

**ANGUS COUNCIL****FINANCE AND INFORMATION TECHNOLOGY COMMITTEE -  
16<sup>th</sup> June, 1998****POLICY AND RESOURCES COMMITTEE - 23<sup>rd</sup> June, 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 31<sup>st</sup> March, 1998 and measures actual 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 31<sup>st</sup> March, 1998 on the Composite Capital Programme as per the accompanying monitoring statement.
- 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.
- notes a review of the Capital Programme for 1998/9 is being carried out with a view to reporting to Committee after the summer recess

**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 therefore £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 31<sup>st</sup> March, 1998 and the overall figures, having been closely reviewed and analysed, are considered to be acceptable in relation to the intended 1997/8 Capital Programme expenditure position.

It should be noted that it is normal to allow for an element of slippage within the programme and a slippage expectation of £257,000 was anticipated throughout the monitoring process for 1997/8. The £257,000 slippage factor has been removed from the capital resource calculation and a Total Capital Resource of £11.809 million has been determined for 1997/8 as shown in the attached summary. This compares with an actual spend of £11.388 million (96.4%) and results in a balance of resources over expenditure. This balance of resources is effectively available due to additional slippage in the overall programme, however, slippage in 1997/8 will result in an equivalent overall call being made on the programme in 1998/9 due to the carry forward of expenditure on relevant 1997/8 projects. It will be necessary, therefore, to carry forward funding from 1997/8 to accommodate programme slippage into 1998/9.

### **4. FINANCIAL IMPLICATIONS**

The financial implications of the foregoing necessitate a transfer of funding provision from 1997/8 to 1998/9 to cover the carry forward of underspend on relevant projects into 1998/9. It is suggested that this is achieved through the carry forward of usable capital receipts which were not required for funding purposes within 1997/8 and which will provide the necessary augmentation to consent levels within 1998/9. In this respect a review of the Capital Programme for 1998/9 is being carried out with a view to reporting to Committee after the summer recess.

### **5. CONCLUSION**

The Composite Capital Programme for 1997/8 has suffered a degree of slippage requiring action which will include the carry forward of expenditure and associated funding from 1997/8 to 1998/9. Such action will result in a review of the Capital Programme for 1998/9 with a view to reporting to Committee after the summer recess.

### **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 31.03.98 £000	Final Estimate £000	Projected Over/ (Under) Spend £000
	Original £000	Revised £000			
Education	2,143	2,339	2,092	2,092	(247)
Social Work	338	338	418	418	80
Roads	3,797	3,621	3,261	3,261	(360)
General Services (inc. Non-HRA)	6,104	5,873	5,617	5,617	(256)
	12,382	12,171	11,388	11,388	(783)

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.

Programme	Issued Consents		Consent Augmentation		CFCR		Social Work Revenue Contribution £000	Montrose Seatfront Revenue Contribution £000	Spand to Save Grant/ Savings £000	Reduction or Overspend £000	Common Good 1997/98 £000	Fee Income 1997/98 £000	Total CFCR £000	Total Capital Resource £000	Act. Exp. as a % of Exp. Resource %
	Single Allocation £000	Spend to Realloc. £000	Challenge Fund etc Consent £000	Actual Capital Receipts £000	Maximum Section 94 Resource £000	Per Finance Cfc 30/98 £000									
Total	5,144	0	3,842	0	987	1,250	90	50	542	(254)	68	90	1,836	11,809	96

Note: Actual expenditure of £11,388 million includes accrued expenditure of £242,000 and, therefore, the cash spend for Scottish Office Section 94 Capital Consent purposes is £11,146 million. The cash spend of £11,146 million is within the Total Capital Resource of £11,809 million by £663,000 which may be carried forward as capital receipts for funding purposes within 1998/9.

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 31.03.98 £000	2 Final Estimate £000				
<b>Education</b>											
1	F	3,177	1,122	187	187	187	0	187	1,681	Project slippage - adverse ground conditions.	
2	P	52	42	8	8	8	0	2	0	Programme identified - R.730/97 - Education Executive Sub Committee Agreement of Capital Programme Co-ordination Group (C.P.C.G.) Reference R.1042/97 - Education Committee dated 14.10.97	
3	P	2,562	180	1,544	1,317	1,317	(227)	1,037	48	Improvements to Heating / Lighting Controls	
4	P	48	45	2	2	2	0	1	0		
5	P	961	0	150	151	151	1	210	600		
6	SD	870	0	20	70	70	50	200	600		
7	P	950	0	100	52	52	(48)	730	168		
8	P	1,570	0	33	10	10	(23)	220	1,340		
9	P	641	0	99	196	196	0	390	55		
10	SD	99	0	99	99	99	0	0	0		
		10,930	1,369	2,143	2,339	2,092	(247)	2,977	4,492		
<b>Social Work</b>											
11	F	1,494	528	88	88	88	0	88	790	Health Authority currently committed to contribution of £500,000 - awaiting confirmation that the additional £17,000 will be made available Programme identified	
12	P	517	0	430	30	35	5	468	14		
13	P	874	0	196	196	273	77	(503)	(14)		
14	SD	18	0	15	18	18	3	0	0		
15	SD	33	0	10	10	10	(10)	11	22		
16	SD	4	0	13	13	13	(13)	0	0		
17	P	4	0	16	16	4	(12)	0	0		
		2,423	528	338	418	418	80	295	1,182		
<b>Roads</b>											
18	F	832	294	49	49	49	0	49	440	Reference R.1063/97 - P + R Committee dated 28.10.97	
19	SD	5,539	5,332	177	177	207	30	0	0	Reference R.1063/97 - P + R Committee dated 28.10.97	
20	SD	130	25	25	105	105	80	0	0	Equipment ordered - R.883/97 - Roads Committee - 28.08.97 Additional Funding of £36,000 from Spend to Save	
21	SD	5,177	0	25	48	48	23	29	5,100	Note transfer of budget to Bridge Repairs	
22	SD	607	0	60	7	7	(53)	150	450	Note transfer of budget from Bridge Assessments / Bridge Strengthening	
23	SD	368	0	60	6	6	(54)	110	250	Programme identified R.483/97 - Roads Committee - 24.04.97	
24	SD	189	0	225	143	143	(82)	46	0	Pedestrian Crossing Programme identified - R.462/97 - Roads Committee - 24.04.97	
25	SD	4,490	0	1,000	511	511	(489)	1,589	2,390	Note transfer of budget to Bridge Repairs - R.878/97 - Roads Committee - 28.08.97	
26	SD	3,080	0	80	18	18	(62)	118	2,944	Note transfer of budget to Bridge Repairs	
27	SD	300	0	50	50	50	0	0	20	Note transfer of budget from Bridge Assessments / Bridge Strengthening	
28	SD	272	0	130	57	57	(73)	195	20	Programme identified R.483/97 - Roads Committee - 24.04.97	
29	SD	2,063	0	430	338	338	(92)	475	1,250		
30	SD	1,233	0	250	398	398	148	275	560		
31	SD	1,666	0	275	368	368	91	250	1,050		
32	SD	161	0	80	41	41	(39)	60	60		
33	SD	1,672	0	300	322	322	22	300	1,050		
34	SD	521	0	75	71	71	(4)	150	300		
35	SD	840	0	50	50	50	(10)	100	700		
36	SD	11,927	0	146	70	109	39	0	11,818		
37	SD	2,069	0	150	69	69	19	0	2,000		
38	SD	282	0	20	22	22	2	30	210		
39	SD	200	0	100	100	100	0	100	0		
40	SD/P	6	0	0	6	6	6	0	0		
41	SD	(12)	0	0	138	138	138	(150)	0	Actual expenditure of £4,000 represents Property Services Professional Fees in respect of Tayside Contracts Depot at Kirriemuir Road, Forfar Reference R.155/98 - Finance + I.T. Committee dated 03.02.98	
42	SD	40	0	40	40	40	0	0	0	Maintenance of Weighbridges to minimise waste	
		43,630	5,651	3,797	3,621	3,261	(360)	3,876	30,842		

Monitoring of 1997/98 Expenditure

Assigned Resp.	Estimated Total Cost £000	Capital Budget 1997/98			Actual to 31.03.98 £000	Final Estimate £000	Projected over/ (under) Spend £000	1998/99 £000	Later Years
		Prior to 1.4.97 £000	Original £000	Revised £000					
		140	82	82	60	(22)	29	51	
43 Replacement of Dymk Computer System	48	0	30	30	48	18	0	0	
44 Computer Equipment Replacement Prog.	50	0	10	10	(10)	(10)	0	50	
45 Reid Hall - Emergency Lighting and Fire Alarm	30	0	30	30	(30)	(30)	28	1	
46 Spend to Save	12	0	12	12	12	0	0	0	
	140	0	82	82	60	(22)	29	51	

Explanation of Variances

Tenders returned - 15.01.98  
Request to I.T. for prices  
R. and R. Fund  
Controls to Heating / Ventilation Systems

Environmental and Consumer Protection

P	65	64	2	2	1	(1)	0	0
SD/P	2,485	120	530	530	565	35	400	1,400
SD	1,786	0	66	0	0	0	285	1,501
SD	16	0	0	0	166	166	(150)	0
50 Vehicle Advancement	4,352	184	598	532	732	200	535	2,901

Tender Report to Committee dated 13.01.98

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

Information Technology

SD	163	0	80	80	63	(17)	0	100
SD	311	0	80	80	71	(9)	0	240
SD	42	0	25	25	42	17	0	0
SD	67	0	50	50	47	(3)	0	20
P	631	0	554	554	595	41	36	0
	1,214	0	789	789	818	29	36	360

R.924/97 - Finance + I.T. Committee dated 02.09.97

Planning, Transport and Economic Development

F	822	323	48	48	56	10	48	395
SD	305	55	50	50	245	195	5	0
P	163	57	85	85	101	16	5	0
SD	244	222	12	12	22	10	0	0
SD	84	85	1	1	(1)	(2)	0	0
SD	362	0	150	150	2	(148)	120	240
SD	146	0	35	35	31	(4)	15	100
SD	60	0	15	15	20	5	20	20
SD	80	0	15	15	15	0	15	50
SD	70	0	10	10	10	0	20	40
SD	324	0	150	150	24	(126)	300	0
SD	100	0	20	20	150	(130)	200	80
P	1,257	0	160	160	12	(28)	108	1,042
SD	320	0	40	40	12	(30)	20	170
SD	180	0	30	30	813	(264)	662	27
P	1,519	17	1,107	1,107	228	103	0	0
SD	228	0	125	125	10	(57)	185	0
SD	195	0	67	67	16	(16)	2	0
P	55	37	0	0	2	2	0	0
SD/P	21	19	0	0	853	263	600	500
SD/P	2,853	900	600	600	13	13	305	83
SD/P	401	0	0	0	0	0	0	0
SD	0	0	0	0	(18)	(18)	0	0
SD	(18)	0	0	0	(114)	(114)	2,515	2,947
	9,781	1,715	2,718	2,718	2,604	2,604	2,515	2,947

Amendment to repayment profile from 1997/98  
Actual expenditure offset by contributions from other departments / S.E.T.  
Actual expenditure offset by contribution of £95,000 from S.E.T.

Projected underspend - project delays at Airbroath and Montrose

Delay in commencement of project

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

Offset by Capital Contributions from S.E.T.  
S.E.T. Grant of £20,000 outstanding taken as Capital Debtor

Monitoring of 1997/98 Expenditure

Assigned Resp.	Estimated Total Cost £000	Capital Budget 1997/98		Actual to 31.03.98 £000	Final Estimate £000	Projected over/under Spend £000	1998/99 £000	Later Years £000	Explanation of Variances
		Prior to 1.4.97 £000	Original £000						
<b>Recreation Services</b>									
80	1,153	510	58	93	93	35	64	486	Amendment to repayment profile from 1997/98
81	7	0	12	6	6	(6)	1	0	
82	0	0	10	10	10	(10)	0	0	
83	18	0	20	17	17	(3)	1	0	
84	0	0	5	5	5	(5)	0	0	Now Spend to Save
85	9	0	20	9	9	4	0	0	
86	0	0	5	5	5	(5)	0	0	Now Spend to Save
87	14	0	0	14	14	(1)	0	0	
88	11	0	10	11	11	1	0	0	
89	19	0	0	19	19	19	0	0	Project cancelled
90	30	0	20	27	27	7	3	0	
91	6	0	0	6	6	6	0	0	
92	40	0	0	40	40	40	0	0	
93	5	0	0	5	5	5	0	0	
94	31	0	31	31	31	0	0	0	Controls - Water Recovery Systems / Boilers
	1,343	510	191	278	278	87	69	486	
<b>Property Services</b>									
95	1,180	1,144	33	13	13	(20)	23	0	
96	518	340	185	148	148	(37)	30	0	
97	490	440	48	44	44	(2)	6	0	
98	121	34	92	87	87	(5)	0	0	To be financed from Common Good and grant of £18,900 due from Historic Scotland
99	28	0	30	28	28	(2)	0	0	
100	0	0	18	0	0	(18)	0	0	Works no longer required
101	96	54	54	87	87	33	9	0	Reference R.923/97 - Personnel and Property Services Committee dated 21.10.97
102	181	3	170	78	78	(82)	83	7	Reference R.1091/97 - Personnel and Property Services Committee dated 21.10.97
103	17	0	173	17	17	(156)	0	0	Project under review
104	0	0	50	50	50	0	0	0	Project delayed / deferred
105	105	0	25	25	25	(25)	101	4	Project delayed / deferred
106	21	0	130	19	19	(111)	2	0	G.F. element of Local Housing Office. Balance to fund purchase of Ravenswood.
107	1,382	0	0	7	7	7	265	1,120	Reference R.1086/97 - Personnel and Property Services Committee dated 21.10.97
108	40	0	35	40	40	5	0	0	
109	36	0	38	38	38	(2)	0	0	
110	162	0	20	12	12	(8)	60	90	
111	238	0	5	3	3	(2)	60	175	
112	23	0	21	22	22	1	1	0	
113	11	0	0	8	8	8	3	0	Further information is being sought on other audio visual options
114	274	0	0	263	263	263	11	0	Reference R.155/98 - Finance + IT. Committee dated 03.02.98
115	24	0	24	24	24	0	0	0	Inc. NOSWA relocation and Property Services relocation from Tayside House
	4,957	1,981	1,128	936	936	(213)	664	1,386	Installation of Heating Controls
<b>Coast Protection</b>									
116	47	32	60	5	5	(55)	0	10	R.461/97 - Roads Committee - 24.04.97
117	137	0	90	137	137	47	0	0	R.461/97 - Roads Committee - 24.04.97
118	53	0	0	9	9	9	44	0	
	237	32	150	151	151	1	44	10	
<b>Tayside Valuation Joint Board</b>									
119	17	12	5	5	5	0	0	0	
<b>Miscellaneous</b>									
120	33	0	33	33	33	0	0	0	Specific Allowance included within Section 94 Capital Consent
121	0	0	224	224	224	(224)	0	0	
122	0	0	186	0	0	0	0	0	
	33	0	443	33	33	(224)	0	0	
	22,074	4,414	6,104	5,617	5,617	(256)	3,992	8,151	
	79,057	11,962	12,382	12,171	11,388	(763)	11,040	44,667	