

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE

15th April 2009

Agenda Item	
Report No	

Capital Monitoring Statements 2008/09

Report by Depute Chief Executive and Director of Finance

SUMMARY

This report provides an overview of the General Fund and HRA capital programmes for the period to 28 February 2009 and the projected year end position for 2008/09.

1. Introduction

- 1.1 This report provides an overview of the progress to 28 February 2009 of the General Fund and HRA Capital programmes. The figures presented are the net budget, net expenditure to date and the estimated outturn and variance at the year end.

2. General Fund Capital Programme – Summary

- 2.1 The General Fund statement in the attached report shows net expenditure for the year to date of £54.863m. The total net programme budget is £67.612m.
- 2.2 The anticipated year end position is £63.026m which would be an underspend of £4.586m. This position is being closely monitored and if necessary future programmes will be changed to deal with the effect of any variances in this financial year.
- 2.3 The ECS capital budget is projected to under spend by £1.565m. There is slippage on a number projects including: refurbishment of extension block at Thurso High School; Acharacle Primary School; Maryburgh/Conon primary schools option appraisal; Tomnacross Primary School Extension and leisure facilities. Delays have also been encountered in the construction phase of the Mallaig Hostel due to adverse weather and ground conditions. Upgrades to the dining areas, flooring and the implementation of the cashless payment system within some schools have been delayed as the work could only be undertaken during school holidays. The schools' ICT programme has been put on hold pending the outcome of the corporate ICT contract negotiations. Contributions towards the UHI History Centre and the Halkirk Sports Facility have been deferred pending the outcome of grant condition discussions.
- 2.4 There are a number of projects which are projected to overspend in the current year due to accelerated project implementation including Lochaber High School; curricular equipment purchases for new schools; Farr Primary extension; Golspie Primary toilet block; Lochaline Primary and the major improvement projects. Work

is ongoing following the fire at the High School with the insurance claim being made in 2009/10 and the Nairn Community Centre project is complete. The previous delays within the Highland Archive Centre project have partly been recovered however the previous slippage has resulted in delays in drawing down some of the grant monies until 2009/10.

- 2.5 Other Housing (non HRA) anticipate being over budget by £0.020m due to rescheduling of work. The impact of this overspend will be addressed in the 2009/10 capital budget.
- 2.6 At the current time the estimated net outturn on the Planning & Development capital programme is under budget by £1.850m. Of this £1.360m is due to unspent grant income relating to the Vacant and Derelict Land Fund. The remainder is down to slippage. All slippage will however be legally committed by the end of the year and will be spent in 2009/10.
- 2.7 The Social Work service estimates an under spend at the year end of £0.020m. This is due to delays in commencing the project at Leault and the New Craigs resettlement and the new care home at Tain, however, some work on Dornie has been brought forward from 2009/10 which will reduce the underspend. There have also been delays on the Asset Improvement projects and some additional Fire Safety projects have been undertaken which has reduced the underspend. The underspend will be rolled forward into 2009/10.
- 2.8 The current estimate for the Transport, Environmental and Community Services' capital programme is a year end over spend of £0.018m. This very slight over spend has been created by the acceleration of projects into this financial year. This amount will be deducted from the capital programme of future years.
- 2.9 The budget for Strategic Property Management predicts an under spend of £0.485m at the end of the financial year due to £0.635m from delays of DDA work. Work on Health and Safety projects will be brought forward to partly compensate and will therefore be £0.150m over budget.
- 2.10 The budget for Drummie and office rationalisation has reduced in this financial year following the review of the capital receipts. However the charges for work in this year will be in line with the original budget, leading to a likely over spend of £0.403m, which will be addressed in future year's programmes when the receipt is received.
- 2.11 The Energy Management budget shows a projected under spend of £0.434m due to delays with three biomass boiler projects. The under spend will be available to the 2009/10 budget.
- 2.12 An under spend of £0.476m is anticipated in the Chief Executive's capital programme. The main elements of this are slippage on the Service Point network projects of £0.375; and slippage of £0.060m on community capital grants. Also it is anticipated that the recent transfer of £0.110m from the Capital Discretionary Fund for video conferencing facilities will not all be spent in 2008/09 financial year. The Caithness Horizon's Project is showing an overspend of £0.189m which will be funded from slippage in the Chief Executive's capital programme in this financial year. The impact of this will be considered as part of a future review of capital programmes.

3. Housing Revenue Account (HRA) Capital Programme

- 3.1 The attached report shows that the gross budget for HRA is £12.0m for 2008/09 with an under spend of £0.362m currently predicted. The level of borrowing in 2008/09 will be reduced as a direct result of this.

RECOMMENDATION

The Committee is asked to agree the financial position on the General Fund and HRA capital programmes as at 28th February 2009.

Signature:

Designation: Depute Chief Executive & Director of Finance

Date: 3 April 2009

Background Papers: Service Capital Budget Monitoring Statements

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Capital Expenditure Monitoring Report - Service Summary

1 April 2008 - 28 February 2009

	£000 Actual Net Year to Date	£000 Annual Net Budget	£000 Year End Net Outturn	£000 Year End Net Variance
GENERAL FUND				
Education Culture & Sport	21,995	27,096	25,531	(1,565)
Other Housing (Non HRA)	153	13	33	20
Planning & Development	(1,062)	1,190	-660	(1,850)
Social Work	2,421	4,070	4,050	(20)
Transport Environmental & Community Services	26,290	27,362	27,380	18
Strategic Property Management	2,934	4,780	4,295	(485)
Accommodation Rationalisation	619	372	775	403
Energy Management	649	1,434	1,000	(434)
Chief Executive's Office	864	1,098	622	(476)
Discretionary Fund	0	0	0	0
Unallocated	0	197	0	(197)
Total General Fund	54,863	67,612	63,026	(4,586)

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
Housing Revenue Account				
Gross Expenditure Budget	9,751	12,000	11,638	(362)
Sale of Council House Receipts	(6,325)	(8,795)	(6,796)	1,999
CFCR	0	(440)	(2,364)	(1,924)
Borrowing	(2,262)	(1,601)	(1,314)	287
Usable Capital Receipts carry forward from 2007/08	(1,164)	(1,164)	(1,164)	0
	0	0	0	0