

ANGUS COUNCIL

**FINANCE AND INFORMATION TECHNOLOGY COMMITTEE -
1st September, 1998**

POLICY AND RESOURCES COMMITTEE - 8th September, 1998

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME - 1998/9

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises members of the capital expenditure incurred for the period from 1st April, 1998 to 31st July, 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 31st July, 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 2nd 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 of £12.003 million for 1998/9.

As members will be aware the Scottish Office has announced that the level of capital receipts which may be deemed usable on the Composite Capital Programme has been restored to 100 per cent in respect of receipts received on and after 1st August, 1998. Prior to this date 50 per cent of capital receipts had to be utilised to repay outstanding capital debt and could not be utilised to augment Section 94 consent levels (a number of exceptions existed which could allow 100 per cent augmentation if certain criteria and programme timetabling rules were met). In view of the foregoing, the projected potential capital receipts position for 1998/9 was reviewed. This review has not resulted in an increase in the anticipated receipts position for 1998/9 in that due to the sophisticated systems put in place by Angus Council a high level of usability (in excess of 90 per cent) had been achieved prior to the rule change. Accordingly, any potential increase due to the change in the usable element of capital receipts is marginal and it is considered prudent, at least in the meantime, to monitor the overall receipts actually achieved against budget provision and to take a more informed view on potential receipt achievement at a later date in the financial year.

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 31st July, 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.

Comment is made in relation to the A92 Private Finance Initiative (P.F.I.) Project within the programme which is funded from a mix of General Section 94 Consent and Specific Section 94 Consent from the Transport Challenge Fund. Latest projections indicate that expenditure on this project will fall short of specific resources made available in 1998/9 and, therefore, £250,000 of the said resources will be withheld by the Scottish Office to be made available within 1999/2000.

It can be seen that after the passage of four months or one third of the financial year, actual expenditure totalled £2.416 million, which equates to 20 per cent of the revised budget of £12.003 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.

Taking account of adjustments in respect of the A92 P.F.I. Project (as indicated above) it is recognised that the latest estimate of expenditure of £11.538 million is within the total potential capital resource of £11.780 million by £242,000. 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.

A meeting of the officer led Capital Programme Co-ordination Group (C.P.C.G.) is planned for Wednesday, 2nd September, 1998 to review the position on the Composite Capital Programme and ensure that the Council is in a position to react to possible slippage on projects and potential increased resources over the forthcoming financial year.

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
26/08/98

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 31.07.98 £000	Latest Estimate £000	Projected Over/ (Under) Spend £000
	Original £000	Revised £000	Latest Estimate £000			
Education	3,135	3,111	3,117	631	3,117	6
Social Work	508	492	492	33	492	0
Roads	3,504	3,523	3,019	332	3,019	(504)
General Services (inc. Non-HRA)	4,929	4,677	4,910	1,420	4,910	33
	12,076	12,003	11,538	2,416	11,538	(465)

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.

Issued Consents	Consent Augmentation			CFCR	Spend to Save Education £000	Montrose Seafront Contribution Recreation £000	Total CFCR £000	Maximum Potential Capital Resource £000	Latest Estimate £000	Latest Estimate as a % of Resource %
	Challenge Fund etc Consent £000	Est. Capital Receipts Anticipation £000	Use of S4 Section 94 Resource £000							
Single Allocation £000	5,729	20	2,455	653	1,078	255	10,190	11,538	98	
				1,250	330	10	1,590	11,700		
Total										

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.	Monitoring of 1998/99 Expenditure				Projected over/under Spend £000	3 1999/2000 Estimate £000	4 Later Years 1999/2000 Estimate £000	Explanation of Variances
		1 Estimated Total Cost £000	2 Actual to 31.07.99 £000	3 Revised £000	4 Latest Estimate £000				
Education									
1	F	3,177	1,309	187	187	0	187	1,494	
2	P	12	0	6	12	6	0	0	
3	P	2,562	1,477	1,063	1,033	0	52	0	
4	P	8	0	8	8	0	0	0	
5	P	800	0	200	200	0	300	300	
6	SD	700	0	100	100	0	200	400	
7	P	882	52	730	730	0	76	24	
8	P	220	0	220	212	0	8	0	
9	P	1,700	10	220	103	0	1,462	125	
10	P	235	0	180	228	0	7	0	
11	P	299	0	210	289	0	10	0	
12	SD	15	0	15	15	0	0	0	
		10,610	2,848	3,135	3,111	631	3,117	2,343	
Social Works									
13	F	1,494	616	88	88	0	88	702	
14	P	500	35	473	451	0	14	0	
		(500)	0	(473)	(486)	0	(14)	0	
15	P	616	0	226	245	18	195	175	
16	SD	33	0	11	11	0	11	11	
17	SD	150	0	150	150	0	150	0	
18	P	43	0	23	23	0	20	0	
19	P	12	0	10	10	0	2	0	
		2,347	651	508	492	33	492	888	
Roads									
20	F	832	343	49	49	0	49	381	
21	SD	130	0	0	0	0	0	0	
22	SD	5,177	48	29	29	2	50	5,050	
23	SD	607	7	75	75	0	275	250	
24	SD	366	6	85	85	1	200	75	
25	SD	178	143	35	35	0	0	0	
26	SD	4,490	511	1,450	1,509	97	1,067	400	
27	SD	105	0	15	15	0	85	5	
28	SD	180	0	10	10	1	160	10	
29	SD	360	0	30	30	1	130	200	
30	SD	220	0	71	71	1	149	0	
31	SD	45	0	45	45	0	0	0	
32	SD	1,630	0	30	30	1	100	1,500	
33	SD	1,100	0	20	20	0	80	1,000	
34	SD	204	0	195	184	13	20	0	
35	SD	1,673	0	423	423	0	950	300	
36	SD	585	0	75	18	25	310	250	
37	SD	1,300	0	250	250	5	350	700	
38	SD	120	0	60	60	0	20	40	
39	SD	1,350	0	250	250	60	375	725	
40	SD	450	0	75	75	0	150	225	
41	SD	800	0	50	50	18	275	475	
42	SD	20	0	20	20	0	100	200	
43	SD	400	0	100	100	0	20	40	
44	SD	70	0	10	10	0	7	0	
45	SD	7	0	0	0	7	0	0	
46	SD	5,543	5,539	0	4	4	0	0	
		27,942	6,727	3,504	3,523	352	6,360	11,836	

Monitoring of 1998/99 Expenditure

General Services	Assigned Resp.	1		Capital Budget 1998/99		Actual to 31.07.98 £000	2 Latest Estimate £000	Protected over/ (under) Spend £000	3 1998/2000 £000	4 Later Years £000
		Estimated Total Costs £000	Prior to 01.04.98 £000	Original £000	Revised £000					
Cultural Services	P	80	0	57	57	0	57	0	9	14
47 Kirtlemur Town House		80	0	57	57	0	57	0	9	14
Environmental and Consumer Protection	P	60	0	2	2	2	2	0	58	0
48 Public Convenience with Attendant at Carmouste	P	66	65	0	1	1	1	0	0	0
49 Recycling and Civic Amenity Centre - Carmouste	P	60	0	2	2	2	2	0	56	2
50 Recycling and Civic Amenity Centre - Brechin	P	26	0	17	16	0	16	0	10	0
51 Bulk Sorting and Transferring Unit at Abroath	P	35	0	33	33	0	33	0	2	0
52 Upgrading at Morfeth to comply with S.E.P.A.	SD	2,450	685	400	365	246	365	0	600	800
53 Lochhead Landfill Site, Restenneth Extension	SD	27	0	9	9	0	9	0	9	9
54 Contribution to Public Analyst	SD	1,805	0	135	135	246	135	0	969	701
55 Vehicle Replacement		4,529	750	598	563	0	563	0	1,704	1,512
Planning and Transport	SD	370	300	5	70	66	70	0	0	0
56 Montrose Seafront Development	SD	210	0	70	70	0	70	0	70	70
57 Angus Partnership - Central Area, Montrose	SD	150	0	50	50	0	50	0	50	50
58 Angus Partnership - High Street, Abroath	SD	105	0	15	5	0	5	0	50	50
59 Local Plans Implementation	SD	25	0	20	5	0	5	0	20	0
60 Tourism Signposting	SD	7	(18)	25	25	0	25	0	0	0
61 North Water Viaduct Cycleway	SD	82	0	0	82	62	82	0	0	0
62 Property Acquisition and Site Development at Carmouste	P	2	0	0	2	0	2	0	0	0
63 Balances on Completed Works	SD	65	0	15	15	0	15	0	25	25
64 Public Transport Infrastructure	SD	60	0	20	20	0	20	0	20	20
65 Grant Assistance for Accessible Vehicles	SD	1,700	0	600	600	128	600	0	600	500
66 Housing Improvement Grants		2,776	282	820	944	0	944	0	835	715
Economic Development	F	822	379	48	48	48	48	0	48	347
67 Covenant Repayment	P	163	158	5	5	0	5	0	0	0
68 Advance Factories - Brechin Cannery Phase 5	SD	324	24	300	300	54	300	0	0	0
69 Carmouste Golf Hotel	SD/P	70	0	70	70	0	70	0	0	0
70 Carmouste Open Golf Championship	SD	100	0	20	20	0	20	0	40	40
- Electrical Sub Station	SD	234	10	185	224	6	224	0	0	0
71 Financial Assistance to Business	SD	63	0	63	63	0	63	0	0	0
72 Acquisition of Industrial Land - Brechin	SD	257	12	45	45	0	45	0	100	100
73 Acquisition of Industrial Land - Orchardbank	SD	190	0	20	20	0	20	0	170	0
74 Acquisition of Industrial Land - General	P	207	150	15	15	59	15	0	42	0
75 Clearance and Redevelopment		1,000	0	83	0	0	0	0	500	500
76 Construction of Industrial Units - Baden Powell Road		400	0	100	100	0	100	0	150	150
77 Construction of Industrial Units - General	P	1,598	830	459	739	734	739	0	29	0
78 Provision of Services to Industrial Land	SD/P	953	0	443	70	0	70	0	883	0
79 Industrial Development at Brechin	SD	128	228	0	(100)	0	(100)	0	0	0
80 Industrial Development at Brechin	SD/P	401	13	305	337	50	337	0	51	0
81 CNC and Related Training Equipment		6,910	1,804	2,161	1,956	902	1,956	0	2,013	1,137
82 Pictish Visitors Centre										

Explanation of Variances

Lottery Grant / ERDF Funding being sought

Transfer of £10,000 in 1998/99 to Montrose Seafront Development
Transfer of £15,000 in 1998/99 to Montrose Seafront Development

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

Transfer of Budget to Industrial Development at Brent Avenue, Montrose
Reference R.269/98 - Economic Development Committee dated 05.03.98

Reference R.463/98 - Personnel and Property Executive Sub Committee - 20.07.98

Monitoring of 1998/99 Expenditure

Recreation Services	Assigned Respd.	Estimated Total Cost £'000	Prior to 01.04.99 £'000	Capital Budget 1998/99			Actual to 31.07.99 £'000	Latest Estimate £'000	Projected over/under Spend £'000	1999/2000 Estimate £'000	Later Years £'000
				Original £'000	Revised £'000	Latest Estimate £'000					
83 Covenant Repayment	F	1,153	603	64	64	0	64	0	64	422	0
84 Seltire Leisure Centre, Abroath	P	6	6	1	0	0	0	0	0	0	0
85 HTFS/Refrigeration Unit	P	8	0	0	8	0	0	0	0	0	0
86 Changing Room/Lockers	P	17	17	1	0	0	0	0	0	0	0
87 Enlarge Spa Bath	P	28	27	1	1	0	0	0	0	0	0
88 Montrose Sports Centre - Relay Floor	SD	40	40	0	0	0	0	0	0	0	0
89 Montrose Seafront Development Contribution	P	1	0	0	1	0	1	0	0	0	0
90 Balances on Completed Works	P	115	0	90	90	0	90	0	20	5	0
91 Multi-purpose Court at Brechin Leisure Centre	P	34	0	34	32	32	32	0	2	0	0
92 Work at Woodlands Caravan Park - Carnoustie	P	8	0	8	8	8	8	0	0	0	0
93 New Illuminated Sign at Carnoustie Leisure Centre	SD	4	0	0	4	4	4	0	0	0	0
Purchase of Bicycles		1,414	693	199	208	12	208	0	86	427	0

Explanation of Variances

Transfer of £10,000 in 1998/99 from Unplanned Maintenance Budget

Lottery Grant being sought

Specific Cycle Challenge Fund Consent

Property Services

94 Bruce House - Phase 1	P	1,180	1,157	0	23	23	23	0	0	0	0
95 Bruce House - Phase 2	P	518	488	15	30	30	30	0	0	0	0
96 HQ Offices - Balances	P	6	0	6	6	6	6	0	0	0	0
97 Alterations - St James House (Ventilation)	P	105	87	4	6	16	18	12	0	0	0
98 Alterations - General (1997/8)	P	1	0	1	1	1	1	0	0	0	0
99 Alterations - General (1998/9)	P	75	0	70	70	78	70	0	5	0	0
100 County Buildings (New Entrance)	P	213	81	125	71	78	125	0	7	0	0
101 Access Point - Abroath	P	30	0	27	30	30	30	0	0	0	0
102 Access Point - Brechin	P	150	0	30	30	30	30	0	112	8	0
103 Access Point - Carnoustie	P	160	0	40	40	40	40	0	100	10	0
104 Access Point - Montrose	P	417	17	220	220	220	220	0	170	10	0
105 IT Store - Market Street, Forfar	P	105	0	101	101	101	101	0	4	0	0
106 Extension - St James House (Phase 1)	P	1,400	7	65	65	2	65	0	1,070	258	0
107 Energy Conservation Measures (Spend to Save)	P	272	0	80	80	80	80	0	64	128	0
108 Facilities for the Disabled	P	183	0	8	8	8	8	0	60	115	0
109 Town & County Hall - Microphone System	P	24	22	1	2	2	2	0	0	0	0
110 Bruce House - Health and Safety Measures	P	40	8	3	29	21	29	0	3	0	0
111 Purchase/Alterations - Ravenswood, Forfar	P	285	263	11	19	9	20	1	2	0	0
112 Residual Balances on Various Projects	P	1	0	3	1	1	1	0	0	0	0
113 Closed Circuit Television	P	621	595	36	26	26	26	0	0	0	0
		5,776	2,729	792	912	132	925	13	1,597	529	0

Coast Protection and Flood Prevention

114 Coast Protection - Milton Mill, Monifieth	SD	104	37	57	57	57	57	0	10	0	0
115 Coast Protection - Montrose Beach	SD	2,154	9	45	45	45	45	0	450	1,650	0
116 Coast Protection - General	SD	230	0	80	80	80	80	0	50	100	0
117 Flood Prevention - River Street, Brechin	SD	125	0	120	55	125	55	0	70	0	0
		2,613	46	302	237	0	237	0	580	1,750	0

Compensating Savings of £65,000 in respect of Montrose Seafront Development

Miscellaneous

118 Urban Programme	F	53	33	0	0	0	20	20	0	0	0
GENERAL SERVICES TOTAL		24,151	6,333	4,929	4,877	1,420	4,910	33	6,824	6,084	0
GRAND TOTAL		65,050	16,559	12,076	12,003	2,416	11,538	(465)	15,802	21,151	0