

COMMITTEE: Finance and Resources
DATE: 11 May 2010
REPORT BY: City Chamberlain
TITLE OF REPORT: Non Housing Capital Programme 2009/2010 –
Monitoring Report
REPORT NUMBER: CG/10/068

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 31 March 2010.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Note this report on the current forecast out-turn on the Non Housing Capital Programme for 2009/2010 and projected budgets for future years; and
- b) Instruct the Head of Finance to report in due course on the actual out-turn following completion of the 2009/10 financial statements; and
- c) Approve the carry forward of unspent budgets from 2009/10 into 2010/11, as deemed necessary by the Head of Finance in consultation with Directors following the completion of the 2009/10 financial statements. Such carry forwards to remain within the overall level of budget previously approved and to be reported to Committee in due course.

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 projected 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 Council's 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 31 March 2010. 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 (ie. the anticipated underspend on the total programme which will "slip" from one year to the next), 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 31 March 2010 (as at 12 April 2010) is approximately £49.503 million or 76% against the funded programme of £64.940 million. This is broadly in line with the pattern of spend in previous years. Whilst this figure is relatively low it does not reflect year end accruals and recharges which have still to be finalised.
- 6.4 Based on feedback received to date from budget holders, it is currently projected that the actual outturn will be £65.446 million. To ensure that the overall programme remains within the funded level, a further £0.506 million of slippage will require to be identified.

- 6.5 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, once all end of year transactions are processed.
- 6.6 The funding of the programme in future years takes account of slippage from the previous year being carried forward into the following year. In previous years, following the finalisation of the financial statements, an exercise has been undertaken by the Head of Finance in consultation with Services to identify unspent budgets which require to be carried forward into the following year as part of the overall project capital costs. This has then been subject to Committee approval, normally in September, prior to such carry forward budgets being available to spend. As this causes a degree of operational difficulties for Services in managing their budgets, it is therefore recommended that Committee approval is given at this time to the carry forward of unspent budgets, within the overall project budget as deemed necessary by the Head of Finance in consultation with Directors.
- 6.7 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.
- 6.8 Appendix 3 provides information on budget movements/revisions for the Non Housing Capital Budget since initially approved by Committee in May and June 2009.

6.9 Conclusion

It is currently anticipated, based on spend to date and previous years trends, that the out-turn of the overall Non Housing Capital Programme will be within with the funding approved of £64.940 million.

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 March 2010 *	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
Expenditure										
Corporate Governance	27,746	3,031	12,194	3,177	2,916	(9,017)	14,128	4,204	3,206	(579)
Education, Culture and Sport	94,810	40,550	20,499	18,856	13,827	(1,643)	11,814	14,980	8,610	859
Enterprise, Planning and Infrastructure	168,466	24,662	43,626	30,921	26,167	(12,705)	57,739	28,886	26,258	(28,646)
Housing and Environment	32,979	1,271	15,385	12,277	6,413	(3,108)	10,353	7,602	1,476	(692)
Social Care and Wellbeing	11,038	8,460	1,068	215	180	(853)	2,223	200	0	10
Expenditure	335,039	77,974	92,772	65,446	49,503	(27,326)	96,257	55,872	39,550	(29,048)
Add: Prior Year Slippage (100%)	0	0	0	0	0	0	506	29,029	25,470	0
Expenditure	335,039	77,974	92,772	65,446	49,503	(27,326)	96,763	84,901	65,020	(29,048)
Less: Slippage at 30%	0	0	(27,832)	(506)	0	27,326	(29,029)	(25,470)	(19,506)	0
Expenditure	335,039	77,974	64,940	64,940	49,503	0	67,734	59,431	45,514	(29,048)
Capital Fund Projects	13,084	12,257	1,261	22	22	(1,239)	812	0	0	0
Total Expenditure	348,123	90,231	66,201	64,962	49,525	(1,239)	68,546	59,431	45,514	(29,048)
Funding										
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	33,280	18,208	(2,724)	33,987	10,609	17,618	n/a
General Capital Grant	n/a	n/a	17,250	17,250	17,250	0	13,286	13,286	13,286	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	1,946	1,946	946	2,775	19,215	4,289	n/a
Capital Receipts - Contributions	n/a	n/a	0	1,778	1,778	1,778	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	22	22	(1,239)	812	0	0	n/a
Total Income	n/a	n/a	66,201	64,962	49,525	(1,239)	68,546	59,431	45,514	n/a
Projected Over/(Under) Spend	0	0	0	0	0	0	0	0	0	0

– Actual spend to March 2010 reflects payments made and processed (as at 12 April 2010).

Appendix 2

Projects Funded from the Capital Fund

		Budget £'000	Total Spend to Date £'000	Under / (Over) Spend £'000	Funding Required £'000	Comment
1	ICT Schools	300	300	0	0	Complete
2	ICT Continuous Improvement	700	325	375	53	Various projects ongoing. Proposed to remove surplus funding.
3	Roads Investment	5,000	4,742	258	253	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	22	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	12,279	2,721	819	

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
- revision of previously overstated budgets (projects 657 and 663)	(6.415)	0	0	0
- re-profiling based on current information	0	2,418	2,941	(4,585)
- Project 715 (MTS-Berryden Road Improvements) – re-profiling	0	200	(200)	0
Revised Base Budget	80.645	96.257	55.872	39.550
Carry forward from Prior Year	11.774	0.506	29.029	25.470
- 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
Revised Budget including Carry Forward	92.772	96.763	84.901	65.020