

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	17 June 2011
CORPORATE DIRECTORS	Gordon McIntosh
TITLE OF REPORT	Non-Housing Capital Programme 2011/12 – Monitoring Report
REPORT NUMBER	EPI/11/169

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### 1. PURPOSE OF REPORT

To seek approval of the recommended carry forward from 2010/11, advise the Committee of the new monitoring process for the Capital Programme and identify the progress of the plan since April 2011.

### 2 RECOMMENDATION(S)

It is recommended that the Committee:

- a) Approve the recommended Carry Forward from 2010/11
- b) Note the revised Capital Budget Monitoring Reporting Process; and
- c) Note the current position of the Non-Housing Capital Programme for 2011/12

### 3. FINANCIAL IMPLICATIONS

The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. The carry forward means the Capital Programme currently exceeds the original budget of £40 million, but officers are confident this can be managed down to the original level during 2011/12. Debt charges within the Council's revenue budget have been set to meet this.

There are no other specific financial implications at this time but as projects progress or indeed fail to progress then financial implications may arise and will be reported at future Committees.

### 4. OTHER IMPLICATIONS

There are no other implications at this time but as projects progress or indeed fail to progress then other implications may arise and will be reported at future Committees.

## 5. BACKGROUND/MAIN ISSUES

### **Introduction**

A capital programme of £40 million was approved at the City Council's meeting on 10 February 2011. At that time it was not possible to identify the projects requiring carry forward. The Corporate Asset Group, on behalf of CMT, have now reviewed the 2010/11 programme and have identified those projects. This report outlines the recommended carry forward and in addition will brief the Committee on the new process being implemented for the reporting/monitoring of the programme. The final section of this report will identify the current position, including a revision to the predicted capital spend.

The capital programme for 2010/11 had a target figure of £69m with a pre-audit outturn of £63.402m being achieved.

### **Carry Forward from 2010/11**

As requested at this Committee on 21 April 2011, the Corporate Asset Group has reviewed the requested carry forwards and has subsequently recommended carry forwards totalling £1.418m. The projects and amounts are shown in Appendix A.

### **Reporting and Monitoring**

Commencing in April 2011 the overall responsibility for the monitoring/management of the Capital Programme lies with the Head of Asset Management & Operations. A restructure within the Asset Management Section has seen the appointment of the post of Corporate Asset and Capital Manager within Asset Management, whose staff are responsible for the management of a newly agreed monitoring process.

In addition to this change of responsibility, a new process for monitoring and reporting has been approved. This is shown in Appendix B. Core to the process is the Planning & Monitoring Officer who has a coordinating role between colleagues in Finance and Service Representatives from all the Services. The Process identifies the need for monthly reporting of figures and the identification of any associated issues. This information will, in the first instance, be reported monthly to the Corporate Asset Group, CMT, and then to every Finance & Resources Committee. Detailed information for each Service will also be presented to the appropriate Service Committee.

This process ensures consistency across the Services and addresses the recommendation made in the recent Internal Audit Report for Capital Investment regarding the "Monitoring of Project Status".

It is anticipated that the process will help identify issues as early as possible and help Services manage their budgets effectively. Furthermore corporately there

will be a better understanding of the overall position, allowing officials to ensure that the capital programme is managed in such a way that it remains on budget at all times.

### **Programme to Date**

All projects within the programme and the approved carry forwards from 2010/11 have been profiled for the year. A revision to the Corporate Office Accommodation project profile means that anticipated expenditure for the project has reduced from £12.967m to £12.067m. This was as a result of including release of retention relating to the Marischal College project within the 2011/12 budgets, rather than reporting them as accrued within the 2010/11 financial year, as per audit requirements. In addition £25,000 associated with the Duthie Park Biomass project has been funded through CEEF (Central Energy Efficiency Fund). This gives a combined budget adjustment of £925,000.

This means that the estimated spend for the 2011/12 programme now stands at £39.075m with a recommended carry forward of £1.418m. If approved this gives a revised figure of £40.493m for the year. Officers are confident that at this stage the programme can be contained within the agreed spending limit.

At the Education Culture & Sport Committee of 2 June 2011 it was agreed that funding of £1m would be committed to the 50m Pool project in this financial year. This again will not be additional capital funding but will be managed within the £40m.

In terms of spend to date, as expected, there is little to report, as historically few charges or invoices relating to the new financial year are processed in April. The total expenditure at the end of period 1 (excluding year end accruals for un-invoiced works from 2010/11) was just over £0.116 million which is only a 0.3% spend. There is little that can be gained from interpreting the figures at this time and in addition no project specific issues have been identified that would result any changes to the overall figure.

This report was approved by the Corporate Asset Group at its meeting on 26 May 2011.

### **6. IMPACT**

Corporate – The capital programme encompasses projects which link to the Community Plan, Single Outcome Agreement, Corporate and Individual Service Plans and Vibrant, Dynamic & Forward Looking.

Public – This report will be of interest to the public as it outlines the Council's capital spending as well any delays or issues.


## 7. BACKGROUND PAPERS


Internal Audit Report 2010/11 – Capital Investment

## 8. REPORT AUTHOR DETAILS

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## Appendix A

### General Services Capital Program 2011 – 12 - Carry forwards & Budget Adjustments

Item no.	Project description	Job Code	Carry forward/Budget Adjustments 11/12	Service
657B	Customer First Programme - Frederick Street	CG54501	£171,000	Corporate Governance
682	Music School Accommodation	CE31315	£5,000	Education, Culture & Sport
742	Outdoor Education Move to Kingswells	CE23826	£6,000	
750	Information Communication Technology Connectivity	CT47602	£105,000	
776	Provision for Children with Complex Needs	CE24501	£316,000	
780	Oldmachar Academy Heating/Ventilation	Various	£2,000	
tbc	Bucksburn / Newhills Proposed Amalgamation	CE24401	£50,000	
587	Access From the North	Various	£150,000	Enterprise, Planning & Infrastructure
778	3R's Furniture, Fittings & Equipment and Other Works	CE06901	£150,000	
244	Duthie Park & Winter Gardens - Cost Net of Heritage Lottery Funding	CA51251	£49,000	Housing & Environment
497	Ness Landfill Restoration	CD14701	£374,000	
775	Clinterty Traveling Persons Site (net of grant)	CH00951	£40,000	
		Total C/F	<b>£1,418,000</b>	
	Corporate Office Accommodation		(£900,000)	
	Duthie Park Biomass		(£25,000)	
		Total B/A	<b>(£925,000)</b>	