

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	19 June 2012
DIRECTOR	Gordon McIntosh Stewart Carruth
TITLE OF REPORT	Capital Monitoring – Non Housing Capital Programme 12 / 13
REPORT NUMBER:	EPI/12/135

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### 1. PURPOSE OF REPORT

The report advises of the management arrangements for monitoring the Non Housing Capital Programme. It details a number of proposed amendments to the approved Capital Programme, including further required carry forward requests for projects that were not completed within the last financial year.

### 2. RECOMMENDATIONS

- 1) The Committee approve the carry forwards to 2012 / 13 detailed in Appendix A.
- 2) The Committee note the inclusion of Item 793C: Frederick Street Multi Storey Car Park in the Capital Plan:
- 3) The Committee note the updated 3 year profile for Item 759: School Estate Strategy, which has now been reprofiled to show expenditure for the Newhills / Bucksburn replacement Primary School.

### 3. FINANCIAL IMPLICATIONS

The monies required to fund the capital programme have historically been achieved through external borrowing, capital receipts and grant income.

As per the “Non Housing Capital Programme 2012 / 13 – 2014 / 15 Budgets” report to full Council on 9 February 2012, officers continue to investigate alternative sources of financing the Non Housing Capital Programme.

#### 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 this Committee.

#### 5. BACKGROUND/MAIN ISSUES

##### **5.1 Introduction**

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 Service Representatives and the Capital Accountant, reporting in the first instance to the Council's Corporate Asset Group. This ensures that the spend figures are always up to date and accurate.

The Capital monitoring process occurs at the beginning of every month and involves the completion of pro formas and a monthly meeting with Asset Management. Information gathered from pro forma returns is reported to the Corporate Asset Group in the first instance, then to this Committee. Each project is profiled in detail in the Capital Monitoring Bulletin Report for each Finance & Resources Committee.

A monitoring report will be presented to all subsequent meetings of this Committee. The monitoring report will detail the most up to date financial position of each of the projects referred to above. The report will also feature the relevant budget holder's expected out – turn for the full financial year. This will highlight any anticipated overspend or underspend.

The original approved funded position for the Non Housing Capital Programme in 2012 / 13 was £32.060 million. Taking into account adjustments for additional funding and carry forward requirements, the total funding required is now £35.518 million.

##### **5.2 Current Overall Position**

Details of all capital projects and the associated budget / expenditure profiles to date is included in Appendix B.

##### **5.3 Capital Receipts**

As part of the three year budget, income from Capital receipts, in common with expenditure, is to be assessed over a three year period.

The target receipts over the three year budget are as follows:

2012 / 13: £8.5 million  
2013 / 14: £3.5 million  
2014 / 15: £8 million

Total receipts: £20 million.

To date, officers have generated receipts this financial year totalling £1.1 million.

Details of negotiations and progress of sales are contained within the Vacant & Surplus Report provided to today's Committee.

#### **5.4 Carry Forward Requests**

A number of carry forward requests were approved at the meeting of this Committee on 15 March 2012. Since this date, additional carry forward requirements have been identified. Additionally, some items have been adjusted regarding the level of carry forward required.

##### Frederick Street Relocations, Crombie Road

Works have been completed on this project, facilitating the relocation of the reserve art collection. As a result of the budget holder awaiting invoices for these works, a carry forward of £44,000 to 12/13 is required.

##### Data Centre Move

Following a review into the expenditure required to complete this project, the budget holder has advised that the previous carry forward request of £223,000 may be reduced to £175,000.

##### Police - Capital Grant

At the time of writing the previous report to this Committee, the budget holder could only estimate the amount of carry forward the Police were to requisition. In the interim, the budget holder has clarified the carry forward requirement. The previously reported £790,000 has increased to £998,000. This increase puts no additional burden on the Capital Plan, as it is fully funded from underspend reported in financial year 11/12.

##### Hill of Tramaud Landfill - Change of Law Costs

The balance of the previously approved unspent budget is £449,000. The budget holder has confirmed these funds are still required in order to complete the project.

##### Private Sector Housing Grant

This budget was overspent by £200,000 in financial year 11/12. As this project is one of the rolling programmes, the budget has been reduced this year accordingly from £1,121,000 to £921,000 in agreement with the Housing & Environment Service.

## **5.5 Additional items included in 12/13 Capital Plan**

### Duthie Park & Winter Gardens

51.1% of expenditure on this project is funded through Capital; however the debt charges are funded by the Common Good Fund, not the General Fund.

### Frederick Street Multi Storey Car Park

This item is the third and final Capital project relating to the sale of the Frederick Street car park site to NHS Grampian. The sale of this site and subsequent capital receipt was secured in March 2012. The construction of the multi storey car park is funded by a capital contribution from NHS Grampian and will have no impact on the General Fund.

## **5.6 Amended Profile for Item 759: School Estate Strategy**

At the City Council's Budget Meeting on 9 February 2012, a 3 year profile for the School Estate Strategy, covering the extension to Riverbank School and the replacement Bucksburn Newhills School was approved. As noted at that time the full profile could not be determined until officers carried out further work in relation to the necessary profiling for the Bucksburn / Newhills project. This work has now been completed and the spend profile for the next 3 years is:

2012 / 13:	£522,175
2013 / 14:	£1,214,530
2014 / 15:	£7,638,417

This means the budget for these three financial years has increased from £1,250 million to £9.375 million; however there will also be a capital contribution from Scottish Futures Trust of £4.125m to partially offset this additional expense.

In addition to the above costs there will be additional expenditure in the following two financial years as follows:

2015 / 16:	£2,555,102
2016 / 17:	£148,478

The total reprofiled cost of the project is £12,078,703.

It should be noted that the new school is programmed to be completed by 2015. It is recommended that the Committee approve this new profile.

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 15 March 2012.

8. REPORT AUTHOR DETAILS

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## Appendix A: Carry Forwards Requested

Item	Project	Final carry forward	Budget Holder
		<b>£'000</b>	
<b><u>Corporate Governance</u></b>			
630	Data Centre Move	175	Sandra Massey
769	Police - Capital Grant	998	Sandra Buthlay
<b><u>Education, Culture &amp; Sport</u></b>			
750	ICT Connectivity	34	Rosaleen Rentoul
751	Replacement MIS System	167	David Wright
<b><u>Enterprise, Planning &amp; Infrastructure</u></b>			
294	Corp Property Condition & Suitability Programme	310	Neil Esslemont
778	3R's Furniture, Fittings & Equipment and Other Works	50	Graeme Craig
791	Land Acquisition - Contingency	550	Stephen Booth
793A	Frederick Street Relocations - Crombie Road	43	Jim Forbes
<b><u>Housing &amp; Environment</u></b>			
766	Hill of Tramaud Landfill - Change of Law Costs	449	Pete Lawrence
779	Private Sector Housing Grant	(200)	Andy Pitblado
792	Duthie Park & Winter Gardens Replacement Greenhouses	4	Steven Shaw
<b><u>Social Care &amp; Wellbeing</u></b>			
691	Integrated Drugs Service	650	Tom Cowan
	<b>Total revised carry forward request</b>	<b>3,230</b>	

## Appendix B: Capital Spend to Date

Project Description	Budget Holder	Total Budget 12/13 £'000	Budget 13/14 £'000	Budget 14/15 £'000	Spend to May £'000
<b>Corporate Governance</b>					
Data Centre Move	Paul Fleming	175	0	0	0
Police - Capital Grant	Sandra Buthlay	1,705	651	954	0
<b>Total</b>		<b>1,880</b>	<b>651</b>	<b>954</b>	<b>0</b>
<b>Education, Culture &amp; Sport</b>					
Information Communication Technology Connectivity	Rosaleen Rentoul	34	0	0	1
Replacement Education Management Information System	David Wright	167	0	0	0
School Estate Strategy	Sharon McNut	250	1,000	tbc	0
Provision for Children with Complex Needs	Sharon McNut	771	5,722	6,393	0
Tullos Pool Refurbishment	David Wright	871	100	0	0
<b>Total</b>		<b>2,093</b>	<b>6,822</b>	<b>6,393</b>	<b>1</b>
<b>Enterprise, Planning &amp; Infrastructure</b>					
Corp Property Condition & Suitability Programme	Neil Esslemont	7,710	7,400	7,400	175
Cycling Walking Safer Streets Grant	Doug Ritchie	252	232	341	1
Access From the North	Tom Rogers	430	7,010	6,400	1
Western Peripheral Route	John Wilson	4,100	1,000	600	0
Corporate Office Accommodation	Hugh Murdoch	1,000	0	0	1
NESTRANS - Capital Grant	Joanna Murray	960	882	1,295	0
3R's Furniture, Fittings & Equipment and Other Works	Graeme Craig	50	0	0	13
Biomass Heating - Duthie Park Winter Gardens (CEEF)	Trevor Smith	0	0	0	0
Planned Renewal & Replacement of Road Infrastructure	Mike Cheyne	3,748	3,768	3,659	1
Land Acquisition - Contingency	Stephen Booth	650	0	0	0
Frederick Street Relocations - Crombie Road	Jim Forbes	43	0	0	149
Frederick Street Multi Storey Car Park	Ian Taylor	2,345	0	0	0
Hydrogen Buses	Jan Falconer	400	400	400	0
City Broadband	Jan Falconer	1,000	1,000	0	0
<b>Total</b>		<b>22,688</b>	<b>21,692</b>	<b>20,095</b>	<b>342</b>
<b>Housing &amp; Environment</b>					
Duthie Park & Winter Gardens - Cost Net of HLF	Steven Shaw	650	0	0	235
Ness Landfill Restoration	Peter Lawrence	4,000	0	0	74
Hill of Tramaud Landfill - Change of Law Costs	Peter Lawrence	449	0	0	0
Private Sector Housing Grant	Andy Pitblado	921	1,032	1,512	0
Duthie Park & Winter Gardens Replacement Greenhouses	Steven Shaw	4	0	0	3
Victoria House	Kenny Paterson	1,271	1,272	0	0
<b>Total</b>		<b>7,295</b>	<b>2,304</b>	<b>1,512</b>	<b>313</b>

<b>Project Description</b>	<b>Budget Holder</b>	<b>Total Budget 12/13 £'000</b>	<b>Budget 13/14 £'000</b>	<b>Budget 14/15 £'000</b>	<b>Spend to May £'000</b>
<b><i>Social Care &amp; Wellbeing</i></b>					
Integrated Drugs Service	Tom Cowan	650	0	0	0
Marchburn House	Shona Manson	912	0	0	0
	<b>Total</b>	<b>1,562</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total - All Services</b>	<b>35,518</b>	<b>31,469</b>	<b>28,954</b>	<b>656</b>

**Funding**

Capital Grant	Sandra Buthlay	(15,780)
Capital Fund (use of receipts)	Steve Whyte	(7,000)
Other Income	Steve Whyte	(9,280)

(32,060)