

**ANGUS COUNCIL**

**FINANCE AND INFORMATION TECHNOLOGY COMMITTEE**

**- 1st May, 2001**

**POLICY AND RESOURCES COMMITTEE – 8th May, 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 31<sup>st</sup> March, 2001 and measures near actual 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 31<sup>st</sup> March, 2001 on the Composite Capital Programme as per the accompanying monitoring statement.
- notes the figures as per the monitoring statement have been produced on a near actual basis and are subject to finalisation.
- agrees the Director of Finance is given the responsibility to utilise capital financing resources to bring about the most advantageous year end position for financial year 2000/1.

## **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 1<sup>st</sup> 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 31<sup>st</sup> March, 2001. It should be noted that the figures as per the monitoring statement have been produced on a near actual basis and are subject to finalisation.

It can be seen that near actual expenditure for the year totalled £7.472 million which equates to 90 per cent of the revised budget of £8.336 million for the year.

It can also be seen that near actual expenditure for the year of £7.472 million is within the total potential capital resource of £9.199 million by £1.727 million. This projected underspend is within the allowable provisions pertaining to carry forward of resources for use within 2001/2. It is the intention to monitor and address the foregoing issue with a view to bringing about the most advantageous year end position for financial year 2000/1.

#### **4. FINANCIAL IMPLICATIONS**

Financial implications are shown in the accompanying monitoring statement which has been produced on a near actual basis and is subject to finalisation. The projected underspend on the Composite Capital Programme may be addressed through the carry forward of funding resources into financial year 2001/2. It is the intention to monitor and address the foregoing issue with a view to bringing about the most advantageous year end position for financial year 2000/1.

#### **5. CONCLUSION**

It is concluded that Composite Programme near actual capital expenditure for the year is within the potential availability of resources for the year and it is the intention to monitor and address issues pertaining to the projected underspend with a view to bringing about the most advantageous year end position for financial year 2000/1. The accompanying monitoring statement, therefore, can at this stage be regarded for information purposes only.

#### **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

Programme	Capital Budget 2000/1		Near	Projected
	Original	Revised	Actual	Over/(Under)
	£000	£000	to 31/03/01 £000	Spend £000
Education	2,927	2,660	2,644	(16)
Social Work	248	194	220	26
Roads	2,952	1,807	1,451	(356)
General Services (inc. Non-HRA)	3,771	3,194	2,786	(408)
Sub Total - exc Local Capital Fund	9,898	7,855	7,101	(754)
Local Capital Fund	641	481	371	(110)
Grand Total	10,539	8,336	7,472	(864)

## 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.

	£,000	£,000
<b>Issued Section 94 Consents</b>		
Formula Allocation	5,204	
New Deal for Schools	584	
Safe Routes to School	109	
Land Decontamination	32	
Provision of Serviced Sites	158	6,087
<b>Consent Augmentation</b>		
Capital Consent c/f from 1999/2000	-	
Capital Receipts c/f from 1999/2000	1,703	
Estimated Current Year Capital Receipts	700	2,403
		8,490
<b>CFCR</b>		
Education Excellence Fund	338	
Local Capital Fund	371	709
Maximum Potential Capital Resource		9,199
Latest Estimate of Expenditure		7,472
Projected over / (under) spend		(1,727)

### 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.	Estimated Total Cost £000	Monitoring of 2000/01 Expenditure				Projected Spend (£000)	Over/(Under) (£000)	3 2001/02 £000	4 Later Years £000	Explanation of Variances
			Prior to 01/04/00 £000	Capital Budget 2000/01 Original Estimate £000	Revised Estimate £000	Near Actual 31/03/01 £000					
<b>Education</b>											
1	F	3,177	1,683	187	187	0	0	187	1,120		
2	P	2,587	2,587	30	20	(17)	(17)	17	0		
3	P	8	1	5	7	0	0	0	0		
4	SD/P	115	85	30	30	0	0	0	0		
5	P	1,840	1,436	294	324	9	9	71	0		
6	P	861	837	24	24	(22)	(22)	22	0	Delay due to liquidation of Main Contractor - G + B Building	
7	P	380	86	233	269	14	14	11	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	P	255	245	10	10	0	0	4	0		
9	P	114	104	0	10	(10)	(10)	10	0	Delay due to liquidation of Main Contractor - G + B Building	
10	P	2,675	103	1,225	820	0	0	1,518	234		
11	P	89	211	112	109	113	4	9	0		
12	P	6,500	0	118	88	88	0	10	6,402		
13	P	721	0	0	30	19	(11)	147	555	Formerly part of block heading above	
14	P	181	30	141	132	(7)	(7)	26	0		
15	P	155	53	106	83	98	15	0	4		
16	P	45	0	54	0	0	0	32	13	Expenditure funded from revenue	
17	P	1,191	0	20	40	45	5	566	580	Reference Report to Education Committee dated 5th June, 2001	
18	SD	60	0	0	30	30	0	0	0		
19	SD	689	189	0	0	0	0	0	500		
20	SD	109	0	0	109	109	0	0	0	Specific Consent of £109,000 granted for 2000/01	
21	SD	693	347	336	338	346	8	0	0		
		22,567	7,855	2,927	2,660	2,644	(16)	2,630	9,438		
<b>Social Work</b>											
22	F	1,494	792	88	88	0	0	88	526		
23	SD	445	102	160	100	117	17	226	0		
24	P	35	35	0	0	0	0	0	0		
25	P	79	64	0	6	15	9	0	0	Payments due on work carried out prior to Disaggregation	
		2,053	993	248	194	220	26	314	526		
<b>Roads</b>											
26	F	832	441	49	49	49	0	49	293		
27	SD	6,744	0	120	204	70	(134)	344	6,330	Delay in progress of works	
28	SD	428	124	30	34	95	61	59	150	Rephasing of expenditure to compensate for delay in progress of works	
29	SD	554	503	15	15	51	36	0	0	Overspend due to dispute with Transco	
30	SD	91	87	4	4	2	(2)	2	0		
31	SD	43	37	3	3	6	3	0	0		
32	SD	21	4	14	14	32	18	(15)	0		
33	SD	8,757	2,255	2,380	1,140	800	(340)	2,190	3,512	Expectation of Public Inquiry - Delay in purchase of land	
34	SD	220	0	0	6	6	0	9	205		
35	SD	401	30	88	68	71	3	0	300		
36	SD	227	252	(25)	(25)	(13)	12	(12)	0		
37	SD	134	24	10	10	1	(9)	9	100		
38	SD	1,113	3	0	0	0	0	0	1,110		
39	SD	405	40	50	50	34	(16)	66	265		
40	SD	1,311	265	54	54	62	8	41	943		
41	SD	10	0	0	0	0	0	10	0		
42	SD	163	49	25	25	25	0	0	89		
43	SD	40	0	40	40	40	0	0	0		
44	SD	5,561	5,558	0	1	3	2	0	0		
45	SD	40	0	0	0	0	0	10	30		
46	SD	15	0	0	0	0	0	10	5		
47	SD	171	71	100	100	100	0	0	0		
48	SD	1	7	10	10	3	(7)	7	0		
49	SD	1	0	0	0	1	1	0	0		
50	SD	98	0	5	5	13	8	83	0		
		27,395	9,750	2,952	1,807	1,451	(356)	2,862	13,332		

Assigned Resp.	Monitoring of 2000/1 Expenditure										Explanation of Variances
	1	Capital Budget 2000/1			Near Actual	Projected	3	4			
	Estimated Total Cost £000	Prior to 01.04.00 £000	Original Estimate £000	Revised Estimate £000	31/03/01 £000	Over/(Under) Spend £000	2001/02 £000	Later Years	2001/02	£000	
<b>General Services</b>											
<b>Environmental and Consumer Protection</b>											
51	P	44	42	2	3	2	(1)	0	0	0	
52	P	78	74	4	4	0	(4)	4	0	0	
53	SD	3,157	1,633	429	399	451	52	152	921		Rephrasing of expenditure from 2001/2 to 2000/1
54	SD	137	1	100	123	79	(44)	50	7		Delay due to liquidation of Main Contractor - G + B Building
55	SD	55	0	29	29	0	(29)	53	2		Increased cost and delay due to redesign of drainage system
56	SD	111	0	0	0	0	0	111	0		Specific Consent of £32,000 for 2000/1 and £79,000 for 2001/2
57	SD	27	18	9	9	9	0	0	0		
		3,609	1,768	573	567	541	(26)	370	930		
<b>Planning and Transport</b>											
58	SD	62	0	50	50	50	0	12	0		
59	SD	7	(3)	10	0	10	10	0	0		
60	SD	0	0	0	0	0	0	0	0		
61	SD	58	0	24	24	0	(24)	32	26		Expenditure to be fully funded from Common Good and SET
62	SD	50	0	20	10	10	0	10	30		Transfer of £10,000 to Marquis of Montrose Project below
63	SD	64	0	10	10	10	0	0	0		Transfer of £10,000 from Montrose Closes Upgrading above
64	SD	40	0	40	40	10	(30)	30	0		
65	SD	2,332	506	475	475	421	(54)	454	951		Transfer of £40,000 to Arbroath Abbey Project
66	SD	99	20	54	34	16	(18)	28	35		Ref R.300/01 to Planning and Transport Policy Committee dated 08.03.01
67	SD	178	12	0	146	158	12	8	0		Specific Consent included within Resources at Section 2 above
		2,836	535	673	789	685	(104)	574	1,042		
<b>Economic Development</b>											
68	F	822	475	48	48	48	0	48	251		
69	SD	62	61	1	2	1	(1)	0	0		
70	SD	187	23	35	39	9	(30)	55	100		Ref R. 739/00 to Meeting of Angus Council dated 29.06.00
71	SD	310	297	5	13	13	0	0	0		
72	SD	1,515	0	245	115	0	(115)	320	1,195		Ref R. 81/01 to Economic Development Committee dated 18.01.01
73	SD	65	0	0	0	65	65	0	0		Ref R. 81/01 to Economic Development Committee dated 18.01.01
74	P	60	18	39	37	36	(1)	4	2		Delay in progress of works
75	P	160	133	32	37	(1)	(38)	25	3		
76	P	1,350	0	185	0	0	0	200	1,150		
77	SD	1,034	2	5	26	2	(24)	467	563		
78	SD	1,000	0	15	0	0	0	250	750		
79	P	1,540	1,531	22	25	9	(16)	0	0		
80	SD/P	920	221	800	655	703	48	(4)	0		
81	P	402	439	(20)	(66)	4	72	(43)	2		Grant funding due from various sources in 2001/2
82	P	268	23	0	5	7	2	230	8		Ref R. 739/00 to Meeting of Angus Council dated 29.06.00
83	P	0	0	140	0	0	0	0	0		Ref R. 483/00 to Economic Development Committee dated 20.04.00
84	P	2	0	0	0	2	2	0	0		
		9,697	3,223	1,552	934	898	(35)	1,552	4,024		

Monitoring of 2000/01 Expenditure

Assigned Resp.	Estimated Total Cost £000	Capital Budget 2000/01			Near Actual 31/03/01 £000	Projected Over/(Under) Spend £000	3 2001/02 £000	4 Later Years £000	Explanation of Variances
		Original Estimate £000	Revised Estimate £000	Actual £000					
	1,153	64	64	64	0	64	294		
F	120	0	4	(10)	(14)	4	0		
P	34	2	3	3	0	0	0		
P	12	2	2	2	0	0	0		
	1,319	68	73	59	(14)	68	294		

Recreation Services

- 85 - Government Repayment
- 86 Multi-purpose Court at Brechin Leisure Centre
- 87 Work at Woodlands Caravan Park - Carnoustie
- 88 Balances On Completed Works

Property Services

P	631	60	60	51	(9)	145	423	
P	2,491	125	37	44	7	106	2,240	Underspend on project to cover overspend on Access Points
P	270	0	18	18	0	244	8	Deferment of project to cover overspend on Access Points
P	140	0	140	32	(98)	98	10	Delay due to liquidation of Main Contractor - J + G Construction
P	108	0	12	16	4	6	0	
P	29	14	0	15	(2)	0	0	
P	145	6	10	8	(2)	2	0	
P	125	0	97	10	0	108	7	Alterations delayed in favour of project at Montrose Town House
P	349	206	301	188	(113)	103	30	Additional costs related to extent of dry rot
P	138	4	4	0	(4)	4	0	
P	209	27	65	55	(10)	10	24	
P	39	2	2	2	0	0	0	
P	95	67	74	74	0	5	0	
P	55	0	60	55	(5)	0	0	
P	10	0	41	10	0	0	0	
P	12	7	3	4	1	0	0	
	4,786	888	814	583	(231)	831	2,742	

Coast Protection and Flood Prevention

- 105 Flood Prevention - River Street, Brechin

Miscellaneous

	270	7	10	10	13	3	240	10
	270	7	10	10	13	3	240	10
F	25	11	7	7	7	0	7	0
	25	11	7	7	7	0	7	0
	22,542	7,072	3,771	3,194	2,786	(408)	3,642	9,042
	74,557	25,670	9,898	7,855	7,101	(754)	9,448	32,338

GENERAL SERVICES TOTAL

SUB TOTAL - EXCLUDING LOCAL CAPITAL FUND

Monitoring of 2000/1 Expenditure

Assigned Resp.	1		Capital Budget 2000/1		Near Actual 31/03/01 £000	Projected Over/(Under) Spend £000	3		4 Later Years £000	Explanation of Variances
	Estimated Total Cost £000	Prior to 01.04.00 £000	Original Estimate £000	Revised Estimate £000			2001/02 £000	£000		
LOCAL CAPITAL FUND										
APPROVED PROJECTS										
Cultural Services										
107 Kirriemuir Gateway to the Glens	33	2	28	31	31	0	0	0	0	Contributions due from various sources
Planning and Transport	33	2	28	31	31	0	0	0	0	
108 Carnoustie - Environmental Improvements	154	202	0	(48)	(85)	(38)	38	0	0	European Regional Development Fund Grant accrued within 2000/1
109 Airthrey Abbey	667	227	427	356	308	(48)	132	0	0	Delay due to Archaeological Excavations
110 Airthrey Harbour	135	7	132	128	(1)	(129)	94	35	35	Delay due to difficulty in securing match funding
Recreation Services	956	436	559	436	221	(215)	264	35	35	
111 Angus Millennium Forest	18	17	0	1	106	105	(105)	0	0	Contributions due from various sources
Chief Executive's Department	18	17	0	1	106	105	(105)	0	0	
112 Village Halls Support Initiative - 1997 Small	90	48	42	13	13	0	29	0	0	
113 Village Halls Support Initiative - 1998 Large	100	11	12	0	0	0	89	0	0	
	190	59	54	13	13	0	118	0	0	
<b>SUB TOTAL - LOCAL CAPITAL FUND</b>	<b>1,197</b>	<b>514</b>	<b>641</b>	<b>481</b>	<b>371</b>	<b>(110)</b>	<b>277</b>	<b>35</b>	<b>35</b>	
<b>GRAND TOTAL</b>	<b>75,754</b>	<b>26,184</b>	<b>10,539</b>	<b>8,336</b>	<b>7,472</b>	<b>(864)</b>	<b>9,725</b>	<b>32,373</b>		