

COMMITTEE:	Finance and Resources
DATE:	12 November 2009
REPORT BY:	City Chamberlain
TITLE OF REPORT:	Non Housing Capital Programme 2009/2010 – Monitoring Report
REPORT NUMBER:	CG/11/120

1. PURPOSE OF REPORT

This report provides an update to Committee of the progress being made across all services on projects within the Non Housing Capital Programme as at 30 September 2009.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Consider and note the current position on the Non Housing Capital Programme for 2009/2010; and
- b) Approve the removal of previously approved funding from the Capital Fund in respect of ICT projects for which the sums required to complete individual projects are less than anticipated; and
- c) Instruct the City Chamberlain to continue to update the Committee, in consultation with the Corporate Directors, on the overall position of the Non Housing Capital Programme; and
- d) Instruct the City Chamberlain to continue to update each service committee, in conjunction with the Director, on the service's specific capital projects.

3. FINANCIAL IMPLICATIONS

- 3.1 The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. The General Fund has adequate resources available to finance the capital spend in 2009/2010.

- 3.2 The overall cost of capital is calculated on a council wide basis and therefore the impact on the council is included within this summary report. It is important that approved projects are managed and monitored in a robust way to ensure there is accuracy in relation to expenditure projections and thereby enable the council to calculate and evaluate the overall need for, and cost of, borrowing. To facilitate this process detailed information on a project by project basis is reported to each service committee.

4. SERVICE & COMMUNITY IMPACT

The Council operates within overall capital control mechanisms laid down by the Scottish Government as well as recommended accounting practice and policies in accordance with the Prudential Code.

5. OTHER IMPLICATIONS

Failure to invest adequately in the Council's asset base may lead to the Council not complying with current health and safety requirements. If the continuation of close budgetary control is not exercised and maintained the Council may operate out with the capital control mechanisms laid down by the Scottish Government in relation to the Prudential Code for the 2009/2010 Non Housing Capital Programme.

6. REPORT

- 6.1 The financial statement at Appendix 1 outlines the current position as at 30 September 2009. It should be noted that those projects deemed to be of a "rolling" nature have been excluded from the prior years spend.
- 6.2 The revised programme is now £91.879 million, prior to an allowance for project variations and slippage which has been estimated to reduce the programme by £27.564 million. Therefore, the total funded programme is currently £64.315 million.
- 6.3 The total payments made as at 30 September 2009 is approximately £14.103 million or 22% against the funded programme of £64.315 million. This is broadly in line with the pattern of spend in previous years with the trend for payment to be principally in the later periods of the year. Whilst this figure is relatively low it does not reflect commitments made through accepted tenders etc.
- 6.4 As elected members will appreciate, factors out with the control of the Council may result in project delays. Factors such as difficulties in acquiring land or delays in contractors beginning work can all contribute towards delays or slippage in spending profiles.

- 6.5 Based on feedback received to date from budget holders, it is currently projected that actual outturn will be £87.020 million. To ensure that the overall programme remains within the funded level, a further £22.327 million of slippage will require to be identified.
- 6.6 Based on information from previous years and the low level of spend to date, it is anticipated at this stage that this level of slippage is achievable. However, this will require to be closely monitored by budget holders during the year with details of projected spend being reported both the individual service committee's and within the overall report to this committee.
- 6.7 A review will be undertaken of the programme, in relation to funding and expenditure, to assess future trends and risks and to bring a closer alignment between spending and funding.
- 6.8 The Council previously agreed that £15 million of capital receipts held within the Capital Fund be utilised to fund a specific programme of capital works with an unused balance of £2.773 million remaining at 31 March 2009. This committee on 17 September 2009 approved the removal of a balance of £1.512 million, leaving an unused balance of £1.261 million.
- 6.9 A further review has identified £0.434 million in relation to ICT projects which is no longer required due to actual costs being less than previously anticipated. It is therefore recommended that the budgets for these projects be removed which will allow these funds to be used to either repay debt instalment or fund future capital expenditure as required. The removal of this budget will leave an unused balance of £0.827 million as per appendix 2.
- 6.10 Appendix 3 provides information on budget movements/revisions for the Non Housing Capital Budget since initially approved by Committee in May and June 2009.

7 AUTHORISED SIGNATURE

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8 REPORT AUTHOR DETAILS

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9 BACKGROUND PAPERS

Not applicable

Appendix 1

Non Housing Capital Programme Summary

	Total Project Cost	Prior Years Spend	Revised Budget 2009/2010	Projected Outturn 2009/2010	Actual Spend at September 2009	Variance Budget v Outturn	Estimated Budget 2010/2011	Estimated Budget 2011/2012	Estimated Budget 2012/2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure									
Corporate Governance	28,325	3,031	12,194	9,758	688	(2,976)	5,800	4,153	3,147
Education, Culture and Sport	93,214	36,231	21,477	21,740	6,147	263	10,429	16,021	9,056
Enterprise, Planning and Infrastructure	195,412	27,098	42,067	40,415	6,645	(1,652)	67,319	27,381	31,547
Housing and Environment	30,767	1,142	15,073	14,149	569	(924)	8,791	5,376	385
Social Care and Wellbeing	11,028	8,460	1,068	958	54	(110)	1,300	200	0
Expenditure	358,746	75,962	91,879	87,020	14,103	(5,399)	93,639	53,131	44,135
Add: Prior Year Slippage (60%)	0	0	0	0	0	0	16,538	19,832	13,133
Expenditure	358,746	75,962	91,879	87,020	14,103	(5,399)	110,177	72,963	57,268
Less: Slippage at 30%	0	0	(27,564)	(22,327)	0	5,399	(33,053)	(21,889)	(17,180)
Expenditure	358,746	75,962	64,315	64,693	14,103	0	77,124	51,074	40,088
Capital Fund Projects	13,518	12,257	1,261	827	15	(434)	0	0	0
Total Expenditure	372,264	88,219	65,576	65,520	14,118	(434)	77,124	51,074	40,088
Funding									
Supported Borrowing	n/a	n/a	10,321	10,321	5,423	0	10,321	10,321	10,321
Un-supported Borrowing	n/a	n/a	35,379	35,757	0	0	40,787	13,102	8,116
General Capital Grant	n/a	n/a	17,250	17,250	8,625	0	16,651	16,651	16,651
Specific Capital Grant	n/a	n/a	365	365	0	0	365	0	0
Capital Receipts – Sales	n/a	n/a	1,000	1,000	55	0	5,000	5,000	5,000
Capital Receipts – Other	n/a	n/a	0	0	0	0	4,000	6,000	0
Use of Capital Fund	n/a	n/a	1,261	827	15	(434)	0	0	0
Total Income	n/a	n/a	65,576	65,520	14,118	(434)	77,124	51,074	40,088
Projected Over/(Under) Spend	0	0	0	0	0	0	0	0	0

* Actual spend to September 2009 reflects payments made and processed.

Appendix 2

Projects Funded from the Capital Fund

		Budget £'000	Total Spend to Date £'000	Under / (Over) Spend £'000	Funding Required 2009/2010 £'000	Comment
1	ICT Schools	300	300	0	0	Complete
2	ICT Continuous Improvement	700	325	375	54	Various projects ongoing. Proposed to remove surplus funding.
3	Roads Investment	5,000	4,742	258	258	A full programme of works has been outlined and is ongoing.
4	Street Lighting	4,000	4,000	0	0	Complete
5	Repairs and Maintenance – Health & Safety	2,000	488	1,512	0	Removed (per Finance and Resources Committee 17/09/09).
6	Improvements to Play Parks	450	403	47	47	Various projects ongoing.
7	Improving DDA Access	375	370	5	0	Complete
8	Improvements to Car parks	250	206	44	0	Complete
9	George Street	575	468	107	107	Project has commenced and is ongoing.
10	Improvements to Public Toilets	250	163	87	87	A programme of toilet refurbishments is ongoing.
11	Small Environmental Improvements	100	180	(80)	0	Complete
12	ICT investment	200	176	24	24	Various projects ongoing.
13	CRM investment	550	451	99	0	Proposed to remove surplus funding.
14	Investment in Cleaning	250	0	250	250	Held due to requirement for additional vehicle parking facilities.
	Total	15,000	12,272	2,728	827	

Appendix 3

Budget Movements

	2009/10	2010/11	2011/12	2012/13
	£m	£m	£m	£m
Base budget				
- approved Council 20 May 2009	72.091	79.322	37.152	25.424
- approved Resources Management Committee 16 June 2009	15.951	14.553	16.713	19.246
Original Base Budget	88.042	93.875	53.865	44.670
Revisions				
- Customer First Programme – remove duplicate	(1.150)	(1.503)	(900)	(400)
- Project 218 Public Transport Infrastructure – remove duplicate	0	0	0	(100)
- Project 591 (PSE) – transfer to revenue	(0.032)	(0.033)	(34)	(35)
- approved Finance and Resources Committee 17 September 2009	200	1,300	200	0
- correction of previously overstated budgets (projects 657 and 663)	(6.415)	0	0	0
Revised Base Budget	80.645	93.639	53.131	44.135
Carry forward from Prior Year	11.774	16.538	19.832	13.133
- Project 277 (IT Infrastructure) – removal of amount included in error	(540)	0	0	0
Revised Budget including Carry Forward	91.879	110.177	72.963	57.268