

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE

14th June 2006

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| Agenda Item | |
| Report No | |

Near Final Capital Outturn Statement 2005/06

Report by the Director of Finance

SUMMARY

The purpose of this report is to provide a near final outturn position for the General Fund and HRA capital programmes for the year to 31st March 2006.

1. General Fund Capital Programme – Summary

- 1.1 This report sets out the overall capital programme monitoring position for Council for the year to 31st March 2006. The figures **are not final** as the Accounts closedown process is ongoing and adjustments may still be required. There may also be further adjustments as a result of the external audit process.
- 1.2 The General Fund Statement shows actual expenditure to 31st March 2006 of £47.025m against a budget of £51.975m and a consequent favourable variance of £4.950m
- 1.3 Members are reminded that financial year 2004/05 saw the introduction of the Prudential Code. There is increased flexibility as a result of the code, in that projects included in the current year's programme where slippage has occurred can be carried forward and included in expenditure plans for future years.
The favourable variance referred to above will therefore be carried forward in full to 2006/07.

2. Service Commentaries

- 2.1 The Education, Culture and Sport Service is showing a near final year end underspend of £3.422m against their programme of £16.338m. This underspend is due to planned roll forward funding on Tomnacross Primary school and legally committed expenditure on Grantown Grammar Sports Complex and Wick and Plockton synthetic turf pitches. Expenditure on the 2007 Highland Year of Culture is slower than anticipated although this does not affect the year end underspend position as funds are only released when required.
- 2.2 Transport, Environmental and Community Services have a near final year end overspend of £1.749m against their programme of £20.339m. As reported throughout the financial year, projects scheduled for 2006/07 were accelerated to meet European funding deadlines. This accelerated expenditure will relieve pressure on spending in future years.
- 2.3 The Social Work programme is showing a near final underspend of £0.219m against a target of £2.128m, due in the main to delays in starting the Easter Ross Children's centre project. The Service also has an additional carry forward of £1.9m in respect of Care

Home refurbishment.

- 2.4 Planning, Development, Europe and Tourism Services have a near final year end underspend of £0.448m on their programme. This is mainly due to slippage on the following; Dingwall – Invergordon All Abilities Route; Caithness Heritage Access Project; Core Path Network Development and Evanton Village Enhancements.
- 2.5 The Property and Architectural Services programme has a near final underspend position of £1.176m due to slippage in Disability Discrimination Act and other statutory compliance work. The Director provided a full report on the position at the April Committee meeting
- 2.6 The Chief Executive’s programme has a near final underspend position of £0.952m mainly due to slippage on the Thurso Town Hall project , delays in the Drummuie service point project and discontinuance of the Portree service point project.
- 2.7 The Discretionary Fund Budget underspend of £0.380m will be carried forward to 2006/07.

3. Housing Revenue Account (HRA) capital programme

- 3.1 Near final expenditure on the HRA exceeded the original budget by £0.886m. However capital receipts generated exceeded the target by £6.715m, allowing the overspend to be planned and accommodated. As a result of this increase usable capital receipts of £5.404 will now carried forward to 2006/07.

4. Conclusion

- 4.1 A significant carry forward from 2004/05 of £9.315m increased the resources available in 2005/06. Unfortunately total spending in this financial year was insufficient to make significant in roads in to previous years slippage figures and as a result the near final amount carried forward to 2006/07 stands at £8.664m.

RECOMMENDATION

The Committee is asked to note the near final outturn position of the General Fund and HRA capital programmes for financial year 2005/06.

Signature:

Designation: Director of Finance

Date: 2nd June 2006

Author: David Robertson, Head of Accounting (Ext: 2302)

THE HIGHLAND COUNCIL

Monitoring of Capital Expenditure - 1 April 2005 to 31 March 2006 Near Final

| General Fund Services | 2005/06 | | |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| | Budget | Actuals | Variance |
| | Net Expenditure £'000 | Net Expenditure £'000 | Net Expenditure £'000 |
| | | | |
| Education, Culture & Sport | 16,338 | 12,916 | (3,422) |
| Non HRA | 5,240 | 5,246 | 6 |
| Planning and Development | 969 | 521 | (448) |
| Social work | 2,128 | 1,909 | (219) |
| TEC Services | 20,339 | 22,088 | 1,749 |
| Strategic Property Management | 4,498 | 3,322 | (1,176) |
| Accommodation Rationalisation | 303 | 464 | 161 |
| Chief Executives | 1,428 | 476 | (952) |
| Payroll & Personnel Project | 352 | 83 | (269) |
| Discretionary Fund | 380 | 0 | (380) |
| | 51,975 | 47,025 | (4,950) |

| Funding | £'000 |
|---|---------------|
| Gross Capital Programme | 61,377 |
| Capital Income | (9,402) |
| Net Capital Programme | 51,975 |
| Capital Grants | (17,876) |
| Use of Capital Receipts | (1,092) |
| Capital Funded from Current Revenue | (246) |
| Capital Borrowing approval for 2005-06 | 32,761 |

%age Spend of Budget

| | |
|---------|--------|
| 2005-06 | 90.48% |
| 2004-05 | 79.96% |

| HRA | Budget £'000 | Actual to Date £'000 | Estimated Variance Net Expenditure £'000 |
|--|--------------|----------------------|--|
| Gross Budget | 13,276 | 14,162 | 886 |
| Sale of Council House Receipts | (10,319) | (17,034) | (6,715) |
| CFCR | (425) | 0 | 425 |
| Usable Capital Receipts carry forward from 2005/06 | (2,532) | (2,532) | 0 |
| Useable Capital Receipts carry forward to 2006/07 | 0 | (5,404) | (5,404) |