

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	15 March 2012
DIRECTOR	Gordon McIntosh Stewart Carruth
TITLE OF REPORT	Capital Monitoring – Non Housing Capital Programme 11/12
REPORT NUMBER:	EPI/12/063

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

- 1) The Committee note the current position.
- 2) The Committee homologate the action taken by the Corporate Asset Group to let the contract for Kincorth Community Centre which forms part of the 11/12 Condition & Suitability Programme (Item 294) with resultant carry forward of £310,000.
- 3) The Committee approve carry forward to financial year 12/13 for the following projects:
 - Item 244 - Duthie Park & Winter Gardens - Cost Net of Heritage Lottery Funding. Carry forward request £650,000.
 - Item 751 - Replacement of Education Management Information System - Carry forward request £167,000.

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 Representatives and Budget Holders during January has indicated a currently projected underspend of £10.106 million against the funded position of £42.146 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 above this year's target, as detailed in section 5.3.

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 that the Council's 5 Year business plan moves the Council to a position where no additional borrowing is undertaken the underspend currently anticipated would reduce the overall level of borrowing required to the Council and will have a positive revenue impact on the Council's 5 year plan.

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 6 December 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 £42.146 million.

The total expenditure at the end of period 10 is £22.036 million. This represents approximately 52% 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 target out - turn for Capital Receipts this financial year is £6.735 million. A total of £2.596 million has been raised in Capital receipts to end of February 2012. The projected out – turn is £8.421 million, including the significant sale of the Frederick Street site to NHS Grampian, totalling £3.5 million. This is now profiled for conclusion in March 2012. If, as currently projected, the actual out – turn is greater than the projected figure this will result in a positive effect in the form of revenue savings. Details of Capital Receipts concluded to date and those profiled for conclusion this financial year are included in the Bulletin which accompanies this Report.

5.4 Carry Forward Requests

A number of carry forward requests were approved at the budget meeting of 9 February. Since then additional carry forward requirements have been identified and discussed by the Corporate Asset Group.

Kincorth Community Centre

The refurbishment of the Centre was included within the 11/12 programme, however due to a number of factors the tender was not ready for acceptance until February. Rather than let this slip into the following year, a request was submitted to the Corporate Asset Group to seek authorisation to accept the tender prior to the end of the year. This was on the basis that £140k approx. could be spent in 11/12 with a carry forward of £310k required for 12/13. The Corporate Asset Group agreed to this, subject to consultation with the Convenor and Vice-Convenor of this Committee.

The subsequent recommendation is - The Committee homologate the action taken by the Corporate Asset Group to let the contract for Kincorth Community Centre which forms part of the 11/12 Condition & Suitability Programme (Item 294) with resultant carry forward of £310,000.

Duthie Park & Winter Gardens

51.1% of expenditure on this project is funded through Capital; however the debt charges are funded by Common Good, not the General Fund. The budget holder for this project has had difficulty obtaining invoices for works which have been completed. Carry forward is required as based on information from the budget holder the works have now slipped to April 2012.

The subsequent recommendation is – The Committee approve a carry forward to financial year 12/13 of £650,000.

Replacement of Education Management Information System

Whilst classed as a capital project, a considerable proportion of the anticipated spend on this project was always intended to be on staff costs, in the form of seconded school staff to manage the roll-out within schools. During 2011/12 it has taken until the last few months for appropriate staff to be released/backfilled from their schools, (with a School Administrator having finally being released in October/November 2011, and a Secondary Depute Head having only started during the last week in February 2012). Spend on this secondment along with hardware and training is required in 12/13 to complete the project.

The subsequent recommendation is – The Committee approve a carry forward to financial year 12/13 of £167,000.

5.5 Capital Fund Projects

As reported to Finance & Resources on 17 June 2011 there is one remaining Capital Fund project for Investment in Cleaning. The budget of £183,000 for this project has now been spent. These figures are excluded from the totals for Housing & Environment.

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 2011/2012	Actual Spend at Jan 2012 (P10)
	£'000	£'000	£'000	£'000	£'000
<u>Expenditure</u>					
Corporate Governance	3,987	281	4,268	3,253	2,441
Education, Culture and Sport	474	484	958	763	371
Enterprise, Planning and Infrastructure	27,398	683	28,081	20,604	16,117
Housing and Environment	7,491	1,680	9,171	6,770	3,107
Social Care and Wellbeing	650	0	650	650	0
Total Expenditure	40,000	3,128	43,078	32,040	22,036
<u>Funding</u>					
Supported Borrowing	(10,321)	0	(10,321)	(10,321)	(3,368)
Un-supported Borrowing	(3,331)	0	(3,331)	(3,331)	0
General Capital Grant	(19,306)	0	(19,306)	(19,306)	(16,088)
Specific Capital Grant	(307)	0	(307)	(307)	0
Capital Receipts – Sales	(6,735)	0	(6,735)	(8,421)	(2,296)
Other Grants & Contributions	0	(2,146)	(2,146)	(2,146)	(284)
Total Income	(40,000)	(2,146)	(42,146)	(43,832)	(22,036)
Projected Over/(Under) Spend	0	982	982	(11,792)	0

Other Grants and Contributions: Duthie Park Heritage Lottery Funding £391,000; Clinterty Grant £120,000; Energy Efficiency Funding £450,000; AECC Contribution £65,000; Duthie Park Bequest £297,000; Vehicle Grant and Sales £173,000; Extended Pay & Display, Old Aberdeen £600,000. ICT Revenue contribution to Capital £50,000.