	60	0	2	2	0	2	0	56	2
P		54	0	0	0	0	2	2	0	0	0
P		55	26	0	17	16	0	16	0	10	0
P		56	35	0	33	33	0	33	0	2	0
SD		57	2,450	885	400	365	288	365	0	600	800
SD		58	27	0	9	9	0	9	0	9	8
SD		59	1,805	0	135	135	0	135	0	969	701
			4,529	750	588	563	288	565	2	1,704	1,512
SD		60	400	300	5	100	68	100	0	0	0
SD		61	165	0	70	70	0	70	0	95	0
SD		62	150	0	50	50	0	50	0	50	50
SD		63	105	0	15	5	0	5	0	50	50
SD		64	25	0	20	5	0	5	0	20	0
SD		65	7	(18)	25	25	0	25	0	0	0
P		66	82	0	0	82	62	82	0	0	0
P		67	2	0	2	2	0	2	0	0	0
SD		68	65	0	15	15	3	15	0	25	25
SD		69	60	0	20	20	192	20	0	20	20
SD		70	1,735	0	600	635	192	635	0	600	500
			2,795	282	820	1,009	323	1,009	0	860	645
F		71	822	379	48	48	9	48	0	48	347
P		72	163	158	5	5	9	5	0	0	0
SD		73	324	24	300	300	54	300	0	0	0
SD/P		74	85	0	70	85	0	85	0	0	0
SD		75	100	0	20	20	0	20	0	40	40
SD		76	234	10	185	224	5	224	0	0	0
SD		77	63	0	63	63	0	63	0	0	0
SD		78	257	12	45	45	0	45	0	100	100
P		79	190	0	20	20	63	20	0	170	0
P		80	207	150	15	15	0	15	0	42	0
P		81	1,000	0	83	0	0	0	0	500	500
SD		82	400	0	100	100	765	100	0	150	150
SD/P		83	1,598	830	459	739	0	739	0	29	0
SD		84	953	0	443	70	0	70	0	883	0
SD		85	128	228	0	(100)	66	(100)	0	0	0
SD/P		86	401	13	305	275	0	275	0	113	0
			6,925	1,804	2,161	1,909	971	1,909	0	2,075	1,137

Explanation of Variances

Lottery Grant / ERDF Funding being sought

Project under review

Reference R.959/98 - Policy and Resources Committee dated 08.09.98  
 Reference R.946/98 - Policy and Resources Committee dated 08.09.98  
 Reference R.961/98 - Roads Executive Sub Committee dated 18.09.98  
 Transfer of £10,000 in 1998/9 to Montrose Seafront Development  
 Transfer of £15,000 in 1998/9 to Montrose Seafront Development

Reference R.738/98 - Policy and Resources Committee dated 23.06.98

Specific Care and Repair Consent of £35,000 for 1998/9  
 Reference R.959/98 - Policy and Resources Committee dated 08.09.98

Reference R.965/98 - Angus Council - 17.09.98

European Regional Development Fund Grant to offset cost  
 Transfer of Budget to Industrial Development at Brent Avenue, Montrose  
 Reference R.269/98 - Economic Development Committee dated 05.03.98

Payment from ABB Vetco Gray UK Ltd to offset cost

Reference R.463/98 - Personnel and Property Executive Sub Committee - 20.07.98  
 Reference R.959/98 - Policy and Resources Committee dated 08.09.98

Monitoring of 1998/99 Expenditure

Assigned Resp.	Estimated Total Cost £000	Capital Budget 1998/99			Actual to 30.09.98 £000	Latest Estimate £000	Projected over/under Spend £000	1999/2000 £000	Later Years £000	Explanation of Variances
		Prior to 01.04.98 £000	Original £000	Revised £000						
<b>Recreation Services</b>										
F	1,153	603	64	32	64	0	64	422		
P	6	6	1	0	0	0	0	0		
P	8	0	8	8	8	0	0	0		
P	17	17	1	0	0	0	0	0		
P	28	27	1	1	1	0	0	0		
SD	40	40	0	0	0	0	0	0		
P	115	0	0	1	1	0	0	0		Transfer of £10,000 in 1998/99 from Unplanned Maintenance Budget
P	34	0	34	32	32	0	2	0		Lottery Grant being sought
P	9	0	8	4	9	1	1	0		
SD	4	0	0	4	4	0	0	0		Specific Cycle Challenge Fund Consent of £4,000 for 1998/99
	1,415	693	199	45	209	1	85	427		
<b>Property Services</b>										
P	1,180	1,157	0	23	23	0	0	0		
P	518	488	15	30	30	0	0	0		
P	13	0	6	6	13	7	0	0		
P	105	87	4	11	18	12	0	0		
P	1	0	1	1	1	0	0	0		
P	218	81	70	11	65	5	7	0		
P	30	0	27	0	130	0	30	0		Transfer of £5,000 to County Buildings (New Entrance) below
P	75	0	30	0	0	0	0	5		Transfer of £5,000 from Alterations - General (1998/9) above
P	64	0	40	0	0	0	70	0		Capital Programme Co-ordination Group dated 2nd September, 1998
P	38	0	0	0	0	0	60	4		Reference R 564/98 - Policy and Resources Committee dated 08.09.98
P	454	17	220	82	1	0	35	3		Reference R 564/98 - Policy and Resources Committee dated 08.09.98
P	105	0	101	2	55	(27)	348	34		Reference R 564/98 - Policy and Resources Committee dated 08.09.98
P	1,400	7	65	2	30	(35)	610	753		Reference R 564/98 - Policy and Resources Committee dated 08.09.98
P	272	0	80	0	80	0	64	128		
P	183	0	8	8	8	0	60	115		
P	24	22	1	2	2	0	0	0		
P	33	6	3	23	23	(6)	2	0		
P	288	283	11	9	21	2	2	0		
P	1	0	3	1	1	0	0	0		
P	621	595	36	28	28	0	0	0		
	5,691	2,725	792	183	627	(47)	1,297	1,042		
<b>Coast Protection and Flood Prevention</b>										
SD	104	37	57	57	57	0	10	0		
SD	2,154	9	45	45	45	0	450	1,650		
SD	230	0	80	3	80	0	50	100		
SD	125	0	120	55	55	0	70	0		
	2,613	46	302	3	237	0	580	1,750		Compensating Savings of £65,000 in respect of Montrose Seafront Development
<b>Miscellaneous</b>										
F	53	33	0	0	20	20	0	0		
	24,102	6,333	4,929	1,813	4,633	(24)	6,611	6,527		
	65,505	16,559	12,076	12,001	3,532	11,532	16,057	21,359		