

## ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE - 8 MAY 2001

ITEM No 7

COASTAL PROTECTION AT MILTON MILL - CAPITAL GRANT

REPORT BY THE DIRECTOR OF FINANCE

**ABSTRACT**

This report proposes that a sum equivalent to Scottish Executive capital grant in relation to the coastal protection works at Milton Mill, Monifieth be made available to augment the Roads and Transport Renewal and Repair Fund.

**1. RECOMMENDATIONS**

The committee is asked to :

- (i) note the treatment of those capital grants made available to local authorities that is applied by the Scottish Executive;
- (ii) approve the transfer of an equivalent sum from General Fund balances to the Roads and Transport Renewal and Repair Fund, as and when the capital grant for Milton Mill, Monifieth is received.

**2. BACKGROUND**

Report 510/01 to the Roads Committee of 26 April 2001 updated members on the progress of the proposed coastal protection works at Milton Mill, Monifieth. The report outlined the availability of capital grant from the Scottish Executive which, although providing no additionality in terms of Section 94 borrowing consent, could be used to reduce the actual debt incurred by the Council on the project.

Report 559/01 to the Finance & Information Technology Committee of 1 May 2001 approved a guiding policy for the treatment of Scottish Executive capital grants awarded in support of the Council's capital projects. The report noted that the Scottish Executive provide capital grants to local authorities in support of certain types of capital expenditure. It was noted, however, that these capital grants could not be used to augment the funding of the Council's capital programme but could be used to reduce the Council's capital borrowing requirement. In order to encourage departments to actively pursue and claim these grants, it was proposed that, on a case by case basis, a contribution be made from General Fund balances towards the relevant department's capital budget equivalent to the level of grant awarded. This would in effect allow the relevant department the spending power of the grant.

The purpose of this report is to approve the treatment of the capital grant specifically in relation to Milton Mill, Monifieth in light of the guiding policy approved by the Finance & Information Technology Committee.

**3. FINANCIAL IMPLICATIONS**

Capital grant of 40% is anticipated on the net £128,000 cost to Angus Council. This £51,200 will reduce the Council's actual capital borrowing requirement and bring about reduced annual capital financing costs over the debt repayment period.

It is envisaged that the grant will be received in 2001/02 and an equivalent sum can be made available from the projected General Fund balances for transfer to the Roads and Transport Renewal and Repair Fund.

The General Fund will be more than replenished over the debt repayment period as a result of reduced annual capital financing costs.

**4. HUMAN RIGHTS IMPLICATIONS**

There are no human rights implications as a result of this report.

**5. CONSULTATION**

The Chief Executive, Director of Law & Administration and Director of Roads have been consulted in the preparation of this report.

**6. CONCLUSION**

Capital grant of £51,200 is available from the Scottish Executive towards the coastal protection works at Milton Mill, Monifieth. This cannot be used to augment Section 94 Consent but it is proposed an equivalent amount be transferred from General Fund balances into the Roads and Transport Renewal and Repair Fund, to allow the Roads department the spending power of the grant.

**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 the above Report.

DC - 01/05/01  
Capital Grant Report - Milton Mill