

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES COMMITTEE - 16th June, 2005

STRATEGIC POLICY COMMITTEE – 21st June, 2005

CAPITAL MONITORING - COMPOSITE CAPITAL PROGRAMME – 2004/5

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report appraises members of the actual capital expenditure incurred for the period from 1st April, 2004 to 31st March, 2005 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, 2005 on the Composite Capital Programme as per the accompanying Capital Monitoring Statement.
- notes the Director of Finance has utilised capital financing resources to bring about the most advantageous year end position for financial year 2004/5.
- notes the intention to review the 2004/5 Capital Expenditure year end position with a view to assessing the effect on the 2005/6 Composite Capital Programme.

2. BACKGROUND

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.

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.

The Capital Budget Sub Group met on 26 October 2004 and considered the 2004/2008 Financial Plan Submissions from Departments in the light of estimated availability of capital funding resources for 2004/5 and 2005/6. It was decided that the capital budget for 2004/5 should be further revised in line with capital expenditure projections contained within the 2004/2008 Financial Plan Submissions. This action has resulted in an updated revised budget (excluding Local Capital Fund Projects) of £9.355 million for 2004/5. When Local Capital Fund Projects are included the updated revised budget for 2004/5 increases to £16.568 million.

3. FINAL POSITION

The accompanying Capital Monitoring Statement sets out the position on the Composite Capital Programme for 2004/5 as at 31 March 2005. The Statement details project capital expenditure on a gross basis and a net basis. Expenditure on a gross basis represents total expenditure on projects with no cognisance taken of funding stream availability (i.e. capital receipts, revenue funding, borrowing). Expenditure on a net basis represents total expenditure on projects suitably reduced to take account of project specific capital receipts and revenue funding. The net expenditure remaining, therefore, represents the amount of expenditure which must be funded from borrowing.

It can be seen that actual gross expenditure for the year totalled £27.403 million, which equates to 90 per cent of the gross revised budget of £30.512 million for the year.

The projects which have been subject to slippage are identified in the actual over / (under) spend column within the Capital Monitoring Statement accompanying this Report.

The main items of slippage, amounts of slippage on a gross expenditure basis and reasons for slippage are as follows:

Social Work

Upgrade of Dorward House, Montrose (£150,000) – This project is deferred until 2005/06 in order to give the parties involved more time to review the situation

Roads

Montrose Bridge Construction (£1.376 million) – Delays in the Fabrication Programme due to rejection of steelwork fabricated to date

Environmental and Consumer Protection

Hook Lift Vehicles (£306,000) – Difficulty in securing delivery within 2004/5

Planning and Transport

Public Transport Fund Angus Rail Interchange (£174,000) - Delay in reaching Legal Agreement

Arbroath Town Heritage Initiative (£345,000) – Delay in progress of works at Erskine Church and the Winch Shed / Interest from private applicants anticipated closer to application deadline of 31st July, 2005

Arbroath Harbour Development (£308,000) – Delay in commencing build of new Tourist Facility

East Cairngorms Access Project (£303,000) – Delay of contract in Glen Clova / Glen Doll due to severe weather

Leisure Services

Carnoustie Sport and Leisure Arena (£197,000) – Project review resulting in rephasing of expenditure from 2004/5 to 2005/6

It can also be seen that actual net expenditure for the year totalled £9.312 million (excluding Local Capital Fund Projects), which is very much in line with the net revised budget of £9.355 million for the year.

4. FINANCIAL IMPLICATIONS

As indicated within the Final Position at Section 3 above the Composite Capital Programme achieved a high degree of spend when compared with the revised budget for the year.

5. HUMAN RIGHTS IMPLICATIONS

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

6. 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.

7. CONCLUSION

The Composite Capital Programme achieved a high degree of spend when compared with the revised budget for the year.

Further it is intended to review the 2004/5 Capital Expenditure year end position with a view to assessing the effect on the 2005/6 Composite Capital Programme.

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.