

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	6 December 2011
DIRECTOR	Gordon McIntosh Stewart Carruth
TITLE OF REPORT	Capital Monitoring – Non Housing Capital Programme 11/12
REPORT NUMBER:	EPI/11/334

1. PURPOSE OF REPORT

To provide the Committee with a summary to date of the Non-Housing Capital Programme and to advise of the ongoing work in relation to future years' programmes.

2. RECOMMENDATIONS

The Committee note the current position.

3. FINANCIAL IMPLICATIONS

The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. Any underspend, carry forward or overspend will have implications for the funding of the programme.

Feedback from Service Reps and Budget Holders during October have indicated a currently projected underspend is £3.062 million. This figure is based on projections included in Budget Holder's spend profiles and is subject to change on a monthly basis as spend projections are reprofiled.

In addition, Capital Receipts are currently expected to achieve this year's target, as detailed in section 5.3. Any shortfall in reaching the target of £6.735 million will reduce the above underspend prediction.

The impact of any underspend on the overall financing of the programme is dependant on the projects which underspend and in particular if any are being funded by any specific grant. Given the Council's 5 Year business plan moves the Council to a position where no additional borrowing is undertaken the under spend currently

anticipated would reduce the over all level of borrowing required to the Council and will have a positive revenue impact on the Council's 5 year plan.

It is also important to note that a significant capital receipt is not due to be realised for £3.5 million until February 2012. If this date is not achieved, and the current projected under spend materialises the total programme would still achieve a balanced position for the year.

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 these will be reported to an appropriate Committee.

5. BACKGROUND/MAIN ISSUES

5.1 Introduction

As reported at the Finance & Resources Committee on 29 September 2011 the overall responsibility for the monitoring/management of the Capital Programme lies with the Head of Asset Management & Operations.

The Planning & Monitoring Officer within Asset Management & Operations is in regular contact with the Service Representatives and the Capital Accountant, reporting in the first instance to the Corporate Asset Group. This ensures that the spend figures are accurately updated on a monthly basis.

5.2 Current Overall Position

A summary of the current position can be seen in Appendix A.

The original funded position for the Non Housing Capital Programme in 2011/12 was £40 million. Taking into account adjustments for additional funding, the total funding is now £41.746 million.

The total expenditure at the end of period 7 is £16.899 million. This represents a 39% spend of the total revised budget. A detailed breakdown of expenditure to date by Service and by project is available in the Bulletin Report.

Discussions so far have not identified any overspend prediction in the overall Capital Programme. Variances in monthly spend compared to predicted spend have been identified in some cases, which has resulted in spend profiles being amended.

5.3 Capital Receipts

The projected target for Capital Receipts for this Financial Year is £6.735 million. At the end of the current reporting period, a total of £1.520 million has been raised in Capital Receipts. The significant sale of the Frederick Street site to NHS Grampian, totalling £3.5 million, is now profiled for conclusion in February 2012. Details of Capital Receipts concluded to date this financial year is included in the Bulletin Report.

5.4 Capital Fund Projects

As reported to Finance & Resources on 17 June 2011 there is one remaining Capital Fund project for Investment in Cleaning which has a budget of £183,000 and current spend of £55,000. These figures are not included in the totals for Housing & Environment.

5.5 50m Pool

It should be noted that this project has not been included within the figures in this report due to the nature of the agreed funding mechanism.

The Council has agreed that the Council will purchase additional shares in Aberdeen Sports Village which will allow ASV to construct the facility. The University of Aberdeen will also purchase shares in ASV to cover their contribution to this project. As such, this project is a capital project under the normal definition of Capital Expenditure. Both parties will purchase the shares on completion of the project but in the interim will provide a loan facility to ASV equal to the level of shares that will be purchased.

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 to date on Non Housing Capital Projects.

7. BACKGROUND PAPERS

Non-Housing Capital Programme 2011/12 – Monitoring Report approved at Finance & Resources Committee on 29 September 2011.

8. REPORT AUTHOR DETAILS

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Appendix A	(Council Feb 11) Approved Budget 2011/2012	Adjustments & Carry Forward from 2011/2012	Revised Budget 2011/2012	Service Determined Projected Outturn 2010/2011	Actual Spend at Oct 2011 (P7)
	£'000	£'000	£'000	£'000	£'000
<u>Expenditure</u>					
Corporate Governance	3,987	231	4,218	4,340	1,738
Education, Culture and Sport	474	484	958	892	294
Enterprise, Planning and Infrastructure	27,398	683	28,081	24,736	13,919
Housing and Environment	7,491	1,680	9,171	8,066	922
Social Care and Wellbeing	650	0	650	650	26
Total Expenditure	40,000	3,078	43,078	38,684	16,899
<u>Funding</u>					
Supported Borrowing	(10,321)	0	(10,321)	(10,321)	(3,372)
Un-supported Borrowing	(3,331)	0	(3,331)	(3,331)	0
General Capital Grant	(19,306)	0	(19,306)	(19,306)	(11,262)
Specific Capital Grant	(307)	0	(307)	(307)	0
Capital Receipts – Sales	(6,735)	0	(6,735)	(6,735)	(1,520)
Other Grants & Contributions	0	(1,746)	(1,746)	(1,746)	(745)
Total Income	(40,000)	(1,746)	(41,746)	(41,746)	16,899
Projected Over/(Under) Spend	0	1,332	1,332	(3,062)	0

Other Grants and Contributions: Duthie Park Heritage Lottery Funding £391,000; NESTRAN Contribution for Access from the North £250,000; Clinterty Grant £120,000; Energy Efficiency Funding £450,000; AECC Contribution £65,000; Duthie Park Bequest £297,000; Vehicle Grant and Sales £173,000.