

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES COMMITTEE
STRATEGIC POLICY COMMITTEE

21 OCTOBER 2004
26 OCTOBER 2004

SUBJECT: CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2004/5

REPORT BY DIRECTOR OF FINANCE

Abstract: This report apprises members of the capital expenditure incurred for the period from 1 April 2004 to 31 August 2004 and measures projected capital expenditure for the year against budgeted provision for the year.

1 RECOMMENDATION

1.1 It is recommended that the Committee –

- i note the position as at 31 August 2004 on the Composite Capital Programme as per the accompanying [Capital Monitoring Statement](#);
- ii note the Capital Budget Sub Group will meet on 26 October 2004 to review the position on the Composite Capital Programme for 2004/5 and future years. As part of the Budget Process for 2005/6 it is expected that the Capital Budget Sub Group in conjunction with the Capital Projects Monitoring Group will continue to 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 2004/5; and
- iii note projections of the year end position will be ongoing and brought forward, on a regular basis, to future Committees.

2 BACKGROUND

2.1 The original Composite Capital Programme Budget for the 2004/5 financial year (excluding Local Capital Fund Projects) was £10.048 million as per the Final Revenue and Capital Budgets Volume 2004/5 issued to members in May 2004. When Local Capital Fund Projects are included the original budget for 2004/5 increases to £18.807 million.

2.2 Further to the availability of final expenditure figures for 2003/4 the Composite Capital Programme for 2004/5 was reviewed and revised to take account of under spends and over spends on projects with carry forward implications for 2004/5. In conducting such a review full consultations were held with Departments resulting in a subsequent revised budget (excluding Local Capital Fund Projects) of £10.293 million for 2004/5. When Local Capital Fund Projects are included the revised budget for 2004/5 increases to £17.299 million.

3 CURRENT POSITION

- 3.1 The accompanying Capital Monitoring Statement sets out the position on the Composite Capital Programme for 2004/5 as at 31 August 2004.
- 3.2 It can be seen that after the passage of five months actual gross expenditure totalled £6.663 million, which equates to 20 per cent of the gross revised budget of £32.839 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.
- 3.3 This position, although not unusual when compared with previous year trends, must be closely monitored by Departmental Directors with a view to maximising budgeted expenditure for the year.
- 3.4 Excluding Local Capital Fund Projects the latest estimate of net expenditure of £9.338 million for the year is within the net revised budget of £10.293 million for the year by £955,000. However, the net revised budget of £10.293 million required slippage of £660,000 to bring expenditure in line with available resources. The projected under spend of £955,000 as indicated should, therefore, be seen in the light of this anticipated slippage. On the basis of slippage occurring at the projected level (i.e. £955,000) there are excess resources estimated at £295,000 on the Composite Capital Programme for 2004/5.
- 3.5 The projects which have contributed to the under spend (£955,000) of latest estimated net expenditure (£9.338 million) against net revised budget (£10.293 million) are identified within the Projected Over / (Under) Spend column of the Capital Monitoring Statement with relevant comments included alongside at Explanation of Variances. It should be noted that the Capital Budget Sub Group will meet on 26 October 2004 to review the position on the Composite Capital Programme for 2004/5 and future years. As part of the Budget Process for 2005/6 it is expected that the Capital Budget Sub Group in conjunction with the Capital Projects Monitoring Group will continue to 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 2004/5.
- 3.6 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 Chief Executive and 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 Chief Executive and the Director of Finance at the earliest opportunity to allow a similar assessment to be made.

4 FINANCIAL IMPLICATIONS

- 4.1 Financial implications are shown in the accompanying Capital Monitoring Statement and up to date projections of the year end position will be brought before Committee at appropriate intervals.

5 HUMAN RIGHTS IMPLICATIONS

5.1 There are no Human Rights Implications arising as a result of this Report.

6 CONSULTATION

6.1 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.

7 CONCLUSION

7.1 It is concluded that Composite Capital Programme capital expenditure projections are within available resources. Although the Composite Capital Programme is currently projecting an under spend it should be noted that the Capital Budget Sub Group will meet on 26 October 2004 to review the position on the Composite Capital Programme for 2004/5 and future years. As part of the Budget Process for 2005/6 it is expected that the Capital Budget Sub Group in conjunction with the Capital Projects Monitoring Group will continue to 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 2004/5.

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.

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11/10/04

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David S. Sawers
Director of Finance