

ITEM No. 2

REPORT NO. 308/98

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE -
17th March, 1998

POLICY AND RESOURCES COMMITTEE - 24th March, 1998

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME - 1997/8

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises members of the capital expenditure incurred for the period from 1st April, 1997 to 31st January, 1998 and measures estimated capital expenditure for the year against available capital resources for the year.

1. RECOMMENDATION

It is recommended that the Committee:

- notes the position as at 31st January, 1998 on the Composite Capital Programme as per the accompanying monitoring statement.
- notes projections of the year end position will be ongoing and subject to further monitoring.
- agrees the Director of Finance, in consultation with the Chief Executive, is given the responsibility to bring about the most advantageous position to the Council for the 1997/8 Capital Expenditure year end position.

2. BACKGROUND

The original Composite Capital Programme Budget for the 1997/8 financial year was £12.382 million as per the Final Revenue and Capital Budgets Volume 1997/8 issued to members in May, 1997.

As a result of adjustment to the original budget (R.355/97 to the Policy and Resources Committee dated 18th March, 1997 - Director of Roads requested to review and reduce his programme of expenditure by £176,000 ; R.683/97 to the Finance and Information Technology Committee dated 10th June, 1997 - deletion of £66,000 for Vehicle Replacement as a result of advance purchase within 1996/7 ; R.706/97 to the Policy and Resources Committee dated 17th June, 1997 - allowance of £21,000 for purchase of Microphone System for Town and County Hall ; removal of unallocated amount of £186,000 contained within original budget ; award of Specific Section 94 Capital Consent amounting to £196,000 for Education) the revised budget is currently £12.171 million.

It is the responsibility of appropriate Directors to ensure that capital expenditure for particular projects is contained within capital budget limits.

3. CURRENT POSITION

The accompanying monitoring statement sets out the position on the Composite Capital Programme for 1997/8 as at 31st January, 1998 and the following comments are made:

It can be seen that after the passage of ten months actual expenditure totalled £4.686 million, which equates to only approximately 39 per cent of the revised budget of £12.171 million for the year. Whilst it is anticipated that expenditure will accelerate towards the end of the financial year (e.g. £395,000 of covenant expenditure budgeted for the year will not be incurred until March, 1998) it is evident that a degree of project slippage will occur and this will require to be carried forward into 1998/9. Departmental Directors have been contacted with a view to highlighting the low spend to date and requesting that all possible action is taken to maximise the achievement of the capital programme and minimise project slippage.

As indicated in the previous Capital Monitoring Report (Number 155/98) to the February Meeting of this Committee it has become evident that a number of project area expenditure matters are effectively outwith the direct control of the Council and slippage of expenditure into the next financial year now seems inevitable. As reported to, and accepted by, Members at that time it was appropriate to advance certain areas of expenditure (planned for 1998/9) into 1997/8 and it will also be necessary to carry forward capital receipts from 1997/8 for use within 1998/9. The rephasings of expenditure, as indicated, have been fed into the accompanying monitoring statement ensuring that the programme is effectively managed and that full use is made of available funding. In the event that ongoing monitoring reveals other significant issues it is suggested that further corrective action be delegated to the Director of Finance in consultation with the Chief Executive.

4. FINANCIAL IMPLICATIONS

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

5. CONCLUSION

As indicated above, the Composite Capital Programme for 1997/8 has suffered a degree of slippage requiring remedial action which has included bringing forward expenditure (which would otherwise have been incurred in 1998/9) from 1998/9 to 1997/8. Close monitoring will continue throughout the remainder of 1997/8 and it is concluded that the Director of Finance, in consultation with the Chief Executive, should be delegated to take appropriate action, which will include utilising the carry forward of capital receipts from 1997/8 for use within 1998/9 in accordance with Scottish Office guidance, thereby ensuring the full use of available funding to the advantage of Angus Council.

6. CONSULTATION

The Chief Executive, the Director of Law and Administration, 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.

1 SUMMARY OF CAPITAL EXPENDITURE 1997/98 - NON-HOUSING PROGRAMME

The table below shows
 - 1997/98 original departmental capital budgets per the Final Revenue and Capital Budgets Volume 1997/98
 - 1997/98 revised departmental capital budgets
 - latest departmental projections for total capital expenditure in 1997/98

Programme	Capital Budget 1997/98		Actual to 31.01.98 £000	Latest Estimate £000	Projected Over/ (Under) Spend £000
	Original £000	Revised £000			
Education	2,044	2,240	1,086	1,966	(274)
Social Work	338	338	80	329	(9)
Roads	3,757	3,561	1,144	3,169	(382)
General Services (inc. Non-HRA)	6,243	6,012	2,366	5,838	(174)
	12,382	12,171	4,686	11,332	(839)

2 SUMMARY OF PROJECTED EXPENDITURE/RESOURCES

The following table compares the anticipated capital expenditure resources available to the Council in 1997/98 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

C.C.3	Issued Consents		Consent Augmentation			CFCR		Common Good 1997/98 £000	Fee Income 1997/98 £000	Total CFCR £000	Maximum Potential Capital Resource £000	Latest Estimate £000	Latest Est. as a % of Resources %		
	Single Allocation £000	Spend to Save Fund etc Realloc. Consent £000	Est Capital Receipts £000	Use of 5% Anticipation £000	Maximum Section 94 Resource £000	Finance Cinc 30/99 £000	Per Save Grant/ Savings £000							Reduction For 1998/97 Overspend £000	
Total	5,144	0	3,842	0	700	257	9,943	1,250	766	(248)	92	90	1,950	11,332	95

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 1997/98 Expenditure				Projected over/ (under) Spend £,000	3 1998/99 £,000	4 Later Years £,000	Explanation of Variances
			1 Prior to 1.4.97 £,000	Capital Budget 1997/98 Original £,000	Revised £,000	Actual to 31.01.98 £,000				
Education										
1	F	3,177	1,122	187	187	0	187	1,681		
2	P	52	42	8	8	2	0	0		
3	P	2,562	180	1,544	892	(253)	1,063	48		
4	P	47	45	2	1	0	0	0	Project slippage - adverse ground conditions	
5	P	960	0	150	57	0	210	600	Programme identified - R 730/97 - Education Executive Sub Committee	
6	SD	870	0	20	8	50	200	600	Agreement of Capital Programme Co-ordination Group (C P C G)	
7	P	950	0	100	30	(50)	730	170	Reference R 1042/97 - Education Committee dated 14 10 97	
8	P	1,570	0	33	10	0	220	1,340		
9	P	641	0	0	196	0	390	55		
		10,829	1,369	2,044	1,096	(274)	3,000	4,494		
Social Work										
10	F	1,494	528	88	21	0	88	790		
11	P	517	0	430	30	0	473	14	Health Authority currently committed to contribution of £500,000 - awaiting confirmation that the additional £17,000 will be made available	
12	P	787	0	196	58	0	231	370	Programme identified	
13	SD	15	0	15	0	0	0	0		
14	SD	43	0	10	0	0	11	22		
15	SD	13	0	13	0	0	0	0		
16	P	7	0	16	1	(9)	0	0		
		2,369	528	338	80	(9)	330	1,182		
Roads										
17	F	832	294	49	88	0	49	440		
18	SD	5,512	5,332	177	56	80	0	0	Reference R 1063/97 - P + R Committee dated 28 10 97	
19	SD	130	25	25	17	29	29	5,100		
20	SD	5,158	0	60	4	(53)	150	450		
21	SD	607	0	60	3	(54)	110	250		
22	SD	306	0	60	67	(71)	35	0	Additional Funding of £36,000 from Spend to Save	
23	SD	189	0	225	0	(350)	1,450	2,380		
24	SD	4,490	0	1,000	149	0	56	2,944		
25	SD	3,080	0	80	50	0	0	250		
26	SD	300	0	50	13	(85)	195	20	Note transfer of budget to Bridge Repairs - R 878/97 - Roads Committee - 28 08 97	
27	SD	280	0	130	148	(159)	475	1,250	Note transfer of budget to Bridge Repairs	
28	SD	1,996	0	430	195	83	275	560	Note transfer of budget from Bridge Assessments / Bridge Strengthening	
29	SD	1,168	0	250	47	77	250	1,050	Programme identified R 463/97 - Roads Committee - 24 04 97	
30	SD	1,652	0	275	0	0	60	60	Pedestrian Crossing Programme identified - R 462/97 - Roads Committee - 24 04 97	
31	SD	205	0	80	92	(6)	300	1,050		
32	SD	1,645	0	300	67	5	150	300		
33	SD	530	0	75	3	(25)	100	700		
34	SD	825	0	50	78	9	0	11,818		
35	SD	11,887	0	146	2	0	30	210		
36	SD	2,050	0	150	18	0	100	0		
37	SD	200	0	100	0	0	0	0		
38	SD/P	200	0	100	4	4	0	0	Actual expenditure of £4,000 represents Property Services Professional Fees in respect of Tayside Contracts Depot at Kiriemuir Road, Forfar	
39	P	4	0	0	0	0	0	0	Reference R 155/98 - Finance + IT - Committee dated 03 02 98	
40	SD	0	0	0	1,144	(382)	(150)	30,842		
		43,356	5,651	3,757	3,581		3,664			

Monitoring of 1997/98 Expenditure

General Services	Assigned Resp.	Estimated Total Cost £000	Prior to 1.4.97 £000	Capital Budget 1997/98			Actual to 31.01.98 £000	Latest Estimate £000	Projected over/ (under) Spend £000	1998/99 £000	Later Years
				Original £000	Revised £000	£000					
Cultural Services											
41 Replacement of Dynix Computer System	SD	30	0	30	30	0	30	0	0	0	0
42 Computer Equipment Replacement Prog	SD	60	0	10	10	0	10	0	0	0	50
43 Reid Hall - Emergency Lighting and Fire Alarm	P	30	0	30	30	0	30	(30)	29	1	1
		120	0	70	70	0	40	(30)	29	29	51
Environmental and Consumer Protection											
44 Recycling and Civic Amenity Ctr. Cain	P	66	64	2	2	1	2	0	0	0	0
45 Lochhead Landfill Site, Restenneth	SD/P	2,450	120	530	530	24	530	0	400	1,400	1,400
46 Vehicle Replacement	SD	1,786	0	66	0	0	0	0	285	1,501	1,501
47 Vehicle Advancement	SD	0	0	0	0	0	150	150	(150)	0	0
		4,302	184	588	532	25	682	150	535	2,901	2,901
Information Technology											
48 Replacement Revenues Hardware	SD	180	0	80	80	2	80	0	0	0	100
49 General Replacement/Upgrade	SD	320	0	80	80	13	80	0	0	0	240
50 Arbroath Communications Node	SD	25	0	25	25	8	25	0	0	0	0
51 Customer Care/Decentralisation	SD	70	0	50	50	0	50	0	0	0	20
52 Closed Circuit Television	P	623	0	554	554	379	567	33	36	36	0
		1,218	0	789	789	402	822	33	36	36	360
Planning, Transport and Economic Development											
53 Covenant Repayment	F	822	323	46	46	9	48	2	48	403	403
54 Montrose Seafront Development	SD	110	55	50	50	272	50	0	5	0	0
55 Advance Factories - Brechin Cannery Ph 5	P	125	57	85	85	62	63	(22)	5	0	0
56 Small Industrial Units, Brechin	P	242	272	12	12	20	20	8	0	0	0
57 Roadway Extension Arbroath Ent Park	SD	86	85	1	1	1	1	0	0	0	0
58 Angus Partnership Physical Works	SD	361	0	150	150	1	1	(149)	120	240	240
59 Local Plans Implementation	SD	140	0	35	35	25	25	(10)	15	100	100
60 Tourism Signposting	SD	52	0	15	15	12	12	(3)	20	20	20
61 Public Transport Infrastructure	SD	80	0	15	15	8	15	0	15	50	50
62 Grant Assistance for Accessible Vehicles	SD	70	0	10	10	10	10	0	20	40	40
63 Carnoustie Golf Hotel	SD	325	0	150	150	25	25	(125)	300	0	0
64 Financial Assistance to Business	SD	120	0	20	20	20	20	0	20	80	80
65 Construction of Industrial Units	P	1,252	0	160	160	21	145	(15)	65	1,042	1,042
66 Acquisition of Industrial Land	SD	313	0	40	40	0	5	(35)	108	200	200
67 Clearance/Redev for Partnership Area, Arb	SD	220	0	30	30	147	30	0	20	170	170
68 Industrial Dev - Brent Avenue, Montrose	P	1,519	17	1,107	1,107	966	966	(141)	509	27	27
69 CNC and Related Training Equipment	SD	125	0	125	125	0	125	0	0	0	0
70 Land Acquisition - Brechin	SD	189	0	67	67	4	4	(63)	185	0	0
71 St. Ninian's Square, Brechin	P	52	37	0	0	13	13	13	2	0	0
72 Arbroath Seafront - Env. Improvements	SD/P	21	19	0	0	2	2	2	0	0	0
73 Housing Improvement Grants	SD/P	2,910	900	600	600	785	910	310	600	500	83
74 Pictish Visitors Centre	SD/P	401	0	0	0	13	13	13	305	63	63
75 Contribution to Britbit Ltd	SD	12	0	0	0	12	12	12	0	0	0
		9,547	1,715	2,718	2,718	1,368	2,515	(203)	2,362	2,955	2,955

Explanation of Variances

Tenders returned - 15.01.98
Request to IT for prices
Delay in commencement of project

Tender Report to Committee dated 13.01.98

Reference R 155/98 - Finance + IT. Committee dated 03.02.98

R 924/97 - Finance + IT. Committee dated 02.09.97

Amendment to repayment profile from 1997/98

Actual expenditure to be offset by contributions from other departments / S E T
Actual expenditure to be offset by contribution of £95,000 from S E T

Projected underspend - project delays at Arbroath and Montrose

Delay in commencement of project

Compensating savings required
Compensating savings required
R 985/97 - Housing Committee dated 30.09.97

Compensating savings required

		Monitoring of 1997/98 Expenditure						Projected	Explanation of Variances	
		Capital Budget 1997/98			Actual		over/			
Assigned Resp.	Estimated Total Cost	Prior to 1.4.97	Original	Revised	to 31.01.98	Latest Estimate	(Under)	1998/99	4	
	£,000	£,000	£,000	£,000	£,000	£,000	Spent	£,000	Later Years	
							£,000		£,000	
Recreation Services										
76	Covenant Repayment	1,153	58	58	32	64	6	64	515	Amendment to repayment profile from 1997/98
77	Saltire Leisure Centre, Abroath	0								
	HFFS/Refrigeration Unit	11	12	12	10	10	(2)	1	0	
78	Changing Room/lockers	7	10	10	7	(3)	(3)	0	0	
79	Enlarge Spa Bath	15	20	20	14	(6)	(6)	1	0	
80	Forfar Swimming Pool - Recovery System	0	5	5	0	(5)	(5)	0	0	Now Spent to Save
81	Lochside LC - Re-lining Squash Court Walls	9	20	20	9	9	4	0	0	
82	Montrose Swimming Pool	0	5	5	0	(5)	(5)	0	0	Now Spent to Save
83	Recovery System	14	0	15	14	14	(1)	0	0	
84	Repairs	0	0	0	0	0	0	0	0	
85	Abroath Sports Centre	0	10	10	0	0	(10)	0	0	Project cancelled
86	Ventilation	12	0	0	12	12	12	0	0	
87	Swimming Pool Cover	24	20	20	1	21	1	3	0	
	Montrose Sports Centre - Relay Floor	5	0	0	5	5	5	0	0	
	Lochside LC - Balances	1,250	160	160	61	156	(4)	69	515	
Property Services										
88	Bruce House - Phase 1	1,177	33	33	138	10	(23)	23	0	
89	Bruce House - Phase 2	530	185	185	24	160	(25)	30	0	
90	HQ Offices - Balances	510	48	46	86	64	18	6	0	
91	Brechin Town House	104	92	92	27	66	(26)	4	0	
92	Brechin House - Furniture	27	30	30	27	27	(3)	0	0	
93	HQ Offices	0	18	18	0	0	(18)	0	0	Works no longer required
94	County Buildings (Alterations)	91	54	54	46	82	28	9	0	Reference R 92/97 - Personnel and Property Services Committee dated 21 10 97
95	St James House (Alterations)	214	170	170	14	111	(59)	93	7	Reference R 109/97 - Personnel and Property Services Committee dated 21 10 97
96	County Buildings (New Entrance)	17	0	173	17	17	(156)	0	0	Project under review - £17,000 for 1997/98 to be financed from Common Good
97	Access Point - Montrose	0	50	50	0	0	(50)	0	0	Project delayed / deferred
98	Municipal Buildings, Forfar	105	25	25	7	25	(25)	101	4	Project delayed / deferred
99	Market Street, Forfar	27	130	130	0	0	(105)	2	0	G.F. element of Local Housing Office - Balance to fund purchase of Ravenswood
100	New Build / Purchase	1,400	0	0	15	15	15	265	1,120	Reference R 109/97 - Personnel and Property Services Committee dated 21 10 97
101	St James House (Extension)	40	35	35	10	40	5	0	0	
102	Flexi-Time System	36	38	38	36	36	(2)	0	0	
103	Furniture, County Buildings	163	20	20	0	13	(7)	60	90	
104	VDU Health and Safety Requirements	23	5	5	3	5	0	60	175	
105	Facilities for the Disabled	23	0	21	22	22	1	1	0	Further information is being sought on other audio visual options
106	Town & County Hall - Microphone System	36	0	0	0	33	33	3	0	Reference R 155/98 - Finance + I.T. Committee dated 03 02 98
107	Bruce House - Health and Safety Measures	245	0	0	0	235	235	10	0	Inc. NOSWA relocation
108	Purchase of Ravenswood, Forfar	25	0	0	0	24	24	1	0	Property Services relocation from Tayside House
	Alterations to Ravenswood, Forfar	5,010	1,104	1,125	430	985	(140)	668	1,396	
Coast Protection										
109	Milton Mill, Monifreth	103	60	60	4	4	(56)	57	10	R 461/97 - Roads Committee - 24 04 97
110	Carnoustie Seafront	157	90	90	67	157	67	0	0	R 461/97 - Roads Committee - 24 04 97
111	Montrose Beach	54	0	0	9	9	9	45	0	To be financed from Common Good
		314	150	150	80	170	20	102	10	
Tayside Valuation Joint Board										
112	Angus Council share of S94 Resource	17	5	5	0	5	0	0	0	Specific Allowance included within Section 94 Capital Consent
Miscellaneous										
113	Programme for Partnership - Abroath	33	0	33	33	33	0	0	0	
114	Spend to Save Programme	430	0	430	430	430	0	0	0	
115	Unallocated	0	186	186	0	0	0	0	0	
		463	0	649	463	463	0	0	0	
		22,241	4,414	6,243	6,012	5,836	(174)	3,801	8,188	
GENERAL SERVICES TOTAL										
		78,795	11,962	12,382	4,686	11,332	(839)	10,795	44,706	

GRAND TOTAL