

ABERDEEN CITY COUNCIL

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**COMMITTEE:** Finance and Resources  
**DATE:** 28 January 2010  
**REPORT BY:** City Chamberlain  
**TITLE OF REPORT:** Non Housing Capital Programme 2009/2010 –  
Monitoring Report  
**REPORT NUMBER:** CG/10/021

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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 November 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 future years; and
- b) Instruct the City Chamberlain to continue to update the Committee, in consultation with the Directors, on the overall position of the Non Housing Capital Programme; and
- c) 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 as any variation will impact on the Councils' General Fund revenue accounts.

#### 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 November 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 £92.772 million, prior to an allowance for project variations and slippage which has been estimated to reduce the programme by £27.832 million. Therefore, the total funded programme is currently £64.940 million.
- 6.3 The total payments made as at 30 November 2009 is approximately £26.642 million or 41% against the funded programme of £64.940 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 the actual outturn will be £69.304 million. To ensure that the overall programme remains within the funded level, a further £4.364 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 to the individual service committee's and within the overall report to this committee.
- 6.7 A review of the expected profile of expenditure over the period 2009/10 to 2012/13 is being undertaken for each project and will be reported to the relevant service committee and to this committee for formal consideration and approval of revised project costs if required.
- 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. Of the £15 million, a balance of £2.773 million remained unused as at 31 March 2009. This committee on 17 September 2009 and 12 November 2009 approved the removal of £1.946 million from the £2.773 million, leaving an unused balance of £0.827 million. This is reflected in Appendix 2.
- 6.9 Appendix 3 provides information on budget movements/revisions for the Non Housing Capital Budget since initially approved by Committee in May and June 2009.

## 6 AUTHORISED SIGNATURE

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## 7 REPORT AUTHOR DETAILS

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## 8 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 November 2009 *	Variance Budget v Outturn 2009/10	Estimated Budget 2010/2011	Estimated Budget 2011/2012	Estimated Budget 2012/2013	Variance from Original Project Cost
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>										
Corporate Governance	28,069	3,031	12,194	4,741	2,027	(7,453)	12,803	4,273	3,221	(256)
Education, Culture and Sport	94,935	40,550	20,499	19,560	9,715	(939)	11,235	14,980	8,610	984
Enterprise, Planning and Infrastructure	180,412	27,098	43,767	31,924	11,728	(11,843)	55,938	34,184	31,268	(16,700)
Housing and Environment	33,147	1,271	15,244	12,154	3,115	(3,090)	11,401	7,490	831	(524)
Social Care and Wellbeing	11,103	8,460	1,068	925	57	(143)	1,518	200	0	75
<b>Expenditure</b>	<b>347,666</b>	<b>80,410</b>	<b>92,772</b>	<b>69,304</b>	<b>26,642</b>	<b>(23,468)</b>	<b>92,895</b>	<b>61,127</b>	<b>43,930</b>	<b>16,421</b>
Add: Prior Year Slippage (60%)	0	0	0	0	0	0	2,618	17,192	14,098	0
<b>Expenditure</b>	<b>347,666</b>	<b>80,410</b>	<b>92,772</b>	<b>69,304</b>	<b>26,642</b>	<b>(23,468)</b>	<b>95,513</b>	<b>78,319</b>	<b>58,028</b>	<b>16,421</b>
Less: Slippage at 30%	0	0	(27,832)	(4,364)	0	23,468	(28,654)	(23,496)	(17,408)	0
<b>Expenditure</b>	<b>347,666</b>	<b>80,410</b>	<b>64,940</b>	<b>64,940</b>	<b>26,642</b>	<b>0</b>	<b>66,859</b>	<b>54,823</b>	<b>40,620</b>	<b>16,421</b>
Capital Fund Projects	13,084	12,257	1,261	827	15	(434)	0	0	0	0
<b>Total Expenditure</b>	<b>360,750</b>	<b>92,667</b>	<b>66,201</b>	<b>65,767</b>	<b>26,657</b>	<b>(434)</b>	<b>66,859</b>	<b>54,823</b>	<b>40,620</b>	<b>16,421</b>
<b>Funding</b>										
Supported Borrowing	n/a	n/a	10,321	10,321	10,321	0	10,321	10,321	10,321	n/a
Un-supported Borrowing	n/a	n/a	36,004	35,379	4,140	(625)	29,770	19,099	10,896	n/a
General Capital Grant	n/a	n/a	17,250	17,250	11,500	0	14,403	14,403	14,403	n/a
Specific Capital Grant	n/a	n/a	365	365	0	0	365	0	0	n/a
Capital Receipts – Sales	n/a	n/a	1,000	1,000	56	0	5,000	5,000	5,000	n/a
Capital Receipts - Contributions	n/a	n/a	0	625	625	625	4,000	6,000	0	n/a
Capital Receipts - Sponsorship	n/a	n/a	0	0	0	0	3,000	0	0	n/a
Use of Capital Fund	n/a	n/a	1,261	827	15	(434)	0	0	0	n/a
<b>Total Income</b>	<b>n/a</b>	<b>n/a</b>	<b>66,201</b>	<b>65,767</b>	<b>26,657</b>	<b>(434)</b>	<b>66,859</b>	<b>54,823</b>	<b>40,620</b>	<b>n/a</b>
<b>Projected Over/(Under) Spend</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Actual spend to November 2009 reflects payments made and processed.

## Appendix 2

### Projects Funded from the Capital Fund

		<b>Budget £'000</b>	<b>Total Spend to Date £'000</b>	<b>Under / (Over) Spend £'000</b>	<b>Funding Required 2009/2010 £'000</b>	<b>Comment</b>
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.
	<b>Total</b>	<b>15,000</b>	<b>12,272</b>	<b>2,728</b>	<b>827</b>	

## 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
<b>Original Base Budget</b>	<b>88.042</b>	<b>93.875</b>	<b>53.865</b>	<b>44.670</b>
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
- revision of previously overstated budgets (projects 657 and 663)	(6.415)	0	0	0
- re-profiling based on current information	0	(744)	7,996	(205)
<b>Revised Base Budget</b>	<b>80.645</b>	<b>92.895</b>	<b>61.127</b>	<b>43.930</b>
Carry forward from Prior Year	11.774	2.618	17.192	14.098
- Project 277 (IT Infrastructure) – removal of amount included in error	(540)	0	0	0
- Projects 556 (Rubislaw/Harlaw Playing Fields) – re-profile from previous years, no change to overall project budget	492	0	0	0
- Project 674 (Walker Road School Refurbishment) – re-profile from previous years, no change to overall project budget	401	0	0	0
<b>Revised Budget including Carry Forward</b>	<b>92.772</b>	<b>95.513</b>	<b>78.319</b>	<b>58.028</b>