

ANGUS COUNCIL**FINANCE AND INFORMATION TECHNOLOGY COMMITTEE – 16th October, 2001****POLICY AND RESOURCES COMMITTEE – 23rd October, 2001****CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2001/2****REPORT BY THE DIRECTOR OF FINANCE****ABSTRACT**

This report appraises members of the capital expenditure incurred for the period from 1st April, 2001 to 31st August, 2001 and measures projected 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 August, 2001 on the Composite Capital Programme as per the accompanying monitoring statement.
- Members should note that the Capital Budget Sub Group (CBSG) will meet in due course as part of the Budget Process for 2002/3. As part of this process it is expected that the CBSG will review the position on the Composite Capital Programme and address issues relating to the projected spend position, possible slippage on projects and resources potentially available for 2001/2.
- Members should also 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 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.

3. CURRENT POSITION

The accompanying monitoring statement sets out the position on the Composite Capital Programme for 2001/2 as at 31st August, 2001.

It can be seen that after the passage of five months actual expenditure totalled £3.419 million which equates to 33 per cent of the revised budget of £10.332 million for the year.

However, it should be noted that, in addition to actual expenditure achieved, work is ongoing on a number of projects for which no payment has, as yet, been made. Such payments will, of course, be reflected within the actual spend levels of future statements.

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, 2002), must be closely monitored by Departmental Directors with a view to maximising budgeted expenditure for the year.

Further to the previous meeting of the Finance and Information Technology Committee the Council has received Capital Grant and corresponding Supplementary Capital Consent from the Scottish Executive for the improvement of School Buildings in 2001/2. It is, of course, the intention of the Council to accept the offer of grant and consent with a view to generating spend on such improvements over the winter period.

It is recognised that the latest estimate of expenditure of £9.790 million is very much in line with the total potential capital resource of £9.704 million. Although the Composite Capital Programme is in balance it should be noted that the Programme is normally subject to a degree of slippage as the year progresses. Further, the Officer led Capital Budget Sub Group (CBSG) will meet in due course as part of the Budget Process for 2002/3. As part of this process it is expected that the CBSG will review the position on the Composite Capital Programme and address issues relating to the projected spend position, possible slippage on projects and resources potentially available for 2001/2.

It should also be noted that to maintain the balance between estimated expenditure and available resources it is incumbent on Departmental Directors - the Accountable Managers - 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, where appropriate, 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. Although the Composite Capital Programme is currently in balance it should be noted that the Programme is normally subject to a degree of slippage as the year progresses.

It should also be noted that the Capital Budget Sub Group (CBSG) will meet in due course as part of the Budget Process for 2002/3. As part of this process it is expected that the CBSG will review the position on the Composite Capital Programme and address issues relating to the projected spend position, possible slippage on projects and resources potentially available for 2001/2.

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.

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE - 16th October, 2001
 POLICY AND RESOURCES COMMITTEE - 23rd October, 2001

1. SUMMARY OF CAPITAL EXPENDITURE 2001/2 - NON-HOUSING PROGRAMME

The table below shows

- 2001/2 original departmental capital budgets per the Final Revenue and Capital Budgets Volume 2001/2
- 2001/2 revised departmental capital budgets
- latest departmental projections for total capital expenditure in 2001/2

Programme	Capital Budget 2001/2		Actual to 31/08/01 £000	Latest Estimate £000	Projected Over/(Under) Spend £000
	Original £000	Revised £000			
	Education	2,725			
Social Work	373	359	27	314	(45)
Roads	3,280	3,342	768	3,333	(9)
General Services (inc. Non-HRA)	3,746	3,690	593	2,770	(920)
Sub Total - exc Local Capital Fund	10,124	9,965	2,800	9,423	(542)
Local Capital Fund	387	367	619	367	0
Grand Total	10,511	10,332	3,419	9,790	(542)

2. SUMMARY OF PROJECTED EXPENDITURE/RESOURCES

The following table compares the anticipated capital expenditure resources available to the Council in 2001/2 with the latest projection of capital spend.

To adhere to Scottish Executive controls the Council must ensure that the Section 94 resource utilised during the financial year does not vary by more than + or - 10% of the issued Section 94 Consents.

	£,000	£,000
<u>Issued Section 94 Consents</u>		
Formula Allocation	6,245	
New Deal for Schools	614	
Land Decontamination	79	
Cycling, Walking and Safer Streets	65	
School Buildings	276	7,279
<u>Consent Augmentation</u>		
Capital Receipts c/f from 2000/1	1,128	
Estimated Current Year Capital Receipts	400	1,528
		8,807
<u>CFCR</u>		
General	530	
Local Capital Fund	367	897
Maximum Potential Capital Resource		9,704
Latest Estimate of Expenditure		9,790
Projected over / (under) spend		86

3. Explanation of Significant Variances

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 2001/2 Expenditure										Projected Over/(Under) Spend £000	2002/3 £000	Later Years £000	Explanation of Variances	
		1		2		3		4								
		Estimated Total Cost £000	Prior to 01.04.01 £000	Original Estimate £000	Revised Estimate £000	Actual to 31/09/01 £000	Latest Estimate £000	2002/3 £000	Later Years £000							
Education																
1	F	3,177	1,970	187	187	0	187	0	187	933	0	187	933			
2	P	2,585	2,570	0	15	(1)	15	0	15	0	0	0	0			
3	P	7	6	0	1	1	1	0	1	0	0	0	0			
4	P	1,840	1,774	80	66	(14)	66	0	66	0	0	0	0			
5	P	856	840	7	16	0	16	0	16	0	0	0	0			
6	P	354	340	14	14	(8)	14	0	14	0	0	0	0			
7	P	252	251	2	2	0	2	0	2	(1)	0	0	0			
8	P	114	104	10	10	(10)	10	0	10	0	0	0	0			
9	P	2,675	920	1,521	845	1,585	845	1,585	64	170	0	170	0			Rephasing of expenditure from 2002/3 to 2001/2
10	P	214	202	10	10	0	10	0	10	0	0	0	0			
11	P	6,500	108	10	10	0	10	0	10	2	2	84	6,296			
12	P	812	19	165	100	0	150	0	150	50	50	613	30			Rephasing of expenditure from 2002/3 to 2001/2
13	P	180	175	14	5	1	5	0	5	0	0	0	0			
14	P	175	145	8	16	9	20	0	20	4	4	10	0			
15	P	0	0	0	0	0	0	0	0	0	0	0	0			Fully funded from revenue
16	P	70	0	50	50	0	55	0	55	5	5	15	0			
17	P	1,191	62	650	549	537	549	0	549	0	0	570	10			Contributions due from various sources
18	SD/P	0	0	0	0	0	0	0	0	0	0	0	0			
19	SD	117	115	0	0	2	2	0	2	2	2	0	0			
20	P	291	0	0	0	0	0	0	276	276	15	0	0			Supplementary Consent of £276,000 granted for 2001/2
21	P	0	0	0	0	0	0	0	0	0	0	0	0			Fully funded from revenue
22	P	350	0	0	0	0	0	0	20	20	300	30	0			
23	P	500	0	0	0	0	0	0	10	10	200	290	0			
		22,260	9,501	2,725	2,574	1,412	3,006	432	2,164	7,589						
Social Work																
24	F	1,494	880	88	88	0	88	0	88	0	88	438	0			
25	SD	447	204	256	241	29	243	2	243	2	0	0	0			
26	P	33	35	0	0	0	(47)	(47)	31	31	0	0	0			
27	P	20	0	20	20	0	20	0	20	0	0	0	0			
28	P	80	0	0	0	0	0	0	0	0	24	56	0			
		80	0	9	9	0	9	0	9	0	71	0	0			
29	P	20	0	0	0	0	0	0	0	0	20	0	0			
		1	0	0	1	(2)	1	0	1	0	0	0	0			
		2,175	1,119	373	359	27	314	(45)	234	509						

14 Ref R.688/01 to Personnel and Property Services Committee dated 12.06.01

Monitoring of 2001/2 Expenditure

Assigned Resp.	1		2		Projected Spend (Under/Over) £000	3	4	Explanation of Variances
	Estimated Total Cost £000	Prior to 01.04.01 £000	Capital Budget 2001/2 Original Estimate £000	Revised Estimate £000				
Roads								
30	832	490	49	49	0	49	244	
31	7,000	0	206	0	0	400	6,600	
32	969	300	123	389	0	180	100	
33	521	554	(33)	(33)	0	0	0	
34	40	35	3	5	2	0	0	
35	8,107	3,101	1,240	1,271	(10)	1,810	1,935	
	850	0	840	840	10	0	0	
36	220	0	15	15	0	89	116	
37	417	113	4	4	0	200	100	
38	245	243	2	(28)	0	0	0	
39	134	25	9	9	0	0	100	
40	357	35	58	57	0	50	215	
41	1,616	0	49	49	0	36	1,531	
42	1,057	65	49	49	0	200	743	
43	0	0	10	10	(10)	0	0	Transfer to Coast Protection at Carnoustie Beach
44	40	0	10	10	0	0	30	
45	15	0	10	10	0	5	0	
46	17	10	7	7	0	0	0	
47	530	0	530	530	0	0	0	
48	15	0	15	15	0	0	0	
49	76	16	84	56	(1)	5	0	
	23,058	4,987	3,280	3,342	(9)	3,024	11,714	

Monitoring of 2001/2 Expenditure

Assigned Resp.	1 Estimated Total Cost £000	2 Capital Budget 2001/2 Original Estimate £000	3 Revised Estimate £000	4 Actual to Latest Estimate £000	5 Projected Over/(Under) Spend £000	6 2002/3 £000	7 3 £000	8 4 Later Years £000	9 Explanation of Variances
<u>General Services</u>									
<u>Cultural Services</u>									
50	200	10	10	6	10	0	40	150	
	200	10	10	6	10	0	40	150	
<u>Environmental and Consumer Protection</u>									
51	76	0	2	0	2	0	0	0	
52	3,177	204	189	0	189	0	238	673	
53	149	83	46	54	54	8	10	0	
54	69	53	53	0	67	14	2	0	
55	111	0	111	9	111	0	0	0	
	3,582	451	401	63	423	22	250	673	
<u>Planning and Transport</u>									
56	90	10	20	3	10	(10)	20	60	
57	10	0	9	0	9	0	0	0	
58	40	30	30	9	30	0	0	0	
59	2,321	440	454	218	440	(14)	460	1,000	
60	104	23	10	(4)	21	0	10	50	
61	290	0	118	128	0	18	272	0	
62	0	0	28	0	0	(28)	0	0	
63	28	0	0	0	28	0	0	0	
64	99	(3)	32	39	0	13	50	0	
65	147	0	5	5	0	42	100	0	
66	0	0	0	0	0	0	0	0	
67	324	0	65	5	65	0	84	175	
68	178	169	9	2	9	7	0	0	
	3,631	621	682	801	205	674	901	1,435	
<u>Economic Development</u>									
69	822	523	48	48	0	48	0	203	
70	61	61	0	0	0	0	0	0	
71	179	32	47	3	47	0	30	70	
72	1,025	65	310	269	0	260	(9)	200	
73	300	0	0	0	80	200	80	200	
74	110	46	14	12	1	60	48	4	
75	215	0	45	45	0	80	35	65	
76	132	132	28	56	0	(56)	0	0	
77	1,770	0	200	200	0	(200)	120	1,650	
78	1,036	4	443	443	0	(413)	539	463	
79	1,350	0	100	100	0	(100)	350	1,000	
80	1,547	1,540	17	7	(30)	7	0	0	
81	978	932	(150)	31	(10)	31	0	0	
82	408	446	28	(41)	5	(40)	1	2	
83	85	0	20	20	0	0	5	60	
84	306	33	232	225	33	15	0	0	
	10,324	3,814	1,382	1,462	204	881	1,593	4,036	

Delay in commencement of project
Transfer to Abroath Abbey Surfacing below
Transfer from Brothock Bridge Improvements above
Fully funded from revenue and contributions
Additional works / increase in costs

Transfer from Construction of Industrial Units - General
Transfer from Construction of Industrial Units - General
Reduction in works / costs
Transfer to Business Centre, Montrose and Broomfield Ind Est., Montrose
Delay in commencement of project - expend. on site investigations and fees only
Rephasing of expenditure from 2001/2 to 2002/3

Monitoring of 2001/2 Expenditure

Assigned Resp.	1		2		3		4		Explanation of Variances	
	Estimated Total Cost £000	Prior to 01.04.01 £000	Capital Budget 2001/2 Original Estimate £000	Revised Estimate 31/08/01 £000	Actual to Latest Estimate £000	Projected Over/(Under) Spend £000	2002/3 £000	Later Years £000		
Recreation Services										
F	1,153	795	64	64	0	64	0	64	230	
P	130	121	9	9	0	9	0	0	0	
SD	270	0	115	115	0	25	(90)	225	20	Delay in commencement of project
P	2	1	0	1	0	1	0	0	0	
	1,555	917	188	189	0	99	(90)	289	250	
Contract Services										
	400	0	100	100	0	100	0	100	200	
	400	0	100	100	0	100	0	100	200	
Property Services										
P	630	69	145	138	7	138	0	63	360	
P	155	32	115	113	52	113	0	10	0	
P	110	101	8	9	3	9	0	0	0	
P	30	29	0	0	0	1	1	0	0	
P	146	143	5	3	0	3	0	0	0	
P	125	6	108	112	2	40	(72)	72	7	
P	381	217	152	104	0	124	20	40	0	
P	5,400	66	356	190	34	84	(106)	150	5,080	
P	209	173	20	12	1	12	0	0	24	
P	95	87	5	8	0	8	0	0	0	
P	73	70	5	0	2	3	3	0	0	
P	18	14	0	4	0	4	0	0	0	
P	12	5	0	7	4	7	0	0	0	
	7,384	1,032	919	700	105	546	(154)	335	5,471	
Coast Protection and Flood Prevention										
SD	280	25	7	20	10	20	0	225	10	
SD	110	0	0	0	0	10	10	70	30	Transfer from Brothock Bridge Improvements within Roads
	390	25	7	20	10	30	10	295	40	
Miscellaneous										
F	25	18	7	7	0	7	0	0	0	
	25	18	7	7	0	7	0	0	0	
	27,491	8,663	3,746	3,690	593	2,770	(920)	3,803	12,255	
	74,984	24,270	10,124	9,965	2,800	9,423	(542)	9,225	32,066	

