

REPORT NO. 160/01

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE – 30th January,
2001POLICY AND RESOURCES COMMITTEE – 6th February, 2001

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2000/1

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises members of the capital expenditure incurred for the period from 1st April, 2000 to 31st December, 2000 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 December, 2000 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.
- Members should also note the ongoing Budget Review Process throughout which the Composite Capital Programme for the current financial year and future financial years is kept under review.

2. BACKGROUND

The original Composite Capital Programme Budget for the 2000/1 financial year (excluding Local Capital Fund Projects) was £9.898 million as per the Final Revenue and Capital Budgets Volume 2000/1 issued to members in April, 2000. When Local Capital Fund Projects are included the original budget for 2000/1 increases to £10.539 million.

Further to the availability of final expenditure figures for 1999/2000 the Composite Capital Programme for 2000/1 was reviewed and revised to take account of underspends and overspends on projects with carry forward implications for 2000/1. In conducting such a review full consultations were held with Departments resulting in a subsequent revised budget (excluding Local Capital Fund Projects) of £8.327 million for 2000/1. When Local Capital Fund Projects are included the revised budget for 2000/1 increases to £8.926 million.

The Capital Budget Sub Group of the Budget Review Group met on 1st December, 2000 to consider the 2000/2004 Financial Plan Submissions from Departments in the light of estimated availability of capital funding resources for 2000/1 and 2001/2. At this meeting it was decided that the capital budget for 2000/1 should be further revised in line with capital expenditure projections contained within the 2000/2004 Financial Plan Submissions. This action has resulted in an updated revised budget (excluding Local Capital Fund Projects) of £7.855 million for 2000/1. When Local Capital Fund Projects are included the updated revised budget for 2000/1 increases to £8.336 million.

3. CURRENT POSITION

The accompanying monitoring statement sets out the position on the Composite Capital Programme for 2000/1 as at 31st December, 2000.

It can be seen that after the passage of nine months actual expenditure totalled £5.388 million which equates to 65 per cent of the revised budget of £8.336 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, 2001), must be closely monitored by Departmental Directors to ensure that expenditure accelerates and comes more in line with budget as the year progresses.

Further to production of the 2000/2004 Financial Plan Submissions it should be noted that the latest estimate of capital expenditure for 2000/1 has fallen by £728,000 from £8.336 million to £7.608 million as a result of slippage on certain projects within the programme. The projects which have been affected in this respect are highlighted in the Projected Over / (Under) Spend Column of the accompanying monitoring statement along with explanations for the variances.

It is recognised that the latest estimate of expenditure of £7.608 million is within the total potential capital resource of £8.949 million by £1.341 million. Although the Composite Capital Programme is currently projecting an underspend it should be noted that the level of the underspend is within permitted limits for the carry forward of resources into 2001/2. Further, as part of the Budget Process for 2001/2 it is expected that the Capital Budget Sub Group (CBSG) will review the position on the Composite Capital Programme and address issues relating to the projected underspend, possible additional slippage on projects and resources potentially available for 2000/1.

It should 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 fall short of available resources.

It should be noted that as part of the Budget Process for 2001/2 it is expected that the Capital Budget Sub Group (CBSG) will review the position on the Composite Capital Programme and address issues relating to the projected underspend, possible additional slippage on projects and resources potentially available for 2000/1.

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.

1. SUMMARY OF CAPITAL EXPENDITURE 2000/1 - NON-HOUSING PROGRAMME

The table below shows

- 2000/1 original departmental capital budgets per the Final Revenue and Capital Budgets Volume 2000/1
- 2000/1 revised departmental capital budgets
- latest departmental projections for total capital expenditure in 2000/1

<u>Programme</u>	<u>Capital Budget</u> <u>2000/1</u>		<u>Actual</u> <u>to 31/12/00</u> <u>£000</u>	<u>Latest</u> <u>Estimate</u> <u>£000</u>	<u>Projected</u>
	<u>Original</u>	<u>Revised</u>			<u>Over/(Under)</u>
	<u>£000</u>	<u>£000</u>			<u>Spend</u> <u>£000</u>
Education	2,927	2,660	2,006	2,701	41
Social Work	248	194	38	203	9
Roads	2,952	1,807	813	1,591	(216)
General Services (inc. Non-HRA)	3,771	3,194	2,198	2,860	(334)
Sub Total - exc Local Capital Fund	9,898	7,855	5,055	7,355	(500)
Local Capital Fund	641	481	333	253	(228)
Grand Total	10,539	8,336	5,388	7,608	(728)

2. SUMMARY OF PROJECTED EXPENDITURE/RESOURCES

The following table compares the anticipated capital expenditure resources available to the Council in 2000/1 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 Section 94 Consents.

	<u>£,000</u>	<u>£,000</u>
<u>Issued Section 94 Consents</u>		
Formula Allocation	5,204	
New Deal for Schools	584	
Safe Routes to School	109	
Provision of Serviced Sites	147	6,044
<u>Consent Augmentation</u>		
Capital Consent c/f from 1999/2000	-	
Capital Receipts c/f from 1999/2000	1,703	
Estimated Current Year Capital Receipts	611	2,314
		8,358
<u>CFCR</u>		
Education Excellence Fund	338	
Local Capital Fund	253	591
Maximum Potential Capital Resource		8,949
Latest Estimate of Expenditure		7,608
Projected over / (under) spend		(1,341)

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 2000/01 Expenditure											Explanation of Variances	
		1 Estimated Total Cost £000	2 Original Estimate £000	3 Revised Estimate £000	4 Actual to Date £000	5 Latest Estimate £000	6 Projected Over/(Under) Spend £000	7 2001/02 £000	8 Latest £000	9 3 2001/02 £000	10 4 Latest £000	11 Year		
Education														
1	Covenant Repayment - Montrose Academy/Websters	F	3,177	1,683	187	187	0	187	0	187	0	187	1,120	
2	Anderson Primary School - Replacement	P	2,567	2,567	30	20	2	20	0	0	0	0	0	
3	Balances on Completed Works	P	8	1	5	7	5	7	0	0	0	0	0	
4	Educational Improvements - 2000/01	SD/P	115	85	30	30	0	30	0	0	0	0	0	
5	Rosemount Primary School - Replacement	P	1,840	1,436	294	324	349	324	0	80	0	80	0	Actual expenditure includes £25,000 for furniture to be funded from revenue
6	Letham Primary School - Modernisation/Extension	P	861	837	24	24	(1)	24	0	0	0	0	0	£50,000 to be funded from revenue
7	Glamis Primary School - Modernisation/Extension	P	416	86	233	269	315	290	21	40	0	40	0	Problem with dry rot not identified at pre tender stage resulting in an original cost over-run to be reviewed by the Education Department.
8	Hayshead Primary School - Modernisation/Extension	P	255	245	10	10	0	10	0	0	0	0	0	
9	Glenisla Primary School - Modernisation/Extension	P	114	104	0	10	(10)	10	0	0	0	0	0	
10	Southmuir/Websters High School - Mod/Ext	P	2,651	103	1,225	820	435	820	0	1,518	210	1,518	210	
11	Mattocks Primary School - Mod/Ext	P	212	89	112	109	136	113	4	10	0	10	0	£25,000 to be funded from revenue
12	Modernisation / Extension - Primary Schools	P	6,470	0	118	88	0	88	0	20	6,362	20	6,362	
13	Maison Dieu Primary School	P	720	0	0	30	0	30	0	368	322	368	322	Formerly part of block heading above
14	Liff Primary School	P	176	30	141	132	228	132	0	14	0	14	0	External and revenue funding due (£100,000)
15	Murroes Primary School	P	15	53	106	83	179	99	16	13	0	13	0	External and revenue funding due (£95,000)
16	Birkhill Primary School	P	45	0	54	0	19	0	0	32	13	32	13	Expenditure to be fully funded from revenue
17	Fortar Academy - Curtain Walling	P	960	0	20	40	1	40	0	870	50	870	50	
18	Capital Grants	SD	60	0	0	30	0	30	0	30	0	30	0	
19	Information Technology Equipment	SD	689	189	0	0	0	0	0	0	0	0	500	
20	Safe Routes to School	SD	109	0	0	109	20	109	0	0	0	0	0	Specific Consent of £109,000 granted for 2000/01
21	National Grid for Learning	SD	685	347	338	338	328	338	0	0	0	0	0	
Social Works														
22	Covenant Repayment - Seaton Grove, Abroath	F	1,494	792	88	88	0	88	0	0	0	88	526	
23	Angus Community Care Charitable Trust	SD	445	102	160	100	31	100	0	243	0	243	0	
24	Development of Gowanlea Resource Centre	P	35	35	0	0	0	0	0	0	0	0	0	
25	Health and Safety Improvements	P	79	64	0	6	7	15	0	9	0	9	0	Payments due on work carried out prior to Disaggregation
Roads														
26	Covenant Repayment - Inverkeilor	F	832	441	49	49	0	49	0	0	0	49	293	
27	Montrose Bridge (A92)	SD	6,744	0	120	204	54	204	0	210	6,330	210	6,330	Ref R.751/00 - Roads Exec Sub Committee dated 13.07.00
28	Montrose Bridge Inspection and Maintenance	SD	429	124	30	34	105	55	21	100	150	100	150	Accelerated Spend in 2000/1. Contribution from R + R Fund - £50,000.
29	Montrose Town Centre Improvement	SD	518	503	15	15	1	15	0	0	0	0	0	
30	Abroath Town Centre Improvement - Phase 1	SD	91	87	4	4	0	4	0	0	0	0	0	
31	Abroath Town Centre Improvement - Phase 2	SD	42	37	3	3	5	5	2	0	0	0	0	
32	Abroath Town Centre Improvement - Phase 3	SD	21	4	14	14	148	14	0	3	0	3	0	Contributions from Planning Capital (£50,000) and SET (£184,000)
33	A92 Dundee - Abroath Proposed Dualing New Access	SD	8,757	2,255	2,380	1,140	330	900	(240)	2,090	3,512	2,090	3,512	Expectation of Public Inquiry - Delay in purchase of land
34	Abroath Harbour from A92 - Roundabout	SD	220	0	0	6	0	6	0	9	205	9	205	
35	Repairs to Abroath Harbour Infrastructure	SD	398	30	68	68	4	68	0	0	300	0	300	Grant of £80,000 due from European Regional Development Fund
36	Abroath Harbour Slipway Repairs	SD	227	252	(25)	(25)	42	(25)	0	0	0	0	0	
37	Forfar Town Centre Development	SD	34	24	10	10	0	10	0	0	0	0	0	
38	Monifieth Town Centre Development	SD	1,113	3	0	0	0	0	0	0	0	0	1,110	
39	Bridge Assessments	SD	405	40	50	50	12	50	0	50	265	50	265	
40	Bridge Strengthening	SD	1,311	265	54	54	53	54	0	49	943	49	943	
41	Brothock Bridge Improvements	SD	10	0	0	0	0	0	0	10	0	10	0	
42	Safe Routes to School	SD	163	49	25	25	17	25	0	0	0	0	89	
43	Traffic Signals at Abbey Path, Abroath	SD	40	0	40	40	35	40	0	0	0	0	0	
44	Montrose Inner Relief Road - Works	SD	5,560	5,568	0	1	2	2	1	0	0	0	0	
45	Montrose Clooses Upgrading	SD	40	0	0	0	0	0	0	10	30	10	30	
46	Footpath and Cycleway at Northwater Viaduct	SD	15	0	0	0	0	0	0	10	5	10	5	
47	Footway Reconstruction /Tayside Contracts	SD	171	71	100	100	0	100	0	0	0	0	0	
48	Monifieth Seafront Development	SD	17	7	10	10	3	10	0	0	0	0	0	
49	Milton Mill, Monifieth	SD	5	0	5	5	2	5	0	0	0	0	0	
			27,163	9,750	2,952	1,807	813	1,591	(216)	2,690	13,232	2,690	13,232	

Monitoring of 2000/01 Expenditure

Assigned Resp.	General Services	Environmental and Consumer Protection	1		2		3	4	Explanation of Variances				
			Estimated Total Cost £000	Prior to 01.04.00 £000	Capital Budget 2000/01 Original Estimate £000	Revised Estimate £000				Actual to 31/12/00 £000	Latest Estimate £000	Projected Over/(Under) Spend £000	2001/02 £000
			44	42	2	3	2	2	(1)	0	0	0	
P		Bulk Sorting and Transferring Unit at Abroath	78	74	4	4	0	4	0	0	0	0	
P		Upgrading at Monifeth to comply with S.E.P.A.	3,157	1,633	429	399	73	399	0	204	921	0	
SD		Lochhead Landfill Site - Restenneth Extension	131	1	100	123	43	80	(43)	50	0	0	Delay due to liquidation of Main Contractor - G + B Building
SD		Brechin Recycling Centre	55	0	29	29	0	0	(29)	53	2	0	Increased cost and delay due to redesign of drainage system
SD		Kirriemuir Recycling Centre	27	18	9	9	9	9	0	0	0	0	
SD		Contribution to Public Analyst	3,492	1,768	573	567	127	494	(73)	307	923	0	
		Planning and Transport											
SD		Angus Partnership - High Street, Abroath (Phase 3)	50	0	50	50	0	50	0	0	0	0	Contribution to Roads Capital
SD		Tourism Signposting	(3)	(3)	0	0	0	0	0	0	0	0	0
SD		Abroath Sculpture Project	0	0	0	0	4	0	0	0	0	0	Expenditure to be fully funded from Common Good and SET
SD		Paths for All Initiative - Forfar Network	24	0	24	24	(12)	24	0	0	0	0	0
SD		Montrose Closes Upgrading	50	0	20	10	0	10	0	10	30	0	Transfer of £10,000 to Marquis of Montrose Project below
SD		Marquis of Montrose Statue	10	0	0	10	0	0	0	0	0	0	Transfer of £10,000 from Montrose Closes Upgrading above
SD		Footway / Cycleway at Northwater Viaduct	40	0	40	40	0	40	0	0	0	0	Anticipated reduction in the level of grant expenditure
SD		Housing Improvement Grants	2,347	506	475	475	322	450	(25)	440	951	0	Specific Consent included within Resources at Section 2 above
SD		Public Transport / Grant Assistance	99	20	54	34	16	34	0	10	35	0	0
SD		Improvement to the Travelling Peoples Site at Tayock	166	12	0	146	140	146	0	8	8	0	0
			2,783	535	673	789	470	764	(25)	468	1,016	0	
		Economic Development											
F		Covenant Repayment	822	475	48	48	9	48	0	48	251	0	0
SD		Carnoustie Open Golf Championship - Infrastructure	63	61	1	2	(1)	2	0	0	0	0	0
SD		Financial Assistance to Business	187	23	35	39	1	39	0	25	100	0	Ref R. 739/00 to Meeting of Angus Council dated 29.06.00
SD		Acquisition of Industrial Land - Orchardbank	310	297	5	13	13	13	0	0	0	0	0
SD		Acquisition of Industrial Land - General	1,500	0	245	115	0	0	(115)	305	1,195	0	Ref R. 81/01 to Economic Development Committee dated 18.01.01
SD		Brechin Business Centre	80	0	0	0	0	80	0	80	0	0	Ref R. 81/01 to Economic Development Committee dated 18.01.01
P		Refurbishment of Unit 1 at Broomfield, Montrose	60	18	39	37	25	37	0	5	5	0	0
P		Construction of Ind Units - Baden Powell Road	170	133	32	37	(1)	5	(32)	32	0	0	Delay in progress of works
P		Construction of Ind Units - General	1,350	0	185	0	0	0	0	200	1,150	0	0
SD		Provision of Services to Extension at Orchardbank	1,034	2	5	26	2	26	0	443	563	0	0
SD		Provision of Services to Industrial Land - General	1,000	0	15	0	0	0	0	250	750	0	0
P		Industrial Development at Brent Avenue, Montrose	1,556	1,531	22	25	(21)	25	0	44	0	0	Contributions due from SET/ERDF
SD/P		Brechin Business Park	920	221	800	655	1,115	655	0	33	2	0	Grant funding due from various sources
SD/P		The Pictish Centre	406	439	(20)	(68)	28	(68)	0	232	8	0	Ref R. 739/00 to Meeting of Angus Council dated 29.06.00
P		Angus Media Centre	268	23	0	5	3	5	0	0	0	0	Ref R. 483/00 to Economic Development Committee dated 20.04.00
P		Sub Division and Fit Out of Factory at Abroath	0	0	140	0	0	0	0	0	0	0	0
P		Balances on Completed Works	2	0	0	0	2	2	0	2	0	0	0
			9,728	3,223	1,552	934	1,175	869	(65)	1,617	4,019	0	

Monitoring of 2000/01 Expenditure

Assigned Resp.	1 Estimated Total Cost £000	Prior to 01/04/00 £000	Capital Budget 2000/01			2 Latest Estimate £000	Projected Over/(Under) Spend £000	3 2001/02 £000	4 Later Years £000	Explanation of Variances
			Original Estimate £000	Revised Estimate £000	Actual to 31/12/00 £000					
Recreation Services										
F	1,153	731	64	64	32	64	0	64	294	
P	130	126	0	4	(5)	4	0	0	0	
P	34	31	2	3	1	3	0	0	0	
P	12	10	2	2	1	2	0	0	0	
	1,329	898	68	73	29	73	0	64	294	
Property Services										
P	630	12	60	60	1	60	0	138	420	
P	2,430	41	125	37	20	37	0	261	2,091	Underspend on project to cover overspend on Access Points
P	170	0	50	18	0	18	0	244	8	Deferment of project to cover overspend on Access Points
P	140	0	140	130	51	130	0	10	0	
P	106	86	0	12	11	12	0	8	0	
P	31	14	0	17	17	17	0	0	0	
P	145	135	6	10	3	10	0	0	0	
P	125	0	97	10	0	10	0	108	7	Alterations delayed in favour of project at Montrose Town House
P	319	28	206	301	220	130	(171)	161	0	Additional costs related to extent of dry rot. Funding of £100,000 due from Housing Capital Delay due to liquidation of Main Contractor - G + B Building.
P	138	134	4	4	0	4	0	0	0	
P	209	120	27	65	1	65	0	0	24	
P	39	37	2	2	1	2	0	0	0	
P	95	16	67	74	55	74	0	5	0	
P	60	0	60	60	8	60	0	0	0	
P	40	0	41	10	0	10	0	0	30	
P	11	7	3	4	0	4	0	0	0	
	4,788	630	888	814	388	643	(171)	935	2,580	
Coast Protection and Flood Prevention										
SD	267	7	10	10	2	10	0	240	10	
	267	7	10	10	2	10	0	240	10	
Miscellaneous										
F	25	11	7	7	7	7	0	7	0	
	25	11	7	7	7	7	0	7	0	
	22,412	7,072	3,771	3,194	2,198	2,860	(334)	3,638	8,842	
	73,943	25,670	9,898	7,855	5,055	7,355	(500)	9,741	31,177	
GENERAL SERVICES TOTAL										
SUB TOTAL - EXCLUDING LOCAL CAPITAL FUND										

LOCAL CAPITAL FUND

APPROVED PROJECTS

Cultural Services

105 Kiriemuir Gateway to the Glens

Planning and Transport

106 Carnoustie - Environmental Improvements

107 Abroath Abbey

108 Abroath Harbour

Recreation Services

109 Angus Millennium Forest

Chief Executive's Department

110 Village Halls Support Initiative - 1997 Small

111 Village Halls Support Initiative - 1998 Large

SUB TOTAL - LOCAL CAPITAL FUND

GRAND TOTAL

Monitoring of 2000/01 Expenditure

Assigned Resp.	1		Capital Budget 2000/01		2	3	4											
	Estimated Total Cost £000	Prior to 01/04/00 £000	Original Estimate £000	Revised Estimate £000				Actual to 31/12/00 £000	Latest Estimate £000	Projected Over/(Under) Spend £000	2001/02 £000	Later Years £000						
SD/P	33	2	28	31	77	31	0	0	0	0	0	0	0	0	0	0	0	
	33	2	28	31	77	31	0	0	0	0	0	0	0	0	0	0	0	0
SD/P	154	202	0	(48)	(17)	(48)	0	0	0	0	0	0	0	0	0	0	0	0
SD/P	627	227	427	356	208	256	(100)	144	0	0	0	0	0	0	0	0	0	0
SD/P	135	7	132	128	(1)	0	(128)	93	35	0	0	0	0	0	0	0	0	0
	916	436	559	436	190	208	(228)	237	35	0	0	0	0	0	0	0	0	0
SD/P	18	17	0	1	68	1	0	0	0	0	0	0	0	0	0	0	0	0
	18	17	0	1	68	1	0	0	0	0	0	0	0	0	0	0	0	0
SD/P	90	48	42	13	(2)	13	0	29	0	0	0	0	0	0	0	0	0	0
SD/P	100	11	12	0	0	0	0	89	0	0	0	0	0	0	0	0	0	0
	190	59	54	13	(2)	13	0	118	0	0	0	0	0	0	0	0	0	0
	1,157	514	641	481	333	253	(228)	355	35	0	0	0	0	0	0	0	0	0
	75,100	26,184	10,539	8,336	5,388	7,608	(728)	10,096	31,212	0	0	0	0	0	0	0	0	0

Explanation of Variances

Contributions due from various sources

Delay due to Archaeological Excavation

Delay due to difficulty in securing match funding

Contributions due from various sources