

**THE HIGHLAND COUNCIL**

**RESOURCES COMMITTEE**

**11 June 2008**

Agenda Item	
Report No	

**Capital Monitoring Near Final Outturn 2007/08**

**Report by the Depute Chief Executive and Director of Finance**

**Summary**

This report provides an overview of the General Fund and HRA capital programmes for the year to 31 March 2008.

**1. Introduction.**

1.1 The purpose of this report is to present the near final outturn position of the 2007/08 capital programme. The figures presented are the net budget, net expenditure for the year and variance at the year end.

**2. General Fund Capital Programme – Summary**

2.1 The attached report shows the General Fund net capital budget for 2007/08 of £50.767m. This is a decrease of £0.903m on the position reported at the February Resources Committee. The decrease relates to changes in capital receipts applied to the 07/08 programme.

2.2 The General Fund statement in the attached report shows net expenditure in the year of £35.871m, resulting in an under spend of £14.896m on the programme for the year.

2.3 The near final outturn position on the ECS programme is an under spend of £8.339m. This consists of under spends on the ECS programme of £6.258m and on the H2007 programme of £2.081m. There is slippage on the schools projects including Acharacle, Aviemore, Tomacross, Maryburgh/Conon Bridge and on the Nairn Academy SEN Unit. In addition the PPP2 Curricular Equipment program under spend will be carried forward to match the opening of the new schools. These projects and their funding will be carried forward into next year's capital programme. The H2007 programme has progressed well overall but there have been delays with Ferrycroft/Lairg Auction Mart, Sutherland Sports Facility and Caithness Regional Sports Facility. The spend target for Highland Archive Centre has also fallen short but again the funding will be carried forward to allow completion in 2008/09.

2.4 The Planning, Environment and Development service has an underspend on their capital programme of £0.434m. The underspend largely relates to slippage which will be carried forward into 2008/09. The two major areas of slippage relate to the Core Path Network and the Caithness Heritage Access project.

2.5 The Social Work Service capital programme shows an under spend of £3.340m due to slippage in the programme resulting from a longer timeframe being needed to progress projects to tender stage. There have been delays in accessing expertise to assess mechanical and engineering works and in selecting contractors. This has resulted in delays in approval being granted to proceed with works. The underspend has increased since February due to lower than expected expenditure in respect of the

Dingwall Children's Unit, New Craigs Resettlement and Fire Safety Work. This under spend will be carried forward to 2008/09 and a revised capital programme incorporating the 5 new care homes will be presented to a future Housing and Social Work committee.

- 2.6 In Transport Environmental and Community Services there is an over spend of £1.891m for 2007/08. The predicted overspend at the end of February was £1.467m. The over spend at this time was attributed to the completion of the 2006 storm damage works. The further increase in the over spend was a result of acceleration on both the final phase of the A851 Broadford to Armadale road improvement and the new ferry terminal at Inverie.
- 2.7 The Strategic Property Management budget has an under spend of £1.320m at the end of the financial year, due to slippage on the Health and Safety and DDA budget lines.
- 2.8 The Accommodation Rationalisation programme has an estimated carry forward to 2008/09 of £1.145m.
- 2.9 The Energy Management budget will be underspent by £0.798m due to the use of the Energy Investment Fund to fund much of the work in this budget heading. The under spend on the capital programme will be carried forward to be used in 2008/09.
- 2.10 The year end position on the Chief Executive's budget is an under spend of £1.397m. The main factors contributing to this are: unbudgeted income in relation to Kyle Library and Service Point and rescheduling of projects into financial year 2008/09. The under spend will require to be carried into 2008/09 to fund this rescheduling.

### **3. Housing Revenue Account (HRA) capital programme**

- 3.1 The attached report shows that the gross expenditure for HRA was £12.665m, an over spend of £0.015m for 2007/08. This was funded by income, mainly from the sale of Council Houses, of £10.053m; contribution from current revenue of £0.779m and capital receipts brought forward from 2006/07 of £2.997m. The balance will be carried forward to supplement the 2008/09 allocation.

#### **RECOMMENDATION**

The Committee is asked to agree the financial position on the General Fund and HRA capital programmes as at 31 March 2008

Signature:

Designation: Depute Chief Executive and Director of Finance

Date: 2<sup>nd</sup> June 2008

Background Papers: Service capital budget monitoring statements

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## Capital Expenditure Monitoring Report - Service Summary

1 April 2007 - 31 March 2008

	£000 Actual Net Year to Date	£000 Annual Net Budget	£000 Year End Net Outturn	£000 Year End Net Variance
<b>GENERAL FUND</b>				
Education Culture & Sport	11,558	19,898	11,558	(8,340)
Other Housing (Non HRA)	128	141	128	(13)
Planning & Development	531	965	531	(434)
Social Work	1,992	5,332	1,992	(3,340)
Transport Environmental & Community Services	15,546	13,655	15,546	1,891
Strategic Property Management	3,072	4,392	3,072	(1,320)
Accommodation Rationalisation	1,949	3,094	1,949	(1,145)
Energy Management	35	833	35	(798)
Chief Executive's Office	1,060	2,457	1,060	(1,397)
<b>Total General Fund</b>	<b>35,871</b>	<b>50,767</b>	<b>35,871</b>	<b>(14,896)</b>

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
<b>Housing Revenue Account</b>				
Gross Expenditure Budget	12,665	12,650	12,665	15
Sale of Council House Receipts	(10,053)	(9,219)	(10,053)	(834)
CFCR	(779)	(434)	(779)	(345)
Usable Capital Receipts carry forward from 2006/07	(2,997)	(2,997)	(2,997)	0
<b>Usable Capital Receipts carry forward to 2008/09</b>	<b>(1,164)</b>	<b>0</b>	<b>(1,164)</b>	<b>(1,164)</b>