

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE

- 12th June, 2001

POLICY AND RESOURCES COMMITTEE – 19th June, 2001

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2000/1

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report apprises members of the capital expenditure incurred for the period from 1st April, 2000 to 31st March, 2001 and measures 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 31st March, 2001 on the Composite Capital Programme as per the accompanying monitoring statement.
- notes the Director of Finance has utilised capital financing resources to bring about the most advantageous year end position for financial year 2000/1.
- notes a review of the 2000/1 Capital Expenditure year end position is to be carried out with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2001/2 Composite Capital Programme.

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 March, 2001.

It can be seen that actual expenditure for the year totalled £7.423 million which equates to an underspend of £913,000 (11 per cent) when compared with the revised budget of £8.336 million for the year.

The main items of slippage, amounts of slippage and reasons for slippage are as follows:

Roads

A92 Dundee to Arbroath Proposed Dualling (£294,000) – The expectation of a Public Inquiry resulted in delays in the purchase of land.

Planning and Transport

Housing Improvement Grants (£54,000) – Inherent difficulties in the timing of Improvement Grant Expenditure which is demand led

Property Services

Alterations to Fairley House, Kirriemuir (£98,000) – Delay due to liquidation of Main Contractor (J and G Construction)

Montrose Town House Project (£112,000) – Delay due to liquidation of Main Contractor (G and B Building)

Planning and Transport – Local Capital Fund

Arbroath Abbey Project (£136,000) – Delay due to Archaeological Excavations

Arbroath Harbour Project (£129,000) – Delay due to difficulty in securing match funding

It can also be seen that actual expenditure for the year of £7.423 million is within the total potential capital resource of £9.166 million by £1.743 million. This underspend is within the allowable provisions pertaining to carry forward of resources for use within 2001/2.

In this respect it is the intention to carry out a review of the 2000/1 Capital Expenditure year end position with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2001/2 Composite Capital Programme.

4. FINANCIAL IMPLICATIONS

The underspend on the Composite Capital Programme will be addressed through the carry forward of funding resources into financial year 2001/2. In this respect it is the intention to carry out a review of the 2000/1 Capital Expenditure year end position with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2001/2 Composite Capital Programme.

5. CONCLUSION

The Composite Capital Programme for 2000/1 has suffered a degree of slippage which will result in the carry forward of expenditure and associated funding from 2000/1 to 2001/2. In this respect it is the intention to carry out a review of the 2000/1 Capital Expenditure year end position with a view to assessing the nature and level of underspends / overspends and determining their effect on the 2001/2 Composite Capital Programme.

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
- final departmental projections for total capital expenditure in 2000/1

<u>Programme</u>	<u>Capital Budget</u> <u>2000/1</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Revised</u>	<u>for Year</u>	<u>Over/(Under)</u>
	<u>£000</u>	<u>£000</u>	<u>to 31/03/01</u>	<u>Spend</u>
			<u>£000</u>	<u>£000</u>
Education	2,927	2,660	2,641	(19)
Social Work	248	194	202	8
Roads	2,952	1,807	1,504	(303)
General Services (inc. Non-HRA)	3,771	3,194	2,785	(409)
Sub Total - exc Local Capital Fund	9,898	7,855	7,132	(723)
Local Capital Fund	641	481	291	(190)
Grand Total	10,539	8,336	7,423	(913)

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	
Land Decontamination	32	
Provision of Serviced Sites	<u>158</u>	6,087
<u>Consent Augmentation</u>		
Capital Consent c/f from 1999/2000	-	
Capital Receipts c/f from 1999/2000	1,703	
Actual Current Year Capital Receipts	<u>747</u>	<u>2,450</u>
		8,537
<u>CFCR</u>		
Education Excellence Fund	338	
Local Capital Fund	<u>291</u>	<u>629</u>
Maximum Potential Capital Resource		9,166
Actual Expenditure for Year		<u>7,423</u>
Projected over / (under) spend		(1,743)

Note : The cash spend for Scottish Executive Section 94 Capital Consent purposes is £8.360 million. The Total Capital Resource of £9.166 million is increased to £9.489 million for Scottish Executive Section 94 Capital Consent purposes as a result of increased cash spend on Local Capital Fund Projects requiring a corresponding increase in CFCR provision. The cash spend of £8.360 million is within the revised Total Capital Resource of £9.489 million by £1.129 million which may be carried forward as capital consent / capital receipts for funding purposes within 2001/2.

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 Respd.	Monitoring of 2000/01 Expenditure				Explanation of Variances	
		1	2	3	4		
		Estimated Total Cost £000	Capital Budget 2000/01 Original Estimate £000	Actual Revised Estimate 31/03/01 £000	Actual Spend Over/(Under) £000	Later Years 2001/02 £000	
Education							
1	F	3,177	1,683	187	0	187	1,120
2	P	2,587	2,567	30	(17)	17	0
3	P	7	1	5	(1)	0	0
4	SD/P	115	85	30	0	0	0
5	P	1,840	1,436	324	14	66	0
6	P	861	837	24	(21)	21	0
7	P	380	86	233	(15)	40	0
							Delay due to liquidation of Main Contractor - G + B Building
							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	(4)	4	0
9	P	114	104	0	(10)	10	0
10	P	2,675	1,225	820	(9)	1,521	234
11	P	211	89	112	113	4	9
12	P	6,510	0	118	108	20	6,402
13	P	720	0	30	4	161	555
14	P	181	30	141	132	6	0
15	P	158	53	105	92	9	4
16	P	65	0	54	0	50	15
17	P	1,191	0	20	62	549	580
18	SD	50	0	30	(10)	0	30
19	SD	689	189	0	0	0	500
20	SD	115	0	109	6	0	0
21	SD	685	347	338	(19)	0	0
		22,586	7,855	2,927	2,660	2,650	9,440
Social Work							
22	F	1,494	792	88	0	88	526
23	SD	445	102	160	102	2	0
24	P	35	35	0	0	0	0
25	P	79	64	0	12	6	3
		2,053	993	248	194	8	332
							Payments due on work carried out prior to Disaggregation
Roads							
26	F	832	441	49	49	0	293
27	SD	6,744	0	120	73	(131)	341
28	SD	428	124	30	103	69	150
29	SD	554	503	15	51	36	0
30	SD	91	87	4	0	(4)	4
31	SD	43	37	3	(4)	(7)	10
32	SD	21	4	14	31	17	(14)
33	SD	8,957	2,255	2,380	846	(294)	2,144
34	SD	220	0	6	0	(6)	15
35	SD	413	30	68	83	15	0
36	SD	227	252	(25)	(9)	(16)	0
37	SD	134	24	10	1	(9)	9
38	SD	1,113	3	0	0	0	0
39	SD	405	40	50	35	(15)	65
40	SD	1,311	265	54	65	11	38
41	SD	10	0	0	0	0	0
42	SD	163	49	25	20	(5)	5
43	SD	40	0	40	40	0	0
44	SD	5,560	5,558	0	1	1	0
45	SD	40	0	0	0	0	0
46	SD	15	0	0	0	0	0
47	SD	170	71	100	99	(1)	10
48	SD	17	7	10	10	(7)	7
49	SD	1	0	1	1	0	0
50	SD	96	0	5	15	10	81
		27,605	9,750	2,952	1,807	(303)	2,819

Delay in progress of works
Rephrasing of expenditure to compensate for delay in progress of works
Overspend due to dispute with Transco

Expectation of Public Inquiry - Delay in purchase of land

Reference Report to Education Committee dated 5th June, 2001

Specific Consent of £109,000 granted for 2000/01

Formerly part of block heading above

Delay due to liquidation of Main Contractor - G + B Building

Problem with dry rot not identified at pre tender stage resulting in an original cost over-run to be reviewed by the Education Department

Payments due on work carried out prior to Disaggregation

Monitoring of 2000/01 Expenditure

Assigned Respd.	Estimated Total Cost £000	Prior to 01/04/00 £000	Capital Budget 2000/01 Original Estimate £000	Revised Estimate £000	Actual for Year 31/03/01 £000	Actual Over/(Under) Spend £000	2001/02 £000	Later Years £000	Explanation of Variances
	3,609	1,768	573	567	539	(28)	372	930	
General Services									
Environmental and Consumer Protection									
51	44	42	2	3	2	(1)	0	0	
52	78	74	4	4	0	(4)	4	0	
53	3,157	1,633	429	399	444	45	159	921	Rephrasing of expenditure from 2001/2 to 2000/1
54	137	1	100	123	84	(39)	45	7	Delay due to liquidation of Main Contractor - G + B Building
55	55	0	29	29	0	(29)	53	2	Increased cost and delay due to redesign of drainage system
56	111	0	0	0	0	0	111	0	Specific Consent of £32,000 for 2000/1 and £79,000 for 2001/2
57	27	18	9	9	9	0	0	0	
Planning and Transport									
58	62	0	50	50	44	(6)	18	0	
59	7	(3)	10	0	10	10	0	0	
60	0	0	0	0	0	0	0	0	
61	58	0	24	24	(3)	(27)	35	26	Expenditure to be fully funded from Common Good and SET
62	50	0	20	10	10	(10)	20	30	Transfer of £10,000 to Marquis of Montrose Project below
63	10	0	0	10	1	(9)	9	0	Transfer of £10,000 from Montrose Closes Upgrading above
64	40	0	40	40	10	(30)	30	0	
65	2,332	506	475	475	421	(54)	454	951	Transfer of £40,000 to Arbroath Abbey Project within Local Capital Fund
66	99	20	54	34	23	(11)	21	35	Ref R 300/01 to Planning and Transport Policy Committee dated 08/03/01
67	181	12	0	146	169	23	0	0	Specific Consent included within Resources at Section 2 above
	2,839	535	673	789	675	(114)	567	1,042	
Economic Development									
68	822	475	48	48	48	0	48	251	
69	61	61	1	2	0	(2)	0	0	
70	187	23	35	39	9	(30)	55	100	Ref R 739/00 to Meeting of Angus Council dated 29/06/00
71	310	297	5	13	13	0	0	0	
72	1,515	0	245	115	0	(115)	320	1,195	Ref R 81/01 to Economic Development Committee dated 18/01/01
73	65	0	0	0	65	65	0	0	Ref R 81/01 to Economic Development Committee dated 18/01/01
74	60	18	39	37	28	(9)	12	2	
75	160	133	32	37	(1)	(38)	25	3	Delay in progress of works
76	1,350	0	185	0	0	0	200	1,150	
77	1,034	2	5	26	2	(24)	467	563	
78	1,000	0	15	0	0	0	250	750	
79	1,540	1,531	22	25	9	(16)	0	0	
80	920	221	800	655	711	56	(12)	0	
81	402	439	(20)	(68)	7	75	(46)	2	Grant funding due from various sources in 2001/2
82	268	23	0	5	10	5	227	8	Ref R 739/00 to Meeting of Angus Council dated 29/06/00
83	0	0	140	0	0	0	0	0	Ref R 483/00 to Economic Development Committee dated 20/04/00
84	3	0	0	0	3	3	0	0	
	9,697	3,223	1,552	934	904	(30)	1,546	4,024	

Monitoring of 2000/1 Expenditure

Assigned Resp.	Estimated Total Cost £000	Prior to 01.04.00 £000	Capital Budget 2000/1		Actual for Year 31/03/01 £000	Actual Over/(Under) Spend £000	2001/02 £000	Later Years £000	Explanation of Variances
			Original Estimate £000	Revised Estimate £000					
	1,321	898	68	73	61	(12)	68	294	
Recreation Services									
F	1,153	731	64	64	64	0	64	294	
P	125	126	0	4	(5)	(9)	4	0	
P	32	31	2	3	1	(2)	0	0	
P	11	10	2	2	1	(1)	0	0	
	1,321	898	68	73	61	(12)	68	294	
Property Services									
P	637	12	60	60	57	(3)	145	423	
P	2,432	41	125	37	45	8	106	2,240	Underspend on project to cover overspend on Access Points
P	270	0	140	18	0	(18)	262	8	Deferment of project to cover overspend on Access Points
P	140	0	140	130	32	(98)	98	10	Delay due to liquidation of Main Contractor - J + G Construction
P	107	86	0	12	15	3	6	0	
P	29	14	0	17	15	(2)	0	0	
P	145	135	6	10	8	(2)	2	0	
P	125	0	97	10	6	(4)	112	7	Alterations delayed in favour of project at Montrose Town House
P	349	28	206	301	189	(112)	102	30	Additional costs related to extent of dry rot
P	138	134	4	4	0	(4)	4	0	Delay due to liquidation of Main Contractor - G + B Building
P	209	120	27	65	53	(12)	12	24	
P	38	37	2	2	1	(1)	0	0	
P	95	16	67	74	71	(3)	8	0	
P	70	0	60	60	70	10	0	0	
P	14	0	41	10	14	4	0	0	
P	12	7	3	4	5	1	0	0	
	4,810	630	888	814	581	(233)	857	2,742	

Coast Protection and Flood Prevention

SD	270	7	10	10	18	8	235	10	
	270	7	10	10	18	8	235	10	
Miscellaneous									
F	25	11	7	7	7	0	7	0	
	25	11	7	7	7	0	7	0	
	22,571	7,072	3,771	3,194	2,785	(409)	3,672	9,042	
	74,815	25,670	9,898	7,855	7,132	(723)	9,473	32,540	

GENERAL SERVICES TOTAL

SUB TOTAL - EXCLUDING LOCAL CAPITAL FUND

LOCAL CAPITAL FUND

APPROVED PROJECTS

Cultural Services

107 Kirriemur Gateway to the Glens

Planning and Transport

108 Carnoustie - Environmental Improvements

109 Atrroath Abbey

110 Atrbroath Harbour

Recreation Services

111 Angus Millennium Forest

Chief Executive's Department

112 Village Halls Support Initiative - 1997 Small

113 Village Halls Support Initiative - 1998 Large

SUB TOTAL - LOCAL CAPITAL FUND

GRAND TOTAL

Assigned Resp.	Estimated Total Cost £000	Prior to 01/04/00 £000	Capital Budget 2000/1		Actual for Year 31/03/01 £000	Over/(Under) Spend £000	Actual Spend £000	2001/02 £000	Later Years £000	Explanation of Variances
			Original Estimate £000	Revised Estimate £000						
SD/P	33	2	28	31	120	89	89	(89)	0	Contributions due from various sources
SD/P	33	2	28	31	120	89	89	(89)	0	
SD/P	154	202	0	(48)	(82)	(34)	(34)	34	0	European Regional Development Fund Grant accrued within 2000/1
SD/P	667	227	427	356	220	(136)	(136)	220	0	Delay due to Archaeological Excavations
SD/P	135	7	132	128	(1)	(129)	(129)	94	35	Transfer of £40,000 from Housing Improvement Grants within Planning
	956	436	559	436	137	(299)	(299)	348	35	Delay due to difficulty in securing match funding
SD/P	(17)	17	0	1	31	30	30	(65)	0	Contributions due from various sources
	(17)	17	0	1	31	30	30	(65)	0	
SD/P	90	48	42	13	3	(10)	(10)	39	0	
SD/P	100	11	12	0	0	0	0	89	0	
	190	59	54	13	3	(10)	(10)	128	0	
	1,162	514	641	481	291	(190)	(190)	322	35	
	75,977	26,184	10,539	8,336	7,423	(913)	(913)	9,795	32,575	

